



# FINANCIAL STATEMENTS

**For the Six Months Ended March 31, 2022**

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## EXECUTIVE SUMMARY

### Review of the Financial Statements For the Six Months Ending March 31, 2022

#### *Statement of Revenues and Expenses*

<i>Water Fund</i>
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#### **Overall**

Year-to-date revenues are reported at \$9,935,081, a decrease of \$229,972 or 2% under the same period of the prior year, 8% under budget on a flat basis. Year-to-date operating expenses are reported at \$10,368,304, an increase of \$538,562, 5% over the same period of the prior year, 7% under budget on a flat basis. This resulted in year-to-date revenues under expenses of \$433,223 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, \$8,864,867, which is \$215,873, or 2% under the same period of the prior year, 9% under budget on a flat basis. The residential category experienced a 3% decrease in revenues primarily due to the 6% decrease in consumption during the six-month period, as indicated on page 3. The commercial category experienced a 1% decrease in revenues from the prior year and 1% increase in consumption. The industrial category experienced a 6% decrease in revenues and 5% decrease 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 11% under the planned annual consumption of 9,000,000,000 gallons.

##### ***Tap Fees***

This revenue line item, at \$200,625, is 6% over last year and 5% under year-to-date budget.

##### ***Connects & Reconnects***

This revenue line item, at \$183,350, is 4% under last year in line with year-to-date budget.

##### ***Other Operating Revenues***

This revenue line item representing late fees and payment arrangement fees, at \$229,236, is 3% under last year and 7% over year-to-date budget.

##### ***Reimbursements***

Reimbursements, at \$29,425 are 33% over year-to-date budget.

##### ***Miscellaneous Revenues***

Miscellaneous revenues include water tower lease revenue and other miscellaneous fees and, at

\$176,915 are 25% over year-to-date budget.

### ***Interest income***

Interest earnings are 5% under year-to-date budget. As shown on the Investment Analysis, located on page 12 of the financial report, the M&O portion of the Water Fund earned a blended rate of 0.29% on cash and investments; the fund as a whole, 0.29%. The blended yield on investments, excluding cash and TexPool Prime, is reported at 0.31%.

### **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 2% from the prior year. At March 31, 2022, 49,755 water accounts were serviced compared to 49,117 the prior year, an increase of 638 new accounts. During the first six months of the current fiscal year, the number of accounts increased by 424 new accounts.

<b><i>Wastewater Fund</i></b>
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### **Overall**

As presented on page 5 of the report, year-to-date revenues are reported at \$9,680,120, a decrease of \$116,324, or 1%, under the same period of the prior year, 8% under budget on a flat basis. Year-to-date operating expenses are reported at \$9,729,971, an increase of \$360,536, 4% over the same period of the prior year, 4% under budget on a flat basis. This resulted in revenues under expenses of \$49,851 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 six-month period aggregates \$8,587,243, which is \$56,822 or 1% under the same period of the prior year, 9% under budget. Generally, wastewater 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 Wastewater Fund experienced decreases in consumption in the residential and industrial categories. Revenues within the residential category were 3% under the prior year, 7% under budget. Revenues within the commercial category were 4% over the prior year, 14% under budget, when combining both the commercial and City of Alton revenues. Finally, revenues within the industrial category came in 3% under the prior year, 24% under budget.

#### ***Reuse Charges***

Water reuse charges, excluding effluent to the Calpine/Duke power plants, are reported at \$105,410, 38% over budget for the period. Effluent charges to the power plants are reported at \$443,041, slightly below budget for the period.

#### ***Industrial Waste Surcharge***

This revenue line, at \$607,387, is 1% under the annual budgeted amount of \$1,240,000 on a flat basis, due to the enforcement of the pre-treatment program.

### ***Reimbursements***

Reimbursements, at \$58,345 are over the year-to-date budget amount.

### ***Miscellaneous Revenues***

Miscellaneous revenues include septic tank hauler fees and wastewater charges billed and collected by Sharyland Water Supply Corp. (SWSC) and other miscellaneous fees and, at \$390,466 are 23% over year-to-date budget. As of March 31, 2022, SWSC billed and collected 1,555 sewer accounts in our Sewer CCN for total year-to-date revenue of \$221,116.

### ***Interest income***

Interest earnings are under-performing budget for this period of the year. As indicated on page 12 of the financial report, the M&O portion of the Wastewater Fund earned a blended rate of 0.27% on cash and investments; the fund as a whole, 0.42%. The blended yield on investments, excluding cash and TexPool Prime, is reported at 0.56%.

### ***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 wastewater accounts serviced increased 2% from the prior year. At March 31, 2022, 44,423 wastewater accounts were serviced compared to 43,745 the prior year, an increase of 678 new accounts. During the six months of the current fiscal year, the number of accounts increased by 509 new accounts.

## ***Balance Sheets***

### ***Water & Wastewater Funds -- Combined***

Both the Water and Wastewater Funds financial condition continues to present a stable showing, as indicated on pages 8 and 9. Combined working capital amounts to \$10,139,937, compared to \$11,676,036 the prior year. Debt-equity ratio is .90/1. The restricted accounts, the portion relating to debt service, are considered adequate.

### ***Water & Wastewater Funds***

A summary of the portfolio for the Water and Wastewater Funds is presented on page 12 of the financial report. Overall, the portfolio is allocated with \$343,695 in a non-interest-bearing demand deposit account; \$6,514,793 in certificates of deposit, earning 0.24%; \$17,985,450 in government agency securities, earning 0.55%; and \$22,564,008 in TexPool Prime, which earned 0.27% in March. The overall blended yield of the entire portfolio is presented as 0.37%, compared to 0.47% the prior year. The overall blended yield of the investment holdings, excluding cash and TexPool Prime, is presented as 0.46%.

