



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

<i>Water Fund</i>

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.

<i>Sewer Fund</i>

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

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined</u>
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>	\$ 937,707	\$ 446,427	\$ 1,384,134
<i>Transfer to Depreciation Fund</i>	789,544	1,687,746	2,477,291
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	-	1,509,909	1,509,909
<i>Capitalized Interest</i>	-	-	-
<i>Bond Refunding Costs</i>	-	-	-
<i>Health Insurance Fund</i>	50,685	25,520	76,205

* 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

	Year-To-Date						50.00%
	Budget	Current	Prior	Variance	Inc/Dec	Actual % to Budget	
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%	
Total users' charges	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 Rebutable 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)
		CONSUMPTION	31-Mar-21	31-Mar-20	Inc(Dec)	% Inc(Dec)	31-Mar-21	31-Mar-20	
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	\$ 100,953
E Cost of Raw Water	-	-	152,587	-	-	152,587
F Water Lab	1,403	4,402	(4,702)	8,583	(4,989)	4,697
G Trans & Distribution	45,114	947	(8,852)	28,638	27,918	93,765
H Meter Readers	14,907	599	6,194	(3,743)	(6,790)	11,166
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	(20,966)
K Treasury Management	(18,584)	22	(26,818)	(70,786)	(388)	(116,555)
L General & Admin	(93,535)	(3,797)	(73,391)	1,545	4,194	(164,983)
Total	\$ 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
		December 675,000,000
Planned consumption at 3/31/21	4,050,000,000	January 675,000,000
Actual consumption at 3/31/21	3,721,630,200	February 675,000,000
Excess/(deficiency) to planned	(328,369,800)	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 3/31/21	9,818,123	September 825,000,000
Actual revenues at 3/31/21	9,080,740	Total
Excess/(deficiency) to planned	\$ (737,383)	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 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%	1,909,206	954,603	957,359	100.29%
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%	\$ 3,497,210	\$ 1,748,605	\$ 628,862	35.96%
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

	Budget	Year-To-Date				50.00%
		Current	Prior Year	Variance	Inc/Dec	Actual % Year-To-Date To Budget
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 Rebutable 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

Ref Description	Month Ending				Fiscal Year-to-Date			
	31-Mar-21	31-Mar-20	Inc(Dec)	% Inc(Dec)	31-Mar-21	31-Mar-20	Inc(Dec)	(Dec)
CONSUMPTION								
A Residential	289,891,900	291,473,400	(1,581,500)	-0.54%	1,790,303,900	1,727,674,200	62,629,700	3.63%
A Commercial	170,277,300	193,152,800	(22,875,500)	-11.84%	1,063,423,700	1,199,092,400	(135,668,700)	-11.31%
A Industrial	15,924,100	14,459,700	1,464,400	10.13%	100,379,500	87,123,400	13,256,100	15.22%
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%

Ref Description	Month Ending				Fiscal Year-to-Date			
	31-Mar-21	31-Mar-20	Inc(Dec)	% Inc(Dec)	31-Mar-21	31-Mar-20	Inc(Dec)	(Dec)
REUSE CONSUMPTION *								
Residential	6,088,400	4,737,100	1,351,300	28.53%	40,795,400	28,041,200	12,754,200	45.48%
Commercial	2,618,400	5,485,700	(2,867,300)	-52.27%	23,726,800	29,832,000	(6,105,200)	-20.47%
Industrial	0	0	0	0.00%	0	0	0	0.00%
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	43,108
Number of accounts at 9/30/2020		43,218	9/30/2019	42,804
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
		December	535,660,350
Planned consumption at 3/31/21	3,213,962,100	January	535,660,350
Actual consumption at 3/31/21	2,954,107,100	February	535,660,350
Excess/(deficiency) to planned	(259,855,000)	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 3/31/21	8,982,316	September	654,695,983
Actual revenues at 3/31/21	8,212,905	Total	7,142,138,000
Excess/(deficiency) to planned	\$(769,411)		

* 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%

	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
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	
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*25% of the year completed

**WATER & WASTEWATER FUND
COMBINED BALANCE SHEET**

as of March 31, 2021

	<u>WATER FUND</u> *	<u>WASTEWATER FUND</u> *	<u>COMBINED</u>
ASSETS			
<u>Current Assets</u>			
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
<u>Restricted Assets</u>			
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
Propert, 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
<u>Retained Earnings</u>					
Reserve for Encumbrances.....	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
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

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.....	\$ 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
<u>LIABILITIES & FUND EQUITY</u>						
<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
<u>FUND EQUITY</u>						
<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

