



FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2021

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EXECUTIVE SUMMARY

Review of the Financial Statements For the Nine Months Ending June 30, 2021

Statement of Revenues and Expenses

<i>Water Fund</i>

Overall

Year-to-date revenues are reported at \$15,302,050, a decrease of \$228,835 or 1% under the same period of the prior year, 11% under budget on a flat basis. Year-to-date operating expenses are reported at \$14,559,376, a decrease of \$147,572, 1% under the same period of the prior year, 11% under budget on a flat basis. This resulted in year-to-date revenues over expenses of \$742,674 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, \$13,680,621, which is \$242,882, 2% under the same period of the prior year, 12% under budget on a flat basis. The residential category experienced a slight decrease in revenues primarily due to the 1% decrease in consumption during the nine-month period, as indicated on page 3. The commercial category experienced a 4% decrease in revenues from the prior year and 6% decrease in consumption. The industrial category experienced a 3% decrease in revenues and 2% 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 14% under the planned annual consumption of 9,000,000,000 gallons.

Tap Fees

This revenue line item, at \$285,250, is 25% over last year and 12% under year-to-date budget.

Connects & Reconnects

This revenue line item, at \$284,900, is 21% over last year 2% over year-to-date budget.

Other Operating Revenues

This revenue line item representing late fees and payment arrangement fees, at \$342,263, is 15% over last year and 11% over year-to-date budget.

Reimbursements

Reimbursements, at \$67,809 are over the annual budget amount of \$35,500.

Miscellaneous Revenues

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

\$243,321 have exceeded the annual budget amount of \$235,000.

Interest income

Interest earnings are 25% under 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 0.36% on cash and investments; the fund as a whole, 0.31%. The blended yield on investments, excluding cash and TexPool Prime, is reported at 0.48%.

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 June 30, 2021, 49,175 water accounts were serviced compared to 48,382 the prior year, an increase of 793 new accounts. During the first nine months of the current fiscal year, the number of accounts increased by 760 new accounts.

Wastewater Fund

Overall

As presented on page 5 of the report, year-to-date revenues are reported at \$14,776,472, an increase of \$416,929, or 3%, over the same period of the prior year, 12% under budget on a flat basis. Year-to-date operating expenses are reported at \$13,907,801, an increase of \$493,561, 4% over the same period of the prior year, 7% under budget on a flat basis. This resulted in revenues over expenses of \$868,670 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 nine-month period aggregates \$13,061,513, which is \$9,235 under the same period of the prior year, 15% 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 commercial categories. Revenues within the residential category were 1% over the prior year, 8% under budget. Revenues within the commercial category were 6% under the prior year, 22% under budget, when combining both the commercial and City of Alton revenues. Finally, revenues within the industrial category came in slightly over the prior year, 32% under budget.

Reuse Charges

Water reuse charges, excluding effluent to the Calpine/Duke power plants, are reported at \$139,921, 17% over the annual budget of \$120,000. Effluent charges to the power plants are reported at \$654,110, below budget for the period.

Industrial Waste Surcharge

This revenue line, at \$794,183, is 11% under year-to-date budget on a flat basis, due to the enforcement of the pre-treatment program.

Reimbursements

Reimbursements, at \$167,118 are over the annual budget amount of \$91,500.

Miscellaneous Revenues

Miscellaneous revenues include septic tank hauler fees and wastewater charges billed and collected by Sharyland Water Supply Corp. and other miscellaneous fees and, at \$678,803 have exceeded the annual budget amount of \$538,000.

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 0.33% on cash and investments; the fund as a whole, 0.21%. The blended yield on investments, excluding cash and TexPool Prime, is reported at 0.39%.

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 1% from the prior year. At June 30, 2021, 43,802 wastewater accounts were serviced compared to 43,192 the prior year, an increase of 610 new accounts. During the nine months of the current fiscal year, the number of accounts increased by 584 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 \$12,876,166, compared to \$12,134,345 the prior year. Debt-equity ratio is .88/1. 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 \$454,270 in a non-interest-bearing demand deposit account; \$16,098,519 in certificates of deposit, earning 0.52%; \$9,985,450 in government agency securities, earning 0.30%; and \$26,579,358 in TexPool Prime, which earned 0.07% in June. The overall blended yield of the entire portfolio is presented as 0.25%, compared to 1.17% the prior year. The overall blended yield of the investment holdings, excluding cash and TexPool Prime, is presented as 0.43%.

