



FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2021

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EXECUTIVE SUMMARY

Review of the Financial Statements For the Six Months Ending March 31, 2021

Statement of Revenues and Expenses

Water Fund

Overall

Year-to-date revenues are reported at \$10,165,053, a decrease of \$179,059 or 2% under the same period of the prior year, 7% under budget on a flat basis. Year-to-date operating expenses are reported at \$9,829,742, an increase of \$1,854, in line with the same period of the prior year, 7% under budget on a flat basis. This resulted in year-to-date revenues over expenses of \$335,311 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, \$9,080,740, which is \$85,555, 1% under the same period of the prior year, 8% under budget on a flat basis. The residential category experienced a 2% increase in revenues primarily due to the 2% increase in consumption during the six-month period, as indicated on page 3. The commercial category experienced a 6% decrease in revenues from the prior year and 8% decrease in consumption. The industrial category experienced a 3% increase in revenues and 3% 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 8% under the planned annual consumption of 9,000,000,000 gallons.

Tap Fees

This revenue line item, at \$189,625, is 18% over last year and 8% under year-to-date budget.

Connects & Reconnects

This revenue line item, at \$190,900, is 4% over last year 2% over year-to-date budget.

Other Operating Revenues

This revenue line item representing late fees and payment arrangement fees, at \$235,403, is 8% under last year and 9% over year-to-date budget.

Reimbursements

Reimbursements, at \$55,931 are over the annual budget amount of \$35,500.

Miscellaneous Revenues

Miscellaneous revenues include water tower lease revenue and other miscellaneous fees and, at \$151,380 are 14% over budget.

Interest income

Interest earnings are 13% 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 0.49% on cash and investments; the fund as a whole, 0.55%. The blended yield on investments, excluding cash and TexPool Prime, is reported at 1.21%.

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, 2021, 49,117 water accounts were serviced compared to 48,277 the prior year, an increase of 840 new accounts. During the first six months of the current fiscal year, the number of accounts increased by 702 new accounts.

Sewer Fund

Overall

As presented on page 5 of the report, year-to-date revenues are reported at \$9,796,444, an increase of \$261,966, or 3%, over the same period of the prior year, 8% under budget on a flat basis. Year-to-date operating expenses are reported at \$9,369,436, an increase of \$264,486, 3% over the same period of the prior year, 4% under budget on a flat basis. This resulted in revenues over expenses of \$427,009 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 \$8,644,065, which is \$177,812 or 2% over the same period of the prior year, 10% 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 increases in consumption in the residential and commercial categories. Revenues within the residential category were 3% over the prior year, 6% under budget. Revenues within the commercial category were 9% under the prior year, 15% under budget, when combining both the commercial and City of Alton revenues. Finally, revenues within the industrial category came in 5% over the prior year, 23% under budget.

Reuse Charges

Water reuse charges, excluding effluent to the Calpine/Duke power plants, are reported at \$93,558, 28% over budget for the period. Effluent charges to the power plants are reported at \$431,160, below budget for the period.

Industrial Waste Surcharge

This revenue line, at \$510,905, is 9% 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 \$126,210 are over the annual budget amount of \$91,500.

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 \$474,789 are 38% over year-to-date budget.

Interest income

Interest earnings are out-performing budget for this period of the year. As indicated on page 12 of the financial report, the M&O portion of the Sewer Fund earned a blended rate of 0.45% on cash and investments; the fund as a whole, 0.41%. The blended yield on investments, excluding cash and TexPool Prime, is reported at 1.39%.

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 sewer accounts serviced increased 1% from the prior year. At March 31, 2021, 43,747 sewer accounts were serviced compared to 43,108 the prior year, an increase of 639 new accounts. During the six months of the current fiscal year, the number of accounts increased by 529 new accounts.

Balance Sheets

Water & Sewer Funds -- Combined

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 \$11,676,036, compared to \$10,973,083 the prior year. Debt-equity ratio is .87/1. The restricted accounts, the portion relating to debt service, are considered adequate.

Water & Sewer Funds

A summary of the portfolio for the Water and Sewer Funds is presented on page 12 of the financial report. Overall the portfolio is allocated with \$876,938 in a non-interest-bearing demand deposit account; \$19,062,158 in certificates of deposit, earning 1.11%; \$2,884,216 in CDARs investments earning 2.62%; and \$27,692,353 in TexPool Prime, which earned 0.09% in March. The overall blended yield of the entire portfolio is presented as 0.47%, compared to 1.58% the prior year. The overall blended yield of the investment holdings, excluding cash and TexPool Prime, is presented as 1.31%.

