



FINANCIAL STATEMENTS

For the Six Month Period Ended March 31, 2020

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EXECUTIVE SUMMARY

Review of the Financial Statements For the Six Months Ending March 31, 2020

Statement of Revenues and Expenses

<i>Water Fund</i>

Overall

Year-to-date revenues are reported at \$10,344,112, an increase of \$1,714,896 or 20% over the same period of the prior year—7% under budget on a flat basis. Year-to-date operating expenses are reported at \$9,827,888, an increase of \$692,865, 8% over the same period of the prior year—5% under budget on a flat basis. This resulted in year-to-date revenues over expenses of \$516,224 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, \$9,166,294, which is \$1,706,109, 23% over the same period of the prior year, 8% under budget on a flat basis. The residential category experienced a 23% increase in revenues primarily due to the 17% increase in consumption during the six-month period, as indicated on page 3. The commercial category experienced a 23% increase in revenues from the prior year and 15% increase in consumption. The industrial category experienced 10% increase in revenues and 1% 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 6% under the planned annual consumption of 9,000,000,000 gallons.

Tap Fees

This revenue line item, at \$161,125, is 15% over last year and 14% under year-to-date budget.

Connects & Reconnects

This revenue line item, at \$183,825, is 2% under last year in-line with year-to-date budget.

Other Operating Revenues

This revenue line item representing late fees and payment arrangement fees, at \$256,382, is 12% over last year and 14% over year-to-date budget.

Reimbursements

Reimbursements, at \$14,479 are 9% under budget.

Miscellaneous Revenues

Miscellaneous revenues include water tower lease revenue and other miscellaneous fees and, at \$176,329 are 25% over budget.

Interest income

Interest earnings are 130% over 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 1.08% on cash and investments; the fund as a whole, 1.38%. The blended yield on investments, excluding cash and TexPool Prime, is reported at 1.49%.

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 1% from the prior year. At March 31, 2020, 48,277 water accounts were serviced compared to 47,662 the prior year, an increase of 615 new accounts. During the first six months of the current fiscal year, the number of accounts increased by 327 new accounts.

<i>Sewer Fund</i>

Overall

As presented on page 5 of the report, year-to-date revenues are reported at \$9,534,479, an increase of \$1,286,495, or 16%, over the same period of the prior year—7% under budget on a flat basis. Year-to-date operating expenses are reported at \$9,104,950, an increase of \$475,290, 6% over the same period of the prior year—3% under budget on a flat basis. This resulted in revenues over expenses of \$429,528 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 \$8,466,253, which is \$1,168,200 or 16% over the same period of the prior year, 4% 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 19% over the prior year, 7% under budget. Revenues within the commercial category were 11% over the prior year, 11% under budget, when combining both the commercial and City of Alton revenues. Finally, revenues within the industrial category came in 4% over the prior year, 24% under budget.

Reuse Charges

Water reuse charges, excluding effluent to the Calpine/Duke power plants, are reported at \$76,566, 14% over budget for the period. Effluent charges to the power plants are reported at \$210,000, 17% below budget for the period. Effluent charges to the power plants in excess of 4.11 mgd of effluent delivered are billed annually during the month of May.

Industrial Waste Surcharge

This revenue line, at \$502,644, 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 \$66,087 are 22% over year-to-date budget.

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 \$363,839 are 18% 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 1.03% on cash and investments; the fund as a whole, 1.71%. The blended yield on investments, excluding cash and TexPool Prime, is reported at 2.16%.

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, 2020, 43,108 sewer accounts were serviced compared to 42,600 the prior year, an increase of 508 new accounts. During the six months of the current fiscal year, the number of accounts increased by 304 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 \$10,973,083, compared to \$5,903,205 the prior year. Debt-equity ratio is .92/1. 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 \$378,039 in a non-interest-bearing demand deposit account; \$18,545,280 in certificates of deposit, earning 1.76%; \$1,021,730 in CDARs investments earning 2.62%; \$12,251,161 in government securities, which are currently earning a blended rate of 1.86%; and \$18,793,426 in TexPool Prime, which earned 1.34% in March. The overall blended yield of the entire portfolio is presented as 1.58%, compared to 2.14% the prior year. The overall blended yield of the investment holdings, excluding cash and TexPool Prime, is presented as 1.83%.