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

For the Nine Months Ended June 30, 2021

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined</u>
OPERATING REVENUES			
Residential Charges	\$ 8,964,012	\$ 8,785,893	\$ 17,749,905
Commercial Charges	4,355,050	2,858,813	7,213,863
Industrial Charges	279,581	172,107	451,688
City of Alton User Charges	-	450,670	450,670
Calpine/Duke Reuse Charges	-	654,110	654,110
Reuse-Water Charges	-	139,921	139,921
Regional Water Sales	81,978	-	81,978
Industrial Waste Surcharge	-	794,183	794,183
Reimbursements	67,809	167,118	234,927
Billing Charges	344,988	-	344,988
Connects/Reconnects	284,900	-	284,900
Tap Fees	285,250	-	285,250
Other Charges	585,584	729,628	1,315,212
Total Operating Revenues	15,249,152	14,752,442	30,001,594
NON-OPERATING REVENUES			
Sale of Property	10,830	7,635	18,465
Interest	42,067	16,394	58,463
Total Non-Operating Revenues	52,897	24,030	76,928
TOTAL REVENUES	15,302,050	14,776,472	30,078,521
EXPENSES			
Plants	3,258,489	3,147,555	6,406,044
Cost of Raw Water	1,521,390	-	1,521,390
Labs	323,333	497,270	820,603
Distribution & Collections	1,763,964	1,585,662	3,349,626
Meter Readers	768,819	-	768,819
Utility Billing	600,938	-	600,938
Customer Relations	728,690	-	728,690
Treasury Management	380,695	-	380,695
General & Administration	1,044,376	1,114,305	2,158,681
Employee Benefits	19,688	-	19,688
Insurance	29,295	31,896	61,191
Pension Expense-TMRS (GASB 68)	-	-	-
TMRS Benefits-Contra (GASB 68)	-	-	-
Debt Service	735,760	1,004,438	1,740,198
Billing Charges	-	172,494	172,494
Depreciation*	3,383,940	6,354,182	9,738,122
TOTAL EXPENSES	14,559,376	13,907,801	28,467,178
INCOME(LOSS) PRIOR TO CONTRIBUTIONS & TRANSFERS			
	\$ 742,674	\$ 868,670	\$ 1,611,344
Contributions - Acquired Assets	-	-	-
Change in net assets	\$ 742,674	\$ 868,670	\$ 1,611,344
<i>Transfer to Capital Improvement Fund</i>	<i>\$ 1,406,561</i>	<i>\$ 669,640</i>	<i>\$ 2,076,201</i>
<i>Transfer to Depreciation Fund</i>	<i>1,184,379</i>	<i>2,540,960</i>	<i>3,725,339</i>
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	<i>-</i>	<i>2,090,751</i>	<i>2,090,751</i>
<i>Capitalized Interest</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Bond Refunding Costs</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Health Insurance Fund</i>	<i>76,028</i>	<i>38,279</i>	<i>114,307</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 Nine Months Ended June 30, 2021

	Year-To-Date					75.00%
	Budget	Current	Prior	Variance	Inc/Dec	Actual % to Budget
REVENUES						
1 Residential Charges	\$ 14,428,560	\$ 8,964,012	\$ 8,978,086	\$ (14,074)	-0.16%	62.13%
2 Commercial Charges	6,508,437	4,355,050	4,533,538	(178,487)	-3.94%	66.91%
3 Industrial Charges	541,053	279,581	287,036	(7,455)	-2.60%	51.67%
4 Backflow Testing Charges	-	-	-	-	0.00%	0.00%
5 Regional Water Usage	340,000	81,978	124,843	(42,866)	-34.34%	24.11%
Total users' charges	21,818,050	13,680,621	13,923,503	(242,882)	-1.74%	62.70%
6 Tap Fees	450,000	285,250	228,950	56,300	24.59%	63.39%
7 Connects & Reconnects	370,000	284,900	234,825	50,075	21.32%	77.00%
8 Other Operating Revenues	400,000	342,263	297,399	44,864	15.09%	85.57%
9 Other Revenues - Sale of Property	-	10,830	31,574	(20,744)	-65.70%	0.00%
11 Reimbursements - Sharyland #2	-	-	-	-	0.00%	0.00%
16 Reimbursements - Other	35,500	67,809	22,301	45,509	204.07%	191.01%
17 Miscellaneous	235,000	243,321	265,498	(22,177)	-8.35%	103.54%
18 Interest Earned	84,637	42,067	181,847	(139,780)	-76.87%	49.70%
19 Revenues before billing charges	23,393,187	14,957,062	15,185,897	(228,835)	-1.51%	63.94%
20 Billing Charges	460,000	344,988	344,988	-	0.00%	75.00%
21 TOTAL REVENUES	23,853,187	15,302,050	15,530,885	(228,835)	-1.47%	64.15%
EXPENSES						
22 Water Plants	5,077,161	3,258,489	3,142,168	D 116,321	3.70%	64.18%
23 Cost of Raw Water	2,593,905	1,521,390	1,518,326	E 3,064	0.20%	58.65%
24 Water Lab	456,976	323,333	306,610	F 16,723	5.45%	70.75%
25 Trans & Distribution	3,071,806	1,763,964	1,757,560	G 6,404	0.36%	57.42%
26 Meter Readers	1,132,291	768,819	733,312	H 35,507	4.84%	67.90%
27 Utility Billing	869,886	600,938	565,871	I 35,067	6.20%	69.08%
28 Customer Relations	1,090,664	728,690	841,203	J (112,513)	-13.38%	66.81%
29 Treasury Management	584,671	380,695	405,758	K (25,063)	-6.18%	65.11%
30 General & Admin	1,897,259	1,044,376	1,192,031	L (147,655)	-12.39%	55.05%
31 Non-recurring Expense	-	-	-	-	0.00%	0.00%
32 Employee Benefits	115,452	19,688	3,500	16,188	0.00%	17.05%
33 Insurance	55,099	29,295	29,295	-	0.00%	53.17%
34 Pension Expense-TMRS (GASB 68)	-	-	-	-	0.00%	0.00%
35 TMRS Benefits-Contra (GASB 68)	-	-	-	-	0.00%	0.00%
36 Sub-Total Expenses	16,945,170	10,439,677	10,495,634	(55,958)	-0.53%	61.61%
37 Debt Service	1,205,044	735,760	785,617	(49,857)	-6.35%	61.06%
38 Depreciation *	4,591,243	3,383,940	3,425,698	(41,758)	-1.22%	73.70%
39 TOTAL EXPENSES	22,741,457	14,559,376	14,706,949	(147,572)	-1.00%	64.02%
40 Revenues Over (Under) Expenses	1,111,730	742,674	823,937			
41 Contributions - Acquired assets	-	-	-			
42 Change in Net Assets		742,674	823,937			
NON-OPERATING EXPENSES						
43 Capital Outlay	-	-	-	-	-	-
44 Transfer to Capital Improvements	1,875,415	1,406,561	953,964	452,597	-	-
45 Transfer to Misc. Gov't Grants	-	-	-	-	-	-
46 Transfer to Depreciation	1,606,935	1,184,379	1,198,994	(14,615)	-	-
47 Transfer to TWDB Construction-Loan Reimbursement	-	2,844,301	2,459,790	384,511	-	-
48 Reserve for Water Rights	-	-	-	-	-	-
49 Rebutable Arbitrage	-	-	-	-	-	-
50 Capitalized Interest	-	-	-	-	-	-
51 Bond Refunding Costs	-	-	231,144	(231,144)	-	-
52 Health Insurance Fund	101,370	76,028	155,511	(79,484)	-	-

