



# FINANCIAL STATEMENTS

**For the Fiscal Year Ended September 30, 2022**

**(Unaudited)**

*Prepared By:  
Melba D. Carvajal  
Director of Finance for Utilities*



# EXECUTIVE SUMMARY

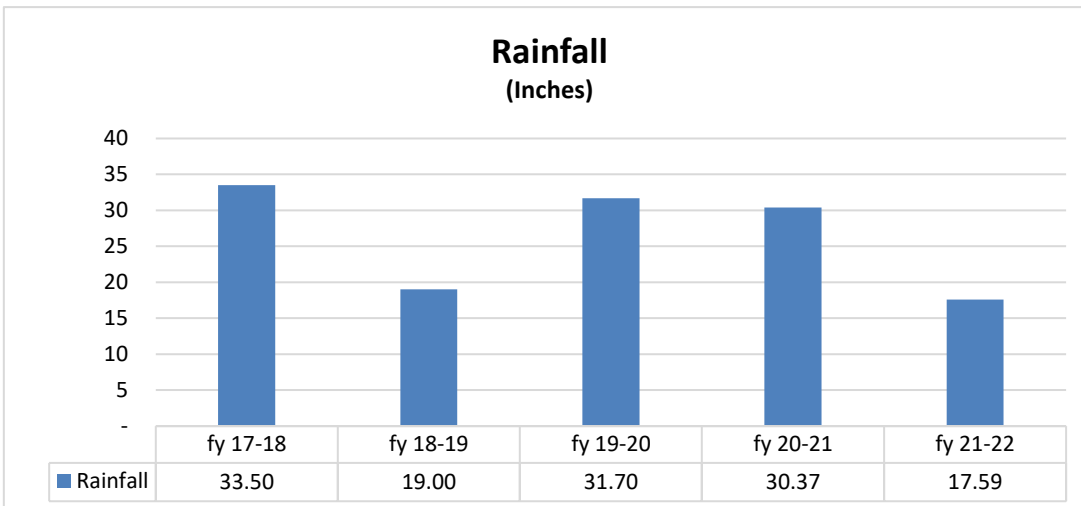
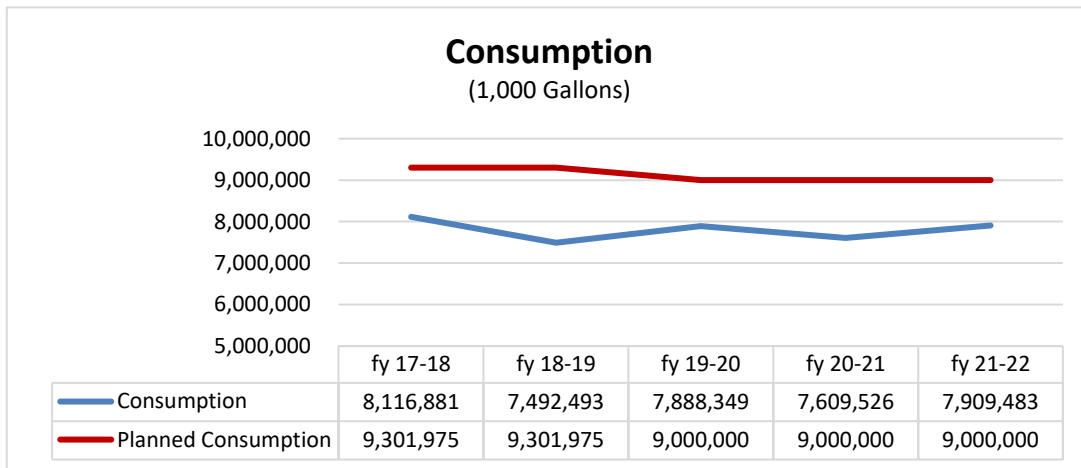
## Review of the Financial Statements For the Fiscal Year Ending September 30, 2022 (Unaudited)

### General Comments

This year’s results, both in the Water Fund and the Wastewater Fund, were diverse. User charge revenues were under projections; however, expenses were maintained well below budget. Inflationary pressures drove increases in operational expenses, in particular, supplies, fuel, electricity, and chemicals.

### Consumption

Water consumption increased 4% from the previous year and was 12% under planned consumption of 9,000,000,000 gallons. Fluctuations in consumption are normally directly impacted by the amounts of rainfall reported each year. Drought conditions drove implementation of Stage 2 Water Conservation effective August 1, 2022. During the year, approximately 18 inches of rain were reported compared to the 30 inches reported last year, below the City average of 22 inches per year. Historical consumption and the amount of rainfall reported, over the last five years, are presented in the following charts:



## Rates

A base/extra capacity water rate structure of \$1.30/\$1.60 per 1,000 gallons, using a 20,000-gallon threshold on residential accounts and annual 12-month average base consumption on commercial, multi-family and industrial accounts, with a \$1.60 commodity rate on sprinkler accounts, was passed during fy 03-04. The monthly minimum base fee for water accounts increased from \$3.50 to \$4.00 during fy 06-07. There was no increase in rates during fy 07-08. During fy 08-09, the water commodity rate for residential accounts was restructured at \$1.30 per 1,000 for the first 12,999 gallons, \$1.60 per 1,000 for 13,000 to 17,999 gallons and \$1.80 per 1,000 in excess of 18,000 gallons. The \$1.35, \$1.39, \$1.51 and \$1.56 water commodity rates indicated below are a composite estimate based on actual usage. A history of commodity rate changes is reflected in the chart below. During fiscal year 2012-2013, the minimum monthly water base rate was increased from \$3.65 to \$4.65. The minimum monthly water base rate was also increased during fiscal year 2013-2014 to \$5.65 and the wastewater commodity rate was increased from \$1.30 to \$1.40 per 1,000 gallons of water consumption. For fiscal year 2014-2015, the minimum monthly water base rate was increased from \$5.65 to \$6.95, and the wastewater commodity rate was increased from \$1.40 to \$1.60 per 1,000 gallons of water consumption. The minimum monthly base rates for both water and wastewater were also increased by \$1.00 to \$7.95 and \$10, respectively, in fy 2015-2016. Effective October 1, 2017, the monthly minimum base rates for water and wastewater increased by \$0.50 to \$8.45 and \$10.50, respectively. The residential water commodity rate structure was also amended as indicated in the table below resulting in a composite rate of \$1.63/1,000 gallons.

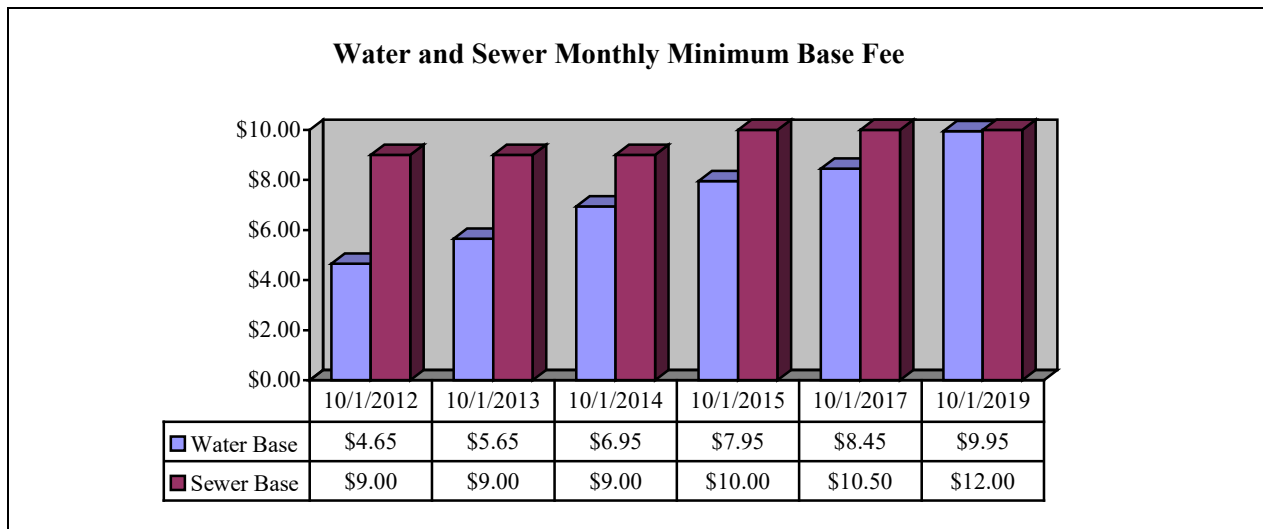
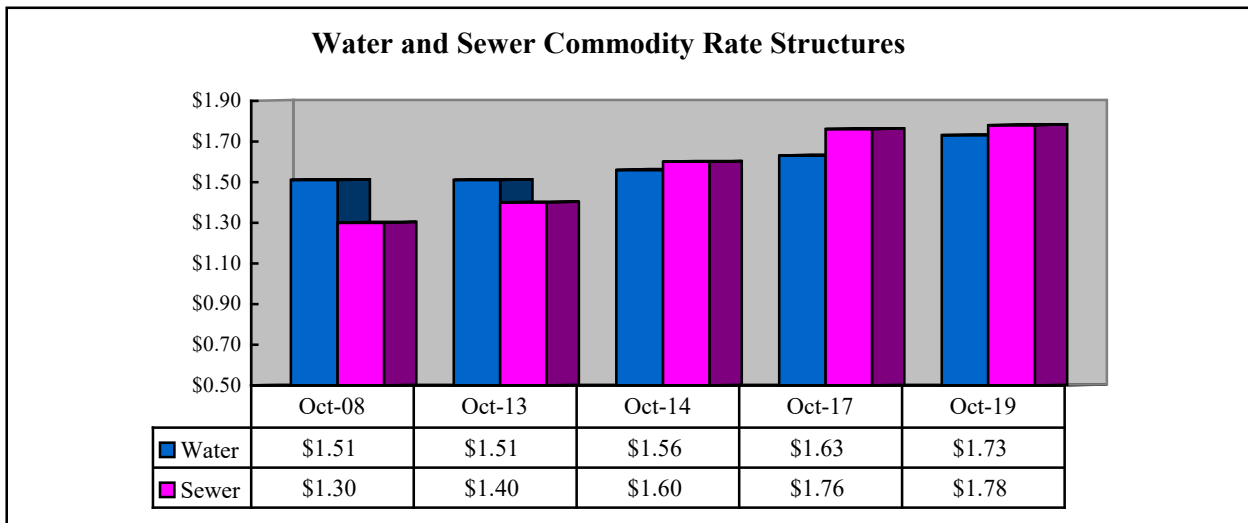
Tier 1	0-7,999 gallons	\$1.35/1,000 gallons
Tier 2	8,000-12,999 gallons	\$1.65/1,000 gallons
Tier 3	13,000-17,999 gallons	\$1.85/1,000 gallons
Tier 4	Over 18,000 gallons	\$1.95/1,000 gallons

