



FINANCIAL STATEMENTS

For the Quarter Ended December 31, 2020

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



EXECUTIVE SUMMARY

Review of the Financial Statements For the Three Months Ending December 31, 2020

Statement of Revenues and Expenses

<i>Water Fund</i>

Overall

Year-to-date revenues are reported at \$5,237,775, an increase of \$57,418 or 1% over the same period of the prior year—3% under budget on a flat basis. Year-to-date operating expenses are reported at \$4,948,664, an increase of \$269,964, 6% over the same period of the prior year—3% under budget on a flat basis. This resulted in year-to-date revenues over expenses of \$289,111 before the required transfers-out to fund the principal portion of debt service and capital replacements and improvements.

Revenues

Charges to Users

Charges to user revenue for all categories of customers aggregates, \$4,652,657, which is \$15,256, slightly over the same period of the prior year, 4% under budget on a flat basis. The residential category experienced a 4% increase in revenues primarily due to the 5% increase in consumption during the three-month period, as indicated on page 3. The commercial category experienced a 7% decrease in revenues from the prior year and 8% decrease in consumption. The industrial category experienced 15% increase in revenues and 14% increase in consumption. Historically, approximately 45% of consumption is used the first six months of the fiscal year with the remaining 55% consumed during the hotter, drier spring and summer months. When applying this ratio to year-to-date usage, consumption is 5% under the planned annual consumption of 9,000,000,000 gallons.

Tap Fees

This revenue line item, at \$97,525, is 83% over last year and 3% under year-to-date budget.

Connects & Reconnects

This revenue line item, at \$92,525, is 2% over last year in-line with year-to-date budget.

Other Operating Revenues

This revenue line item representing late fees and payment arrangement fees, at \$120,234, is 9% under last year and 5% over year-to-date budget.

Reimbursements

Reimbursements, at \$62,996 have exceeded both prior year and the annual budget amount of \$35,500.

Miscellaneous Revenues

Miscellaneous revenues include water tower lease revenue and other miscellaneous fees and, at \$77,108 are 8% over budget.

Interest income

Interest earnings are 2% under budget.

Expenses

Without exception, expense line items, year-to-date, were under budget on a flat basis. The more significant fluctuations are discussed on page 3.

Accounts

The number of water accounts serviced increased 1.52% from the prior year. At December 31, 2020, 48,766 water accounts were serviced compared to 48,035 the prior year, an increase of 731 new accounts. During the first three months of the current fiscal year, the number of accounts increased by 351 new accounts.

<i>Sewer Fund</i>

Overall

As presented on page 5 of the report, year-to-date revenues are reported at \$5,009,658, an increase of \$262,058, or 6%, over the same period of the prior year—4% under budget on a flat basis. Year-to-date operating expenses are reported at \$4,412,399, a decrease of \$14,678, slightly over the same period of the prior year—3% under budget on a flat basis. This resulted in revenues over expenses of \$597,259 before the required transfers-out to fund the principal portion of debt service and capital replacements and improvements.

Revenues

Charges to Users

Charges to user revenue for all categories of customers for the three-month period aggregates \$4,406,292, which is \$146,529 or 3% over the same period of the prior year, 5% under budget. Generally, sewer rates are applied to metered water, therefore the water consumption comparison data on page 3 is relevant in explaining revenue variances between the fiscal years. The Sewer Fund experienced decreases in consumption in all three categories. Revenues within the residential category were 4% over the prior year, 2% under budget. Revenues within the commercial category were 8% under the prior year, 7% under budget, when combining both the commercial and City of Alton revenues. Finally, revenues within the industrial category came in 16% over the prior year, 10% under budget.

Industrial Waste Surcharge

This revenue line, at \$245,352, is 5% under the annual budgeted amount of \$1,240,000 on a flat basis, due to the enforcement of the pre-treatment program.

Reuse Charges

Water reuse charges, excluding effluent to the Calpine/Duke power plants, are reported at \$52,783, 19% over budget for the period. Effluent charges to the power plants are reported at \$212,160, 12% below budget for the period. The commodity charge for effluent delivered to the plants was increased from \$0.20 per 1,000 gallons to \$0.60 per 1,000 gallons effective October 1, 2020.

Reimbursements

Reimbursements, at \$71,000 are 53% over budget.

Miscellaneous Revenues

Miscellaneous revenues include septic tank hauler fees and sewer charges billed and collected by Sharyland Water Supply Corp. and other miscellaneous fees and, at \$267,723 are 25% over budget.

Interest income

Interest earnings are under-performing budget for this period of the year.

Expenses

Almost without exception, expense line items, year-to-date, were under budget. The more significant fluctuations are discussed on page 6.

Accounts

The number of sewer accounts serviced increased 1% from the prior year. At December 31, 2020, 43,480 sewer accounts were serviced compared to 42,837 the prior year, an increase of 643 new accounts. During the three months of the current fiscal year, the number of accounts increased by 262 new accounts.