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

McALLEN PUBLIC UTILITY
WATER FUND REFERENCE NOTES
For the Nine Months Ended June 30, 2021

Ref	Description	Month Ending				Fiscal Year-to-Date			% Inc (Dec)	
		CONSUMPTION	30-Jun-21	30-Jun-20	Inc(Dec)	% Inc(Dec)	30-Jun-21	30-Jun-20		Inc(Dec)
A	Residential *		326,473,900	363,883,000	(37,409,100)	-10.28%	3,217,450,800	3,253,738,200	(36,287,400)	-1.12%
B	Commercial		241,056,900	254,727,600	(13,670,700)	-5.37%	2,225,325,900	2,367,709,500	(142,383,600)	-6.01%
C	Industrial		22,827,900	26,342,800	(3,514,900)	-13.34%	170,369,800	172,993,200	(2,623,400)	-1.52%
	Total		590,358,700	644,953,400	(54,594,700)	-8.46%	5,613,146,500	5,794,440,900	(181,294,400)	-3.13%

NUMBER OF WATER ACCOUNTS

A	Residential	**	41,327	40,670	657	1.62%
B	Commercial		7,694	7,560	134	1.77%
C	Industrial		154	152	2	1.32%
	Total		49,175	48,382	793	1.64%

* Gallons year-to-date for Sharyland accounts = 30,477,800
** Number of Sharyland accounts = 269

Growth in number of new accounts for the current fiscal year:			Growth in number of new accounts prior year:		
Number of accounts at	6/30/21	49,175	6/30/2020	48,382	
Number of accounts at	9/30/20	48,415	9/30/2019	47,950	
Increase/(Decrease) in accounts		760		432	

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	\$ 141,163	\$ (34,220)	\$ (183,641)	\$ 192,315	\$ 705	\$ 116,321
E Cost of Raw Water	-	-	3,064	-	-	3,064
F Water Lab	4,488	7,615	580	8,275	(4,235)	16,723
G Trans & Distribution	58,513	(2,862)	(82,679)	26,092	7,339	6,404
H Meter Readers	30,105	253	6,959	5,672	(7,483)	35,507
I Utility Billing	5,416	(696)	26,873	(103)	3,576	35,067
J Customer Relations	(8,984)	9,386	(104,991)	(4,409)	(3,515)	(112,513)
K Treasury Management	(21,757)	144	(6,598)	2,917	232	(25,063)
L General & Admin	(132,853)	(8,958)	(5,801)	(1,164)	1,121	(147,655)
	\$ 76,091	\$ (29,338)	\$ (346,233)	\$ 229,595	\$ (2,259)	\$ (72,145)

ANALYSIS OF ACTUAL TO BUDGETED CONSUMPTION & REVENUES

Budgeted Consumption for fy 2020-21 (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
				December 675,000,000
Planned consumption at 6/30/21		6,525,000,000		January 675,000,000
Actual consumption at 6/30/21		5,613,146,500		February 675,000,000
Excess/(deficiency) to planned		(911,853,500)	-13.97%	March 675,000,000
				April 825,000,000
Budgeted User Charge Revenues for fy 2020-21		\$ 21,818,050		May 825,000,000
* 45% of planned revenues		9,818,123		June 825,000,000
* 55% of planned revenues		11,999,928		July 825,000,000
				August 825,000,000
Planned revenues at 6/30/21		15,818,086		September 825,000,000
Actual revenues at 6/30/21		13,680,621		
Excess/(deficiency) to planned		\$ (2,137,465)	-13.51%	Total 9,000,000,000

* 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 Nine Months Ended June 30, 2021

