

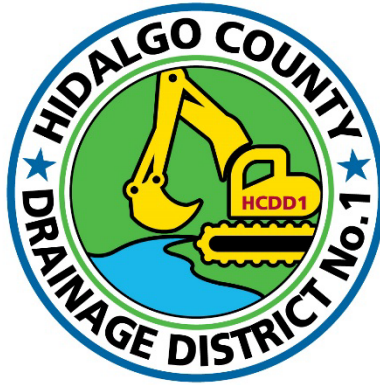
# HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

A Component Unit of County of Hidalgo, Texas

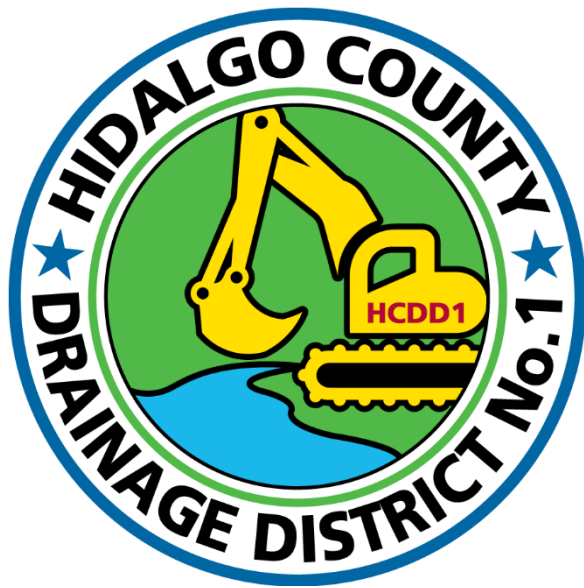
Annual Comprehensive Financial Report For  
the Fiscal Year Ended December 31, 2021

**Hidalgo County Drainage District No. 1**  
**A Component Unit of County of Hidalgo, Texas**

**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended**  
**December 31, 2021**



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



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**(A Component Unit of Hidalgo County, Texas)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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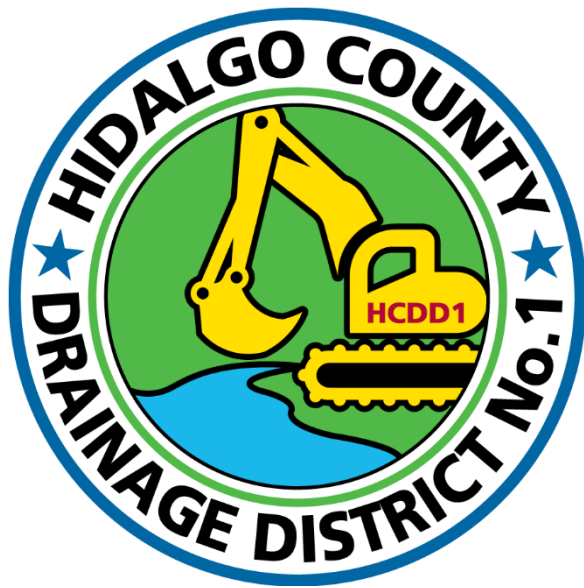
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**STATISTICAL SECTION**

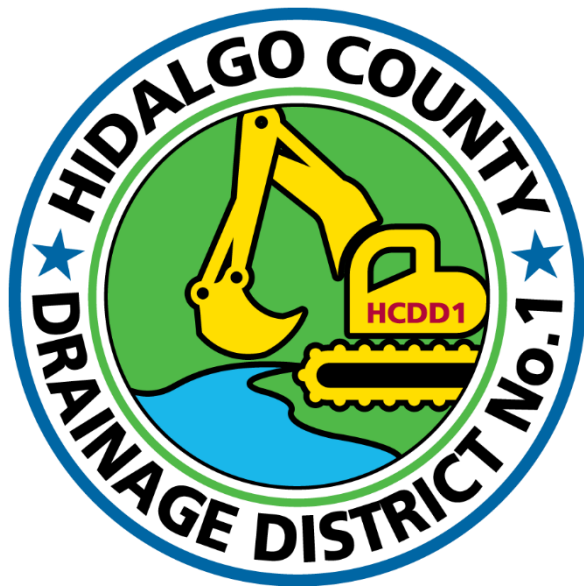
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This report is also available online at <http://www.hcdd1.org>



# INTRODUCTORY SECTION







## HIDALGO COUNTY DRAINAGE DISTRICT No. 1

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

District General Manager

Hidalgo County Floodplain Administrator

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### BOARD OF DIRECTORS

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DAVID L. FUENTES  
Board Member

EDUARDO "EDDIE" CANTU  
Board Member

RICHARD F. CORTEZ  
Chairman of the Board

EVERARDO "EVER" VILLARREAL  
Board Member

ELLIE TORRES  
Board Member

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July 27, 2022

The Honorable Richard Cortez, Chairman of the Board  
The Honorable David L. Fuentes, Board Member  
The Honorable Eduardo "Eddie" Cantu, Board Member  
The Honorable Joe M. Flores, Board Member  
The Honorable Ellie Torres, Board Member

Dear Board of Directors:

The Hidalgo County Drainage District No.1 (District) Annual Comprehensive Financial Report for the year ended December 31, 2021, is submitted herewith.

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

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

In 2002, the District initiated the implementation of Governmental Accounting Standards Board Statement Number 34 (GASB 34), *Basic Financial Statements – And Management's Discussion and Analysis – For State and Local Governments*. GASB Statement 34, labeled by GASB as "the most significant change in the history of government financial reporting," amends the financial reporting model to include supplementary information about an entity and fiscal health including the status of public infrastructure. This report for 2021 was prepared in accordance with this statement and is presented in the following three sections:

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

Burton, McCumber & Longoria, LLP, an independent certified public accounting firm, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the year ended December 31, 2021, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based on the independent audit performed by our external auditors, they concluded that there was a reasonable basis

for rendering an unmodified opinion that the District's financial statements for year ended December 31, 2021, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The Independent Auditors' Report is presented as the first component of the Financial Section of this report.

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

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

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

### **Internal Controls**

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

### **Budget and Fiscal Policy**

As a sound financial management practice, members of the Board consistently emphasize and maintain fifty percent of the unassigned fund balance levels of the District's main operating fund – General fund, to meet obligations of payroll and operating costs, thus assisting in maintaining financial stability for retaining or enhancing the District's bond ratings. The District also strives to maintain significant amounts to fund the repairs of structures in the event of excessive rainfalls, hurricanes or disasters that may occur during the year.

### **Cash Management**

The District invests its funds in investments authorized by Texas laws in accordance with investment policies approved by the Board of Directors. Under Texas Law, the District is required to invest its funds to primarily emphasize safety of principal and liquidity. The actual interest income in 2021 totaled \$396,990 a decrease of \$781,613 from the prior year total of \$1,178,603. Interest income has decreased due to the worldwide Covid-19 pandemic and interest rates almost at zero percent.

### **Capital Assets**

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

### **Risk Management and Insurance**

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

### **Economic Conditions and Outlook**

Hidalgo County, in which the District operates, is an attractive place to live and do business. With an estimated population of 880,356 people, Hidalgo County is the 8<sup>th</sup> most populated out of 254 Texas counties. Population since the 2010 Census has grown by 13.6% according to the U.S. Census. Also, the traditional agricultural and international based economy has increasingly diversified with education, health services, and government sector employment. Ecotourism has seen a recent growth in Hidalgo County attracting new travelers to this area for birding due to the prime location of the county along the transcontinental migratory flight paths. Also seeing a growth is the healthcare field, with the commitment of the University of Texas Rio Grande Valley's Medical School and Texas A&M campus in North McAllen. This will help in further diversifying in adding highly skilled employment to the trade centered economy in Hidalgo County.

The McAllen-Edinburg-Mission metropolitan area is the 35<sup>th</sup> fastest growing region in the nation from 2015 to 2020 according to Inspection Support Network. McAllen, which is the largest city in the County, has a current population of 143,920, according to U.S. Census. Edinburg has an estimated population of 102,483 and is considered the educational and technological capital of the Texas-Mexico border region. The unemployment rate as of December 2021 was 7.8% a decrease of 50% over 2020 primarily attributed to the rebounding from the Covid-19 Global Pandemic.

Hidalgo County provides factors which are considered to be an excellent quality of life, high-tech medical facilities, comprehensive financial services community, a demonstrated logistics advantage necessary to reach existing and new markets, and bicultural/bilingual population. According to the Census Bureau, the median household income for this area in 2021 estimate an average of \$41,846.

### **Current Developments and Programs**

On November 6, 2018, Hidalgo County voters passed a \$190 Million bond referendum to improve the District's drainage system. There were 37 individual projects identified to alleviate flooding issues throughout the District. As of December 31, 2021, all of the \$190 Million 2018 bond referendum have been sold. One project has been completed, seventeen projects are under construction, and five projects are at the bidding phase. Notable drainage projects that will be addressed with this bond referendum include:

#### Raymondville Main Drain Project

The Raymondville Drain Project currently exists as an authorized federal project with the US Army Corps of Engineers-Galveston District (USACE) as the Project for Flood Control, Lower Rio Grande Basin, Texas under Title IV, Section 401 of WRDA 1986, as amended by the Water Resources Development Act (WRDA) 2007. Major flooding problems exist in the areas drained by the Raymondville Drain because of significant urban growth that has occurred in recent years. The project will implement flood control improvements along an approximate 60-mile long channel alignment, including 12 miles of new ditch, major detention ponds, in-line detention, retention, hydraulic control structures, bridges, culverts and utility crossings. The District is the lead sponsor for the project working in partnership with the US Army Corps of Engineers. The District has a current agreement with the USACE, invoking provisions of general WRDS Section 211, whereby the District has taken over the USACE's portion of the project, anticipating reimbursement at the time of construction for the federal cost share of the project. Concurrently, the District is also pursuing congressional designation for the project to be a demonstration project under Section 211 (f), to ensure that reimbursement of the federal cost share could occur intermittently, as the planning documents-studies progress prior to construction. The project was ranked as the No. 1 project for the Lower Rio Grande Valley Regional Drainage Plan. It is anticipated that the project will get environmental clearance in 2022; portions of construction commenced in 2018 as well as parcel acquisition on various segments.

#### Delta Regional Reservoir

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



Mission/Palmview Lateral

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

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

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

South Lateral Drain and Las Milpas

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

Status of projects can also be found in the District's website [www.hcdd1.org](http://www.hcdd1.org).


**Award and Acknowledgements**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hidalgo County Drainage District No. 1 for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2020. This was the fourth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,  
Hidalgo County Drainage District No. 1



Raul E. Sesin, PE, CFM  
District General Manager



Lora Briones,  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Hidalgo County Drainage District #1  
Texas**

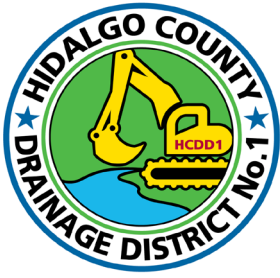
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

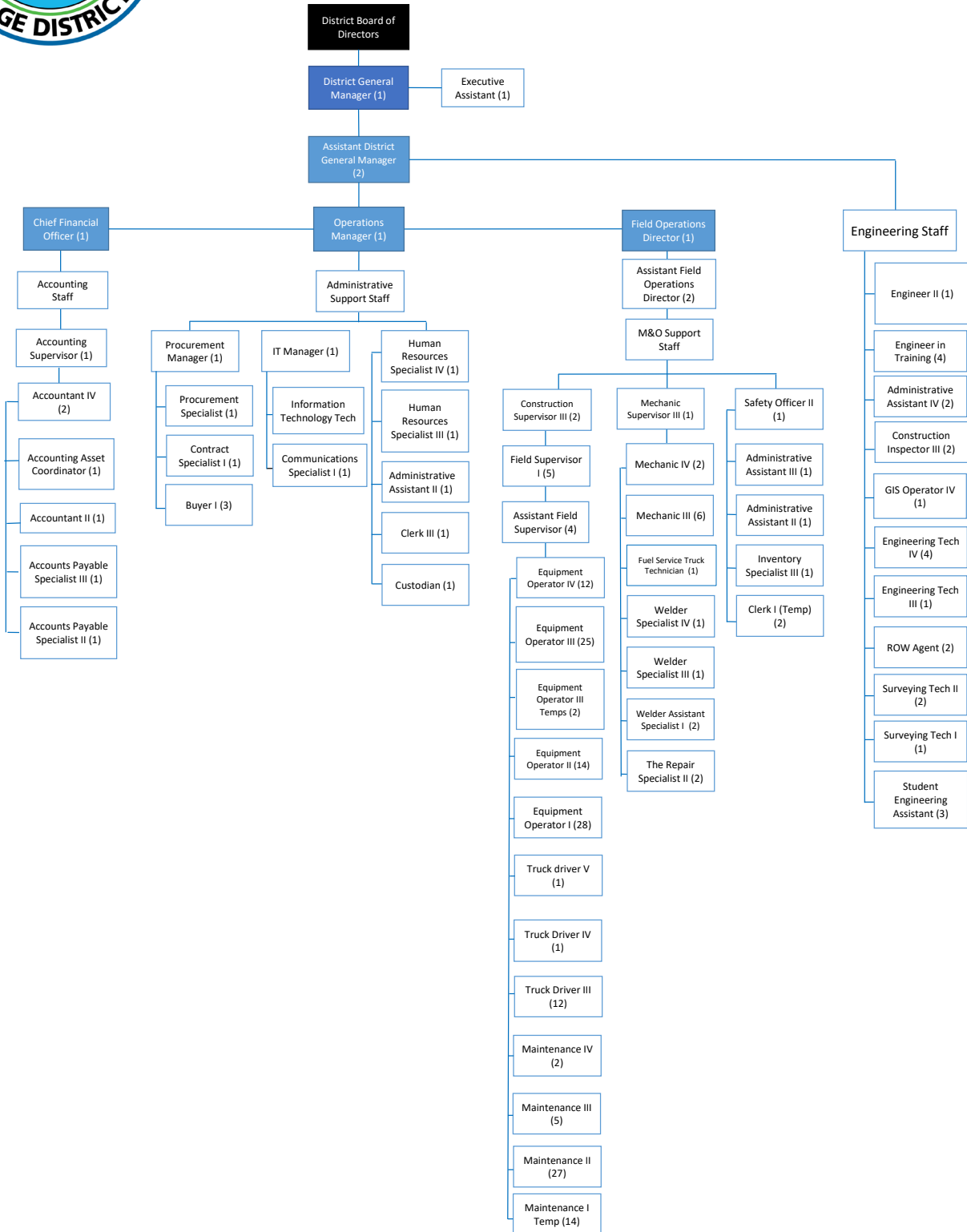
Executive Director/CEO





# HIDALGO COUNTY DRAINAGE DISTRICT No. 1

## Organizational Chart as of December 31, 2021



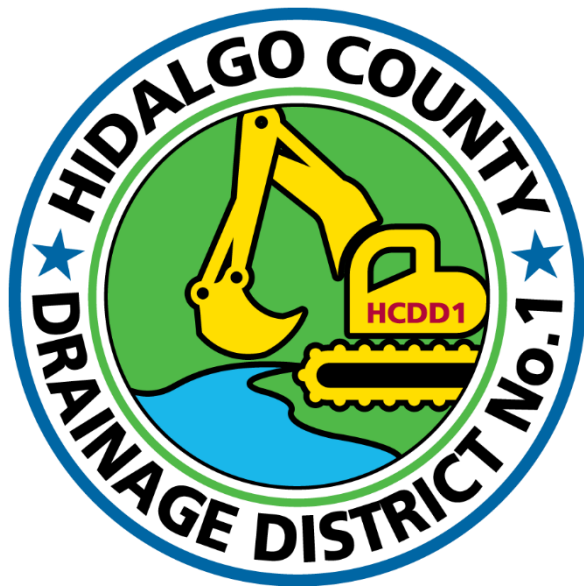
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**Governing Body**  
**As of December 31, 2021**

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**Principal Officials**  
**As of December 31, 2021**

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

# **INDEPENDENT AUDITORS' REPORT**





*The Right Choice.*

**BML**

McAllen • Brownsville

**Burton  
McCumber  
& Longoria, LLP**  
*CPAs & Advisors*

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hidalgo County Drainage District No. 1 (the District), a component unit of County of Hidalgo, Texas, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, OPEB liability and pension information on pages 18–24 and 65–68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and budgetary comparison schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

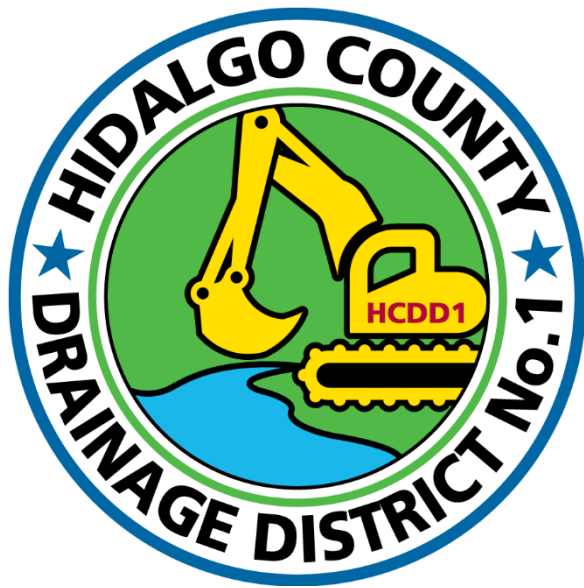
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Brenton McCall & Hargis, L.L.P.*

McAllen, Texas  
July 27, 2022



# **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**Hidalgo County Drainage District No. 1  
(A Component Unit of Hidalgo County, Texas)  
Management's Discussion and Analysis  
December 31, 2021**

Management's Discussion and Analysis (MD&A) of Hidalgo County Drainage District No. 1 (the District), Edinburg, Texas is intended to provide an overview of the District's financial position and results of operations for the fiscal year ended December 31, 2021. Please read it in conjunction with the letter of transmittal on page 3 and the District's financial statements, which begin on page 26.

**FINANCIAL HIGHLIGHTS**

**General Fund**

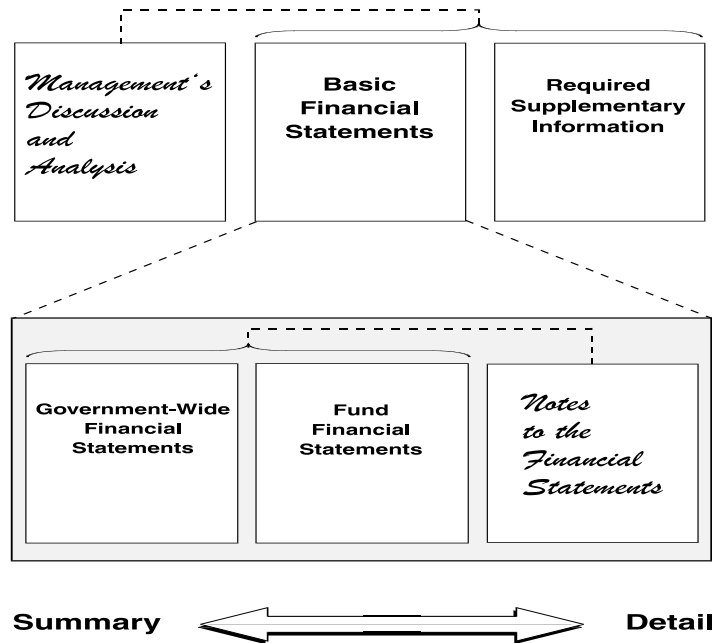
- At fiscal year-end, the unassigned fund balance in the general fund totaled \$18,476,750 which represents a \$719,083 increase from fiscal year 2020 primarily due to an increase of tax collections revenue.
- The collection of the 2020 tax levy for general fund increased to \$20,483,118, an increase of 11.0 percent primarily due to increase in overall property value assessments, the general fund revenues increased by \$2,844,498 to \$22,817,579, an increase of 14.2 percent over fiscal year 2020. The increase in revenues is mainly attributed to tax collection revenue that resulted from a higher tax levy.
- General fund expenditures increased by \$578,918 to \$20,530,298, an increase of 2.9 percent over fiscal year 2020.

**Government-Wide**

- The District's governmental activities reported expenses of \$29,045,015 net of program revenues totaling \$1,468,737. General revenues totaled \$50,367,700 resulting in an increase in net position of \$22,791,422.
- At fiscal year-end, the District's governmental activities reported combined total net position of \$155,126,887. A significant portion of net position is invested in capital assets or is restricted for specific purposes.

## USING THIS ANNUAL REPORT

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



## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

### **Government-Wide Financial Statements**

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

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

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



## Fund Financial Statements

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

- *Governmental funds* – all of the District's basic services are reported in governmental funds. The measurement focus and basis of accounting continues to be the modified accrual basis, which measures inflows and outflows of current financial resources and the balances left at year-end that are available for spending. The District's major governmental funds are the General Fund, 2019 Bond Series Capital Project Fund, 2021 Bond Series Capital Project Fund, 2021 A Taxable Bond Series Capital Project Fund, 2013 Bond Series Debt Service Fund, 2016 Refunding Bonds Debt Service Fund, 2019 Bond Series Debt Service Fund, and the 2021 A Taxable Bond Series Debt Service Fund. The reconciliations of the fund financial statements to the government-wide statements explain the differences between the governmental fund statements and the government-wide statements.

### Statement of Net Position (Government-Wide)

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

| <b>Assets:</b>                             | 2021                  | 2020                  |
|--|-----------------------|-----------------------|
| Current and other assets                   | \$ 256,944,867        | \$ 160,399,325        |
| Capital assets, net                        | 218,227,478           | 194,879,219           |
| Total assets                               | <u>475,172,345</u>    | <u>355,278,544</u>    |
| <br><b>Deferred Outflows of Resources:</b> |                       |                       |
| Deferred charges on refunding              | 1,599,616             | 2,432,510             |
| Deferred resources for pension             | 2,142,386             | 1,126,162             |
| Deferred resources for OPEB                | 564,696               | 533,949               |
| Total deferred outflows of resources       | <u>4,306,698</u>      | <u>4,092,621</u>      |
| <br><b>Liabilities:</b>                    |                       |                       |
| Long-term liabilities                      | 282,746,684           | 190,134,218           |
| Other liabilities                          | 10,136,358            | 9,457,373             |
| Total liabilities                          | <u>292,883,042</u>    | <u>199,591,591</u>    |
| <br><b>Deferred Inflows of Resources:</b>  |                       |                       |
| Deferred resources for pension             | 995,637               | 741,654               |
| Deferred resources for OPEB                | 1,089,294             | 1,233,226             |
| Deferred revenue for property taxes        | 29,384,183            | 25,469,229            |
| Total deferred inflows of resources        | <u>31,469,114</u>     | <u>27,444,109</u>     |
| <br><b>Net position:</b>                   |                       |                       |
| Net investment in capital assets           | 143,866,282           | 135,237,940           |
| Restricted                                 | 18,843,898            | 11,346,900            |
| Unrestricted                               | (7,583,293)           | (14,249,375)          |
| Total net position                         | <u>\$ 155,126,887</u> | <u>\$ 132,335,465</u> |

At the close of the current fiscal year, \$143,866,282 represents the portion the District has invested in capital assets (i.e., land, infrastructure, buildings, machinery and equipment), net of accumulated depreciation less any outstanding debt used to construct or acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending. At the end of the fiscal year, the District reported a positive balance of \$18,843,898 for the District's restricted net position that may be used to meet the ongoing obligations to citizens and creditors. The District's unrestricted net position increased to \$(7,583,293) in connection with the District's governmental activities related to the debt associated with Drainage Development Projects, Control Structures, and Weir Rehabilitation as well as capital outlays.

### Statement of Activities (Government-Wide)

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

|                                       | 2021                  | 2020                  |
|---------------------------------------|-----------------------|-----------------------|
| <b>Revenues:</b>                      |                       |                       |
| Program revenues:                     |                       |                       |
| Operating grants and contributions    | \$ 1,368,045          | \$ -                  |
| Charges for services                  | 100,692               | 99,380                |
| Total program revenues                | <u>1,468,737</u>      | <u>99,380</u>         |
| General revenues:                     |                       |                       |
| Property taxes                        | 48,776,231            | 38,720,572            |
| Interest income                       | 396,990               | 1,178,603             |
| Tax penalties and interest            | 995,881               | 876,768               |
| Miscellaneous                         | 215,283               | 196,664               |
| Gain/(Loss) on sale of capital assets | (16,685)              | 15,099                |
| Total general revenues                | <u>50,367,700</u>     | <u>40,987,706</u>     |
| Total revenues                        | <u>51,836,437</u>     | <u>41,087,086</u>     |
| <b>Expenses:</b>                      |                       |                       |
| General government                    | (4,611,785)           | (4,320,518)           |
| Drainage flood control                | (17,466,813)          | (15,610,610)          |
| Interest on long-term debt            | (6,966,417)           | (5,953,631)           |
| Total expenses                        | <u>(29,045,015)</u>   | <u>(25,884,759)</u>   |
| Increase (decrease) in net position   | 22,791,422            | 15,202,327            |
| Net Position - beginning              | <u>132,335,465</u>    | <u>117,133,138</u>    |
| Net Position - ending                 | <u>\$ 155,126,887</u> | <u>\$ 132,335,465</u> |

The District's general revenues totaled \$50,367,700. Property taxes contributed \$48,776,231, or 96.8% of total general revenues an increase of \$9,379,994 from last year primarily due to a 2.2 Billion or 6.1% increase in property valuations driven by increased real estate market values. The remaining 3.2% of general revenues was derived from interest, tax penalties and other sources. The decrease in interest income was due to low federal interest rates that averaged approximately .08% for the year. The total expenses for services totaled \$29,045,015 an Increase of \$3,160,256 from previous year primarily due to increases of in-house construction projects, fuel prices, and higher debt service payments. Expenditures necessary for the maintenance and operations of drainage facilities accounted for 60.1% of expenses. General governmental activities and interest on long-term debt expenses accounted for 15.9% and 24.0% percent of the total expenses, respectively.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Financial information is presented separately in the Balance

Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds for the District's major funds: General Fund, 2019 Bond Series Capital Project Fund, 2021 Bond Series Capital Project Fund, 2021 A Taxable Bond Series Capital Project Fund, 2013 Bond Series Debt Service Fund, 2016 Refunding Bonds Debt Service Fund, 2019 Bond Series Debt Service Fund, and the 2021 A Taxable Bond Series Debt Service Fund. Financial information for the non-major governmental funds is presented in single columns by fund type.

## General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance of the General Fund totaled \$19,744,935 which represents a \$823,764 increase from fiscal year 2020. The increase in fund balance was attributed to a combination of an increase of tax collection revenue, auction proceeds, less a transfer to debt service fund for the final payment of the South Detention Basin project.

Over the course of the year, the Board revised the District's budget. These budget amendments fall into three categories. The first category includes the appropriation of the prior year's remaining balance for new projects the Board took action on during 2021. The second category includes line item transfers within the department to cover underfunded line items. Finally, the Board approved budget amendments to certain line items (including: engineering, rentals, insurance, and other heavy equipment) to record expenditures that were necessary for maintenance and operations of the drainage systems.

The District experienced a negative variance for general government and drainage flood control between original and final budgets in the amount of \$4,145,048. Most of the variance came from the in house construction of drainage ditches that are not part of the bond funded projects.

The 2019 Bonds Series Capital Project Fund balance decreased by \$19,542,278 which was attributed to the ongoing engineering, land acquisitions, and construction costs of the 37 identified projects. The new 2021 Bonds Series Capital Project Fund and 2021 A Taxable Bonds Series Capital Project Fund balances were \$33,862,374 and 50,125,678. The 2013 Bond Series Debt Service Fund, 2016 Refunding Bonds Debt Service Fund, and the 2019 Bond Series Debt Service Fund, increased by \$113,767, \$153,997, and \$123,370 which were attributed to property tax revenues exceeding debt service payments for principal and interest. The 2021 A Taxable Bond Series Debt Service Fund had no fund balance.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2021, the District had \$218,227,478 invested in capital assets, including land and easements, infrastructure, construction in progress, buildings and renovations, and machinery and equipment. Land, easements and construction in progress are not depreciated. Additional information on the District's capital assets can be found in the notes to the financial statements (See Note F).

|                           | Capital assets at year-end<br>(Net of depreciation) |                       |
|---------------------------|---|-----------------------|
|                           | 2021  | 2020                  |
| Land and easements        | \$ 34,346,141                                       | \$ 31,964,342         |
| Construction in progress  | 82,929,797  | 74,286,762            |
| Infrastructure            | 85,847,063  | 73,661,975            |
| Buildings and renovations | 2,846,441   | 2,952,435             |
| Machinery and equipment   | 12,258,036  | 12,013,705            |
| Total                     | <u>\$ 218,227,478</u>                               | <u>\$ 194,879,219</u> |

## Outstanding Debt

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

| Outstanding Debt at Year-End |                       |                       |
|------------------------------|-----------------------|-----------------------|
|                              | 2021                  | 2020                  |
| Bond Series 2013             | 48,835,000            | 52,245,000            |
| Refunding Bond 2014          | 7,665,000             | 7,665,000             |
| Refunding Bond 2016          | 34,410,000            | 39,625,000            |
| Bond Series 2019             | 70,080,000            | 72,815,000            |
| Bond Series 2021 Taxable FIF | 22,869,000            | -                     |
| Bond Series 2021             | 29,570,000            | -                     |
| Bond Series 2021 A Taxable   | 49,910,000            | -                     |
| Notes Payable                | -                     | 1,660,000             |
| Compensated Absences         | 400,099               | 407,580               |
|                              | <u>\$ 263,739,099</u> | <u>\$ 174,417,580</u> |

Additional debt information can be found on Note G Long-Term Liabilities beginning on page 50.

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

The 2022 Levy experienced almost a 2.8 billion dollar increase in the appraised valuation from prior years, due in part to the growth of the economy and the supply of available homes for sale. The District will continue maintenance and expansion of its facilities as well as new projects as Hidalgo County's population and infrastructure needs continue to grow.

The Board of Directors considered these factors when setting the budget requirements for fiscal year 2022. A Balanced Budget was approved with revenues and expenditures for 2022 totaling \$23,277,750 available for appropriation in the General Fund budget. The District passed a tax rate of .1264 per \$100 valuation for the 2022 budget year. The 2022 budget year includes additional employees. Other operational expenditures were evaluated and adjusted, including items that have been affected by economic trends and other items used for emergencies. Capital improvements are in the future plans of the District for the 2022 fiscal year.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

# **BASIC FINANCIAL STATEMENTS**

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

**EXHIBIT A-1**

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>ASSETS</b>  |                            |
| Cash and cash equivalents                            | \$ 213,456,472             |
| Receivables<br>(net of allowance for uncollectibles) |                            |
| Property taxes                                       | 29,384,096                 |
| Other accounts                                       | 138,325                    |
| Due from other governments                           | 13,960,293                 |
| Prepaid items  | 5,681                      |
| Capital assets, not being depreciated                |                            |
| Land and easements                                   | 34,346,141                 |
| Construction in progress                             | 82,929,797                 |
| Capital assets (net of accumulated depreciation)     |                            |
| Infrastructure                                       | 85,847,063                 |
| Buildings and renovations                            | 2,846,441                  |
| Machinery and equipment                              | 12,258,036                 |
| <b>Total assets</b>                                  | <u>475,172,345</u>         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                |                            |
| Deferred charges on refunding                        | 1,599,616                  |
| Deferred resources for pension                       | 2,142,386                  |
| Deferred resources for OPEB                          | 564,696                    |
| <b>Total deferred outflows of resources</b>          | <u>4,306,698</u>           |
| <b>LIABILITIES</b>                                   |                            |
| Accounts payable                                     | 4,330,898                  |
| Salaries and benefits payable                        | 646,077                    |
| Retainage payable                                    | 1,661,619                  |
| Due to other governments                             | 347,865                    |
| Unearned revenue                                     | 236,235                    |
| Accrued interest                                     | 2,838,374                  |
| Other liabilities                                    | 75,290                     |
| Long-term liabilities:                               |                            |
| Due within one year                                  |                            |
| Bond Series 2013                                     | 3,904,334                  |
| Bond Series 2014                                     | 88,108                     |
| Bond Series 2016                                     | 6,266,299                  |
| Bond Series 2019                                     | 3,857,059                  |
| Bond Series 2021 Taxable FIF                         | 615,000                    |
| Bond Series 2021                                     | 987,063                    |
| Bond Series 2021 A Taxable                           | 8,998,028                  |
| Compensated absences                                 | 33,812                     |
| Due in more than one year                            |                            |
| Bond Series 2013                                     | 45,414,526                 |
| Bond Series 2014                                     | 7,946,704                  |
| Bond Series 2016                                     | 30,978,605                 |
| Bond Series 2019                                     | 73,702,360                 |
| Bond Series 2021 Taxable FIF                         | 22,254,000                 |
| Bond Series 2021                                     | 33,153,244                 |
| Bond Series 2021 A Taxable                           | 41,578,924                 |
| Compensated absences                                 | 366,287                    |
| Net pension  | 1,282,341                  |
| Other post employment benefits                       | 1,319,990                  |
| <b>Total liabilities</b>                             | <u>292,883,042</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |                            |
| Deferred resources for pension                       | 995,637                    |
| Deferred resources for OPEB                          | 1,089,294                  |
| Deferred revenues-property taxes                     | 29,384,183                 |
| <b>Total deferred inflows of resources</b>           | <u>31,469,114</u>          |
| Net investment in capital assets                     | 143,866,282                |
| Restricted for:                                      |                            |
| Debt service   | 18,842,644                 |
| Grants   | 1,254                      |
| Unrestricted   | (7,583,293)                |
| <b>Total net position</b>                            | <u>\$ 155,126,887</u>      |

The accompanying notes are an integral part of this statement.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

**EXHIBIT A-2**

| Functions\ Programs                   | Expenses               | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Changes in Net<br>Position |
|---------------------------------------|------------------------|-------------------------|--|--|--|
|                                       |                        | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions |  |
| <b>Governmental Activities:</b>       |                        |                         |  |  |  |
| General government                    | \$ (4,611,785)         | \$ -                    | \$ -                                     | \$ -                                   | \$ (4,611,785)   |
| Drainage flood control                | (17,466,813)           | 100,692                 | 1,368,045                                | -                                      | (15,998,076)   |
| Interest on long-term debt            | (6,966,417)            | -                       | -  | -                                      | (6,966,417)  |
| <b>Total Governmental Activities</b>  | <b>\$ (29,045,015)</b> | <b>\$ 100,692</b>       | <b>\$ 1,368,045</b>                      | <b>\$ -</b>                            | <b>\$ (27,576,278)</b>                                     |
| <b>General Revenues:</b>              |                        |                         |  |  |  |
| Property taxes                        |                        |                         |  |  | 48,776,231   |
| Interest income                       |                        |                         |  |  | 396,990  |
| Tax penalties and interest            |                        |                         |  |  | 995,881  |
| Miscellaneous                         |                        |                         |  |  | 215,283  |
| Gain (Loss) on sale of capital assets |                        |                         |  |  | (16,685)   |
| <b>Total General Revenues</b>         |                        |                         |  |  | <b>50,367,700</b>  |
| Change in Net Position                |                        |                         |  |  | 22,791,422   |
| <b>Net Position - Beginning</b>       |                        |                         |  |  | <b>132,335,465</b>   |
| <b>Net Position - Ending</b>          |                        |                         |  |  | <b>\$ 155,126,887</b>                                      |

The accompanying notes are an integral part of this statement.