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

For the Six Months Ended March 31, 2022

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined</u>
<b>OPERATING REVENUES</b>			
Residential Charges	\$ 5,763,144	\$ 5,685,005	\$ 11,448,149
Commercial Charges	2,855,283	1,991,635	4,846,918
Industrial Charges	173,383	105,979	279,361
City of Alton User Charges	-	256,174	256,174
Calpine/Duke Reuse Charges	-	443,041	443,041
Reuse-Water Charges	-	105,410	105,410
Regional Water Sales	73,057	-	73,057
Industrial Waste Surcharge	-	607,387	607,387
Reimbursements	29,425	58,345	87,770
Billing Charges	229,992	-	229,992
Connects/Reconnects	183,350	-	183,350
Tap Fees	200,625	-	200,625
Other Charges	406,151	416,016	822,167
Total Operating Revenues	9,914,408	9,668,991	19,583,399
<b>NON-OPERATING REVENUES</b>			
Sale of Property	3,803	3,705	7,508
Interest	16,869	7,424	24,294
Total Non-Operating Revenues	20,671	11,129	31,802
<b>TOTAL REVENUES</b>	<b>9,935,081</b>	<b>9,680,120</b>	<b>19,615,202</b>
<b>EXPENSES</b>			
Plants	2,270,935	2,376,957	4,647,892
Cost of Raw Water	1,152,712	-	1,152,712
Labs	263,793	348,418	612,212
Distribution & Collections	1,084,664	1,105,389	2,190,053
Meter Readers	543,690	-	543,690
Utility Billing	407,745	-	407,745
Customer Relations	506,468	-	506,468
Treasury Management	293,769	-	293,769
General & Administration	953,028	629,572	1,582,600
Employee Benefits	17,500	-	17,500
Insurance	20,868	22,722	43,590
Pension Expense-TMRS (GASB 68)	-	-	-
TMRS Benefits-Contra (GASB 68)	-	-	-
Debt Service	553,560	652,994	1,206,554
Billing Charges	-	114,996	114,996
Depreciation*	2,299,572 *	4,478,923 *	6,778,495
<b>TOTAL EXPENSES</b>	<b>10,368,304</b>	<b>9,729,971</b>	<b>20,098,275</b>
<b>INCOME(LOSS) PRIOR TO CONTRIBUTIONS &amp; TRANSFERS</b>			
	<u>\$ (433,223)</u>	<u>\$ (49,851)</u>	<u>\$ (483,075)</u>
<b>Contributions - Acquired Assets</b>	-	-	1
<b>Change in net assets</b>	<u>\$ (433,223)</u>	<u>\$ (49,851)</u>	<u>\$ (483,074)</u>
<i>Transfer to Capital Improvement Fund</i>	\$ 678,252	\$ 429,324	\$ 1,107,576
<i>Transfer to Depreciation Fund</i>	804,850	1,791,569	2,596,419
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	226,753	146,782	373,535
<i>Rebatable Arbitrage</i>	-	-	-
<i>Bond Refunding Costs</i>	126,098	-	126,098
<i>Health Insurance Fund</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 Six Months Ended March 31, 2022