	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
Sources								
Interest Revenue	\$ 61,045	\$ 45,784	\$ 40,776	89.06%	\$ 33,791	\$ 25,343	\$ 24,350	96.08%
Miscellaneous	0	0	0	0.00%	0	0	0	0.00%
Transfers In	1,606,935	1,205,201	1,184,379	98.27% **	1,875,415	1,406,561	1,406,561	100.00%
Total Sources	\$ 1,667,980	\$ 1,250,985	\$ 1,225,155	97.94%	1,909,206	1,431,905	1,430,911	99.93%
Uses								
Replacement (Infrastructure)	512,650	384,488	1,012,790	263.41%	0	0	0	0.00%
Capital Outlay	4,284,179	3,213,134	275,695	8.58%	3,497,210	2,622,908	653,191	24.90%
Transfers Out	0	0	0	0.00%	0	0	0	0.00%
Total Uses	\$ 4,796,829	\$ 3,597,622	\$ 1,288,486	35.81%	\$ 3,497,210	\$ 2,622,908	\$ 653,191	24.90%
Sources Over/ (Under) Uses	\$ (3,128,849)	\$ (2,346,637)	\$ (63,331)		\$ (1,588,004)	\$ (1,191,003)	\$ 777,720	

*75% of the year completed

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

For the Nine Months Ended June 30, 2021

	Budget	Year-To-Date				75.00%
		Current	Prior Year	Variance	Inc/Dec	Actual % To Budget
REVENUES						
1 Residential Charges	\$ 13,186,882	\$ 8,785,893	\$ 8,733,853	A \$ 52,040	0.60%	66.63%
2 Commercial Charges	5,500,970	2,858,813	2,919,222	A (60,410)	-2.07%	51.97%
3 Industrial Charges	402,851	172,107	171,438	A 669	0.39%	42.72%
4 City of Alton User Charges	750,000	450,670	586,300	A (135,629)	-23.13%	60.09%
5 Calpine/Duke Reuse Charges	1,663,500	654,110	537,167	A 116,943	21.77%	39.32%
6 Reuse-Water Charges	120,000	139,921	122,768	A 17,153	13.97%	116.60%
Total users' charges	21,624,203	13,061,513	13,070,748	(9,235)	-0.07%	60.40%
7 Ind. Waste Surcharge	1,240,000	794,183	518,152	276,031	53.27%	64.05%
8 Other Operating Revenues	-	50,825	29,750	21,075	0.00%	0.00%
9 Other Revenues - Sale of Property	-	7,635	25,529	(17,893)	0.00%	0.00%
10 Reimbursements	91,500	167,118	81,247	85,871	105.69%	182.64%
11 Miscellaneous	538,000	678,803	530,590	148,213	27.93%	126.17%
12 Interest Earned	60,527	16,394	103,528	(87,133)	-84.16%	27.09%
13 Total Revenues	23,554,230	14,776,472	14,359,543	416,929	2.90%	62.73%
EXPENSES						
14 Wastewater Plant	4,868,091	3,147,555	3,121,609	B 25,946	0.83%	64.66%
15 Wastewater Lab	654,044	497,270	402,475	C 94,796	23.55%	76.03%
16 Wastewater Collections	2,444,235	1,585,662	1,709,049	D (123,387)	-7.22%	64.87%
17 General & Admin.	2,010,795	1,114,305	661,043	E 453,262	68.57%	55.42%
18 Employee Benefits	49,333	-	-	-	0.00%	0.00%
19 Insurance	65,261	31,896	31,896	-	0.00%	48.87%
20 Pension Expense-TMRS (GASB 68)	-	-	-	-	0.00%	0.00%
21 TMRS Benefits-Contra (GASB 68)	-	-	-	-	0.00%	0.00%
22 Sub-Total Expenses	10,091,759	6,376,687	5,926,071	450,617		63.19%
22 Debt Service	1,342,837	1,004,438	1,056,954	(52,516)	-4.97%	74.80%
23 Depreciation *	8,681,825	6,354,182	6,258,722	95,461	1.53%	73.19%
24 Expenses Before Billing Charges	20,116,421	13,735,307	13,241,746	493,561	3.73%	68.28%
25 Billing Charges	230,000	172,494	172,494	-	0.00%	75.00%
26 TOTAL EXPENSES	20,346,421	13,907,801	13,414,240	493,561	3.68%	68.36%
27 Revenues Over (Under) Expenses	\$ 3,207,809	\$ 868,670	\$ 945,303			
28 Contributions - Acquired assets	-	-	-			
29 Change in Net Assets		868,670	945,303			
NON-OPERATING EXPENSES						
30 Capital Outlay	-	-	-	-		
31 Transfer to Capital Improvement	892,853	669,640	627,948	41,692		
32 Transfer to Depreciation	3,472,730	2,540,960	2,503,489	37,471		
33 Transfer to TWDB Construction-Loan Reimbursement	-	2,090,751	4,468,396	(2,377,645)		
34 Rebutable Arbitrage	-	-	7,234	(7,234)		
35 Capitalized Interest	-	-	-	-		
36 Bond Refunding Costs	-	-	108,354	(108,354)		
37 Health Insurance	51,039	38,279	88,533	(50,254)		

* 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 Nine Months Ended June 30, 2021

ANALYSIS OF YEAR-TO-DATE EXPENDITURES

Ref Description	Month Ending				Fiscal Year-to-Date			
	30-Jun-21	30-Jun-20	Inc(Dec)	% Inc(Dec)	30-Jun-21	30-Jun-20	Inc(Dec)	(Dec)
CONSUMPTION								
A Residential	276,259,600	309,135,000	(32,875,400)	-10.63%	2,696,089,700	2,700,164,100	(4,074,400)	-0.15%
A Commercial	196,576,900	201,807,600	(5,230,700)	-2.59%	1,620,360,500	1,767,175,600	(146,815,100)	-8.31%
A Industrial	21,283,900	23,901,200	(2,617,300)	-10.95%	153,596,000	142,270,500	11,325,500	7.96%
Total	494,120,400	534,843,800	(40,723,400)	-7.61%	4,470,046,200	4,609,610,200	(139,564,000)	-3.03%