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

For the Six Months Ended March 31, 2021

	Water Fund	Wastewater Fund	Combined
OPERATING REVENUES			
Residential Charges	\$ 5,968,368	\$ 5,841,262	\$ 11,809,630
Commercial Charges	2,875,628	1,861,700	4,737,328
Industrial Charges	183,961	109,517	293,478
City of Alton User Charges	-	306,868	306,868
Calpine/Duke Reuse Charges	-	431,160	431,160
Reuse-Water Charges	-	93,558	93,558
Regional Water Sales	52,783	-	52,783
Industrial Waste SurchARGE	-	510,905	510,905
Reimbursements	55,931	126,210	182,141
Billing Charges	229,992	-	229,992
Connects/Reconnects	190,900	-	190,900
Tap Fees	189,625	-	189,625
Other Charges	386,782	506,389	893,171
Total Operating Revenues	10,133,969	9,787,569	19,921,539
NON-OPERATING REVENUES			
Sale of Property	-	(2,910)	(2,910)
Interest	31,082	11,785	42,868
Total Non-Operating Revenues	31,082	8,875	39,958
TOTAL REVENUES	10,165,053	9,796,444	19,961,496
EXPENSES			
Plants	2,184,210	2,121,736	4,305,946
Cost of Raw Water	1,157,351	-	1,157,351
Labs	221,212	326,293	547,504
Distribution & Collections	1,211,595	1,073,550	2,285,145
Meter Readers	505,135	-	505,135
Utility Billing	401,516	-	401,516
Customer Relations	474,114	-	474,114
Treasury Management	188,690	-	188,690
General & Administration	699,201	812,741	1,511,942
Employee Benefits	13,125	-	13,125
Insurance	19,530	21,264	40,794
Pension Expense-TMRS (GASB 68)	-	-	-
TMRS Benefits-Contra (GASB 68)	-	-	-
Debt Service	498,222	677,708	1,175,929
Billing Charges	-	114,996	114,996
Depreciation*	2,255,841	* 4,221,149	* 6,476,990
TOTAL EXPENSES	9,829,742	9,369,436	19,199,178
INCOME(LOSS) PRIOR TO CONTRIBUTIONS & TRANSFERS			
	\$ 335,311	\$ 427,009	\$ 762,319
Contributions - Acquired Assets	-	-	-
Change in net assets	\$ 335,311	\$ 427,009	\$ 762,319
<i>Transfer to Capital Improvement Fund</i>	<i>\$ 937,707</i>	<i>\$ 446,427</i>	<i>\$ 1,384,134</i>
<i>Transfer to Depreciation Fund</i>	<i>789,544</i>	<i>1,687,746</i>	<i>2,477,291</i>
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	<i>-</i>	<i>1,509,909</i>	<i>1,509,909</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>50,685</i>	<i>25,520</i>	<i>76,205</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, 2021

	Budget	Current	Prior	Year-To-Date		Completed Actual % to Budget
				Variance	Inc/Dec	
REVENUES						
1 Residential Charges	\$ 14,428,560	\$ 5,968,368	\$ 5,864,916	\$ 103,452	1.76%	41.36%
2 Commercial Charges	6,508,437	2,875,628	3,066,379	(190,751)	-6.22%	44.18%
3 Industrial Charges	541,053	183,961	179,412	4,549	2.54%	34.00%
4 Backflow Testing Charges	-	-	-	-	0.00%	0.00%
5 Regional Water Usage	340,000	52,783	55,588	(2,805)	-5.05%	15.52%
<i>Total users' charges</i>	21,818,050	9,080,740	9,166,294	(85,555)	-0.93%	41.62%
6 Tap Fees	450,000	189,625	161,125	28,500	17.69%	42.14%
7 Connects & Reconnects	370,000	190,900	183,825	7,075	3.85%	51.59%
8 Other Operating Revenues	400,000	235,403	256,382	(20,980)	-8.18%	58.85%
9 Other Revenues - Sale of Property	-	-	3,325	(3,325)	0.00%	0.00%
11 Reimbursements - Sharyland #2	-	-	-	-	0.00%	0.00%
16 Reimbursements - Other	35,500	55,931	14,479	41,452	286.28%	157.55%
17 Miscellaneous	235,000	151,380	176,329	(24,949)	-14.15%	64.42%
18 Interest Earned	84,637	31,082	152,361	(121,278)	-79.60%	36.72%
19 Revenues before billing charges	23,393,187	9,935,061	10,114,120	(179,059)	-1.77%	42.47%
20 Billing Charges	460,000	229,992	229,992	-	0.00%	50.00%
21 TOTAL REVENUES	23,853,187	10,165,053	10,344,112	(179,059)	-1.73%	42.62%
EXPENSES						
22 Water Plants	5,077,161	2,184,210	2,083,257	D 100,953	4.85%	43.02%
23 Cost of Raw Water	2,593,905	1,157,351	1,004,764	E 152,587	15.19%	44.62%
24 Water Lab	456,976	221,212	216,515	F 4,697	2.17%	48.41%
25 Trans & Distribution	3,071,806	1,211,595	1,117,830	G 93,765	8.39%	39.44%
26 Meter Readers	1,132,291	505,135	493,968	H 11,166	2.26%	44.61%
27 Utility Billing	869,886	401,516	382,453	I 19,063	4.98%	46.16%
28 Customer Relations	1,090,664	474,114	495,080	J (20,966)	-4.23%	43.47%
29 Treasury Management	584,671	188,690	305,245	K (116,555)	-38.18%	32.27%
30 General & Admin	1,897,259	699,201	864,185	L (164,983)	-19.09%	36.85%
31 Non-recurring Expense	-	-	-	-	0.00%	0.00%
32 Employee Benefits	115,452	13,125	3,500	9,625	0.00%	11.37%
33 Insurance	55,099	19,530	19,530	-	0.00%	35.45%
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	7,075,679	6,986,327	89,351	1.28%	41.76%
37 Debt Service	1,205,044	498,222	551,092	(52,870)	-9.59%	41.34%
38 Depreciation *	4,591,243	2,255,841	2,290,469	(34,628)	-1.51%	49.13%
39 TOTAL EXPENSES	22,741,457	9,829,742	9,827,888	1,854	0.02%	43.22%
40 Revenues Over (Under) Expenses	1,111,730	335,311	516,224			
41 Contributions - Acquired assets	-	-	-			
42 Change in Net Assets		335,311	516,224			
NON-OPERATING EXPENSES						
43 Capital Outlay	-	-	-	-	-	-
44 Transfer to Capital Improvements	1,875,415	937,707	635,976	301,731	-	-
45 Transfer to Misc. Gov't Grants	-	-	-	-	-	-
46 Transfer to Depreciation	1,606,935	789,544	801,664	(12,120)	-	-
47 Transfer to TWDB Construction-Loan Reimbursement	-	2,349,332	787,705	1,561,627	-	-
48 Reserve for Water Rights	-	-	-	-	-	-
49 Rebatable Arbitrage	-	-	-	-	-	-
50 Capitalized Interest	-	-	-	-	-	-
51 Bond Refunding Costs	-	-	-	-	-	-
52 Health Insurance Fund	101,370	50,685	103,674	(52,989)	-	-