	Year-To-Date					50.00% Completed
	Budget	Current	Prior	Variance	Inc/Dec	Actual % to Budget
<b>REVENUES</b>						
1 Residential Charges	\$ 14,490,648	\$ 5,763,144	\$ 5,968,368	\$ (205,225)	-3.44%	39.77%
2 Commercial Charges	6,513,810	2,855,283	2,875,628	(20,344)	-0.71%	43.83%
3 Industrial Charges	541,053	173,383	183,961	(10,578)	-5.75%	32.05%
4 Backflow Testing Charges	-	-	-	-	0.00%	0.00%
5 Regional Water Usage	340,000	73,057	52,783	20,274	38.41%	21.49%
<i>Total users' charges</i>	<b>21,885,511</b>	<b>8,864,867</b>	<b>9,080,740</b>	<b>(215,873)</b>	<b>-2.38%</b>	<b>40.51%</b>
6 Tap Fees	450,000	200,625	189,625	11,000	5.80%	44.58%
7 Connects & Reconnects	370,000	183,350	190,900	(7,550)	-3.95%	49.55%
8 Other Operating Revenues	400,000	229,236	235,403	(6,166)	-2.62%	57.31%
9 Other Revenues - Sale of Property	-	3,803	-	3,803	0.00%	0.00%
11 Reimbursements - Sharyland #2	-	-	-	-	0.00%	0.00%
16 Reimbursements - Other	35,500	29,425	55,931	(26,507)	-47.39%	82.89%
17 Miscellaneous	235,000	176,915	151,380	25,535	16.87%	75.28%
18 Interest Earned	38,090	16,869	31,082	(14,214)	-45.73%	44.29%
19 <i>Revenues before billing charges</i>	<b>23,414,101</b>	<b>9,705,089</b>	<b>9,935,061</b>	<b>(229,972)</b>	<b>-2.31%</b>	<b>41.45%</b>
20 Billing Charges	460,000	229,992	229,992	-	0.00%	50.00%
21 <b>TOTAL REVENUES</b>	<b>23,874,101</b>	<b>9,935,081</b>	<b>10,165,053</b>	<b>(229,972)</b>	<b>-2.26%</b>	<b>41.61%</b>
<b>EXPENSES</b>						
22 Water Plants	5,431,111	2,270,935	2,184,210	D 86,725	3.97%	41.81%
23 Cost of Raw Water	2,833,803	1,152,712	1,157,351	E (4,639)	-0.40%	40.68%
24 Water Lab	549,030	263,793	221,212	F 42,582	19.25%	48.05%
25 Trans & Distribution	2,983,379	1,084,664	1,211,595	G (126,931)	-10.48%	36.36%
26 Meter Readers	1,383,182	543,690	505,135	H 38,556	7.63%	39.31%
27 Utility Billing	906,721	407,745	401,516	I 6,229	1.55%	44.97%
28 Customer Relations	1,125,246	506,468	474,114	J 32,354	6.82%	45.01%
29 Treasury Management	576,733	293,769	188,690	K 105,079	55.69%	50.94%
30 General & Admin	2,197,126	953,028	699,201	L 253,826	36.30%	43.38%
31 Non-recurring Expense	-	-	-	-	0.00%	0.00%
32 Employee Benefits	35,000	17,500	13,125	4,375	33.33%	50.00%
33 Insurance	55,099	20,868	19,530	1,338	6.85%	37.87%
34 Pension Expense-TMRS (GASB 68)	-	-	-	-	0.00%	0.00%
35 TMRS Benefits-Contra (GASB 68)	-	-	-	-	0.00%	0.00%
36 <i>Sub-Total Expenses</i>	<b>18,076,430</b>	<b>7,515,172</b>	<b>7,075,679</b>	<b>439,493</b>	<b>6.21%</b>	<b>41.57%</b>
37 Debt Service	1,071,338	553,560	498,222	55,338	11.11%	51.67%
38 Depreciation *	4,853,326	2,299,572	2,255,841	43,731	1.94%	47.38%
39 <b>TOTAL EXPENSES</b>	<b>24,001,094</b>	<b>10,368,304</b>	<b>9,829,742</b>	<b>538,562</b>	<b>5.48%</b>	<b>43.20%</b>
40 <b>Revenues Over (Under) Expenses</b>	<b>(126,993)</b>	<b>(433,223)</b>	<b>335,311</b>			
41 <b>Contributions - Acquired assets</b>	<b>-</b>	<b>-</b>	<b>-</b>			
42 <b>Change in Net Assets</b>		<b>(433,223)</b>	<b>335,311</b>			
<b>NON-OPERATING EXPENSES</b>						
43 Capital Outlay	-	-	-	-		
44 Transfer to Capital Improvements	1,356,507	678,252	937,707	(259,455)		
45 Transfer to Depreciation	1,698,664	804,850	789,544	15,306		
46 Transfer to TWDB Construction-Loan Reimbursement	-	226,753	2,349,332	(2,122,579)		
47 Reserve for Water Rights	-	-	-	-		
48 Rebatable Arbitrage	-	-	-	-		
49 Capitalized Interest	-	-	-	-		
50 Bond Refunding Costs	-	126,098	-	126,098		
51 Health Insurance Fund	-	-	50,685	(50,685)		

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

**McALLEN PUBLIC UTILITY**  
**WATER FUND REFERENCE NOTES**  
For the Six Months Ended March 31, 2022

Ref	Description	Month Ending				Fiscal Year-to-Date			% Inc (Dec)	
		CONSUMPTION	31-Mar-22	31-Mar-21	Inc(Dec)	% Inc(Dec)	31-Mar-22	31-Mar-21		Inc(Dec)
A	Residential *		301,860,000	343,669,100	(41,809,100)	-12.17%	2,005,789,400	2,141,870,000	(136,080,600)	-6.35%
B	Commercial		224,587,400	236,275,000	(11,687,600)	-4.95%	1,479,105,700	1,467,669,900	11,435,800	0.78%
C	Industrial		19,244,200	17,640,500	1,603,700	9.09%	106,176,700	112,090,300	(5,913,600)	-5.28%
	<b>Total</b>		<b>545,691,600</b>	<b>597,584,600</b>	<b>(51,893,000)</b>	<b>-8.68%</b>	<b>3,591,071,800</b>	<b>3,721,630,200</b>	<b>(130,558,400)</b>	<b>-3.51%</b>

**NUMBER OF WATER ACCOUNTS**

A	Residential	**	41,790	41,307	483	1.17%
B	Commercial		7,811	7,657	154	2.01%
C	Industrial		154	153	1	0.65%
	<b>Total</b>		<b>49,755</b>	<b>49,117</b>	<b>638</b>	<b>1.30%</b>

\* Gallons year-to-date for Sharyland accounts = 19,091,900  
\*\* Number of Sharyland accounts = 270

Growth in number of new accounts for the current fiscal year:			Growth in number of new accounts prior year:		
Number of accounts at	3/31/2022	49,755	3/31/2021	49,117	
Number of accounts at	9/30/2021	49,331	9/30/2020	48,415	
<b>Increase/(Decrease) in accounts</b>		<b>424</b>		<b>702</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	\$ 98,307	\$ 154,999	\$ (62,606)	\$ (71,279)	\$ (32,696)	\$ 86,725
E Cost of Raw Water	-	-	(4,639)	-	-	(4,639)
F Water Lab	38,264	8,530	4,925	(1,779)	(7,357)	42,582
G Trans & Distribution	(67,094)	20,008	(26,595)	(24,298)	(28,951)	(126,931)
H Meter Readers	16,388	3,222	6,007	16,079	(3,140)	38,556
I Utility Billing	5,613	4,351	5,278	(131)	(8,882)	6,229
J Customer Relations	15,976	(1,402)	11,509	14,727	(8,456)	32,354
K Treasury Management	19,065	122	11,543	77,611	(3,262)	105,079
L General & Admin	36,723	(288)	225,235	(2,459)	(5,385)	253,826
	<b>\$ 163,242</b>	<b>\$ 189,541</b>	<b>\$ 170,656</b>	<b>\$ 8,471</b>	<b>\$ (98,130)</b>	<b>\$ 433,780</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 3/31/2022	4,050,000,000		January 675,000,000
Actual consumption at 3/31/2022	3,591,071,800		February 675,000,000
<b>Excess/(deficiency) to planned</b>	<b>(458,928,200)</b>	<b>-11.33%</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 3/31/2022	9,848,480		September 825,000,000
Actual revenues at 3/31/2022	8,864,867		
<b>Excess/(deficiency) to planned</b>	<b>\$ (983,613)</b>	<b>-9.99%</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 Six Months Ended March 31, 2022

