



# FINANCIAL STATEMENTS

**For the Fiscal Year Ended September 30, 2019**

**(Unaudited)**

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

**For the Fiscal Year Ended September 30, 2019**

**(Unaudited)**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined</u>
<b>OPERATING REVENUES</b>			
Residential Charges	\$ 10,705,875	\$ 10,483,079	\$ 21,188,954
Commercial Charges	5,542,633	3,797,562	9,340,196
Industrial Charges	341,217	213,857	555,074
City of Alton User Charges	-	656,173	656,173
Calpine/Duke Reuse Charges	-	653,614	653,614
Reuse-Water Charges	-	133,835	133,835
Regional Water Sales	97,138	-	97,138
Industrial Waste Surcharge	-	906,601	906,601
Reimbursements	45,826	53,394	99,220
Billing Charges	460,000	-	460,000
Connects/Reconnects	376,675	-	376,675
Tap Fees	288,200	-	288,200
Other Charges	795,690	659,068	1,454,758
Total Operating Revenues	<u>18,653,252</u>	<u>17,557,182</u>	<u>36,210,435</u>
<b>NON-OPERATING REVENUES</b>			
Sale of Property	(897)	18,027	17,130
Interest	399,671	224,027	623,699
Total Non-Operating Revenues	<u>398,774</u>	<u>242,054</u>	<u>640,829</u>
<b>TOTAL REVENUES</b>	<b>19,052,028</b>	<b>17,799,237</b>	<b>36,851,263</b>
<b>EXPENSES</b>			
Plants	4,191,710	3,875,169	8,066,880
Cost of Raw Water	2,089,621	-	2,089,621
Labs	400,309	538,209	938,517
Distribution & Collections	2,191,550	2,240,919	4,432,469
Meter Readers	927,742	-	927,742
Utility Billing	765,291	-	765,291
Customer Relations	952,157	-	952,157
Treasury Management	453,525	-	453,525
General & Administration	1,498,059	1,011,862	2,509,921
Employee Benefits	48,000	-	48,000
Insurance	39,060	42,528	81,588
Pension Expense-TMRS (GASB 68)	798,640	455,925	1,254,564
TMRS Benefits-Contra (GASB 68)	(488,129)	(307,272)	(795,401)
Debt Service	1,062,127	1,458,502	2,520,629
Billing Charges	-	230,000	230,000
Depreciation*	4,653,315	8,128,553	12,781,868
TOTAL EXPENSES	<u>19,582,976</u>	<u>17,674,396</u>	<u>37,257,372</u>
<b>INCOME(LOSS) PRIOR TO CONTRIBUTIONS &amp; TRANSFERS</b>			
	<u>\$ (530,949)</u>	<u>\$ 124,841</u>	<u>\$ (406,108)</u>
<b>Contributions - Acquired Assets</b>	<b>682,203</b>	<b>976,510</b>	<b>1,658,713</b>
<b>Change in net assets</b>	<u>\$ 151,254</u>	<u>\$ 1,101,351</u>	<u>\$ 1,252,605</u>
<i>Transfer to Capital Improvement Fund</i>	<i>\$ 1,170,921</i>	<i>\$ 1,070,609</i>	<i>\$ 2,241,530</i>
<i>Transfer to Depreciation Fund</i>	<i>1,590,160</i>	<i>3,251,467</i>	<i>4,841,627</i>
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	<i>6,925,775</i>	<i>2,552,372</i>	<i>9,478,147</i>
<i>Capitalized Interest</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Bond Fees</i>	<i>120,980</i>	<i>(456,346)</i>	<i>(335,366)</i>
<i>Health Insurance Fund</i>	<i>472,651</i>	<i>269,100</i>	<i>741,751</i>
<i>Transfer to Sewer Fund (reimbursement)</i>	<i>(1,470,000)</i>	<i>(55,347)</i>	<i>(1,525,347)</i>

\* Depreciation is recorded at 100% for financial statement purposes but funded at 35% within the Water Fund and 50% within the Wastewater Fund.

**McALLEN PUBLIC UTILITY**  
**WATER FUND**  
**COMPARATIVE STATEMENT OF REVENUES AND EXPENSES**  
For the Fiscal Year Ended September 30, 2019  
(Unaudited)