Ref Description	Month Ending				Fiscal Year-to-Date			
	30-Jun-21	30-Jun-20	Inc(Dec)	% Inc(Dec)	30-Jun-21	30-Jun-20	Inc(Dec)	(Dec)
REUSE CONSUMPTION *								
Residential	5,406,200	5,843,900	(437,700)	-7.49%	60,315,000	44,116,600	16,198,400	36.72%
Commercial	2,281,300	5,332,000	(3,050,700)	-57.21%	33,823,700	49,814,000	(15,990,300)	-32.10%
Industrial	0	0	0	0.00%	0	0	0	0.00%
Total	7,687,500	11,175,900	(3,488,400)	-31.21%	94,138,700	93,930,600	208,100	0.22%

* Excludes effluent to power plants

NUMBER OF WASTEWATER ACCOUNTS

A Residential	**	38,056	37,524	532	1.42%
A Commercial		5,617	5,546	71	1.28%
A Industrial		129	122	7	5.74%
Total		43,802	43,192	610	1.41%

Number of new accounts for the current fiscal year:			Growth in number of new accounts prior year:	
Number of accounts at 6/30/2021	43,802		6/30/2020	43,192
Number of accounts at 9/30/2020	43,218		9/30/2019	42,804
Increase/(Decrease) in accounts	584		388	

NUMBER OF REUSE ACCOUNTS

A Residential	489	332	157	47.29%
A Commercial	16	16	0	0.00%
A Industrial	0	0	0	0.00%
Total	505	348	157	45.11%

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	\$ 41,078	\$ (13,174)	\$ 36,861	\$ 14,108	\$ (52,926)	\$ 25,946
C Wastewater Lab	58,315	7,002	2,716	6,640	20,123	94,796
D Wastewater Collections	(79,694)	4,231	(884)	(43,774)	(3,266)	(123,387)
E General & Admin.	165,129	970	258,372	24,120	4,671	453,262
\$	184,827	(972)	297,065	1,095	(31,399)	450,617

ANALYSIS OF ACTUAL TO BUDGETED CONSUMPTION & REVENUES

Budgeted Consumption for fy 2020-21 (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 6/30/21	5,178,050,050	January	535,660,350
Actual consumption at 6/30/21	4,470,046,200	February	535,660,350
Excess/(deficiency) to planned	(708,003,850)	March	535,660,350
		April	654,695,983
Budgeted User Charge Revenues for fy 2020-21	\$ 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 6/30/21	14,471,510	September	654,695,983
Actual revenues at 6/30/21	12,407,403	Total	7,142,138,000
Excess/(deficiency) to planned	(2,064,107)		

* 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 Nine Months Ended June 30, 2021

	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	\$ 101,239	\$ 110,906	109.55%	\$ 37,172	\$ 27,879	\$ 28,272	101.41%
Miscellaneous	-	-	-	0.00%	-	-	-	0.00%
Transfers In	3,472,730	2,604,548	2,540,960	97.56%	892,853	669,640	669,640	100.00%
Total Sources	\$ 3,607,715	\$ 2,705,786	\$ 2,651,866	98.01%	\$ 930,025	\$ 697,519	\$ 697,911	100.06%

	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
Uses								
Replacement (Infrastructure)	3,018,520	2,263,890	216,620	9.57%	-	-	-	0.00%
Capital Outlay	602,460	451,845	373,714	82.71%	4,679,046	3,509,285	441,141	12.57%
Transfers Out	-	-	-	0.00%	-	-	-	0.00%
Total Uses	\$ 3,620,980	\$ 2,715,735	\$ 590,334	21.74%	\$ 4,679,046	\$ 3,509,285	\$ 441,141	12.57%

Sources Over/ (Under) Uses	(\$13,265)	(\$9,949)	\$2,061,532	(\$3,749,021)	(\$2,811,766)	\$256,771
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*75% of the year completed

**WATER & WASTEWATER FUND
COMBINED BALANCE SHEET**

as of June 30, 2021

	<u>WATER FUND</u> *	<u>WASTEWATER FUND</u> *	<u>COMBINED</u>
ASSETS			
<u>Current Assets</u>			
Cash & Investments			
Demand.....	\$ 2,300	\$ 54,741	\$ 57,041
Time Deposits.....	4,025,168	1,012,263	5,037,431
Investments.....	2,652,458	2,413,753	5,066,211
Market Value Adjustment.....	0	0	0
Mgr/Trust Cash.....	0	0	0
Receivables, net:			
Accounts.....	1,896,480	1,985,812	3,882,292
Accrued Interest.....	904	0	904
Due From Other Funds.....	0	0	0
Water/Sewer Line Assessments.....	0	2,200	2,200
Inventories, at cost.....	187,183	0	187,183
Miscellaneous.....	0	0	0
Prepaid expenses.....	0	0	0
Total Current Assets	\$ 8,764,493	\$ 5,468,768	\$ 14,233,261
Notes Receivable	81,269	81,229	162,498
<u>Restricted Assets</u>			
Mgr/Trust Cash.....	0	0	0
Accrued Interest.....	910	2,118	3,027
Due From Other Funds.....	27,989	0	27,989
Notes Receivable - Airport	0	0	0
Accounts Receivable.....	0	0	0
Sub-Total	28,898	2,118	31,015
Demand.....	148,411	251,119	399,530
Time Deposits.....	8,674,814	8,036,211	16,711,025
Investments.....	5,835,641 **	16,425,686	22,261,327
Market Value Adjustment.....	0	0	0
Total Restricted Cash & Investments	14,658,866	24,713,016	39,371,882
Total Restricted Assets	14,687,764	24,715,134	39,402,898
Propert, Plant, & Equipment.....	160,923,252	264,327,545	425,250,797
(Less: Accumulated Depreciation).....	(89,553,788)	(107,102,677)	(196,656,465)
Net Property, Plant, & Equipment	71,369,464	157,224,868	228,594,332
Other Assets, net.....	25,848,282	4,514,268	30,362,550
TOTAL ASSETS	\$ 120,751,272	\$ 192,004,267	312,755,539