**Water Depreciation**

**Water Capital Improvement**

Sources	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
Interest Revenue	\$ 22,559	\$ 11,280	\$ 8,863	78.58%	\$ 20,848	\$ 10,424	\$ 7,126	68.36%
Miscellaneous	0	0	0	0.00%	0	0	0	0.00%
Transfers In	1,698,664	849,332	804,850	94.76% **	1,356,507	678,254	678,252	100.00%
<b>Total Sources</b>	<b>\$ 1,721,223</b>	<b>\$ 860,612</b>	<b>\$ 813,713</b>	<b>94.55%</b>	<b>1,377,355</b>	<b>688,678</b>	<b>685,378</b>	<b>99.52%</b>

Uses	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
Replacement (Infrastructure)	5,124,625	2,562,313	356,498	13.91%	0	0	0	0.00%
Capital Outlay	430,250	215,125	194,482	90.40%	3,481,707	1,740,854	246,894	14.18%
Transfers Out	0	0	0	0.00%	0	0	0	0.00%
<b>Total Uses</b>	<b>\$ 5,554,875</b>	<b>\$ 2,777,438</b>	<b>\$ 550,979</b>	<b>19.84%</b>	<b>\$ 3,481,707</b>	<b>\$ 1,740,854</b>	<b>\$ 246,894</b>	<b>14.18%</b>

<b>Sources Over/ (Under) Uses</b>	<b>\$ (3,833,652)</b>	<b>\$ (1,916,826)</b>	<b>\$ 262,734</b>		<b>\$ (2,104,352)</b>	<b>\$ (1,052,176)</b>	<b>\$ 438,484</b>	
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\*50% of the year completed



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

For the Six Months Ended March 31, 2022

	Budget	Year-To-Date				50.00%
		Current	Prior Year	Variance	Inc/Dec	Year-To-Date Actual % To Budget
<b>REVENUES</b>						
1 Residential Charges	\$ 13,273,282	\$ 5,685,005	\$ 5,841,262	A \$ (156,257)	-2.68%	42.83%
2 Commercial Charges	5,512,490	1,991,635	1,861,700	A 129,935	6.98%	36.13%
3 Industrial Charges	402,851	105,979	109,517	A (3,539)	-3.23%	26.31%
4 City of Alton User Charges	750,000	256,174	306,868	A (50,694)	-16.52%	34.16%
5 Calpine/Duke Reuse Charges	900,000	443,041	431,160	A 11,881	2.76%	49.23%
6 Reuse-Water Charges	120,000	105,410	93,558	A 11,852	12.67%	87.84%
Total users' charges	<b>20,958,623</b>	<b>8,587,243</b>	<b>8,644,065</b>	<b>(56,822)</b>	<b>-0.66%</b>	<b>40.97%</b>
7 Ind. Waste Surcharge	1,240,000	607,387	510,905	96,482	18.88%	48.98%
8 Other Operating Revenues	-	25,550	31,600	(6,050)	-19.15%	0.00%
9 Other Revenues - Sale of Property	-	3,705	(2,910)	6,615	0.00%	0.00%
10 Reimbursements	91,500	58,345	126,210	(67,865)	-53.77%	63.77%
11 Miscellaneous	538,000	390,466	474,789	(84,323)	-17.76%	72.58%
12 Interest Earned	22,837	7,424	11,785	(4,361)	-37.00%	32.51%
<b>13 Total Revenues</b>	<b>22,850,960</b>	<b>9,680,120</b>	<b>9,796,444</b>	<b>(116,324)</b>	<b>-1.19%</b>	<b>42.36%</b>
<b>EXPENSES</b>						
14 Wastewater Plant	5,362,414	2,376,957	2,121,736	B 255,221	12.03%	44.33%
15 Wastewater Lab	735,102	348,418	326,293	C 22,125	6.78%	47.40%
16 Wastewater Collections	2,561,794	1,105,389	1,073,550	D 31,839	2.97%	43.15%
17 General & Admin.	1,726,425	629,572	812,741	E (183,169)	-22.54%	36.47%
18 Employee Benefits	13,577	-	-	-	0.00%	0.00%
19 Insurance	65,261	22,722	21,264	1,458	6.86%	34.82%
20 Pension Expense-TMRS (GASB 68)	-	-	-	-	0.00%	0.00%
21 TMRS Benefits-Contra (GASB 68)	-	-	-	-	0.00%	0.00%
22 Sub-Total Expenses	<b>10,464,573</b>	<b>4,483,058</b>	<b>4,355,584</b>	<b>127,475</b>	<b>2.93%</b>	<b>42.84%</b>
22 Debt Service	1,524,774	652,994	677,708	(24,713)	-3.65%	42.83%
23 Depreciation *	8,919,655	4,478,923	4,221,149	257,775	6.11%	50.21%
24 Expenses Before Billing Charges	20,909,002	9,614,975	9,254,440	360,536	3.90%	45.98%
25 Billing Charges	230,000	114,996	114,996	-	0.00%	50.00%
26 TOTAL EXPENSES	<b>21,139,002</b>	<b>9,729,971</b>	<b>9,369,436</b>	<b>360,536</b>	<b>3.85%</b>	<b>46.03%</b>
27 Revenues Over (Under) Expenses	<u>\$ 1,711,958</u>	<u>\$ (49,851)</u>	<u>\$ 427,009</u>			
28 Contributions - Acquired assets	-	-	-			
29 Change in Net Assets		<u>(49,851)</u>	<u>427,009</u>			
<b>NON-OPERATING EXPENSES</b>						
30 Capital Outlay	-	-	-	-		
31 Transfer to Capital Improvement	858,657	429,324	446,427	(17,103)		
32 Transfer to Depreciation	3,567,862	1,791,569	1,687,746	103,823		
33 Transfer to TWDB Construction-Loan Reimbursement	-	146,782	1,509,909	(1,363,127)		
34 Rebatable Arbitrage	-	-	-	-		
35 Capitalized Interest	-	-	-	-		
36 Bond Refunding Costs	-	-	-	-		
37 Health Insurance	-	-	25,520	(25,520)		