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

For the Six Month Period Ended March 31, 2020

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined</u>
OPERATING REVENUES			
Residential Charges	\$ 5,864,916	\$ 5,689,687	\$ 11,554,602
Commercial Charges	3,066,379	2,027,476	5,093,855
Industrial Charges	179,412	104,065	283,477
City of Alton User Charges	-	358,459	358,459
Calpine/Duke Reuse Charges	-	210,000	210,000
Reuse-Water Charges	-	76,566	76,566
Regional Water Sales	55,588	-	55,588
Industrial Waste Surcharge	-	502,644	502,644
Reimbursements	14,479	66,087	80,567
Billing Charges	229,992	-	229,992
Connects/Reconnects	183,825	-	183,825
Tap Fees	161,125	-	161,125
Other Charges	432,711	385,464	818,175
Total Operating Revenues	10,188,426	9,420,448	19,608,873
NON-OPERATING REVENUES			
Sale of Property	3,325	16,910	20,235
Interest	152,361	97,121	249,482
Total Non-Operating Revenues	155,686	114,031	269,717
TOTAL REVENUES	10,344,112	9,534,479	19,878,590
EXPENSES			
Plants	2,083,257	2,182,307	4,265,564
Cost of Raw Water	1,004,764	-	1,004,764
Labs	216,515	271,808	488,323
Distribution & Collections	1,117,830	1,170,389	2,288,219
Meter Readers	493,968	-	493,968
Utility Billing	382,453	-	382,453
Customer Relations	495,080	-	495,080
Treasury Management	305,245	-	305,245
General & Administration	864,185	460,393	1,324,578
Employee Benefits	3,500	-	3,500
Insurance	19,530	21,264	40,794
Pension Expense-TMRS (GASB 68)	-	-	-
TMRS Benefits-Contra (GASB 68)	-	-	-
Debt Service	551,092	711,503	1,262,595
Billing Charges	-	114,996	114,996
Depreciation*	2,290,469 *	4,172,290 *	6,462,759
TOTAL EXPENSES	9,827,888	9,104,950	18,932,838
INCOME(LOSS) PRIOR TO CONTRIBUTIONS & TRANSFERS			
	\$ 516,224	\$ 429,528	\$ 945,752
Contributions - Acquired Assets	-	-	-
Change in net assets	\$ 516,224	\$ 429,528	\$ 945,752
<i>Transfer to Capital Improvement Fund</i>	\$ 635,976	\$ 418,632	\$ 1,054,608
<i>Transfer to Depreciation Fund</i>	801,664	1,668,916	2,470,580
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	-	4,266,203	4,266,203
<i>Capitalized Interest</i>	-	-	-
<i>Bond Refunding Costs</i>	-	-	-
<i>Health Insurance Fund</i>	103,674	59,022	162,696

* 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 Month Period Ended March 31, 2020