Effective October 1, 2019, the monthly minimum base rates for water and wastewater increased by \$1.50 to \$9.95 and \$12.00, respectively. The residential water commodity rate structure was also amended as indicated in the table below resulting in a composite rate of \$1.73/1,000 gallons.

Tier 1	0-7,999 gallons	\$1.45/1,000 gallons
Tier 2	8,000-12,999 gallons	\$1.75/1,000 gallons
Tier 3	13,000-17,999 gallons	\$1.95/1,000 gallons
Tier 4	Over 18,000 gallons	\$2.05/1,000 gallons

The wastewater commodity rate was amended in fy 2017-2018 to include a tiering structure using water consumption. The residential commodity rate structure was amended to \$1.60 for the first tier up to 19,999 gallons per 1,000 gallons and \$2.10 for the second tier over 20,000 gallons per 1,000 gallons. The commercial and industrial commodity rate structures were also amended to \$1.60 per 1,000 gallons for the first tier up to the prior fiscal year's 12-month average consumption and \$2.10 per 1,000 gallons for consumption over the prior fiscal year's 12-month average consumption. The composite rate for all categories is \$1.76/1,000 gallons. Effective October 1, 2019, the commodity rate per 1,000 gallons of water consumption was increased by \$0.10 to \$1.70 and \$2.20, respectively.

There was no change to the water or sewer rates in fy 2020-2021 and fy 2021-2022.



#### **Growth in Customer Base**

The number of water accounts this year grew by 1,026 or 2%, increasing the customer base from 49,331 to 50,357. The number of wastewater accounts grew by 700, a 2% increase, resulting in a customer base of 44,614 from 43,914. The number of reclaimed water accounts steadily increased during the year to 603 from 544 at the end of the prior fiscal year.

The impact of the increase in water and wastewater consumption and growth in the customer base on the effect in both water and wastewater sales comparing the prior year and budget, will be discussed under each fund respectively.

# Water Fund

## **Overall**

Revenues are reported at \$21,426,040, an increase of \$662,903, 3% over the prior year and 10% under budget. Operating expenses are reported at \$21,882,945, an increase of \$1,528,667, or 8%, over the prior year and 10% under budget. This resulted in revenues under expenses, inclusive of depreciation, of \$456,905 before the required transfers-out to fund the principal portion of debt service, and capital replacements and improvements.

## **Water Sales**

Water sales of \$19,144,793 increased 3% from the prior year and were 13% under budget.

## **Tap Fees**

Tap fees at \$476,575 increased 30% from the prior year and were 6% over the annual budgeted amount of \$450,000.

## **Connect & Reconnect Fees**

Connect and reconnect fees came in at \$380,975, a slight increase from the prior year and 3% over budget.

## **Other Operating Revenues**

Other operating revenues, at \$474,410, increased 4% from the prior year. These revenues primarily represent a 5% late fee charged to delinquent accounts that commenced October 1, 2014.

## **Reimbursements**

Reimbursements at \$177,676 came in \$96,320 over the prior year, exceeding the annual budget amount of 35,500.

## **Miscellaneous Non-operating Revenue**

Miscellaneous non-operating revenues represent the following revenues: cash over (short), recovery of prior year expenses, charge-offs, returned check charges, and miscellaneous non-operating revenues (i.e., water tower leases, p-card rebates, homeowner association dues administrative fees). These revenues at \$408,723 increased 11% from the prior year and exceeded the \$235,000 annual budget.

## **Interest income**

Interest earnings came in significantly under prior year and budget. Increases to the fed funds rate set by the Federal Open Market Committee (FOMC) during the fiscal have resulted in reduced market pricing on investment holdings. Unrealized depreciation in the values of government agency and treasury holdings is reported as an offset to interest rate earnings. As shown on page 12 of this report, based upon the current portfolio, the M&O portion of the Water Fund's investment holdings of \$21,327,237 are earning a weighted-average yield of 1.02%; the fund as a whole, 1.45%. The blended yield on investments, excluding non-interest-bearing cash and TexPool Prime is 0.92%.



**Working Capital**

The results of this year's operations resulted in working capital of \$5,720,206, which represents 122 days of operating expenses exclusive of depreciation—down 49 days from last year's 171 days. This level is above MPUB's 120-day policy.

**Bond Coverage Ratio**

Net revenues generated a bond coverage ratio of 2.05x Water Fund-related debt service.

# Wastewater Fund

## **Overall**

Revenues are reported at \$20,073,779, in line with the prior year—12% under budget. Operating expenses are reported at \$19,670,071, an increase of \$588,666 or 3% over the prior year, 8% under budget. This resulted in net revenues over expenses of \$403,708 before the required transfers-out to fund the principal portion of debt service and capital replacements and improvements.

## **Wastewater Sales**

Wastewater sales of \$18,122,724 increased 2% from last year and were 14% under budget.

Based upon the City’s billing model, wastewater *return* (billable sewage) has historically amounted to 82% of water consumption. Generally, if both water and wastewater sales are budgeted assuming wastewater *return* at 82% of water consumption—all other factors influencing increased sales and percentage growth (number of customers, monthly minimum base fee, and commodity rate) remaining relatively constant with budget—the impact of a decrease in water consumption would typically result in the percentage decrease in water and wastewater sales having a small spread. Of course, with the larger monthly minimum billing base fee of \$12.00 for wastewater vs \$9.95 for water and the fact that it is so significant to total wastewater sales, we would never expect the two to be exactly the same.

## **Calpine/Duke Reuse Charges**

Charges for effluent delivered to the Calpine power plants totaling \$898,650, increased 1% from the prior year due to a new contractual agreement effective January 1, 2021.

## **Reuse Water Sales**

This fiscal year MPU saw billed growth in accounts using reclaimed water for irrigation purposes in the northwest section of the City. Reuse revenues totaled \$279,416 with 603 reuse accounts serviced compared to 544 the prior year.

## **Industrial Waste Surcharge**

Industrial waste surcharges, at \$1,104,573, are 11% over the prior year, 10% under budget.

## **Reimbursements**

Reimbursements at \$163,639 were \$75,893 less than the prior year, while still significantly exceeding budget.