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



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

For the Six Months Ended March 31, 2022

	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	\$ 30,202	\$ 28,139	93.17%	\$ 15,892	\$ 7,946	\$ 9,602	120.84%
Miscellaneous	-	-	-	0.00%	-	-	-	0.00%
Transfers In	3,567,862	1,783,931	1,791,569	100.43%	858,657	429,329	429,324	100.00%
<b>Total Sources</b>	<b>\$ 3,628,266</b>	<b>\$ 1,814,133</b>	<b>\$ 1,819,709</b>	<b>100.31%</b>	<b>\$ 874,549</b>	<b>\$ 437,275</b>	<b>\$ 438,926</b>	<b>100.38%</b>

	Wastewater Depreciation				Wastewater Capital Improvement			
	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	2,686,198	228,400	8.50%	-	-	-	0.00%
Capital Outlay	1,028,200	514,100	121,254	23.59%	4,555,657	2,277,829	178,363	7.83%
Transfers Out	-	-	-	0.00%	-	-	-	0.00%
<b>Total Uses</b>	<b>\$ 6,400,595</b>	<b>\$ 3,200,298</b>	<b>\$ 349,655</b>	<b>10.93%</b>	<b>\$ 4,555,657</b>	<b>\$ 2,277,829</b>	<b>\$ 178,363</b>	<b>7.83%</b>

<b>Sources Over/ (Under) Uses</b>	<b>(\$2,772,329)</b>	<b>(\$1,386,165)</b>	<b>\$1,470,054</b>		<b>(\$3,681,108)</b>	<b>(\$1,840,554)</b>	<b>\$260,563</b>	
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\*50% of the year completed

**WATER & WASTEWATER FUND  
COMBINED BALANCE SHEET**

as of March 31, 2022

	WATER FUND	* WASTEWATER FUND	* COMBINED
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash & Investments			
Demand.....	\$ 132,997	\$ 68,572	\$ 201,569
Time Deposits.....	1,001,734	0	1,001,734
Investments.....	3,820,423	2,873,984	6,694,407
Market Value Adjustment.....	(1,078)	0	(1,078)
Mgr/Trust Cash.....	0	0	0
Receivables, net:			
Accounts.....	1,922,538	1,913,759	3,836,298
Accrued Interest.....	3,409	0	3,409
Due From Other Funds.....	70,849	62,821	133,670
Water/Sewer Line Assessments.....	0	1,750	1,750
Inventories, at cost.....	370,568	0	370,568
Miscellaneous.....	0	0	0
Prepaid expenses.....	0	0	0
<b>Total Current Assets</b>	<b>\$ 7,321,443</b>	<b>\$ 4,920,886</b>	<b>\$ 12,242,328</b>
Notes Receivable	81,269	81,179	162,448
<u>Restricted Assets</u>			
Mgr/Trust Cash.....	0	0	0
Accrued Interest.....	(43)	10,485	10,441
Due From Other Funds.....	0	0	0
Notes Receivable - Airport	0	0	0
Accounts Receivable.....	0	0	0
Sub-Total	(43)	10,485	10,441
Demand.....	65,173	80,747	145,920
Time Deposits.....	1,503,468	4,007,415	5,510,883
Investments.....	12,159,086 **	19,826,763	31,985,849
Market Value Adjustment.....	991,386	(7,577)	983,809
<b>Total Restricted Cash &amp; Investments</b>	<b>14,719,113</b>	<b>23,907,348</b>	<b>38,626,461</b>
<b>Total Restricted Assets</b>	<b>14,719,070</b>	<b>23,917,833</b>	<b>38,636,903</b>
Property, Plant, & Equipment.....	168,385,403	271,911,928	440,297,331
(Less: Accumulated Depreciation).....	(93,010,618)	(113,709,775)	(206,720,393)
Net Property, Plant, & Equipment	75,374,785	158,202,153	233,576,938
Other Assets, net.....	42,502,360	3,922,050	46,424,409
<b>TOTAL ASSETS</b>	<b>\$ 139,998,926</b>	<b>\$ 191,044,100</b>	<b>331,043,027</b>