Balance Sheets

<i>Water & Sewer Funds -- Combined</i>

Both the Water and Sewer Funds financial condition continues to present a stable showing, as indicated on pages 8 and 9. Combined working capital amounts to \$11,004,673, compared to \$12,304,785 the prior year. Debt-equity ratio is .83/1. The restricted accounts, the portion relating to debt service, are considered adequate.

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

For the Quarter Ended December 31, 2020

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined</u>
OPERATING REVENUES			
Residential Charges	\$ 3,070,307	\$ 2,976,555	\$ 6,046,863
Commercial Charges	1,457,178	935,410	2,392,588
Industrial Charges	97,687	59,280	156,967
City of Alton User Charges	-	170,104	170,104
Calpine/Duke Reuse Charges	-	212,160	212,160
Reuse-Water Charges	-	52,783	52,783
Regional Water Sales	27,485	-	27,485
Industrial Waste Surcharge	-	245,352	245,352
Reimbursements	62,996	71,000	133,996
Billing Charges	114,996	-	114,996
Connects/Reconnects	92,525	-	92,525
Tap Fees	97,525	-	97,525
Other Charges	197,342	280,773	478,115
Total Operating Revenues	<u>5,218,040</u>	<u>5,003,417</u>	<u>10,221,456</u>
NON-OPERATING REVENUES			
Sale of Property	-	-	-
Interest	19,735	6,241	25,977
Total Non-Operating Revenues	<u>19,735</u>	<u>6,241</u>	<u>25,977</u>
TOTAL REVENUES	5,237,775	5,009,658	10,247,432
EXPENSES			
Plants	1,179,316	1,015,578	2,194,894
Cost of Raw Water	605,299	-	605,299
Labs	115,851	173,239	289,090
Distribution & Collections	610,700	502,076	1,112,776
Meter Readers	266,037	-	266,037
Utility Billing	203,476	-	203,476
Customer Relations	239,111	-	239,111
Treasury Management	108,008	-	108,008
General & Administration	362,740	415,175	777,915
Employee Benefits	13,125	-	13,125
Insurance	9,765	10,632	20,397
Pension Expense-TMRS (GASB 68)	-	-	-
TMRS Benefits-Contra (GASB 68)	-	-	-
Debt Service	254,525	344,688	599,213
Billing Charges	-	57,498	57,498
Depreciation*	980,710 *	1,893,515 *	2,874,224
TOTAL EXPENSES	4,948,664	4,412,399	9,361,063
INCOME(LOSS) PRIOR TO CONTRIBUTIONS & TRANSFERS			
	<u>\$ 289,111</u>	<u>\$ 597,259</u>	<u>\$ 886,370</u>
Contributions - Acquired Assets	-	-	-
Change in net assets	<u>\$ 289,111</u>	<u>\$ 597,259</u>	<u>\$ 886,370</u>
<i>Transfer to Capital Improvement Fund</i>	\$ 468,854	\$ 223,213	\$ 692,067
<i>Transfer to Depreciation Fund</i>	343,248	757,406	1,100,654
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	-	1,505,421	1,505,421
<i>Capitalized Interest</i>	-	-	-
<i>Bond Refunding Costs</i>	-	-	-
<i>Health Insurance Fund</i>	25,343	12,760	38,102

* 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 Quarter Ended December 31, 2020