* 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, 2021

Ref	Description	Month Ending				Fiscal Year-to-Date			% Inc (Dec)
		31-Mar-21	31-Mar-20	Inc(Dec)	% Inc(Dec)	31-Mar-21	31-Mar-20	Inc(Dec)	
A	Residential *	343,669,100	353,500,200	(9,831,100)	-2.78%	2,141,870,000	2,099,676,500	42,193,500	2.01%
B	Commercial	236,275,000	274,010,800	(37,735,800)	-13.77%	1,467,669,900	1,593,199,600	(125,529,700)	-7.88%
C	Industrial	17,640,500	19,144,100	(1,503,600)	-7.85%	112,090,300	109,191,300	2,899,000	2.65%
Total		597,584,600	646,655,100	(49,070,500)	-7.59%	3,721,630,200	3,802,067,400	(80,437,200)	-2.12%

NUMBER OF WATER ACCOUNTS

A	Residential	**	41,307	40,578	729	1.80%
B	Commercial		7,657	7,547	110	1.46%
C	Industrial		153	152	1	0.66%
Total			49,117	48,277	840	1.74%

* Gallons year-to-date for Sharyland accounts = 20,270,200

** 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 3/31/21	49,117	3/31/2020 48,277
Number of accounts at 9/30/20	48,415	9/30/2019 47,950
Increase/(Decrease) in accounts	702	327

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	\$ 91,890	\$ 23,710	\$ (143,899)	\$ 128,759	\$ 493
E	Cost of Raw Water	-	-	152,587	-	152,587
F	Water Lab	1,403	4,402	(4,702)	8,583	(4,989)
G	Trans & Distribution	45,114	947	(8,852)	28,638	27,918
H	Meter Readers	14,907	599	6,194	(3,743)	(6,790)
I	Utility Billing	1,824	(2,189)	19,142	(1,977)	2,262
J	Customer Relations	(13,469)	4,604	(2,358)	(11,924)	2,180
K	Treasury Management	(18,584)	22	(26,818)	(70,786)	(388)
L	General & Admin	(93,535)	(3,797)	(73,391)	1,545	4,194
	\$ 29,552	\$ 28,298	\$ (82,097)	\$ 79,094	\$ 24,880	\$ 79,726

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
Planned consumption at 3/31/21		4,050,000,000	December	675,000,000
Actual consumption at 3/31/21		3,721,630,200	January	675,000,000
Excess/(deficiency) to planned		(328,369,800)	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 2020-21		\$ 21,818,050		
* 45% of planned revenues		9,818,123		
* 55% of planned revenues		11,999,928		
Planned revenues at 3/31/21		9,818,123		
Actual revenues at 3/31/21		9,080,740		
Excess/(deficiency) to planned		\$ (737,383)	-7.51%	

* 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, 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	\$ 30,523	\$ 32,268	105.72%	\$ 33,791	\$ 16,896	\$ 19,651	116.31%	
Miscellaneous	0	0	0	0.00%	0	0	0	0.00%	
Transfers In	1,606,935	803,468	789,544	98.27% **	1,875,415	937,708	937,707	100.00%	
Total Sources	\$ 1,667,980	\$ 833,990	\$ 821,812	98.54%					
Uses									
Replacement (Infrastructure)	512,650	256,325	133,722	52.17%	0	0	0	0.00%	
Capital Outlay	4,284,179	2,142,090	462,243	21.58%	3,497,210	1,748,605	628,862	35.96%	
Transfers Out	0	0	0	0.00%	0	0	0	0.00%	
Total Uses	\$ 4,796,829	\$ 2,398,415	\$ 595,965	24.85%					
Sources Over/ (Under) Uses	\$ (3,128,849)	\$ (1,564,425)	\$ 225,847						
					\$ (1,588,004)	\$ (794,002)	\$ 328,496		