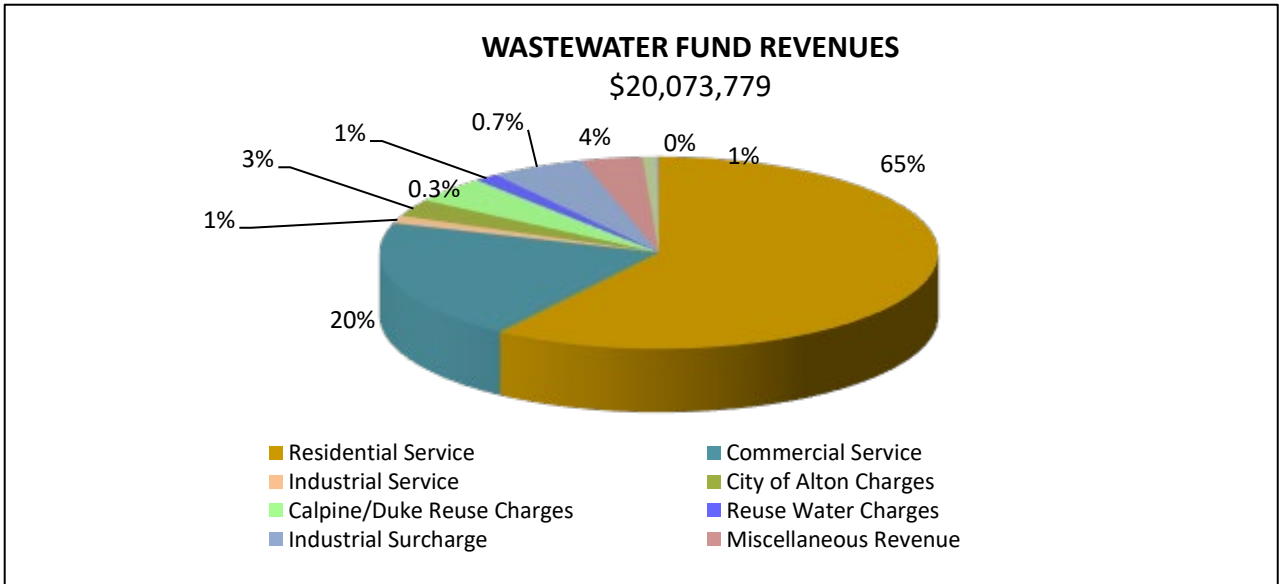
## **Miscellaneous**

Miscellaneous revenues at \$806,177 came in \$111,001 less than the prior year, well over the budgeted amount of \$538,000 and include prior year expense recoveries, insurance recoveries, septic tank hauler fees and amounts billed and collected by the City of Mission and Sharyland Water Supply Corp. in our sewer CCN.

## **Interest income**

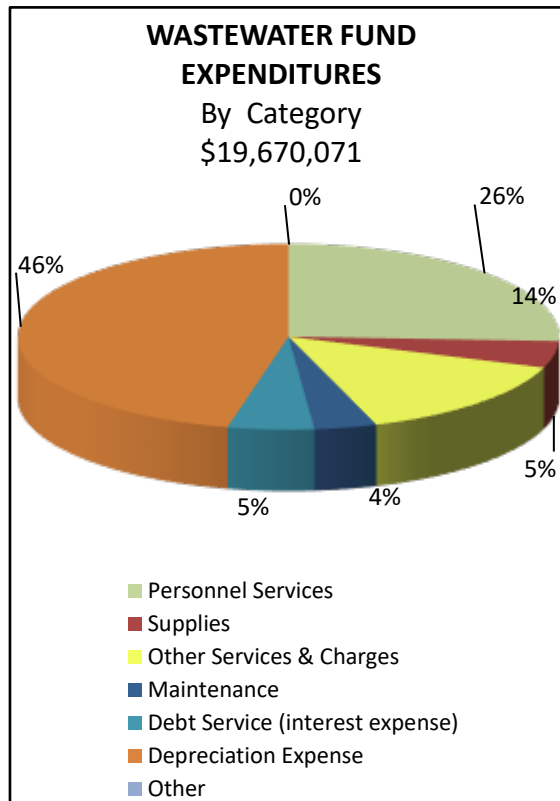
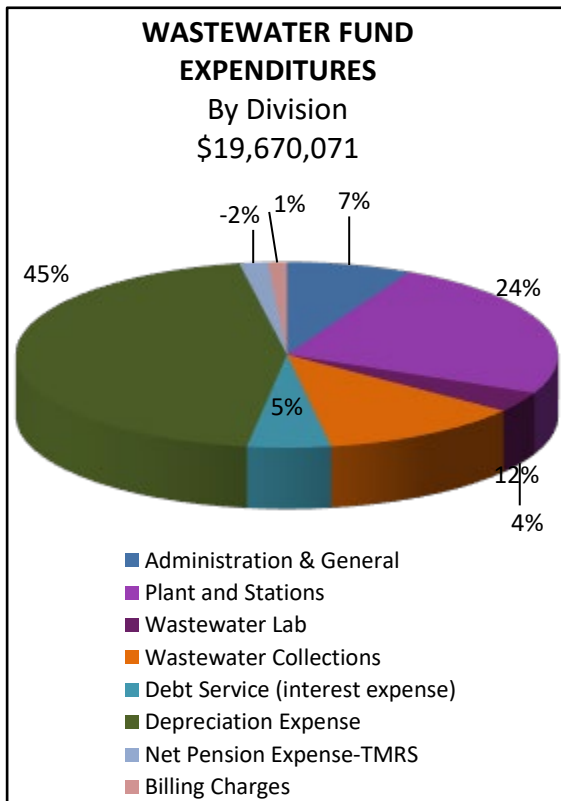
Interest earnings under-performed prior year and came in under budget. As shown on page 12 of this report, based upon the current portfolio the M&O portion of the Wastewater Fund’s investment holdings are earning a weighted-average yield of 2.45%; the fund as a whole, 1.59%. The blended yield on investments, excluding non-interest-bearing cash and TexPool Prime is 0.79%.





**Expenses**

Expenses as a whole were well under control. Almost without exception, all expense line items, year-to-date, were under budget. The more significant fluctuations between the year-to-date expenses compared to that of the prior year are discussed on page 3 of the reports.



**Net Revenues over Expenses**

As a result of the factors previously discussed, the Wastewater Fund ended the year with net revenues over expenses of \$403,708.

### **Working Capital**

Working capital at year end amounted to \$4,192,279, which represents 145 days of operating expenses exclusive of depreciation—down 13 days from last year’s 158 days. This level is in excess of MPU’s 120-day policy.

Combined working capital results in 131 days of operating expenses.

### **Bond Coverage Ratio**

Net revenues generated a bond coverage ratio of 1.88x Wastewater Fund-related debt service.

### **Compliance with Bond Ordinance**

MPU is in compliance with the provisions of all revenue bond ordinances when combining both the Water and Wastewater fund financial results. Combined debt coverage ratio is 1.93x total debt service which exceeds the 1.25x required under the bond covenant. The balance in the debt service funds exceeds that required under the ordinance.

## **Cash and Investments Water & Wastewater Funds Combined**

A summary of the portfolio for the Water and Wastewater Funds is presented on page 12 of this report. Overall the portfolio is allocated with \$705,028 in demand deposit accounts, which earned 0.00% in September; \$3,510,756 in certificates of deposit earning a blended rate of 0.22%; \$24,539,450 in government securities, earning a blended rate of 0.88%; and \$23,172,799 in TexPool Prime, which earned 2.61% in September. The blended yield of non-interest-bearing cash, TexPool Prime and investment holdings is 1.54%. The overall blended yield of investments held on 9/30/22 is presented as 0.84%.

**McALLEN PUBLIC UTILITY - WATER FUND & WASTEWATER FUND  
COMBINED STATEMENT OF REVENUES AND EXPENSES & CHANGE IN NET ASSETS**

For the Fiscal Year Ended September 30, 2022

(Unaudited)

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined</u>
<b>OPERATING REVENUES</b>			
Residential Charges	\$ 12,463,993	\$ 11,995,055	\$ 24,459,048
Commercial Charges	6,092,590	4,101,769	10,194,359
Industrial Charges	412,142	262,058	674,200
City of Alton User Charges	-	585,775	585,775
Calpine/Duke Reuse Charges	-	898,650	898,650
Reuse-Water Charges	-	279,416	279,416
Regional Water Sales	176,067	-	176,067
Industrial Waste Surcharge	-	1,104,573	1,104,573
Reimbursements	177,676	163,639	341,315
Billing Charges	460,000	-	460,000
Connects/Reconnects	380,975	-	380,975
Tap Fees	476,575	-	476,575
Other Charges	883,133	863,902	1,747,035
Total Operating Revenues	<u>21,523,151</u>	<u>20,254,838</u>	<u>41,777,990</u>
<b>NON-OPERATING REVENUES</b>			
Sale of Property	11,882	(153,852)	(141,970)
Interest	(108,995)	(27,208)	(136,201)
Total Non-Operating Revenues	<u>(97,112)</u>	<u>(181,059)</u>	<u>(278,171)</u>
<b>TOTAL REVENUES</b>	<b>21,426,040</b>	<b>20,073,779</b>	<b>41,499,820</b>
<b>EXPENSES</b>			
Plants	5,334,061	4,950,441	10,284,501
Cost of Raw Water	2,505,301	-	2,505,301
Labs	503,171	725,922	1,229,093
Distribution & Collections	2,444,893	2,457,066	4,901,960
Meter Readers	1,155,709	-	1,155,709
Utility Billing	863,880	-	863,880
Customer Relations	1,071,078	-	1,071,078
Treasury Management	530,976	-	530,976
General & Administration	2,208,334	1,470,760	3,679,095
Employee Benefits	35,000	-	35,000
Insurance	41,741	45,448	87,189
Pension Expense-TMRS (GASB 68)	(160,721)	(104,836)	(265,557)
TMRS Benefits-Contra (GASB 68)	(460,651)	(240,415)	(701,066)
Debt Service	1,102,741	1,010,720	2,113,461
Billing Charges	-	230,000	230,000
Depreciation*	4,707,431 *	9,124,964 *	13,832,395
TOTAL EXPENSES	<u>21,882,945</u>	<u>19,670,071</u>	<u>41,553,015</u>
<b>INCOME(LOSS) PRIOR TO CONTRIBUTIONS &amp; TRANSFERS</b>			
	<u>\$ (456,905)</u>	<u>\$ 403,708</u>	<u>\$ (53,197)</u>
<b>Contributions - Acquired Assets</b>	<u>1,027,305</u>	<u>1,276,124</u>	<u>2,303,430</u>
<b>Change in net assets</b>	<u>\$ 570,400</u>	<u>\$ 1,679,832</u>	<u>\$ 2,250,233</u>
<i>Transfer to Capital Improvement Fund</i>	<i>\$ 941,469</i>	<i>\$ 858,657</i>	<i>\$ 1,800,126</i>
<i>Transfer to Depreciation Fund</i>	<i>1,609,101</i>	<i>3,651,161</i>	<i>5,260,262</i>
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	<i>1,062,535</i>	<i>240,869</i>	<i>1,303,404</i>
<i>Rebatable Arbitrage</i>	<i>-</i>	<i>7,227</i>	<i>7,227</i>
<i>Bond Refunding Costs</i>	<i>143,319</i>	<i>(507,561)</i>	<i>(364,243)</i>
<i>Health Insurance Fund</i>	<i>80,729</i>	<i>49,916</i>	<i>130,645</i>