	Year-To-Date					25.00% Completed
	Budget	Current	Prior	Variance	Inc/Dec	Actual % to Budget
REVENUES						
1 Residential Charges	\$ 14,428,560	\$ 3,070,307	\$ 2,964,007	\$ 106,300	3.59%	21.28%
2 Commercial Charges	6,508,437	1,457,178	1,566,133	(108,955)	-6.96%	22.39%
3 Industrial Charges	541,053	97,687	85,085	12,602	14.81%	18.05%
4 Backflow Testing Charges	-	-	-	-	0.00%	0.00%
5 Regional Water Usage	340,000	27,485	22,176	5,309	23.94%	8.08%
Total users' charges	21,818,050	4,652,657	4,637,402	15,256	0.33%	21.32%
6 Tap Fees	450,000	97,525	53,150	44,375	83.49%	21.67%
7 Connects & Reconnects	370,000	92,525	90,625	1,900	2.10%	25.01%
8 Other Operating Revenues	400,000	120,234	132,009	(11,775)	-8.92%	30.06%
9 Other Revenues - Sale of Property	-	-	-	-	0.00%	0.00%
11 Reimbursements - Sharyland #2	-	-	-	-	0.00%	0.00%
16 Reimbursements - Other	35,500	62,996	9,415	53,581	569.13%	177.45%
17 Miscellaneous	235,000	77,108	93,562	(16,455)	-17.59%	32.81%
18 Interest Earned	84,637	19,735	49,199	(29,464)	-59.89%	23.32%
Revenues before billing charges	23,393,187	5,122,779	5,065,361	57,418	1.13%	21.90%
20 Billing Charges	460,000	114,996	114,996	-	0.00%	25.00%
21 TOTAL REVENUES	23,853,187	5,237,775	5,180,357	57,418	1.11%	21.96%
EXPENSES						
22 Water Plants	4,954,761	1,179,316	1,040,939	D 138,377	13.29%	23.80%
23 Cost of Raw Water	2,593,905	605,299	419,121	E 186,177	44.42%	23.34%
24 Water Lab	453,726	115,851	93,690	F 22,162	23.65%	25.53%
25 Trans & Distribution	3,054,406	610,700	498,442	G 112,259	22.52%	19.99%
26 Meter Readers	1,132,291	266,037	226,993	H 39,044	17.20%	23.50%
27 Utility Billing	869,886	203,476	168,614	I 34,862	20.68%	23.39%
28 Customer Relations	1,090,664	239,111	218,588	J 20,523	9.39%	21.92%
29 Treasury Management	584,671	108,008	103,015	K 4,993	4.85%	18.47%
30 General & Admin	1,897,259	362,740	457,946	L (95,206)	-20.79%	19.12%
31 Non-recurring Expense	-	-	-	-	0.00%	0.00%
32 Employee Benefits	115,452	13,125	-	13,125	0.00%	11.37%
33 Insurance	55,099	9,765	9,765	-	0.00%	17.72%
34 Pension Expense-TMRS (GASB 68)	-	-	-	-	0.00%	0.00%
35 TMRS Benefits-Contra (GASB 68)	-	-	-	-	0.00%	0.00%
36 Sub-Total Expenses	16,802,120	3,713,429	3,237,113	476,316	14.71%	22.10%
37 Debt Service	1,205,044	254,525	270,984	(16,459)	-6.07%	21.12%
38 Depreciation *	4,591,243	980,710	1,170,603	(189,894)	-16.22%	21.36%
39 TOTAL EXPENSES	22,598,407	4,948,664	4,678,701	269,964	5.77%	21.90%
40 Revenues Over (Under) Expenses	1,254,780	289,111	501,657			
41 Contributions - Acquired assets	-	-	-			
42 Change in Net Assets		289,111	501,657			
NON-OPERATING EXPENSES						
43 Capital Outlay	-	-	-	-	-	-
44 Transfer to Capital Improvements	1,875,415	468,854	317,988	150,866	-	-
45 Transfer to Misc. Gov't Grants	-	-	-	-	-	-
46 Transfer to Depreciation	1,606,935	343,248	409,711	(66,463)	-	-
47 Transfer to TWDB Construction-Loan Reimbursement	-	1,455,107	-	1,455,107	-	-
48 Reserve for Water Rights	-	-	-	-	-	-
49 Rebatable Arbitrage	-	-	-	-	-	-
50 Capitalized Interest	-	-	-	-	-	-
51 Bond Refunding Costs	-	-	-	-	-	-
52 Health Insurance Fund	101,370	25,343	51,837	(26,495)	-	-

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

McALLEN PUBLIC UTILITY
WATER FUND REFERENCE NOTES
For the Quarter Ended December 31, 2020

Ref	Description	Month Ending				Fiscal Year-to-Date			% Inc (Dec)	
		CONSUMPTION	31-Dec-20	31-Dec-19	Inc(Dec)	% Inc(Dec)	31-Dec-20	31-Dec-19		Inc(Dec)
A	Residential		357,569,700	325,455,000	32,114,700	9.87%	1,118,193,800	1,066,442,300	51,751,500	4.85%
B	Commercial		237,780,000	243,264,400	(5,484,400)	-2.25%	747,347,100	810,572,000	(63,224,900)	-7.80%
C	Industrial *		17,801,000	18,957,200	(1,156,200)	-6.10%	59,434,800	52,008,100	7,426,700	14.28%
	Total		613,150,700	587,676,600	25,474,100	4.33%	1,924,975,700	1,929,022,400	(4,046,700)	-0.21%

* Magic Valley Frozen Foods was sold and purchased by Superior Foods, Inc.

NUMBER OF WATER ACCOUNTS

A	Residential	**	41,018	40,357	661	1.64%
B	Commercial		7,596	7,524	72	0.96%
C	Industrial		152	154	(2)	-1.30%
	Total		48,766	48,035	731	1.52%

* Gallons year-to-date for Sharyland accounts = 10,867,000
** Number of Sharyland accounts = 268

Growth in number of new accounts for the current fiscal year:		Growth in number of new accounts prior year:		
Number of accounts at	12/31/20	48,766	12/31/2019	48,035
Number of accounts at	9/30/20	48,415	9/30/2019	47,950
Increase/(Decrease) in accounts		351		85