	Budget	Year-To-Date				Inc/Dec	50.00% Completed Actual % to Budget
		Current	Prior	Variance			
REVENUES							
1 Residential Charges	\$ 14,371,367	\$ 5,864,916	\$ 4,771,823	\$ 1,093,093		22.91%	40.81%
2 Commercial Charges	6,499,482	3,066,379	2,490,029	576,350		23.15%	47.18%
3 Industrial Charges	541,053	179,412	163,795	15,617		9.53%	33.16%
4 Backflow Testing Charges	-	-	-	-		0.00%	0.00%
5 Regional Water Usage	340,000	55,588	34,538	21,050		60.95%	16.35%
Total users' charges	21,751,902	9,166,294	7,460,185	1,706,109		22.87%	42.14%
6 Tap Fees	450,000	161,125	139,575	21,550		15.44%	35.81%
7 Connects & Reconnects	370,000	183,825	188,325	(4,500)		-2.39%	49.68%
8 Other Operating Revenues	400,000	256,382	229,454	26,928		11.74%	64.10%
9 Other Revenues - Sale of Property	-	3,325	6,460	(3,135)		0.00%	0.00%
11 Reimbursements - Sharyland #2	-	-	-	-		0.00%	0.00%
16 Reimbursements - Other	35,500	14,479	31,036	(16,556)		-53.35%	40.79%
17 Miscellaneous	235,000	176,329	163,585	12,744		7.79%	75.03%
18 Revenues Earned	84,526	152,361	180,604	(28,243)		-15.64%	180.25%
19 Revenues before billing charges	23,326,928	10,114,120	8,399,224	1,714,896		20.42%	43.36%
20 Billing Charges	460,000	229,992	229,992	-		0.00%	50.00%
21 TOTAL REVENUES	23,786,928	10,344,112	8,629,216	1,714,896		19.87%	43.49%
EXPENSES							
22 Water Plants	4,739,853	2,083,257	2,005,507	D 77,750		3.88%	43.95%
23 Cost of Raw Water	2,597,311	1,004,764	718,630	E 286,134		39.82%	38.68%
24 Water Lab	444,954	216,515	210,929	F 5,586		2.65%	48.66%
25 Trans & Distribution	2,826,456	1,117,830	1,156,988	G (39,158)		-3.38%	39.55%
26 Meter Readers	1,120,102	493,968	451,848	H 42,121		9.32%	44.10%
27 Utility Billing	833,963	382,453	347,417	I 35,036		10.08%	45.86%
28 Customer Relations	1,108,154	495,080	439,799	J 55,281		12.57%	44.68%
29 Treasury Management	569,526	305,245	202,010	K 103,235		51.10%	53.60%
30 General & Admin	1,955,948	864,185	752,171	L 112,014		14.89%	44.18%
31 Non-recurring Expense	-	-	-	-		0.00%	0.00%
32 Employee Benefits	123,477	3,500	40,500	(37,000)		-91.36%	2.83%
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	16,374,843	6,986,327	6,345,327	641,000		10.10%	42.67%
37 Debt Service	1,050,419	551,092	523,038	28,054		5.36%	52.46%
38 Depreciation *	4,574,246	2,290,469	2,266,659	23,811		1.05%	50.07%
39 TOTAL EXPENSES	21,999,508	9,827,888	9,135,024	692,865		7.58%	44.67%
40 Revenues Over (Under) Expenses	1,787,420	516,224	(505,807)				
41 Contributions - Acquired assets	-	-	-				
42 Change in Net Assets		516,224	(505,807)				
NON-OPERATING EXPENSES							
43 Capital Outlay	-	-	-	-			
44 Transfer to Capital Improvements	1,271,960	635,976	585,456	50,520			
45 Transfer to Misc. Gov't Grants	-	-	6,925,775	(6,925,775)			
46 Transfer to Depreciation	1,600,986	801,664	793,331	8,334			
47 Reserve for Water Rights	-	-	-	-			
48 Rebutable Arbitrage	-	-	-	-			
49 Capitalized Interest	-	-	-	-			
50 Bond Refunding Costs	-	-	98,700	(98,700)			
51 Health Insurance Fund	207,352	103,674	236,322	(132,648)			
52 Transfer to Sewer Fund (reimbursement)	-	-	55,347	(55,347)			

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

McALLEN PUBLIC UTILITY
WATER FUND REFERENCE NOTES
For the Six Month Period Ended March 31, 2020

Ref	Description	Month Ending				Fiscal Year-to-Date			% Inc (Dec)	
		CONSUMPTION	31-Mar-20	31-Mar-19	Inc(Dec)	% Inc(Dec)	31-Mar-20	31-Mar-19		Inc(Dec)
A	Residential		353,500,200	294,018,000	59,482,200	20.23%	2,099,676,500	1,801,857,500	297,819,000	16.53%
B	Commercial		274,010,800	221,142,600	52,868,200	23.91%	1,593,199,600	1,384,252,000	208,947,600	15.09%
C	Industrial		19,144,100	18,769,400	374,700	2.00%	109,191,300	107,589,000	1,602,300	1.49%
	Total		646,655,100	533,930,000	112,725,100	21.11%	3,802,067,400	3,293,698,500	508,368,900	15.43%

NUMBER OF WATER ACCOUNTS

A	Residential	**	40,578	40,065	513	1.28%
B	Commercial		7,547	7,445	102	1.37%
C	Industrial		152	152	0	0.00%
	Total		48,277	47,662	615	1.29%

* Gallons year-to-date for Sharyland accounts = 21,351,300
** Number of Sharyland accounts = 267

Growth in number of new accounts for the current fiscal year:			Growth in number of new accounts prior year:		
Number of accounts at	3/31/2020	48,277	3/31/2019	47,662	
Number of accounts at	9/30/2019	47,950	9/30/2018	47,399	
Increase/(Decrease) in accounts		327		263	