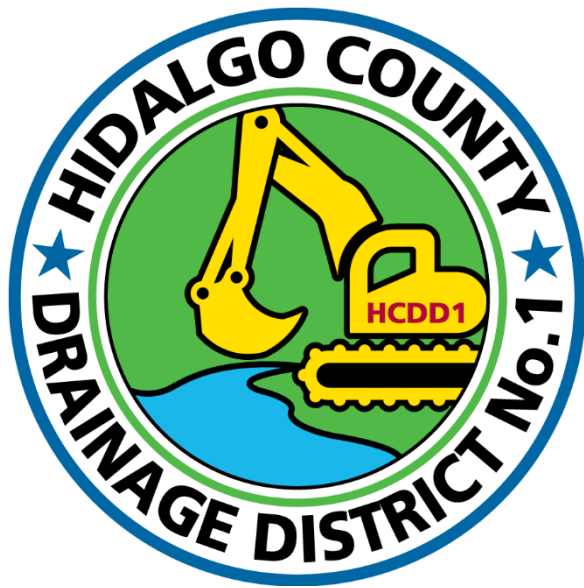
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

|  | General Fund         | 2019<br>Bond<br>Series<br>Capital Project<br>Fund | 2021<br>Bond<br>Series<br>Capital<br>Projects Fund | 2021 A<br>Taxable Bond<br>Series<br>Capital<br>Projects Fund |
|--|----------------------|---|--|--|
| <b>ASSETS</b>  |                      |   |  |  |
| Cash and cash equivalents  | \$ 33,071,344        | \$ 50,100,556                                     | \$ 33,842,718                                      | \$ 50,192,064  |
| Receivables<br>(net of allowance for uncollectibles)             |                      |   |  |  |
| Property taxes   | 12,340,961           | -   | -  | -  |
| Other accounts   | 133,000              | -   | -  | -  |
| Due from other governments                                       | 13,818,423           | -   | -  | -  |
| Due from other funds   | 98,515               | 229,221   | 19,656   | 9,845  |
| Advance to other funds   | 100,000              | -   | -  | -  |
| Prepaid items  | 5,681                | -   | -  | -  |
| <b>Total Assets</b>  | <b>\$ 59,567,924</b> | <b>\$ 50,329,777</b>                              | <b>\$ 33,862,374</b>                               | <b>\$ 50,201,909</b>   |
| <b>LIABILITIES, DEFERRED INFLOWS,<br/>AND FUND BALANCES</b>      |                      |   |  |  |
| <b>Liabilities:</b>  |                      |   |  |  |
| Accounts payable   | \$ 573,349           | \$ 2,496,985                                      | \$ -   | \$ 68,608  |
| Salaries and benefits payable                                    | 646,077              | -   | -  | -  |
| Held in escrow   | 75,290               | -   | -  | -  |
| Retainage payable  | 67,702               | 1,354,094   | -  | 7,623  |
| Due to other governments   | -                    | -   | -  | -  |
| Due to other funds   | 15,222,024           | 92,477  | -  | -  |
| Advance from other funds   | -                    | -   | -  | -  |
| Unearned revenue   | 188,662              | -   | -  | -  |
| <b>Total Liabilities</b>   | <b>16,773,104</b>    | <b>3,943,556</b>                                  | <b>-</b>   | <b>76,231</b>  |
| <b>Deferred inflows of resources:</b>                            |                      |   |  |  |
| Unavailable revenue- property taxes                              | 10,708,924           | -   | -  | -  |
| Deferred revenue-property taxes                                  | 12,340,961           | -   | -  | -  |
| <b>Total deferred inflows of resources</b>                       | <b>23,049,885</b>    | <b>-</b>  | <b>-</b>   | <b>-</b>   |
| <b>Fund Balances:</b>  |                      |   |  |  |
| Non-spendable:   |                      |   |  |  |
| Prepaid items  | 5,681                | -   | -  | -  |
| Restricted:  |                      |   |  |  |
| Special revenue  | -                    | -   | -  | -  |
| Capital projects   | -                    | 46,386,221  | 33,862,374   | 50,125,678   |
| Debt service   | -                    | -   | -  | -  |
| Assigned   | 1,262,504            | -   | -  | -  |
| Unassigned   | 18,476,750           | -   | -  | -  |
| <b>Total Fund Balances</b>                                       | <b>19,744,935</b>    | <b>46,386,221</b>                                 | <b>33,862,374</b>                                  | <b>50,125,678</b>  |
| <b>Total Liabilities, Deferred Inflows<br/>and fund balances</b> | <b>\$ 59,567,924</b> | <b>\$ 50,329,777</b>                              | <b>\$ 33,862,374</b>                               | <b>\$ 50,201,909</b>   |

The accompanying notes are an integral part of this statement.



| 2013<br>Bond Series<br>Debt Service<br>Fund | 2016<br>Refunding<br>Bonds<br>Debt Service<br>Fund | 2019<br>Bond Series<br>Debt Service<br>Fund | 2021 A<br>Taxable Bond<br>Series<br>Debt Service<br>Fund | Total<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|---|--|---|--|----------------------------|--------------------------------|
| \$ 1,290,402                                | \$ 948,508   | \$ 795,051                                  | \$ -   | \$ 43,215,829              | \$ 213,456,472                 |
| 3,090,692                                   | 4,115,672  | 3,041,800                                   | 5,025,613  | 1,769,358                  | 29,384,096                     |
| -   | -  | -   | -  | 5,325                      | 138,325                        |
| -   | -  | -   | -  | 141,870                    | 13,960,293                     |
| 2,663,746                                   | 3,533,477  | 2,919,572                                   | 4,704,067  | 1,371,661                  | 15,549,760                     |
| -   | -  | -   | -  | -                          | 100,000                        |
| -   | -  | -   | -  | -                          | 5,681                          |
| <u>\$ 7,044,840</u>                         | <u>\$ 8,597,657</u>                                | <u>\$ 6,756,423</u>                         | <u>\$ 9,729,680</u>                                      | <u>\$ 46,504,043</u>       | <u>\$ 272,594,627</u>          |
| \$ -  | \$ -   | \$ -  | \$ -   | \$ 1,191,956               | \$ 4,330,898                   |
| -   | -  | -   | -  | -                          | 646,077                        |
| -   | -  | -   | -  | -                          | 75,290                         |
| -   | -  | -   | -  | 232,200                    | 1,661,619                      |
| -   | -  | -   | -  | 347,865                    | 347,865                        |
| -   | -  | -   | -  | 235,259                    | 15,549,760                     |
| -   | -  | -   | -  | 100,000                    | 100,000                        |
| -   | -  | -   | -  | 47,573                     | 236,235                        |
| <u>-</u>                                    | <u>-</u>   | <u>-</u>                                    | <u>-</u>   | <u>2,154,853</u>           | <u>22,947,744</u>              |
| 2,588,550                                   | 3,432,782  | 2,836,620                                   | 4,704,067  | 1,365,572                  | 25,636,515                     |
| 3,090,693                                   | 4,115,761  | 3,041,799                                   | 5,025,613  | 1,769,356                  | 29,384,183                     |
| <u>5,679,243</u>                            | <u>7,548,543</u>                                   | <u>5,878,419</u>                            | <u>9,729,680</u>   | <u>3,134,928</u>           | <u>55,020,698</u>              |
| -   | -  | -   | -  | -                          | 5,681                          |
| -   | -  | -   | -  | 1,254                      | 1,254                          |
| -   | -  | -   | -  | 40,590,670                 | 170,964,943                    |
| 1,365,597                                   | 1,049,114  | 878,004                                     | -  | 622,338                    | 3,915,053                      |
| -   | -  | -   | -  | -                          | 1,262,504                      |
| -   | -  | -   | -  | -                          | 18,476,750                     |
| <u>1,365,597</u>                            | <u>1,049,114</u>                                   | <u>878,004</u>                              | <u>-</u>   | <u>41,214,262</u>          | <u>194,626,185</u>             |
| <u>\$ 7,044,840</u>                         | <u>\$ 8,597,657</u>                                | <u>\$ 6,756,423</u>                         | <u>\$ 9,729,680</u>                                      | <u>\$ 46,504,043</u>       | <u>\$ 272,594,627</u>          |



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

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 DECEMBER 31, 2021

Total fund balance - balance sheet governmental funds \$ 194,626,185

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

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

Those assets consist of:

|                           |                   |             |
|---------------------------|-------------------|-------------|
| Land and easements        | 34,346,141        |             |
| Construction in progress  | 82,929,797        |             |
| Infrastructure            | 85,847,063        |             |
| Buildings and renovations | 2,846,441         |             |
| Machinery and equipment   | <u>12,258,036</u> | 218,227,478 |

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

|           |                |           |
|-----------|----------------|-----------|
| Refunding | 1,599,616      |           |
| Pensions  | 2,142,386      |           |
| OPEB      | <u>564,696</u> | 4,306,698 |

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

25,636,515

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

|  |                    |               |
|--|--------------------|---------------|
| Accrued interest                                 | (2,838,374)        |               |
| Bond Series 2013 - face value                    | (48,835,000)       |               |
| Bond Series 2013 - unamortized premium           | (483,860)          |               |
| Bond Series 2014 - face value                    | (7,665,000)        |               |
| Bond Series 2014 - unamortized premium           | (369,812)          |               |
| Bond Series 2016 - face value                    | (34,410,000)       |               |
| Bond Series 2016 - unamortized premium           | (2,834,904)        |               |
| Bond Series 2019 - face value                    | (70,080,000)       |               |
| Bond Series 2019 - unamortized premium           | (7,479,419)        |               |
| Bond Series 2021 Taxable FIF                     | (22,869,000)       |               |
| Bond Series 2021 - face value                    | (29,570,000)       |               |
| Bond Series 2021 - unamortized premium           | (4,570,307)        |               |
| Bond Series 2021 A Taxable - face value          | (49,910,000)       |               |
| Bond Series 2021 A Taxable - unamortized premium | (666,952)          |               |
| Compensated absences                             | (400,099)          |               |
| Pension  | (1,282,341)        |               |
| Other post employment benefits                   | <u>(1,319,990)</u> | (285,585,058) |

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

|                    |                    |
|--------------------|--------------------|
| (995,637)          |                    |
| <u>(1,089,294)</u> | <u>(2,084,931)</u> |

Total net position of governmental activities

\$ 155,126,887

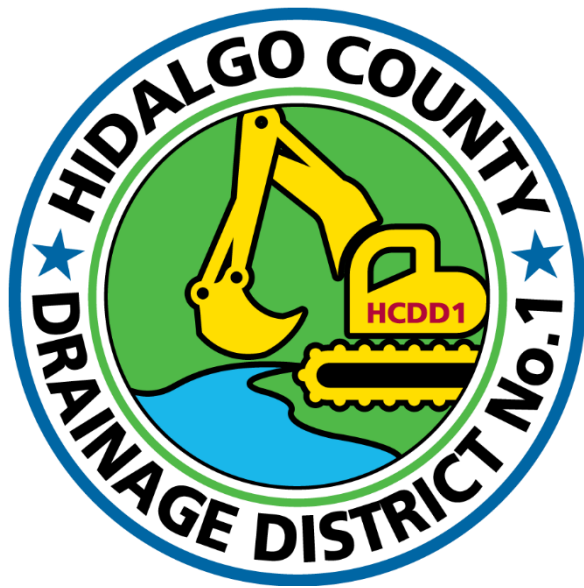
The accompanying notes are an integral part of this statement.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|  | General Fund         | 2019<br>Bond<br>Series<br>Capital<br>Projects Fund | 2021<br>Bond<br>Series<br>Capital<br>Projects Fund | 2021 A<br>Taxable Bond<br>Series<br>Capital<br>Projects Fund |
|--|----------------------|--|--|--|
| <b>REVENUES</b>  |                      |  |  |  |
| Property taxes   | \$ 21,704,872        | \$ -   | \$ -   | \$ -   |
| Intergovernmental  | 673,751              | -  | -  | -  |
| Charges for services   | 100,692              | -  | -  | -  |
| Interest   | 129,958              | 72,550   | 29,188   | 73,538   |
| Miscellaneous  | 208,306              | 3  | -  | -  |
| <b>Total revenues</b>  | <u>22,817,579</u>    | <u>72,553</u>                                      | <u>29,188</u>                                      | <u>73,538</u>  |
| Interest   |                      |  |  |  |
| <b>EXPENDITURES</b>  |                      |  |  |  |
| Current:   |                      |  |  |  |
| General government   | 4,611,785            | -  | -  | -  |
| Drainage flood control                                       | 12,004,873           | -  | -  | -  |
| Debt service:  |                      |  |  |  |
| Principal  | -                    | -  | -  | -  |
| Interest   | -                    | -  | -  | -  |
| Issuance cost and fiscal charges                             | 160,000              | -  | 346,334  | 454,304  |
| Capital Outlay:  |                      |  |  |  |
| General government   | 34,650               | -  | -  | -  |
| Drainage flood control                                       | 3,718,990            | 19,614,831   | -  | 76,230   |
| <b>Total expenditures</b>                                    | <u>20,530,298</u>    | <u>19,614,831</u>                                  | <u>346,334</u>                                     | <u>530,534</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | 2,287,281            | (19,542,278)                                       | (317,146)  | (456,996)  |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                      |  |  |  |
| Transfers in   | -                    | -  | -  | -  |
| Transfers out  | (1,660,000)          | -  | -  | -  |
| Sale of capital assets                                       | 196,483              | -  | -  | -  |
| Bonds issued   | -                    | -  | 29,570,000   | 49,910,000   |
| Premium on bond issued                                       | -                    | -  | 4,609,520  | 672,674  |
| <b>Total other financing sources (uses)</b>                  | <u>(1,463,517)</u>   | <u>-</u>   | <u>34,179,520</u>                                  | <u>50,582,674</u>  |
| Net change in fund balances                                  | 823,764              | (19,542,278)                                       | 33,862,374   | 50,125,678   |
| <b>Fund balances at beginning of year</b>                    | 18,921,171           | 65,928,499   | -  | -  |
| <b>Fund balances at the end of year</b>                      | <u>\$ 19,744,935</u> | <u>\$ 46,386,221</u>                               | <u>\$ 33,862,374</u>                               | <u>\$ 50,125,678</u>   |

The accompanying notes are an integral part of this statement.

| 2013<br>Bond Series<br>Debt Service<br>Fund | 2016<br>Refunding<br>Bonds<br>Debt Service<br>Fund | 2019<br>Bond Series<br>Debt Service<br>Fund | 2021 A<br>Taxable Bond<br>Series<br>Debt Service<br>Fund | Total<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|---|--|---|--|----------------------------|--------------------------------|
| \$ 5,477,006                                | \$ 7,334,193                                       | \$ 6,041,947                                | \$ -   | \$ 303,834                 | \$ 40,861,852                  |
| -   | -  | -   | -  | 694,294                    | 1,368,045                      |
| -   | -  | -   | -  | -                          | 100,692                        |
| 10,861                                      | 16,504   | 9,923                                       | -  | 54,468                     | 396,990                        |
| -   | -  | -   | -  | 6,974                      | 215,283                        |
| <u>5,487,867</u>                            | <u>7,350,697</u>                                   | <u>6,051,870</u>                            | <u>-</u>   | <u>1,059,570</u>           | <u>42,942,862</u>              |
| -   | -  | -   | -  | -                          | 4,611,785                      |
| -   | -  | -   | -  | 460,456                    | 12,465,329                     |
| 3,410,000                                   | 5,215,000  | 2,735,000                                   | -  | 1,660,000                  | 13,020,000                     |
| 1,963,650                                   | 1,981,250  | 3,193,050                                   | -  | 297,363                    | 7,435,313                      |
| 450   | 450  | 450   | -  | 1,500                      | 963,488                        |
| -   | -  | -   | -  | -                          | 34,650                         |
| -   | -  | -   | -  | 5,428,643                  | 28,838,694                     |
| <u>5,374,100</u>                            | <u>7,196,700</u>                                   | <u>5,928,500</u>                            | <u>-</u>   | <u>7,847,962</u>           | <u>67,369,259</u>              |
| 113,767                                     | 153,997  | 123,370                                     | -  | (6,788,392)                | (24,426,397)                   |
| -   | -  | -   | -  | 1,660,000                  | 1,660,000                      |
| -   | -  | -   | -  | -                          | (1,660,000)                    |
| -   | -  | -   | -  | -                          | 196,483                        |
| -   | -  | -   | -  | 22,869,000                 | 102,349,000                    |
| -   | -  | -   | -  | -                          | 5,282,194                      |
| <u>-</u>                                    | <u>-</u>   | <u>-</u>                                    | <u>-</u>   | <u>24,529,000</u>          | <u>107,827,677</u>             |
| 113,767                                     | 153,997  | 123,370                                     | -  | 17,740,608                 | 83,401,280                     |
| 1,251,830                                   | 895,117  | 754,634                                     | -  | 23,473,654                 | 111,224,905                    |
| <u>\$ 1,365,597</u>                         | <u>\$ 1,049,114</u>                                | <u>\$ 878,004</u>                           | <u>\$ -</u>  | <u>\$ 41,214,262</u>       | <u>\$ 194,626,185</u>          |



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2021

|  |                    |                      |
|--|--------------------|----------------------|
| Net change in fund balances - total governmental funds   |                    | \$ 83,401,280        |
| Amounts reported for governmental activities in the statement of activities is different because:  |                    |                      |
| 1. Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.   |                    |                      |
| Capital outlay   | 28,873,343         |                      |
| Depreciation   | <u>(5,311,917)</u> | 23,561,426           |
| 2. Sales and other dispositions of capital assets are reported in the governmental funds as other financing sources. The gain or loss on the sale of capital assets should be reported in the statement of activities. A gain is reported as general revenue and a loss should be included as part of the general government function.   |                    | (16,685)             |
| 3. Governmental funds typically report proceeds they receive in connection with the disposal of capital assets as other financing sources. This amount must be removed and replaced by an adjustment to the appropriate capital asset and the accumulated depreciation account. Any gain or loss should be reported as discussed above.  |                    | (196,483)            |
| 4. Certain property tax revenues reported in the funds are unavailable in the statement of activities. This is the change in these amounts this year.  |                    |                      |
| Related to prior years   | (16,726,255)       |                      |
| Earned but unavailable   | <u>25,636,515</u>  | 8,910,260            |
| 5. Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis; expenses and liabilities are reported regardless of when financial resources are available.                   |                    |                      |
| Amortization of debt premiums  | 2,625,214          |                      |
| Amortization of deferred charge on refunding   | (832,894)          |                      |
| Change in accrued interest on bonds  | (359,937)          |                      |
| Change in compensated absences   | 7,481              |                      |
| Change in deferred outflow of resources - pension  | 1,016,224          |                      |
| Change in deferred inflow of resources - pension   | (253,983)          |                      |
| Net pension obligation   | (369,278)          |                      |
| Change in deferred outflow of resources - OPEB   | 143,933            |                      |
| Change in deferred inflow of resources - OPEB  | 30,746             |                      |
| Other post employment benefits   | <u>(264,688)</u>   | 1,742,818            |
| 6. Debt proceeds are reported as financing sources in governmental funds and thus contribute to changes in fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of position. |                    |                      |
| 2021 taxable bond series - FIF   | (22,869,000)       |                      |
| 2021 bond series   | (29,570,000)       |                      |
| 2021 A taxable bond series   | (49,910,000)       |                      |
| Premium  | (5,282,194)        |                      |
| Payment on installment note 2019   | 1,660,000          |                      |
| Bond payments  | <u>11,360,000</u>  | (94,611,194)         |
| Change in net position of governmental activities - statement of activities  |                    | <u>\$ 22,791,422</u> |

The accompanying notes are an integral part of this statement.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**EXHIBIT A-7**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

|  | Budgeted Amounts     |                      | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|----------------------|--------------------|---|
|  | Original             | Final                |                    |   |
| <b>REVENUES</b>  |                      |                      |                    |   |
| Property taxes   | \$ 21,133,589        | \$ 21,133,589        | \$ 21,704,872      | \$ 571,283  |
| Charges for services   | 111,000              | 111,000              | 100,692            | (10,308)  |
| Interest   | 480,000              | 480,000              | 129,958            | (350,042)   |
| Intergovernmental  | -                    | -                    | 673,751            | 673,751   |
| Miscellaneous  | 170,000              | 170,000              | 208,306            | 38,306  |
| <b>Total revenues</b>  | <u>21,894,589</u>    | <u>21,894,589</u>    | <u>22,817,579</u>  | <u>922,990</u>  |
| <b>EXPENDITURES</b>  |                      |                      |                    |   |
| Current:   |                      |                      |                    |   |
| General government   | 5,134,184            | 5,208,436            | 4,611,785          | 596,651   |
| Drainage flood control                                       | 15,293,093           | 15,423,249           | 12,004,873         | 3,418,376   |
| Debt Service:  |                      |                      |                    |   |
| Issuance cost  | -                    | 187,000              | 160,000            | 27,000  |
| Capital Outlay:  |                      |                      |                    |   |
| General government   | -                    | 34,650               | 34,650             | -   |
| Drainage flood control                                       | -                    | 3,718,990            | 3,718,990          | -   |
| <b>Total expenditures</b>                                    | <u>20,427,277</u>    | <u>24,572,325</u>    | <u>20,530,298</u>  | <u>4,042,027</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,467,312            | (2,677,736)          | 2,287,281          | 4,965,017   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                      |                    |   |
| Transfers out  | (2,410,000)          | (1,971,500)          | (1,660,000)        | 311,500   |
| Sale of capital assets                                       | -                    | -                    | 196,483            | 196,483   |
| <b>Total other financing sources (uses)</b>                  | <u>(2,410,000)</u>   | <u>(1,971,500)</u>   | <u>(1,463,517)</u> | <u>507,983</u>  |
| Net change in fund balance                                   | (942,688)            | (4,649,236)          | 823,764            | 5,473,000   |
| <b>Fund balance at beginning of year</b>                     | 18,921,171           | 18,921,171           | 18,921,171         | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 17,978,483</u> | <u>\$ 14,271,935</u> | <u>19,744,935</u>  | <u>\$ 5,473,000</u>                                     |

The accompanying notes are an integral part of this statement.



# **NOTES TO THE FINANCIAL STATEMENTS**

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

**General Statement**

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

**Summary of Significant Accounting Policies**

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

During 2021, the District implemented applicable GASB standards:

Statement No. 98, The Annual Comprehensive Financial Report. This statement establishes the acronym ACFR and replaces the former name.

**New Reporting Standards**

Statement No. 87, Leases. The objective of this statement is to meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This statement is effective for reporting periods beginning after June 30, 2022.

Statement No. 89, Accounting for Interest Cost Incurred before the end of a Construction Period. The objective of this statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for the interest cost incurred before the end of a construction period. This statement is effective for reporting periods beginning after June 30, 2022.

Statement No. 91, Conduit Debt Obligations. This statement was issued to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. This statement is effective for reporting periods beginning after December 31, 2022.

Statement No. 92, Omnibus 2020. The objective of this Statement is to correct, clarify and provide additional guidance on previously issued pronouncements. This statement is effective for reporting periods beginning after June 30, 2022.

Statement No. 93, Replacement of Inter Bank Offered Rates. The objective of this Statement is to address financial reporting implications that result from the replacement of Inter Bank Offered Rates (IBOR). This statement is effective for reporting periods beginning after June 30, 2022.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**New Reporting Standards – Continued**

Statement No. 94, Public-Private and Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement is effective for reporting periods beginning after June 30, 2023.

Statement No. 99, Omnibus 2022 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature in Statements No. 53, 63, 87, 94, 96, and 34. Provisions of Statement 34 as amended and Statements 53 and 63 are effective upon issuance. The requirements related to leases, PPPs, SBITAs are effective for fiscal years beginning after June 15, 2022. Changes for Statement 53 are effective for fiscal years beginning after June 15, 2023.

Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. This statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This statement is effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

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

Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. SBITAs are contracts that give governmental entities to right to use a vendor's IT software for a specified time in exchange for payment. This statement is effective for reporting periods beginning after June 30, 2023.

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This Statement is intended to (1) increase the comparability of the reporting of fiduciary component units in circumstances where a potential component unit does not have a governing board; (2) mitigate costs associated with the reporting of certain defined contribution plans other than pension plans or OPEB plans; (3) enhance the relevance, consistency, and deferred compensation plans. This statement is effective for reporting periods beginning after June 30, 2022.

Implementation Guide No. 2019-1, "Implementation Guide Update-2019". The requirements for this implementation guide will take effect for financial statements starting with the fiscal year that ends June 30, 2021.

Implementation Guide No. 2019-3, "Leases". The requirements for this implementation guide will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

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

The District will evaluate these new pronouncements and will implement them as applicable by their effective dates.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

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

**1. Reporting Entity**

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

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

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

**2. Basis of Presentation**

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

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

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

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

The District reports the following major governmental funds:

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**2. Basis of Presentation - Continued**

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

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

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

2013 Bonds Series Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, bonds long-term debt principal, interest, and related costs.

2016 Refunding Bonds Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, bonds long-term debt principal, interest, and related costs.

2019 Refunding Bonds Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, bonds long-term debt principal, interest, and related costs.

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

Additionally, the District reports the following fund types:

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

**3. Basis of Accounting**

*Government-Wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers collections within 60 days of the end of the current fiscal period to be revenues. Expenditures generally are recorded when a liability is incurred, similar to accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**3. Basis of Accounting - Continued**

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

**4. Use of Estimates**

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

**5. Cash and Cash Equivalents and Investments**

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

**6. Prepaid Items**

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

**7. Receivables and Payables**

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

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

**8. Capital Assets**

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

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

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**8. Capital Assets - Continued**

The following lists the thresholds and useful lives by class:

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

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

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses / expenditures) until then. The District has three items that qualify for reporting in this category. A deferred charge on refunding bonds results from the difference between the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also has a deferred outflow of resources related to pension expense that results from the differences between expected and actual experience, changes in assumptions, and contributions made subsequent to the measurement date. The third are outflows of resources related to Other Post-Employment Benefits for the differences between the expected and actual experience, changes of assumptions or other inputs, and differences in actual benefits and proportionate share of benefits. For the year ended December 31, 2021, the District had deferred outflows of resources for refunding bond, pension, and OPEB in the amount of \$1,599,616, and \$2,142,386, and \$564,696, respectively.

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

At December 31, 2021, the District had deferred inflow of resources related to pension and OPEB and property taxes in the amount of \$995,637 and \$1,089,294, and \$29,384,183 respectively. A deferred inflow related to OPEB is for the changes of assumptions and other inputs is also reported on the Statement of Net Position.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**10. Fund Balance**

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

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

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

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. At December 31, 2021, the District did not have committed funds.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official body to which the Board of Directors delegates the authority. These funds represent amounts the District intends to use for the Raymondville Drain.

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

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

**11. Encumbrance Accounting**

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

Although appropriations lapse at year-end for annually budgeted funds, the District honors encumbrances outstanding at year-end. Outstanding encumbrances do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year. The District has active construction projects as of December 31, 2021. At year-end, the District's remaining commitments totaled \$33,502,720; therefore, this amount is encumbered. Encumbrances for the general fund and 2019 bond series capital projects fund totaled \$2,080,970, and \$26,866,890, respectively. Encumbrances for non-major funds totaled \$4,554,860.

**12. Budgets**

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



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2021 - CONTINUED

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

**12. Budgets - Continued**

Formal budgetary integration is utilized as a management control device during the year for the General and Debt Service Funds. Budgets for the General and Debt Service Funds are adopted on a basis consistent with GAAP. Appropriations for annually budgeted funds lapse at year-end.

Appropriations at year-end for grant-funded special revenue funds and capital project funds are carried forward to subsequent years until the grant has terminated or the project is completed.

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

**13. Compensated Absences**

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

| Number of Years of<br>Service | Vacation Leave Hours<br>Earned Per Year |
|-------------------------------|---|
| 0 to 5 years                  | 96                                      |
| 5 to 10 years                 | 108                                     |
| Over 10 years                 | 120                                     |

Vacation leave may be accumulated up to a maximum of 160 hours (20 days) for employees with less than 10 years of continuous service. Employees with more than 10 years but less than 15 years of continuous service may accumulate 240 hours (30 days). Employees with more than 15 years may maintain an accrued leave of 320 hours (40 days). Employees lose, without pay, unused vacation leave which exceed set limits. Regular part-time employees accumulate vacation leave of 48 hours regardless of years of service. As of December 31, 2021, the District's total liability for vested vacation leave totaled \$400,099. Vested vacation benefits are expected to be liquidated with expendable and available financial resources and are reported as an expense and a long-term liability in the government-wide statement of net position. The District estimates \$33,812 of the total compensated absences balance will be due within one year.

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

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
 (A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2021 - CONTINUED

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

**13. Compensated Absences - Continued**

The accrued amount for the current year is as follows:

|                   |    |                |
|-------------------|----|----------------|
| Vacation leave    | \$ | 352,344        |
| Compensatory time |    | 44,538         |
| Holiday leave     |    | 3,216          |
| Total             | \$ | <u>400,099</u> |

**14. Rounding Adjustments**

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

**Note B. Deposits and Investments**

The District's Depository Agreement requires its designated financial institution to secure by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance, deposits and accrued interest thereon by 105%. At December 31, 2021, the District's deposits were entirely covered by FDIC insurance pursuant to the Depository Agreement. At December 31, 2021, the carrying amount of the District's deposits totaled \$72,549,883 and was entirely covered by federal deposit insurance or secured by collateral held by the pledging financial institutions agent in the District's name.

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

At December 31, 2021, the District had investments in Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) local government pool. Texas Class investment pools' investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk. Texas Class is organized under the authority of the Interlocal Cooperation Act, Chapter 2256, of the Texas Government Code.

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

The District had investments in Texas Class and Texas Range, carried at fair value are classified as cash and cash equivalents totaled \$119,632,088 at December 31, 2021. The District had no items classified as investments for 2021.

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

- Level 1 – Quoted prices in active markets for identical assets
- Level 2 – Observable inputs other than quoted market prices
- Level 3 – Unobservable inputs

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

**Note B. Deposits and Investments – Continued**

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

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

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

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

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

**Note C. Taxes Receivable**

A summary of the taxes receivable by fund is as follows at December 31, 2021:

|  | General Fund         | Bonds Debt<br>Service Fund | Total                |
|--|----------------------|----------------------------|----------------------|
| Taxes receivable - current                               | \$ 11,551,895        | \$ 16,102,553              | \$ 27,654,448        |
| Taxes receivable - delinquent                            | 2,417,446            | 1,892,909                  | 4,310,355            |
| Allowance for uncollectibles                             | (1,628,380)          | (952,327)                  | (2,580,707)          |
| Taxes receivable, net of<br>allowance for uncollectibles | <u>\$ 12,340,961</u> | <u>\$ 17,043,135</u>       | <u>\$ 29,384,096</u> |

Property taxes attach as an enforceable lien on property as of January 1. The taxes are levied on or about October 1, based on the assessed value listed as of the date the enforceable lien attaches. Appraised values are established by the Hidalgo County Appraisal District, assessed at 100% of appraised value, and certified by the Appraisal Review Board. The County Tax Assessor-Collector (CTAC) bills and collects taxes for the District. CTAC billed the District \$426,324 in fees during 2021. Taxes are due from October 1 of the year in which levied until January 31 of the following year without interest or penalty. No discounts are offered.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
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**Note C. Taxes Receivable – Continued**

On February 1, these taxes become delinquent, at which time penalty and interest charges are applicable. Collections on the levy for October 1, 2021, as well as the balances due on all taxes receivable related thereto, are reflected as deferred inflows of resources because they are not available to finance 2021 operations.

The 2020 tax levy, for the 2021 year, totaled \$39,386,092 based on a total taxable value of \$36,453,447,769 and a tax rate of 0.1026.

**Note D. Interfund Receivables and Transfers**

Balances of due to/from other funds consisted of the following at December 31, 2021:

|   |                      |
|---|----------------------|
| Due to General Fund from Raymondville Drain Restore Act Grant Fund                | \$ 43                |
| Due to General Fund from Region 15 Planning Group Grant Fund                      | 5,995                |
| Due to General Fund from 2019 Bond Series Capital Projects Fund                   | 92,477               |
| Due to 2013 Bond Series Capital Projects Fund from General Fund                   | 1,918                |
| Due to Non-Major Debt Service Funds from General Fund                             | 1,369,743            |
| Due to 2021 Bond Series Capital Projects Fund from General Fund                   | 19,656               |
| Due to 2021A Taxable Bond Series Capital Projects Fund from General Fund          | 9,845                |
| Due to 2013 Bond Series Debt Service Fund from General Fund                       | 2,663,746            |
| Due to 2016 Refunding Bonds Debt Service Fund from General Fund                   | 3,533,477            |
| Due to 2019 Bond Series Debt Service Fund from General Fund                       | 2,919,572            |
| Due to 2021 A Taxable Bond Series Debt Service Fund from General Fund             | 4,704,067            |
| Due to 2019 Bond Series Capital Projects Fund from 2013 Bond Capital Project Fund | 229,221              |
| Total due to/from other funds   | <u>\$ 15,549,760</u> |

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

Transfers are used to (1) move revenues from the fund that statute or budget requires (2) move funds restricted to debt service for debt service payments, and (3) use unrestricted revenues collected in the general fund to finance various projects accounted for in other funds in accordance with budgetary authorizations. Inter-fund transfers consisted of the following for the year ended December 31, 2021:

| Transfers In:               | <u>Transfers Out:</u> |                     |
|-----------------------------|-----------------------|---------------------|
|                             | <u>General Fund</u>   | <u>Total</u>        |
| Non-major Debt Service Fund | <u>\$ 1,660,000</u>   | <u>\$ 1,660,000</u> |
| Total Inter-fund transfers  | <u>\$ 1,660,000</u>   | <u>\$ 1,660,000</u> |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

**Note E. Due From Other Governments**

Due from other governments consisted of the following at December 31, 2021:

| Due From                               | Purpose                        | Amount               |
|--|--------------------------------|----------------------|
| County of Hidalgo                      | American Rescue Plan Act       | \$ 400,494           |
| County of Hidalgo Precinct #1          | Inter-local agreement project  | 37,890               |
| County of Hidalgo Precinct #2          | Inter-local agreement project  | 188,662              |
| Willacy County Drainage District No. 1 | Inter-local agreement project  | 24,732               |
| Hidalgo County Tax Office              | Collection of taxes            | 12,994,662           |
| Irrigation Distict #9                  | Sale of 2 New Holland Tractors | 171,983              |
| Department of Homeland Security        | Inter-local agreement project  | 28,971               |
| Texas Commission Environmental Quality | Raymondville Drain Restoration | 55,952               |
| Texas Water Development Board          | Region 15 Planning Group       | 56,947               |
| Total due from other governments       |                                | <u>\$ 13,960,293</u> |

**Note F. Capital Assets**

The following is a summary of changes in capital assets for the year ended December 31, 2021:

|  | Beginning<br>Balance  | Additions            | Retirements/<br>Transfers | Ending<br>Balance     |
|--|-----------------------|----------------------|---------------------------|-----------------------|
| Governmental activities:                       |                       |                      |                           |                       |
| Capitals assets not being<br>depreciated:      |                       |                      |                           |                       |
| Land and easements                             | \$ 31,964,342         | \$ 2,381,799         | \$ -                      | \$ 34,346,141         |
| Construction in progress                       | 74,286,762            | 24,006,502           | (15,363,467)              | 82,929,797            |
| Total capital assets not<br>being depreciated  | <u>106,251,104</u>    | <u>26,388,301</u>    | <u>(15,363,467)</u>       | <u>117,275,938</u>    |
| Capitals assets being<br>depreciated:          |                       |                      |                           |                       |
| Infrastructure                                 | 127,759,583           | -                    | 15,363,467                | 143,123,050           |
| Building and renovations                       | 3,648,244             | -                    | -                         | 3,648,244             |
| Machinery and equipment                        | 27,561,686            | 2,485,043            | (396,057)                 | 29,650,672            |
| Total capital assets<br>being depreciated      | <u>158,969,513</u>    | <u>2,485,043</u>     | <u>14,967,410</u>         | <u>176,421,966</u>    |
| Less accumulated<br>depreciation for:          |                       |                      |                           |                       |
| Infrastructure                                 | (54,097,608)          | (3,178,379)          | -                         | (57,275,987)          |
| Building and renovations                       | (695,809)             | (105,994)            | -                         | (801,803)             |
| Machinery and equipment                        | (15,547,981)          | (2,027,544)          | 182,889                   | (17,392,636)          |
| Total accumulated<br>depreciation              | <u>(70,341,398)</u>   | <u>(5,311,917)</u>   | <u>182,889</u>            | <u>(75,470,426)</u>   |
| Total capital assets<br>being depreciated, net | <u>88,628,115</u>     | <u>(2,826,874)</u>   | <u>15,150,299</u>         | <u>100,951,540</u>    |
| Governmental activities<br>capital assets, net | <u>\$ 194,879,219</u> | <u>\$ 23,561,427</u> | <u>\$ (213,168)</u>       | <u>\$ 218,227,478</u> |

Depreciation expense totaling \$5,311,917 was charged to the drainage flood control function under governmental activities for the year ended December 31, 2021.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

**Note G. Long-Term Liabilities**

The District issues unlimited tax improvement bonds to provide for the resources for construction of capital assets. The beginning balances of the unlimited tax improvement bonds issued in 2013, 2014, 2016, 2019, 2021, 2021A and 2021 FIF were \$52,245,000, \$7,665,000, \$39,625,000, \$72,815,000, 29,570,000, 49,910,000, and 22,869,000 respectively. The unlimited improvement bonds are direct obligations of the District, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the District in an amount sufficient to provide payment of principal and interest.