ASSETS	RESTRICTED ASSETS					Combined
	Wastewater Fund	Depreciation Fund	Wastewater Capital Impr. Fund	Wastewater Revenue Bonds	Debt Service	
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	TIME		CDARS		GROSS		TEX POOL-PRIME		BLENDED	BLENDED YIELD ON INVESTMENTS ONLY	TOTAL INVESTMENTS	
		CASH	APR/ROI	DEPOSITS	APR/ROI	HOLDINGS	APR/ROI	INVESTMENTS	APR/ROI				APR/ROI
WATER FUND													
M & O	173,474	0.00%	4,044,636	0.99%				1.00%	4,872,342	0.09%	9,090,452	0.49%	4,044,636
% of Total	1.91%		44.49%	0.00%	0.00%	0.00%	0.00%	0.00%	53.60%				
WATER BOND RESERVE	0	0.00%	0	0.00%				0.00%	582,068	0.09%	582,068	0.09%	0
% of Total	0.00%		0.00%	0.00%			0.00%	0.00%	100.00%				0.00%
DEPRECIATION	17,809	0.00%	2,563,158	1.48%	524,403	2.62%		1.00%	3,962,754	0.09%	7,068,124	0.78%	3,087,561
% of Total	0.25%		36.26%	7.42%	11.73%	35.09%	0.00%	56.07%	0.00%			1.45%	0.00%
DEBT SERVICE	-	0.00%	-	0.00%				0.00%	91,025	0.09%	91,025	0.09%	0
% of Total	0.00%		0.00%	0.00%			0.00%	100.00%	0.00%				0.00%
WATER DEBT SERVICE TWDB	-	0.00%	-	0.00%				0.00%	93,681	0.09%	93,681	0.09%	0
% of Total	0.00%		0.00%	0.00%			0.00%	100.00%	0.00%				0.00%
CAPITAL IMPROVEMENT	539,090	0.00%	2,789,182	1.00%				1.00%	1,134,584	0.09%	4,462,856	0.65%	2,789,182
% of Total	12.08%		62.50%	0.00%			0.00%	25.42%	0.00%			1.00%	0.00%
BOND CONSTRUCTION	(197,847)	0.00%	-	0.00%				0.00%	0	0.00%	(197,847)	0.00%	0
% of Total	100.00%		0.00%	0.00%			0.00%	0.00%	0.00%				0.00%
TOTAL WATER	532,527	0.00%	9,396,976	1.13%	524,403	2.62%	0	0.00%	10,736,454	0.09%	21,190,359	0.55%	9,921,378
% of Total	2.51%		44.35%	2.47%	5.29%	0.00%	0.00%	50.67%				1.21%	
SEWER FUND													
M & O	242,211	0.00%	1,511,861	0.81%			0	0.00%	1,216,449	0.09%	2,970,521	0.45%	1,511,861
% of Total	8.15%		50.90%	0.00%			0.00%	40.95%	0.00%				
BOND RESERVE-TWDB 2009	-	0.00%	-	0.00%			0	0.00%	2,912,797	0.09%	2,912,797	0.09%	0
% of Total	0		0.00%	0.00%			0.00%	100.00%	0.00%				0.00%
DEPRECIATION	38,153	0.00%	5,588,202	1.19%	2,359,813	2.62%		1.00%	7,223,699	0.09%	15,209,867	0.89%	7,948,015
% of Total	0.25%		36.74%	15.52%	29.69%	0.00%	0.00%	47.49%	0.00%			1.62%	0.00%
DEBT SERVICE	-	0.00%	-	0.00%			0	0.00%	99,376	0.09%	99,376	0.09%	0
% of Total	0.00%		0.00%	0.00%			0.00%	100.00%	0.00%				0.00%
SEWER DEBT TWDB- 2009-2010	-	0.00%	-	0.00%			0	0.00%	276,080	0.09%	276,080	0.09%	0
% of Total	0.00%		0.00%	0.00%			0.00%	100.00%	0.00%				0.00%
SEWER BOND CONST TWDB - F492 * Series 2012	(809,067)	0.00%	-	0.00%			0	0.00%	0	0.00%	(809,067)	0.00%	0
% of Total	100.00%		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	0.00%	0	0.00%	59,255	0.00%	0
% of Total	100.00%		0.00%	0.00%			0.00%	0.00%	0.00%				0.00%
SEWER TWDB Debt - 2012	-	0.00%	-	0.00%			0	0.00%	544,536	0.09%	544,536	0.09%	0
% of Total	0.00%		0.00%	0.00%			0.00%	100.00%	0.00%				0.00%
CAPITAL IMPROVEMENT	1,911	0.00%	2,565,120	1.53%				1.00%	3,068,839	0.09%	5,635,870	0.75%	2,565,120
% of Total	0.03%		45.51%	0.00%			0.00%	54.45%	0.00%			1.53%	0.00%
BOND CONSTRUCTION	811,948	0.00%	-	0.00%			0	0.00%	1,181,272	0.09%	1,993,220	0.05%	0
% of Total	40.74%		0.00%	0.00%			0.00%	59.26%	0.00%				0.00%
TOTAL SEWER	344,411	0.00%	9,665,182	1.10%	2,359,813	2.62%	0	0.00%	16,955,900	0.09%	29,325,306	0.41%	12,024,995
% of Total	1.17%		80.38%	19.62%	0.00%	0.00%	0.00%	141.01%			92%		
TOTAL PUB	876,938	0.00%	19,062,158	1.11%	2,884,216	2.62%	0	0.00%	27,692,353	0.09%	50,515,665	0.47%	21,946,374
% of Total	1.74%		37.74%	5.71%	13.14%	0.00%	0.00%	54.82%			100.00%	1.31%	

* Pending receipt of reimbursement funds from TWDB