*50% of the year completed

**McALLEN PUBLIC UTILITY
WASTEWATER FUND**
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
For the Six Months Ended March 31, 2021

		Year-To-Date					50.00% Year-To-Date	
		Budget		Current		Prior Year	Variance	Inc/Dec
		REVENUES						
1	Residential Charges	\$ 13,186,882	\$ 5,841,262	\$ 5,689,687	A	\$ 151,575	2.66%	44.30%
2	Commercial Charges	5,500,970	1,861,700	2,027,476	A	(165,775)	-8.18%	33.84%
3	Industrial Charges	402,851	109,517	104,065	A	5,452	5.24%	27.19%
4	City of Alton User Charges	750,000	306,868	358,459	A	(51,592)	-14.39%	40.92%
5	Calpine/Duke Reuse Charges	1,663,500	431,160	210,000	A	221,160	105.31%	25.92%
6	Reuse-Water Charges	120,000	93,558	76,566	A	16,992	22.19%	77.96%
	Total users' charges	21,624,203	8,644,065	8,466,253		177,812	2.10%	39.97%
7	Ind. Waste Surcharge	1,240,000	510,905	502,644		8,261	1.64%	41.20%
8	Other Operating Revenues	-	31,600	21,625		9,975	0.00%	0.00%
9	Other Revenues - Sale of Property	-	(2,910)	16,910		(19,820)	0.00%	0.00%
10	Reimbursements	91,500	126,210	66,087		60,123	90.97%	137.93%
11	Miscellaneous	538,000	474,789	363,839		110,950	30.49%	88.25%
12	Interest Earned	60,527	11,785	97,121		(85,336)	-87.87%	19.47%
13	Total Revenues	23,554,230	9,796,444	9,534,479		261,966	2.75%	41.59%
EXPENSES								
14	Wastewater Plant	4,868,091	2,121,736	2,182,307	B	(60,571)	-2.78%	43.58%
15	Wastewater Lab	654,044	326,293	271,808	C	54,485	20.05%	49.89%
16	Wastewater Collections	2,444,235	1,073,550	1,170,389	D	(96,839)	-8.27%	43.92%
17	General & Admin.	2,010,795	812,741	460,393	E	352,348	76.53%	40.42%
18	Employee Benefits	49,333	-	-		-	0.00%	0.00%
19	Insurance	65,261	21,264	21,264		-	0.00%	32.58%
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	4,355,584	4,106,161		249,423		43.16%
22	Debt Service	1,342,837	677,708	711,503		(33,796)	-4.75%	50.47%
23	Depreciation *	8,681,825	4,221,149	4,172,290		48,859	1.17%	48.62%
24	Expenses Before Billing Charges	20,116,421	9,254,440	8,989,954		264,486	2.94%	46.00%
25	Billing Charges	230,000	114,996	114,996		-	0.00%	50.00%
26	TOTAL EXPENSES	20,346,421	9,369,436	9,104,950		264,486	2.90%	46.05%
27	Revenues Over (Under) Expenses	\$ 3,207,809	\$ 427,009	\$ 429,528				
28	Contributions - Acquired assets	-	-	-				
29	Change in Net Assets		427,009	429,528				
NON-OPERATING EXPENSES								
30	Capital Outlay	-	-	-		-	-	-
31	Transfer to Capital Improvement	892,853	446,427	418,632		27,795		
32	Transfer to Depreciation	3,472,730	1,687,746	1,668,916		18,830		
33	Transfer to TWDB Construction-Loan Reimbursement	-	1,509,909	4,266,203		(2,756,294)		
34	Rebatable Arbitrage	-	-	-		-		
35	Capitalized Interest	-	-	-		-		
36	Bond Refunding Costs	-	-	-		-		
37	Health Insurance	51,039	25,520	59,022		(33,503)		

* 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 Six Months Ended March 31, 2021

ANALYSIS OF YEAR-TO-DATE EXPENDITURES

<u>Ref</u>	<u>Description</u>	Month Ending				Fiscal Year-to-Date		
		31-Mar-21	31-Mar-20	Inc(Dec)	% Inc(Dec)	31-Mar-21	31-Mar-20	Inc(Dec)
A	Residential	289,891,900	291,473,400	(1,581,500)	-0.54%	1,790,303,900	1,727,674,200	62,629,700
A	Commercial	170,277,300	193,152,800	(22,875,500)	-11.84%	1,063,423,700	1,199,092,400	(135,668,700)
A	Industrial	15,924,100	14,459,700	1,464,400	10.13%	100,379,500	87,123,400	13,256,100
Total		476,093,300	499,085,900	(22,992,600)	-4.61%	2,954,107,100	3,013,890,000	(59,782,900)
								-1.98%