\* Depreciation is recorded at 100% for financial statement purposes but funded at 35% within the Water Fund and 40% within the Wastewater Fund.

**McALLEN PUBLIC UTILITY  
WATER FUND  
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES**

For the Fiscal Year Ended September 30, 2022  
(Unaudited)

	Year-To-Date					100.00% Completed
	Budget	Current	Prior	Variance	Inc/Dec	Actual % to Budget
<b>REVENUES</b>						
1 Residential Charges	\$ 14,490,648	\$ 12,463,993	\$ 12,165,902	\$ 298,091	2.45%	86.01%
2 Commercial Charges	6,513,810	6,092,590	5,904,797	187,793	3.18%	93.53%
3 Industrial Charges	541,053	412,142	404,335	7,807	1.93%	76.17%
4 Backflow Testing Charges	-	-	-	-	0.00%	0.00%
5 Regional Water Usage	340,000	176,067	113,136	62,931	55.62%	51.78%
<b>Total users' charges</b>	<b>21,885,511</b>	<b>19,144,793</b>	<b>18,588,170</b>	<b>556,623</b>	<b>2.99%</b>	<b>87.48%</b>
6 Tap Fees	450,000	476,575	367,575	109,000	29.65%	105.91%
7 Connects & Reconnects	370,000	380,975	379,425	1,550	0.41%	102.97%
8 Other Operating Revenues	400,000	474,410	457,955	16,455	3.59%	118.60%
9 Other Revenues - Sale of Property	-	11,882	10,830	1,052	0.00%	0.00%
11 Reimbursements - Sharyland #2	-	-	-	-	0.00%	0.00%
16 Reimbursements - Other	35,500	177,676	81,356	96,320	118.39%	500.50%
17 Miscellaneous	235,000	408,723	367,255	41,468	11.29%	173.92%
18 Interest Earned	38,090	(108,995)	50,571	(159,566)	-315.53%	-286.15%
<b>19 Revenues before billing charges</b>	<b>23,414,101</b>	<b>20,966,040</b>	<b>20,303,137</b>	<b>662,903</b>	<b>3.27%</b>	<b>89.54%</b>
20 Billing Charges	460,000	460,000	460,000	-	0.00%	100.00%
<b>21 TOTAL REVENUES</b>	<b>23,874,101</b>	<b>21,426,040</b>	<b>20,763,137</b>	<b>662,903</b>	<b>3.19%</b>	<b>89.75%</b>
<b>EXPENSES</b>						
22 Water Plants	5,607,324	5,334,061	4,708,992	D 625,069	13.27%	95.13%
23 Cost of Raw Water	2,678,403	2,505,301	2,364,688	E 140,613	5.95%	93.54%
24 Water Lab	552,856	503,171	432,507	F 70,665	16.34%	91.01%
25 Trans & Distribution	3,008,394	2,444,893	2,267,150	G 177,744	7.84%	81.27%
26 Meter Readers	1,393,286	1,155,709	1,064,280	H 91,429	8.59%	82.95%
27 Utility Billing	912,203	863,880	820,568	I 43,312	5.28%	94.70%
28 Customer Relations	1,136,207	1,071,078	1,039,269	J 31,809	3.06%	94.27%
29 Treasury Management	580,491	530,976	497,454	K 33,522	6.74%	91.47%
30 General & Admin	2,398,198	2,208,334	1,793,737	L 414,598	23.11%	92.08%
31 Non-recurring Expense	-	-	-	-	0.00%	0.00%
32 Employee Benefits	35,000	35,000	35,000	(0)	0.00%	100.00%
33 Insurance	55,099	41,741	39,600	2,681	6.86%	75.76%
34 Pension Expense-TMRS (GASB 68)	-	(160,721)	204,084	(364,805)	0.00%	0.00%
35 TMRS Benefits-Contra (GASB 68)	-	(460,651)	(498,779)	38,128	0.00%	0.00%
<b>36 Sub-Total Expenses</b>	<b>18,357,461</b>	<b>16,072,773</b>	<b>14,768,008</b>	<b>1,304,765</b>	<b>8.84%</b>	<b>87.55%</b>
37 Debt Service	1,071,338	1,102,741	973,598	129,143	13.26%	102.93%
38 Depreciation *	4,853,326	4,707,431	4,612,671	94,759	2.05%	96.99%
<b>39 TOTAL EXPENSES</b>	<b>24,282,125</b>	<b>21,882,945</b>	<b>20,354,278</b>	<b>1,528,667</b>	<b>7.51%</b>	<b>90.12%</b>
40 Revenues Over (Under) Expenses	(408,024)	(456,905)	408,859			
41 Contributions - Acquired assets	-	1,027,305	1,206,686			
42 Change in Net Assets		570,400	1,615,545			
<b>NON-OPERATING EXPENSES</b>						
43 Capital Outlay	-	-	-	-		
44 Transfer to Capital Improvements	941,469	941,469	1,875,415	(933,946)		
45 Transfer to Misc. Gov't Grants	-	-	-	-		
46 Transfer to Depreciation	1,698,664	1,609,101	1,575,935	33,166		
47 Transfer to TWDB Construction-Loan Reimbursement	-	1,062,535	3,805,663	(2,743,129)		
48 Reserve for Water Rights	-	-	-	-		
49 Rebateable Arbitrage	-	-	-	-		
50 Capitalized Interest	-	-	-	-		
51 Bond Refunding Costs	-	143,319	(15,129)	158,448		
52 Health Insurance Fund	80,729	80,729	101,370	(20,641)		

\* Depreciation is recorded at 100% for financial statement purposes but funded at 35%

**McALLEN PUBLIC UTILITY**  
**WATER FUND REFERENCE NOTES**  
For the Fiscal Year Ended September 30, 2022  
(Unaudited)

Ref	Description	Month Ending				Fiscal Year-to-Date			% Inc (Dec)	
		CONSUMPTION	30-Sep-22	30-Sep-21	Inc(Dec)	% Inc(Dec)	30-Sep-22	30-Sep-21		Inc(Dec)
A	Residential *		388,039,900	425,147,200	(37,107,300)	-8.73%	4,487,603,200	4,343,152,600	144,450,600	3.33%
B	Commercial		268,849,700	295,627,400	(26,777,700)	-9.06%	3,173,137,700	3,022,365,300	150,772,400	4.99%
C	Industrial		25,340,400	21,767,500	3,572,900	16.41%	248,741,900	244,007,700	4,734,200	1.94%
	<b>Total</b>		<b>682,230,000</b>	<b>742,542,100</b>	<b>(60,312,100)</b>	<b>-8.12%</b>	<b>7,909,482,800</b>	<b>7,609,525,600</b>	<b>299,957,200</b>	<b>3.94%</b>

**NUMBER OF WATER ACCOUNTS**

A	Residential	**	42,299	41,411	888	2.14%
B	Commercial		7,906	7,766	140	1.80%
C	Industrial		152	154	(2)	-1.30%
	<b>Total</b>		<b>50,357</b>	<b>49,331</b>	<b>1,026</b>	<b>2.08%</b>

\* Gallons year-to-date for Sharyland accounts = 48,528,500  
\*\* Number of Sharyland accounts = 277

Growth in number of new accounts for the current fiscal year:			Growth in number of new accounts prior year:		
Number of accounts at	9/30/2022	50,357	9/30/2021	49,331	
Number of accounts at	9/30/2021	49,331	9/30/2020	48,415	
<b>Increase/(Decrease) in accounts</b>		<b>1,026</b>		<b>916</b>	