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	\$ 101,476	\$ 51,733	\$ (75,827)	\$ 58,490	\$ 2,505	\$ 138,377
E Cost of Raw Water			186,177			186,177
F Water Lab	10,233	2,647	1,048	3,586	4,648	22,162
G Trans & Distribution	105,975	(870)	(11,330)	442	18,042	112,259
H Meter Readers	33,239	474	4,104	2,274	(1,046)	39,044
I Utility Billing	15,971	14	18,062	(776)	1,592	34,862
J Customer Relations	22,019	383	(906)		(974)	20,523
K Treasury Management	6,464	35	(2,313)	(37)	845	4,993
L General & Admin	(17,000)	(1,866)	(75,694)	528	(1,174)	(95,206)
	\$ 278,376	\$ 52,550	\$ 43,322	\$ 64,506	\$ 24,437	\$ 463,191

ANALYSIS OF ACTUAL TO BUDGETED CONSUMPTION & REVENUES

Budgeted Consumption for fy 2019-20 (gals.)		9,000,000,000		Monthly Planned Consumption
* 45% of planned consumption		4,050,000,000		October 675,000,000
* 55% of planned consumption		4,950,000,000		November 675,000,000
Planned consumption at 12/31/20		2,025,000,000		December 675,000,000
Actual consumption at 12/31/20		1,924,975,700		January 675,000,000
Excess/(deficiency) to planned		(100,024,300)	-4.94%	February 675,000,000
				March 675,000,000
				April 825,000,000
				May 825,000,000
				June 825,000,000
				July 825,000,000
				August 825,000,000
				September 825,000,000
				Total 9,000,000,000
Budgeted User Charge Revenues for fy 2019-20		\$ 21,818,050		
* 45% of planned revenues		9,818,123		
* 55% of planned revenues		11,999,928		
Planned revenues at 12/31/20		4,909,061		
Actual revenues at 12/31/20		4,652,657		
Excess/(deficiency) to planned		\$ (256,404)	-5.22%	

* 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 Quarter Ended December 31, 2020

	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
Sources								
Interest Revenue	\$ 61,045	\$ 15,261	\$ 19,607	128.48%	\$ 33,791	\$ 8,448	\$ 12,121	143.48%
Miscellaneous	0	0	0	0.00%	0	0	0	0.00%
Transfers In	1,606,935	401,734	401,733	100.00%**	1,875,415	468,854	468,854	100.00%
Total Sources	\$ 1,667,980	\$ 416,995	\$ 421,340	101.04%	1,909,206	477,302	480,975	100.77%
Uses								
Replacement (Infrastructure)	451,550	112,888	22,374	19.82%	0	0	0	0.00%
Capital Outlay	4,284,179	1,071,045	87,838	8.20%	3,021,415	755,354	474,544	62.82%
Transfers Out	0	0	0	0.00%	0	0	0	0.00%
Total Uses	\$ 4,735,729	\$ 1,183,932	\$ 110,212	9.31%	\$ 3,021,415	\$ 755,354	\$ 474,544	62.82%
Sources Over/ (Under) Uses	\$ (3,067,749)	\$ (766,937)	\$ 311,129		\$ (1,112,209)	\$ (278,052)	\$ 6,431	

*25% of the year completed

McALLEN PUBLIC UTILITY
WASTEWATER FUND
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
For the Quarter Ended December 31, 2020