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

Improvement Bonds, Taxable Series 2021A have stated maturities on and after September 1, 2032, in multiples of \$5,000 on September 1, 2031 or any date thereafter, at par value thereof plus accrued interest to the date fixed for redemption.

**1. Advance Refundings and Defeasances**

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

On December 1, 2014, the District issued Unlimited Tax Refunding Bonds Series 2014 in the amount of \$7,810,000 to advance refund a portion of Unlimited Tax Improvement Bonds, Series 2007. Bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. The reacquisition price exceeded the net carrying amount of the old debt resulting in an economic gain of \$634,376, which will be amortized over the term of the bonds. Deferred charges on refunding at December 31, 2021 totaled \$292,790.

On February 17, 2016, the District issued Unlimited Tax Refunding Bonds Series 2016 in the amount of \$52,625,000 to advance refund \$11,210,000 Unlimited Tax Improvement Bonds, Series 2007 and \$46,555,000 of the Unlimited Tax Improvement Bonds Series 2008. Bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. The reacquisition price exceeded the net carrying amount of the old debt resulting in an economic gain of \$5,946,059, which will be amortized over the term of the bonds. Deferred charges on refunding at December 31, 2021 totaled \$1,306,826.

**2. Prior Year Defeasance of Debt**

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

At December 31, 2021, the following defeased bonds remain outstanding:

| Description                                  | Refunded Bonds | Maturity  |
|--|----------------|-----------|
| Unlimited Tax Improvement Bonds, Series 2007 | \$ 11,210,000  | 2017-2023 |
| Unlimited Tax Improvement Bonds, Series 2008 | \$ 46,555,000  | 2019-2028 |
| Unlimited Tax Improvement Bonds, Series 2013 | \$ 6,368,680   | 2025-2028 |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

**Note G. Long-Term Liabilities – Continued**

**3. Debt Service Requirements**

On June 6, 2019, the District entered into an interlocal agreement with Hidalgo County for the purchase of the South Detention Basin in the amount of \$5,895,788. The first payment in 2019 was for \$2,575,788 with two annual installments of \$1,660,000 in 2020 & 2021.

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

| Year(s) Ending<br>December 31 | Governmental Activities |                      | Total                 |
|-------------------------------|-------------------------|----------------------|-----------------------|
|                               | Principal               | Interest             |                       |
| 2022                          | 22,245,000              | 8,765,139            | 31,010,139            |
| 2023                          | 23,675,000              | 8,381,998            | 32,056,998            |
| 2024                          | 25,697,000              | 7,359,498            | 33,056,498            |
| 2025                          | 13,684,000              | 6,619,012            | 20,303,012            |
| 2026                          | 14,291,000              | 6,021,992            | 20,312,992            |
| 2027-2031                     | 63,655,000              | 21,762,660           | 85,417,660            |
| 2032-2036                     | 46,652,000              | 11,269,606           | 57,921,606            |
| 2037-2041                     | 31,296,000              | 4,381,612            | 35,677,612            |
| 2042-2046                     | 17,835,000              | 1,254,315            | 19,089,315            |
| 2047-2051                     | 4,309,000               | -                    | 4,309,000             |
| <b>Total</b>                  | <b>\$ 263,339,000</b>   | <b>\$ 75,815,832</b> | <b>\$ 339,154,832</b> |

The following is a summary of changes in long-term liabilities for the year ended December 31, 2021:

|                                 | Balance<br>January 1,<br>2021 | Additions             | Reductions             | Balance<br>December 31,<br>2021 | Amounts<br>Due Within<br>One Year |
|---------------------------------|-------------------------------|-----------------------|------------------------|---------------------------------|-----------------------------------|
| <b>Governmental activities:</b> |                               |                       |                        |                                 |                                   |
| Bonds and notes payable         |                               |                       |                        |                                 |                                   |
| Bond Series 2013                | \$ 52,245,000                 | \$ -                  | \$ (3,410,000)         | \$ 48,835,000                   | \$ 3,610,000                      |
| Bond Series 2014                | 7,665,000                     | -                     | -                      | 7,665,000                       | -                                 |
| Bond Series 2016                | 39,625,000                    | -                     | (5,215,000)            | 34,410,000                      | 5,445,000                         |
| Bond Series 2019                | 72,815,000                    | -                     | (2,735,000)            | 70,080,000                      | 2,810,000                         |
| Bond Series 2021                | -                             | 29,570,000            | -                      | 29,570,000                      | 795,000                           |
| Bond Series 2021A               | -                             | 49,910,000            | -                      | 49,910,000                      | 8,970,000                         |
| Bond Series 2021 FIF            | -                             | 22,869,000            | -                      | 22,869,000                      | 615,000                           |
| Bond Premiums                   | 13,748,274                    | 5,282,194             | (2,625,213)            | 16,405,255                      | 2,580,277                         |
|                                 | 186,098,274                   | 107,631,194           | (13,985,213)           | 279,744,255                     | 24,825,277                        |
| Note payable 2019               | 1,660,000                     | -                     | (1,660,000)            | -                               | -                                 |
|                                 | 1,660,000                     | -                     | (1,660,000)            | -                               | -                                 |
| Total bonds and notes payable   | 187,758,274                   | 107,631,194           | (15,645,213)           | 279,744,255                     | 24,825,277                        |
| Other liabilities:              |                               |                       |                        |                                 |                                   |
| Compensated absences            | 407,580                       | 477,821               | (485,302)              | 400,099                         | 34,008                            |
| Total other liabilities         | 407,580                       | 477,821               | (485,302)              | 400,099                         | 34,008                            |
| <b>Governmental activities</b>  |                               |                       |                        |                                 |                                   |
| <b>long-term liabilities</b>    | <b>\$ 188,165,854</b>         | <b>\$ 108,109,015</b> | <b>\$ (16,130,515)</b> | <b>\$ 280,144,354</b>           | <b>\$ 24,859,286</b>              |

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

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

**1. Plan Description and Benefits Provided**

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

The District does not have a formal post-employment benefits plan; however, the District allows retired employees to participate in the County’s Health Benefits Program by purchasing health care benefits at the same group rate as provided to current active employees at the time they end their service to the District. Members may retire upon attaining one of the following: (1) age 60 and above with 8 or more years of service, (2) 20 years of service regardless of age, or (3) when the sum of their age and years of service equals 80 or more. Spouses and dependents are eligible to continue insurance under COBRA for 36 months after the retiree dies. If a dependent is not yet 26 years of age at the time of the members’ death, the same rule applies. Once the dependent attains the age of 26, Aetna will terminate coverage automatically.

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

Membership in the plan as of the measurement date of December 31, 2021 was as follows:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | -          |
| Inactive employees entitled to but not yet receiving benefits    | 10         |
| Active employees   | 180        |
|  | <u>190</u> |

**2. Funding Policy**

The District collects insurance premiums from the participating retirees each month and deposits them in the County’s Group Insurance Fund. The District then pays the health insurance premiums for the retirees at the blended rate to the County’s self-funded Health Benefits Program. The required contribution to the program includes the employer’s pay-as-you-go amount and the amount paid by retirees. The District has elected not to prefund the actuarially determined future cost but will accrue the liability as of December 31, 2021 to reflect proper treatment and will disclose the Health Care Benefits for Retired Employees in accordance with GASB No. 75.



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**2. Funding Policy – Continued**

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

|                               | Basic PPO Plan |           |
|-------------------------------|----------------|-----------|
|                               | Under 65       | 65 & Over |
| Retiree only                  | \$ 596         | \$ 302    |
| Retiree + spouse              | 1,032          | 738       |
| Retiree + child(ren)          | 720            | 426       |
| Retiree + family              | 1,156          | 862       |
| Surviving spouse              | 596            | 302       |
| Surviving spouse + child(ren) | 720            | 426       |
| Surviving spouse + family     | 596            | 302       |

**3. Actuarial Assumptions**

The District's total OPEB liability of \$1,319,992 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

Actuarial assumptions – The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions:

|                           |       |
|---------------------------|-------|
| Salary increases:         | 2.00% |
| Inflation:                | 2.50% |
| Discount Rate:            | 2.06% |
| Prior Year Discount Rate: | 2.12% |

Mortality: The Mortality assumption was updated to utilize the MP-20 scales that were recently released by Society of Actuaries (SOA)

The discount rate was based on the 12/31/2020 Bond Buyer 20 Bond GO Index.

**4. Changes in Total OPEB Liability**

|  |              |
|--|--------------|
| Balance as of December 31, 2020                            | \$ 1,055,302 |
| Changes for the year:                                      |              |
| Service cost   | 113,443      |
| Interest on total OPEB liability                           | 24,623       |
| Changes in assumptions or other inputs                     | 29,790       |
| Changes in proportionate share                             | 99,757       |
| Differences in actual benefits and prop. share of benefits | (2,925)      |
| Net changes  | 264,688      |
| Balance as of December 31, 2021                            | \$ 1,319,990 |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**5. Sensitivity Analysis**

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, calculated using the discount rate of 2.06%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.06%) or one percentage point higher (3.06%) than the current rate:

|                      | 1%<br>Decrease      | Current<br>Discount Rate | 1%<br>Increase      |
|----------------------|---------------------|--------------------------|---------------------|
|                      | 1.06%               | 2.06%                    | 3.06%               |
| Total OPEB liability | <u>\$ 1,678,887</u> | <u>\$ 1,319,990</u>      | <u>\$ 1,054,523</u> |

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

|                      | 1%<br>Decrease      | Current<br>Trend Rate | 1%<br>Increase      |
|----------------------|---------------------|-----------------------|---------------------|
| Total OPEB liability | <u>\$ 1,021,149</u> | <u>\$ 1,319,990</u>   | <u>\$ 1,734,863</u> |

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

For the year ended December 31, 2021, the District recognized OPEB expense of \$90,009. At December 31, 2021 deferred outflows and inflows of resources related to OPEB were reported from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience     | \$ 283,838                        | \$ -                             |
| Changes of assumptions or other inputs                 | 190,351                           | (694,134)                        |
| Changes in proportionate share                         | 90,072                            | (325,799)                        |
| Differences in actual benefits and proportionate share | 434                               | (69,362)                         |
|  | <u>\$ 564,695</u>                 | <u>\$ (1,089,295)</u>            |

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

| Year ended<br>December 31 , |                     |
|-----------------------------|---------------------|
| 2022                        | \$ (48,055)         |
| 2023                        | (48,055)            |
| 2024                        | (48,055)            |
| 2025                        | (31,241)            |
| 2026                        | (31,241)            |
| Thereafter                  | (317,952)           |
|                             | <u>\$ (524,599)</u> |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2021 - CONTINUED

**Note I. Employee Retirement Benefits**

**1. Plan Description**

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 808 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

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

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

The employees covered by the plan at December 31, 2021 are as follows:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 68         |
| Inactive employees entitled to but not yet receiving benefits    | 57         |
| Active employees   | 171        |
|  | <u>296</u> |

**2. Funding Policy**

The District has elected the annually determined contribution rate (ADCR) plan provision of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. Contributions were made using the actuarially determined rate of 11.74% for calendar year 2021. The contribution rate payable by the employee member is 7.00% as adopted by the governing body of the District. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

**3. Net Pension Liability**

Governmental Accounting Standards Board issued Statement No. 68 for public pension plans and participating employers which address specifics of reporting public pension plan obligations for employers. Net pension liability (NPL) for the District was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**3. Net Pension Liability - Continued**

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement; which can be found in the required supplemental data as a note to the respective employer contribution schedules.

Mortality assumptions are as follows:

Updated mortality assumptions were adopted in 2020.

Depositing members:

90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate Scale after 2014.

Service retirees, beneficiaries, and non-depositing members:

130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Disabled retirees:

130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant Cliffwater LLC. The numbers shown are based on January 2021 information for a 10-year time horizon.

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**3. Net Pension Liability - Continued**

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

| Asset Class                        | Benchmark  | Target Allocation <sup>(1)</sup> | Geometrical Rate of Return <sup>(2)</sup> |
|------------------------------------|--|----------------------------------|---|
| U.S. Equities                      | Dow Jones U.S. Total Stock Market Index                              | 11.50%                           | 4.25%                                     |
| Global Equities                    | MSCI World (net) Index   | 2.50%                            | 4.55%                                     |
| Int'l Equities - Developed Markets | MSCI World Ex USA (net) Index  | 5.00%                            | 4.25%                                     |
| Int'l Equities - Emerging Markets  | MSCI Emerging Markets (net) Index                                    | 6.00%                            | 4.75%                                     |
| Investment - Grade Bonds           | Bloomberg Barclays U.S. Aggregate Bond Index                         | 3.00%                            | -0.85%                                    |
| Strategic Credit                   | FTSE High-Yield Cash-Pay Capped Index                                | 9.00%                            | 2.11%                                     |
| Direct Lending                     | S&P/LSTA Leveraged Loan Index  | 16.00%                           | 6.70%                                     |
| Distressed Debt                    | Cambridge Associates Distressed Securities Index <sup>(4)</sup>      | 4.00%                            | 5.70%                                     |
| REIT Equities                      | 67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index | 2.00%                            | 3.45%                                     |
| Master Limited Partnerships (MLPs) | Alerian MLP Index  | 2.00%                            | 5.10%                                     |
| Private Real Estate Partnerships   | Cambridge Associates Real Estate Index <sup>(5)</sup>                | 6.00%                            | 4.90%                                     |
| Private Equity                     | Cambridge Associates Global Private Equity & Venture Capital Index   | 25.00%                           | 7.25%                                     |
| Hedge Funds                        | Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index       | 6.00%                            | 1.85%                                     |
| Cash Equivalents                   | 90-Day U.S. Treasury   | 2.00%                            | -0.70%                                    |

<sup>(1)</sup> Target asset allocation adopted at the March 2021 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.00%, per Cliffwater's 2021 capital market assumptions.

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

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

<sup>(5)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

The discount rate used to measure the total pension liability was 7.60% at December 31, 2020. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

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

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

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**3. Net Pension Liability – Continued**

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

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

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

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

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

Changes in Net Pension Liability were as follows:

|  | Total Pension<br>Liability<br>(a) | Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability/(Asset)<br>(a) - (b) |
|--|-----------------------------------|----------------------------------|---|
| Balances as of December 31, 2019               | \$ 19,512,663                     | \$ 18,599,601                    | \$ 913,063                                    |
| Changes for the year                           |                                   |                                  |   |
| Service Cost                                   | 1,088,422                         | -                                | 1,088,422                                     |
| Interest on total pension liability (1)        | 1,621,557                         | -                                | 1,621,557                                     |
| Effect of plan changes (2)                     | -                                 | -                                | -   |
| Effect of economic/demographic gains or losses | (166,866)                         | -                                | (166,866)                                     |
| Effect of assumptions changes or inputs        | 1,206,670                         | -                                | 1,206,670                                     |
| Refund of contributions                        | (119,620)                         | (119,620)                        | -   |
| Benefit payments                               | (1,067,201)                       | (1,067,201)                      | -   |
| Administrative expenses                        | -                                 | (15,215)                         | 15,215  |
| Member contributions                           | -                                 | 542,932                          | (542,932)                                     |
| Net investment income                          | -                                 | 1,922,029                        | (1,922,029)                                   |
| Employer contributions                         | -                                 | 919,104                          | (919,104)                                     |
| Other (3)                                      | -                                 | 11,653                           | (11,653)                                      |
| Balances as of December 31, 2020               | <u>\$ 22,075,625</u>              | <u>\$ 20,793,284</u>             | <u>\$ 1,282,341</u>                           |

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) No plan changes valued.

(3) Relates to allocation of system-wide items.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**3. Net Pension Liability - Continued**

\*\*The District's TCDRS actuarial report with a measurement date of December 31, 2020, to be used for audit periods ending January 1, 2020 to December 31, 2020, shows a net pension liability of \$1,282,341.

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

|                                | 1%<br>Decrease<br><u>6.60%</u> | Current<br>Discount Rate<br><u>7.60%</u> | 1%<br>Increase<br><u>8.60%</u> |
|--------------------------------|--------------------------------|--|--------------------------------|
| Total pension liability        | \$ 24,906,288                  | \$ 22,075,625                            | \$ 19,689,108                  |
| Fiduciary net position         | 20,793,284                     | 20,793,284                               | 20,793,284                     |
| Net pension liability/ (asset) | <u>\$ 4,113,004</u>            | <u>\$ 1,282,341</u>                      | <u>\$ (1,104,176)</u>          |

|   | January 1, 2020 to<br><u>December 31, 2020</u> |
|---|--|
| Pension expense/ (income)                             |  |
| Service cost  | \$ 1,088,422                                   |
| Interest on total pension liability <sup>(1)</sup>    | 1,621,557                                      |
| Effect of plan changes                                | -  |
| Administrative expenses                               | 15,215   |
| Member contributions                                  | (542,932)                                      |
| Expected investment return net of investment expenses | (1,517,355)                                    |
| Recognition of deferred inflows/outflows of resources |  |
| Recognition of economic/demographic gains or losses   | (100,057)                                      |
| Recognition of assumption changes or inputs           | 226,858  |
| Recognition of investment gains or losses             | (179,852)                                      |
| Other <sup>(2)</sup>                                  | (11,653)                                       |
| Pension expense/ (income)                             | <u>\$ 600,202</u>                              |

(1) Reflects the change in liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Related to allocation of system-wide system.

As of December 31, 2020, the deferred inflows and outflows of resources were as follows:

|  | Deferred Inflows<br>of Resources | Deferred Outflows<br>of Resources |
|--|----------------------------------|-----------------------------------|
| Differences between expected and actual experience   | \$ 350,742                       | \$ 117,011                        |
| Changes of assumptions                               | -                                | 1,032,210                         |
| Net difference between projected and actual earnings | 644,894                          | -                                 |
| Contributions made subsequent to measurement date    | N/A                              | 993,164                           |
|  | <u>\$ 995,636</u>                | <u>\$ 2,142,385</u>               |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 - CONTINUED

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

**3. Net Pension Liability - Continued**

The \$993,164 reported as deferred outflows of resources related to pension resulted from contributions made subsequent to the measurement date and will be recognized as a deduction of the net position liability in the year ended December 31, 2021. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

| <u>Year ended December 31 ,</u> |                   |
|---------------------------------|-------------------|
| 2021                            | \$ (49,631)       |
| 2022                            | 112,707           |
| 2023                            | (200,665)         |
| 2024                            | 118,349           |
| 2025                            | 172,825           |
| Thereafter                      | -                 |
|                                 | <u>\$ 153,585</u> |

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

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

|                                     | <u>Deferred inflows</u>                        |   | Unearned<br>Revenue | Total                |
|-------------------------------------|--|---|---------------------|----------------------|
|                                     | <u>Unavailable Revenue-<br/>Property Taxes</u> | <u>Deferred Revenue-<br/>Property Taxes</u> |                     |                      |
| Property taxes (General Fund)       | \$ 10,708,924                                  | \$ 12,640,961                               | \$ -                | \$ 23,349,885        |
| Property taxes (Debt Service Funds) | 14,927,591                                     | 16,743,222                                  | -                   | 31,670,813           |
| Unearned (Interlocal & Grant)       | -  | -   | 236,235             | 236,235              |
|                                     | <u>\$ 25,636,515</u>                           | <u>\$ 29,384,183</u>                        | <u>\$ 236,235</u>   | <u>\$ 55,256,933</u> |

**Note K. Risk Management**

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

The District participates in the Texas Municipal League Intergovernmental Risk Pool (the Pool) for coverage in the following areas: general liability, errors and omissions, auto physical damage, auto liability, real and personal property, and workers compensation. Limits on insurance coverage are as provided in Texas State Statutes Civil Practices and Remedies Code Chapter 101.023. The District paid premiums totaling \$526,462 in 2021.



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
 (A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2021 - CONTINUED

**Note K. Risk Management – Continued**

Annual aggregate limits and deductibles are as follows at December 31, 2021:

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

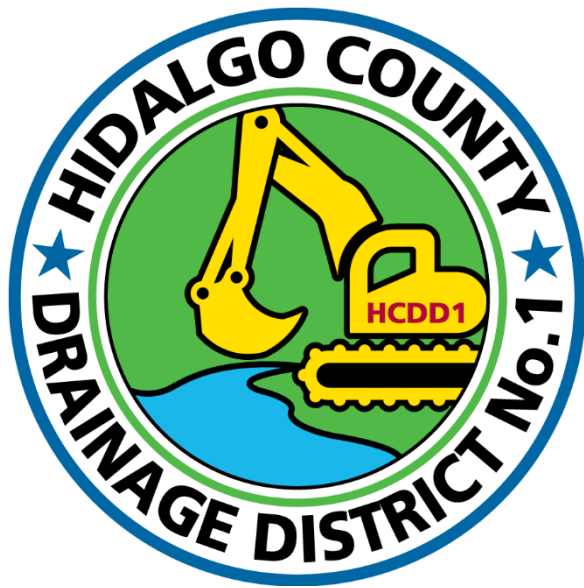
The District participates in the Hidalgo County Health Insurance Fund (Fund) and makes payments to the Fund based on the number of participants. The Fund provides coverage for up to a maximum of \$150,000 per individual per year. Claims in excess of \$150,000 and up to \$1,000,000 per individual per occurrence are covered by commercial insurance purchased by the Fund. The Fund's health insurance provider is Aetna. Payments to the fund totaled \$1,424,512 in 2021.

**Note L. Litigation**

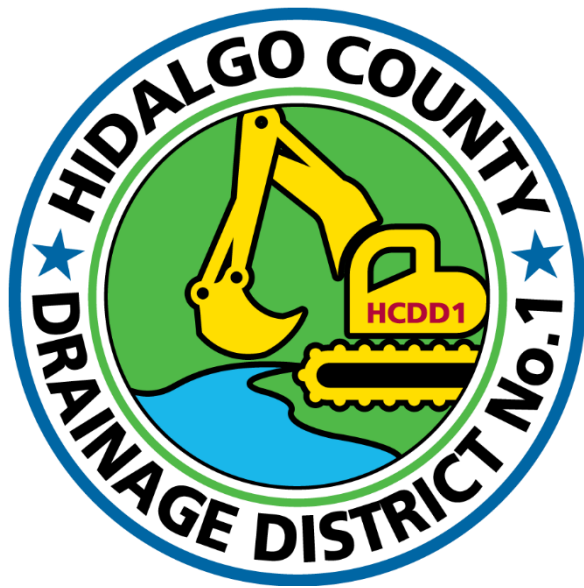
The District is currently involved in potential claims and litigation involving civil and contractual matters. In the opinion of District management, the potential claims against the District not covered by insurance resulting from litigation will not materially affect the financial position of the District.

**Note M. Subsequent Events**

The District has evaluated all events and transactions that occurred after December 31, 2021 through July 27, 2022, the date these financials statements were available to be issued. The District continues to operate under a global pandemic. Any impact this may have on the District is unknown.



# **REQUIRED SUPPLEMENTAL INFORMATION**



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

**EXHIBIT B-1**

|  | 2021                | 2020                | 2019                | 2018                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>  |                     |                     |                     |                     |
| Service Cost   | \$ 113,443          | \$ 256,562          | \$ 57,293           | \$ 68,022           |
| Interest   | 24,623              | 59,018              | 45,410              | 43,888              |
| Differences between expected and actual experience                 | -                   | 58,631              | 374,011             | 6,974               |
| Changes in assumptions or other inputs                             | 29,790              | (794,737)           | 261,526             | (132,135)           |
| Changes in proportionate share                                     | 99,757              | (350,608)           | (63,712)            | -                   |
| Differences in actual benefits and proportionate share of benefits | (2,925)             | (70,675)            | (15,631)            | 1,013               |
| Benefit payments   | -                   | -                   | -                   | (13,866)            |
| <b>Net Change in Total OPEB Liability</b>                          | <u>264,688</u>      | <u>(841,809)</u>    | <u>658,897</u>      | <u>(26,104)</u>     |
| <b>Total OPEB Liability - beginning</b>                            | <u>1,055,302</u>    | <u>1,897,111</u>    | <u>1,238,214</u>    | <u>1,264,318</u>    |
| <b>Total OPEB Liability - end</b>                                  | <u>\$ 1,319,990</u> | <u>\$ 1,055,302</u> | <u>\$ 1,897,111</u> | <u>\$ 1,238,214</u> |
| Covered Employee Payroll   | \$ 7,529,381        | \$ 7,310,079        | \$ 6,600,265        | \$ 5,353,191        |
| Total OPEB Liability as a percentage of covered employee payroll   | 18.0%               | 14.4%               | 28.7%               | 23.1%               |

**Notes to Schedule:**

*Changes of Benefit Terms:*

None

*Changes of Assumptions*

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

|      |  |
|------|--|
| 2018 | RPH-2014 Employee and Healthy Annuitant Generational with MP-2018    |
| 2019 | PubG-H-2010 Employee and Healthy Annuitant Generational with MP-2019 |
| 2020 | SOA MP-2020  |
| 2021 | SOA MP-2020  |
| 2017 | 3.31%  |
| 2018 | 3.71%  |
| 2019 | 2.75%  |
| 2020 | 2.12%  |
| 2021 | 2.06%  |

This schedule should present 10 years from GASB 75 implementation forward. Total OPEB liability and related ratios will be presented prospectively as data becomes available in accordance with GASB 75.

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

**EXHIBIT B-2**

|  | 2020                | 2019              | 2018                | 2017              | 2016                | 2015                |
|--|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| <b>Total Pension Liability</b>                           |                     |                   |                     |                   |                     |                     |
| Service cost   | \$ 1,088,422        | \$ 999,005        | \$ 865,082          | \$ 820,277        | \$ 756,250          | \$ 611,534          |
| Interest on total pension liability                      | 1,621,557           | 1,498,179         | 1,355,574           | 1,286,524         | 1,153,337           | 1,071,637           |
| Effect of plan changes                                   | -                   | -                 | 128,866             | -                 | -                   | 236,044             |
| Effect of assumption changes or input                    | 1,206,670           |                   |                     | 62,184            | -                   | 101,178             |
| Effect on economic/demographic (gains) or losses         | (166,866)           | (3,312)           | 185,179             | (488,413)         | 67,163              | (237,892)           |
| Refund of contributions                                  | (119,620)           | (59,632)          | (27,704)            |                   |                     |                     |
| Benefit payments/refunds of contributions                | <u>(1,067,201)</u>  | <u>(878,584)</u>  | <u>(851,383)</u>    | <u>(866,948)</u>  | <u>(700,255)</u>    | <u>(659,497)</u>    |
| Net change in total pension liability                    | 2,562,962           | 1,555,656         | 1,655,614           | 813,624           | 1,276,495           | 1,123,004           |
| Total pension liability, beginning                       | <u>19,512,663</u>   | <u>17,957,006</u> | <u>16,301,391</u>   | <u>15,487,767</u> | <u>14,211,272</u>   | <u>13,088,268</u>   |
| Total pension liability, ending (a)                      | <u>22,075,625</u>   | <u>19,512,663</u> | <u>17,957,006</u>   | <u>16,301,391</u> | <u>15,487,767</u>   | <u>14,211,272</u>   |
| <b>Fiduciary Net Position</b>                            |                     |                   |                     |                   |                     |                     |
| Employer contributions                                   | 919,104             | 806,270           | 780,237             | 708,176           | 657,951             | 523,193             |
| Member contributions                                     | 542,932             | 478,701           | 434,502             | 394,685           | 351,578             | 301,925             |
| Investment income net of investment expenses             | 1,922,029           | 2,574,326         | (287,455)           | 1,965,172         | 904,024             | (164,681)           |
| Refund of contributions                                  | (119,620)           | (59,632)          | (27,704)            |                   |                     |                     |
| Benefit payments/refunds of contributions                | (1,067,201)         | (878,584)         | (851,383)           | (866,948)         | (700,255)           | (659,497)           |
| Administrative expenses                                  | (15,215)            | (14,174)          | (12,593)            | (10,395)          | (9,827)             | (8,801)             |
| Other  | 11,653              | 14,463            | 11,570              | 3,064             | 47,881              | (28,176)            |
| Net change in fiduciary net position                     | <u>2,193,682</u>    | <u>2,921,370</u>  | <u>47,174</u>       | <u>2,193,754</u>  | <u>1,251,352</u>    | <u>(36,037)</u>     |
| Fiduciary net position, beginning                        | <u>18,599,601</u>   | <u>15,678,230</u> | <u>15,631,055</u>   | <u>13,437,301</u> | <u>12,185,949</u>   | <u>12,221,987</u>   |
| Fiduciary net position, ending (b)                       | <u>20,793,284</u>   | <u>18,599,600</u> | <u>15,678,230</u>   | <u>15,631,055</u> | <u>13,437,301</u>   | <u>12,185,950</u>   |
| <b>Net pension liability/ (asset), ending = (a)-(b)</b>  | <u>\$ 1,282,341</u> | <u>\$ 913,063</u> | <u>\$ 2,278,777</u> | <u>\$ 670,336</u> | <u>\$ 2,050,466</u> | <u>\$ 2,025,322</u> |
| Fiduciary net position as a % of total pension liability | 94.19%              | 95.32%            | 87.31%              | 95.89%            | 86.76%              | 85.75%              |
| Pensionable covered payroll                              | \$ 7,756,177        | \$ 6,838,590      | \$ 6,207,174        | \$ 5,638,364      | \$ 5,022,541        | \$ 4,313,210        |
| Net pension liability as a % of covered payroll          | 16.53%              | 13.35%            | 36.71%              | 11.89%            | 40.83%              | 46.96%              |

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

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

**EXHIBIT B-3**

| Year Ending | Actuarially | Actual Employer | Contribution | Pensionable | Actual |
|-------------|-------------|-----------------|--------------|-------------|--------|
| 2012        | 374,800     | 374,800         | -            | 3,328,623   | 11.3%  |
| 2013        | 459,716     | 459,716         | -            | 3,799,318   | 12.1%  |
| 2014        | 493,873     | 493,873         | -            | 3,916,520   | 12.6%  |
| 2015        | 523,193     | 523,193         | -            | 4,313,210   | 12.1%  |
| 2016        | 657,951     | 657,951         | -            | 5,022,541   | 13.1%  |
| 2017        | 708,176     | 708,176         | -            | 5,638,364   | 12.6%  |
| 2018        | 780,237     | 780,237         | -            | 6,207,174   | 12.6%  |
| 2019        | 806,270     | 806,270         | -            | 6,838,590   | 11.8%  |
| 2020        | 919,104     | 919,104         | -            | 7,756,177   | 11.8%  |
| 2021        | 993,164     | 993,164         | -            | 8,459,674   | 11.7%  |

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

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

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

**Methods and assumptions used to determine contributions:**

|   |   |
|---|---|
| Actuarial Cost Method   | Entry Age   |
| Amortization Method   | Level percentage of payroll, closed   |
| Remaining Amortization Period   | 20.0 years (based on contribution rated calculated in 12/31/2020 valuation)   |
| Assets Valuation Method   | 5-year smoothed market  |
| Inflation   | 2.50%   |
| Salary Increases  | Varies by age and service. 4.6% average over career including inflation.  |
| Investment Rate of Return   | 7.50%, net of investment expenses, including inflation  |
| Retirement Age  | Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.   |
| Mortality   | 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.   |
| Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions* | 2015: New inflation, mortality and other assumptions were reflected<br>2017: New mortality assumptions were reflected<br>2019: New inflation, mortality and other assumptions were reflected  |
| Changes in Plan Provisions Reflected in the Schedule*                                   | 2015: No changes in plan provisions were reflected in the Schedule<br>2016: Employer contributions reflect that a 100% CPI COLA was adopted.<br>2017: New Annuity Purchase Rates were reflected for benefits earned after 2017<br>2018: No changes in plan provisions were reflected in the schedule.<br>2019: Employer contributions reflect that a 2% flat COLA was adopted<br>2020: No changes in plan provisions were reflected in the Schedule |

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

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



# TEXAS SUPPLEMENTARY INFORMATION

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF SERVICES AND RATES**  
**YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT TSI-1**

1. Services provided by the District:

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

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

3. Retail service providers: N/A

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

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

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

7. Location of District:

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

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

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

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

Is the general membership of the Board appointed by an office outside the District?  
 Yes  No If yes, by whom? \_\_\_\_\_

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF GENERAL FUND EXPENDITURES**  
**YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT TSI-2**

|   |                             |
|---|-----------------------------|
| Personnel Expenditures (including benefits) * | \$ 11,868,520               |
| Professional Fees:                            |                             |
| Auditing                                      | 114,000                     |
| Legal   | 171,439                     |
| Engineering                                   | 11,464                      |
| Contracted Services:                          |                             |
| Appraisal district                            | 409,720                     |
| Hidalgo County Tax Assessor Collector         | 426,324                     |
| Utilities                                     | 76,565                      |
| Repairs and Maintenance                       | 860,920                     |
| Administrative Expenditures:                  |                             |
| Office supplies                               | 93,084                      |
| Insurance                                     | 229,071                     |
| Capital Outlay:                               |                             |
| Acquisition of fixed assets                   | 4,035,083                   |
| Other Expenditures                            | <u>2,232,165</u>            |
| <b>TOTAL EXPENDITURES</b>                     | <b><u>\$ 20,528,355</u></b> |