**ANALYSIS OF NET CHANGE IN YEAR-TO-DATE OPERATING EXPENDITURES:**

	Wages/Benefits	Supplies & Chemicals	Other Services & Charges	Maintenance	Non-capitalized Capital Outlay	Net Change
D Water Plants	\$ 199,813	\$ 484,795	\$ (44,731)	\$ (70,282)	\$ 55,473	\$ 625,069
E Cost of Raw Water	-	-	140,613	-	-	140,613
F Water Lab	67,640	(9,154)	12,293	846	(959)	70,665
G Trans & Distribution	(21,621)	12,804	(29,658)	193,774	22,444	177,744
H Meter Readers	62,144	1,407	(1,594)	30,453	(981)	91,429
I Utility Billing	26,607	6,982	12,973	(1,399)	(1,852)	43,312
J Customer Relations	35,080	(7,620)	11,564	(1,891)	(5,323)	31,809
K Treasury Management	37,276	(284)	(3,652)	4,065	(3,882)	33,522
L General & Admin	18,077	735	404,729	(3,559)	(5,385)	414,598
	<b>\$ 425,018</b>	<b>\$ 489,665</b>	<b>\$ 502,537</b>	<b>\$ 152,007</b>	<b>\$ 59,535</b>	<b>\$ 1,628,761</b>

**ANALYSIS OF ACTUAL TO BUDGETED CONSUMPTION & REVENUES**

<b>Budgeted Consumption for fy 2021-22 (gals.)</b>	<b>9,000,000,000</b>	<b>Monthly Planned Consumption</b>
* 45% of planned consumption	4,050,000,000	October 675,000,000
* 55% of planned consumption	4,950,000,000	November 675,000,000
		December 675,000,000
Planned consumption at 9/30/2022	9,000,000,000	January 675,000,000
Actual consumption at 9/30/2022	7,909,482,800	February 675,000,000
<b>Excess/(deficiency) to planned</b>	<b>(1,090,517,200)</b>	March 675,000,000
		April 825,000,000
<b>Budgeted User Charge Revenues for fy 2021-22</b>	<b>\$ 21,885,511</b>	May 825,000,000
* 45% of planned revenues	9,848,480	June 825,000,000
* 55% of planned revenues	12,037,031	July 825,000,000
		August 825,000,000
Planned revenues at 9/30/2022	21,885,511	September 825,000,000
Actual revenues at 9/30/2022	19,144,793	
<b>Excess/(deficiency) to planned</b>	<b>\$ (2,740,718)</b>	<b>Total 9,000,000,000</b>

\* Note: The usage percentages have been changed from 40%/60% to 45%/55% to more accurately reflect actual usage.

**McALLEN PUBLIC UTILITY  
WATER IMPROVEMENT FUNDS  
STATEMENT OF SOURCES AND USES**

For the Fiscal Year Ended September 30, 2022  
(Unaudited)

	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
<b>Sources</b>								
Interest Revenue	\$ 22,559	\$ 22,559	\$ (83,721)	-371.12%	\$ 20,848	\$ 20,848	\$ (55,941)	-268.33%
Miscellaneous	0	0	0	0.00%	0	0	0	0.00%
Transfers In	1,698,664	1,698,664	1,609,101	94.73% **	941,469	941,469	941,469	100.00%
<b>Total Sources</b>	<b>\$ 1,721,223</b>	<b>\$ 1,721,223</b>	<b>\$ 1,525,380</b>	<b>88.62%</b>	<b>962,317</b>	<b>962,317</b>	<b>885,528</b>	<b>92.02%</b>
<b>Uses</b>								
Replacement (Infrastructure)	5,124,625	5,124,625	1,473,269	28.75%	0	0	0	0.00%
Capital Outlay	430,250	430,250	377,761	87.80%	3,481,707	3,481,707	611,427	17.56%
Transfers Out	0	0	0	0.00%	0	0	0	0.00%
<b>Total Uses</b>	<b>\$ 5,554,875</b>	<b>\$ 5,554,875</b>	<b>\$ 1,851,030</b>	<b>33.32%</b>	<b>\$ 3,481,707</b>	<b>\$ 3,481,707</b>	<b>\$ 611,427</b>	<b>17.56%</b>
<b>Sources Over/ (Under) Uses</b>	<b>\$ (3,833,652)</b>	<b>\$ (3,833,652)</b>	<b>\$ (325,650)</b>		<b>\$ (2,519,390)</b>	<b>\$ (2,519,390)</b>	<b>\$ 274,101</b>	

Percentage of year completed 100%

**McALLEN PUBLIC UTILITY**  
**WASTEWATER FUND**  
**COMPARATIVE STATEMENT OF REVENUES AND EXPENSES**

For the Fiscal Year Ended September 30, 2022  
(Unaudited)

	Budget	Year-To-Date				100.00%
		Current	Prior Year	Variance	Inc/Dec	Year-To-Date Actual % To Budget
<b>REVENUES</b>						
1 Residential Charges	\$ 13,273,282	\$ 11,995,055	\$ 11,873,935	A \$ 121,120	1.02%	90.37%
2 Commercial Charges	5,512,490	4,101,769	3,908,942	A 192,827	4.93%	74.41%
3 Industrial Charges	402,851	262,058	260,733	A 1,325	0.51%	65.05%
4 City of Alton User Charges	750,000	585,775	673,700	A (87,925)	-13.05%	78.10%
5 Calpine/Duke Reuse Charges	900,000	898,650	892,590	A 6,060	0.68%	99.85%
6 Reuse-Water Charges	120,000	279,416	204,009	A 75,407	36.96%	232.85%
Total users' charges	<b>20,958,623</b>	<b>18,122,724</b>	<b>17,813,909</b>	<b>308,815</b>	<b>1.73%</b>	<b>86.47%</b>
7 Ind. Waste Surcharge	1,240,000	1,104,573	993,855	110,718	11.14%	89.08%
8 Other Operating Revenues	-	57,725	65,250	(7,525)	-11.53%	0.00%
9 Other Revenues - Sale of Property	-	(153,852)	(2,910)	(150,942)	0.00%	0.00%
10 Reimbursements	91,500	163,639	239,531	(75,893)	-31.68%	178.84%
11 Miscellaneous	538,000	806,177	917,179	(111,001)	-12.10%	149.85%
12 Interest Earned	22,837	(27,208)	20,206	(47,413)	-234.65%	-119.14%
<b>13 Total Revenues</b>	<b>22,850,960</b>	<b>20,073,779</b>	<b>20,047,020</b>	<b>26,759</b>	<b>0.13%</b>	<b>87.85%</b>
<b>EXPENSES</b>						
14 Wastewater Plant	5,533,124	4,950,441	4,449,762	B 500,679	11.25%	89.47%
15 Wastewater Lab	747,450	725,922	648,639	C 77,283	11.91%	97.12%
16 Wastewater Collections	2,575,495	2,457,066	2,345,515	D 111,551	4.76%	95.40%
17 General & Admin.	1,735,829	1,470,760	1,705,462	E (234,702)	-13.76%	84.73%
18 Employee Benefits	13,577	-	-	-	0.00%	0.00%
19 Insurance	65,261	45,448	42,528	2,920	6.87%	69.64%
20 Pension Expense-TMRS (GASB 68)	-	(104,836)	121,984	(226,820)	0.00%	0.00%
21 TMRS Benefits-Contra (GASB 68)	-	(240,415)	(290,786)	50,370	0.00%	0.00%
<b>22 Sub-Total Expenses</b>	<b>10,670,736</b>	<b>9,304,386</b>	<b>9,023,105</b>	<b>281,281</b>	<b>3.12%</b>	<b>87.20%</b>
22 Debt Service	1,524,774	1,010,720	1,331,718	(320,998)	-24.10%	66.29%
23 Depreciation *	8,919,655	9,124,964	8,496,582	628,382	7.40%	102.30%
24 Expenses Before Billing Charges	21,115,165	19,440,071	18,851,405	588,666	3.12%	92.07%
25 Billing Charges	230,000	230,000	230,000	-	0.00%	100.00%
<b>26 TOTAL EXPENSES</b>	<b>21,345,165</b>	<b>19,670,071</b>	<b>19,081,405</b>	<b>588,666</b>	<b>3.09%</b>	<b>92.15%</b>
<b>27 Revenues Over (Under) Expenses</b>	<b>\$ 1,505,795</b>	<b>\$ 403,708</b>	<b>\$ 965,615</b>			
<b>28 Contributions - Acquired assets</b>	<b>-</b>	<b>1,276,124</b>	<b>1,841,789</b>			
<b>29 Change in Net Assets</b>		<b>1,679,832</b>	<b>2,807,403</b>			
<b>NON-OPERATING EXPENSES</b>						
30 Capital Outlay	-	-	-	-		
31 Transfer to Capital Improvement	858,657	858,657	892,853	(34,196)		
32 Transfer to Depreciation	3,567,862	3,651,161	3,397,920	253,241		
33 Transfer to TWDB Construction-Loan Reimbursement	-	240,869	2,533,263	(2,292,393)		
34 Rebatable Arbitrage	-	7,227	(612)	7,840		
35 Capitalized Interest	-	-	-	-		
36 Bond Refunding Costs	-	(507,561)	(521,942)	14,381		
37 Health Insurance	49,916	49,916	51,039	(1,123)		