<u>Ref</u>	<u>Description</u>	Month Ending				Fiscal Year-to-Date		
		31-Mar-21	31-Mar-20	Inc(Dec)	% Inc(Dec)	31-Mar-21	31-Mar-20	Inc(Dec)
	REUSE CONSUMPTION *							
	Residential	6,088,400	4,737,100	1,351,300	28.53%	40,795,400	28,041,200	12,754,200
	Commercial	2,618,400	5,485,700	(2,867,300)	-52.27%	23,726,800	29,832,000	(6,105,200)
	Industrial	0	0	0	0.00%	0	0	0
Total		8,706,800	10,222,800	(1,516,000)	-14.83%	64,522,200	57,873,200	6,649,000
								11.49%

* Excludes effluent to power plants

NUMBER OF WASTEWATER ACCOUNTS

A Residential	**	38,043	37,429	614	1.64%
A Commercial		5,576	5,557	19	0.34%
A Industrial		128	122	6	4.92%
Total		43,747	43,108	639	1.48%

Number of new accounts for the current fiscal year:		Growth in number of new accounts prior year:	
Number of accounts at	3/31/2021	43,747	3/31/2020
Number of accounts at	9/30/2020	43,218	9/30/2019
Increase/(Decrease) in accounts		529	304

NUMBER OF REUSE ACCOUNTS

A Residential	459	303	156	51.49%
A Commercial	16	16	0	0.00%
A Industrial	0	0	0	0.00%
Total	475	319	156	48.90%

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	\$ (4,779)	\$ (15,587)	\$ (555)	\$ 36,945	\$ (76,596)	\$ (60,571)
C Wastewater Lab	33,048	(2,904)	2,453	2,435	19,454	54,485
D Wastewater Collections	(54,847)	22,128	(5,874)	(39,961)	(18,286)	(96,839)
E General & Admin.	111,575	1,374	220,447	14,282	4,671	352,348
	\$ 84,996	\$ 5,011	\$ 216,471	\$ 13,702	\$ (70,757)	\$ 249,423

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
Planned consumption at	3/31/21	3,213,962,100	December	535,660,350
Actual consumption at	3/31/21	2,954,107,100	January	535,660,350
Excess/(deficiency) to planned	(259,855,000)	-8.09%	February	535,660,350
Budgeted User Charge Revenues for fy 2020-21	\$ 19,960,703		March	535,660,350
* 45% of planned revenues	8,982,316		April	654,695,983
* 55% of planned revenues	10,978,387		May	654,695,983
Planned revenues at	3/31/21	8,982,316	June	654,695,983
Actual revenues at	3/31/21	8,212,905	July	654,695,983
Excess/(deficiency) to planned	\$ (769,411)	-8.57%	August	654,695,983
			September	654,695,983
			Total	\$ 7,142,138,000

* 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 Six Months Ended March 31, 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	\$ 67,493	\$ 87,175	129.16%		\$ 37,172	\$ 18,586	\$ 22,101	118.91%
Miscellaneous	-	-	-	0.00%		-	-	-	0.00%
Transfers In	3,472,730	1,736,365	1,687,746	97.20%		892,853	446,427	446,427	100.00%
Total Sources	\$ 3,607,715	\$ 1,803,858	\$ 1,774,921	98.40%		\$ 930,025	\$ 465,013	\$ 468,527	100.76%
Uses									
Replacement (Infrastructure)	3,018,520	1,509,260	165,306	10.95%		-	-	-	0.00%
Capital Outlay	602,460	301,230	44,792	14.87%		4,679,046	2,339,523	330,706	14.14%
Transfers Out	-	-	-	0.00%		-	-	-	0.00%
Total Uses	\$ 3,620,980	\$ 1,810,490	\$ 210,098	11.60%		\$ 4,679,046	\$ 2,339,523	\$ 330,706	14.14%
Sources Over/ (Under) Uses	(\$13,265)	(\$6,633)	\$1,564,823			(\$3,749,021)	(\$1,874,511)	\$137,821	