	Budget	Year-To-Date				25.00%
		Current	Prior Year	Variance	Inc/Dec	Year-To-Date Actual % To Budget
REVENUES						
1 Residential Charges	\$ 13,186,882	\$ 2,976,555	\$ 2,859,565	A \$ 116,990	4.09%	22.57%
2 Commercial Charges	5,500,970	935,410	1,022,999	A (87,589)	-8.56%	17.00%
3 Industrial Charges	402,851	59,280	51,032	A 8,248	16.16%	14.72%
4 City of Alton User Charges	750,000	170,104	182,285	A (12,180)	-6.68%	22.68%
5 Calpine/Duke Reuse Charges	1,663,500	212,160	105,000	A 107,160	102.06%	12.75%
6 Reuse-Water Charges	120,000	52,783	38,882	A 13,901	35.75%	43.99%
Total users' charges	21,624,203	4,406,292	4,259,762	146,529	3.44%	20.38%
7 Ind. Waste Surcharge	1,240,000	245,352	247,306	(1,954)	-0.79%	19.79%
8 Other Operating Revenues	-	13,050	13,850	(800)	0.00%	0.00%
9 Other Revenues - Sale of Property	-	-	-	-	0.00%	0.00%
10 Reimbursements	91,500	71,000	23,397	47,603	203.45%	77.60%
11 Miscellaneous	538,000	267,723	174,467	93,256	53.45%	49.76%
12 Interest Earned	60,527	6,241	28,817	(22,576)	-78.34%	10.31%
13 Total Revenues	23,554,230	5,009,658	4,747,600	262,058	5.52%	21.27%
EXPENSES						
14 Wastewater Plant	4,862,091	1,015,578	1,037,111	B (21,534)	-2.08%	20.89%
15 Wastewater Lab	642,544	173,239	129,778	C 43,460	33.49%	26.96%
16 Wastewater Collections	2,432,035	502,076	512,824	D (10,748)	-2.10%	20.64%
17 General & Admin.	2,006,795	415,175	234,091	E 181,084	77.36%	20.69%
18 Employee Benefits	49,333	-	-	-	0.00%	0.00%
19 Insurance	65,261	10,632	10,632	-	0.00%	16.29%
20 Pension Expense-TMRS (GASB 68)	-	-	-	-	0.00%	0.00%
21 TMRS Benefits-Contra (GASB 68)	-	-	-	-	0.00%	0.00%
22 Sub-Total Expenses	10,058,059	2,116,699	1,924,436	192,263		21.04%
23 Debt Service	1,342,837	344,688	361,056	(16,368)	-4.53%	25.67%
22 Depreciation *	8,681,825	1,893,515	2,084,088	(190,573)	-9.14%	21.81%
24 Expenses Before Billing Charges	20,082,721	4,354,901	4,369,579	(14,678)	-0.34%	21.68%
25 Billing Charges	230,000	57,498	57,498	-	0.00%	25.00%
26 TOTAL EXPENSES	20,312,721	4,412,399	4,427,077	(14,678)	-0.33%	21.72%
27 Revenues Over (Under) Expenses	\$ 3,241,509	\$ 597,259	\$ 320,523			
28 Contributions - Acquired assets	-	-	-			
29 Change in Net Assets		597,259	320,523			
NON-OPERATING EXPENSES						
30 Capital Outlay	-	-	-	-		
31 Transfer to Capital Improvement	892,853	223,213	209,316	13,897		
32 Transfer to Depreciation	3,472,730	757,406	833,635	(76,229)		
33 Transfer to TWDB Construction-Loan Reimbursement	-	1,505,421	55,846	1,449,575		
34 Rebtable Arbitrage	-	-	-	-		
35 Capitalized Interest	-	-	-	-		
36 Bond Refunding Costs	-	-	-	-		
37 Health Insurance	51,039	12,760	29,511	(16,751)		

* 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 Quarter Ended December 31, 2020

ANALYSIS OF YEAR-TO-DATE EXPENDITURES

Ref Description	Month Ending				Fiscal Year-to-Date				
	CONSUMPTION	31-Dec-20	31-Dec-19	Inc(Dec)	% Inc(Dec)	31-Dec-20	31-Dec-19	Inc(Dec)	(Dec)
A Residential		297,918,500	268,226,800	29,691,700	11.07%	926,926,400	872,878,600	54,047,800	6.19%
A Commercial		168,935,400	196,460,800	(27,525,400)	-14.01%	548,143,300	607,384,000	(59,240,700)	-9.75%
A Industrial		15,756,300	14,988,000	768,300	5.13%	52,618,300	42,631,900	9,986,400	23.42%
Total		482,610,200	479,675,600	2,934,600	0.61%	1,527,688,000	1,522,894,500	4,793,500	0.31%

Ref Description	Month Ending				Fiscal Year-to-Date				
	REUSE CONSUMPTION *	31-Dec-20	31-Dec-19	Inc(Dec)	% Inc(Dec)	31-Dec-20	31-Dec-19	Inc(Dec)	(Dec)
Residential		6,636,500	4,609,900	2,026,600	43.96%	22,957,000	14,733,800	8,223,200	55.81%
Commercial		4,549,100	3,841,300	707,800	18.43%	16,095,100	14,937,000	1,158,100	7.75%
Industrial		0	0	0	0.00%	0	0	0	0.00%
Total		11,185,600	8,451,200	2,734,400	32.36%	39,052,100	29,670,800	9,381,300	31.62%

* Excludes effluent to power plants

NUMBER OF WASTEWATER ACCOUNTS

A Residential	**	37,813	37,170	643	1.73%
A Commercial		5,540	5,544	(4)	-0.07%
A Industrial		127	123	4	3.25%
Total		43,480	42,837	643	1.50%

Number of new accounts for the current fiscal year:		Growth in number of new accounts prior year:		
Number of accounts at	12/31/2020	43,480	12/31/2019	42,837
Number of accounts at	9/30/2020	43,218	9/30/2019	42,804
Increase/(Decrease) in accounts		262		33

NUMBER OF REUSE ACCOUNTS

A Residential		389	284	105	36.97%
A Commercial		16	14	2	14.29%
A Industrial		0	0	0	0.00%
Total		405	298	107	35.91%

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	\$ 47,891	\$ (12,320)	\$ (52,058)	\$ 5,292	\$ (10,338)	\$ (21,534)
C Wastewater Lab	25,900	2,994	1,422	2,144	11,001	43,460
D Wastewater Collections	11,170	29,675	(3,805)	(23,636)	(24,152)	(10,748)
E General & Admin.	73,623	408	108,633	(1,581)	-	181,084
\$	158,584	20,757	54,192	(17,781)	(23,489)	192,263