\* Depreciation is recorded 100% for financial statement purposes but funded at 40% reduced from 50% effective October 1, 2018

**McALLEN PUBLIC UTILITY  
WASTEWATER FUND REFERENCE NOTES**

For the Fiscal Year Ended September 30, 2022  
(Unaudited)

**ANALYSIS OF YEAR-TO-DATE EXPENDITURES**

Ref Description	Month Ending				Fiscal Year-to-Date			
	30-Sep-22	30-Sep-21	Inc(Dec)	% Inc(Dec)	30-Sep-22	30-Sep-21	Inc(Dec)	(Dec)
<b>CONSUMPTION</b>								
A Residential	319,751,500	352,013,800	(32,262,300)	-9.17%	3,728,806,700	3,636,981,200	91,825,500	2.52%
A Commercial	196,620,900	209,318,000	(12,697,100)	-6.07%	2,290,163,400	2,262,853,200	27,310,200	1.21%
A Industrial	23,284,200	19,682,100	3,602,100	18.30%	229,338,900	222,496,800	6,842,100	3.08%
<b>Total</b>	<b>539,656,600</b>	<b>581,013,900</b>	<b>(41,357,300)</b>	<b>-7.12%</b>	<b>6,248,309,000</b>	<b>6,122,331,200</b>	<b>125,977,800</b>	<b>2.06%</b>

Ref Description	Month Ending				Fiscal Year-to-Date			
	30-Sep-22	30-Sep-21	Inc(Dec)	% Inc(Dec)	30-Sep-22	30-Sep-21	Inc(Dec)	(Dec)
<b>REUSE CONSUMPTION *</b>								
Residential	11,479,700	12,031,200	(551,500)	-4.58%	111,184,500	87,700,500	23,484,000	26.78%
Commercial	6,556,500	8,607,300	(2,050,800)	-23.83%	85,179,200	49,578,300	35,600,900	71.81%
Industrial	0	0	0	0.00%	0	0	0	0.00%
<b>Total</b>	<b>18,036,200</b>	<b>20,638,500</b>	<b>(2,602,300)</b>	<b>-12.61%</b>	<b>196,363,700</b>	<b>137,278,800</b>	<b>59,084,900</b>	<b>43.04%</b>

\* Excludes effluent to power plants

**NUMBER OF WASTEWATER ACCOUNTS**

A Residential	**	38,749	38,115	634	1.66%
A Commercial		5,737	5,670	67	1.18%
A Industrial		128	129	(1)	-0.78%
<b>Total</b>		<b>44,614</b>	<b>43,914</b>	<b>700</b>	<b>1.59%</b>

Number of new accounts for the current fiscal year:			Growth in number of new accounts prior year:	
Number of accounts at 9/30/2022		44,614	9/30/2021	43,914
Number of accounts at 9/30/2021		43,914	9/30/2020	43,218
<b>Increase/(Decrease) in accounts</b>		<b>700</b>		<b>696</b>

**NUMBER OF REUSE ACCOUNTS**

A Residential	583	525	58	11.05%
A Commercial	20	19	1	5.26%
A Industrial	0	0	0	0.00%
<b>Total</b>	<b>603</b>	<b>544</b>	<b>59</b>	<b>10.85%</b>

**ANALYSIS OF NET CHANGE IN YEAR-TO-DATE OPERATING EXPENDITURES:**

	Wages/Benefits	Supplies	Other Services & Charges	Maintenance	Non-capitalized Capital Outlay	Total
B Wastewater Plant	\$ 431,067	\$ 30,539	\$ (13,188)	\$ 32,630	\$ 19,631	\$ 500,679
C Wastewater Lab	90,218	9,959	(1,199)	(2,804)	(18,891)	77,283
D Wastewater Collections	151,475	(10,357)	(43,730)	54,667	(40,503)	111,551
E General & Admin.	29,978	4,886	(261,961)	(4,321)	(3,283)	(234,702)
<b>\$</b>	<b>702,737</b>	<b>\$ 35,027</b>	<b>\$ (320,078)</b>	<b>\$ 80,172</b>	<b>\$ (43,046)</b>	<b>\$ 454,811</b>

**ANALYSIS OF ACTUAL TO BUDGETED CONSUMPTION & REVENUES**

<b>Budgeted Consumption for fy 2021-22 (gals.)</b>	<b>7,142,138,000</b>	<b>Monthly Planned Consumption</b>	
* 45% of planned consumption	3,213,962,100	October	535,660,350
* 55% of planned consumption	3,928,175,900	November	535,660,350
		December	535,660,350
Planned consumption at 9/30/22	7,142,138,000	January	535,660,350
Actual consumption at 9/30/22	6,248,309,000	February	535,660,350
<b>Excess/(deficiency) to planned</b>	<b>(893,829,000)</b>	March	535,660,350
		April	654,695,983
<b>Budgeted User Charge Revenues for fy 2021-22</b>	<b>\$ 19,938,623</b>	May	654,695,983
* 45% of planned revenues	8,972,380	June	654,695,983
* 55% of planned revenues	10,966,243	July	654,695,983
		August	654,695,983
Planned revenues at 9/30/22	19,938,623	September	654,695,983
Actual revenues at 9/30/22	16,944,657	<b>Total</b>	<b>7,142,138,000</b>
<b>Excess/(deficiency) to planned</b>	<b>\$ (2,993,966)</b>		

\* Note: The usage percentages have been changed from 40%/60% to 45%/55% to more accurately reflect actual usage.



**McALLEN PUBLIC UTILITY  
WASTEWATER IMPROVEMENT FUNDS  
STATEMENT OF SOURCES & USES**

For the Fiscal Year Ended September 30, 2022  
(Unaudited)

	Wastewater Depreciation				Wastewater Capital Improvement			
	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
<b>Sources</b>								
Interest Revenue	\$ 60,404	\$ 60,404	\$ (457,046)	-756.65%	\$ 15,892	\$ 15,892	\$ (122,089)	-768.24%
Miscellaneous	-	-	-	0.00%	-	-	3,564	0.00%
Transfers In	3,567,862	3,567,862	3,651,161	102.33%	858,657	858,657	858,657	100.00%
<b>Total Sources</b>	<b>\$ 3,628,266</b>	<b>\$ 3,628,266</b>	<b>\$ 3,194,114</b>	<b>88.03%</b>	<b>\$ 874,549</b>	<b>\$ 874,549</b>	<b>\$ 740,132</b>	<b>84.63%</b>

	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
<b>Uses</b>								
Replacement (Infrastructure)	5,372,395	5,372,395	1,029,835	19.17%	-	-	-	0.00%
Capital Outlay	1,028,200	1,028,200	648,218	63.04%	4,555,657	4,555,657	273,967	6.01%
Transfers Out	-	-	-	0.00%	-	-	-	0.00%
<b>Total Uses</b>	<b>\$ 6,400,595</b>	<b>\$ 6,400,595</b>	<b>\$ 1,678,053</b>	<b>26.22%</b>	<b>\$ 4,555,657</b>	<b>\$ 4,555,657</b>	<b>\$ 273,967</b>	<b>6.01%</b>

<b>Sources Over/ (Under) Uses</b>	<b>(\$2,772,329)</b>	<b>(\$2,772,329)</b>	<b>\$1,516,061</b>		<b>(\$3,681,108)</b>	<b>(\$3,681,108)</b>	<b>\$466,165</b>	
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Percentage of year completed      **100%**