*25% of the year completed

WATER & WASTEWATER FUND
COMBINED BALANCE SHEET

as of March 31, 2021

	WATER FUND	* WASTEWATER FUND	COMBINED
ASSETS			
Current Assets			
Cash & Investments			
Demand.....	\$ 175,774	\$ 242,211	\$ 417,985
Time Deposits.....	4,042,895	1,511,720	5,554,615
Investments.....	1,953,790	1,216,449	3,170,240
Market Value Adjustment.....	0	0	0
Mgr/Trust Cash.....	0	0	0
Receivables, net:			
Accounts.....	1,849,924	1,883,595	3,733,519
Accrued Interest.....	1,740	141	1,881
Due From Other Funds.....	0	0	0
Water/Sewer Line Assessments.....	0	2,350	2,350
Inventories, at cost.....	187,183	0	187,183
Miscellaneous.....	0	0	0
Prepaid expenses.....	0	0	0
Total Current Assets	\$ 8,211,307	\$ 4,856,466	\$ 13,067,773
Notes Receivable	81,269	81,269	162,538
Restricted Assets			
Mgr/Trust Cash.....	0	0	0
Accrued Interest.....	323	503	825
Due From Other Funds.....	0	0	0
Notes Receivable - Airport	0	0	0
Accounts Receivable.....	0	0	0
Sub-Total	323	503	825
Demand.....	359,053	102,200	461,253
Time Deposits.....	8,794,971	10,512,631	19,307,602
Investments.....	5,282,044 **	12,826,653	18,108,697
Market Value Adjustment.....	0	0	0
Total Restricted Cash & Investments	14,436,068	23,441,484	37,877,552
Total Restricted Assets	14,436,391	23,441,987	37,878,377
Property, Plant, & Equipment.....	160,851,252	263,931,594	424,782,846
(Less: Accumulated Depreciation).....	(88,425,689)	(104,969,644)	(193,395,333)
Net Property, Plant, & Equipment	72,425,562	158,961,951	231,387,513
Other Assets, net.....	26,277,752	5,070,334	31,348,086
TOTAL ASSETS	\$ 121,432,281	\$ 192,412,006	\$ 313,844,288

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

** Includes a portion of the restricted customer deposits totalling \$2,918,551

WATER & WASTEWATER FUND

COMBINED BALANCE SHEET

as of March 31, 2021

	<u>WATER FUND</u>	<u>WASTEWATER FUND</u>	*	<u>COMBINED</u>
LIABILITIES & FUND EQUITY				
<u>Current Liabilities</u>				
Accounts Payable.....	\$ 237,870	\$ 110,699	\$	348,569
Accrued Expense.....	539,362	403,805	943,167	
Due to Other Funds.....	0	0	0	
Other.....	0	100,000	100,000	
Total Current Liabilities	777,232	614,504		1,391,736
<u>Liabilities Payable from Restricted Assets</u>				
Accounts Payable.....	327,797	42,344	370,141	
Accrued Expense.....	414,162	599,338	1,013,500	
Due to Other Funds.....	0	0	0	
Interest Payable.....	158,359	217,817	376,176	
Customer Deposits.....	2,918,551	0	2,918,551	
Current Portion of Revenue Bonds.....	1,708,574	4,787,436	6,496,010	
Total Liabilities Payable from Restricted Assets	5,527,443	5,646,935		11,174,379
<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.....	260,720	14,626	275,345	
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	40,466,166	105,549,335		146,015,501
FUND EQUITY				
<u>Contributed Capital</u>				
Total Contributed Capital	0	0	0	0
<u>Retained Earnings</u>				
Reserve for Encumbrances.....	0	0	0	0
Reserve for Current Debt Service.....	0	702,174	702,174	
Reserve for Capital Improvement.....	4,465,676	5,601,880	10,067,556	
Reserve for Depreciation.....	6,949,637	15,209,866	22,159,502	
Reserve for Water Rights Purchase.....	0	0	0	0
Unreserved.....	69,550,803	65,348,752	134,899,555	
Total Retained Earnings	80,966,115	86,862,671		167,828,787
TOTAL LIABILITIES AND FUND EQUITY	\$ 121,432,281	\$ 192,412,006	\$ 313,844,288	