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

**Schedule of Temporary Investments**

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF TAXES LEVIED AND RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT TSI-4**  
**Continued**

|  | <u>Maintenance<br/>Taxes</u> | <u>Debt Service<br/>Taxes</u> |
|--|------------------------------|-------------------------------|
| Property taxes receivable, beginning of year         | \$ 2,506,862                 | \$ 1,932,823                  |
| 2020 original tax levy (less abatements)             | 20,921,462                   | 18,464,630                    |
| Adjustments for 2020 original tax levy modifications | 163,673                      | 183,281                       |
| Adjustments for rollbacks and refunds                | <u>2,572</u>                 | <u>2,271</u>                  |
| Total to be accounted for                            | <u>23,594,569</u>            | <u>20,583,005</u>             |
| Tax collections:                                     |                              |                               |
| Current  | (20,483,118)                 | (18,077,761)                  |
| Prior years  | <u>(694,004)</u>             | <u>(612,335)</u>              |
| Total collections                                    | <u>(21,177,122)</u>          | <u>(18,690,096)</u>           |
| Property taxes receivable, end of year               | <u>\$ 2,417,447</u>          | <u>\$ 1,892,909</u>           |
| Property taxes receivable by years                   |                              |                               |
| 2020   | \$ 627,890                   | \$ 554,157                    |
| 2019   | 382,080                      | 337,212                       |
| 2018   | 245,171                      | 216,645                       |
| 2017 and prior                                       | <u>1,162,006</u>             | <u>784,895</u>                |
| Property taxes receivable, end of year               | <u>\$ 2,417,147</u>          | <u>\$ 1,892,909</u>           |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF TAXES LEVIED AND RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT TSI-4**  
**Continued**

|  | Tax Levy                 |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | 2020                     | 2019                     | 2018                     | 2017                     |
| Property Valuations:   |                          |                          |                          |                          |
| Land and improvements  | \$ 44,507,248,686        | \$ 41,861,864,969        | \$ 39,875,401,701        | \$ 37,254,998,144        |
| Minerals   | 26,217,836               | 46,737,074               | 55,804,447               | 52,881,516               |
| Personal property  | 4,479,023,030            | 4,464,519,841            | 4,169,412,132            | 4,194,288,423            |
| Total property valuations                                      | <u>\$ 49,012,489,552</u> | <u>\$ 46,373,121,884</u> | <u>\$ 44,100,618,280</u> | <u>\$ 41,502,168,083</u> |
| Tax Rates Per \$100 Valuation:                                 |                          |                          |                          |                          |
| Debt service tax rates   | 0.0481                   | 0.0527                   | 0.0430                   | 0.0449                   |
| Maintenance tax rates  | 0.0545                   | 0.0524                   | 0.0521                   | 0.0502                   |
| Total tax rates per \$100 valuation                            | <u>0.1026</u>            | <u>0.1051</u>            | <u>0.0951</u>            | <u>0.0951</u>            |
| Original tax levy  | <u>\$ 39,386,092</u>     | <u>\$ 38,358,813</u>     | <u>\$ 33,062,978</u>     | <u>\$ 31,810,341</u>     |
| Percent of taxes collected to tax levied at December 31, 2021: | <u>97.90%</u>            | <u>96.48%</u>            | <u>96.22%</u>            | <u>96.86%</u>            |

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

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF TAXES LEVIED AND RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT TSI-4**  
**Concluded**

The following represents the 2020 tax levy rates for all overlapping jurisdictions. The table includes any taxing entities which overlap 10% or more of the District.

|  | Taxing Jurisdiction  | <u>Tax Rate</u>  |
|--|--|------------------|
| a. County:                                 | <u>Hidalgo County</u>  | \$ .5750         |
| b. Cities:                                 | <u>Average of 18 cities within Drainage District</u>           | .6467            |
| c. School district(s):                     | <u>Average of 14 school districts within Drainage District</u> | 1.2371           |
| d. Special district(s) not included above: |  |                  |
|  | <u>South Texas College</u>                                     | .1780            |
|  | <u>South Texas I.S.D.</u>                                      | .0492            |
| e. Total District:                         |  | .1026            |
|  | Total Overlapping Tax Rate                                     | <u>\$ 2.7886</u> |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
SCHEDULE OF LONG - TERM DEBT SERVICE REQUIREMENTS BY YEARS  
DECEMBER 31, 2021

**EXHIBIT TSI-5**

**Schedule of Long-Term Requirements**

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



**Schedule of Changes in Long Term Bonded Debt**

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

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

|  | A M O U N T S         |                       |                     |                       |                    |
|--|-----------------------|-----------------------|---------------------|-----------------------|--------------------|
|  | 2021                  | 2020                  | 2019                | 2018                  | 2017               |
| <b>GENERAL FUND</b>  |                       |                       |                     |                       |                    |
| <b>REVENUES</b>  |                       |                       |                     |                       |                    |
| Property taxes   | \$ 21,704,872         | \$19,355,454          | \$18,466,159        | \$ 17,061,776         | \$ 15,967,104      |
| Operating grants and contributions   | -                     | -                     | -                   | -                     | -                  |
| Charges for services   | 100,692               | 99,380                | 81,091              | 60,693                | 61,000             |
| Interest   | 129,958               | 321,583               | 773,779             | 622,391               | 339,244            |
| Intergovernmental  | 673,751               | -                     | 90,667              | 173,566               | 13,494             |
| Miscellaneous  | 208,306               | 196,664               | 1,145,933           | 77,450                | 131,728            |
| Total revenues   | <u>22,817,579</u>     | <u>19,973,081</u>     | <u>20,557,629</u>   | <u>17,995,876</u>     | <u>16,512,570</u>  |
| <b>EXPENDITURES</b>  |                       |                       |                     |                       |                    |
| Professional fees  | 296,903               | 590,773               | 614,512             | 665,689               | 636,900            |
| Contracted services  | 836,044               | 778,442               | 687,398             | 734,774               | 303,293            |
| Payroll  | 11,868,520            | 10,788,741            | 9,842,618           | 8,997,828             | 8,127,830          |
| Utilities  | 76,565                | 52,690                | 47,786              | 31,533                | 28,497             |
| Materials and supplies   | 561,337               | 429,091               | 225,547             | 230,513               | 594,719            |
| Repairs and maintenance  | 299,583               | 260,218               | 1,557,692           | 1,380,829             | 1,202,051          |
| Aid to other governments   | -                     | -                     | -                   | 8,590                 | 71,250             |
| Other expenditures   | 3,236,128             | 1,757,426             | 1,639,410           | 1,537,818             | 1,273,032          |
| Capital outlay   | 3,355,218             | 5,293,999             | 6,170,200           | 6,293,470             | 1,232,446          |
| Total expenditures   | <u>20,530,298</u>     | <u>19,951,380</u>     | <u>20,785,163</u>   | <u>19,881,044</u>     | <u>13,470,018</u>  |
| Excess (deficiency) revenues over (under) expenditures                                       | 2,287,281             | 21,701                | (227,534)           | (1,885,168)           | 3,042,552          |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                       |                       |                     |                       |                    |
| Sale of capital assets   | 196,483               | 33,104                | 139,511             | 38,304                | 211,442            |
| Capital lease proceeds   | -                     | -                     | -                   | -                     | -                  |
| Installment note   | -                     | -                     | 3,320,000           | -                     | -                  |
| Interfund transfers in   | -                     | -                     | -                   | -                     | -                  |
| Interfund transfers out  | (1,660,000)           | (2,044,333)           | (250,000)           | (1,850,000)           | (2,650,000)        |
| Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) | <u>\$ (1,463,517)</u> | <u>\$ (2,011,229)</u> | <u>\$ 3,209,511</u> | <u>\$ (3,696,864)</u> | <u>\$ 603,994</u>  |
| <b>DEBT SERVICE FUND</b>   |                       |                       |                     |                       |                    |
| <b>REVENUES:</b>   |                       |                       |                     |                       |                    |
| Property taxes   | \$ 19,156,980         | \$19,466,369          | \$15,240,783        | \$ 15,260,434         | \$ 14,647,242      |
| Penalty, interest and other  | -                     | -                     | -                   | -                     | -                  |
| Interest   | 50,786                | 51,546                | 171,585             | 98,386                | 23,102             |
| Total revenues   | <u>19,207,766</u>     | <u>19,517,915</u>     | <u>15,412,368</u>   | <u>15,358,820</u>     | <u>14,670,344</u>  |
| <b>EXPENDITURES:</b>   |                       |                       |                     |                       |                    |
| Debt services, interest and principal  | <u>20,458,163</u>     | <u>21,706,980</u>     | <u>15,265,226</u>   | <u>15,267,557</u>     | <u>15,061,158</u>  |
| Total expenditures   | <u>20,458,163</u>     | <u>21,706,980</u>     | <u>15,265,226</u>   | <u>15,267,557</u>     | <u>15,061,158</u>  |
| Excess (deficiency) revenues over (under) expenditures                                       | (1,250,397)           | (2,189,065)           | 147,142             | 91,263                | (390,814)          |
| <b>OTHER FINANCING SOURCES</b>   |                       |                       |                     |                       |                    |
| Interfund transfers in   | 1,660,000             | 3,143,569             | 250,000             | 625,000               | 250,000            |
| Interfund transfers out  | -                     | (1,099,236)           | -                   | (375,000)             | -                  |
| Bond proceeds  | -                     | -                     | -                   | 6,095,000             | 1,960,000          |
| Bond premium   | -                     | -                     | -                   | -                     | 56,605             |
| Payment to refunded bond escrow agent  | -                     | -                     | -                   | (6,368,680)           | (1,955,083)        |
| Excess of revenues over expenditures and other financing sources                             | <u>\$ 409,603</u>     | <u>\$ (144,732)</u>   | <u>\$ 397,142</u>   | <u>\$ 67,583</u>      | <u>\$ (79,292)</u> |
| <b>TOTAL ACTIVE RETAIL, WATER AND/OR WASTEWATER CONNECTIONS</b>                              |                       |                       |                     |                       |                    |
|  | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>         | <u>\$ -</u>           | <u>\$ -</u>        |

| PERCENT OF FUND TOTAL REVENUES |                |               |                |                |  |
|--------------------------------|----------------|---------------|----------------|----------------|--|
| 2021                           | 2020           | 2019          | 2018           | 2017           |  |
| 95.14                          | 96.91          | 89.84         | 94.81          | 96.70          |  |
| -                              | -              | -             | -              | -              |  |
| 0.44                           | 0.50           | 0.39          | 0.34           | 0.37           |  |
| 0.57                           | 1.61           | 3.76          | 3.46           | 2.05           |  |
| 2.94                           | -              | 0.44          | 0.96           | 0.08           |  |
| 0.91                           | 0.98           | 5.57          | 0.43           | 0.80           |  |
| <u>100.00</u>                  | <u>100.00</u>  | <u>100.00</u> | <u>100.00</u>  | <u>100.00</u>  |  |
| 1.30                           | 2.96           | 2.99          | 3.70           | 3.86           |  |
| 3.66                           | 3.90           | 3.34          | 4.08           | 1.84           |  |
| 52.01                          | 54.02          | 47.88         | 50.00          | 49.22          |  |
| 0.34                           | 0.26           | 0.23          | 0.18           | 0.17           |  |
| 2.46                           | 2.15           | 1.10          | 1.28           | 3.60           |  |
| 1.31                           | 1.30           | 7.58          | 7.67           | 7.28           |  |
| -                              | -              | -             | 0.05           | 0.43           |  |
| 14.18                          | 8.80           | 7.97          | 8.55           | 7.71           |  |
| 14.71                          | 26.51          | 30.01         | 34.97          | 7.46           |  |
| <u>89.97</u>                   | <u>99.90</u>   | <u>101.10</u> | <u>110.48</u>  | <u>81.57</u>   |  |
| 10.03                          | 0.10           | (1.10)        | (10.48)        | 18.43          |  |
| 0.86                           | 0.17           | 0.68          | 0.21           | 1.28           |  |
| -                              | -              | -             | -              | -              |  |
| -                              | -              | -             | -              | -              |  |
| <u>(7.28)</u>                  | <u>(10.24)</u> | <u>(1.22)</u> | <u>(10.28)</u> | <u>(16.05)</u> |  |
| <u>3.61</u>                    | <u>(9.97)</u>  | <u>(1.64)</u> | <u>(20.55)</u> | <u>3.66</u>    |  |
| 99.74                          | 99.74          | 98.89         | 99.36          | 99.84          |  |
| -                              | -              | -             | -              | -              |  |
| 0.26                           | 0.26           | 1.11          | 0.64           | 0.16           |  |
| <u>100.00</u>                  | <u>100.00</u>  | <u>100.00</u> | <u>100.00</u>  | <u>100.00</u>  |  |
| 106.51                         | 111.22         | 99.05         | 99.40          | 102.66         |  |
| <u>106.51</u>                  | <u>111.22</u>  | <u>99.05</u>  | <u>99.40</u>   | <u>102.66</u>  |  |
| (6.51)                         | (11.22)        | 0.95          | 0.59           | (2.66)         |  |
| 8.64                           | 16.11          | 1.62          | (2.44)         | 1.70           |  |
| -                              | 5.63           | -             | 4.07           | -              |  |
| -                              | -              | -             | 39.68          | 13.36          |  |
| -                              | -              | -             | -              | 0.39           |  |
| -                              | -              | -             | (41.47)        | (13.33)        |  |
| <u>2.13</u>                    | <u>10.52</u>   | <u>2.57</u>   | <u>0.44</u>    | <u>(0.54)</u>  |  |
| <u>-</u>                       | <u>-</u>       | <u>-</u>      | <u>-</u>       | <u>-</u>       |  |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT TSI-8**  
**Continued**

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

District Business Telephone Number: (956) 292-7080

| <u>Name and Address</u>  |                       | <u>Fees<br/>12/31/21</u> | <u>Expense<br/>Reimbursements<br/>FYE 12/31/21</u> | <u>Title at<br/>Year End</u> | <u>Resident of<br/>District</u> |
|--|-----------------------|--------------------------|--|------------------------------|---------------------------------|
| Board Members:   |                       |                          |  |                              |                                 |
| Richard F. Cortez<br>100 E. Cano, Second Floor<br>Edinburg, TX 78539         | (Elected)<br>01/01/19 | \$ -                     | \$ 1,800   | Chairman                     | Yes                             |
| David L. Fuentes<br>1902 Joe Stephens Ave.<br>Suite 101<br>Weslaco, TX 78599 | (Elected)<br>01/01/17 | \$ -                     | \$ 1,800   | Member                       | Yes                             |
| Eduardo "Eddie" Cantu<br>300 W. Hall Acres<br>Suite G<br>Pharr, TX 78577     | (Elected)<br>01/01/15 | \$ -                     | \$ 1,800   | Member                       | Yes                             |
| Everardo Villarreal<br>724 North Breyfogle<br>Mission, TX 78574              | (Elected)<br>01/01/21 | \$ -                     | \$ 1,800   | Member                       | Yes                             |
| Ellie Torres<br>1051 N. Doolittle Road<br>Edinburg, TX 78542                 | (Elected)<br>01/01/19 | \$ -                     | \$ 1,800   | Member                       | Yes                             |

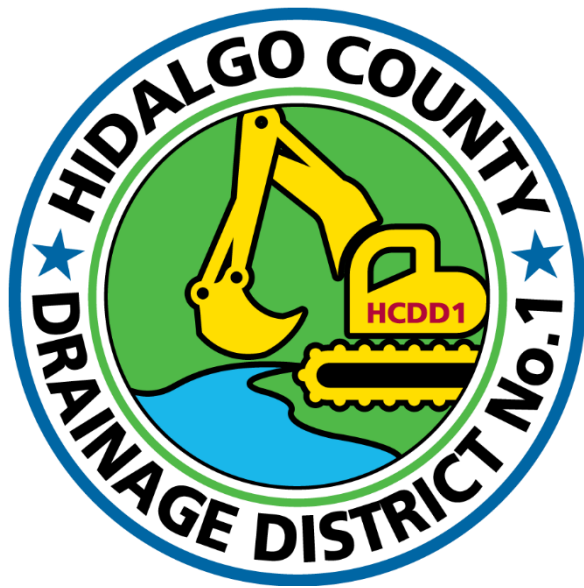
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS - CONTINUED**  
**YEAR ENDED DECEMBER 31, 2021**

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

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

District Business Telephone Number: (956) 292-7080

| Name and Address   |                         | Fees<br>12/31/21 | Expense<br>Reimbursements<br>FYE 12/31/21 | Title at<br>Year End              |
|--|-------------------------|------------------|---|-----------------------------------|
| Key Personnel:   |                         |                  |   |                                   |
| Consultants:   |                         |                  |   |                                   |
| Maria Arcilia Duran<br>Hidalgo County Auditor's Office<br>2808 S. Business Highway 281<br>Edinburg, TX 78539 | (Appointed)<br>12/04/17 | \$ -             | \$ -                                      | County Auditor                    |
| Pablo "Paul" Villarreal Jr.<br>PO Box 178<br>Edinburg, TX 78539  | (Elected)<br>01/01/13   | \$ 426,324       | \$ -                                      | County Tax<br>Assessor/ Collector |
| Jones Galligan Key & Lozano, LLP<br>2300 W Pike Blvd Suite #300<br>Weslaco, TX 78596                         | 09/4/2018               | \$ 261,022       | \$ -                                      | Attorneys                         |
| The J Ramirez Law Firm<br>700 N Veterans Blvd B<br>San Juan, TX 78539  | -                       | \$ -             | \$ -                                      | Bond Counsel                      |
| Chamberlain, Hrdlicka, White & Aughtry, PC<br>1200 Smith Street, 14th Floor<br>Houston, Texas 77002          | -                       | \$ -             | \$ -                                      | Attorney                          |
| Burton McCumber & Longoria, LLP<br>205 Pecan Boulevard<br>McAllen, TX 78501                                  | 10/31/17                | \$ 114,000       | \$ -                                      | Independent Auditors              |
| Hidalgo County Appraisal District<br>4405 Professional Drive<br>Edinburg, TX 78539                           | -                       | \$ 409,720       | \$ -                                      | Appraisal Services                |
| Investment Officer:  |                         |                  |   |                                   |
| Lita L. Leo<br>2810 S. Business Highway 281<br>Edinburg, TX 78539  | (Elected)<br>01/01/19   | \$ -             | \$ -                                      | County Treasurer                  |



# **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

**EXHIBIT C-1**

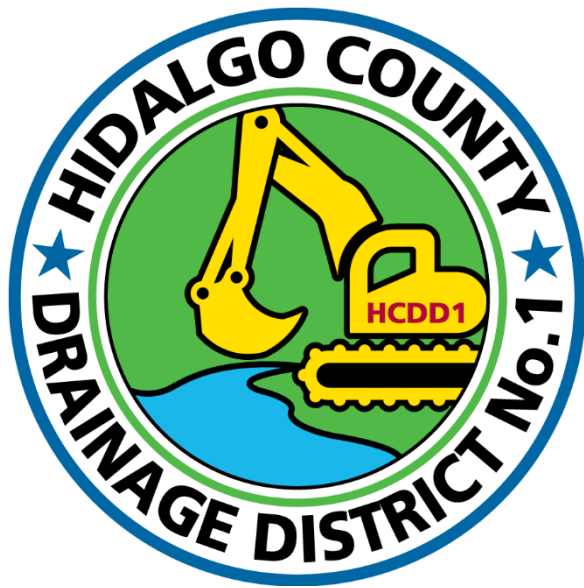
|  | Special<br>Revenue Funds | Debt<br>Service Funds | Capital<br>Projects Funds | Total<br>Nonmajor<br>Governmental<br>Funds<br>(See Exhibit A-3) |
|--|--------------------------|-----------------------|---------------------------|---|
| <b>ASSETS</b>  |                          |                       |                           |   |
| Cash and cash equivalents  | \$ 489,271               | \$ 618,165            | \$ 42,108,393             | \$ 43,215,829   |
| Receivables<br>(net of allowance for uncollectibles)             |                          |                       |                           |   |
| Property taxes   | -                        | 1,769,358             | -                         | 1,769,358   |
| Other accounts   | -                        | -                     | 5,325                     | 5,325   |
| Due from other governments                                       | 141,870                  | -                     | -                         | 141,870   |
| Due from other funds   | -                        | 1,369,743             | 1,918                     | 1,371,661   |
| <b>Total assets</b>  | <u>\$ 631,141</u>        | <u>\$ 3,757,266</u>   | <u>\$ 42,115,636</u>      | <u>\$ 46,504,043</u>  |
| <b>LIABILITIES, DEFERRED INFLOWS,<br/>AND FUND BALANCES</b>      |                          |                       |                           |   |
| <b>Liabilities:</b>  |                          |                       |                           |   |
| Accounts payable   | \$ 128,411               | \$ -                  | \$ 1,063,545              | \$ 1,191,956  |
| Retainage payable  | -                        | -                     | 232,200                   | 232,200   |
| Due to other governments   | 347,865                  | -                     | -                         | 347,865   |
| Due to other funds   | 6,038                    | -                     | 229,221                   | 235,259   |
| Advance from other funds   | 100,000                  | -                     | -                         | 100,000   |
| Unearned revenue   | 47,573                   | -                     | -                         | 47,573  |
| <b>Total liabilities</b>   | <u>629,887</u>           | <u>-</u>              | <u>1,524,966</u>          | <u>2,154,853</u>  |
| <b>Deferred inflows of resources:</b>                            |                          |                       |                           |   |
| Unavailable revenue-property taxes                               | -                        | 1,365,572             | -                         | 1,365,572   |
| Deferred revenue-property taxes                                  | -                        | 1,769,356             | -                         | 1,769,356   |
| <b>Total deferred inflows of resources</b>                       | <u>-</u>                 | <u>3,134,928</u>      | <u>-</u>                  | <u>3,134,928</u>  |
| <b>Fund Balances:</b>  |                          |                       |                           |   |
| Restricted:  |                          |                       |                           |   |
| Special revenue  | 1,254                    | -                     | -                         | 1,254   |
| Capital projects   | -                        | -                     | 40,590,670                | 40,590,670  |
| Debt service   | -                        | 622,338               | -                         | 622,338   |
| <b>Total fund balances</b>                                       | <u>1,254</u>             | <u>622,338</u>        | <u>40,590,670</u>         | <u>41,214,262</u>   |
| <b>Total liabilities, deferred inflows<br/>and fund balances</b> | <u>\$ 631,141</u>        | <u>\$ 3,757,266</u>   | <u>\$ 42,115,636</u>      | <u>\$ 46,504,043</u>  |



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

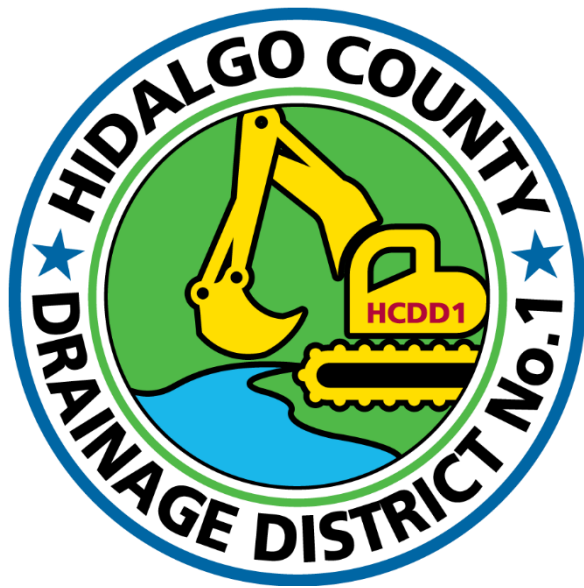
**EXHIBIT C-2**

|  | Special<br>Revenue Funds | Debt<br>Service Funds | Capital<br>Projects Funds | Total<br>Nonmajor<br>Governmental<br>Funds<br>(See Exhibit A-5) |
|--|--------------------------|-----------------------|---------------------------|---|
| <b>REVENUES</b>  |                          |                       |                           |   |
| Property taxes   | \$ -                     | \$ 303,834            | \$ -                      | \$ 303,834  |
| Intergovernmental  | 694,294                  | -                     | -                         | 694,294   |
| Interest   | 2,195                    | 13,498                | 38,775                    | 54,468  |
| Miscellaneous  | -                        | -                     | 6,974                     | 6,974   |
| <b>Total revenues</b>  | <u>696,489</u>           | <u>317,332</u>        | <u>45,749</u>             | <u>1,059,570</u>  |
| <b>EXPENDITURES</b>  |                          |                       |                           |   |
| Current:   |                          |                       |                           |   |
| Drainage flood control                                       | 460,456                  | -                     | -                         | 460,456   |
| Debt service:  |                          |                       |                           |   |
| Principal  | -                        | 1,660,000             | -                         | 1,660,000   |
| Interest   | -                        | 297,363               | -                         | 297,363   |
| Issuance cost and fiscal agent fees                          | -                        | 1,500                 | -                         | 1,500   |
| Capital Outlay:  |                          |                       |                           |   |
| Drainage flood control                                       | 234,779                  | -                     | 5,193,864                 | 5,428,643   |
| <b>Total expenditures</b>                                    | <u>695,235</u>           | <u>1,958,863</u>      | <u>5,193,864</u>          | <u>7,847,962</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,254                    | (1,641,531)           | (5,148,115)               | (6,788,392)   |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                          |                       |                           |   |
| Transfers in   | -                        | 1,660,000             | -                         | 1,660,000   |
| Issuance of debt   | -                        | -                     | 22,869,000                | 22,869,000  |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>                 | <u>1,660,000</u>      | <u>22,869,000</u>         | <u>24,529,000</u>   |
| Net change in fund balances                                  | 1,254                    | 18,469                | 17,720,885                | 17,740,608  |
| <b>Fund balances at beginning of year</b>                    | -                        | 603,869               | 22,869,785                | 23,473,654  |
| <b>Fund balances at the end of year</b>                      | <u>\$ 1,254</u>          | <u>\$ 622,338</u>     | <u>\$ 40,590,670</u>      | <u>\$ 41,214,262</u>  |



# **SPECIAL REVENUE FUNDS**

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



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**Special Revenue Funds**  
**December 31, 2021**

**DHS Levee Grant**

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

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

**Raymondville Drain Restore Act**

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

**Region 15 Planning Group Grant**

This fund was established on April 15, 2021 to account for the Regional Flood Planning Contract No. 2101792500 with the Texas Water Development Board (TWDB) in the amount of \$1,270,000. The funds are for the financial assistance to develop a Regional Flood Plan for the Flood Planning Region.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2021

EXHIBIT D-1

|  | DHS<br>Levee Grant | Raymondville Drain<br>Restore Act<br>Grant | Region 15<br>Planning Group<br>Grant | Total<br>Nonmajor<br>Special<br>Revenue Funds<br>(See Exhibit C-1) |
|--|--------------------|--|--------------------------------------|--|
| <b>ASSETS</b>  |                    |  |                                      |  |
| Cash and cash equivalents  | \$ 381,840         | \$ 67,382                                  | \$ 40,049                            | \$ 489,271   |
| Due from other governments                                       | 28,971             | 55,952                                     | 56,947                               | 141,870  |
| <b>Total assets</b>  | <u>\$ 410,811</u>  | <u>\$ 123,334</u>                          | <u>\$ 96,996</u>                     | <u>\$ 631,141</u>  |
| <b>LIABILITIES, DEFERRED INFLOWS,<br/>AND FUND BALANCES</b>      |                    |  |                                      |  |
| <b>Liabilities:</b>  |                    |  |                                      |  |
| Accounts payable   | \$ 15,060          | \$ 23,291                                  | \$ 90,060                            | \$ 128,411   |
| Due to other governments   | 347,865            | -  | -                                    | 347,865  |
| Due to other funds   | -                  | 43   | 5,995                                | 6,038  |
| Advance from other funds   | -                  | 100,000                                    | -                                    | 100,000  |
| Unearned revenue   | 46,632             | -  | 941                                  | 47,573   |
| <b>Total liabilities</b>   | <u>409,557</u>     | <u>123,334</u>                             | <u>96,996</u>                        | <u>629,887</u>   |
| <b>Deferred inflows of resources:</b>                            |                    |  |                                      |  |
| <b>Total deferred inflows of resources</b>                       | <u>-</u>           | <u>-</u>                                   | <u>-</u>                             | <u>-</u>   |
| <b>Fund balances:</b>  |                    |  |                                      |  |
| Restricted:  |                    |  |                                      |  |
| Special revenue  | 1,254              | -  | -                                    | 1,254  |
| <b>Total fund balances</b>                                       | <u>1,254</u>       | <u>-</u>                                   | <u>-</u>                             | <u>1,254</u>   |
| <b>Total liabilities, deferred inflows<br/>and fund balances</b> | <u>\$ 410,811</u>  | <u>\$ 123,334</u>                          | <u>\$ 96,996</u>                     | <u>\$ 631,141</u>  |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-2**

|  | DHS<br>Levee Grant | Raymondville Drain<br>Restore Act<br>Grant | Region 15<br>Planning Group<br>Grant | Total<br>Nonmajor<br>Special<br>Revenue Funds<br>(See Exhibit C-2) |
|--|--------------------|--|--------------------------------------|--|
| <b>REVENUES</b>  |                    |  |                                      |  |
| Intergovernmental  | \$ -               | \$ 234,779                                 | \$ 459,515                           | \$ 694,294   |
| Interest   | 1,254              | -  | 941                                  | 2,195  |
| <b>Total revenues</b>  | <u>1,254</u>       | <u>234,779</u>                             | <u>460,456</u>                       | <u>696,489</u>   |
| <b>EXPENDITURES</b>  |                    |  |                                      |  |
| Current:   |                    |  |                                      |  |
| Drainage flood control                                       | -                  | -  | 460,456                              | 460,456  |
| Capital Outlay:  |                    |  |                                      |  |
| Drainage flood control                                       | -                  | 234,779                                    | -                                    | 234,779  |
| <b>Total expenditures</b>                                    | <u>-</u>           | <u>234,779</u>                             | <u>460,456</u>                       | <u>695,235</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,254              | -  | -                                    | 1,254  |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                    |  |                                      |  |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>           | <u>-</u>                                   | <u>-</u>                             | <u>-</u>   |
| Net change in fund balances                                  | 1,254              | -  | -                                    | 1,254  |
| <b>Fund balances at beginning of year</b>                    | -                  | -  | -                                    | -  |
| <b>Fund balances at the end of year</b>                      | <u>\$ 1,254</u>    | <u>\$ -</u>                                | <u>\$ -</u>                          | <u>\$ 1,254</u>  |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DHS LEVEE GRANT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-3**

|  | Budgeted Amounts |             | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|-----------------|---|
|  | Original         | Final       |                 |   |
| <b>REVENUES</b>  |                  |             |                 |   |
| Interest   | \$ -             | \$ -        | \$ 1,254        | \$ 1,254  |
| <b>Total revenues</b>  | <u>-</u>         | <u>-</u>    | <u>1,254</u>    | <u>1,254</u>  |
| <b>EXPENDITURES</b>  |                  |             |                 |   |
| <b>Total expenditures</b>                                    | <u>-</u>         | <u>-</u>    | <u>-</u>        | <u>-</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | -           | 1,254           | 1,254   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |             |                 |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>         | <u>-</u>    | <u>-</u>        | <u>-</u>  |
| Net change in fund balance                                   | -                | -           | 1,254           | 1,254   |
| <b>Fund balance at beginning of year</b>                     | -                | -           | -               | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ 1,254</u> | <u>\$ 1,254</u>   |



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**RAYMONDVILLE DRAIN RESTORE ACT GRANT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-4**

|  | Budgeted Amounts |                       | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------------|----------------|---|
|  | Original         | Final                 |                |   |
| <b>REVENUES</b>  |                  |                       |                |   |
| Intergovernmental  | \$ -             | \$ -                  | \$ 234,779     | \$ 234,779  |
| <b>Total revenues</b>  | <u>-</u>         | <u>-</u>              | <u>234,779</u> | <u>234,779</u>  |
| <b>EXPENDITURES</b>  |                  |                       |                |   |
| Capital Outlay:  |                  |                       |                |   |
| Drainage flood control                                       | -                | 7,000,000             | 234,779        | 6,765,221   |
| <b>Total expenditures</b>                                    | <u>-</u>         | <u>7,000,000</u>      | <u>234,779</u> | <u>6,765,221</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | (7,000,000)           | -              | 7,000,000   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                       |                |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>         | <u>-</u>              | <u>-</u>       | <u>-</u>  |
| Net change in fund balance                                   | -                | (7,000,000)           | -              | 7,000,000   |
| <b>Fund balance at beginning of year</b>                     | -                | -                     | -              | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ -</u>      | <u>\$ (7,000,000)</u> | <u>\$ -</u>    | <u>\$ 7,000,000</u>                                     |

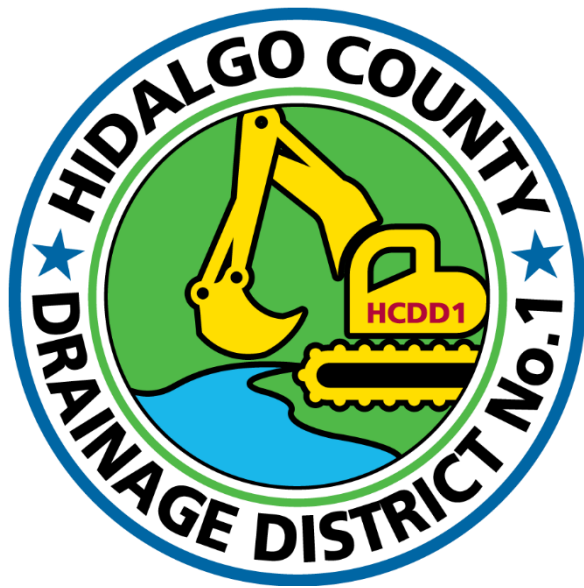
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**REGION 15 PLANNING GROUP GRANT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-5**

|  | Budgeted Amounts |                       | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------------|----------------|---|
|  | Original         | Final                 |                |   |
| <b>REVENUES</b>  |                  |                       |                |   |
| Intergovernmental  | \$ -             | \$ -                  | \$ 459,515     | \$ 459,515  |
| Interest   | -                | -                     | 941            | 941   |
| <b>Total revenues</b>  | <u>-</u>         | <u>-</u>              | <u>460,456</u> | <u>460,456</u>  |
| <b>EXPENDITURES</b>  |                  |                       |                |   |
| Current:   |                  |                       |                |   |
| General government   | -                | -                     | -              | -   |
| Drainage flood control                                       | -                | 1,203,000             | 460,456        | 742,544   |
| <b>Total expenditures</b>                                    | <u>-</u>         | <u>1,203,000</u>      | <u>460,456</u> | <u>742,544</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | (1,203,000)           | -              | 1,203,000   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                       |                |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>         | <u>-</u>              | <u>-</u>       | <u>-</u>  |
| Net change in fund balance                                   | -                | (1,203,000)           | -              | 1,203,000   |
| <b>Fund balance at beginning of year</b>                     | -                | -                     | -              | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ -</u>      | <u>\$ (1,203,000)</u> | <u>\$ -</u>    | <u>\$ 1,203,000</u>                                     |

## **DEBT SERVICE FUNDS**

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



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**Debt Service Funds**  
**December 31, 2021**

**MAJOR:**

**2013 Bond Series Debt Service Fund**

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

**2016 Refunding Bonds Debt Service Fund**

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

**2019 Bond Series Debt Service Fund**

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

**2021A Taxable Bond Series Debt Service Fund**

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

**NONMAJOR:**

**Debt Service Fund**

This Fund accounts for the accumulation of resources for payment of principal and interest on the District's long-term notes. As of December 31, 2018, the District had one note outstanding.

**2008 Bond Series**

This fund accounts for the payment of principal and interest on Unlimited Tax Improvement Bond Series 2008 issued in 2008 in the amount of \$72,000,000 for the construction of drainage improvements, the acquisition of right of way, and to pay costs related to the issuance of bonds.

**2014 Refunding Bonds**

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

**2018 Refunding Bonds**

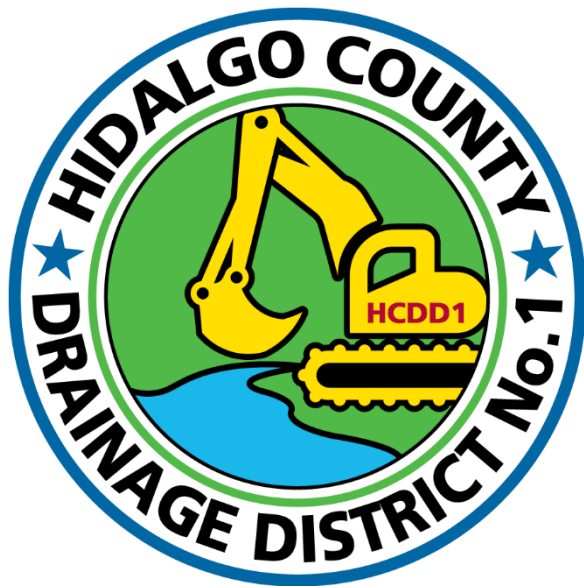
This fund accounts for the payment of principal and interest on refunding bonds issued in 2018 in the amount of \$6,095,000. The bonds were issued for the purpose of refunding a portion of the Unlimited Tax Improvement Bond Series 2013.