	Year-To-Date					100.00%
	Budget	Current	Prior	Variance	Inc/Dec	Completed Actual % to Budget
<b>REVENUES</b>						
1 Residential Charges	\$ 13,354,613	\$ 10,705,875	\$ 10,900,710	A \$ (194,836)	-1.79%	80.17%
2 Commercial Charges	6,193,436	5,542,633	5,866,055	B (323,422)	-5.51%	89.49%
3 Industrial Charges	520,287	341,217	404,538	C (63,321)	-15.65%	65.58%
4 Backflow Testing Charges	-	-	-	-	0.00%	0.00%
5 Regional Water Usage	340,000	97,138	170,606	(73,469)	-43.06%	28.57%
<b>Total users' charges</b>	<b>20,408,336</b>	<b>16,686,862</b>	<b>17,341,910</b>	<b>(655,048)</b>	<b>-3.78%</b>	<b>81.76%</b>
6 Tap Fees	450,000	288,200	437,100	(148,900)	-34.07%	64.04%
7 Connects & Reconnects	370,000	376,675	412,990	(36,315)	-8.79%	101.80%
8 Other Operating Revenues	400,000	469,909	467,998	1,910	0.41%	117.48%
9 Other Revenues - Sale of Property	-	(897)	-	(897)	0.00%	0.00%
11 Reimbursements - Sharyland #2	-	-	-	-	0.00%	0.00%
16 Reimbursements - Other	35,500	45,826	138,352	(92,526)	-66.88%	129.09%
17 Miscellaneous	235,000	325,781	255,082	70,699	27.72%	138.63%
18 Interest Earned	78,355	399,671	102,386	297,285	290.36%	510.08%
19 <b>Revenues before billing charges</b>	<b>21,977,191</b>	<b>18,592,028</b>	<b>19,155,819</b>	<b>(563,792)</b>	<b>-2.94%</b>	<b>84.60%</b>
20 Billing Charges	460,000	460,000	460,000	-	0.00%	100.00%
21 <b>TOTAL REVENUES</b>	<b>22,437,191</b>	<b>19,052,028</b>	<b>19,615,819</b>	<b>(563,792)</b>	<b>-2.87%</b>	<b>84.91%</b>
<b>EXPENSES</b>						
22 Water Plants	4,607,361	4,191,710	4,357,188	D (165,478)	-3.80%	90.98%
23 Cost of Raw Water	2,684,771	2,089,621	2,457,543	E (367,921)	-14.97%	77.83%
24 Water Lab	418,111	400,309	360,326	F 39,983	11.10%	95.74%
25 Trans & Distribution	2,740,585	2,191,550	2,284,548	G (92,999)	-4.07%	79.97%
26 Meter Readers	1,024,058	927,742	952,261	H (24,519)	-2.57%	90.59%
27 Utility Billing	830,118	765,291	753,217	I 12,074	1.60%	92.19%
28 Customer Relations	1,083,367	952,157	942,270	J 9,887	1.05%	87.89%
29 Treasury Management	509,386	453,525	418,632	K 34,893	8.33%	89.03%
30 General & Admin	1,758,156	1,498,059	1,277,275	L 220,784	17.29%	85.21%
31 Non-recurring Expense	-	-	-	-	0.00%	0.00%
32 Employee Benefits	(6,119)	48,000	54,500	(6,500)	-11.93%	-784.44%
33 Insurance	55,099	39,060	39,060	-	0.00%	70.89%
34 Pension Expense-TMRS (GASB 68)	-	798,640	496,461	302,179	0.00%	0.00%
35 TMRS Benefits-Contra (GASB 68)	-	(488,129)	(415,180)	(72,949)	0.00%	0.00%
36 <b>Sub-Total Expenses</b>	<b>15,704,893</b>	<b>13,867,534</b>	<b>13,978,100</b>	<b>(110,566)</b>	<b>-0.79%</b>	<b>88.30%</b>
37 Debt Service	1,231,116	1,062,127	743,517	318,610	42.85%	86.27%
38 Depreciation *	4,750,491	4,653,315	4,555,213	98,102	2.15%	97.95%
39 <b>TOTAL EXPENSES</b>	<b>21,686,500</b>	<b>19,582,976</b>	<b>19,276,831</b>	<b>306,145</b>	<b>1.59%</b>	<b>90.30%</b>
40 <b>Revenues Over (Under) Expenses</b>	<b>750,691</b>	<b>(530,949)</b>	<b>338,989</b>			
41 <b>Contributions - Acquired assets</b>	<b>-</b>	<b>682,203</b>	<b>1,649,335</b>			
42 <b>Change in Net Assets</b>		<b>151,254</b>	<b>1,988,324</b>			
<b>NON-OPERATING EXPENSES</b>						
43 Capital Outlay	-	-	-	-	-	-
44 Transfer to Capital Improvements	1,170,921	1,170,921	1,037,643	133,278		
45 Transfer to TWDB Construction-Loan Reimbursement	-	6,925,775	-	6,925,775		
46 Transfer to Depreciation	1,662,672	1,590,160	1,509,112	81,049		
47 Reserve for Water Rights	-	-	-	-		
48 Rebateable Arbitrage	-	-	-	-		
49 Capitalized Interest	-	-	-	-		
50 Bond Fees	-	120,980	(87,154)	208,135		
51 Health Insurance Fund	472,651	472,651	75,414	397,237		
52 Transfer to Sewer Fund (reimbursement)	-	55,347	-	55,347		
53 Transfer from Capital Improvement Fund	-	(1,470,000)	-	(1,470,000)		