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

** Includes a portion of the restricted customer deposits totalling \$2,948,666

WATER & WASTEWATER FUND

COMBINED BALANCE SHEET

as of June 30, 2021

	<u>WATER FUND</u>	*	<u>WASTEWATER FUND</u>	*	<u>COMBINED</u>
LIABILITIES & FUND EQUITY					
<u>Current Liabilities</u>					
Accounts Payable.....	\$ 179,429		\$ 134,499		\$ 313,928
Accrued Expense.....	539,362		403,805		943,167
Due to Other Funds.....	0		0		0
Other.....	0		100,000		100,000
Total Current Liabilities	718,791		638,304		1,357,095
<u>Liabilities Payable from Restricted Assets</u>					
Accounts Payable.....	(19,917)		50,982		31,066
Accrued Expense.....	458,114		248,785		706,900
Due to Other Funds.....	27,989		0		27,989
Interest Payable.....	395,897		544,547		940,445
Customer Deposits.....	2,948,666		0		2,948,666
Current Portion of Revenue Bonds.....	1,708,574		4,787,436		6,496,010
Total Liabilities Payable from Restricted Assets	5,519,324		5,631,751		11,151,075
<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.....	293,426		14,626		308,052
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	40,432,312		105,557,951		145,990,263
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		1,574,540		1,574,540
Reserve for Capital Improvement.....	4,914,899		5,720,830		10,635,729
Reserve for Depreciation.....	6,660,459		15,706,575		22,367,034
Reserve for Water Rights Purchase.....	0		0		0
Unreserved.....	68,743,602		63,444,372		132,187,973
Total Retained Earnings	80,318,960		86,446,316		166,765,276
TOTAL LIABILITIES AND FUND EQUITY	\$ 120,751,272		\$ 192,004,267		\$ 312,755,539

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

**WATER FUND
COMBINED BALANCE SHEET**

as of June 30, 2021

ASSETS	Water Fund	RESTRICTED ASSETS				Combined
		Water Depr. Fund	Water Capital Impr. Fund	Water Revenue Bonds	Debt Service	
ASSETS						
<u>Current Assets</u>						
Cash & Investments						
Demand.....	\$ 2,300	\$ 16,842	\$ 483,623	\$ (352,054)	\$ -	\$ 150,711
Time Deposits.....	4,025,168	4,715,119	1,011,028	-	-	9,751,316
Investments & Securities.....	2,652,458	1,997,300	3,386,057	-	452,284	8,488,099
Market Value Adjustment.....	-	-	-	-	-	-
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,896,480	-	-	-	-	1,896,480
Accrued Interest.....	904	824	86	-	-	1,814
Due From Other Funds.....	-	-	27,989	-	-	27,989
Water Line Assessments.....	-	-	-	-	-	-
Inventories, at cost.....	187,183	-	-	-	-	187,183
Prepaid expenses.....	-	-	-	-	-	-
Total Current Assets	8,764,493	6,730,086	4,908,782	(352,054)	452,284	20,503,591
Notes Receivable	81,269	-	-	-	-	81,269
CD's restricted for customer deposits.....	2,948,666	-	-	-	-	2,948,666
Investments restricted for customer deposits.....	-	-	-	-	-	-
Property, Plant, & Equipment.....	160,923,252	-	-	-	-	160,923,252
(Less: Accum. Depreciation/Amortization).....	(89,553,788)	-	-	-	-	(89,553,788)
Net Property, Plant, & Equipment	71,369,464	-	-	-	-	71,369,464
Other Assets, net.....	25,848,282	-	-	-	-	25,848,282
TOTAL ASSETS	109,012,174	6,730,086	4,908,782	(352,054)	452,284	120,751,272
LIABILITIES & FUND EQUITY						
<u>Current Liabilities</u>						
Accounts Payable.....	179,429	-	-	-	-	179,429
Accrued Expense.....	539,362	-	-	-	-	539,362
Due To Other Funds.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
Total Current Liabilities	718,791	-	-	-	-	718,791
<u>Liabilities Payable from Restricted Assets</u>						
Current Portion of Revenue Bonds.....	1,708,574	-	-	-	-	1,708,574
Accounts Payable.....	-	8,542	(28,588)	-	129	(19,917)
Accrued Expense.....	-	61,084	22,471	374,559	-	458,114
Interest Payable.....	-	-	-	-	395,897	395,897
Due To Other Funds.....	27,989	-	-	-	-	27,989
Customer Deposits.....	2,948,666	-	-	-	-	2,948,666
Total Liabilities Payable from Restricted Assets	4,685,229	69,627	(6,117)	374,559	396,026	5,519,324
<u>Other Non-Current Liabilities</u>						
Revenue Bonds	31,612,414	-	-	-	-	31,612,414
Arbitrage Payable.....	-	-	-	-	-	-
Deferred Revenues.....	293,426	-	-	-	-	293,426
Deferred inflows of resources.....	1,064,706	-	-	-	-	1,064,706
Noncurrent liabilities / net pension liability.....	1,223,651	-	-	-	-	1,223,651
TOTAL LIABILITIES	39,598,217	69,627	(6,117)	374,559	396,026	40,432,312
FUND EQUITY						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Current Debt Service.....	-	-	-	-	-	-
Reserve for Capital Improvement.....	-	-	4,914,899	-	-	4,914,899
Reserve for Depreciation.....	-	6,660,459	-	-	-	6,660,459
Reserve for Water Rights.....	-	-	-	-	-	-
Unreserved.....	69,413,957	-	-	(726,612)	56,257	68,743,602
Total Retained Earnings	69,413,957	6,660,459	4,914,899	(726,612)	56,257	80,318,960
TOTAL LIABILITIES & FUND EQUITY	\$ 109,012,174	\$ 6,730,086	\$ 4,908,782	\$ (352,054)	\$ 452,284	\$ 120,751,272