ANALYSIS OF ACTUAL TO BUDGETED CONSUMPTION & REVENUES

Budgeted Consumption for fy 2019-20 (gals.)		7,142,138,000		Monthly Planned Consumption	
* 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	12/31/20	1,606,981,050		January	535,660,350
Actual consumption at	12/31/20	1,527,688,000		February	535,660,350
Excess/(deficiency) to planned		(79,293,050)	-4.93%	March	535,660,350
				April	654,695,983
Budgeted User Charge Revenues for fy 2019-20		\$ 19,960,703		May	654,695,983
* 45% of planned revenues		8,982,316		June	654,695,983
* 55% of planned revenues		10,978,387		July	654,695,983
				August	654,695,983
Planned revenues at	12/31/20	4,491,158		September	654,695,983
Actual revenues at	12/31/20	4,194,132		Total	7,142,138,000
Excess/(deficiency) to planned		\$ (297,026)	-6.61%		

* 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 Quarter Ended December 31, 2020

	Wastewater Depreciation				Wastewater Capital Improvement			
	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
Sources								
Interest Revenue	\$ 134,985	\$ 33,746	\$ 47,481	140.70%	\$ 37,172	\$ 9,293	\$ 11,757	126.52%
Miscellaneous	-	-	-	0.00%	-	-	-	0.00%
Transfers In	3,472,730	868,183	757,406	87.24%	892,853	223,213	223,213	100.00%
Total Sources	\$ 3,607,715	\$ 901,929	\$ 804,886	89.24%	\$ 930,025	\$ 232,506	\$ 234,970	101.06%
Uses								
Replacement (Infrastructure)	3,018,520	754,630	3,513	0.47%	-	-	-	0.00%
Capital Outlay	602,460	150,615	40,375	26.81%	4,360,160	1,090,040	274,436	25.18%
Transfers Out	-	-	-	0.00%	-	-	-	0.00%
Total Uses	\$ 3,620,980	\$ 905,245	\$ 43,888	4.85%	\$ 4,360,160	\$ 1,090,040	\$ 274,436	25.18%
Sources Over/ (Under) Uses	(\$13,265)	(\$3,316)	\$760,999		(\$3,430,135)	(\$857,534)	(\$39,465)	

*25% of the year completed

**WATER & WASTEWATER FUND
COMBINED BALANCE SHEET**

as of December 31, 2020

	<u>WATER FUND</u> *	<u>WASTEWATER FUND</u> *	<u>COMBINED</u>
ASSETS			
<u>Current Assets</u>			
Cash & Investments			
Demand.....	\$ 293,298	\$ 81,349	\$ 374,647
Time Deposits.....	4,534,062	1,508,715	6,042,777
Investments.....	1,308,308	1,251,514	2,559,822
Market Value Adjustment.....	4,469	0	4,469
Mgr/Trust Cash.....	0	0	0
Receivables, net:			
Accounts.....	1,914,858	972,207	2,887,065
Accrued Interest.....	6,069	142	6,211
Due From Other Funds.....	0	332,387	332,387
Water/Sewer Line Assessments.....	0	13,468	13,468
Inventories, at cost.....	187,183	0	187,183
Miscellaneous.....	0	0	0
Prepaid expenses.....	0	0	0
Total Current Assets	\$ 8,248,245	\$ 4,159,783	\$ 12,408,028
Notes Receivable	81,269	995,303	1,076,572
<u>Restricted Assets</u>			
Mgr/Trust Cash.....	0	0	0
Accrued Interest.....	10,931	6,092	17,022
Due From Other Funds.....	0	0	0
Notes Receivable - Airport	0	0	0
Accounts Receivable.....	0	0	0
Sub-Total	10,931	6,092	17,022
Demand.....	7,309	(6,751)	558
Time Deposits.....	6,118,736	12,032,362	18,151,099
Investments.....	9,016,275 **	15,488,591	24,504,866
Market Value Adjustment.....	2,234	5,958	8,192
Total Restricted Cash & Investments	15,144,554	27,520,161	42,664,715
Total Restricted Assets	15,155,485	27,526,252	42,681,737
Propert, Plant, & Equipment.....	159,847,708	264,342,907	424,190,614
(Less: Accumulated Depreciation).....	(87,150,558)	(103,162,043)	(190,312,600)
Net Property, Plant, & Equipment	72,697,150	161,180,864	233,878,014
Other Assets, net.....	27,106,343	5,049,378	32,155,721
TOTAL ASSETS	\$ 123,288,492	\$ 198,911,580	322,200,073

* Includes Depreciation Funds, Capital Improvement Funds, & Bond Construction Funds