**2021 Taxable Bond Series – FIF**

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

**2021 Bond Series**

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



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**DECEMBER 31, 2021**

|  | Debt Service<br>Fund | 2008<br>Bond Series | 2014<br>Refunding Bonds |
|--|----------------------|---------------------|-------------------------|
| <b>ASSETS</b>  |                      |                     |                         |
| Cash and cash equivalents  | \$ 2,992             | \$ 45,447           | \$ 210,121              |
| Receivables<br>(net of allowance for uncollectibles)             |                      |                     |                         |
| Property taxes   | -                    | 265,236             | 173,334                 |
| Due from other funds   | -                    | -                   | 146,859                 |
| <b>Total assets</b>  | <u>\$ 2,992</u>      | <u>\$ 310,683</u>   | <u>\$ 530,314</u>       |
| <b>LIABILITIES, DEFERRED INFLOWS,<br/>AND FUND BALANCES</b>      |                      |                     |                         |
| <b>Liabilities:</b>  |                      |                     |                         |
| <b>Total liabilities</b>   | <u>\$ -</u>          | <u>\$ -</u>         | <u>\$ -</u>             |
| <b>Deferred inflows of resources:</b>                            |                      |                     |                         |
| Unavailable revenues-property taxes                              | -                    | -                   | 142,688                 |
| Deferred revenue-property taxes                                  | -                    | 265,236             | 173,332                 |
|  | <u>-</u>             | <u>265,236</u>      | <u>316,020</u>          |
| <b>Fund balances:</b>  |                      |                     |                         |
| Restricted:  |                      |                     |                         |
| Debt service   | 2,992                | 45,447              | 214,294                 |
| <b>Total fund balances</b>                                       | <u>2,992</u>         | <u>45,447</u>       | <u>214,294</u>          |
| <b>Total liabilities, deferred inflows<br/>and fund balances</b> | <u>\$ 2,992</u>      | <u>\$ 310,683</u>   | <u>\$ 530,314</u>       |



EXHIBIT D-6

| 2018<br>Refunding<br>Bonds | 2021<br>Taxable<br>Bond Series-FIF | 2021<br>Bond Series | Total<br>Nonmajor<br>Debt<br>Service Funds<br>(See Exhibit C-1) |
|----------------------------|------------------------------------|---------------------|---|
| \$ 359,605                 | \$ -                               | \$ -                | \$ 618,165  |
| 24,313                     | 390,746                            | 915,729             | 1,769,358   |
| -                          | 365,745                            | 857,139             | 1,369,743   |
| <u>\$ 383,918</u>          | <u>\$ 756,491</u>                  | <u>\$ 1,772,868</u> | <u>\$ 3,757,266</u>   |
| <u>\$ -</u>                | <u>\$ -</u>                        | <u>\$ -</u>         | <u>\$ -</u>   |
| -                          | 365,745                            | 857,139             | 1,365,572   |
| 24,313                     | 390,746                            | 915,729             | 1,769,356   |
| <u>24,313</u>              | <u>756,491</u>                     | <u>1,772,868</u>    | <u>3,134,928</u>  |
| 359,605                    | -                                  | -                   | 622,338   |
| <u>359,605</u>             | <u>-</u>                           | <u>-</u>            | <u>622,338</u>  |
| <u>\$ 383,918</u>          | <u>\$ 756,491</u>                  | <u>\$ 1,772,868</u> | <u>\$ 3,757,266</u>   |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|  | Debt Service<br>Fund | 2008<br>Bond Series | 2014<br>Refunding Bonds |
|--|----------------------|---------------------|-------------------------|
| <b>REVENUES</b>  |                      |                     |                         |
| Property taxes   | \$ -                 | \$ -                | \$ 303,834              |
| Interest   | 2,992                | 177                 | 2,198                   |
| <b>Total revenues</b>  | <u>2,992</u>         | <u>177</u>          | <u>306,032</u>          |
| <b>EXPENDITURES</b>  |                      |                     |                         |
| Debt service:  |                      |                     |                         |
| Principal  | 1,660,000            | -                   | -                       |
| Interest   | -                    | -                   | 297,363                 |
| Fiscal agent fees  | -                    | -                   | 500                     |
| <b>Total expenditures</b>                                    | <u>1,660,000</u>     | <u>-</u>            | <u>297,863</u>          |
| Excess (deficiency) of revenues<br>over (under) expenditures | (1,657,008)          | 177                 | 8,169                   |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                      |                     |                         |
| Transfers in   | 1,660,000            | -                   | -                       |
| <b>Total other financing sources (uses)</b>                  | <u>1,660,000</u>     | <u>-</u>            | <u>-</u>                |
| Net change in fund balances                                  | 2,992                | 177                 | 8,169                   |
| <b>Fund balances at beginning of year</b>                    | -                    | 45,270              | 206,125                 |
| <b>Fund balances at the end of year</b>                      | <u>\$ 2,992</u>      | <u>\$ 45,447</u>    | <u>\$ 214,294</u>       |

| 2018<br>Refunding<br>Bonds | 2021<br>Taxable<br>Bond Series-FIF | 2021<br>Bond Series | Total<br>Nonmajor<br>Debt<br>Service Funds<br>(See Exhibit C-2) |
|----------------------------|------------------------------------|---------------------|---|
| \$ -                       | \$ -                               | \$ -                | \$ 303,834  |
| 8,131                      | -                                  | -                   | 13,498  |
| <u>8,131</u>               | <u>-</u>                           | <u>-</u>            | <u>317,332</u>  |
| -                          | -                                  | -                   | 1,660,000   |
| -                          | -                                  | -                   | 297,363   |
| 1,000                      | -                                  | -                   | 1,500   |
| <u>1,000</u>               | <u>-</u>                           | <u>-</u>            | <u>1,958,863</u>  |
| 7,131                      | -                                  | -                   | (1,641,531)   |
| -                          | -                                  | -                   | 1,660,000   |
| <u>-</u>                   | <u>-</u>                           | <u>-</u>            | <u>1,660,000</u>  |
| 7,131                      | -                                  | -                   | 18,469  |
| 352,474                    | -                                  | -                   | 603,869   |
| <u>\$ 359,605</u>          | <u>\$ -</u>                        | <u>\$ -</u>         | <u>\$ 622,338</u>   |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**EXHIBIT D-8**

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

|  | Budgeted Amounts    |                     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|------------------|---|
|  | Original            | Final               |                  |   |
| <b>REVENUES</b>  |                     |                     |                  |   |
| Interest   | \$ -                | \$ -                | \$ 2,992         | \$ 2,992  |
| <b>Total revenues</b>  | <u>-</u>            | <u>-</u>            | <u>2,992</u>     | <u>2,992</u>  |
| <b>EXPENDITURES</b>  |                     |                     |                  |   |
| Debt Service:  |                     |                     |                  |   |
| Principal  | 2,350,000           | 2,350,000           | 1,660,000        | 690,000   |
| <b>Total expenditures</b>                                    | <u>2,350,000</u>    | <u>2,350,000</u>    | <u>1,660,000</u> | <u>690,000</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (2,350,000)         | (2,350,000)         | (1,657,008)      | 692,992   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                  |   |
| Transfers in   | 4,010,000           | 4,010,000           | 1,660,000        | (2,350,000)   |
| <b>Total other financing sources (uses)</b>                  | <u>4,010,000</u>    | <u>4,010,000</u>    | <u>1,660,000</u> | <u>(2,350,000)</u>                                      |
| Net change in fund balance                                   | 1,660,000           | 1,660,000           | 2,992            | (1,657,008)   |
| <b>Fund balance at beginning of year</b>                     | -                   | -                   | -                | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 1,660,000</u> | <u>\$ 1,660,000</u> | <u>\$ 2,992</u>  | <u>\$ (1,657,008)</u>                                   |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**NONMAJOR DEBT SERVICE FUND**  
**2008 BOND SERIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-9**

|  | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            |                  |   |
| <b>REVENUES</b>  |                  |                  |                  |   |
| Interest   | \$ -             | \$ -             | \$ 177           | \$ 177  |
| <b>Total revenues</b>  | <u>-</u>         | <u>-</u>         | <u>177</u>       | <u>177</u>  |
| <b>EXPENDITURES</b>  |                  |                  |                  |   |
| <b>Total expenditures</b>                                    | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | -                | 177              | 177   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                  |                  |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>  |
| Net change in fund balance                                   | -                | -                | 177              | 177   |
| <b>Fund balance at beginning of year</b>                     | 45,270           | 45,270           | 45,270           | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 45,270</u> | <u>\$ 45,270</u> | <u>\$ 45,447</u> | <u>\$ 177</u>   |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**NONMAJOR DEBT SERVICE FUND**  
**2014 REFUNDING BONDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-10**

|  | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| <b>REVENUES</b>  |                   |                   |                   |   |
| Property taxes   | \$ 297,428        | \$ 297,428        | \$ 303,834        | \$ 6,406  |
| Interest   | 206               | 206               | 2,198             | 1,992   |
| <b>Total revenues</b>  | <u>297,634</u>    | <u>297,634</u>    | <u>306,032</u>    | <u>8,398</u>  |
| <b>EXPENDITURES</b>  |                   |                   |                   |   |
| Debt Service:  |                   |                   |                   |   |
| Interest   | 297,363           | 297,363           | 297,363           | -   |
| Issuance costs and fiscal agent fees                         | 750               | 750               | 500               | 250   |
| <b>Total expenditures</b>                                    | <u>298,113</u>    | <u>298,113</u>    | <u>297,863</u>    | <u>250</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (479)             | (479)             | 8,169             | 8,648   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                   |                   |                   |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>  |
| Net change in fund balance                                   | (479)             | (479)             | 8,169             | 8,648   |
| <b>Fund balance at beginning of year</b>                     | 206,125           | 206,125           | 206,125           | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 205,646</u> | <u>\$ 205,646</u> | <u>\$ 214,294</u> | <u>\$ 8,648</u>   |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**NONMAJOR DEBT SERVICE FUND**  
**2018 REFUNDING BONDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-11**

|  | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| <b>REVENUES</b>  |                   |                   |                   |   |
| Interest   | \$ -              | \$ -              | \$ 8,131          | \$ 8,131  |
| <b>Total revenues</b>  | <u>-</u>          | <u>-</u>          | <u>8,131</u>      | <u>8,131</u>  |
| <b>EXPENDITURES</b>  |                   |                   |                   |   |
| Debt Service:  |                   |                   |                   |   |
| Issuance cost and fiscal agent fees                          | -                 | -                 | 1,000             | (1,000)   |
| <b>Total expenditures</b>                                    | <u>-</u>          | <u>-</u>          | <u>1,000</u>      | <u>(1,000)</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                 | -                 | 7,131             | 7,131   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                   |                   |                   |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>  |
| Net change in fund balance                                   | -                 | -                 | 7,131             | 7,131   |
| <b>Fund balance at beginning of year</b>                     | 352,474           | 352,474           | 352,474           | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 352,474</u> | <u>\$ 352,474</u> | <u>\$ 359,605</u> | <u>\$ 7,131</u>   |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**MAJOR DEBT SERVICE FUND**  
**2013 BOND SERIES DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-12**

|  | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>REVENUES</b>  |                     |                     |                     |   |
| Property taxes   | \$ 5,362,044        | \$ 5,362,044        | \$ 5,477,006        | \$ 114,962  |
| Interest   | 3,717               | 3,717               | 10,861              | 7,144   |
| <b>Total revenues</b>  | <u>5,365,761</u>    | <u>5,365,761</u>    | <u>5,487,867</u>    | <u>122,106</u>  |
| <b>EXPENDITURES</b>  |                     |                     |                     |   |
| Debt Service:  |                     |                     |                     |   |
| Principal  | 3,410,000           | 3,410,000           | 3,410,000           | -   |
| Interest   | 1,963,650           | 1,963,650           | 1,963,650           | -   |
| Issuance cost and fiscal agent fees                          | 750                 | 750                 | 450                 | 300   |
| <b>Total expenditures</b>                                    | <u>5,374,400</u>    | <u>5,374,400</u>    | <u>5,374,100</u>    | <u>300</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (8,639)             | (8,639)             | 113,767             | 122,406   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>  |
| Net change in fund balance                                   | (8,639)             | (8,639)             | 113,767             | 122,406   |
| <b>Fund balance at beginning of year</b>                     | 1,251,830           | 1,251,830           | 1,251,830           | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 1,243,191</u> | <u>\$ 1,243,191</u> | <u>\$ 1,365,597</u> | <u>\$ 122,406</u>                                       |



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**MAJOR DEBT SERVICE FUND**  
**2016 REFUNDING BONDS DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-13**

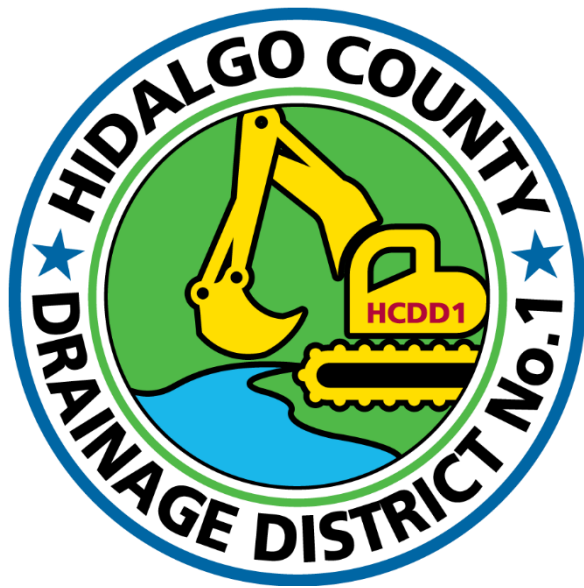
|  | Budgeted Amounts  |                   | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---------------------|---|
|  | Original          | Final             |                     |   |
| <b>REVENUES</b>  |                   |                   |                     |   |
| Property taxes   | \$ 7,073,396      | \$ 7,180,454      | \$ 7,334,193        | \$ 153,739  |
| Interest   | 4,755             | 4,977             | 16,504              | 11,527  |
| <b>Total revenues</b>  | <u>7,078,151</u>  | <u>7,185,431</u>  | <u>7,350,697</u>    | <u>165,266</u>  |
| <b>EXPENDITURES</b>  |                   |                   |                     |   |
| Debt Service:  |                   |                   |                     |   |
| Principal  | 5,215,000         | 5,215,000         | 5,215,000           | -   |
| Interest   | 1,981,250         | 1,981,250         | 1,981,250           | -   |
| Issuance costs and fiscal agent fees                         | 750               | 750               | 450                 | 300   |
| <b>Total expenditures</b>                                    | <u>7,197,000</u>  | <u>7,197,000</u>  | <u>7,196,700</u>    | <u>300</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (118,849)         | (11,569)          | 153,997             | 165,566   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                   |                   |                     |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>          | <u>-</u>          | <u>-</u>            | <u>-</u>  |
| Net change in fund balance                                   | (118,849)         | (11,569)          | 153,997             | 165,566   |
| <b>Fund balance at beginning of year</b>                     | 895,117           | 895,117           | 895,117             | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 776,268</u> | <u>\$ 883,548</u> | <u>\$ 1,049,114</u> | <u>\$ 165,566</u>                                       |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**MAJOR DEBT SERVICE FUND**  
**2019 BOND SERIES DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-14**

|  | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| <b>REVENUES</b>  |                   |                   |                   |   |
| Property taxes   | \$ 5,915,168      | \$ 5,915,168      | \$ 6,041,947      | \$ 126,779  |
| Interest   | 4,100             | 4,100             | 9,923             | 5,823   |
| <b>Total revenues</b>  | <u>5,919,268</u>  | <u>5,919,268</u>  | <u>6,051,870</u>  | <u>132,602</u>  |
| <b>EXPENDITURES</b>  |                   |                   |                   |   |
| Debt Service:  |                   |                   |                   |   |
| Principal  | 2,735,000         | 2,735,000         | 2,735,000         | -   |
| Interest   | 3,193,050         | 3,193,050         | 3,193,050         | -   |
| Issuance cost and fiscal agent fees                          | 750               | 750               | 450               | 300   |
| <b>Total expenditures</b>                                    | <u>5,928,800</u>  | <u>5,928,800</u>  | <u>5,928,500</u>  | <u>300</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (9,532)           | (9,532)           | 123,370           | 132,902   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                   |                   |                   |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>  |
| Net change in fund balance                                   | (9,532)           | (9,532)           | 123,370           | 132,902   |
| <b>Fund balance at beginning of year</b>                     | -                 | -                 | 754,634           | 754,634   |
| <b>Fund balance at the end of year</b>                       | <u>\$ (9,532)</u> | <u>\$ (9,532)</u> | <u>\$ 878,004</u> | <u>\$ 887,536</u>                                       |

# **CAPITAL PROJECTS FUNDS**



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**Capital Projects Funds**  
**December 31, 2021**

**MAJOR:**

**2019 Bond Series Capital Project Fund**

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

**2021 Bond Series Capital Project Fund**

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

**2021A Taxable Bond Series Capital Project Fund**

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

**NONMAJOR:**

**Capital Projects Fund**

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

**2008 Bond Series**

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

**2013 Bond Series**

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

**2021 Taxable Bond Series – FIF**

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

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2021**

|  | Capital<br>Projects Fund | 2008<br>Bond Series |
|--|--------------------------|---------------------|
| <b>ASSETS</b>  |                          |                     |
| Cash and cash equivalents  | \$ 3,571,255             | \$ 3,273,266        |
| Receivables<br>(net of allowance for uncollectibles)             |                          |                     |
| Other accounts   | -                        | 5,325               |
| Due from other funds   | -                        | -                   |
| <b>Total assets</b>  | <u>\$ 3,571,255</u>      | <u>\$ 3,278,591</u> |
| <b>LIABILITIES, DEFERRED INFLOWS,<br/>AND FUND BALANCES</b>      |                          |                     |
| <b>Liabilities:</b>  |                          |                     |
| Accounts payable   | \$ 518,234               | \$ 127,494          |
| Retainage payable  | 11,063                   | 14,166              |
| Due to other funds   | -                        | -                   |
| <b>Total liabilities</b>   | <u>529,297</u>           | <u>141,660</u>      |
| <b>Deferred inflows of resources:</b>                            |                          |                     |
| <b>Total deferred inflows of resources</b>                       | <u>-</u>                 | <u>-</u>            |
| <b>Fund balances:</b>  |                          |                     |
| Restricted:  |                          |                     |
| Capital projects   | 3,041,958                | 3,136,931           |
| <b>Total fund balances</b>                                       | <u>3,041,958</u>         | <u>3,136,931</u>    |
| <b>Total liabilities, deferred inflows<br/>and fund balances</b> | <u>\$ 3,571,255</u>      | <u>\$ 3,278,591</u> |

| 2013<br>Bond Series  | 2021<br>Taxable<br>Bond Series-FIF | Total<br>Nonmajor<br>Capital<br>Projects Funds<br>(See Exhibit C-1) |
|----------------------|------------------------------------|---|
| \$ 12,394,872        | \$ 22,869,000                      | \$ 42,108,393   |
| -                    | -                                  | 5,325   |
| 1,918                | -                                  | 1,918   |
| <u>\$ 12,396,790</u> | <u>\$ 22,869,000</u>               | <u>\$ 42,115,636</u>  |
| \$ 417,817           | \$ -                               | \$ 1,063,545  |
| 206,971              | -                                  | 232,200   |
| 229,221              | -                                  | 229,221   |
| <u>854,009</u>       | <u>-</u>                           | <u>1,524,966</u>  |
| <u>-</u>             | <u>-</u>                           | <u>-</u>  |
| 11,542,781           | 22,869,000                         | 40,590,670  |
| <u>11,542,781</u>    | <u>22,869,000</u>                  | <u>40,590,670</u>   |
| <u>\$ 12,396,790</u> | <u>\$ 22,869,000</u>               | <u>\$ 42,115,636</u>  |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|  | <u>Capital<br/>Projects Fund</u> | <u>2008<br/>Bond Series</u> |
|--|----------------------------------|-----------------------------|
| <b>REVENUES</b>  |                                  |                             |
| Interest   | \$ 11,350                        | \$ 4,721                    |
| Miscellaneous  | 2,000                            | -                           |
| <b>Total revenues</b>  | <u>13,350</u>                    | <u>4,721</u>                |
| <b>EXPENDITURES</b>  |                                  |                             |
| Capital Outlay:  |                                  |                             |
| Drainage flood control                                       | 1,803,066                        | 141,660                     |
| <b>Total expenditures</b>                                    | <u>1,803,066</u>                 | <u>141,660</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | (1,789,716)                      | (136,939)                   |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                                  |                             |
| Issuance of debt   | -                                | -                           |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>                         | <u>-</u>                    |
| Net change in fund balances                                  | (1,789,716)                      | (136,939)                   |
| <b>Fund balances at beginning of year</b>                    | 4,831,674                        | 3,273,870                   |
| <b>Fund balances at the end of year</b>                      | <u>\$ 3,041,958</u>              | <u>\$ 3,136,931</u>         |



EXHIBIT D-16

| 2013<br>Bond Series  | 2021<br>Taxable<br>Bond Series-FIF | Total<br>Nonmajor<br>Capital<br>Projects Funds<br>(See Exhibit C-2) |
|----------------------|------------------------------------|---|
| \$ 22,704            | \$ -                               | \$ 38,775   |
| 4,974                | -                                  | 6,974   |
| <u>27,678</u>        | <u>-</u>                           | <u>45,749</u>   |
| 3,249,138            | -                                  | 5,193,864   |
| <u>3,249,138</u>     | <u>-</u>                           | <u>5,193,864</u>  |
| (3,221,460)          | -                                  | (5,148,115)   |
| -                    | 22,869,000                         | 22,869,000  |
| <u>-</u>             | <u>22,869,000</u>                  | <u>22,869,000</u>   |
| (3,221,460)          | 22,869,000                         | 17,720,885  |
| 14,764,241           | -                                  | 22,869,785  |
| <u>\$ 11,542,781</u> | <u>\$ 22,869,000</u>               | <u>\$ 40,590,670</u>  |

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

**EXHIBIT D-17**

|  | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>REVENUES</b>  |                     |                     |                     |   |
| Grant revenue  | \$ -                | \$ 397,010          | \$ -                | \$ (397,010)  |
| Interest   | -                   | -                   | 11,350              | 11,350  |
| Miscellaneous  | -                   | -                   | 2,000               | 2,000   |
| <b>Total revenues</b>  | <u>-</u>            | <u>397,010</u>      | <u>13,350</u>       | <u>(383,660)</u>  |
| <b>EXPENDITURES</b>  |                     |                     |                     |   |
| Capital Outlay:  |                     |                     |                     |   |
| Drainage flood control                                       | -                   | 1,830,291           | 1,803,066           | 27,225  |
| <b>Total expenditures</b>                                    | <u>-</u>            | <u>1,830,291</u>    | <u>1,803,066</u>    | <u>27,225</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                   | (1,433,281)         | (1,789,716)         | (356,435)   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |   |
| Transfers in   | -                   | 397,010             | -                   | (397,010)   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>            | <u>397,010</u>      | <u>-</u>            | <u>(397,010)</u>  |
| Net change in fund balance                                   | -                   | (1,036,271)         | (1,789,716)         | (753,445)   |
| <b>Fund balance at beginning of year</b>                     | 4,831,674           | 4,831,674           | 4,831,674           | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 4,831,674</u> | <u>\$ 3,795,403</u> | <u>\$ 3,041,958</u> | <u>\$ (753,445)</u>                                     |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR CAPITAL PROJECT FUND**  
**2008 BOND SERIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-18**

|  | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>REVENUES</b>  |                     |                     |                     |   |
| Interest   | \$ -                | \$ -                | \$ 4,721            | \$ 4,721  |
| <b>Total revenues</b>  | <u>-</u>            | <u>-</u>            | <u>4,721</u>        | <u>4,721</u>  |
| <b>EXPENDITURES</b>  |                     |                     |                     |   |
| Capital Outlay:  |                     |                     |                     |   |
| Drainage flood control                                       | -                   | 2,223,254           | 141,660             | 2,081,594   |
| <b>Total expenditures</b>                                    | <u>-</u>            | <u>2,223,254</u>    | <u>141,660</u>      | <u>2,081,594</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                   | (2,223,254)         | (136,939)           | 2,086,315   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>  |
| Net change in fund balance                                   | -                   | (2,223,254)         | (136,939)           | 2,086,315   |
| <b>Fund balance at beginning of year</b>                     | 3,273,870           | 3,273,870           | 3,273,870           | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 3,273,870</u> | <u>\$ 1,050,616</u> | <u>\$ 3,136,931</u> | <u>\$ 2,086,315</u>                                     |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR CAPITAL PROJECT FUND**  
**2013 BOND SERIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-19**

|  | Budgeted Amounts     |                   | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|-------------------|----------------------|---|
|  | Original             | Final             |                      |   |
| <b>REVENUES</b>  |                      |                   |                      |   |
| Interest   | \$ -                 | \$ -              | \$ 22,704            | \$ 22,704   |
| Miscellaneous  | -                    | -                 | 4,974                | 4,974   |
| <b>Total revenues</b>  | <u>-</u>             | <u>-</u>          | <u>27,678</u>        | <u>27,678</u>   |
| <b>EXPENDITURES</b>  |                      |                   |                      |   |
| Capital Outlay:  |                      |                   |                      |   |
| Drainage flood control                                       | -                    | 14,764,241        | 3,249,138            | 11,515,103  |
| <b>Total expenditures</b>                                    | <u>-</u>             | <u>14,764,241</u> | <u>3,249,138</u>     | <u>11,515,103</u>                                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                    | (14,764,241)      | (3,221,460)          | 11,542,781  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                   |                      |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>             | <u>-</u>          | <u>-</u>             | <u>-</u>  |
| Net change in fund balance                                   | -                    | (14,764,241)      | (3,221,460)          | 11,542,781  |
| <b>Fund balance at beginning of year</b>                     | 14,764,241           | 14,764,241        | 14,764,241           | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 14,764,241</u> | <u>\$ -</u>       | <u>\$ 11,542,781</u> | <u>\$ 11,542,781</u>                                    |

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

**EXHIBIT D-20**

|  | Budgeted Amounts   |                    | Actual                      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|-----------------------------|---|
|  | Original           | Final              |                             |   |
| <b>REVENUES</b>  |                    |                    |                             |   |
| <b>Total revenues</b>  | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>                 | <u>\$ -</u>   |
| <b>EXPENDITURES</b>  |                    |                    |                             |   |
| <b>Total expenditures</b>                                    | <u>-</u>           | <u>-</u>           | <u>-</u>                    | <u>-</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                  | -                  | -                           | -   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                    |                             |   |
| Transfers in   | -                  | -                  | -                           | -   |
| Transfers out  | -                  | -                  | -                           | -   |
| Sale of capital assets                                       | -                  | -                  | -                           | -   |
| Note proceeds  | -                  | -                  | -                           | -   |
| Bond issued  | -                  | -                  | 22,869,000                  | 22,869,000  |
| Premium on bond issued                                       | -                  | -                  | -                           | -   |
| Refunding escrow deposit                                     | -                  | -                  | -                           | -   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>           | <u>-</u>           | <u>22,869,000</u>           | <u>22,869,000</u>                                       |
| Net change in fund balance                                   | -                  | -                  | 22,869,000                  | 22,869,000  |
| <b>Fund balance at beginning of year</b>                     | -                  | -                  | -                           | -   |
| <b>Fund balance at the end of year</b>                       | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 22,869,000</u></u> | <u><u>\$ 22,869,000</u></u>                             |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR CAPITAL PROJECT FUND**  
**2019 BOND SERIES CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-21**

|  | Budgeted Amounts     |                     | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|---------------------|----------------------|---|
|  | Original             | Final               |                      |   |
| <b>REVENUES</b>  |                      |                     |                      |   |
| Interest   | \$ -                 | \$ -                | \$ 72,550            | \$ 72,550   |
| Miscellaneous  | -                    | -                   | 3                    | 3   |
| <b>Total revenues</b>  | <u>-</u>             | <u>-</u>            | <u>72,553</u>        | <u>72,553</u>   |
| <b>EXPENDITURES</b>  |                      |                     |                      |   |
| Capital Outlay:  |                      |                     |                      |   |
| Drainage flood control                                       | -                    | 64,574,075          | 19,614,831           | 44,959,244  |
| <b>Total expenditures</b>                                    | <u>-</u>             | <u>64,574,075</u>   | <u>19,614,831</u>    | <u>44,959,244</u>                                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                    | (64,574,075)        | (19,542,278)         | 45,031,797  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                     |                      |   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>             | <u>-</u>            | <u>-</u>             | <u>-</u>  |
| Net change in fund balance                                   | -                    | (64,574,075)        | (19,542,278)         | 45,031,797  |
| <b>Fund balance at beginning of year</b>                     | 65,928,499           | 65,928,499          | 65,928,499           | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ 65,928,499</u> | <u>\$ 1,354,424</u> | <u>\$ 46,386,221</u> | <u>\$ 45,031,797</u>                                    |

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

**EXHIBIT D-22**

|  | Budgeted Amounts |                   | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------------|----------------------|---|
|  | Original         | Final             |                      |   |
| <b>REVENUES</b>  |                  |                   |                      |   |
| Interest   | \$ -             | \$ -              | \$ 29,188            | \$ 29,188   |
| <b>Total revenues</b>  | <u>-</u>         | <u>-</u>          | <u>29,188</u>        | <u>29,188</u>   |
| <b>EXPENDITURES</b>  |                  |                   |                      |   |
| Debt service:  |                  |                   |                      |   |
| Fiscal Agent Fees and issuance cost                          | -                | 346,334           | 346,334              | -   |
| Capital Outlay:  |                  |                   |                      |   |
| Drainage flood control                                       | -                | 33,833,186        | -                    | 33,833,186  |
| <b>Total expenditures</b>                                    | <u>-</u>         | <u>34,179,520</u> | <u>346,334</u>       | <u>33,833,186</u>                                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | (34,179,520)      | (317,146)            | 33,862,374  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                   |                      |   |
| Bond proceeds  | -                | 29,570,000        | 29,570,000           | -   |
| Premium on bond issued                                       | -                | 4,609,520         | 4,609,520            | -   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>         | <u>34,179,520</u> | <u>34,179,520</u>    | <u>-</u>  |
| Net change in fund balance                                   | -                | -                 | 33,862,374           | 33,862,374  |
| <b>Fund balance at beginning of year</b>                     | -                | -                 | -                    | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 33,862,374</u> | <u>\$ 33,862,374</u>                                    |

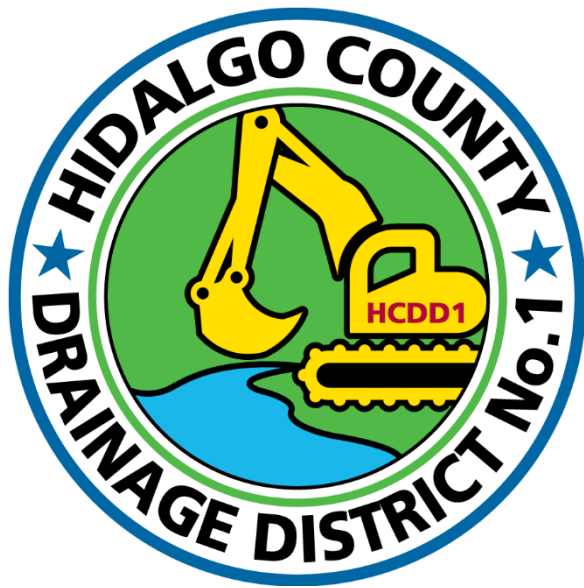
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR CAPITAL PROJECT FUND**  
**2021 A TAXABLE BOND SERIES CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXHIBIT D-23**

|  | Budgeted Amounts |                   | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------------|----------------------|---|
|  | Original         | Final             |                      |   |
| <b>REVENUES</b>  |                  |                   |                      |   |
| Interest   | \$ -             | \$ -              | \$ 73,538            | \$ 73,538   |
| <b>Total revenues</b>  | <u>-</u>         | <u>-</u>          | <u>73,538</u>        | <u>73,538</u>   |
| <b>EXPENDITURES</b>  |                  |                   |                      |   |
| Debt service:  |                  |                   |                      |   |
| Fiscal Agent Fees and issuance cost                          | -                | 454,304           | 454,304              | -   |
| Capital Outlay:  |                  |                   |                      |   |
| Drainage flood control                                       | -                | 50,128,370        | 76,230               | 50,052,140  |
| <b>Total expenditures</b>                                    | <u>-</u>         | <u>50,582,674</u> | <u>530,534</u>       | <u>50,052,140</u>                                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | (50,582,674)      | (456,996)            | 50,125,678  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                   |                      |   |
| Bond proceeds  | -                | 49,910,000        | 49,910,000           | -   |
| Premium on bond issued                                       | -                | 672,674           | 672,674              | -   |
| <b>Total other financing sources (uses)</b>                  | <u>-</u>         | <u>50,582,674</u> | <u>50,582,674</u>    | <u>-</u>  |
| Net change in fund balance                                   | -                | -                 | 50,125,678           | 50,125,678  |
| <b>Fund balance at beginning of year</b>                     | -                | -                 | -                    | -   |
| <b>Fund balance at the end of year</b>                       | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 50,125,678</u> | <u>\$ 50,125,678</u>                                    |



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



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**Statistical Section**  
**December 31, 2021**

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

**FINANCIAL TRENDS**

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

**REVENUE CAPACITY**

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

**DEBT CAPACITY**

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

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

**OPERATING INFORMATION**

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

**OTHER INFORMATION**

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

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

|   | Fiscal Year           |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2021                  | 2020                  | 2019                  | 2018                  |
| <b>Governmental activities:</b>                       |                       |                       |                       |                       |
| Net investment in capital assets                      | \$ 143,866,282        | \$ 135,237,940        | \$ 122,823,880        | \$ 113,921,907        |
| Restricted for:                                       |                       |                       |                       |                       |
| Special revenue                                       |                       |                       |                       |                       |
| Legislative (1)                                       | -                     | -                     | -                     | -                     |
| Grants (1)  | 1,254                 | -                     | -                     | -                     |
| Debt service  | 18,842,644            | 11,346,900            | 11,648,315            | 9,400,427             |
| Capital projects                                      | -                     | -                     | -                     | -                     |
| Unrestricted  | (7,583,293)           | (14,249,375)          | (17,339,057)          | (23,093,462)          |
| <b>Subtotal governmental activities net position</b>  | <u>\$ 155,126,887</u> | <u>\$ 132,335,465</u> | <u>\$ 117,133,138</u> | <u>\$ 100,228,872</u> |
| <br>  |                       |                       |                       |                       |
| % change from prior year                              | 17.2%                 | 13.0%                 | 16.9%                 | 19.1%                 |
| <br>  |                       |                       |                       |                       |
| <b>Business-type activities:</b>                      |                       |                       |                       |                       |
| Net investment in capital                             | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| Restricted for:                                       |                       |                       |                       |                       |
| Enterprise - bond covenant                            | -                     | -                     | -                     | -                     |
| Unrestricted  | -                     | -                     | -                     | -                     |
| <b>Subtotal business-type activities net position</b> | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           |
| <br>  |                       |                       |                       |                       |
| % change from prior year                              | 0.0%                  | 0.0%                  | 0.0%                  | 0.0%                  |
| <br>  |                       |                       |                       |                       |
| <b>Primary government:</b>                            |                       |                       |                       |                       |
| Net investment in capital assets                      | \$ 143,866,282        | \$ 135,237,940        | \$ 122,823,880        | \$ 113,921,907        |
| Restricted for:                                       |                       |                       |                       |                       |
| Special revenue                                       |                       |                       |                       |                       |
| Legislative (1)                                       | -                     | -                     | -                     | -                     |
| Grants (1)  | 1,254                 | -                     | -                     | -                     |
| Debt service  | 18,842,644            | 11,346,900            | 11,648,315            | 9,400,427             |
| Capital projects                                      | -                     | -                     | -                     | -                     |
| Unrestricted  | (7,583,293)           | (14,249,375)          | (17,339,057)          | (23,093,462)          |
| <b>Total primary government net position (2)</b>      | <u>\$ 155,126,887</u> | <u>\$ 132,335,465</u> | <u>\$ 117,133,138</u> | <u>\$ 100,228,872</u> |
| <br>  |                       |                       |                       |                       |
| % change from prior year                              | 17.2%                 | 13.0%                 | 16.9%                 | 19.1%                 |