**WASTEWATER FUND
COMBINED BALANCE SHEET**

as of June 30, 2021

ASSETS	RESTRICTED ASSETS					Combined
	Wastewater Fund	Depreciation Fund	Wastewater Capital Impr. Fund	Wastewater Revenue Bonds	Debt Service	
Current Assets						
Cash & Investments						
Demand.....	\$ 54,741	\$ 32,046	\$ 154,900	\$ 64,172	\$ -	\$ 305,859
Time Deposits.....	1,012,263	6,525,487	1,510,724	-	-	9,048,474
Investments & Securities.....	2,413,753	9,147,709	4,092,184	1,066,535	2,119,258	18,839,439
Market Value Adjustment.....	-	-	-	-	-	-
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,985,812	-	-	-	-	1,985,812
Accrued Interest.....	0	1,332	786	-	-	2,118
Due From Other Funds.....	-	-	-	-	-	-
Wastewater Line Assessments.....	2,200	-	-	-	-	2,200
Miscellaneous.....	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Current Assets	5,468,768	15,706,575	5,758,594	1,130,707	2,119,258	30,183,902
Notes Receivables - Hunt	81,229	-	-	-	-	81,229
Property, Plant, & Equipment.....	264,327,545	-	-	-	-	264,327,545
(Less: Accumulated Depreciation).....	(107,102,677)	-	-	-	-	(107,102,677)
Net Property, Plant, & Equipment	157,224,868	-	-	-	-	157,224,868
Other Assets.....	4,514,268	-	-	-	-	4,514,268
TOTAL ASSETS	167,289,134	15,706,575	5,758,594	1,130,707	2,119,258	192,004,267
LIABILITIES & FUND EQUITY						
Current Liabilities						
Accounts Payable.....	134,499	-	-	-	-	134,499
Accrued Expenses.....	403,805	-	-	-	-	403,805
Due to Other Funds.....	-	-	-	-	-	-
Other.....	100,000	-	-	-	-	100,000
Total Current Liabilities	638,304	-	-	-	-	638,304
Liabilities Payable from Restricted Assets						
Accounts Payable.....	-	-	27,891	22,920	171	50,982
Accrued Expenses.....	-	-	9,873	238,912	-	248,785
Due to Other Funds.....	-	-	-	-	-	-
Interest Payable.....	-	-	-	-	544,547	544,547
Current Portions of all Revenue Bonds....	4,787,436	-	-	-	-	4,787,436
Total Liabilities Payable from Restricted Assets	4,787,436	-	37,765	261,832	544,718	5,631,751
Other Non-Current Liabilities						
Deferred Revenue.....	14,626	-	-	-	-	14,626
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	104,713,636	-	37,765	261,832	544,718	105,557,951
FUND EQUITY						
Retained Earnings						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Debt Service.....	-	-	-	-	1,574,540	1,574,540
Reserve for Depreciation.....	-	15,706,575	-	-	-	15,706,575
Reserve for Capital Improvement.....	-	-	5,720,830	-	-	5,720,830
Unreserved.....	62,575,497	-	-	868,874	-	63,444,372
Total Retained Earnings	62,575,497	15,706,575	5,720,830	868,874	1,574,540	86,446,316
\$ 167,289,134	\$ 15,706,575	\$ 5,758,594	\$ 1,130,707	\$ 2,119,258	\$ 192,004,267	