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

\*\* Includes a portion of the restricted customer deposits totalling \$2,942,265

**WATER & WASTEWATER FUND**

**COMBINED BALANCE SHEET**

as of March 31, 2022

	<u>WATER FUND</u>	*	<u>WASTEWATER FUND</u>	*	<u>COMBINED</u>
<b>LIABILITIES &amp; FUND EQUITY</b>					
<u>Current Liabilities</u>					
Accounts Payable.....	\$ 397,376		\$ 171,592		\$ 568,968
Accrued Expense.....	799,835		633,588		1,433,424
Due to Other Funds.....	0		0		0
Other.....	0		100,000		100,000
<b>Total Current Liabilities</b>	<b>1,197,211</b>		<b>905,180</b>		<b>2,102,391</b>
<u>Liabilities Payable from Restricted Assets</u>					
Accounts Payable.....	88,183		89,441		177,625
Accrued Expense.....	464,265		206,703		670,969
Due to Other Funds.....	68,485		46,766		115,250
Interest Payable.....	121,608		204,585		326,193
Customer Deposits.....	2,942,265		0		2,942,265
Current Portion of Revenue Bonds.....	1,744,674		5,030,605		6,775,279
<b>Total Liabilities Payable from Restricted Assets</b>	<b>5,429,480</b>		<b>5,578,101</b>		<b>11,007,581</b>
<u>Other Non-Current Liabilities</u>					
Revenue Bonds.....	47,867,740		89,604,575		137,472,315
Arbitrage Payable.....	0		1,741		1,741
Deferred Revenues.....	329,815		14,626		344,441
Deferred inflows of resources.....	208,282		3,092,360		3,300,642
Noncurrent liabilities / net pension liability.....	1,657,622		995,762		2,653,384
<b>TOTAL LIABILITIES</b>	<b>56,690,150</b>		<b>100,192,345</b>		<b>156,882,495</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		689,103		689,103
Reserve for Capital Improvement.....	4,660,377		5,467,077		10,127,454
Reserve for Depreciation.....	6,694,036		17,269,399		23,963,434
Reserve for Water Rights Purchase.....	0		0		0
Unreserved.....	71,954,363		67,426,177		139,380,541
<b>Total Retained Earnings</b>	<b>83,308,776</b>		<b>90,851,756</b>		<b>174,160,532</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 139,998,926</b>		<b>\$ 191,044,100</b>		<b>\$ 331,043,026</b>

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

**WATER FUND  
COMBINED BALANCE SHEET**

as of March 31, 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.....	\$ 132,997	\$ 1,494	\$ 219,062	\$ (155,383)	\$ -	\$ 198,170
Time Deposits.....	1,001,734	1,002,262	501,206	-	-	2,505,202
Investments & Securities.....	3,820,423	4,815,283	3,939,359	-	462,180	13,037,245
Market Value Adjustment.....	(1,078)	991,406	(20)	-	-	990,308
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,922,538	-	-	-	-	1,922,538
Accrued Interest.....	3,409	(677)	634	-	-	3,366
Due From Other Funds.....	70,849	-	-	-	-	70,849
Water Line Assessments.....	-	-	-	-	-	-
Inventories, at cost.....	370,568	-	-	-	-	370,568
Prepaid expenses.....	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>7,321,443</b>	<b>6,809,767</b>	<b>4,660,241</b>	<b>(155,383)</b>	<b>462,180</b>	<b>19,098,248</b>
Notes Receivable	81,269	-	-	-	-	81,269
CD's restricted for customer deposits.....	-	-	-	-	-	-
Investments restricted for customer deposits.....	2,942,265	-	-	-	-	2,942,265
Property, Plant, & Equipment.....	168,385,403	-	-	-	-	168,385,403
(Less: Accum. Depreciation/Amortization).....	(93,010,618)	-	-	-	-	(93,010,618)
Net Property, Plant, & Equipment	75,374,785	-	-	-	-	75,374,785
Other Assets, net.....	42,502,360	-	-	-	-	42,502,360
<b>TOTAL ASSETS</b>	<b>128,222,121</b>	<b>6,809,767</b>	<b>4,660,241</b>	<b>(155,383)</b>	<b>462,180</b>	<b>139,998,926</b>
<b>LIABILITIES &amp; FUND EQUITY</b>						
<u>Current Liabilities</u>						
Accounts Payable.....	397,376	-	-	-	-	397,376
Accrued Expense.....	799,835	-	-	-	-	799,835
Due To Other Funds.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,197,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,197,211</b>
<u>Liabilities Payable from Restricted Assets</u>						
Current Portion of Revenue Bonds.....	1,744,674	-	-	-	-	1,744,674
Accounts Payable.....	-	9,722	(137)	-	78,598	88,183
Accrued Expense.....	-	37,525	0	426,740	-	464,265
Interest Payable.....	-	-	-	-	121,608	121,608
Due To Other Funds.....	-	68,485	-	-	-	68,485
Customer Deposits.....	2,942,265	-	-	-	-	2,942,265
<b>Total Liabilities Payable from Restricted Assets</b>	<b>4,686,939</b>	<b>115,732</b>	<b>(137)</b>	<b>426,740</b>	<b>200,206</b>	<b>5,429,480</b>
<u>Other Non-Current Liabilities</u>						
Revenue Bonds	47,867,740	-	-	-	-	47,867,740
Arbitrage Payable.....	-	-	-	-	-	-
Deferred Revenues.....	329,815	-	-	-	-	329,815
Deferred inflows of resources.....	208,282	-	-	-	-	208,282
Noncurrent liabilities / net pension liability.....	1,657,622	-	-	-	-	1,657,622
<b>TOTAL LIABILITIES</b>	<b>55,947,608</b>	<b>115,732</b>	<b>(137)</b>	<b>426,740</b>	<b>200,206</b>	<b>56,690,150</b>
<b>FUNDEQUITY</b>						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Current Debt Service.....	-	-	-	-	-	-
Reserve for Capital Improvement.....	-	-	4,660,377	-	-	4,660,377
Reserve for Depreciation.....	-	6,694,036	-	-	-	6,694,036
Reserve for Water Rights.....	-	-	-	-	-	-
Unreserved.....	72,274,513	-	-	(582,123)	261,974	71,954,363
<b>Total Retained Earnings</b>	<b>72,274,513</b>	<b>6,694,036</b>	<b>4,660,377</b>	<b>(582,123)</b>	<b>261,974</b>	<b>83,308,776</b>
<b>TOTAL LIABILITIES &amp; FUNDEQUITY</b>	<b>\$ 128,222,121</b>	<b>\$ 6,809,767</b>	<b>\$ 4,660,241</b>	<b>\$ (155,383)</b>	<b>\$ 462,180</b>	<b>\$ 139,998,926</b>