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	\$ 2,983	\$ 34,023	\$ 99,839	\$ (57,250)	\$ (1,844)	\$ 77,750
E Cost of Raw Water	-	-	286,134	-	-	286,134
F Water Lab	10,942	5,094	7,324	(18,759)	986	5,586
G Trans & Distribution	5,631	(3,298)	34,627	(51,084)	(25,035)	(39,158)
H Meter Readers	33,694	(1,716)	(1,046)	1,260	9,929	42,121
I Utility Billing	14,942	3,167	12,982	1,689	2,256	35,036
J Customer Relations	46,752	599	(10,269)	11,924	6,276	55,281
K Treasury Management	14,197	(356)	14,997	70,746	3,651	103,235
L General & Admin	95,102	773	14,681	268	1,190	112,014
	\$ 224,243	\$ 38,286	\$ 459,270	\$ (41,207)	\$ (2,591)	\$ 678,000

ANALYSIS OF ACTUAL TO BUDGETED CONSUMPTION & REVENUES

Budgeted Consumption for fy 2019-20 (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 3/31/2020	4,050,000,000	January 675,000,000
Actual consumption at 3/31/2020	3,802,067,400	February 675,000,000
Excess/(deficiency) to planned	(247,932,600)	March 675,000,000
		April 825,000,000
Budgeted User Charge Revenues for fy 2019-20	\$ 21,751,902	May 825,000,000
* 45% of planned revenues	9,788,356	June 825,000,000
* 55% of planned revenues	11,963,546	July 825,000,000
		August 825,000,000
Planned revenues at 3/31/2020	9,788,356	September 825,000,000
Actual revenues at 3/31/2020	9,166,294	
Excess/(deficiency) to planned	\$ (622,061)	Total
		9,000,000,000

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

McALLEN PUBLIC UTILITY
WATER IMPROVEMENT FUNDS
STATEMENT OF SOURCES AND USES
For the Six Month Period Ended March 31, 2020

Sources	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
Interest Revenue	\$ 103,019	\$ 51,510	\$ 71,950	139.68%	\$ 67,573	\$ 33,787	\$ 45,106	133.50%
Miscellaneous	0	0	0	0.00%	0	0	0	0.00%
Transfers In	1,600,986	800,493	801,664	100.15%**	1,271,960	635,980	635,976	100.00%
Total Sources	\$ 1,704,005	\$ 852,003	\$ 873,614	102.54%	1,339,533	669,767	681,082	101.69%

Uses	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
Replacement (Infrastructure)	2,182,070	1,091,035	186,166	17.06%	0	0	0	0.00%
Capital Outlay	901,500	450,750	532,085	118.04%	3,329,460	1,664,730	886,256	53.24%
Transfers Out	0	0	0	0.00%	0	0	0	0.00%
Total Uses	\$ 3,083,570	\$ 1,541,785	\$ 718,252	46.59%	\$ 3,329,460	\$ 1,664,730	\$ 886,256	53.24%

Sources Over/								
(Under) Uses	\$ (1,379,565)	\$ (689,783)	\$ 155,363		\$ (1,989,927)	\$ (994,964)	\$ (205,174)	

*50% of the year completed

McALLEN PUBLIC UTILITY
WASTEWATER FUND
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES

For the Six Month Period Ended March 31, 2020

	Budget	Year-To-Date				50.00%
		Current	Prior Year	Variance	Inc/Dec	Year-To-Date Actual % To Budget
REVENUES						
1 Residential Charges	\$ 13,172,770	\$ 5,689,687	\$ 4,790,800	A \$ 898,887	18.76%	43.19%
2 Commercial Charges	5,489,450	2,027,476	1,814,544	A 212,931	11.73%	36.93%
3 Industrial Charges	402,851	104,065	99,886	A 4,179	4.18%	25.83%
4 City of Alton User Charges	650,000	358,459	337,437	A 21,023	6.23%	55.15%
5 Calpine/Duke Reuse Charges	640,000	210,000	210,000	A -	0.00%	32.81%
6 Reuse-Water Charges	120,000	76,566	45,386	A 31,180	68.70%	63.81%
Total users' charges	20,475,071	8,466,253	7,298,053	1,168,200	16.01%	41.35%
7 Ind. Waste Surcharge	1,240,000	502,644	465,541	37,103	7.97%	40.54%
8 Other Operating Revenues	-	21,625	-	21,625	0.00%	0.00%
9 Other Revenues - Sale of Property	-	16,910	8,455	8,455	0.00%	0.00%
10 Reimbursements	91,500	66,087	36,326	29,762	81.93%	72.23%
11 Miscellaneous	538,000	363,839	333,033	30,806	9.25%	67.63%
12 Interest Earned	53,773	97,121	106,576	(9,456)	-8.87%	180.61%
13 Total Revenues	22,398,344	9,534,479	8,247,983	1,286,495	15.60%	42.57%
EXPENSES						
14 Wastewater Plant	5,053,777	2,182,307	1,962,323	B 219,984	11.21%	43.18%
15 Wastewater Lab	588,358	271,808	260,221	C 11,587	4.45%	46.20%
16 Wastewater Collections	2,393,168	1,170,389	1,025,515	D 144,875	14.13%	48.91%
17 General & Admin.	1,286,359	460,393	455,084	E 5,309	1.17%	35.79%
18 Employee Benefits	43,655	-	-	-	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	9,430,578	4,106,161	3,724,406	381,755		43.54%
22 Debt Service	1,411,487	711,503	733,601	(22,098)	-3.01%	50.41%
23 Depreciation *	8,211,213	4,172,290	4,056,657	115,633	2.85%	50.81%
24 Expenses Before Billing Charges	19,053,278	8,989,954	8,514,664	475,290	5.58%	47.18%
25 Billing Charges	230,000	114,996	114,996	-	0.00%	50.00%
26 TOTAL EXPENSES	19,283,278	9,104,950	8,629,660	475,290	5.51%	47.22%
27 Revenues Over (Under) Expenses	\$ 3,115,067	\$ 429,528	\$ (381,677)			
28 Contributions - Acquired assets	-	-	-			
29 Change in Net Assets		429,528	(381,677)			
NON-OPERATING EXPENSES						
30 Capital Outlay	-	-	-	-		
31 Transfer to Capital Improvement	837,270	418,632	535,302	(116,670)		
32 Transfer to Depreciation	3,284,485	1,668,916	1,622,663	46,253		
33 Transfer to TWDB Construction-Loan Reimbursement	-	4,266,203	1,262,650	3,003,552		
34 Rebatable Arbitrage	-	-	-	-		
35 Capitalized Interest	-	-	-	-		
36 Bond Refunding Costs	-	-	43,250	(43,250)		
37 Health Insurance	118,054	59,022	134,550	(75,528)		

* 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 Month Period Ended March 31, 2020

Ref Description	Month Ending				Fiscal Year-to-Date			
	31-Mar-20	31-Mar-19	Inc(Dec)	% Inc(Dec)	31-Mar-20	31-Mar-19	Inc(Dec)	(Dec)
CONSUMPTION								
A Residential	291,473,400	246,796,700	44,676,700	18.10%	1,727,674,200	1,509,671,100	218,003,100	14.44%
A Commercial	193,152,800	190,742,900	2,409,900	1.26%	1,199,092,400	1,146,135,500	52,956,900	4.62%
A Industrial	14,459,700	14,811,900	(352,200)	-2.38%	87,123,400	87,932,100	(808,700)	-0.92%
Total	499,085,900	452,351,500	46,734,400	10.33%	3,013,890,000	2,743,738,700	270,151,300	9.85%

Ref Description	Month Ending				Fiscal Year-to-Date			
	31-Mar-20	31-Mar-19	Inc(Dec)	% Inc(Dec)	31-Mar-20	31-Mar-19	Inc(Dec)	(Dec)
REUSE CONSUMPTION *								
Residential	4,737,100	2,458,300	2,278,800	92.70%	28,041,200	16,880,800	11,160,400	66.11%
Commercial	5,485,700	2,806,000	2,679,700	95.50%	29,832,000	20,787,000	9,045,000	43.51%
Industrial	0	0	0	0.00%	0	0	0	0.00%
Total	10,222,800	5,264,300	4,958,500	94.19%	57,873,200	37,667,800	20,205,400	53.64%

* Excludes effluent to power plants

NUMBER OF WASTEWATER ACCOUNTS

A Residential	**	37,429	36,966	463	1.25%
A Commercial		5,557	5,512	45	0.82%
A Industrial		122	122	0	0.00%
Total		43,108	42,600	508	1.19%

Number of new accounts for the current fiscal year:

Number of accounts at 3/31/2020	43,108	Growth in number of new accounts prior year:	
Number of accounts at 9/30/2019	42,804	3/31/2019	42,600
Increase/(Decrease) in accounts	304	9/30/2018	42,286

NUMBER OF REUSE ACCOUNTS

A Residential	303	210	93	44.29%
A Commercial	16	14	2	14.29%
A Industrial	0	0	0	0.00%
Total	319	224	95	42.41%