**McALLEN PUBLIC UTILITY
RECONCILED BANK BALANCES
As of June 30, 2021**

	POOL	TIME		CDARS		GROSS		TEX POOL-PRIME		BLENDED		BLEND YIELD ON INVESTMENTS ONLY	TOTAL INVESTMENTS
	CASH	APR/ROI	DEPOSITS	APR/ROI	HOLDINGS	APR/ROI	INVESTMENTS	APR/ROI	APR/ROI	TOTAL	APR/ROI		
WATER FUND													
M & O	0	0.00%	4,025,565	0.58%	0.00%		2,995,600	0.30%	2,605,525	0.07%			
% of Total	0.00%		41.82%		0.00%		31.12%		27.07%			0.46%	7,021,165
			57.33%		0.00%		42.67%		0.00%				
WATER BOND RESERVE	0	0.00%	0	0.00%	0.00%		0	0.00%	647,567	0.07%			0
% of Total	0.00%		0.00%		0.00%		0.00%		100.00%		0.07%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
DEPRECIATION	16,842	0.00%	2,012,042	0.58%	0.00%		1,997,300	0.28%	2,703,463	0.07%			
% of Total	0.25%		29.90%		0.00%		29.68%		40.17%		0.28%	0.43%	4,009,342
			50.18%		0.00%		49.82%		0.00%				
DEBT SERVICE	-	0.00%	-	0.00%	0.00%		0	0.00%	226,279	0.07%			0
% of Total	0.00%		0.00%		0.00%		0.00%		100.00%		0.07%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
WATER DEBT SERVICE TWDB	-	0.00%	-	0.00%	0.00%		0	0.00%	226,005	0.07%			0
% of Total	0.00%		0.00%		0.00%		0.00%		100.00%		0.07%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
CAPITAL IMPROVEMENT	483,623	0.00%	1,011,080	0.90%	0.00%		499,150	0.35%	2,886,907	0.07%			
% of Total	9.91%		20.72%		0.00%		10.23%		59.15%		0.26%	0.72%	1,510,230
			66.95%		0.00%		33.05%		0.00%				
BOND CONSTRUCTION	-352,054	0.00%	-	0.00%	0.00%		0	0.00%	0	0.00%			0
% of Total	100.00%		0.00%		0.00%		0.00%		0.00%		0.00%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
TOTAL WATER	148,411	0.00%	7,048,687	0.63%	0		5,492,050	0.30%	9,295,745	0.07%		0.48%	12,540,737
% of Total	0.68%		32.06%		0.00%		24.98%		42.28%		0.31%		
			56.21%		0.00%		43.79%		0.00%				
SEWER FUND													
M & O	54,741	0.00%	1,012,263	0.96%	0.00%		0	0.00%	2,413,753	0.07%			
% of Total	1.57%		29.08%		0.00%		0.00%		69.35%		0.33%	0.96%	1,012,263
			100.00%		0.00%		0.00%		0.00%				
BOND RESERVE-TWDB 2009	-	0.00%	-	0.00%	0.00%		0	0.00%	2,937,574	0.07%			0
% of Total	0		0.00%		0.00%		0.00%		100.00%		0.07%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
DEPRECIATION	32,046	0.00%	6,526,313	0.44%	0.00%		2,995,600	0.30%	6,152,109	0.07%			
% of Total	0.20%		41.55%		0.00%		19.07%		39.17%		0.27%	0.40%	9,521,913
			68.54%		0.00%		31.46%		0.00%				
DEBT SERVICE	-	0.00%	-	0.00%	0.00%		0	0.00%	246,583	0.07%			0
% of Total	0.00%		0.00%		0.00%		0.00%		100.00%		0.07%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
SEWER DEBT TWDB- 2009-2010	-	0.00%	-	0.00%	0.00%		0	0.00%	614,923	0.07%			0
% of Total	0.00%		0.00%		0.00%		0.00%		100.00%		0.07%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
SEWER BOND CONST TWDB - F492 * Series 2012	(741,890)	0.00%	-	0.00%	0.00%		0	0.00%	0	0.00%			0
% of Total	100.00%		0.00%		0.00%		0.00%		0.00%		0.00%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
TWDB CONSTR FUND SERIES 2015 *FUND 494	59,255	0.00%	-	0.00%	0.00%		0	0.00%	0	0.00%			0
% of Total	100.00%		0.00%		0.00%		0.00%		0.00%		0.00%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
SEWER TWDB Debt - 2012	-	0.00%	-	0.00%	0.00%		0	0.00%	1,257,752	0.07%			0
% of Total	0.00%		0.00%		0.00%		0.00%		100.00%		0.07%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
CAPITAL IMPROVEMENT	154,900	0.00%	1,511,257	0.69%	0.00%		1,497,800	0.30%	2,594,384	0.07%			
% of Total	2.69%		26.24%		0.00%		26.01%		45.05%		0.29%	0.50%	3,009,057
			50.22%		0.00%		49.78%		0.00%				
BOND CONSTRUCTION	746,807	0.00%	-	0.00%	0.00%		0	0.00%	745,496	0.07%			0
% of Total	50.04%		0.00%		0.00%		0.00%		49.96%		0.04%	0.00%	
			0.00%		0.00%		0.00%		0.00%				
TOTAL SEWER	305,859	0.00%	9,049,832	0.43%	0		4,493,400	0.30%	17,283,613	0.07%		0.39%	13,543,232
% of Total	0.98%		29.07%		0.00%		14.43%		55.52%		0.21%		
			66.82%		0.00%		33.18%		0.00%				
TOTAL PUB	454,270	0.00%	16,098,519	0.52%	0		9,985,450	0.30%	26,579,358	0.07%		0.43%	26,083,969
% of Total	0.86%		30.31%		0.00%		18.80%		50.04%		0.25%		
			61.72%		0.00%		38.28%		0.00%				

* Pending receipt of reimbursement funds from TWDB