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

**McALLEN PUBLIC UTILITY**  
**WATER FUND REFERENCE NOTES**  
For the Fiscal Year Ended September 30, 2019  
(Unaudited)

Ref	Description	Month Ending				Fiscal Year-to-Date			% Inc (Dec)	
		CONSUMPTION	30-Sep-19	30-Sep-18	Inc(Dec)	% Inc(Dec)	30-Sep-19	30-Sep-18		Inc(Dec)
A	Residential		458,971,200	467,752,400	(8,781,200)	-1.88%	4,164,850,000	4,498,012,500	(333,162,500)	-7.41%
B	Commercial		345,694,600	327,293,000	18,401,600	5.62%	3,102,057,700	3,347,044,100	(244,986,400)	-7.32%
C	Industrial *		16,944,000	25,666,900	(8,722,900)	-33.99%	225,585,100	271,824,400	(46,239,300)	-17.01%
	<b>Total</b>		<b>821,609,800</b>	<b>820,712,300</b>	<b>897,500</b>	<b>0.11%</b>	<b>7,492,492,800</b>	<b>8,116,881,000</b>	<b>(624,388,200)</b>	<b>-7.69%</b>

**NUMBER OF WATER ACCOUNTS**

A	Residential	**	40,296	39,817	479	1.20%
B	Commercial		7,502	7,427	75	1.01%
C	Industrial		152	155	(3)	-1.94%
	<b>Total</b>		<b>47,950</b>	<b>47,399</b>	<b>551</b>	<b>1.16%</b>

\* Gallons year-to-date for Sharyland accounts = 43,736,100  
\*\* Number of Sharyland accounts = 266

Growth in number of new accounts for the current fiscal year:			Growth in number of new accounts prior year:		
Number of accounts at	9/30/19	47,950	9/30/2018	47,399	
Number of accounts at	9/30/18	47,399	9/30/2017	46,780	
<b>Increase/(Decrease) in accounts</b>		<b>551</b>		<b>619</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	\$	(48,298)	\$	38,775	\$	(135,404)	\$	246	\$	(20,797)	\$	(165,478)
E Cost of Raw Water		-		-		(367,921)		-		-		(367,921)
F Water Lab		15,682		1,336		(2,972)		19,736		6,201		39,983
G Trans & Distribution		50,468		13,072		18,951		(194,895)		19,406		(92,999)
H Meter Readers		(19,246)		(5,893)		1,749		1,494		(2,624)		(24,519)
I Utility Billing		7,801		1,845		7,691		(9,527)		4,263		12,074
J Customer Relations		34,999		(1,294)		4,714		(25,706)		(2,825)		9,887
K Treasury Management		33,377		1,194		(2,338)		1,705		955		34,893
L General & Admin		242,775		3,740		(25,925)		2,348		(2,155)		220,784
	<b>\$</b>	<b>317,558</b>	<b>\$</b>	<b>52,775</b>	<b>\$</b>	<b>(501,456)</b>	<b>\$</b>	<b>(204,597)</b>	<b>\$</b>	<b>2,425</b>	<b>\$</b>	<b>(333,296)</b>

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

Budgeted Consumption for fy 2018-19 (gals.)			9,301,975,000	Monthly Planned Consumption	
* 45% of planned consumption			4,185,888,750	October	697,648,125
* 55% of planned consumption			5,116,086,250	November	697,648,125
				December	697,648,125
Planned consumption at	9/30/19		9,301,975,000	January	697,648,125
Actual consumption at	9/30/19		7,492,492,800	February	697,648,125
<b>Excess/(deficiency) to planned</b>			<b>(1,809,482,200)</b>	March	697,648,125
				April	852,681,042
				May	852,681,042
				June	852,681,042
				July	852,681,042
				August	852,681,042
				September	852,681,042
				<b>Total</b>	<b>9,301,975,000</b>
Budgeted User Charge Revenues for fy 2018-19			\$ 20,408,336		
* 45% of planned revenues			9,183,751		
* 55% of planned revenues			11,224,585		
Planned revenues at	9/30/19		20,408,336		
Actual revenues at	9/30/19		16,686,862		
<b>Excess/(deficiency) to planned</b>			<b>(3,721,474)</b>		

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

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

For the Fiscal Year Ended September 30, 2019  
(Unaudited)

**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 Earned	\$ 83,226	\$ 83,226	\$ 209,194	251.36%	\$ 40,481	\$ 40,481	\$ 119,337	294.80%
Miscellaneous	0	0	0	0.00%	0	0	0	0.00%
Transfers In	1,662,672	1,662,672	1,590,160	95.64%**	2,640,921	2,640,921	2,640,921	100.00%
<b>Total Sources</b>	<b>\$ 1,745,898</b>	<b>\$ 1,745,898</b>	<b>\$ 1,799,354</b>	<b>103.06%</b>	<b>2,681,402</b>	<b>2,681,402</b>	<b>2,760,258</b>	<b>102.94%</b>

Uses	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
Replacement (Infrastructure)	3,544,149	3,544,149	967,307	27.29%	0	0	0	0.00%
Capital Outlay	730,170	730,170	516,698	70.76%	2,965,921	2,965,921	748,372	25.23%
Transfers Out	1,470,000	1,470,000	1,470,000	0.00%	0	0	0	0.00%
<b>Total Uses</b>	<b>\$ 5,744,319</b>	<b>\$ 5,744,319</b>	<b>\$ 2,954,006</b>	<b>51.42%</b>	<b>\$ 2,965,921</b>	<b>\$ 2,965,921</b>	<b>\$ 748,372</b>	<b>25.23%</b>
<b>Sources Over/ (Under) Uses</b>	<b>\$ (3,998,421)</b>	<b>\$ (3,998,421)</b>	<b>\$ (1,154,651)</b>		<b>\$ (284,519)</b>	<b>\$ (284,519)</b>	<b>\$ 2,011,885</b>	