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	\$ 126,894	\$ 7,531	\$ 16,525	\$ (13,265)	\$ 82,298	\$ 219,984
C Wastewater Lab	4,603	16,700	780	(1,869)	(8,626)	11,587
D Wastewater Collections	34,707	27,586	(5,124)	80,190	7,516	144,875
E General & Admin.	56,508	(233)	(47,358)	(3,609)	-	5,309
	\$ 222,712	\$ 51,584	\$ (35,177)	\$ 61,448	\$ 81,187	\$ 381,755

ANALYSIS OF ACTUAL TO BUDGETED CONSUMPTION & REVENUES

Budgeted Consumption for fy 2019-20 (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 3/31/20	3,213,962,100	January	535,660,350
Actual consumption at 3/31/20	3,013,890,000	February	535,660,350
Excess/(deficiency) to planned	(200,072,100)	March	535,660,350
		April	654,695,983
Budgeted User Charge Revenues for fy 2019-20	\$ 19,835,071	May	654,695,983
* 45% of planned revenues	8,925,782	June	654,695,983
* 55% of planned revenues	10,909,289	July	654,695,983
		August	654,695,983
Planned revenues at 3/31/20	8,925,782	September	654,695,983
Actual revenues at 3/31/20	8,256,253		
Excess/(deficiency) to planned	\$ (669,529)	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 Month Period Ended March 31, 2020

	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	\$ 169,418	\$ 84,709	\$ 146,330	172.74%	\$ 77,384	\$ 38,692	\$ 58,957	152.37%
Miscellaneous	-	-	-	0.00%	-	-	-	0.00%
Transfers In	3,284,485	1,642,243	1,668,916	101.62%	837,270	418,635	418,632	100.00%
Total Sources	\$ 3,453,903	\$ 1,726,952	\$ 1,815,246	105.11%	\$ 914,654	\$ 457,327	\$ 477,589	104.43%

	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
Uses								
Replacement (Infrastructure)	1,505,000	752,500	411,173	54.64%	-	-	-	0.00%
Capital Outlay	1,055,660	527,830	471,548	89.34%	2,459,770	1,229,885	256,762	20.88%
Transfers Out	-	-	-	0.00%	-	-	-	0.00%
Total Uses	\$ 2,560,660	\$ 1,280,330	\$ 882,720	68.94%	\$ 2,459,770	\$ 1,229,885	\$ 256,762	20.88%

Sources Over/ (Under) Uses	\$893,243	\$446,622	\$932,526		(\$1,545,116)	(\$772,558)	\$220,827	
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*50% of the year completed

**WATER & WASTEWATER FUND
COMBINED BALANCE SHEET**

as of March 31, 2020

	<u>WATER FUND</u> *	<u>WASTEWATER FUND</u> *	<u>COMBINED</u>
ASSETS			
<u>Current Assets</u>			
Cash & Investments			
Demand.....	\$ 157,588	\$ 123,782	\$ 281,370
Time Deposits.....	3,012,372	500,992	3,513,365
Investments.....	2,476,988	2,103,862	4,580,850
Market Value Adjustment.....	12,789	0	12,789
Mgr/Trust Cash.....	0	0	0
Receivables, net:			
Accounts.....	2,025,696	1,905,766	3,931,462
Accrued Interest.....	16,496	0	16,496
Due From Other Funds.....	3,235	0	3,235
Water/Sewer Line Assessments.....	0	2,950	2,950
Inventories, at cost.....	182,292	0	182,292
Miscellaneous.....	0	0	0
Prepaid expenses.....	0	0	0
Total Current Assets	\$ 7,887,455	\$ 4,637,353	\$ 12,524,808
Notes Receivable	81,269	96,185	177,454
<u>Restricted Assets</u>			
Mgr/Trust Cash.....	0	0	0
Accrued Interest.....	640	22,992	23,630
Due From Other Funds.....	0	0	0
Notes Receivable - Airport	0	0	0
Accounts Receivable.....	0	0	0
Sub-Total	640	22,992	23,630
Demand.....	25,712	73,256	98,969
Time Deposits.....	7,116,462	8,934,757	16,051,219
Investments.....	7,167,859 **	16,170,426	23,338,285
Market Value Adjustment.....	0	29,061	29,061
Total Restricted Cash & Investments	14,310,033	25,207,501	39,517,534
Total Restricted Assets	14,310,673	25,230,492	39,541,165
Propert, Plant, & Equipment.....	152,241,404	257,096,438	409,337,842
(Less: Accumulated Depreciation).....	(83,922,695)	(97,101,063)	(181,023,758)
Net Property, Plant, & Equipment	68,318,709	159,995,375	228,314,084
Other Assets, net.....	32,418,376	8,607,316	41,025,692
TOTAL ASSETS	\$ 123,016,482	\$ 198,566,720	321,583,203