**WASTEWATER FUND  
COMBINED BALANCE SHEET**

as of March 31, 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.....	\$ 68,572	\$ 18,254	\$ -	\$ 62,343	\$ 150	\$ 149,319
Time Deposits.....	-	3,005,492	1,001,922	-	-	4,007,415
Investments & Securities.....	2,873,984	14,267,800	4,512,535	152,889	893,538	22,700,746
Market Value Adjustment.....	-	(5,289)	(2,288)	-	-	(7,577)
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,913,759	-	-	-	-	1,913,759
Accrued Interest.....	-	8,553	1,932	-	-	10,485
Due From Other Funds.....	62,821	-	-	-	-	62,821
Wastewater Line Assessments.....	1,750	-	-	-	-	1,750
Miscellaneous.....	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Current Assets	4,920,886	17,294,811	5,514,102	215,232	893,688	28,838,718
Notes Receivables - Hunt	81,179	-	-	-	-	81,179
Property, Plant, & Equipment.....	271,911,928	-	-	-	-	271,911,928
(Less: Accumulated Depreciation).....	(113,709,775)	-	-	-	-	(113,709,775)
Net Property, Plant, & Equipment	158,202,153	-	-	-	-	158,202,153
Other Assets.....	3,922,050	-	-	-	-	3,922,050
<b>TOTAL ASSETS</b>	<b>167,126,267</b>	<b>17,294,811</b>	<b>5,514,102</b>	<b>215,232</b>	<b>893,688</b>	<b>191,044,100</b>
<u>LIABILITIES &amp; FUND EQUITY</u>						
<u>Current Liabilities</u>						
Accounts Payable.....	171,592	-	-	-	-	171,592
Accrued Expenses.....	633,588	-	-	-	-	633,588
Due to Other Funds.....	-	-	-	-	-	-
Other.....	100,000	-	-	-	-	100,000
Total Current Liabilities	905,180	-	-	-	-	905,180
<u>Liabilities Payable from Restricted Assets</u>						
Accounts Payable.....	-	20,310	259	68,872	-	89,441
Accrued Expenses.....	-	5,103	-	201,601	-	206,703
Due to Other Funds.....	-	-	46,766	-	0	46,766
Interest Payable.....	-	-	-	-	204,585	204,585
Current Portions of all Revenue Bonds....	5,030,605	-	-	-	-	5,030,605
Total Liabilities Payable from Restricted Assets	5,030,605	25,413	47,025	270,473	204,585	5,578,101
<u>Other Non-Current Liabilities</u>						
Deferred Revenue.....	14,626	-	-	-	-	14,626
Revenue Bonds.....	89,604,575	-	-	-	-	89,604,575
Deferred inflows of resources.....	3,092,360	-	-	-	-	3,092,360
Noncurrent liabilities/Net Pension Liability - TMRS.....	995,762	-	-	-	-	995,762
Arbitrage Payable	1,741	-	-	-	-	1,741
<b>TOTAL LIABILITIES</b>	<b>99,644,849</b>	<b>25,413</b>	<b>47,025</b>	<b>270,473</b>	<b>204,585</b>	<b>100,192,345</b>
<u>FUND EQUITY</u>						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Debt Service.....	-	-	-	-	689,103	689,103
Reserve for Depreciation.....	-	17,269,399	-	-	-	17,269,399
Reserve for Capital Improvement.....	-	-	5,467,077	-	-	5,467,077
Unreserved.....	67,481,418	-	-	(55,241)	-	67,426,177
Total Retained Earnings	67,481,418	17,269,399	5,467,077	(55,241)	689,103	90,851,756
<b>\$ 167,126,267</b>	<b>\$ 17,294,811</b>	<b>\$ 5,514,102</b>	<b>\$ 215,232</b>	<b>\$ 893,688</b>	<b>\$ 191,044,100</b>	