** Includes a portion of the restricted customer deposits totalling \$2,900,816

**WATER & WASTEWATER FUND
COMBINED BALANCE SHEET**

as of December 31, 2020

	<u>WATER FUND</u>	*	<u>WASTEWATER FUND</u>	*	<u>COMBINED</u>
LIABILITIES & FUND EQUITY					
<u>Current Liabilities</u>					
Accounts Payable.....	\$ 292,824		\$ 67,364		\$ 360,188
Accrued Expense.....	539,362		403,805		943,167
Due to Other Funds.....	0		0		0
Other.....	0		100,000		100,000
Total Current Liabilities	832,186		571,169		1,403,355
<u>Liabilities Payable from Restricted Assets</u>					
Accounts Payable.....	(35,099)		45,044		9,945
Accrued Expense.....	371,296		561,382		932,677
Due to Other Funds.....	0		0		0
Interest Payable.....	424,209		574,477		998,686
Customer Deposits.....	2,900,816		0		2,900,816
Current Portion of Revenue Bonds.....	1,708,574		4,787,436		6,496,010
Total Liabilities Payable from Restricted Assets	5,369,796		5,968,339		11,338,134
<u>Other Non-Current Liabilities</u>					
Revenue Bonds.....	31,612,414		94,635,180		126,247,594
Arbitrage Payable.....	0		2,353		2,353
Deferred Revenues.....	307,968		174,626		482,593
Deferred inflows of resources.....	1,064,706		3,899,365		4,964,071
Noncurrent liabilities / net pension liability.....	1,223,651		736,371		1,960,022
TOTAL LIABILITIES	40,410,720		105,987,404		146,398,124
FUND EQUITY					
<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		4,227,171		4,227,171
Reserve for Capital Improvement.....	4,143,610		5,424,594		9,568,204
Reserve for Depreciation.....	6,976,434		14,406,041		21,382,475
Reserve for Water Rights Purchase.....	0		0		0
Unreserved.....	71,757,728		68,866,370		140,624,098
Total Retained Earnings	82,877,772		92,924,176		175,801,949
TOTAL LIABILITIES AND FUND EQUITY	\$ 123,288,492		\$ 198,911,580		\$ 322,200,073

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

**WATER FUND
COMBINED BALANCE SHEET**

as of December 31, 2020

ASSETS	RESTRICTED ASSETS					Combined
	Water Fund	Water Depr. Fund	Water Capital Impr. Fund	Water Revenue Bonds	Debt Service	
Current Assets						
Cash & Investments						
Demand.....	\$ 293,298	\$ 535,965	\$ 2,421	\$ (531,077)	\$ -	\$ 300,607
Time Deposits.....	4,534,062	3,326,757	2,791,980	-	-	10,652,798
Investments & Securities.....	1,308,308	3,136,178	1,338,910	-	1,640,371	7,423,766
Market Value Adjustment.....	4,469	-	2,234	-	-	6,703
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,914,858	-	-	-	-	1,914,858
Accrued Interest.....	6,069	8,697	2,234	-	-	16,999
Due From Other Funds.....	-	-	-	-	-	-
Water Line Assessments.....	-	-	-	-	-	-
Inventories, at cost.....	187,183	-	-	-	-	187,183
Prepaid expenses.....	-	-	-	-	-	-
Total Current Assets	8,248,245	7,007,597	4,137,778	(531,077)	1,640,371	20,502,914
Notes Receivable	81,269	-	-	-	-	81,269
CD's restricted for customer deposits.....	-	-	-	-	-	-
Investments restricted for customer deposits.....	2,900,816	-	-	-	-	2,900,816
Property, Plant, & Equipment.....	159,847,708	-	-	-	-	159,847,708
(Less: Accum. Depreciation/Amortization).....	(87,150,558)	-	-	-	-	(87,150,558)
Net Property, Plant, & Equipment	72,697,150	-	-	-	-	72,697,150
Other Assets, net.....	27,106,343	-	-	-	-	27,106,343
TOTAL ASSETS	111,033,824	7,007,597	4,137,778	(531,077)	1,640,371	123,288,492
LIABILITIES & FUND EQUITY						
Current Liabilities						
Accounts Payable.....	292,824	-	-	-	-	292,824
Accrued Expense.....	539,362	-	-	-	-	539,362
Due To Other Funds.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
Total Current Liabilities	832,186	-	-	-	-	832,186
Liabilities Payable from Restricted Assets						
Current Portion of Revenue Bonds.....	1,708,574	-	-	-	-	1,708,574
Accounts Payable.....	-	(6,796)	(28,303)	-	-	(35,099)
Accrued Expense.....	-	37,959	22,471	310,866	-	371,296
Interest Payable.....	-	-	-	-	424,209	424,209
Due To Other Funds.....	-	-	-	-	-	-
Customer Deposits.....	2,900,816	-	-	-	-	2,900,816
Total Liabilities Payable from Restricted Assets	4,609,390	31,163	(5,832)	310,866	424,209	5,369,796
Other Non-Current Liabilities						
Revenue Bonds	31,612,414	-	-	-	-	31,612,414
Arbitrage Payable.....	-	-	-	-	-	-
Deferred Revenues.....	307,968	-	-	-	-	307,968
Deferred inflows of resources.....	1,064,706	-	-	-	-	1,064,706
Noncurrent liabilities / net pension liability.....	1,223,651	-	-	-	-	1,223,651
TOTAL LIABILITIES	39,650,314	31,163	(5,832)	310,866	424,209	40,410,720
FUND EQUITY						
Retained Earnings						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Current Debt Service.....	-	-	-	-	-	-
Reserve for Capital Improvement.....	-	-	4,143,610	-	-	4,143,610
Reserve for Depreciation.....	-	6,976,434	-	-	-	6,976,434
Reserve for Water Rights.....	-	-	-	-	-	-
Unreserved.....	71,383,509	-	-	(841,943)	1,216,162	71,757,728
Total Retained Earnings	71,383,509	6,976,434	4,143,610	(841,943)	1,216,162	82,877,772
TOTAL LIABILITIES & FUND EQUITY	\$ 111,033,824	\$ 7,007,597	\$ 4,137,778	\$ (531,077)	\$ 1,640,371	\$ 123,288,492