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

WATER FUND
COMBINED BALANCE SHEET
as of March 31, 2021

	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.....	\$ 175,774	\$ 17,809	\$ 539,090	\$ (197,847)	\$ -	\$ 534,827	
Time Deposits.....	4,042,895	3,087,505	2,788,914	-	-	9,919,315	
Investments & Securities.....	1,953,790	3,962,754	1,134,584	-	184,706	7,235,834	
Market Value Adjustment.....	-	-	-	-	-	-	
Mgr/Trust Cash.....	-	-	-	-	-	-	
Receivables							
Accounts.....	1,849,924	-	-	-	-	1,849,924	
Accrued Interest.....	1,740	56	267	-	-	2,064	
Due From Other Funds.....	-	-	-	-	-	-	
Water Line Assessments.....	-	-	-	-	-	-	
Inventories, at cost.....	187,183	-	-	-	-	187,183	
Prepaid expenses.....	-	-	-	-	-	-	
Total Current Assets	8,211,307	7,068,124	4,462,856	(197,847)	184,706	19,729,146	
Notes Receivable	81,269	-	-	-	-	81,269	
CD's restricted for customer deposits.....	2,918,551	-	-	-	-	2,918,551	
Investments restricted for customer deposits.....	-	-	-	-	-	-	
Property, Plant, & Equipment.....	160,851,252	-	-	-	-	160,851,252	
(Less: Accum. Depreciation/Amortization).....	(88,425,689)	-	-	-	-	(88,425,689)	
Net Property, Plant, & Equipment	72,425,562	-	-	-	-	72,425,562	
Other Assets, net.....	26,277,752	-	-	-	-	26,277,752	
TOTAL ASSETS	109,914,442	7,068,124	4,462,856	(197,847)	184,706	121,432,281	
LIABILITIES & FUND EQUITY							
<u>Current Liabilities</u>							
Accounts Payable.....	237,870	-	-	-	-	237,870	
Accrued Expense.....	539,362	-	-	-	-	539,362	
Due To Other Funds.....	-	-	-	-	-	-	
Other.....	-	-	-	-	-	-	
Total Current Liabilities	777,232	-	-	-	-	777,232	
<u>Liabilities Payable from Restricted Assets</u>							
Current Portion of Revenue Bonds.....	1,708,574	-	-	-	-	1,708,574	
Accounts Payable.....	-	67,187	(25,291)	285,900	-	327,797	
Accrued Expense.....	-	51,300	22,471	340,392	-	414,162	
Interest Payable.....	-	-	-	-	158,359	158,359	
Due To Other Funds.....	-	-	-	-	-	-	
Customer Deposits.....	2,918,551	-	-	-	-	2,918,551	
Total Liabilities Payable from Restricted Assets	4,627,125	118,487	(2,820)	626,292	158,359	5,527,443	
<u>Other Non-Current Liabilities</u>							
Revenue Bonds	31,612,414	-	-	-	-	31,612,414	
Arbitrage Payable.....	-	-	-	-	-	-	
Deferred Revenues.....	260,720	-	-	-	-	260,720	
Deferred inflows of resources.....	1,064,706	-	-	-	-	1,064,706	
Noncurrent liabilities / net pension liability.....	1,223,651	-	-	-	-	1,223,651	
TOTAL LIABILITIES	39,565,848	118,487	(2,820)	626,292	158,359	40,466,166	
FUND EQUITY							
<u>Retained Earnings</u>							
Reserve for Encumbrances.....	-	-	-	-	-	-	
Reserve for Current Debt Service.....	-	-	-	-	-	-	
Reserve for Capital Improvement.....	-	-	4,465,676	-	-	4,465,676	
Reserve for Depreciation.....	-	6,949,637	-	-	-	6,949,637	
Reserve for Water Rights.....	-	-	-	-	-	-	
Unreserved.....	70,348,594	-	-	(824,138)	26,348	69,550,803	
Total Retained Earnings	70,348,594	6,949,637	4,465,676	(824,138)	26,348	80,966,115	
TOTAL LIABILITIES & FUND EQUITY	\$ 109,914,442	\$ 7,068,124	\$ 4,462,856	\$ (197,847)	\$ 184,706	\$ 121,432,281	

WASTEWATER FUND
COMBINED BALANCE SHEET
as of March 31, 2021

	RESTRICTED ASSETS					
	Wastewater Fund	Depreciation Fund	Wastewater Capital Impr. Fund	Wastewater Revenue Bonds	Debt Service	Combined
ASSETS						
Current Assets						
Cash & Investments						
Demand.....	\$ 242,211	\$ 38,153	\$ 1,911	\$ 62,136	\$ -	\$ 344,411
Time Deposits.....	1,511,720	7,947,652	2,564,979	-	-	12,024,351
Investments & Securities.....	1,216,449	7,223,699	3,068,839	1,614,125	919,991	14,043,102
Market Value Adjustment.....	-	-	-	-	-	-
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,883,595	-	-	-	-	1,883,595
Accrued Interest.....	141	362	141	-	-	644
Due From Other Funds.....	-	-	-	-	-	-
Wastewater Line Assessments.....	2,350	-	-	-	-	2,350
Miscellaneous.....	-	-	-	-	-	-
Prepaid expenses.....	-	-	-	-	-	-
Total Current Assets	4,856,466	15,209,866	5,635,870	1,676,260	919,991	28,298,453
Notes Receivables - Hunt	81,269	-	-	-	-	81,269
Property, Plant, & Equipment.....	263,931,594	-	-	-	-	263,931,594
(Less: Accumulated Depreciation).....	(104,969,644)	-	-	-	-	(104,969,644)
Net Property, Plant, & Equipment	158,961,951	-	-	-	-	158,961,951
Other Assets.....	5,070,334	-	-	-	-	5,070,334
TOTAL ASSETS	168,970,020	15,209,866	5,635,870	1,676,260	919,991	192,412,006
LIABILITIES & FUND EQUITY						
Current Liabilities						
Accounts Payable.....	110,699	-	-	-	-	110,699
Accrued Expenses.....	403,805	-	-	-	-	403,805
Due to Other Funds.....	-	-	-	-	-	-
Other.....	100,000	-	-	-	-	100,000
Total Current Liabilities	614,504	-	-	-	-	614,504
Liabilities Payable from Restricted Assets						
Accounts Payable.....	-	-	24,116	18,228	-	42,344
Accrued Expenses.....	-	-	9,873	589,465	-	599,338
Due to Other Funds.....	-	-	-	-	-	-
Interest Payable.....	-	-	-	-	217,817	217,817
Current Portions of all Revenue Bonds....	4,787,436	-	-	-	-	4,787,436
Total Liabilities Payable from Restricted Assets	4,787,436	-	33,990	607,693	217,817	5,646,935
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	104,689,836	-	33,990	607,693	217,817	105,549,335
FUND EQUITY						
Retained Earnings						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Debt Service.....	-	-	-	-	702,174	702,174
Reserve for Depreciation.....	-	15,209,866	-	-	-	15,209,866
Reserve for Capital Improvement.....	-	-	5,601,880	-	-	5,601,880
Unreserved.....	64,280,184	-	-	1,068,568	-	65,348,752
Total Retained Earnings	64,280,184	15,209,866	5,601,880	1,068,568	702,174	86,862,671
	\$ 168,970,020	\$ 15,209,866	\$ 5,635,870	\$ 1,676,260	\$ 919,991	\$ 192,412,006