\* Percentage of the year completed = 100%

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

For the Fiscal Year Ended September 30, 2019  
(Unaudited)

	Budget	Year-To-Date				100.00%
		Current	Prior Year	Variance	Inc/Dec	Year-To-Date Actual % To Budget
<b>REVENUES</b>						
1 Residential Charges	\$ 12,255,208	\$ 10,483,079	\$ 10,674,306	A \$ (191,227)	-1.79%	85.54%
2 Commercial Charges	5,271,464	3,797,562	3,889,091	A (91,529)	-2.35%	72.04%
3 Industrial Charges	390,849	213,857	264,533	A (50,676)	-19.16%	54.72%
4 City of Alton User Charges	650,000	656,173	577,748	A 78,424	13.57%	100.95%
5 Calpine/Duke Reuse Charges	640,000	653,614	614,856	A 38,758	6.30%	102.13%
6 Reuse-Water Charges	100,000	133,835	86,578	A 47,257	54.58%	133.83%
Total users' charges	<b>19,307,521</b>	<b>15,938,120</b>	<b>16,107,113</b>	<b>(168,993)</b>	<b>-1.05%</b>	<b>82.55%</b>
7 Ind. Waste Surcharge	1,240,000	906,601	975,171	(68,570)	-7.03%	73.11%
8 Other Operating Revenues	-	51,825	-	51,825	0.00%	0.00%
9 Other Revenues - Sale of Property	-	18,027	(765)	18,792	0.00%	0.00%
10 Reimbursements	91,500	53,394	151,727	(98,334)	-64.81%	58.35%
11 Miscellaneous	468,000	607,243	222,296	384,947	173.17%	129.75%
12 Interest Earned	54,344	224,027	117,535	106,492	90.60%	412.24%
<b>13 Total Revenues</b>	<b>21,161,365</b>	<b>17,799,237</b>	<b>17,573,078</b>	<b>226,159</b>	<b>1.29%</b>	<b>84.11%</b>
<b>EXPENSES</b>						
14 Wastewater Plant	4,821,433	3,875,169	4,122,816	B (247,647)	-6.01%	80.37%
15 Wastewater Lab	586,070	538,209	451,771	C 86,438	19.13%	91.83%
16 Wastewater Collections	2,285,872	2,240,919	2,226,306	D 14,613	0.66%	98.03%
17 General & Admin.	1,406,104	1,011,862	1,125,873	E (114,011)	-10.13%	71.96%
18 Employee Benefits	(6,947)	-	-	-	0.00%	0.00%
19 Insurance	65,261	42,528	42,528	-	0.00%	65.17%
20 Pension Expense-TMRS (GASB 68)	-	455,925	307,301	148,623	0.00%	0.00%
21 TMRS Benefits-Contra (GASB 68)	-	(307,272)	(256,990)	(50,282)	0.00%	0.00%
<b>22 Sub-Total Expenses</b>	<b>9,157,793</b>	<b>7,857,341</b>	<b>8,019,606</b>	<b>(162,265)</b>		<b>85.80%</b>
22 Debt Service	1,608,818	1,458,502	1,421,743	36,759	2.59%	90.66%
23 Depreciation *	7,517,038	8,128,553	5,939,744	2,188,809	36.85%	108.14%
24 Expenses Before Billing Charges	18,283,649	17,444,396	15,381,093	2,063,303	13.41%	95.41%
25 Billing Charges	230,000	230,000	230,000	-	0.00%	100.00%
<b>26 TOTAL EXPENSES</b>	<b>18,513,649</b>	<b>17,674,396</b>	<b>15,611,093</b>	<b>2,063,303</b>	<b>13.22%</b>	<b>95.47%</b>
<b>27 Revenues Over (Under) Expenses</b>	<b>\$ 2,647,717</b>	<b>\$ 124,841</b>	<b>1,961,985</b>			
<b>28 Contributions - Acquired assets</b>	<b>-</b>	<b>976,510</b>	<b>2,457,488</b>			
<b>29 Change in Net Assets</b>		<b>1,101,351</b>	<b>4,419,472</b>			
<b>NON-OPERATING EXPENSES</b>						
30 Capital Outlay	-	-	-	-		
31 Transfer to Capital Improvement	1,070,609	1,070,609	1,038,200	32,409		
32 Transfer to Depreciation	3,006,815	3,251,467	2,969,872	281,595		
33 Transfer to TWDB Construction-Loan Reimbursement	-	2,552,372	6,853,809	(4,301,437)		
34 Rebtable Arbitrage	-	20,195	15,422	4,773		
35 Capitalized Interest	-	-	(1,032,428)	1,032,428		
36 Bond Fees	-	(456,346)	(549,035)	92,689		
37 Health Insurance	269,100	269,100	42,936	226,164		
38 Transfer from Water Fund	-	(55,347)	-	(55,347)		
39 Transfer from Wastewater CIP	-	(3,160,000)	-	(3,160,000)		