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

** Includes a portion of the restricted customer deposits totalling \$2,782,225

WATER & WASTEWATER FUND

COMBINED BALANCE SHEET

as of March 31, 2020

	<u>WATER FUND</u>	*	<u>WASTEWATER FUND</u>	*	<u>COMBINED</u>
LIABILITIES & FUND EQUITY					
<u>Current Liabilities</u>					
Accounts Payable.....	\$ 145,767		\$ 122,598		\$ 268,365
Accrued Expense.....	701,735		481,624		1,183,359
Due to Other Funds.....	0		0		0
Other.....	0		100,000		100,000
Total Current Liabilities	847,502		704,222		1,551,724
<u>Liabilities Payable from Restricted Assets</u>					
Accounts Payable.....	35,774		17,220		52,994
Accrued Expense.....	78,983		1,892		80,875
Due to Other Funds.....	3,235		300,430		303,665
Interest Payable.....	169,683		229,789		399,473
Customer Deposits.....	2,782,225		0		2,782,225
Current Portion of Revenue Bonds.....	1,371,150		4,521,850		5,893,000
Total Liabilities Payable from Restricted Assets	4,441,050		5,071,181		9,512,231
<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.....	247,483		1,524,502		1,771,985
Deferred inflows of resources.....	366,337		3,820,597		4,186,935
Noncurrent liabilities / net pension liability.....	2,474,558		1,449,115		3,923,673
TOTAL LIABILITIES	41,765,544		112,122,949		153,888,493
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		664,510		664,510
Reserve for Capital Improvement.....	4,630,124		5,240,168		9,870,292
Reserve for Depreciation.....	6,600,727		13,069,464		19,670,191
Reserve for Water Rights Purchase.....	0		0		0
Unreserved.....	70,020,087		67,469,630		137,489,718
Total Retained Earnings	81,250,938		86,443,772		167,694,710
TOTAL LIABILITIES AND FUND EQUITY	\$ 123,016,482		\$ 198,566,720		\$ 321,583,203

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

**WATER FUND
COMBINED BALANCE SHEET**

as of March 31, 2020

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.....	\$ 157,588	\$ -	\$ 195	\$ 25,518	\$ -	\$ 183,300
Time Deposits.....	3,012,372	4,334,909	2,781,552	-	-	10,128,834
Investments & Securities.....	2,476,988	2,312,745	1,877,343	-	195,546	6,862,622
Market Value Adjustment.....	12,789	-	-	-	-	12,789
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	2,025,696	-	-	-	-	2,025,696
Accrued Interest.....	16,496	494	146	-	-	17,136
Due From Other Funds.....	3,235	-	-	-	-	3,235
Water Line Assessments.....	-	-	-	-	-	-
Inventories, at cost.....	182,292	-	-	-	-	182,292
Prepaid expenses.....	-	-	-	-	-	-
Total Current Assets	7,887,455	6,648,149	4,659,236	25,518	195,546	19,415,903
Notes Receivable	81,269	-	-	-	-	81,269
CD's restricted for customer deposits.....	-	-	-	-	-	-
Investments restricted for customer deposits.....	2,782,225	-	-	-	-	2,782,225
Property, Plant, & Equipment.....	152,241,404	-	-	-	-	152,241,404
(Less: Accum. Depreciation/Amortization).....	(83,922,695)	-	-	-	-	(83,922,695)
Net Property, Plant, & Equipment	68,318,709	-	-	-	-	68,318,709
Other Assets, net.....	32,418,376	-	-	-	-	32,418,376
TOTAL ASSETS	111,488,034	6,648,149	4,659,236	25,518	195,546	123,016,482
<u>LIABILITIES & FUND EQUITY</u>						
<u>Current Liabilities</u>						
Accounts Payable.....	145,767	-	-	-	-	145,767
Accrued Expense.....	701,735	-	-	-	-	701,735
Due To Other Funds.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
Total Current Liabilities	847,502	-	-	-	-	847,502
<u>Liabilities Payable from Restricted Assets</u>						
Current Portion of Revenue Bonds.....	1,371,150	-	-	-	-	1,371,150
Accounts Payable.....	-	6,662	29,112	-	-	35,774
Accrued Expense.....	-	37,525	-	41,458	-	78,983
Interest Payable.....	-	-	-	-	169,683	169,683
Due To Other Funds.....	-	3,235	-	-	-	3,235
Customer Deposits.....	2,782,225	-	-	-	-	2,782,225
Total Liabilities Payable from Restricted Assets	4,153,375	47,422	29,112	41,458	169,683	4,441,050
<u>Other Non-Current Liabilities</u>						
Revenue Bonds	33,388,614	-	-	-	-	33,388,614
Arbitrage Payable.....	-	-	-	-	-	-
Deferred Revenues.....	247,483	-	-	-	-	247,483
Deferred inflows of resources.....	366,337	-	-	-	-	366,337
Noncurrent liabilities / net pension liability.....	2,474,558	-	-	-	-	2,474,558
TOTAL LIABILITIES	41,477,869	47,422	29,112	41,458	169,683	41,765,544
<u>FUND EQUITY</u>						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Current Debt Service.....	-	-	-	-	-	-
Reserve for Capital Improvement.....	-	-	4,630,124	-	-	4,630,124
Reserve for Depreciation.....	-	6,600,727	-	-	-	6,600,727
Reserve for Water Rights.....	-	-	-	-	-	-
Unreserved.....	70,010,165	-	-	(15,941)	25,863	70,020,087
Total Retained Earnings	70,010,165	6,600,727	4,630,124	(15,941)	25,863	81,250,938
TOTAL LIABILITIES & FUND EQUITY	\$ 111,488,034	\$ 6,648,149	\$ 4,659,236	\$ 25,518	\$ 195,546	\$ 123,016,482