**McALLEN PUBLIC UTILITY**  
**RECONCILED BANK BALANCES**  
As of March 31, 2022

	POOL CASH	TIME		GROSS		TEX POOL-		BLENDED		
		APR/ROI	DEPOSITS	APR/ROI	INVESTMENTS	APR/ROI	PRIME	APR/ROI	TOTAL	APR/ROI
<b>WATER FUND</b>										
M & O	130,697	0.00%	1,002,126	0.23%	3,495,600	0.34%	2,770,129	0.27%	7,398,553	0.29%
% of Total	1.77%		13.54%		47.25%		37.44%			
			22.28%		77.72%		0.00%			
WATER BOND RESERVE	0	0.00%	0	0.00%	0	0.00%	870,712	0.27%	870,712	0.27%
% of Total	0.00%		0.00%		0.00%		100.00%			
			0.00%		0.00%		0.00%			
DEPRECIATION	0	0.00%	1,002,644	0.26%	1,997,300	0.28%	2,817,983	0.27%	5,817,927	0.27%
% of Total	0.00%		17.23%		34.33%		48.44%			
			33.42%		66.58%		0.00%			
DEBT SERVICE	-	0.00%	-	0.00%	0	0.00%	79,340	0.27%	79,340	0.27%
% of Total	0.00%		0.00%		0.00%		100.00%			
			0.00%		0.00%		0.00%			
WATER DEBT SERVICE TWDB	-	0.00%	-	0.00%	0	0.00%	382,840	0.27%	382,840	0.27%
% of Total	0.00%		0.00%		0.00%		100.00%			
			0.00%		0.00%		0.00%			
CAPITAL IMPROVEMENT	219,062	0.00%	501,257	0.24%	999,150	0.43%	2,445,762	0.27%	4,165,231	0.29%
% of Total	5.26%		12.03%		23.99%		58.72%			
			33.41%		66.59%		0.00%			
BOND CONSTRUCTION	-155,383	0.00%	-	0.00%	0	0.00%	0	0.00%	-155,383	0.00%
% of Total	100.00%		0.00%		0.00%		0.00%			
			0.00%		0.00%		0.00%			
<b>TOTAL WATER</b>	<b>194,376</b>	<b>0.00%</b>	<b>2,506,027</b>	<b>0.24%</b>	<b>6,492,050</b>	<b>0.33%</b>	<b>9,366,766</b>	<b>0.27%</b>	<b>18,559,219</b>	<b>0.29%</b>
% of Total	1.05%		13.50%		34.98%		50.47%		100.00%	
			27.85%		72.15%		0.00%			
<b>WASTEWATER FUND</b>										
M & O	68,572	0.00%	0	0.00%	0	0.00%	2,873,984	0.27%	2,942,555	0.27%
% of Total	2.33%		0.00%		0.00%		97.67%			
			0.00%		0.00%		0.00%			
BOND RESERVE-TWDB 2009	-	0.00%	-	0.00%	0	0.00%	2,980,143	0.27%	2,980,143	0.27%
% of Total	0		0.00%		0.00%		100.00%			
			0.00%		0.00%		0.00%			
DEPRECIATION	18,254	0.00%	3,006,316	0.23%	8,995,600	0.75%	4,281,953	0.27%	16,302,124	0.53%
% of Total	0.11%		18.44%		55.18%		26.27%			
			25.05%		74.95%		0.00%			
DEBT SERVICE	-	0.00%	-	0.00%	0	0.00%	87,826	0.27%	87,826	0.27%
% of Total	0.00%		0.00%		0.00%		100.00%			
			0.00%		0.00%		0.00%			
WASTEWATER DEBT TWDB- 2009-2010	150.00	0.00%	-	0.00%	0	0.00%	276,705	0.27%	276,855	0.27%
% of Total	0.05%		0.00%		0.00%		99.95%			
			0.00%		0.00%		0.00%			
WASTEWATER BOND CONST TWDB - F492	(73,225)	0.00%	-	0.00%	0	0.00%	0	0.00%	-73,225	0.00%
* Series 2012	100.00%		0.00%		0.00%		0.00%			
			0.00%		0.00%		0.00%			
TWDB CONSTR FUND SERIES 2015	59,255	0.00%	-	0.00%	0	0.00%	0	0.00%	59,255	0.00%
*FUND 494	100.00%		0.00%		0.00%		0.00%			
			0.00%		0.00%		0.00%			
WASTEWATER TWDB DEBT - 2012	-	0.00%	-	0.00%	0	0.00%	529,006	0.27%	529,006	0.27%
% of Total	0.00%		0.00%		0.00%		100.00%			
			0.00%		0.00%		0.00%			
CAPITAL IMPROVEMENT	0	0.00%	1,002,449	0.26%	2,497,800	0.35%	2,014,735	0.27%	5,514,985	0.31%
% of Total	0.00%		18.18%		45.29%		36.53%			
			28.64%		71.36%		0.00%			
BOND CONSTRUCTION	76,313	0.00%	-	0.00%	0	0.00%	131,814	0.27%	208,127	0.17%
% of Total	36.67%		0.00%		0.00%		63.33%			
			0.00%		0.00%		0.00%			
<b>TOTAL WASTEWATER</b>	<b>149,319</b>	<b>0.00%</b>	<b>4,008,766</b>	<b>0.24%</b>	<b>11,493,400</b>	<b>0.67%</b>	<b>13,197,242</b>	<b>0.27%</b>	<b>28,848,727</b>	<b>0.42%</b>
% of Total	0.52%		13.90%		39.84%		45.75%		100%	
			25.86%		74.14%		0.00%			
<b>TOTAL PUB</b>	<b>343,695</b>	<b>0.00%</b>	<b>6,514,793</b>	<b>0.24%</b>	<b>17,985,450</b>	<b>0.55%</b>	<b>22,564,008</b>	<b>0.27%</b>	<b>47,407,946</b>	<b>0.37%</b>
% of Total	0.72%		13.74%		37.94%		47.60%		100.00%	
			26.59%		73.41%		0.00%			

\* Pending receipt of reimbursement funds from TWDB