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

**McALLEN PUBLIC UTILITY**  
**WASTEWATER FUND REFERENCE NOTES**  
For the Fiscal Year Ended September 30, 2019  
(Unaudited)

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

Ref Description	Month Ending				Fiscal Year-to-Date			
	30-Sep-19	30-Sep-18	Inc(Dec)	% Inc(Dec)	30-Sep-19	30-Sep-18	Inc(Dec)	(Dec)
<b>CONSUMPTION</b>								
A Residential	376,948,800	385,814,100	(8,865,300)	-2.30%	3,462,980,100	3,717,076,300	(254,096,200)	-6.84%
A Commercial	212,826,200	207,464,300	5,361,900	2.58%	2,364,371,600	2,359,170,900	5,200,700	0.22%
A Industrial	14,203,500	23,245,200	(9,041,700)	-38.90%	189,442,000	237,604,400	(48,162,400)	-20.27%
<b>Total</b>	<b>603,978,500</b>	<b>616,523,600</b>	<b>(12,545,100)</b>	<b>-2.03%</b>	<b>6,016,793,700</b>	<b>6,313,851,600</b>	<b>(297,057,900)</b>	<b>-4.70%</b>

Ref Description	Month Ending				Fiscal Year-to-Date			
	30-Sep-19	30-Sep-18	Inc(Dec)	% Inc(Dec)	30-Sep-19	30-Sep-18	Inc(Dec)	(Dec)
<b>REUSE CONSUMPTION *</b>								
Residential	6,714,700	4,818,100	1,896,600	39.36%	46,173,600	23,932,700	22,240,900	92.93%
Commercial	9,738,500	8,408,700	1,329,800	15.81%	64,450,800	58,902,600	5,548,200	9.42%
Industrial	0	0	0	0.00%	0	0	0	0.00%
<b>Total</b>	<b>16,453,200</b>	<b>13,226,800</b>	<b>3,226,400</b>	<b>24.39%</b>	<b>110,624,400</b>	<b>82,835,300</b>	<b>27,789,100</b>	<b>33.55%</b>

\* Excludes effluent to power plants

**NUMBER OF WASTEWATER ACCOUNTS**

A Residential	**	37,137	36,691	446	1.22%
A Commercial		5,545	5,471	74	1.35%
A Industrial		122	124	(2)	-1.61%
<b>Total</b>		<b>42,804</b>	<b>42,286</b>	<b>518</b>	<b>1.22%</b>

Growth in number of new accounts for the current fiscal year:		Growth in number of new accounts prior year:	
Number of accounts at	9/30/19	42,804	9/30/2018
Number of accounts at	9/30/18	42,286	9/30/2017
<b>Increase/(Decrease) in accounts</b>		<b>518</b>	<b>626</b>

**NUMBER OF REUSE ACCOUNTS**

A Residential	263	162	101	62.35%
A Commercial	14	14	0	0.00%
A Industrial	0	0	0	0.00%
<b>Total</b>	<b>277</b>	<b>176</b>	<b>101</b>	<b>57.39%</b>

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

	Wages/Benefits	Supplies	Other Services & Charges	Maintenance	Non-capitalized Capital Outlay	Total
B Wastewater Plant	\$ (86,696)	\$ (15,352)	\$ (250,447)	\$ 30,107	\$ 74,741	\$ (247,647)
C Wastewater Lab	62,009	6,449	(206)	298	17,888	86,438
D Wastewater Collections	43,391	41,358	(35,886)	(79,698)	45,448	14,613
E General & Admin.	(19,796)	(9,352)	(89,965)	5,102	-	(114,011)
<b>Total</b>	<b>\$ (1,090)</b>	<b>\$ 23,103</b>	<b>\$ (376,504)</b>	<b>\$ (44,192)</b>	<b>\$ 138,077</b>	<b>\$ (260,606)</b>

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

<b>Budgeted Consumption for fy 2018-19 (gals.)</b>	<b>7,381,777,000</b>	<b>Monthly Planned Consumption</b>	
* 45% of planned consumption	3,321,799,650	October	553,633,275
* 55% of planned consumption	4,059,977,350	November	553,633,275
		December	553,633,275
Planned consumption at 9/30/19	7,381,777,000	January	553,633,275
Actual consumption at 9/30/19	6,016,793,700	February	553,633,275
<b>Excess/(deficiency) to planned</b>	<b>(1,364,983,300)</b>	March	553,633,275
		April	676,662,892
<b>Budgeted User Charge Revenues for fy 2018-19</b>	<b>\$ 18,667,521</b>	May	676,662,892
* 45% of planned revenues	8,400,384	June	676,662,892
* 55% of planned revenues	10,267,137	July	676,662,892
		August	676,662,892
Planned revenues at 9/30/19	18,667,521	September	676,662,892
Actual revenues at 9/30/19	15,284,506	<b>Total</b>	<b>7,381,777,000</b>
<b>Excess/(deficiency) to planned</b>	<b>\$ (3,383,015)</b>		

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

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

For the Fiscal Year Ended September 30, 2019  
(Unaudited)