**WASTEWATER FUND
COMBINED BALANCE SHEET**

as of December 31, 2020

	RESTRICTED ASSETS					Combined
	Wastewater Fund	Depreciation Fund	Wastewater Capital Impr. Fund	Wastewater Revenue Bonds	Debt Service	
ASSETS						
<u>Current Assets</u>						
Cash & Investments						
Demand.....	\$ 81,349	\$ (72,601)	\$ 4,592	\$ 61,258	\$ -	\$ 74,598
Time Deposits.....	1,508,715	9,226,487	2,805,876	-	-	13,541,077
Investments & Securities.....	1,251,514	5,241,729	2,649,193	2,796,021	4,801,648	16,740,105
Market Value Adjustment.....	-	5,213	745	-	-	5,958
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	972,207	-	-	-	-	972,207
Accrued Interest.....	142	5,214	878	-	-	6,234
Due From Other Funds.....	332,387	-	-	-	-	332,387
Wastewater Line Assessments.....	13,468	-	-	-	-	13,468
Miscellaneous.....	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Current Assets	4,159,783	14,406,041	5,461,283	2,857,279	4,801,648	31,686,035
Notes Receivables - Hunt	995,303	-	-	-	-	995,303
Property, Plant, & Equipment.....	264,342,907	-	-	-	-	264,342,907
(Less: Accumulated Depreciation).....	(103,162,043)	-	-	-	-	(103,162,043)
Net Property, Plant, & Equipment	161,180,864	-	-	-	-	161,180,864
Other Assets.....	5,049,378	-	-	-	-	5,049,378
TOTAL ASSETS	171,385,328	14,406,041	5,461,283	2,857,279	4,801,648	198,911,580
LIABILITIES & FUND EQUITY						
<u>Current Liabilities</u>						
Accounts Payable.....	67,364	-	-	-	-	67,364
Accrued Expenses.....	403,805	-	-	-	-	403,805
Due to Other Funds.....	-	-	-	-	-	-
Other.....	100,000	-	-	-	-	100,000
Total Current Liabilities	571,169	-	-	-	-	571,169
<u>Liabilities Payable from Restricted Assets</u>						
Accounts Payable.....	-	-	26,816	18,228	-	45,044
Accrued Expenses.....	-	-	9,873	551,508	-	561,382
Due to Other Funds.....	-	-	-	-	-	-
Interest Payable.....	-	-	-	-	574,477	574,477
Current Portions of all Revenue Bonds...	4,787,436	-	-	-	-	4,787,436
Total Liabilities Payable from Restricted Assets	4,787,436	-	36,690	569,736	574,477	5,968,339
<u>Other Non-Current Liabilities</u>						
Deferred Revenue.....	174,626	-	-	-	-	174,626
Revenue Bonds.....	94,635,180	-	-	-	-	94,635,180
Deferred inflows of resources.....	3,899,365	-	-	-	-	3,899,365
Noncurrent liabilities/Net Pension Liability - TMRS.....	736,371	-	-	-	-	736,371
Arbitrage Payable	2,353	-	-	-	-	2,353
TOTAL LIABILITIES	104,806,501	-	36,690	569,736	574,477	105,987,404
FUND EQUITY						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Debt Service.....	-	-	-	-	4,227,171	4,227,171
Reserve for Depreciation.....	-	14,406,041	-	-	-	14,406,041
Reserve for Capital Improvement.....	-	-	5,424,594	-	-	5,424,594
Unreserved.....	66,578,827	-	-	2,287,543	-	68,866,370
Total Retained Earnings	66,578,827	14,406,041	5,424,594	2,287,543	4,227,171	92,924,176
	\$ 171,385,328	\$ 14,406,041	\$ 5,461,283	\$ 2,857,279	\$ 4,801,648	\$ 198,911,580