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

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

|                      |                      |                      |                      |                      |                      | Fiscal Year |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| 2017                 | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 |             |
| \$ 114,714,651       | \$ 110,770,579       | \$ 97,975,178        | \$ 91,597,072        | \$ 85,320,293        | \$ 77,988,528        |             |
| -                    | -                    | -                    | -                    | -                    | -                    |             |
| -                    | 2,054                | 426                  | -                    | -                    | 2,365,838            |             |
| 7,735,745            | 4,627,610            | 10,090,911           | 5,204,351            | 5,765,558            | 4,910,882            |             |
| -                    | -                    | -                    | -                    | -                    | -                    |             |
| (38,274,625)         | (43,000,052)         | (46,575,802)         | (51,538,613)         | (54,538,387)         | (54,519,000)         |             |
| <u>\$ 84,175,771</u> | <u>\$ 72,400,191</u> | <u>\$ 61,490,713</u> | <u>\$ 45,262,810</u> | <u>\$ 36,547,464</u> | <u>\$ 30,746,248</u> |             |
| 16.3%                | 17.7%                | 35.9%                | 23.8%                | 18.9%                | 19.3%                |             |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |             |
| -                    | -                    | -                    | -                    | -                    | -                    |             |
| -                    | -                    | -                    | -                    | -                    | -                    |             |
| <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |             |
| 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 |             |
| \$ 114,714,651       | \$ 110,770,579       | \$ 97,975,178        | \$ 91,597,072        | \$ 85,320,293        | \$ 77,988,528        |             |
| -                    | -                    | -                    | -                    | -                    | -                    |             |
| -                    | 2,054                | 426                  | -                    | -                    | 2,365,838            |             |
| 7,735,745            | 4,627,610            | 10,090,911           | 5,204,351            | 5,765,558            | 4,910,882            |             |
| (38,274,625)         | (43,000,052)         | (46,575,802)         | (51,538,613)         | (54,538,387)         | (54,519,000)         |             |
| <u>\$ 84,175,771</u> | <u>\$ 72,400,191</u> | <u>\$ 61,490,713</u> | <u>\$ 45,262,810</u> | <u>\$ 36,547,464</u> | <u>\$ 30,746,248</u> |             |
| 16.3%                | 17.7%                | 35.9%                | 23.8%                | 18.9%                | 19.3%                |             |

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

|  | Fiscal Year            |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 2021                   | 2020                   | 2019                   | 2018                   |
| <b>Expenses</b>  |                        |                        |                        |                        |
| <i>Governmental activities:</i>                        |                        |                        |                        |                        |
| General government                                     | \$ 4,611,785           | \$ 4,320,518           | \$ 3,744,042           | \$ 2,693,067           |
| Drainage flood control                                 | 17,466,813             | 15,610,610             | 16,576,753             | 15,398,590             |
| Interest on long-term debt                             | 6,966,417              | 5,953,631              | 4,736,406              | 4,120,104              |
| <b>Total governmental activities expenses</b>          | <b>29,045,015</b>      | <b>25,884,759</b>      | <b>25,057,201</b>      | <b>22,211,761</b>      |
| <i>Business-type activities:</i>                       |                        |                        |                        |                        |
| <b>Total business-type activities expenses</b>         | -                      | -                      | -                      | -                      |
| <b>Total primary government expenses</b>               | <b>29,045,015</b>      | <b>25,884,759</b>      | <b>25,057,201</b>      | <b>22,211,761</b>      |
| <b>Program revenues</b>                                |                        |                        |                        |                        |
| <i>Governmental activities:</i>                        |                        |                        |                        |                        |
| Charges for services                                   | 100,692                | 99,380                 | 81,091                 | 60,693                 |
| Operating grants and contributions                     | 1,368,045              | -                      | 2,090,667              | 4,673,566              |
| <b>Total governmental activities program revenues</b>  | <b>1,468,737</b>       | <b>99,380</b>          | <b>2,171,758</b>       | <b>4,734,259</b>       |
| <i>Business-type activities:</i>                       |                        |                        |                        |                        |
| <b>Total business-type activities program revenues</b> | -                      | -                      | -                      | -                      |
| <b>Total primary government program revenues</b>       | <b>1,468,737</b>       | <b>99,380</b>          | <b>2,171,758</b>       | <b>4,734,259</b>       |
| <b>Net (expenses) revenues</b>                         |                        |                        |                        |                        |
| <i>Governmental activities</i>                         | (27,576,278)           | (25,785,379)           | (22,885,443)           | (17,477,502)           |
| <i>Business-type activities</i>                        | -                      | -                      | -                      | -                      |
| <b>Total primary government net expenses</b>           | <b>\$ (27,576,278)</b> | <b>\$ (25,785,379)</b> | <b>\$ (22,885,443)</b> | <b>\$ (17,477,502)</b> |

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

|    |              | Fiscal Year |              |      |              |      |              |    |              |    |              |
|----|--------------|-------------|--------------|------|--------------|------|--------------|----|--------------|----|--------------|
|    |              | 2017        | 2016         | 2015 | 2014         | 2013 | 2012         |    |              |    |              |
| \$ | 6,571,100    | \$          | 5,940,806    | \$   | 2,867,683    | \$   | 2,453,673    | \$ | 1,647,613    | \$ | 1,364,679    |
|    | 8,201,939    |             | 10,816,262   |      | 9,228,802    |      | 8,824,915    |    | 13,901,545   |    | 10,169,321   |
|    | 5,940,055    |             | 5,068,698    |      | 6,609,352    |      | 8,228,021    |    | 4,056,632    |    | 4,196,582    |
|    | 20,713,094   |             | 21,825,766   |      | 18,705,837   |      | 19,506,609   |    | 19,605,790   |    | 15,730,582   |
|    | -            |             | -            |      | -            |      | -            |    | -            |    | -            |
|    | 20,713,094   |             | 21,825,766   |      | 18,705,837   |      | 19,506,609   |    | 19,605,790   |    | 15,730,582   |
|    | 61,000       |             | 57,607       |      | 61,590       |      | 48,000       |    | 37,250       |    | 48,750       |
|    | 571,191      |             | -            |      | 5,599,008    |      | -            |    | -            |    | -            |
|    | 632,191      |             | 57,607       |      | 5,660,598    |      | 48,000       |    | 37,250       |    | 48,750       |
|    | -            |             | -            |      | -            |      | -            |    | -            |    | -            |
|    | 632,191      |             | 57,607       |      | 5,660,598    |      | 48,000       |    | 37,250       |    | 48,750       |
|    | (20,080,903) |             | (21,768,159) |      | (13,045,239) |      | (19,458,609) |    | (19,568,540) |    | (15,681,832) |
|    | -            |             | -            |      | -            |      | -            |    | -            |    | -            |
| \$ | (20,080,903) | \$          | (21,768,159) | \$   | (13,045,239) | \$   | (19,458,609) | \$ | (19,568,540) | \$ | (15,681,832) |

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

|   | Fiscal Year          |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2021                 | 2020                 | 2019                 | 2018                 |
| <b>General Revenues and Other Changes in Net Position</b> |                      |                      |                      |                      |
| <i>Governmental activities:</i>                           |                      |                      |                      |                      |
| Taxes:  |                      |                      |                      |                      |
| Property taxes  | \$ 48,776,231        | \$ 38,720,572        | \$ 35,225,673        | \$ 32,353,117        |
| Interest earnings   | 396,990              | 1,178,603            | 2,427,546            | 1,220,266            |
| Penalty and Interest                                      | 995,881              | 876,768              | 836,274              | 814,826              |
| Miscellaneous   | 215,283              | 196,664              | 1,194,933            | 77,450               |
| Other   | -                    | -                    | -                    | -                    |
| Gain (loss) on sale of capital assets                     | (16,685)             | 15,099               | 105,283              | 5,866                |
| Transfers   | -                    | -                    | -                    | -                    |
| <b>Total governmental activities</b>                      | <b>50,367,700</b>    | <b>40,987,706</b>    | <b>39,789,709</b>    | <b>34,471,525</b>    |
| <i>Business-type activities:</i>                          |                      |                      |                      |                      |
| <b>Total business-type activities</b>                     | -                    | -                    | -                    | -                    |
| <b>Total primary government</b>                           | <b>50,367,700</b>    | <b>40,987,706</b>    | <b>39,789,709</b>    | <b>34,471,525</b>    |
| <b>Change in net position</b>                             |                      |                      |                      |                      |
| <i>Governmental activities</i>                            | 22,791,422           | 15,202,327           | 16,904,266           | 16,994,023           |
| <i>Business-type activities</i>                           | -                    | -                    | -                    | -                    |
| <b>Total primary government (1)</b>                       | <b>\$ 22,791,422</b> | <b>\$ 15,202,327</b> | <b>\$ 16,904,266</b> | <b>\$ 16,994,023</b> |

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



|    |            | Fiscal Year |            |      |            |      |            |    |            |    |            |
|----|------------|-------------|------------|------|------------|------|------------|----|------------|----|------------|
|    |            | 2017        | 2016       | 2015 | 2014       | 2013 | 2012       |    |            |    |            |
| \$ | 30,504,959 | \$          | 28,757,262 | \$   | 27,956,826 | \$   | 25,725,175 | \$ | 22,478,956 | \$ | 19,472,113 |
|    | 778,435    |             | 491,532    |      | 277,365    |      | 199,126    |    | 111,228    |    | 72,847     |
|    | 761,869    |             | 767,511    |      | 795,286    |      | 769,180    |    | 677,199    |    | 662,844    |
|    | 131,728    |             | -          |      | -          |      | -          |    | 741,694    |    | 400,646    |
|    | (309,313)  |             | 1,564,336  |      | 768,736    |      | -          |    | -          |    | -          |
|    | (11,195)   |             | (7,421)    |      | -          |      | 30,046     |    | 100,294    |    | 10,258     |
|    | -          |             | -          |      | -          |      | 1,024,261  |    | 2,650,879  |    | -          |
|    | 31,856,483 |             | 31,573,220 |      | 29,798,213 |      | 27,747,788 |    | 26,760,250 |    | 20,618,708 |
|    | -          |             | -          |      | -          |      | -          |    | -          |    | -          |
|    | 31,856,483 |             | 31,573,220 |      | 29,798,213 |      | 27,747,788 |    | 26,760,250 |    | 20,618,708 |
|    | 11,775,580 |             | 9,805,061  |      | 16,752,974 |      | 8,289,179  |    | 7,191,710  |    | 4,936,876  |
|    | -          |             | -          |      | -          |      | -          |    | -          |    | -          |
| \$ | 11,775,580 | \$          | 9,805,061  | \$   | 16,752,974 | \$   | 8,289,179  | \$ | 7,191,710  | \$ | 4,936,876  |

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

|                                       | Fiscal Year           |                       |                       |                      |
|---------------------------------------|-----------------------|-----------------------|-----------------------|----------------------|
|                                       | 2021                  | 2020                  | 2019                  | 2018                 |
| General fund:                         |                       |                       |                       |                      |
| <b>Nonspendable:</b>                  |                       |                       |                       |                      |
| Prepays                               | \$ 5,681              | \$ 1,000              | \$ 14,236             | \$ 1,100             |
| <b>Assigned:</b>                      |                       |                       |                       |                      |
| Designated for Raymondville Drain     | 1,262,504             | 1,162,504             | 1,446,923             | 1,349,911            |
| <b>Unassigned:</b>                    | 18,476,750            | 17,757,667            | 19,449,540            | 16,577,711           |
| <b>Total general fund</b>             | <b>\$ 19,744,935</b>  | <b>\$ 18,921,171</b>  | <b>\$ 20,910,699</b>  | <b>\$ 17,928,722</b> |
| <br>                                  |                       |                       |                       |                      |
| % change from prior year              | 4.4%                  | -9.5%                 | 16.6%                 | -17.1%               |
| <br>                                  |                       |                       |                       |                      |
| <b>Other governmental funds:</b>      |                       |                       |                       |                      |
| <b>Restricted:</b>                    |                       |                       |                       |                      |
| Special revenue                       | 1,254.00              | -                     | -                     | -                    |
| Drainage improvement projects         | 170,964,943           | 88,798,284            | 106,833,806           | 33,240,955           |
| Debt service reserve                  | 3,915,053             | 3,505,450             | 3,650,183             | 3,253,041            |
| <b>Committed for:</b>                 |                       |                       |                       |                      |
| TWDB                                  | -                     | -                     | -                     | -                    |
| <b>Unassigned:</b>                    |                       |                       |                       |                      |
| Capital projects funds                | -                     | -                     | -                     | -                    |
| <b>Total other governmental funds</b> | <b>174,881,250</b>    | <b>92,303,734</b>     | <b>110,483,989</b>    | <b>36,493,996</b>    |
| <br>                                  |                       |                       |                       |                      |
| <b>Total governmental funds</b>       | <b>\$ 194,626,185</b> | <b>\$ 111,224,905</b> | <b>\$ 131,394,688</b> | <b>\$ 54,422,718</b> |
| <br>                                  |                       |                       |                       |                      |
| % change from prior year              | 75.0%                 | -15.4%                | 141.4%                | -13.5%               |

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2017                 | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 |
| \$ 958               | \$ 10,224            | \$ 192               | \$ -                 | \$ 20,255            | \$ 10,266            |
| 1,415,469            | 1,694,524            | -                    | -                    | -                    | 2,365,838            |
| 20,209,159           | 19,316,844           | 21,850,044           | 16,769,038           | 14,554,688           | 13,105,945           |
| <u>\$ 21,625,586</u> | <u>\$ 21,021,592</u> | <u>\$ 21,850,236</u> | <u>\$ 16,769,038</u> | <u>\$ 14,574,943</u> | <u>\$ 15,482,049</u> |
| 2.9%                 | -3.8%                | 30.3%                | 15.1%                | -5.9%                | 10.3%                |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 38,082,540           | 43,531,469           | 50,697,425           | 59,723,822           | 73,581,010           | 7,475,991            |
| 3,185,459            | 3,264,751            | 2,461,315            | 2,116,581            | 1,903,111            | 1,805,618            |
| -                    | 2,054                | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| <u>41,267,999</u>    | <u>46,798,274</u>    | <u>53,158,740</u>    | <u>61,840,403</u>    | <u>75,484,121</u>    | <u>9,281,609</u>     |
| <u>\$ 62,893,585</u> | <u>\$ 67,819,866</u> | <u>\$ 75,008,976</u> | <u>\$ 78,609,441</u> | <u>\$ 90,059,064</u> | <u>\$ 24,763,658</u> |
| -7.3%                | -9.6%                | -4.6%                | -12.7%               | 263.7%               | 0.4%                 |

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

|  | Fiscal Year          |                        |                      |                       |
|--|----------------------|------------------------|----------------------|-----------------------|
|  | 2021                 | 2020                   | 2019                 | 2018                  |
| <b>Revenues</b>  |                      |                        |                      |                       |
| Taxes  | \$ 40,861,852        | \$ 38,821,822          | \$ 33,706,942        | \$ 32,322,210         |
| Operating grants and contributions                           | -                    | -                      | -                    | 4,500,000             |
| Charges for services   | 100,692              | 99,380                 | 81,091               | 60,693                |
| Interest   | 396,990              | 1,178,603              | 2,427,546            | 1,220,266             |
| Intergovernmental  | 1,368,045            | -                      | 2,090,667            | 173,566               |
| Miscellaneous  | 215,283              | 196,664                | 1,194,933            | 77,450                |
| <b>Total revenues</b>  | <b>\$ 42,942,862</b> | <b>\$ 40,296,469</b>   | <b>\$ 39,501,179</b> | <b>\$ 38,354,185</b>  |
| <br>   |                      |                        |                      |                       |
| % change from prior year                                     | 6.6%                 | 2.0%                   | 3.0%                 | 19.3%                 |
| <b>Expenditures</b>  |                      |                        |                      |                       |
| Current:   |                      |                        |                      |                       |
| General government   | 4,611,785            | 4,320,519              | 2,929,980            | 2,593,065             |
| Drainage flood control                                       | 12,465,329           | 10,336,862             | 11,734,756           | 11,044,060            |
| Debt service:  |                      |                        |                      |                       |
| Principal  | 13,020,000           | 13,399,023             | 10,145,178           | 9,704,513             |
| Interest and fiscal charges                                  | 7,435,313            | 8,307,957              | 5,120,048            | 5,463,045             |
| Bond issuance costs  | 963,488              | -                      | 814,062              | 100,000               |
| Advance refunding escrow                                     | -                    | -                      | -                    | 373,680               |
| Capital outlay   | 28,873,344           | 24,134,995             | 19,427,379           | 17,684,993            |
| Intergovernmental  | -                    | -                      | -                    | -                     |
| <b>Total expenditures</b>                                    | <b>67,369,259</b>    | <b>60,499,356</b>      | <b>50,171,403</b>    | <b>46,963,356</b>     |
| <br>   |                      |                        |                      |                       |
| % change from prior year                                     | 11.4%                | 20.6%                  | 6.8%                 | 25.7%                 |
| <br>   |                      |                        |                      |                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (24,426,397)         | (20,202,887)           | (10,670,224)         | (8,609,171)           |
| <br>   |                      |                        |                      |                       |
| <b>Other financing sources (uses)</b>                        |                      |                        |                      |                       |
| Transfers in   | 1,660,000            | 3,143,569              | 250,000              | 2,225,000             |
| Transfers out  | (1,660,000)          | (3,143,569)            | (250,000)            | (2,225,000)           |
| Premium (discount) on bonds issued                           | 5,282,194            | -                      | 10,172,204           | -                     |
| Payment to refunded bond escrow agent                        | -                    | -                      | -                    | -                     |
| Bonds issued   | 102,349,000          | -                      | 73,845,000           | -                     |
| Refunding bonds issued                                       | -                    | -                      | -                    | 6,095,000             |
| Refunding escrow deposit                                     | -                    | -                      | -                    | (5,995,000)           |
| Long-term notes issued                                       | -                    | -                      | 3,320,000            | -                     |
| Sale of capital assets                                       | 196,483              | 33,104                 | 304,990              | 38,304                |
| <b>Total other financing sources (uses)</b>                  | <b>107,827,677</b>   | <b>33,104</b>          | <b>87,642,194</b>    | <b>138,304</b>        |
| <br>   |                      |                        |                      |                       |
| Net change in fund balances                                  | <b>\$ 83,401,280</b> | <b>\$ (20,169,783)</b> | <b>\$ 76,971,970</b> | <b>\$ (8,470,867)</b> |
| <br>   |                      |                        |                      |                       |
| Capital outlay   | -                    | -                      | 19,427,379           | 17,717,690            |
| <br>   |                      |                        |                      |                       |
| Debt service as a percentage of non-capital expenditures     | 53.1%                | 59.7%                  | 49.7%                | 51.8%                 |

| Fiscal Year           |                       |                       |                        |                      |                      |  |
|-----------------------|-----------------------|-----------------------|------------------------|----------------------|----------------------|--|
| 2017                  | 2016                  | 2015                  | 2014                   | 2013                 | 2012                 |  |
| \$ 30,614,346         | \$ 29,109,043         | \$ 27,663,950         | \$ 26,524,982          | \$ 20,399,974        | \$ 19,727,003        |  |
| -                     | -                     | 5,599,008             | -                      | -                    | -                    |  |
| 61,000                | 57,607                | 61,590                | 48,000                 | 37,250               | 48,750               |  |
| 778,436               | 491,530               | 276,687               | 200,699                | 111,228              | 72,847               |  |
| 571,191               | 204,710               | -                     | -                      | -                    | -                    |  |
| 131,728               | 321,257               | 768,736               | -                      | 741,693              | 400,646              |  |
| <u>\$ 32,156,701</u>  | <u>\$ 30,184,147</u>  | <u>\$ 34,369,971</u>  | <u>\$ 26,773,681</u>   | <u>\$ 21,290,145</u> | <u>\$ 20,249,246</u> |  |
| 6.5%                  | -12.2%                | 28.4%                 | 25.8%                  | 5.1%                 | -9.7%                |  |
| 2,772,624             | 2,493,024             | 2,105,618             | 1,859,694              | 1,649,805            | 1,450,910            |  |
| 11,057,559            | 14,800,681            | 12,671,056            | 8,830,535              | 12,432,685           | 9,484,985            |  |
| 8,809,365             | 7,770,774             | 7,391,180             | 5,775,027              | 3,900,000            | 3,435,000            |  |
| 5,940,355             | 5,068,697             | 6,608,672             | 8,229,593              | 4,056,631            | 4,196,581            |  |
| 61,521                | 666,846               | -                     | 148,741                | 545,831              | -                    |  |
| 249,917               | 1,350,683             | -                     | -                      | -                    | -                    |  |
| 8,464,605             | 7,336,409             | 9,193,910             | 13,983,431             | 18,424,251           | 1,610,181            |  |
| -                     | -                     | -                     | -                      | -                    | -                    |  |
| <u>37,355,946</u>     | <u>39,487,114</u>     | <u>37,970,436</u>     | <u>38,827,021</u>      | <u>41,009,203</u>    | <u>20,177,657</u>    |  |
| -5.4%                 | 4.0%                  | -2.2%                 | -5.3%                  | 103.2%               | 2.8%                 |  |
| (5,199,245)           | (9,302,967)           | (3,600,465)           | (12,053,340)           | (19,719,058)         | 71,589               |  |
| 6,509,939             | 683,630               | 145,959               | 1,062,373              | -                    | 110,178              |  |
| (6,509,939)           | (683,630)             | (145,959)             | (1,062,373)            | -                    | (110,178)            |  |
| 56,605                | 10,402,222            | -                     | 988,117                | 7,415,831            | -                    |  |
| (1,955,083)           | -                     | -                     | -                      | -                    | -                    |  |
| -                     | -                     | -                     | 7,810,000              | 77,130,000           | -                    |  |
| 1,960,000             | 52,625,000            | -                     | -                      | -                    | -                    |  |
| -                     | (62,360,377)          | -                     | (8,649,377)            | -                    | -                    |  |
| -                     | 1,243,079             | -                     | 406,980                | -                    | -                    |  |
| 211,442               | 203,933               | -                     | 47,997                 | 468,633              | 37,250               |  |
| <u>272,964</u>        | <u>2,113,857</u>      | <u>-</u>              | <u>603,717</u>         | <u>85,014,464</u>    | <u>37,250</u>        |  |
| <u>\$ (4,926,281)</u> | <u>\$ (7,189,110)</u> | <u>\$ (3,600,465)</u> | <u>\$ (11,449,623)</u> | <u>\$ 65,295,406</u> | <u>\$ 108,839</u>    |  |
| 9,672,553             | 9,075,516             | 13,871,409            | 14,351,412             | 12,404,973           | 3,032,014            |  |
| 52.1%                 | 46.2%                 | 48.7%                 | 57.0%                  | 37.6%                | 41.1%                |  |

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

**EXHIBIT E-5**

| Fiscal Year | Tax Roll Year | Real and Personal Property (1) | Less: Tax Exempt Property | Total Assessed Value (2) | Total Direct Tax Rate | Market Value   | Assessed Value as a % of Market Value |
|-------------|---------------|--------------------------------|---------------------------|--------------------------|-----------------------|----------------|---------------------------------------|
| 2012        | 2011          | 26,006,779,427                 | 4,274,165,297             | 30,280,944,724           | 0.0733                | 32,967,100,268 | 91.85%                                |
| 2013        | 2012          | 26,444,329,673                 | 4,420,209,088             | 30,864,538,761           | 0.0750                | 33,506,930,313 | 92.11%                                |
| 2014        | 2013          | 27,122,349,160                 | 4,537,832,865             | 31,660,182,025           | 0.0957                | 34,311,538,180 | 92.27%                                |
| 2015        | 2014          | 27,797,044,065                 | 4,696,248,349             | 32,493,292,414           | 0.0957                | 35,223,180,090 | 92.25%                                |
| 2016        | 2015          | 29,894,876,293                 | 4,953,993,579             | 34,848,869,872           | 0.0951                | 37,931,888,917 | 91.87%                                |
| 2017        | 2016          | 31,757,653,439                 | 5,152,572,150             | 36,910,225,589           | 0.0951                | 39,953,840,743 | 92.38%                                |
| 2018        | 2017          | 33,025,123,406                 | 5,498,083,420             | 38,523,206,826           | 0.0951                | 41,503,168,083 | 92.82%                                |
| 2019        | 2018          | 34,732,762,896                 | 5,911,214,122             | 40,643,977,018           | 0.0951                | 43,951,582,942 | 92.47%                                |
| 2020        | 2019          | 36,453,447,769                 | 6,208,650,091             | 42,662,097,860           | 0.0951                | 46,067,775,118 | 92.61%                                |
| 2021        | 2020          | 38,339,577,535                 | 6,322,853,097             | 44,662,430,632           | 0.1051                | 48,261,660,729 | 92.54%                                |

(1) Includes minerals.

(2) Recalculated for Tax Roll Years 2011-2020.

Source: Hidalgo County Tax Office Levy Rolls

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

**EXHIBIT E-6**

| Fiscal Year | Tax Roll Year | Market Valuation | Assessed Valuation | Taxable Valuation |
|-------------|---------------|------------------|--------------------|-------------------|
| 2012        | 2011          | 32,967,100,268   | 30,280,944,724     | 26,006,779,427    |
| 2013        | 2012          | 33,506,930,313   | 30,864,538,761     | 26,444,329,673    |
| 2014        | 2013          | 34,311,538,180   | 31,660,182,025     | 27,122,349,160    |
| 2015        | 2014          | 35,223,180,090   | 32,493,292,414     | 27,797,044,065    |
| 2016        | 2015          | 37,931,888,917   | 34,848,869,872     | 29,894,876,293    |
| 2017        | 2016          | 39,953,840,743   | 36,910,225,589     | 31,757,653,439    |
| 2018        | 2017          | 41,503,168,083   | 38,523,206,826     | 33,025,123,406    |
| 2019        | 2018          | 43,951,852,942   | 40,643,977,018     | 34,732,762,896    |
| 2020        | 2019          | 46,067,775,118   | 42,662,097,860     | 36,453,447,769    |
| 2021        | 2020          | 48,261,660,729   | 44,662,430,632     | 38,339,577,535    |

Source: Hidalgo County Tax Office Levy Rolls

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**EXHIBIT E-7**

PROPERTY TAX RATES (1)

LAST TEN FISCAL YEARS

| Fiscal Year:   | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------|------|------|------|------|------|------|------|------|------|------|
| Tax Roll Year: | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |

**Hidalgo County Drainage District No. 1**

Operating:

|                 |               |               |               |               |               |               |               |               |               |               |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund    | 0.0545        | 0.0524        | 0.0521        | 0.0502        | 0.0496        | 0.0481        | 0.0466        | 0.0449        | 0.0454        | 0.0441        |
| Total Operating | <u>0.0545</u> | <u>0.0524</u> | <u>0.0521</u> | <u>0.0502</u> | <u>0.0496</u> | <u>0.0481</u> | <u>0.0466</u> | <u>0.0449</u> | <u>0.0454</u> | <u>0.0441</u> |

Debt Service:

|  |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Unlimited Tax Improvement Bonds, Series 2007 | -             | -             | -             | -             | -             | 0.0074        | 0.0491        | 0.0081        | 0.0081        | 0.0080        |
| Unlimited Tax Improvement Bonds, Series 2008 | -             | -             | -             | 0.0113        | 0.0119        | 0.0200        | -             | 0.0220        | 0.0215        | 0.0212        |
| Unlimited Tax Improvement Bonds, Series 2013 | 0.0137        | 0.0144        | 0.0095        | 0.0165        | 0.0176        | 0.0186        | -             | 0.0208        | -             | -             |
| Unlimited Tax Refunding Bonds, Series 2014   | 0.0008        | 0.0008        | 0.0009        | 0.0009        | 0.0009        | 0.0010        | -             | -             | -             | -             |
| Unlimited Tax Refunding Bonds, Series 2016   | 0.0184        | 0.0193        | 0.0206        | 0.0101        | 0.0151        | -             | -             | -             | -             | -             |
| Unlimited Tax Refunding Bonds, Series 2018   | -             | 0.0057        | 0.0120        | 0.0061        | -             | -             | -             | -             | -             | -             |
| Unlimited Tax Improvement Bonds, Series 2019 | 0.0152        | 0.0125        | -             | -             | -             | -             | -             | -             | -             | -             |
| Notes Payable                                | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Total Debt Service                           | <u>0.0481</u> | <u>0.0527</u> | <u>0.0430</u> | <u>0.0449</u> | <u>0.0455</u> | <u>0.0470</u> | <u>0.0491</u> | <u>0.0509</u> | <u>0.0296</u> | <u>0.0292</u> |

|  |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Hidalgo County Drainage District No. 1 | <u>0.1026</u> | <u>0.1051</u> | <u>0.0951</u> | <u>0.0951</u> | <u>0.0951</u> | <u>0.0951</u> | <u>0.0957</u> | <u>0.0958</u> | <u>0.0750</u> | <u>0.0733</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|

**Hidalgo County Drainage District No. 1**

|   |               |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating   | 0.0545        | 0.0524        | 0.0521        | 0.0502        | 0.0496        | 0.0481        | 0.0466        | 0.0449        | 0.0454        | 0.0441        |
| Debt Service  | 0.0481        | 0.0527        | 0.0430        | 0.0449        | 0.0455        | 0.0470        | 0.0491        | 0.0509        | 0.0296        | 0.0292        |
| <b>Total Hidalgo County Drainage District No. 1</b> | <u>0.1026</u> | <u>0.1051</u> | <u>0.0951</u> | <u>0.0951</u> | <u>0.0951</u> | <u>0.0951</u> | <u>0.0957</u> | <u>0.0958</u> | <u>0.0750</u> | <u>0.0733</u> |

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

Source: Hidalgo County Drainage District No. 1 Tax Rolls



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**EXHIBIT E-8**

PROPERTY TAX RATES (1)  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

|                                 | Fiscal Year:   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   |
|---------------------------------|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                 | Tax Roll Year: | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   |
| Hidalgo County                  |                | 0.5750 | 0.5800 | 0.5800 | 0.5800 | 0.5900 | 0.5900 | 0.5900 | 0.5900 | 0.5900 | 0.5900 |
| Drainage District No. 1         |                | 0.1026 | 0.1051 | 0.0951 | 0.0951 | 0.0951 | 0.0951 | 0.0957 | 0.0957 | 0.0750 | 0.0733 |
| EMS District No. 1              |                | 0.0196 | 0.0200 | 0.0194 | 0.0176 | 0.0200 | 0.0185 | 0.0165 | 0.0154 | 0.0143 | 0.0134 |
| EMS District No. 2              |                | 0.0352 | 0.0360 | 0.0360 | 0.0380 | 0.0380 | 0.0361 | 0.0361 | 0.0361 | 0.0361 | 0.0336 |
| EMS District No. 3              |                | 0.0227 | 0.0245 | 0.0257 | 0.0285 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0100 |
| EMS District No. 4              |                | 0.0246 | 0.0253 | 0.0252 | 0.0254 | 0.0272 | 0.0027 | 0.0272 | 0.0267 | 0.0262 | 0.0245 |
| Red Sands GWC District          |                | 0.1528 | 0.1528 | 0.1528 | 0.1690 | 0.1690 | 0.1690 | 0.1690 | 0.1690 | 0.1690 | 0.1690 |
| City of Alamo                   |                | 0.5817 | 0.5817 | 0.5817 | 0.5565 | 0.5810 | 0.5881 | 0.5990 | -      | -      | -      |
| City of Alton                   |                | 0.4367 | 0.4440 | 0.4440 | 0.4440 | 0.4490 | 0.4540 | 0.4591 | 0.4624 | 0.4799 | 0.4825 |
| City of Donna                   |                | 0.7889 | 0.7889 | 0.7989 | 0.7989 | 0.8800 | 0.9828 | 1.1424 | 1.2523 | 1.2523 | 1.2523 |
| City of Edcouch                 |                | 0.9152 | 0.9654 | 0.9687 | 0.9154 | 0.9286 | 0.9286 | 0.9286 | 0.9705 | 0.9999 | 0.8842 |
| City of Edinburg                |                | 0.6800 | 0.6800 | 0.6350 | 0.6350 | 0.6350 | 0.6350 | 0.6350 | 0.6350 | 0.6350 | 0.6350 |
| City of Elsa                    |                | 0.8832 | 0.8832 | 0.8822 | 0.9018 | 0.9177 | 0.8566 | 0.9867 | 0.9916 | 0.9900 | 0.9900 |
| City of Granjeno                |                | 0.4448 | 0.4607 | 0.4607 | 0.4469 | 0.4419 | 0.4251 | 0.4230 | 0.4253 | 0.4253 | 0.4253 |
| City of Hidalgo                 |                | 0.3514 | 0.3514 | 0.3514 | 0.3514 | 0.3514 | 0.3514 | 0.3514 | 0.3514 | 0.3514 | 0.3514 |
| City of La Joya                 |                | 0.5898 | 0.5904 | 0.5668 | 0.5251 | 0.5394 | 0.5435 | 0.5700 | 0.5678 | 0.5678 | 0.5452 |
| City of La Villa                |                | 0.7929 | 0.7929 | 0.7836 | 0.7836 | 0.7836 | 0.7836 | 0.7836 | 0.7836 | 0.7836 | 0.6224 |
| City of McAllen                 |                | 0.4956 | 0.4957 | 0.4792 | 0.4763 | 0.4763 | 0.4763 | 0.4763 | 0.4313 | 0.4313 | 0.4313 |
| City of Mercedes                |                | 0.7450 | 0.7450 | 0.7450 | 0.7450 | 0.7450 | 0.7551 | 0.7600 | 0.7750 | 0.7850 | 0.7850 |
| City of Mission                 |                | 0.5299 | 0.5212 | 0.4862 | 0.4862 | 0.4962 | 0.4988 | 0.5188 | 0.5288 | 0.5288 | 0.5388 |
| City of Palmview                |                | 0.4901 | 0.5001 | 0.5001 | 0.5001 | 0.4751 | 0.4751 | 0.4790 | 0.4665 | 0.4665 | 0.4600 |
| City of Peñitas                 |                | 0.5562 | 0.5562 | 0.5562 | 0.5562 | 0.5060 | 0.5060 | 0.4595 | 0.4345 | 0.4100 | 0.3625 |
| City of Pharr                   |                | 0.7176 | 0.7176 | 0.6490 | 0.6490 | 0.6540 | 0.6540 | 0.6800 | 0.6800 | 0.6800 | 0.6800 |
| City of Progreso                |                | 0.8429 | 0.8429 | 0.8129 | 0.7840 | 0.7961 | 0.8061 | 0.7930 | 0.8126 | 0.5389 | 0.4999 |
| City of San Juan                |                | 0.6926 | 0.6993 | 0.6993 | 0.6993 | 0.6993 | 0.6993 | 0.6993 | 0.7386 | 0.7386 | 0.7386 |
| City of Sullivan                |                | 0.4838 | 0.5000 | 0.5000 | 0.5000 | 0.4606 | 0.4668 | 0.4478 | 0.4160 | 0.3838 | 0.3535 |
| City of Weslaco                 |                | 0.6967 | 0.6967 | 0.6667 | 0.6667 | 0.6667 | 0.6767 | 0.6767 | 0.6867 | 0.6967 | 0.6967 |
| Donna ISD                       |                | 1.1304 | 1.2267 | 1.2582 | 1.2582 | 1.2582 | 1.2582 | 1.2582 | 1.2582 | 1.2582 | 1.2582 |
| Edcouch-Elsa ISD                |                | 1.2580 | 1.2580 | 1.2580 | 1.2580 | 1.2580 | 1.2580 | 1.2580 | 1.2580 | 1.2580 | 1.2580 |
| Edinburg CISD                   |                | 1.1382 | 1.1382 | 1.2398 | 1.2398 | 1.2398 | 1.2398 | 1.2398 | 1.2398 | 1.2398 | 1.2398 |
| Hidalgo ISD                     |                | 1.2765 | 1.2963 | 1.4700 | 1.4700 | 1.4900 | 1.5300 | 1.5300 | 1.5564 | 1.5564 | 1.5864 |
| La Joya ISD                     |                | 1.3110 | 1.3110 | 1.3110 | 1.3110 | 1.3110 | 1.3110 | 1.3110 | 1.3110 | 1.3110 | 1.3110 |
| La Villa ISD                    |                | 1.4838 | 1.4838 | 1.4838 | 1.3038 | 1.3038 | 1.3038 | 1.3038 | 1.3038 | 1.3038 | 1.3038 |
| McAllen ISD                     |                | 1.1386 | 1.1528 | 1.1550 | 1.1550 | 1.1550 | 1.1550 | 1.1650 | 1.1650 | 1.1650 | 1.1650 |
| Mercedes ISD                    |                | 1.3519 | 1.2784 | 1.3800 | 1.3800 | 1.3800 | 1.3800 | 1.3800 | 1.2900 | 1.2900 | 1.2900 |
| Mission CISD                    |                | 1.1993 | 1.2396 | 1.3398 | 1.3502 | 1.3582 | 1.3720 | 1.3300 | 1.3000 | 1.3000 | 1.3000 |
| Monte Alto ISD                  |                | 1.2380 | 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 |
| Pharr-San Juan-Alamo ISD        |                | 1.2675 | 1.2725 | 1.3792 | 1.3892 | 1.3992 | 1.3992 | 1.3592 | 1.3592 | 1.3592 | 1.3592 |
| Progreso ISD                    |                | 1.2600 | 1.3200 | 1.3900 | 1.3900 | 1.3900 | 1.3700 | 1.3700 | 1.3275 | 1.3700 | 1.4300 |
| Sharyland ISD                   |                | 1.2808 | 1.2987 | 1.3755 | 1.3755 | 1.3755 | 1.3355 | 1.3350 | 1.2855 | 1.2855 | 1.2000 |
| South Texas College             |                | 0.1718 | 0.1733 | 0.1780 | 0.1850 | 0.1850 | 0.1850 | 0.1850 | 0.1500 | 0.1507 | 0.1507 |
| South Texas ISD                 |                | 0.0492 | 0.0492 | 0.0492 | 0.0492 | 0.0492 | 0.0492 | 0.0492 | 0.0492 | 0.0492 | 0.0492 |
| Valley View ISD                 |                | 1.2770 | 1.2770 | 1.2770 | 1.2770 | 1.2770 | 1.2770 | 1.2770 | 1.2770 | 1.2770 | 1.3170 |
| Weslaco ISD                     |                | 1.0189 | 1.0687 | 1.1597 | 1.1597 | 1.1397 | 1.1397 | 1.1397 | 1.1397 | 1.1397 | 1.1397 |
| Delta Lake Irrigation           |                | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Donna Irrigation District No. 1 |                | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Engleman Water District #6      |                | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |

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

Source: Hidalgo County Tax Office

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**EXHIBIT E-9**

**PRINCIPAL TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

| Taxpayer                             | Fiscal Year: 2021<br>Tax Roll Year: 2020 |      |                              |                     | 2012<br>2011          |      |                               |                   |
|--------------------------------------|--|------|------------------------------|---------------------|-----------------------|------|-------------------------------|-------------------|
|                                      | Taxable Value (1)                        | Rank | Tax as a % of Total Levy (2) | Tax (3)             | Taxable Value         | Rank | Tax as a % of Total Levy (2)* | Tax (3)*          |
| AEP Texas Central Co (CP&L)          | \$ 361,975,240                           | 1    | 0.94%                        | \$ 371,387          | \$ 150,164,270        | 1    | 0.65%                         | \$ 124,222        |
| Simon Property Group-McAllen No 2    | 170,341,039                              | 2    | 0.44%                        | 174,770             | 50,708,897            | 10   | 0.19%                         | 36,764            |
| CPG Mercedes LP                      | 115,000,000                              | 3    | 0.30%                        | 117,990             | 59,589,853            | 7    | 0.23%                         | 43,411            |
| H E Butt Grocery Company             | 104,978,290                              | 4    | 0.27%                        | 107,708             | 100,817,846           | 2    | 0.40%                         | 76,450            |
| Electric Transmission of Texas       | 101,027,030                              | 5    | 0.26%                        | 103,654             | -                     | -    | -                             | -                 |
| Big Sky Commercial Property          | 60,605,570                               | 6    | 0.16%                        | 62,181              | -                     | -    | -                             | -                 |
| Day Surgery at Renaissance LLC       | 53,565,275                               | 7    | 0.14%                        | 54,958              | -                     | -    | -                             | -                 |
| Frontera Generation LTD Partnership  | 65,104,940                               | 8    | 0.17%                        | 66,798              | 70,561,190            | 3    | 0.30%                         | 57,575            |
| Rio Grande Regional Hospital         | 52,153,508                               | 9    | 0.14%                        | 53,509              | 52,965,623            | 9    | 0.25%                         | 48,067            |
| La Plaza Mall LLC                    | 51,211,149                               | 10   | 0.13%                        | 52,543              | -                     | -    | -                             | -                 |
| Calpine Central LP (Magic Valley PW) | -  | -    | -                            | -                   | 69,200,480            | 4    | 0.29%                         | 55,223            |
| Wal-Mart Stores Texas LLC            | -  | -    | -                            | -                   | 61,059,689            | 5    | 0.22%                         | 42,092            |
| Southwestern Bell Tele               | -  | -    | -                            | -                   | 60,740,480            | 6    | 0.26%                         | 49,744            |
| Universal Health Services            | -  | -    | -                            | -                   | 54,844,645            | 8    | 0.22%                         | 41,414            |
| <b>Total</b>                         | <b>\$ 1,135,962,041</b>                  |      | <b>2.95%</b>                 | <b>\$ 1,165,498</b> | <b>\$ 730,652,973</b> |      | <b>3.02%</b>                  | <b>\$ 574,962</b> |

(1) Appraisal District certified values for Fiscal Year 2021 and Tax Roll Year 2020.

(2) Total tax levy is: \$ 39,386,092 \$ 19,093,999

(3) Tax rate is: \$ 0.1026 \$ 0.0733

Source: Hidalgo County Appraisal District and 2012 Hidalgo County Annual Financial Report

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
PROPERTY TAX LEVY AND  
RESERVE FOR UNCOLLECTIBLE TAXES  
FISCAL YEAR 2021

**EXHIBIT E-10**

|   | Tax Levy (1)         | Reserved For<br>Uncollectible<br>Taxes | Current Tax<br>Levy Net of<br>Uncollectible<br>Amount |
|---|----------------------|--|---|
| <b>Hidalgo County</b>                               |                      |  |   |
| Operating:  |                      |  |   |
| General Fund  | \$ 20,921,462        | \$ 110,963                             | \$ 21,032,425   |
| Total Operating                                     | <u>20,921,462</u>    | <u>110,963</u>                         | <u>21,032,425</u>                                     |
| Debt Service:                                       |                      |  |   |
| Total Debt Service                                  | <u>18,464,630</u>    | <u>154,675</u>                         | <u>18,619,305</u>                                     |
| <b>Total Hidalgo County Drainage District No. 1</b> | <u>\$ 39,386,092</u> | <u>\$ 265,638</u>                      | <u>\$ 39,651,730</u>                                  |
| <br>  |                      |  |   |
| <b>Drainage District No. 1</b>                      |                      |  |   |
| Operating   | \$ 20,921,462        | \$ 110,963                             | \$ 21,032,425   |
| Debt Service  | <u>18,464,630</u>    | <u>154,675</u>                         | <u>18,619,305</u>                                     |
| <b>Total Drainage District No. 1</b>                | <u>39,386,092</u>    | <u>265,638</u>                         | <u>39,651,730</u>                                     |
| <b>Total All Funds</b>                              | <u>\$ 39,386,092</u> | <u>\$ 265,638</u>                      | <u>\$ 39,651,730</u>                                  |

(1) 2020 Hidalgo County Tax Assesor & Collector 2020 Tax Roll  
Source: District Financial Statements

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

|   | Fiscal Year:   | 2021                 | 2020                 | 2019                 | 2018                 |
|---|----------------|----------------------|----------------------|----------------------|----------------------|
|   | Tax Roll Year: | 2020                 | 2019                 | 2018                 | 2017                 |
| <b>Hidalgo County Drainage District No. 1</b>       |                |                      |                      |                      |                      |
| Operating:  |                |                      |                      |                      |                      |
| General Fund  |                | \$ 20,921,462        | \$ 19,124,661        | \$ 18,113,366        | \$ 16,928,721        |
| Total Operating                                     |                | 20,921,462           | 19,124,661           | 18,113,366           | 16,928,721           |
| Debt Service:                                       |                |                      |                      |                      |                      |
| Debt Service  |                | 18,464,630           | 19,234,152           | 14,949,612           | 14,881,620           |
| Total Debt Service                                  |                | 18,464,630           | 19,234,152           | 14,949,612           | 14,881,620           |
| <b>Total Hidalgo County Drainage District No. 1</b> |                | <b>\$ 39,386,092</b> | <b>\$ 38,358,813</b> | <b>\$ 33,062,978</b> | <b>\$ 31,810,341</b> |
| <b>Total Hidalgo County Drainage District No. 1</b> |                | <b>39,386,092</b>    | <b>38,358,813</b>    | <b>33,062,978</b>    | <b>31,810,341</b>    |
| <b>Total All Funds</b>                              |                | <b>\$ 39,386,092</b> | <b>\$ 38,358,813</b> | <b>\$ 33,062,978</b> | <b>\$ 31,810,341</b> |

Source: Hidalgo County Tax Office

EXHIBIT E-11

| 2017          | 2016          | 2015          | 2014          | 2013          | 2012          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2016          | 2015          | 2014          | 2013          | 2012          | 2011          |
| \$ 15,767,873 | \$ 14,393,611 | \$ 12,968,506 | \$ 12,191,627 | \$ 12,017,962 | \$ 11,487,658 |
| 15,767,873    | 14,393,611    | 12,968,506    | 12,191,627    | 12,017,962    | 11,487,658    |
| 14,464,481    | 14,064,444    | 13,664,242    | 13,793,644    | 7,835,500     | 7,606,341     |
| 14,464,481    | 14,064,444    | 13,664,242    | 13,793,644    | 7,835,500     | 7,606,341     |
| \$ 30,232,354 | \$ 28,458,055 | \$ 26,632,748 | \$ 25,985,271 | \$ 19,853,462 | \$ 19,093,999 |
| 30,232,354    | 28,458,055    | 26,632,748    | 25,985,271    | 19,853,462    | 19,093,999    |
| \$ 30,232,354 | \$ 28,458,055 | \$ 26,632,748 | \$ 25,985,271 | \$ 19,853,462 | \$ 19,093,999 |

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

| Fiscal Year:   | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------|------|------|------|------|------|------|
| Tax Roll Year: | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |

| <b>Drainage District No. 1</b>       |                  |                |                |                |                |                |
|--------------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|
| Operating                            | 493,741          | 382,077        | 230,411        | 177,094        | 132,728        | 108,991        |
| Debt Service                         | 688,306          | 337,195        | 231,705        | 158,374        | 121,735        | 106,496        |
| <b>Total Drainage District No. 1</b> | <b>1,182,047</b> | <b>719,272</b> | <b>462,116</b> | <b>335,468</b> | <b>254,463</b> | <b>215,487</b> |

|                        |                     |                   |                   |                   |                   |                   |
|------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total All Funds</b> | <b>\$ 1,182,047</b> | <b>\$ 719,272</b> | <b>\$ 462,116</b> | <b>\$ 335,468</b> | <b>\$ 254,463</b> | <b>\$ 215,487</b> |
|------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

Source: Hidalgo County Delinquent Tax Roll as of December 31, 2021

EXHIBIT E-12

| 2015<br>2014      | 2014<br>2013      | 2013<br>2012      | 2012<br>2011      | Not Barred<br>By Limitation | Reserve<br>for Loss on<br>Collections | Net<br>Property<br>Taxes<br>Receivable |
|-------------------|-------------------|-------------------|-------------------|-----------------------------|---------------------------------------|--|
| 87,166            | 73,937            | 69,973            | 63,991            | 1,800,435                   | (1,517,417)                           | 283,018                                |
| 91,857            | 83,643            | 45,628            | 42,377            | 2,509,920                   | (797,652)                             | 1,712,268                              |
| <u>179,023</u>    | <u>157,580</u>    | <u>115,601</u>    | <u>106,368</u>    | <u>4,310,355</u>            | <u>(2,315,069)</u>                    | <u>1,995,286</u>                       |
| <u>\$ 179,023</u> | <u>\$ 157,580</u> | <u>\$ 115,601</u> | <u>\$ 106,368</u> | <u>\$ 4,310,355</u>         | <u>\$ (2,315,069)</u>                 | <u>\$ 1,995,286</u>                    |

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

| Fiscal Year | Tax Roll Year | Taxable Value  | Tax Rate | Late Productivity Penalties | Original Tax Levy | Tax Roll Modifications | Adjusted Tax Levy |
|-------------|---------------|----------------|----------|-----------------------------|-------------------|------------------------|-------------------|
| 2012        | 2011          | 26,006,779,427 | 0.0733   | -                           | 19,093,999        | (96,761)               | 18,997,238        |
| 2013        | 2012          | 26,444,329,673 | 0.0750   | -                           | 19,853,462        | (111,654)              | 19,741,808        |
| 2014        | 2013          | 27,122,349,160 | 0.0957   | 2                           | 25,985,271        | (39,867)               | 25,945,404        |
| 2015        | 2014          | 27,797,044,065 | 0.0957   | -                           | 26,632,748        | 293,886                | 26,926,634        |
| 2016        | 2015          | 29,894,876,293 | 0.0951   | -                           | 28,458,055        | 51,438                 | 28,509,493        |
| 2017        | 2016          | 31,757,653,435 | 0.0951   | -                           | 30,232,354        | (157,258)              | 30,075,096        |
| 2018        | 2017          | 33,274,220,252 | 0.0951   | -                           | 31,437,136        | 206,648                | 31,643,784        |
| 2019        | 2018          | 34,732,762,896 | 0.0951   | -                           | 33,062,978        | (17,332)               | 33,045,646        |
| 2020        | 2019          | 36,453,447,769 | 0.1051   | -                           | 38,358,814        | (154,007)              | 38,204,807        |
| 2021        | 2020          | 38,339,577,535 | 0.1026   | -                           | 39,386,092        | (192,225)              | 39,193,867        |

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

(2) Excludes rollback taxes

Source: Hidalgo County Tax Office Collection Reports.



**EXHIBIT E-13**

| Current<br>Tax<br>Collections | Percent<br>of Adjusted<br>Tax Levy<br>Collected | Delinquent<br>Tax<br>Collections (1) | Total<br>Tax Collections | Ratio of<br>Total Tax<br>Collections<br>to Adjusted<br>Tax Levy | Outstanding<br>Delinquent<br>Taxes (2) | Ratio of<br>Delinquent<br>Taxes<br>to Adjusted<br>Tax Levy |
|-------------------------------|---|--------------------------------------|--------------------------|---|--|--|
| 18,167,645                    | 95.63%  | 655,789                              | 18,823,434               | 99.09%  | 151,272                                | 0.80%  |
| 18,896,758                    | 95.72%  | 639,647                              | 19,536,405               | 98.96%  | 171,055                                | 0.87%  |
| 24,895,631                    | 95.95%  | 715,914                              | 25,611,545               | 98.71%  | 251,263                                | 0.97%  |
| 25,907,301                    | 96.21%  | 591,078                              | 26,498,379               | 98.41%  | 325,505                                | 1.21%  |
| 27,407,235                    | 96.13%  | 449,461                              | 27,856,696               | 97.71%  | 442,385                                | 1.55%  |
| 28,908,857                    | 96.12%  | 490,751                              | 29,399,608               | 97.75%  | 658,219                                | 2.19%  |
| 30,450,951                    | 96.23%  | 1,056,432                            | 31,507,383               | 99.57%  | 1,144,623                              | 3.62%  |
| 31,815,307                    | 96.28%  | 1,055,361                            | 32,870,668               | 99.47%  | 1,203,592                              | 3.64%  |
| 37,005,718                    | 96.86%  | 939,336                              | 37,945,054               | 99.32%  | 1,353,198                              | 3.54%  |
| 38,560,878                    | 98.38%  | 1,305,089                            | 39,865,967               | 101.71%   | 1,171,729                              | 2.99%  |

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

**EXHIBIT E-14**

| Fiscal Year (1) | Tax Roll Year | Beginning Rollback Taxes Receivable | Tax Roll Modifications (2) | Adjusted Rollback Taxes Receivable | Rollback Taxes Collected | Ending Rollback Taxes Receivable | Percent of Total Rollback Taxes Collected |
|-----------------|---------------|-------------------------------------|----------------------------|------------------------------------|--------------------------|----------------------------------|---|
| 2012            | 2011          | 7,706                               | 42,115                     | 49,821                             | 12,094                   | 37,727                           | 24.27%                                    |
| 2013            | 2012          | 37,727                              | 43,474                     | 81,201                             | 43,082                   | 38,119                           | 53.06%                                    |
| 2014            | 2013          | 38,119                              | 65,602                     | 103,721                            | 54,215                   | 49,506                           | 52.27%                                    |
| 2015            | 2014          | 49,506                              | 61,103                     | 110,609                            | 59,594                   | 51,015                           | 53.88%                                    |
| 2016            | 2015          | 51,016                              | 76,025                     | 127,041                            | 101,790                  | 25,251                           | 80.12%                                    |
| 2017            | 2016          | 25,251                              | 163,826                    | 189,077                            | 88,304                   | 100,773                          | 46.70%                                    |
| 2018            | 2017          | 100,773                             | 46,758                     | 147,531                            | 104,310                  | 43,221                           | 70.70%                                    |
| 2019            | 2018          | 43,221                              | 101,613                    | 144,834                            | 103,938                  | 40,896                           | 71.76%                                    |
| 2020            | 2019          | 40,895                              | 61,333                     | 102,228                            | 59,011                   | 43,217                           | 57.72%                                    |
| 2021            | 2020          | 43,217                              | 84,385                     | 127,602                            | 85,526                   | 42,076                           | 67.03%                                    |

(1) As of January 1 of each year.

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

Source: Hidalgo County Tax Office Collection Reports.

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

**EXHIBIT E-15**

| Fiscal Year | Governmental Activity       |                        |            | Total Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|-----------------------------|------------------------|------------|------------------|-----------------------------------|----------------|
|             | General Obligation Bonds(2) | Special District Bonds | Term Loans |                  |                                   |                |
| 2012        | 90,821,809                  | -                      | -          | 90,821,809       | 0.50%                             | 113            |
| 2013        | 170,521,255                 | -                      | -          | 170,521,255      | 0.91%                             | 209            |
| 2014        | 164,486,388                 | -                      | 261,953    | 164,748,341      | 0.83%                             | 198            |
| 2015        | 156,040,650                 | -                      | 125,774    | 156,166,424      | 0.75%                             | 185            |
| 2016        | 151,437,587                 | -                      | 993,079    | 152,430,666      | 0.72%                             | 179            |
| 2017        | 140,475,996                 | -                      | 793,714    | 141,269,710      | 0.64%                             | 164            |
| 2018        | 128,714,171                 | -                      | 584,201    | 129,298,372      | 0.94%                             | 149            |
| 2019        | 200,330,095                 | -                      | 3,684,023  | 204,014,118      | 0.89%                             | 235            |
| 2020        | 186,098,274                 | -                      | 1,660,000  | 187,758,274      | 0.79%                             | 215            |
| 2021        | 279,744,255                 | -                      | -          | 279,744,255      | 1.03%                             | 318            |

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

(1) Population and personal income data can be found in Exhibit E-24

(2) 2019 has been reinstated to include premiums

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

**EXHIBIT E-16**

| General Bonded Debt Outstanding |                             |                        |                   |   |                 |                                      | Percentage of                  |  |
|---------------------------------|-----------------------------|------------------------|-------------------|---|-----------------|--------------------------------------|--------------------------------|--|
| Fiscal Year                     | General Obligation Bonds(4) | Special District Bonds | Gross Bonded Debt | Less: Amounts Restricted to Repaying Debt (1) | Net Bonded Debt | Actual Value of Taxable Property (2) | Net Bonded Debt per Capita (3) |  |
| 2012                            | 90,821,809                  | -                      | 90,821,809        | (1,805,618)                                   | 89,016,191      | 0.34%                                | 110                            |  |
| 2013                            | 170,521,255                 | -                      | 170,521,255       | (1,903,111)                                   | 168,618,144     | 0.64%                                | 207                            |  |
| 2014                            | 164,486,388                 | -                      | 164,486,388       | (2,116,581)                                   | 162,369,807     | 0.60%                                | 195                            |  |
| 2015                            | 156,040,650                 | -                      | 156,040,650       | (2,461,315)                                   | 153,579,335     | 0.55%                                | 182                            |  |
| 2016                            | 151,437,587                 | -                      | 151,437,587       | (3,264,751)                                   | 148,172,836     | 0.50%                                | 174                            |  |
| 2017                            | 140,475,856                 | -                      | 140,475,997       | (3,185,459)                                   | 137,290,538     | 0.43%                                | 160                            |  |
| 2018                            | 128,714,171                 | -                      | 128,714,171       | (3,253,041)                                   | 125,461,130     | 0.33%                                | 145                            |  |
| 2019                            | 200,330,095                 | -                      | 183,725,000       | (3,650,183)                                   | 180,074,817     | 0.52%                                | 207                            |  |
| 2020                            | 186,098,274                 | -                      | 186,098,274       | (3,505,450)                                   | 182,592,824     | 0.50%                                | 209                            |  |
| 2021                            | 279,744,255                 | -                      | 279,744,255       | (3,915,053)                                   | 275,829,202     | 0.72%                                | 313                            |  |

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

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

(3) See Exhibit E-24 for population data.

(4) 2019 has been reinstated to include premiums

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL OBLIGATION BONDED DEBT**  
**TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**

**EXHIBIT E-17**

| Fiscal Year | Principal  | Interest (1) | Total Debt Service | Total General Governmental Expenditures (2) | Ratio Debt Service to General Governmental Expenditures |
|-------------|------------|--------------|--------------------|---|---|
| 2012        | 3,435,000  | 4,196,582    | 7,631,582          | 20,177,657                                  | 37.82%  |
| 2013        | 3,900,000  | 4,056,632    | 7,956,632          | 41,009,203                                  | 19.40%  |
| 2014        | 5,630,000  | 8,227,088    | 13,857,088         | 38,827,021                                  | 35.69%  |
| 2015        | 7,255,000  | 6,949,810    | 14,204,810         | 37,970,436                                  | 37.41%  |
| 2016        | 7,395,000  | 6,761,762    | 14,156,762         | 39,487,114                                  | 35.85%  |
| 2017        | 8,610,000  | 5,889,430    | 14,499,430         | 37,355,946                                  | 38.81%  |
| 2018        | 9,495,000  | 2,655,646    | 12,150,646         | 46,963,356                                  | 25.87%  |
| 2019        | 10,145,178 | 5,117,648    | 15,262,826         | 49,357,341                                  | 30.92%  |
| 2020        | 11,375,000 | 8,285,801    | 19,660,801         | 60,499,356                                  | 32.50%  |
| 2021        | 11,360,000 | 7,435,313    | 18,795,313         | 67,368,675                                  | 27.90%  |

(1) Excludes bond issuance and other costs

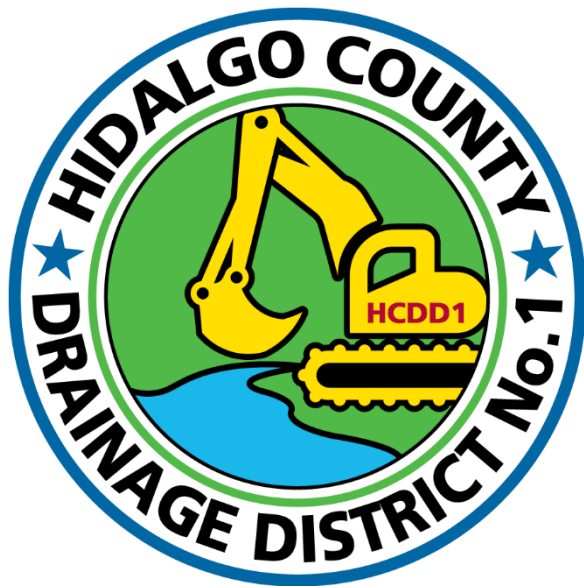
(2) Includes general, special revenue, debt service, and capital projects funds.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**DIRECT AND OVERLAPPING BONDED DEBT**  
**DECEMBER 31, 2021**

**EXHIBIT E-18**

| Jurisdiction                             | Gross Debt<br>Less Cash<br>Improvements | Percentage<br>Applicable to<br>Hidalgo County<br>Drainage District<br>No.1 | Amount<br>Applicable to<br>Hidalgo County<br>as of | Amount<br>Applicable to<br>Hidalgo County Drainage<br>District No.1 |
|--|---|--|--|---|
| <b>Direct Debt:</b>                      |   |  |  |   |
| Hidalgo County Drainage District No. 1   | 279,744,255                             | 100%   | 12/31/2021   | 279,744,255   |
| <b>Total Direct Debt</b>                 | <u>279,744,255</u>                      |  |  | <u>279,744,255</u>  |
| <b>Overlapping Debt:</b>                 |   |  |  |   |
| <b>Independent School Districts:</b>     |   |  |  |   |
| Donna                                    | 56,055,000                              | 100%   | 12/31/2021   | 56,055,000  |
| Edcouch - Elsa                           | 31,460,197                              | 100%   | 12/31/2021   | 31,460,197  |
| Edinburg                                 | 130,110,000                             | 91.47%   | 12/31/2021   | 119,011,617   |
| Hidalgo                                  | 26,884,000                              | 100%   | 12/31/2021   | 26,884,000  |
| La Joya                                  | 215,657,680                             | 74.67%   | 12/31/2021   | 161,031,589   |
| La Villa                                 | 9,300,000                               | 100%   | 12/31/2021   | 9,300,000   |
| McAllen                                  | 90,191,000                              | 100%   | 12/31/2021   | 90,191,000  |
| Mercedes                                 | 48,522,300                              | 100%   | 12/31/2021   | 48,522,300  |
| Mission                                  | 107,272,960                             | 100%   | 12/31/2021   | 107,272,960   |
| Monte Alto                               | 11,085,000                              | 89.74%   | 12/31/2021   | 9,947,679   |
| Pharr - San Juan - Alamo                 | 274,810,000                             | 100%   | 12/31/2021   | 274,810,000   |
| Progreso                                 | 18,075,000                              | 100%   | 12/31/2021   | 18,075,000  |
| Sharyland                                | 88,060,000                              | 100%   | 12/31/2021   | 88,060,000  |
| South Texas                              | -                                       | 100%   | 12/31/2021   | -   |
| Valley View                              | 36,620,000                              | 100%   | 12/31/2021   | 36,620,000  |
| Weslaco                                  | 64,864,419                              | 100%   | 12/31/2021   | 64,864,419  |
| <b>Cities:</b>                           |   |  |  |   |
| Alamo                                    | -                                       | 100%   | 12/31/2021   | -   |
| Alton                                    | -                                       | 100%   | 12/31/2021   | -   |
| Donna                                    | -                                       | 100%   | 12/31/2021   | -   |
| Edcouch                                  | -                                       | 100%   | 12/31/2021   | -   |
| Edinburg                                 | 113,565,000                             | 100%   | 12/31/2021   | 113,565,000   |
| Elsa                                     | -                                       | 100%   | 12/31/2021   | -   |
| Hidalgo                                  | 3,992,000                               | 100%   | 12/31/2021   | 3,992,000   |
| La Joya                                  | -                                       | 100%   | 12/31/2021   | -   |
| La Villa                                 | 3,183,000                               | 100%   | 12/31/2021   | 3,183,000   |
| McAllen                                  | 100,815,000                             | 100%   | 12/31/2021   | 100,815,000   |
| Mercedes                                 | 29,555,000                              | 100%   | 12/31/2021   | 29,555,000  |
| Mission                                  | 54,015,000                              | 100%   | 12/31/2021   | 54,015,000  |
| Palmview                                 | -                                       | 100%   | 12/31/2021   | -   |
| Penitas                                  | 4,998,000                               | 7.47%  | 12/31/2021   | 373,351   |
| Pharr                                    | 122,931,142                             | 100%   | 12/31/2021   | 122,931,142   |
| Progreso                                 | 1,370,000                               | 100%   | 12/31/2021   | 1,370,000   |
| San Juan                                 | 36,135,000                              | 100%   | 12/31/2021   | 36,135,000  |
| Weslaco                                  | 87,206,000                              | 100%   | 12/31/2021   | 87,206,000  |
| <b>Road Districts:</b>                   |   |  |  |   |
| Road District No. 5                      | -                                       | 100%   | 12/31/2021   | -   |
| <b>County Line School Districts:</b>     |   |  |  |   |
| Lyford                                   | 3,480,000                               | 1.20%  | 12/31/2021   | 41,760  |
| South Texas College District             | 120,909,693                             | 90.15%   | 12/31/2021   | 109,000,088   |
| <b>Total Overlapping Debt</b>            | <u>1,891,122,391</u>                    |  |  | <u>1,804,288,102</u>  |
| <b>Total Direct and Overlapping Debt</b> | <u>\$ 2,170,866,646</u>                 |  |  | <u>\$ 2,084,032,357</u>   |

Source: The information contained in this statement was provided by the Municipal Advisory Council of Texas (12/31/2021) and is subject to the same disclaimer as given by the Council. The Municipal Advisory Council of Texas utilizes an internal program that calculates the overlapping debt percentages using the Net Taxable Assessed Values.



**COUNTY OF HIDALGO, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**

|   | Fiscal Year       |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2021              | 2020              | 2019              | 2018              |
| Assessed Value (1) (3)  | \$ 38,339,577,535 | \$ 36,453,447,769 | \$ 34,732,762,896 | \$ 33,025,123,406 |
| Debit limit, 25 % of Assessed Value (2)                                 | 9,584,894,384     | 9,113,361,942     | 8,683,190,724     | 8,256,280,852     |
| Debt Applicable to Limitation:  |                   |                   |                   |                   |
| Bonded debt:  |                   |                   |                   |                   |
| County Wide   |                   |                   |                   |                   |
| Special Road Districts  | -                 | -                 | -                 | -                 |
| Drainage District No. 1   | 279,744,255       | 186,098,274       | 183,725,000       | 119,805,000       |
| Total bonded debt   | 279,744,255       | 186,098,274       | 183,725,000       | 119,805,000       |
| Less: amounts available for repayment<br>of general obligation bonds    |                   |                   |                   |                   |
| Drainage District No. 1   | (3,915,053)       | (3,505,450)       | (3,650,183)       | (3,253,032)       |
| Total amount available for repayment<br>of general obligation bonds     | (3,915,053)       | (3,505,450)       | (3,650,183)       | (3,253,032)       |
| Total debt applicable to limitation                                     | 275,829,202       | 182,592,824       | 180,074,817       | 116,551,968       |
| Legal Debt Margin   | \$ 9,309,065,182  | \$ 8,930,769,118  | \$ 8,503,115,907  | \$ 8,139,728,884  |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 2.88%             | 2.00%             | 2.07%             | 1.41%             |

(1) FY 2021-2012 Real Estate Assessed Valuation (Hidalgo County Tax Office Levy Rolls)

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

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



## Fiscal Year

| 2017              | 2016              | 2015              | 2014              | 2013              | 2012              |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 32,379,158,320 | \$ 34,063,956,028 | \$ 33,193,667,610 | \$ 32,466,210,900 | \$ 31,660,182,025 | \$ 30,864,538,761 |
| 8,094,789,580     | 8,515,989,007     | 8,298,416,903     | 8,116,552,725     | 7,915,045,506     | 7,716,134,690     |
| -                 | -                 | -                 | -                 | -                 | -                 |
| 131,260,000       | 137,910,000       | 150,445,000       | 157,700,000       | 163,535,000       | 90,305,000        |
| 131,260,000       | 137,910,000       | 150,445,000       | 157,700,000       | 163,535,000       | 90,305,000        |
| (3,185,459)       | (3,264,751)       | (2,461,315)       | (2,116,581)       | (1,903,111)       | (1,805,618)       |
| (3,185,459)       | (3,264,751)       | (2,461,315)       | (2,116,581)       | (1,903,111)       | (1,805,618)       |
| 128,074,541       | 134,645,249       | 147,983,685       | 155,583,419       | 161,631,889       | 88,499,382        |
| \$ 7,966,715,039  | \$ 8,381,343,758  | \$ 8,150,433,218  | \$ 7,960,969,306  | \$ 7,753,413,617  | \$ 7,627,635,308  |
| 1.58%             | 1.58%             | 1.78%             | 1.92%             | 2.04%             | 1.15%             |

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

**EXHIBIT E-20**

| <u>Date of Payment</u> | <u>Interest Rate<br/>(Per Bond)<br/>March &amp;<br/>September 1st</u> | <u>Principal<br/>Requirements</u> | <u>Interest<br/>Requirements</u> | <u>Total Annual<br/>Requirements</u> |
|------------------------|---|-----------------------------------|----------------------------------|--------------------------------------|
| 3/1/2022               |   |                                   | 896,575                          | 896,575                              |
| 9/1/2022               | 5.000%  | 3,610,000                         | 896,575                          | 4,506,575                            |
| 3/1/2023               |   |                                   | 806,325                          | 806,325                              |
| 9/1/2023               | 5.000%  | 3,810,000                         | 806,325                          | 4,616,325                            |
| 3/1/2024               |   |                                   | 711,075                          | 711,075                              |
| 9/1/2024               | 5.000%  | 4,020,000                         | 711,075                          | 4,731,075                            |
| 3/1/2025               |   |                                   | 610,575                          | 610,575                              |
| 9/1/2025               | 5.000%  | 2,460,000                         | 610,575                          | 3,070,575                            |
| 3/1/2026               |   |                                   | 549,075                          | 549,075                              |
| 9/1/2026               | 2.500%  | 2,600,000                         | 549,075                          | 3,149,075                            |
| 3/1/2027               |   |                                   | 516,575                          | 516,575                              |
| 9/1/2027               | 3.000%  | 2,645,000                         | 516,575                          | 3,161,575                            |
| 3/1/2028               |   |                                   | 476,900                          | 476,900                              |
| 9/1/2028               | 3.130%  | 4,100,000                         | 476,900                          | 4,576,900                            |
| 3/1/2029               |   |                                   | 412,837                          | 412,837                              |
| 9/1/2029               | 3.130%  | 4,800,000                         | 412,838                          | 5,212,838                            |
| 3/1/2030               |   |                                   | 337,838                          | 337,838                              |
| 9/1/2030               | 3.250%  | 4,950,000                         | 337,837                          | 5,287,837                            |
| 3/1/2031               |   |                                   | 257,400                          | 257,400                              |
| 9/1/2031               | 3.250%  | 5,110,000                         | 257,400                          | 5,367,400                            |
| 3/1/2032               |   |                                   | 174,363                          | 174,363                              |
| 9/1/2032               | 3.250%  | 5,280,000                         | 174,362                          | 5,454,362                            |
| 3/1/2033               |   |                                   | 88,563                           | 88,563                               |
| 9/1/2033               | 3.250%  | 5,450,000                         | 88,562                           | 5,538,562                            |
| TOTALS                 |   | <u>\$ 48,835,000</u>              | <u>\$ 11,676,200</u>             | <u>\$ 60,511,200</u>                 |

DATE: 2-Apr-13  
 ISSUED: \$77,130,000  
 PAYABLE: U.S. Bank  
 CALL OPTION: Bonds maturing on and after 09/1/2024 are callable in whole or in part on any date beginning 09/1/2023 @ par plus accrued interest to the date of redemption.