	Wastewater Depreciation				Wastewater Capital Improvement			
	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
<b>Sources</b>								
Interest Earned	\$ 210,415	\$ 210,415	\$ 404,865	192.41%	\$ 45,103	\$ 45,103	\$ 137,895	305.73%
Miscellaneous	-	-	-	0.00%	-	-	12,100	0.00%
Transfers In	3,006,815	3,006,815	3,251,467	108.14%	4,230,609	4,230,609	4,230,609	100.00%
<b>Total Sources</b>	<b>\$ 3,217,230</b>	<b>\$ 3,217,230</b>	<b>\$ 3,656,333</b>	<b>113.65%</b>	<b>\$ 4,275,712</b>	<b>\$ 4,275,712</b>	<b>\$ 4,380,604</b>	<b>102.45%</b>

	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
<b>Uses</b>								
Replacement (Infrastructure)	606,825	606,825	270,699	44.61%	-	-	-	0.00%
Capital Outlay	1,244,977	1,244,977	616,529	49.52%	2,605,709	2,605,709	870,394	33.40%
Transfers Out	-	-	-	0.00%	3,160,000	3,160,000	3,160,000	0.00%
<b>Total Uses</b>	<b>\$ 1,851,802</b>	<b>\$ 1,851,802</b>	<b>\$ 887,228</b>	<b>47.91%</b>	<b>\$ 5,765,709</b>	<b>\$ 5,765,709</b>	<b>\$ 4,030,394</b>	<b>69.90%</b>

<b>Sources Over/ (Under) Uses</b>	<b>\$1,365,428</b>	<b>\$1,365,428</b>	<b>\$2,769,105</b>		<b>(\$1,489,997)</b>	<b>(\$1,489,997)</b>	<b>\$350,210</b>	
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\* Percentage of the year completed = 75%



**WATER & WASTEWATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2019  
(Unaudited)

	<u>WATER FUND</u> *	<u>WASTEWATER FUND</u> *	<u>COMBINED</u>
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash & Investments			
Demand.....	\$ 410,340	\$ 456,815	\$ 867,156
Time Deposits.....	0	0	0
Investments.....	5,270,049	2,251,948	7,521,997
Market Value Adjustment.....	9,238	0	9,238
Mgr/Trust Cash.....	0	0	0
Receivables, net:			
Accounts.....	2,155,616	1,955,885	4,111,501
Accrued Interest.....	16,014	0	16,014
Due From Other Funds.....	792	222,474	223,266
Water/Sewer Line Assessments.....	405	3,250	3,655
Inventories, at cost.....	182,292	0	182,292
Miscellaneous.....	0	0	0
Prepaid expenses.....	0	0	0
<b>Total Current Assets</b>	<b>\$ 8,044,746</b>	<b>\$ 4,890,372</b>	<b>\$ 12,935,118</b>
Notes Receivable	81,269	81,349	162,618
<u>Restricted Assets</u>			
Mgr/Trust Cash.....	0	0	0
Accrued Interest.....	5,852	27,736	33,589
Due From Other Funds.....	0	0	0
Notes Receivable - Airport.....	0	0	0
Accounts Receivable.....	0	0	0
Sub-Total	5,852	27,736	33,589
Demand.....	44,068	371,599	415,667
Time Deposits.....	3,551,064	6,340,303	9,891,367
Investments.....	11,419,427 **	15,924,533	27,343,960
Market Value Adjustment.....	(6,962)	33,847	26,884
<b>Total Restricted Cash &amp; Investments</b>	<b>15,007,597</b>	<b>22,670,282</b>	<b>37,677,879</b>
<b>Total Restricted Assets</b>	<b>15,013,450</b>	<b>22,698,018</b>	<b>37,711,467</b>
Propert, Plant, & Equipment.....	151,548,498	256,534,321	408,082,819
(Less: Accumulated Depreciation).....	(81,672,207)	(92,997,774)	(174,669,982)
Net Property, Plant, & Equipment	69,876,291	163,536,546	233,412,838
Other Assets, net.....	33,058,169	13,214,981	46,273,150
<b>TOTAL ASSETS</b>	<b>\$ 126,073,926</b>	<b>\$ 204,421,266</b>	<b>330,495,192</b>

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

\*\* Includes a portion of the restricted customer deposits totalling \$2,760,705

**WATER & WASTEWATER FUND**

**COMBINED BALANCE SHEET**

as of September 30, 2019

(Unaudited)