**WATER & WASTEWATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2022  
(Unaudited)

	<u>WATER FUND</u> *	<u>WASTEWATER FUND</u> *	<u>COMBINED</u>
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash & Investments			
Demand.....	\$ 341,452	\$ 191,733	\$ 533,186
Time Deposits.....	1,002,877	0	1,002,877
Investments.....	3,486,276	2,945,021	6,431,297
Market Value Adjustment.....	(217,132)	(10,366)	(227,498)
Mgr/Trust Cash.....	0	0	0
Receivables, net:			
Accounts.....	2,148,706	2,078,691	4,227,397
Accrued Interest.....	8,876	5,518	14,395
Due From Other Funds.....	5,319	8,423	13,742
Water/Sewer Line Assessments.....	0	1,450	1,450
Inventories, at cost.....	399,678	0	399,678
Miscellaneous.....	0	0	0
Prepaid expenses.....	4,196	0	4,196
<b>Total Current Assets</b>	<b>\$ 7,180,249</b>	<b>\$ 5,220,471</b>	<b>\$ 12,400,720</b>
Notes Receivable	81,269	81,349	162,618
<u>Restricted Assets</u>			
Mgr/Trust Cash.....	0	0	0
Accrued Interest.....	24,162	35,680	59,841
Due From Other Funds.....	0	0	0
Notes Receivable - Airport	0	0	0
Accounts Receivable.....	0	0	0
Sub-Total	24,162	35,680	59,841
Demand.....	49,241	124,902	174,143
Time Deposits.....	0	2,506,822	2,506,822
Investments.....	15,397,774 **	24,772,861	40,170,634
Market Value Adjustment.....	(214,590)	(734,353)	(948,943)
<b>Total Restricted Cash &amp; Investments</b>	<b>15,232,425</b>	<b>26,670,231</b>	<b>41,902,656</b>
<b>Total Restricted Assets</b>	<b>15,256,586</b>	<b>26,705,911</b>	<b>41,962,498</b>
Propert, Plant, & Equipment.....	173,370,840	275,093,849	448,464,689
(Less: Accumulated Depreciation).....	(95,375,462)	(118,034,205)	(213,409,667)
Net Property, Plant, & Equipment	77,995,378	157,059,644	235,055,022
Other Assets, net.....	41,527,988	3,838,534	45,366,522
<b>TOTAL ASSETS</b>	<b>\$ 142,041,470</b>	<b>\$ 192,905,909</b>	<b>334,947,379</b>

\* Includes Depreciation Funds, Capital Improvement Funds, Bond Construction Funds & Debt Service Funds

\*\* Includes a portion of the restricted customer deposits totalling \$3,058,183

**WATER & WASTEWATER FUND**

**COMBINED BALANCE SHEET**

as of September 30, 2022

	<u>WATER FUND</u>	*	<u>WASTEWATER FUND</u>	*	<u>COMBINED</u>
<b>LIABILITIES &amp; FUND EQUITY</b>					
<u>Current Liabilities</u>					
Accounts Payable.....	\$ 584,390		\$ 208,562		\$ 792,953
Accrued Expense.....	875,653		719,630		1,595,282
Due to Other Funds.....	0		0		0
Other.....	0		100,000		100,000
<b>Total Current Liabilities</b>	<b>1,460,043</b>		<b>1,028,192</b>		<b>2,488,235</b>
<u>Liabilities Payable from Restricted Assets</u>					
Accounts Payable.....	1,122,337		594,522		1,716,859
Accrued Expense.....	553,498		24,750		578,247
Due to Other Funds.....	2,587		0		2,587
Interest Payable.....	184,246		204,588		388,834
Customer Deposits.....	3,058,183		0		3,058,183
Current Portion of Revenue Bonds.....	2,679,866		5,071,496		7,751,362
<b>Total Liabilities Payable from Restricted Assets</b>	<b>7,600,716</b>		<b>5,895,356</b>		<b>13,496,072</b>
<u>Other Non-Current Liabilities</u>					
Revenue Bonds.....	45,187,874		84,533,079		129,720,953
Arbitrage Payable.....	0		8,968		8,968
Deferred Revenues.....	317,623		14,626		332,249
Deferred inflows of resources.....	1,916,604		3,889,644		5,806,248
Noncurrent liabilities / net pension liability.....	(755,939)		(493,087)		(1,249,027)
<b>TOTAL LIABILITIES</b>	<b>55,726,921</b>		<b>94,876,777</b>		<b>150,603,698</b>
<b>FUND EQUITY</b>					
<u>Contributed Capital</u>					
Total Contributed Capital	0		0		0
<u>Retained Earnings</u>					
Reserve for Encumbrances.....	0		0		0
Reserve for Current Debt Service.....	0		2,909,775		2,909,775
Reserve for Capital Improvement.....	4,495,994		5,672,679		10,168,673
Reserve for Depreciation.....	6,105,652		17,315,405		23,421,057
Reserve for Water Rights Purchase.....	0		0		0
Unreserved.....	75,712,903		72,133,545		147,846,448
<b>Total Retained Earnings</b>	<b>86,314,549</b>		<b>98,031,404</b>		<b>184,345,953</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 142,041,470</b>		<b>\$ 192,908,181</b>		<b>\$ 334,949,650</b>

\* Includes Depreciation Funds, Capital Improvement Funds, Debt Service & Bond Construction Funds

**WATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2022

ASSETS	RESTRICTED ASSETS					Combined
	Water Fund	Water Depr. Fund	Water Capital Impr. Fund	Water Revenue Bonds	Debt Service	
<b>ASSETS</b>						
<u>Current Assets</u>						
Cash & Investments						
Demand.....	\$ 341,452	\$ -	\$ 23,723	\$ 25,518	\$ -	\$ 390,693
Time Deposits.....	1,002,877	-	-	-	-	1,002,877
Investments & Securities.....	3,486,276	6,472,861	4,643,339	-	1,223,391	15,825,867
Market Value Adjustment.....	(217,132)	(125,357)	(89,233)	-	-	(431,721)
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	2,148,706	-	-	-	-	2,148,706
Accrued Interest.....	8,876	12,554	11,607	-	-	33,038
Due From Other Funds.....	5,319	-	-	-	-	5,319
Water Line Assessments.....	-	-	-	-	-	-
Inventories, at cost.....	399,678	-	-	-	-	399,678
Prepaid expenses.....	4,196	-	-	-	-	4,196
<b>Total Current Assets</b>	<b>7,180,249</b>	<b>6,360,058</b>	<b>4,589,437</b>	<b>25,518</b>	<b>1,223,391</b>	<b>19,378,653</b>
Notes Receivable	81,269	-	-	-	-	81,269
CD's restricted for customer deposits.....	-	-	-	-	-	-
Investments restricted for customer deposits.....	3,058,183	-	-	-	-	3,058,183
Property, Plant, & Equipment.....	173,370,840	-	-	-	-	173,370,840
(Less: Accum. Depreciation/Amortization).....	(95,375,462)	-	-	-	-	(95,375,462)
Net Property, Plant, & Equipment	77,995,378	-	-	-	-	77,995,378
Other Assets, net.....	41,527,988	-	-	-	-	41,527,988
<b>TOTAL ASSETS</b>	<b>129,843,066</b>	<b>6,360,058</b>	<b>4,589,437</b>	<b>25,518</b>	<b>1,223,391</b>	<b>142,041,470</b>
<b>LIABILITIES &amp; FUND EQUITY</b>						
<u>Current Liabilities</u>						
Accounts Payable.....	584,390	-	-	-	-	584,390
Accrued Expense.....	875,653	-	-	-	-	875,653
Due To Other Funds.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,460,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,460,043</b>
<u>Liabilities Payable from Restricted Assets</u>						
Current Portion of Revenue Bonds.....	2,679,866	-	-	-	-	2,679,866
Accounts Payable.....	-	204,171	93,443	824,723	-	1,122,337
Accrued Expense.....	-	48,884	-	504,614	-	553,498
Interest Payable.....	-	-	-	-	184,246	184,246
Due To Other Funds.....	-	1,352	-	-	1,234	2,587
Customer Deposits.....	3,058,183	-	-	-	-	3,058,183
<b>Total Liabilities Payable from Restricted Assets</b>	<b>5,738,049</b>	<b>254,407</b>	<b>93,443</b>	<b>1,329,337</b>	<b>185,480</b>	<b>7,600,716</b>
<u>Other Non-Current Liabilities</u>						
Revenue Bonds	45,187,874	-	-	-	-	45,187,874
Arbitrage Payable.....	-	-	-	-	-	-
Deferred Revenues.....	317,623	-	-	-	-	317,623
Deferred inflows of resources.....	1,916,604	-	-	-	-	1,916,604
Noncurrent liabilities / net pension liability.....	(755,939)	-	-	-	-	(755,939)
<b>TOTAL LIABILITIES</b>	<b>53,864,254</b>	<b>254,407</b>	<b>93,443</b>	<b>1,329,337</b>	<b>185,480</b>	<b>55,726,921</b>
<b>FUNDEQUITY</b>						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Current Debt Service.....	-	-	-	-	-	-
Reserve for Capital Improvement.....	-	-	4,495,994	-	-	4,495,994
Reserve for Depreciation.....	-	6,105,652	-	-	-	6,105,652
Reserve for Water Rights.....	-	-	-	-	-	-
Unreserved.....	75,978,812	-	-	(1,303,820)	1,037,910	75,712,903
<b>Total Retained Earnings</b>	<b>75,978,812</b>	<b>6,105,652</b>	<b>4,495,994</b>	<b>(1,303,820)</b>	<b>1,037,910</b>	<b>86,314,549</b>
<b>TOTAL LIABILITIES &amp; FUNDEQUITY</b>	<b>\$ 129,843,066</b>	<b>\$ 6,360,058</b>	<b>\$ 4,589,437</b>	<b>\$ 25,518</b>	<b>\$ 1,223,391</b>	<b>\$ 142,041,470</b>

**WASTEWATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2022

ASSETS	RESTRICTED ASSETS					Combined
	Wastewater Fund	Depreciation Fund	Wastewater Capital Impr. Fund	Wastewater Revenue Bonds	Debt Service	
<u>Current Assets</u>						
Cash & Investments						
Demand.....	\$ 191,733	\$ 59,936	\$ 98,685	\$ (34,770)	\$ 1,051	\$ 316,635
Time Deposits.....	-	2,005,383	501,438	-	-	2,506,822
Investments & Securities.....	2,945,021	16,409,347	5,226,925	21,235	3,115,353	27,717,882
Market Value Adjustment.....	(10,366)	(574,283)	(160,070)	-	-	(744,719)
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	2,078,691	-	-	-	-	2,078,691
Accrued Interest.....	5,518	24,243	11,437	-	-	41,198
Due From Other Funds.....	8,423	-	3,564	-	-	11,987
Wastewater Line Assessments.....	1,450	-	-	-	-	1,450
Miscellaneous.....	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Current Assets	5,220,471	17,924,627	5,681,979	(13,535)	3,116,404	31,929,946
Notes Receivables - Hunt	81,349	-	-	-	-	81,349
Property, Plant, & Equipment.....	275,093,849	-	-	-	-	275,093,849
(Less: Accumulated Depreciation).....	(118,034,205)	-	-	-	-	(118,034,205)
Net Property, Plant, & Equipment	157,059,644	-	-	-	-	157,059,644
Other Assets.....	3,838,534	-	-	-	-	3,838,534
<b>TOTAL ASSETS</b>	<b>166,199,998</b>	<b>17,924,627</b>	<b>5,681,979</b>	<b>(13,535)</b>	<b>3,116,404</b>	<b>192,909,473</b>
<u>LIABILITIES &amp; FUND EQUITY</u>						
<u>Current Liabilities</u>						
Accounts Payable.....	208,562	-	-	-	-	208,562
Accrued Expenses.....	719,630	-	-	-	-	719,630
Due to Other Funds.....	-	-	-	-	1,292	1,292
Other.....	100,000	-	-	-	-	100,000
Total Current Liabilities	1,028,192	-	-	-	1,292	1,029,484
<u>Liabilities Payable from Restricted Assets</u>						
Accounts Payable.....	-	584,472	9,300	0	750	594,522
Accrued Expenses.....	-	24,750	-	-	-	24,750
Due to Other Funds.....	-	-	-	-	-	-
Interest Payable.....	-	-	-	-	204,588	204,588
Current Portions of all Revenue Bonds....	5,071,496	-	-	-	-	5,071,496
Total Liabilities Payable from Restricted Assets	5,071,496	609,222	9,300	0	205,338	5,895,356
<u>Other Non-Current Liabilities</u>						
Deferred Revenue.....	14,626	-	-	-	-	14,626
Revenue Bonds.....	84,533,079	-	-	-	-	84,533,079
Deferred inflows of resources.....	3,889,644	-	-	-	-	3,889,644
Noncurrent liabilities/Net Pension Liability - TMRS.....	(493,087)	-	-	-	-	(493,087)
Arbitrage Payable	8,968	-	-	-	-	8,968
<b>TOTAL LIABILITIES</b>	<b>94,052,917</b>	<b>609,222</b>	<b>9,300</b>	<b>0</b>	<b>206,630</b>	<b>94,878,069</b>
<u>FUND EQUITY</u>						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Debt Service.....	-	-	-	-	2,909,775	2,909,775
Reserve for Depreciation.....	-	17,315,405	-	-	-	17,315,405
Reserve for Capital Improvement.....	-	-	5,672,679	-	-	5,672,679
Unreserved.....	72,147,080	-	-	(13,535)	-	72,133,545
Total Retained Earnings	72,147,080	17,315,405	5,672,679	(13,535)	2,909,775	98,031,404
	<b>\$ 166,199,998</b>	<b>\$ 17,924,627</b>	<b>\$ 5,681,979</b>	<b>\$ (13,535)</b>	<b>\$ 3,116,404</b>	<b>\$ 192,909,473</b>

**McALLEN PUBLIC UTILITY**  
**RECONCILED BANK BALANCES**  
As of September 30, 2022

	POOL	TIME		COMMERCIAL		GROSS				
	CASH	APR/ROI	DEPOSITS	APR/ROI	PAPER	APR/ROI	INVESTMENTS	APR/ROI	TEX POOL-PRIME	APR/ROI
<b><u>WATER FUND</u></b>										
M & O	339,152	0.00%	1,003,282	0.23%	496,959	0.83%	3,995,600	0.61%	2,051,900	2.61%
% of Total	4.30%		12.72%		6.30%		50.66%		26.02%	
WATER BOND RESERVE	0	0.00%	0	0.00%			0	0.00%	1,014,292	2.61%
% of Total	0.00%		0.00%		9.04%		72.70%		100.00%	
DEPRECIATION	0	0.00%	0	0.00%	991,406	1.26%	3,530,800	0.94%	1,987,875	2.61%
% of Total	0.00%		0.00%		15.23%		54.24%		30.54%	
DEBT SERVICE	-	0.00%	-	0.00%	21.92%		78.08%	0.00%	586,727	2.61%
% of Total	0.00%		0.00%				0.00%		100.00%	
WATER DEBT SERVICE TWDB	-	0.00%	-	0.00%			0	0.00%	636,663	2.61%
% of Total	0.00%		0.00%				0.00%		100.00%	
CAPITAL IMPROVEMENT	23,723	0.00%	0	0.00%	494,447	1.70%	1,996,150	1.50%	2,152,742	2.61%
% of Total	0.51%		0.00%		10.59%		42.77%		46.13%	
BOND CONSTRUCTION	25,518	0.00%	-	0.00%			0	0.00%	0	0.00%
% of Total	100.00%		0.00%		19.85%		80.15%		0.00%	
<b>TOTAL WATER</b>	<b>388,393</b>	<b>0.00%</b>	<b>1,003,282</b>	<b>0.23%</b>	<b>1,982,812</b>	<b>1.26%</b>	<b>9,522,550</b>	<b>0.92%</b>	<b>8,430,200</b>	<b>2.61%</b>
% of Total	1.82%		4.70%		9.30%		44.65%		39.53%	
			8.02%		15.85%		76.13%			
<b><u>SEWER FUND</u></b>										
M & O	191,733	0.00%	0	0.00%			498,500	2.58%	2,446,521	2.61%
% of Total	6.11%		0.00%		0.00%		15.89%		78.00%	
BOND RESERVE-TWDB 2009	-	0.00%	-	0.00%	0.00%		100.00%	0.00%	3,002,816	2.61%
% of Total	0		0.00%				0.00%		100.00%	
DEPRECIATION	59,936	0.00%	2,005,833	0.22%	990,247	1.33%	11,522,100	0.92%	3,926,049	2.61%
% of Total	0.32%		10.84%		5.35%		62.27%		21.22%	
DEBT SERVICE	1.00	0.00%	-	0.00%	6.82%		79.36%	0.00%	594,293	2.61%
% of Total	0.00%		0.00%				0.00%		100.00%	
SEWER DEBT TWDB- 2009-2010	1,050	0.00%	-	0.00%			0	0.00%	959,851	2.61%
% of Total	0.11%		0.00%				0.00%		99.89%	
SEWER BOND CONST TWDB - F492	(94,025)	0.00%	-	0.00%			0	0.00%	21,235	0.00%
* Series 2012	129,17%		0.00%				0.00%		-29.17%	
TWDB CONSTR FUND SERIES 2015	59,255	0.00%	-	0.00%			0	0.00%	0	0.00%
*FUND 494	100.00%		0.00%				0.00%		0.00%	
SEWER TWDB Debt - 2012	-	0.00%	-	0.00%			0	0.00%	1,561,209	2.61%
% of Total	0.00%		0.00%				0.00%		100.00%	
CAPITAL IMPROVEMENT	98,685	0.00%	501,641	0.23%			2,996,300	0.72%	2,230,625	2.61%
% of Total	1.69%		8.61%		0.00%		51.42%		38.28%	
BOND CONSTRUCTION	0	0.00%	-	0.00%			0	0.00%	0	2.61%
% of Total	0.00%		0.00%				0.00%		0.00%	
<b>TOTAL SEWER</b>	<b>316,635</b>	<b>0.00%</b>	<b>2,507,474</b>	<b>0.22%</b>	<b>990,247</b>	<b>1.33%</b>	<b>15,016,900</b>	<b>0.85%</b>	<b>14,742,599</b>	<b>2.61%</b>
% of Total	0.97%		7.70%		3.04%		46.09%		45.25%	
			13.54%		5.35%		81.11%			
<b>TOTAL PUB</b>	<b>705,028</b>	<b>0.00%</b>	<b>3,510,756</b>	<b>0.22%</b>	<b>2,973,059</b>	<b>1.28%</b>	<b>24,539,450</b>	<b>0.88%</b>	<b>23,172,799</b>	<b>2.61%</b>
% of Total	1.31%		6.51%		5.51%		45.52%		42.98%	
			11.32%		9.58%		79.10%			

\* Pending receipt of reimbursement funds from TWDB