**McALLEN PUBLIC UTILITY
RECONCILED BANK BALANCES
As of March 31, 2021**

	POOL	GROSS						TEX POOL-PRIME	BLENDED		BLENDED YIELD		
		CASH	APR/ROI	DEPOSITS	APR/ROI	CDARS HOLDINGS	APR/ROI	INVESTMENTS	APR/ROI	TOTAL	APR/ROI	ON INVESTMENTS ONLY	TOTAL INVESTMENTS
<u>WATER FUND</u>													
M & O % of Total	173,474 1.91%	0.00%	4,044,636 44.49%	0.99%	0.00%	0.00%	0.00%	1.00%	4,872,342 53.60%	0.09%	0.49%	0.00%	4,044,636
WATER BOND RESERVE % of Total	0 0.00%	0.00%	0 0.00%	0.00%	0.00%	0	0.00%	0.00%	582,068 100.00%	0.09%	0.09%	0.00%	0
DEPRECIATION % of Total	17,809 0.25%	0.00%	2,563,158 36.26%	1.48% 53.18%	2.62%	524,403 7.42%	0.00%	0.00%	3,962,754 56.07%	0.09%	0.78%	1.45%	3,087,561
DEBT SERVICE % of Total	- 0.00%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	0.00%	91,025 100.00%	0.09%	0.09%	0.00%	0
WATER DEBT SERVICE TWDB % of Total	- 0.00%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	0.00%	93,681 100.00%	0.09%	0.09%	0.00%	0
CAPITAL IMPROVEMENT % of Total	539,090 12.08%	0.00%	2,789,182 62.50%	1.00% 100.00%	2.62%	0.00%	0.00%	1.00%	1,134,584 25.42%	0.09%	0.65%	1.00%	2,789,182
BOND CONSTRUCTION % of Total	(197,847) 100.00%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	0.00%	0 0.00%	0.00%	0.00%	0.00%	0
TOTAL WATER % of Total	532,527 2.51%	0.00%	9,396,976 44.35%	1.13%	2.62%	524,403 2.47%	0	0.00%	10,736,454 50.67%	0.09%	0.55%	1.21%	9,921,378
<u>SEWER FUND</u>													
M & O % of Total	242,211 8.15%	0.00%	1,511,861 50.90%	0.81%	0.00%	0	0.00%	1,216,449 40.95%	0.09%	0.45%	0.00%	1,511,861	
BOND RESERVE-TWDB 2009 % of Total	0 -	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	2,912,797 100.00%	0.09%	0.09%	0.00%	0	
DEPRECIATION % of Total	38,153 0.25%	0.00%	5,588,202 36.74%	1.19% 70.31%	2.62%	2,359,813 15.52%	0.00%	1.00%	7,223,699 47.49%	0.09%	0.89%	1.62%	7,948,015
DEBT SERVICE % of Total	- 0.00%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	99,376 100.00%	0.09%	0.09%	0.00%	0	
SEWER DEBT TWDB- 2009-2010 % of Total	- 0.00%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	276,080 100.00%	0.09%	0.09%	0.00%	0	
SEWER BOND CONST TWDB - F492 * Series 2012	(809,067) 100.00%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	0 0.00%	0.00%	0.00%	0.00%	0	
TWDB CONSTR FUND SERIES 2015 *FUND 494	59,255 100.00%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	0 0.00%	0.00%	0.00%	0.00%	0	
SEWER TWDB Debt - 2012	- 0.00%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	544,536 100.00%	0.09%	0.09%	0.00%	0	
CAPITAL IMPROVEMENT % of Total	1,911 0.03%	0.00%	2,565,120 45.51%	1.53%	0.00%	0.00%	0.00%	3,068,839 54.45%	0.09%	0.75%	1.53%	2,565,120	
BOND CONSTRUCTION % of Total	811,948 40.74%	0.00%	- 0.00%	0.00%	0.00%	0	0.00%	1,181,272 59.26%	0.09%	0.05%	0.00%	0	
TOTAL SEWER % of Total	344,411 1.17%	0.00%	9,665,182 32.96%	1.10%	2.62%	2,359,813 8.05%	0	0.00%	16,955,900 57.82%	0.09%	0.41%	1.39%	12,024,995
TOTAL PUB % of Total	876,938 1.74%	0.00%	19,062,158 37.74%	1.11%	2.62%	2,484,216 8.14%	0	0.00%	27,692,353 54.82%	0.09%	0.47%	1.31%	21,946,374

* Pending receipt of reimbursement funds from TWDB