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

**EXHIBIT E-21**

| <u>Date of Payment</u> | <u>Interest Rate<br/>(Per Bond)<br/>March &amp;<br/>September 1st</u> | <u>Principal<br/>Requirements</u> | <u>Interest<br/>Requirements</u> | <u>Total Annual<br/>Requirements</u> |
|------------------------|---|-----------------------------------|----------------------------------|--------------------------------------|
| 3/1/2022               |   |                                   | 148,682                          | 148,682                              |
| 9/1/2022               | 2.000%  |                                   | 148,681                          | 148,681                              |
| 3/1/2023               |   |                                   | 148,681                          | 148,681                              |
| 9/1/2023               | 2.000%  |                                   | 148,681                          | 148,681                              |
| 3/1/2024               |   |                                   | 148,681                          | 148,681                              |
| 9/1/2024               | 3.750%  | 1,815,000                         | 148,681                          | 1,963,681                            |
| 3/1/2025               |   |                                   | 114,650                          | 114,650                              |
| 9/1/2025               | 3.750%  | 1,880,000                         | 114,650                          | 1,994,650                            |
| 3/1/2026               |   |                                   | 79,400                           | 79,400                               |
| 9/1/2026               | 4.000%  | 1,945,000                         | 79,400                           | 2,024,400                            |
| 3/1/2027               |   |                                   | 40,500                           | 40,500                               |
| 9/1/2027               | 4.000%  | 2,025,000                         | 40,500                           | 2,065,500                            |
| TOTALS                 |   | <u>\$ 7,665,000</u>               | <u>\$ 1,361,187</u>              | <u>\$ 9,026,187</u>                  |

DATE: 30-Dec-14  
ISSUED: \$7,810,000  
PAYABLE: U.S. Bank  
CALL OPTION: Bonds maturing on and after 09/1/2025 are callable in whole or in part on any date beginning 09/1/2024 @ par plus accrued interest to the date of redemption.

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

**EXHIBIT E-22**

| <u>Date of Payment</u> | <u>Interest Rate<br/>(Per Bond)<br/>March &amp;<br/>September 1st</u> | <u>Principal<br/>Requirements</u> | <u>Interest<br/>Requirements</u> | <u>Total Annual<br/>Requirements</u> |
|------------------------|---|-----------------------------------|----------------------------------|--------------------------------------|
| 3/1/2022               |   |                                   | 860,250                          | 860,250                              |
| 9/1/2022               | 5.000%  | 5,445,000                         | 860,250                          | 6,305,250                            |
| 3/1/2023               |   |                                   | 724,125                          | 724,125                              |
| 9/1/2023               | 5.000%  | 5,700,000                         | 724,125                          | 6,424,125                            |
| 3/1/2024               |   |                                   | 581,625                          | 581,625                              |
| 9/1/2024               | 5.000%  | 4,085,000                         | 581,625                          | 4,666,625                            |
| 3/1/2025               |   |                                   | 479,500                          | 479,500                              |
| 9/1/2025               | 5.000%  | 4,280,000                         | 479,500                          | 4,759,500                            |
| 3/1/2026               |   |                                   | 372,500                          | 372,500                              |
| 9/1/2026               | 5.000%  | 4,485,000                         | 372,500                          | 4,857,500                            |
| 3/1/2027               |   |                                   | 260,375                          | 260,375                              |
| 9/1/2027               | 5.000%  | 4,725,000                         | 260,375                          | 4,985,375                            |
| 3/1/2028               |   |                                   | 142,250                          | 142,250                              |
| 9/1/2028               | 5.000%  | 5,690,000                         | 142,250                          | 5,832,250                            |
| TOTALS                 |   | <u>\$ 34,410,000</u>              | <u>\$ 6,841,250</u>              | <u>\$ 41,251,250</u>                 |

DATE: 17-Feb-16  
 ISSUED: \$52,625,000  
 PAYABLE: U.S. Bank  
 CALL OPTION: Bonds maturing on and after 09/1/2026 are callable in whole or in part on any date beginning 09/1/2025 @ par plus accrued interest to the date of redemption.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**UNLIMITED TAX IMPROVEMENT BONDS SERIES 2019**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY**

**EXHIBIT E-23**

| <u>Date of Payment</u> | <u>Interest Rate<br/>(Per Bond)<br/>March &amp;<br/>September 1st</u> | <u>Principal<br/>Requirements</u> | <u>Interest<br/>Requirements</u> | <u>Total Annual<br/>Requirements</u> |
|------------------------|---|-----------------------------------|----------------------------------|--------------------------------------|
| 3/1/2022               |   |                                   | 1,555,500                        | 1,555,500                            |
| 9/1/2022               | 4.000%  | 2,810,000                         | 1,555,500                        | 4,365,500                            |
| 3/1/2023               |   |                                   | 1,499,300                        | 1,499,300                            |
| 9/1/2023               | 4.000%  | 2,915,000                         | 1,499,300                        | 4,414,300                            |
| 3/1/2024               |   |                                   | 1,441,000                        | 1,441,000                            |
| 9/1/2024               | 5.000%  | 3,305,000                         | 1,441,000                        | 4,746,000                            |
| 3/1/2025               |   |                                   | 1,358,375                        | 1,358,375                            |
| 9/1/2025               | 5.000%  | 2,880,000                         | 1,358,375                        | 4,238,375                            |
| 3/1/2026               |   |                                   | 1,286,375                        | 1,286,375                            |
| 9/1/2026               | 5.000%  | 3,020,000                         | 1,286,375                        | 4,306,375                            |
| 3/1/2027               |   |                                   | 1,210,875                        | 1,210,875                            |
| 9/1/2027               | 5.000%  | 3,175,000                         | 1,210,875                        | 4,385,875                            |
| 3/1/2028               |   |                                   | 1,131,500                        | 1,131,500                            |
| 9/1/2028               | 5.000%  | 3,330,000                         | 1,131,500                        | 4,461,500                            |
| 3/1/2029               |   |                                   | 1,048,250                        | 1,048,250                            |
| 9/1/2029               | 5.000%  | 3,495,000                         | 1,048,250                        | 4,543,250                            |
| 3/1/2030               |   |                                   | 960,875                          | 960,875                              |
| 9/1/2030               | 5.000%  | 3,670,000                         | 960,875                          | 4,630,875                            |
| 3/1/2031               |   |                                   | 869,125                          | 869,125                              |
| 9/1/2031               | 5.000%  | 3,855,000                         | 869,125                          | 4,724,125                            |
| 3/1/2032               |   |                                   | 772,750                          | 772,750                              |
| 9/1/2032               | 5.000%  | 4,050,000                         | 772,750                          | 4,822,750                            |
| 3/1/2033               |   |                                   | 671,500                          | 671,500                              |
| 9/1/2033               | 4.000%  | 4,250,000                         | 671,500                          | 4,921,500                            |
| 3/1/2034               |   |                                   | 586,500                          | 586,500                              |
| 9/1/2034               | 4.000%  | 4,420,000                         | 586,500                          | 5,006,500                            |
| 3/1/2035               |   |                                   | 498,100                          | 498,100                              |
| 9/1/2035               | 4.000%  | 4,600,000                         | 498,100                          | 5,098,100                            |
| 3/1/2036               |   |                                   | 406,100                          | 406,100                              |
| 9/1/2036               | 4.000%  | 4,780,000                         | 406,100                          | 5,186,100                            |
| 3/1/2037               |   |                                   | 310,500                          | 310,500                              |
| 9/1/2037               | 4.000%  | 4,975,000                         | 310,500                          | 5,285,500                            |
| 3/1/2038               |   |                                   | 211,000                          | 211,000                              |
| 9/1/2038               | 4.000%  | 5,170,000                         | 211,000                          | 5,381,000                            |
| 3/1/2039               |   |                                   | 107,600                          | 107,600                              |
| 9/1/2039               | 4.000%  | 5,380,000                         | 107,600                          | 5,487,600                            |
| <b>TOTALS</b>          |   | <u>70,080,000</u>                 | <u>\$ 31,850,450</u>             | <u>\$ 101,930,450</u>                |

DATE: 2-Apr-13  
ISSUED: \$77,130,000  
PAYABLE: U.S. Bank  
CALL OPTION: Bonds maturing on and after 09/1/2024 are callable in whole or in part on any date beginning 09/1/2023 @ par plus accrued interest to the date of redemption.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**UNLIMITED TAX IMPROVEMENT BONDS SERIES 2021 (TWDB FIF Loan)**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY**

**EXHIBIT E-24**

| <u>Date of Payment</u> | <u>Interest Rate (Per Bond)</u> | <u>Principal Requirements</u> | <u>Interest Requirements</u> | <u>Total Annual Requirements</u> |
|------------------------|---------------------------------|-------------------------------|------------------------------|----------------------------------|
| 3/1/2022               |                                 |                               |                              |                                  |
| 9/1/2022               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| 3/1/2023               |                                 |                               | -                            |                                  |
| 9/1/2023               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| 3/1/2024               |                                 |                               | -                            |                                  |
| 9/1/2024               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| 3/1/2025               |                                 |                               | -                            |                                  |
| 9/1/2025               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| 3/1/2026               |                                 |                               | -                            |                                  |
| 9/1/2026               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| 3/1/2027               |                                 |                               | -                            |                                  |
| 9/1/2027               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| 3/1/2028               |                                 |                               | -                            |                                  |
| 9/1/2028               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| 3/1/2029               |                                 |                               | -                            |                                  |
| 9/1/2029               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| 3/1/2030               |                                 |                               | -                            |                                  |
| 9/1/2030               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2031               |                                 |                               | -                            |                                  |
| 9/1/2031               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2032               |                                 |                               | -                            |                                  |
| 9/1/2032               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2033               |                                 |                               | -                            |                                  |
| 9/1/2033               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2034               |                                 |                               | -                            |                                  |
| 9/1/2034               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2035               |                                 |                               | -                            |                                  |
| 9/1/2035               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2036               |                                 |                               | -                            |                                  |
| 9/1/2036               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2037               |                                 |                               | -                            |                                  |
| 9/1/2037               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2038               |                                 |                               | -                            |                                  |
| 9/1/2038               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2039               |                                 |                               | -                            |                                  |
| 9/1/2039               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2040               |                                 |                               | -                            |                                  |
| 9/1/2040               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2041               |                                 |                               | -                            |                                  |
| 9/1/2041               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2042               |                                 |                               | -                            |                                  |
| 9/1/2042               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2043               |                                 |                               | -                            |                                  |
| 9/1/2043               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2044               |                                 |                               | -                            |                                  |
| 9/1/2044               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2045               |                                 |                               | -                            |                                  |
| 9/1/2045               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2046               |                                 |                               | -                            |                                  |
| 9/1/2046               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2047               |                                 |                               | -                            |                                  |
| 9/1/2047               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2048               |                                 |                               | -                            |                                  |
| 9/1/2048               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2049               |                                 |                               | -                            |                                  |
| 9/1/2049               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2050               |                                 |                               | -                            |                                  |
| 9/1/2050               | 0.000%                          | 762,000                       | -                            | 762,000                          |
| 3/1/2051               |                                 |                               | -                            |                                  |
| 9/1/2051               | 0.000%                          | 763,000                       | -                            | 763,000                          |
| <b>TOTALS</b>          |                                 | <u>22,869,000</u>             | <u>\$ -</u>                  | <u>\$ 22,869,000</u>             |

DATE: 15-Jun-21  
ISSUED: \$22,869,000  
PAYABLE: U.S. Bank  
CALL OPTION: On any date, the Bonds may be redeemed prior to their scheduled maturities, at the option of the District, with funds provided by the District, at par to the date fixed for redemption as a whole, or in part.

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

**EXHIBIT E-25**

| Date of Payment | Interest Rate                       | Principal Requirements | Interest Requirements | Total Annual Requirements |
|-----------------|-------------------------------------|------------------------|-----------------------|---------------------------|
|                 | (Per Bond)<br>March & September 1st |                        |                       |                           |
| 3/1/2022        |                                     |                        | 429,495               | 429,495                   |
| 9/1/2022        | 5.000%                              | 795,000                | 564,300               | 1,359,300                 |
| 3/1/2023        |                                     |                        | 544,425               | 544,425                   |
| 9/1/2023        | 5.000%                              | 700,000                | 544,425               | 1,244,425                 |
| 3/1/2024        |                                     |                        | 526,925               | 526,925                   |
| 9/1/2024        | 5.000%                              | 730,000                | 526,925               | 1,256,925                 |
| 3/1/2025        |                                     |                        | 508,675               | 508,675                   |
| 9/1/2025        | 5.000%                              | 770,000                | 508,675               | 1,278,675                 |
| 3/1/2026        |                                     |                        | 489,425               | 489,425                   |
| 9/1/2026        | 5.000%                              | 810,000                | 489,425               | 1,299,425                 |
| 3/1/2027        |                                     |                        | 469,175               | 469,175                   |
| 9/1/2027        | 5.000%                              | 850,000                | 469,175               | 1,319,175                 |
| 3/1/2028        |                                     |                        | 447,925               | 447,925                   |
| 9/1/2028        | 5.000%                              | 890,000                | 447,925               | 1,337,925                 |
| 3/1/2029        |                                     |                        | 425,675               | 425,675                   |
| 9/1/2029        | 5.000%                              | 935,000                | 425,675               | 1,360,675                 |
| 3/1/2030        |                                     |                        | 402,300               | 402,300                   |
| 9/1/2030        | 5.000%                              | 980,000                | 402,300               | 1,382,300                 |
| 3/1/2031        |                                     |                        | 377,800               | 377,800                   |
| 9/1/2031        | 5.000%                              | 1,030,000              | 377,800               | 1,407,800                 |
| 3/1/2032        |                                     |                        | 352,050               | 352,050                   |
| 9/1/2032        | 4.000%                              | 1,080,000              | 352,050               | 1,432,050                 |
| 3/1/2033        |                                     |                        | 330,450               | 330,450                   |
| 9/1/2033        | 4.000%                              | 1,125,000              | 330,450               | 1,455,450                 |
| 3/1/2034        |                                     |                        | 307,950               | 307,950                   |
| 9/1/2034        | 4.000%                              | 1,170,000              | 307,950               | 1,477,950                 |
| 3/1/2035        |                                     |                        | 284,550               | 284,550                   |
| 9/1/2035        | 4.000%                              | 1,215,000              | 284,550               | 1,499,550                 |
| 3/1/2036        |                                     |                        | 260,250               | 260,250                   |
| 9/1/2036        | 4.000%                              | 1,265,000              | 260,250               | 1,525,250                 |
| 3/1/2037        |                                     |                        | 234,950               | 234,950                   |
| 9/1/2037        | 4.000%                              | 1,315,000              | 234,950               | 1,549,950                 |
| 3/1/2038        |                                     |                        | 208,650               | 208,650                   |
| 9/1/2038        | 3.000%                              | 1,370,000              | 208,650               | 1,578,650                 |
| 3/1/2039        |                                     |                        | 188,100               | 188,100                   |
| 9/1/2039        | 3.000%                              | 1,410,000              | 188,100               | 1,598,100                 |
| 3/1/2040        |                                     |                        | 166,950               | 166,950                   |
| 9/1/2040        | 3.000%                              | 1,455,000              | 166,950               | 1,621,950                 |
| 3/1/2041        |                                     |                        | 145,125               | 145,125                   |
| 9/1/2041        | 3.000%                              | 1,495,000              | 145,125               | 1,640,125                 |
| 3/1/2042        |                                     |                        | 122,700               | 122,700                   |
| 9/1/2042        | 3.000%                              | 1,540,000              | 122,700               | 1,662,700                 |
| 3/1/2043        |                                     |                        | 99,600                | 99,600                    |
| 9/1/2043        | 3.000%                              | 1,585,000              | 99,600                | 1,684,600                 |
| 3/1/2044        |                                     |                        | 75,825                | 75,825                    |
| 9/1/2044        | 3.000%                              | 1,635,000              | 75,825                | 1,710,825                 |
| 3/1/2045        |                                     |                        | 51,300                | 51,300                    |
| 9/1/2045        | 3.000%                              | 1,685,000              | 51,300                | 1,736,300                 |
| 3/1/2046        |                                     |                        | 26,025                | 26,025                    |
| 9/1/2046        | 3.000%                              | 1,735,000              | 26,025                | 1,761,025                 |
| <b>TOTALS</b>   |                                     | <u>29,570,000</u>      | <u>\$ 15,087,395</u>  | <u>\$ 44,657,395</u>      |

DATE: 1-Oct-21  
ISSUED: \$29,570  
PAYABLE: U.S. Bank  
CALL OPTION: Bonds maturing on and after 03/1/2023 are callable in whole or in part on any date beginning 09/1/2023 @ par plus accrued interest to the date of redemption.

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

**EXHIBIT E-26**

| Date of<br>Payment | Interest Rate<br>(Per Bond) | Principal<br>Requirements | Interest<br>Requirements | Total Annual<br>Requirements |
|--------------------|-----------------------------|---------------------------|--------------------------|------------------------------|
|                    | March &<br>September 1st    |                           |                          |                              |
| 3/1/2022           |                             |                           | 367,061                  | 367,061                      |
| 9/1/2022           | 0.315%                      | 8,970,000                 | 482,270                  | 9,452,270                    |
| 3/1/2023           |                             |                           | 468,143                  | 468,143                      |
| 9/1/2023           | 4.000%                      | 9,885,000                 | 468,143                  | 10,353,143                   |
| 3/1/2024           |                             |                           | 270,443                  | 270,443                      |
| 9/1/2024           | 0.591%                      | 11,070,000                | 270,443                  | 11,340,443                   |
| 3/1/2025           |                             |                           | 237,731                  | 237,731                      |
| 9/1/2025           | 0.955%                      | 735,000                   | 237,731                  | 972,731                      |
| 3/1/2026           |                             |                           | 234,221                  | 234,221                      |
| 9/1/2026           | 1.105%                      | 745,000                   | 234,221                  | 979,221                      |
| 3/1/2027           |                             |                           | 230,105                  | 230,105                      |
| 9/1/2027           | 1.354%                      | 750,000                   | 230,105                  | 980,105                      |
| 3/1/2028           |                             |                           | 225,027                  | 225,027                      |
| 9/1/2028           | 1.504%                      | 760,000                   | 225,027                  | 985,027                      |
| 3/1/2029           |                             |                           | 219,312                  | 219,312                      |
| 9/1/2029           | 1.672%                      | 775,000                   | 219,312                  | 994,312                      |
| 3/1/2030           |                             |                           | 212,833                  | 212,833                      |
| 9/1/2030           | 1.772%                      | 785,000                   | 212,833                  | 997,833                      |
| 3/1/2031           |                             |                           | 205,878                  | 205,878                      |
| 9/1/2031           | 1.872%                      | 800,000                   | 205,878                  | 1,005,878                    |
| 3/1/2032           |                             |                           | 198,390                  | 198,390                      |
| 9/1/2032           | 2.022%                      | 815,000                   | 198,390                  | 1,013,390                    |
| 3/1/2033           |                             |                           | 190,150                  | 190,150                      |
| 9/1/2033           | 2.172%                      | 830,000                   | 190,150                  | 1,020,150                    |
| 3/1/2034           |                             |                           | 181,137                  | 181,137                      |
| 9/1/2034           | 2.322%                      | 850,000                   | 181,137                  | 1,031,137                    |
| 3/1/2035           |                             |                           | 171,268                  | 171,268                      |
| 9/1/2035           | 2.422%                      | 870,000                   | 171,268                  | 1,041,268                    |
| 3/1/2036           |                             |                           | 160,733                  | 160,733                      |
| 9/1/2036           | 2.572%                      | 890,000                   | 160,733                  | 1,050,733                    |
| 3/1/2037           |                             |                           | 149,287                  | 149,287                      |
| 9/1/2037           | 2.622%                      | 915,000                   | 149,287                  | 1,064,287                    |
| 3/1/2038           |                             |                           | 137,291                  | 137,291                      |
| 9/1/2038           | 2.813%                      | 935,000                   | 137,291                  | 1,072,291                    |
| 3/1/2039           |                             |                           | 124,141                  | 124,141                      |
| 9/1/2039           | 2.813%                      | 965,000                   | 124,141                  | 1,089,141                    |
| 3/1/2040           |                             |                           | 110,568                  | 110,568                      |
| 9/1/2040           | 2.813%                      | 990,000                   | 110,568                  | 1,100,568                    |
| 3/1/2041           |                             |                           | 96,644                   | 96,644                       |
| 9/1/2041           | 2.813%                      | 1,020,000                 | 96,644                   | 1,116,644                    |
| 3/1/2042           |                             |                           | 82,297                   | 82,297                       |
| 9/1/2042           | 2.963%                      | 1,045,000                 | 82,297                   | 1,127,297                    |
| 3/1/2043           |                             |                           | 66,816                   | 66,816                       |
| 9/1/2043           | 2.963%                      | 1,080,000                 | 66,816                   | 1,146,816                    |
| 3/1/2044           |                             |                           | 50,816                   | 50,816                       |
| 9/1/2044           | 2.963%                      | 1,110,000                 | 50,816                   | 1,160,816                    |
| 3/1/2045           |                             |                           | 34,371                   | 34,371                       |
| 9/1/2045           | 2.963%                      | 1,145,000                 | 34,371                   | 1,179,371                    |
| 3/1/2046           |                             |                           | 17,408                   | 17,408                       |
| 9/1/2046           | 2.963%                      | 1,175,000                 | 17,408                   | 1,192,408                    |
| <b>TOTALS</b>      |                             | <u>49,910,000</u>         | <u>\$ 8,999,350</u>      | <u>\$ 58,909,350</u>         |

DATE: 1-Sep-21  
ISSUED: \$49,910  
PAYABLE: U.S. Bank  
CALL OPTION: Bonds maturing on and after 03/1/2023 are callable in whole or in part on any date beginning 09/1/2023 @ par plus accrued interest to the date of redemption.



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT E-27**

COUNTY OF HIDALGO, TEXAS

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

| Fiscal Year | Population (1) | Personal Income (1) | Per Capita Personal Income (1) | School Enrollment (2) | Unemployment Rate (3) |
|-------------|----------------|---------------------|--------------------------------|-----------------------|-----------------------|
| 2012        | 806,552        | 18,066,662,000      | 22,400                         | 213,569               | 11.0%                 |
| 2013        | 815,996        | 18,827,748,000      | 23,073                         | 218,466               | 10.8%                 |
| 2014        | 831,073        | 19,740,566,000      | 23,753                         | 222,720               | 8.7%                  |
| 2015        | 842,304        | 20,702,876,000      | 24,579                         | 230,077               | 7.9%                  |
| 2016        | 849,843        | 21,080,611,000      | 24,805                         | 234,994               | 8.2%                  |
| 2017        | 860,661        | 22,047,447,000      | 25,617                         | 240,049               | 7.4%                  |
| 2018        | 865,939        | 22,869,174,000      | 26,410                         | 272,122               | 6.6%                  |
| 2019        | 868,707        | 23,815,443,000      | 27,415                         | 274,982               | 7.0%                  |
| 2020        | 875,200        | 27,264,698,000      | 31,153                         | 245,076               | 10.9%                 |
| 2021        | 880,356        | (4)                 | (4)                            | 256,014               | 7.8%                  |

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

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

(3) Source: Bureau of Labor Statistics

(4)Data not available for 2021.

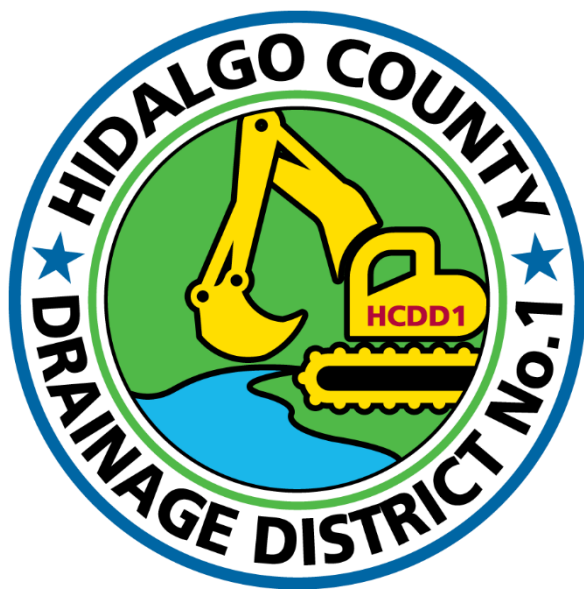
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
HIDALGO COUNTY  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

**EXHIBIT E-28**

| Employer                              | 2021          |      |                                       | 2012          |      |                                       |
|---------------------------------------|---------------|------|---------------------------------------|---------------|------|---------------------------------------|
|                                       | Employees     | Rank | Percentage of Total County Employment | Employees     | Rank | Percentage of Total County Employment |
| University of Texas-Rio Grande Valley | 5,822         | 1    | 1.83%                                 | 2,850         | 9    | 1.00%                                 |
| (4) H-E-B                             | 5,586         | 2    | 1.76%                                 | 3,315         | 7    | 1.17%                                 |
| Doctor's Hospital at Renaissance      | 4,994         | 3    | 1.57%                                 | 3,400         | 6    | 1.20%                                 |
| McAllen ISD                           | 4,800         | 4    | 1.51%                                 | 3,595         | 5    | 1.26%                                 |
| (5) Wal-Mart                          | 4,760         | 5    | 1.50%                                 | 3,683         | 3    | 1.30%                                 |
| Edinburg ISD                          | 4,704         | 6    | 1.48%                                 | 3,600         | 4    | 1.27%                                 |
| Pharr-San Juan-Alamo ISD              | 4,370         | 7    | 1.37%                                 | 4,236         | 1    | 1.49%                                 |
| La Joya ISD                           | 4,231         | 8    | 1.33%                                 |               |      |                                       |
| (1) Hidalgo County                    | 4,229         | 9    | 1.33%                                 | 3,955         | 2    | 1.39%                                 |
| South Texas Health System             | 2,500         | 10   | 0.79%                                 |               |      |                                       |
| Edinburg Regional Medical Center      |               |      |                                       | 3,000         | 8    | 1.06%                                 |
| Weslaco ISD                           |               |      |                                       | 2,817         | 10   | 0.99%                                 |
|                                       | <u>45,996</u> |      | <u>14.47%</u>                         | <u>34,451</u> |      | <u>12.13%</u>                         |
|                                       |               |      | (2)                                   |               |      | (3)                                   |

Source: Hidalgo County, Texas ACFR

- (1) Includes Hidalgo County and County related agencies employees.
- (2) Total Employment in 2021 was 332,109
- (3) Total Employment in 2012 was 284,246
- (4) Based on 19 stores with an average of 294 employees
- (5) Based on 17 stores with an average of 280 employees



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

MISCELLANEOUS STATISTICS

DECEMBER 31, 2021

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**Area Information**

|                                   |                    |  |              |
|-----------------------------------|--------------------|--|--------------|
| Name:                             | County of Hidalgo  | Number of Cities:                                | 22           |
| Date of Incorporation:            | 1852               | Number of Water Supply Corporations:             | 3            |
| Form of Government:               | County Judge       | and Number of Banks:                             | 52           |
|                                   | Four Commissioners | * Total Deposits as of June 30, 2021( millions): | \$13,585,686 |
| County Seat:                      | Edinburg, Texas    |  |              |
| Number of employees:              | 4,229              |  |              |
| Area in acres:                    | 9,525,000          |  |              |
| Miles of County maintained roads: | Precinct 1         | 718  |              |
|                                   | Precinct 2         | 123  |              |
|                                   | Precinct 3         | 566  |              |
|                                   | Precinct 4         | 470  |              |

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**Education**

|                             |                                       |          |
|-----------------------------|---------------------------------------|----------|
| Four year universities:     | University of Texas Rio Grande Valley | Edinburg |
| Two-four year colleges:     | South Texas College                   | McAllen  |
| Number of school districts: | 21                                    |          |

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**Hospitals**

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

**Recreation**

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

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**Infrastructure**

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

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**Economic**

|                                      |          |                       |                     |
|--------------------------------------|----------|-----------------------|---------------------|
| (1) Median household income:         | \$46,653 | Principal industries: | Construction        |
| (1) People below poverty level:      | 208,117  |                       | Education           |
| (1) % of people below poverty level: | 23.90%   |                       | Finance & Insurance |
| Labor force:                         | 366,220  |                       | Healthcare          |
| People employed:                     | 332,109  |                       | Government          |
| People unemployed:                   | 34,111   |                       | Information         |
| Unemployment rate:                   | 9.30%    |                       | Hospitality         |
|                                      |          |                       | Manufacturing       |
|                                      |          |                       | Professional        |
|                                      |          |                       | Retail              |
|                                      |          |                       | Other Services      |
|                                      |          |                       | Administrative      |
|                                      |          |                       | Transportation      |

**Gross Sales**

| Industry   | 2021                     | 2020                     | 2019                     | 2018                     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Agriculture                                      | \$ 445,165,000           | \$ 448,190,000           | \$ 198,993,000           | \$ 125,290,435           |
| Construction                                     | 599,428,000              | 588,710,000              | 592,197,000              | 769,002,956              |
| Finance, Real Estate, Insurance                  | 6,316,119,000            | 5,673,460,000            | 5,488,352,000            | 374,180,908              |
| Manufacturing                                    | 2,794,550,000            | 2,712,773,000            | 6,395,803,000            | 1,390,107,461            |
| Mining   | 1,209,175,000            | 1,518,981,000            | 1,197,651,000            | 78,854,484               |
| Other  | 2,256,959,000            | 2,864,172,000            | 908,707,000              | 25,939                   |
| Retail   | 2,246,371,000            | 2,237,658,000            | 2,366,022,000            | 10,328,984,177           |
| Other Services                                   | 545,838,000              | 613,910,000              | 633,605,000              | 3,170,064,174            |
| Transportation, Communications,<br>and Utilities | 2,454,703,000            | 2,145,365,000            | 1,952,247,000            | 326,614,353              |
| Wholesale-Trade                                  | 949,640,000              | 963,211,000              | 1,284,179,000            | 2,696,332,287            |
|  | <u>\$ 19,817,948,000</u> | <u>\$ 19,766,430,000</u> | <u>\$ 21,017,756,000</u> | <u>\$ 19,259,457,174</u> |

**Agriculture**

| Products Raised | Crops         | Acres     | Production        |
|-----------------|---------------|-----------|-------------------|
|                 |               | Harvested |                   |
|                 | Grain Sorghum | 76,500    | 4,116,000 Bushels |
| (1)             | Sugar Cane    | 18,400    | 691,000 Tons      |
|                 | Corn          | 19,900    | 2,054,000 Bushels |
|                 | Upland Cotton | 31,400    | 62,700 Bales      |

## Sources:

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

(1) Data not available for 2021, used 2018

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

**EXHIBIT E-30**

| <b>Function</b> | Fiscal Year |            |            |            |            | Fiscal Year |            |            |            |            |
|-----------------|-------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|
|                 | 2021        | 2020       | 2019       | 2018       | 2017       | 2016        | 2015       | 2014       | 2013       | 2012       |
| Drainage        | 180         | 174        | 172        | 164        | 142        | 139         | 130        | 109        | 113        | 107        |
| <b>Total</b>    | <b>180</b>  | <b>174</b> | <b>172</b> | <b>164</b> | <b>142</b> | <b>139</b>  | <b>130</b> | <b>109</b> | <b>113</b> | <b>107</b> |

Source: Hidalgo County Drainage District No. 1 payroll database

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

**EXHIBIT E-31**

| Function                     | Fiscal Year |      |      |      |      | Fiscal Year |      |      |      |      |
|------------------------------|-------------|------|------|------|------|-------------|------|------|------|------|
|                              | 2021        | 2020 | 2019 | 2018 | 2017 | 2016        | 2015 | 2014 | 2013 | 2012 |
| Drainage                     |             |      |      |      |      |             |      |      |      |      |
| Subdivision Drainage Reviews | 281         | 209  | 262  | 214  | 205  | 230         | 246  | 192  | 149  | 195  |
| Utility and Crossing Reviews | 12          | 17   | 6    | 13   | -    | -           | -    | -    | -    | -    |
| Total                        | 293         | 226  | 268  | 227  | 205  | 230         | 246  | 192  | 149  | 195  |

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

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

| Function                                 | Fiscal Year |            |            |            |            |
|--|-------------|------------|------------|------------|------------|
|  | 2021        | 2020       | 2019       | 2018       | 2017       |
| General government/Administrative Office | 3           | 3          | 2          | 1          | 1          |
| Drainage                                 |             |            |            |            |            |
| Drainage Flood Control Structures        | 212         | 197        | 191        | 188        | 175        |
| <b>Total</b>                             | <b>215</b>  | <b>200</b> | <b>193</b> | <b>189</b> | <b>176</b> |
| <b>Assets</b>                            |             |            |            |            |            |
| Vehicles                                 | 116         | 109        | 96         | 78         | 83         |
| Backhoes                                 | 4           | 4          | 4          | 4          | 3          |
| Draglines                                | 3           | 3          | 3          | 3          | 3          |
| Dump Trucks                              | 12          | 12         | 12         | 12         | 12         |
| Dozers                                   | 9           | 9          | 7          | 6          | 5          |
| Excavators                               | 33          | 28         | 25         | 23         | 19         |
| Front Loaders                            | 2           | 2          | 2          | 2          | 2          |
| Motorgraders                             | 9           | 9          | 5          | 5          | 4          |
| Rollers                                  | 1           | 1          | 1          | 1          | 1          |
| Tractors                                 | 46          | 48         | 43         | 43         | 39         |
| <b>Total</b>                             | <b>235</b>  | <b>225</b> | <b>198</b> | <b>177</b> | <b>171</b> |

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



| Fiscal Year |      |      |      |      |
|-------------|------|------|------|------|
| 2016        | 2015 | 2014 | 2013 | 2012 |
| 1           | 1    | 1    | 1    | 1    |
| 171         | 171  | 153  | 152  | 147  |
| 172         | 172  | 154  | 153  | 148  |
| 88          | 78   | 67   | 62   | 58   |
| 3           | 3    | 3    | 3    | 2    |
| 3           | 3    | 3    | 3    | 2    |
| 12          | 12   | 2    | 2    | 2    |
| 6           | 6    | 5    | 5    | 4    |
| 22          | 19   | 17   | 15   | 13   |
| 2           | 2    | 1    | 1    | 1    |
| 4           | 2    | 2    | 2    | 2    |
| 1           | 1    | 1    | 1    | 1    |
| 43          | 39   | 39   | 39   | 34   |
| 184         | 165  | 140  | 133  | 119  |

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

Management and Accounting Personnel

As of December 31, 2021

Raul E. Sestin, P.E., CFM  
Lora D. Briones  
Jaime J. Salazar  
Alvaro Chuc  
Mark Garcia  
Jennifer Lee Garza  
Milagros Rodriguez  
Rosa E. Arce  
Hector Guzman  
Patricia Rodriguez  
Moises Salazar  
Enriqueta Zambrano  
Rocio Villarreal

General Manager  
Chief Financial Officer  
Operations Manager  
Accounting Supervisor  
Asset Coordinator III  
Accountant IV  
Accountant IV  
AP Specialist III  
AP Specialist II  
HR Specialist IV  
Procurement Manager  
Procurement Specialist II  
Contract Specialist I