	<u>WATER FUND</u>	*	<u>WASTEWATER FUND</u>	*	<u>COMBINED</u>
<b>LIABILITIES &amp; FUND EQUITY</b>					
<u>Current Liabilities</u>					
Accounts Payable.....	\$ 417,039		\$ 216,638		\$ 633,677
Accrued Expense.....	701,735		481,624		1,183,359
Due to Other Funds.....	0		0		0
Other.....	0		0		0
<b>Total Current Liabilities</b>	<b>1,118,774</b>		<b>698,261</b>		<b>1,817,036</b>
<u>Liabilities Payable from Restricted Assets</u>					
Accounts Payable.....	192,627		181,883		374,510
Accrued Expense.....	172,977		279,220		452,198
Due to Other Funds.....	792		222,474		223,266
Interest Payable.....	180,456		240,701		421,157
Customer Deposits.....	2,760,705		0		2,760,705
Current Portion of Revenue Bonds.....	1,371,150		4,521,850		5,893,000
<b>Total Liabilities Payable from Restricted Assets</b>	<b>4,678,706</b>		<b>5,446,128</b>		<b>10,124,835</b>
<u>Other Non-Current Liabilities</u>					
Revenue Bonds.....	33,388,614		99,515,304		132,903,918
Arbitrage Payable.....	0		38,027		38,027
Deferred Revenues.....	328,023		2,030,383		2,358,407
Deferred inflows of resources.....	361,764		3,822,726		4,184,490
Noncurrent liabilities / net pension liability.....	2,474,558		1,449,115		3,923,673
<b>TOTAL LIABILITIES</b>	<b>42,350,439</b>		<b>112,999,945</b>		<b>155,350,385</b>
<b>FUND EQUITY</b>					
<u>Contributed Capital</u>					
Total Contributed Capital	0		0		0
<u>Retained Earnings</u>					
Reserve for Encumbrances.....	0		0		0
Reserve for Current Debt Service.....	0		2,695,786		2,695,786
Reserve for Capital Improvement.....	4,835,298		5,019,341		9,854,639
Reserve for Depreciation.....	6,345,522		12,136,938		18,482,459
Reserve for Water Rights Purchase.....	0		0		0
Unreserved.....	72,542,666		71,569,256		144,111,922
<b>Total Retained Earnings</b>	<b>83,723,486</b>		<b>91,421,321</b>		<b>175,144,807</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 126,073,926</b>		<b>\$ 204,421,266</b>		<b>\$ 330,495,192</b>

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

**WATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2019  
(Unaudited)

ASSETS	Water Fund	RESTRICTED ASSETS				Combined
		Water Depr. Fund	Water Capital Impr. Fund	Water Revenue Bonds	Debt Service	
<u>Current Assets</u>						
Cash & Investments						
Demand.....	\$ 410,340	\$ 10,775	\$ 6,923	\$ 25,518	\$ 853	\$ 454,409
Time Deposits.....	-	2,790,056	761,008	-	-	3,551,064
Investments & Securities.....	5,270,049	3,743,190	4,235,581	-	679,950	13,928,771
Market Value Adjustment.....	9,238	(3,693)	(3,270)	-	-	2,276
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	2,155,616	-	-	-	-	2,155,616
Accrued Interest.....	16,014	4,878	974	-	-	21,866
Due From Other Funds.....	792	-	-	-	-	792
Water Line Assessments.....	405	-	-	-	-	405
Inventories, at cost.....	182,292	-	-	-	-	182,292
Prepaid expenses.....	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>8,044,746</b>	<b>6,545,207</b>	<b>5,001,217</b>	<b>25,518</b>	<b>680,803</b>	<b>20,297,491</b>
Notes Receivable	81,269	-	-	-	-	81,269
CD's restricted for customer deposits.....	-	-	-	-	-	-
Investments restricted for customer deposits.....	2,760,705	-	-	-	-	2,760,705
Property, Plant, & Equipment.....	151,548,498	-	-	-	-	151,548,498
(Less: Accum. Depreciation/Amortization).....	(81,672,207)	-	-	-	-	(81,672,207)
<b>Net Property, Plant, &amp; Equipment</b>	<b>69,876,291</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,876,291</b>
Other Assets, net.....	33,058,169	-	-	-	-	33,058,169
<b>TOTAL ASSETS</b>	<b>113,821,181</b>	<b>6,545,207</b>	<b>5,001,217</b>	<b>25,518</b>	<b>680,803</b>	<b>126,073,926</b>
<u>LIABILITIES &amp; FUND EQUITY</u>						
<u>Current Liabilities</u>						
Accounts Payable.....	417,039	-	-	-	-	417,039
Accrued Expense.....	701,735	-	-	-	-	701,735
Due To Other Funds.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,118,774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,118,774</b>
<u>Liabilities Payable from Restricted Assets</u>						
Current Portion of Revenue Bonds.....	1,371,150	-	-	-	-	1,371,150
Accounts Payable.....	-	62,317	130,309	-	-	192,627
Accrued Expense.....	-	137,367	35,610	-	-	172,977
Interest Payable.....	-	-	-	-	180,456	180,456
Due To Other Funds.....	-	-	-	-	792	792
Customer Deposits.....	2,760,705	-	-	-	-	2,760,705
<b>Total Liabilities Payable from Restricted Assets</b>	<b>4,131,855</b>	<b>199,685</b>	<b>165,919</b>	<b>-</b>	<b>181,248</b>	<b>4,678,706</b>
<u>Other Non-Current Liabilities</u>						
Revenue Bonds	33,388,614	-	-	-	-	33,388,614
Arbitrage Payable.....	-	-	-	-	-	-
Deferred Revenues.....	328,023	-	-	-	-	328,023
Deferred inflows of resources.....	361,764	-	-	-	-	361,764
Noncurrent liabilities / net pension liability.....	2,474,558	-	-	-	-	2,474,558
<b>TOTAL LIABILITIES</b>	<b>41,803,588</b>	<b>199,685</b>	<b>165,919</b>	<b>-</b>	<b>181,248</b>	<b>42,350,439</b>
<u>FUND EQUITY</u>						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Current Debt Service.....	-	-	-	-	-	-
Reserve for Capital Improvement.....	-	-	4,835,298	-	-	4,835,298
Reserve for Depreciation.....	-	6,345,522	-	-	-	6,345,522
Reserve for Water Rights.....	-	-	-	-	-	-
Unreserved.....	72,017,593	-	-	25,518	499,556	72,542,666
<b>Total Retained Earnings</b>	<b>72,017,593</b>	<b>6,345,522</b>	<b>4,835,298</b>	<b>25,518</b>	<b>499,556</b>	<b>83,723,486</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 113,821,181</b>	<b>\$ 6,545,207</b>	<b>\$ 5,001,217</b>	<b>\$ 25,518</b>	<b>\$ 680,803</b>	<b>\$ 126,073,926</b>

**WASTEWATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2019  
(Unaudited)

	RESTRICTED ASSETS					Combined
	Wastewater Fund	Depreciation Fund	Wastewater Capital Impr. Fund	Wastewater Revenue Bonds	Debt Service	
<b>ASSETS</b>						
<u>Current Assets</u>						
Cash & Investments						
Demand.....	\$ 456,815	\$ 47,879	\$ -	\$ 322,827	\$ 893	\$ 828,414
Time Deposits.....	-	4,818,278	1,522,025	-	-	6,340,303
Investments & Securities.....	2,251,948	7,260,188	3,664,245	2,063,712	2,936,388	18,176,481
Market Value Adjustment.....	-	25,761	8,086	-	-	33,847
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,955,885	-	-	-	-	1,955,885
Accrued Interest.....	-	18,081	9,655	-	-	27,736
Due From Other Funds.....	222,474	-	-	-	-	222,474
Wastewater Line Assessments.....	3,250	-	-	-	-	3,250
Miscellaneous.....	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>4,890,372</b>	<b>12,170,188</b>	<b>5,204,010</b>	<b>2,386,538</b>	<b>2,937,282</b>	<b>27,588,390</b>
Notes Receivables - Hunt	81,349	-	-	-	-	81,349
Property, Plant, & Equipment.....	256,534,321	-	-	-	-	256,534,321
(Less: Accumulated Depreciation).....	(92,997,774)	-	-	-	-	(92,997,774)
<b>Net Property, Plant, &amp; Equipment</b>	<b>163,536,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,536,546</b>
Other Assets.....	13,214,981	-	-	-	-	13,214,981
<b>TOTAL ASSETS</b>	<b>181,723,248</b>	<b>12,170,188</b>	<b>5,204,010</b>	<b>2,386,538</b>	<b>2,937,282</b>	<b>204,421,266</b>
<b>LIABILITIES &amp; FUND EQUITY</b>						
<u>Current Liabilities</u>						
Accounts Payable.....	216,638	-	-	-	-	216,638
Accrued Expenses.....	481,624	-	-	-	-	481,624
Due to Other Funds.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>698,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>698,261</b>
<u>Liabilities Payable from Restricted Assets</u>						
Accounts Payable.....	-	33,250	147,433	1,200	-	181,883
Accrued Expenses.....	-	-	1,892	277,328	-	279,220
Due to Other Funds.....	-	-	35,344	186,335	795	222,474
Interest Payable.....	-	-	-	-	240,701	240,701
Current Portions of all Revenue Bonds....	4,521,850	-	-	-	-	4,521,850
<b>Total Liabilities Payable from Restricted Assets</b>	<b>4,521,850</b>	<b>33,250</b>	<b>184,669</b>	<b>464,864</b>	<b>241,496</b>	<b>5,446,128</b>
<u>Other Non-Current Liabilities</u>						
Deferred Revenue.....	2,030,383	-	-	-	-	2,030,383
Revenue Bonds.....	99,515,304	-	-	-	-	99,515,304
Deferred inflows of resources.....	3,822,726	-	-	-	-	3,822,726
Noncurrent liabilities/Net Pension Liability - TMRS.....	1,449,115	-	-	-	-	1,449,115
Arbitrage Payable	38,027	-	-	-	-	38,027
<b>TOTAL LIABILITIES</b>	<b>112,075,667</b>	<b>33,250</b>	<b>184,669</b>	<b>464,864</b>	<b>241,496</b>	<b>112,999,945</b>
<b>FUND EQUITY</b>						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Debt Service.....	-	-	-	-	2,695,786	2,695,786
Reserve for Depreciation.....	-	12,136,938	-	-	-	12,136,938
Reserve for Capital Improvement.....	-	-	5,019,341	-	-	5,019,341
Unreserved.....	69,647,581	-	-	1,921,675	-	71,569,256
<b>Total Retained Earnings</b>	<b>69,647,581</b>	<b>12,136,938</b>	<b>5,019,341</b>	<b>1,921,675</b>	<b>2,695,786</b>	<b>91,421,321</b>
	<b>\$ 181,723,248</b>	<b>\$ 12,170,188</b>	<b>\$ 5,204,010</b>	<b>\$ 2,386,538</b>	<b>\$ 2,937,282</b>	<b>\$ 204,421,266</b>