**WASTEWATER FUND
COMBINED BALANCE SHEET**

as of March 31, 2020

ASSETS	RESTRICTED ASSETS					Combined
	Wastewater Fund	Depreciation Fund	Wastewater Capital Impr. Fund	Wastewater Revenue Bonds	Debt Service	
ASSETS						
<u>Current Assets</u>						
Cash & Investments						
Demand.....	\$ 123,782	\$ 1,699	\$ 10,776	\$ 60,535	\$ 246	\$ 197,039
Time Deposits.....	500,992	6,388,174	2,546,583	-	-	9,435,749
Investments & Securities.....	2,103,862	6,645,439	2,682,170	5,948,765	894,053	18,274,288
Market Value Adjustment.....	-	20,976	8,086	-	-	29,061
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,905,766	-	-	-	-	1,905,766
Accrued Interest.....	-	13,176	9,816	-	-	22,992
Due From Other Funds.....	-	-	-	-	-	-
Wastewater Line Assessments.....	2,950	-	-	-	-	2,950
Miscellaneous.....	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Current Assets	4,637,353	13,069,464	5,257,430	6,009,300	894,299	29,867,845
Notes Receivables - Hunt	96,185	-	-	-	-	96,185
Property, Plant, & Equipment.....	257,096,438	-	-	-	-	257,096,438
(Less: Accumulated Depreciation).....	(97,101,063)	-	-	-	-	(97,101,063)
Net Property, Plant, & Equipment	159,995,375	-	-	-	-	159,995,375
Other Assets.....	8,607,316	-	-	-	-	8,607,316
TOTAL ASSETS	173,336,228	13,069,464	5,257,430	6,009,300	894,299	198,566,720
LIABILITIES & FUND EQUITY						
<u>Current Liabilities</u>						
Accounts Payable.....	122,598	-	-	-	-	122,598
Accrued Expenses.....	481,624	-	-	-	-	481,624
Due to Other Funds.....	-	-	-	-	-	-
Other.....	100,000	-	-	-	-	100,000
Total Current Liabilities	704,222	-	-	-	-	704,222
<u>Liabilities Payable from Restricted Assets</u>						
Accounts Payable.....	-	-	15,370	1,850	-	17,220
Accrued Expenses.....	-	-	1,892	-	-	1,892
Due to Other Funds.....	-	-	-	300,430	-	300,430
Interest Payable.....	-	-	-	-	229,789	229,789
Current Portions of all Revenue Bonds....	4,521,850	-	-	-	-	4,521,850
Total Liabilities Payable from Restricted Assets	4,521,850	-	17,262	302,280	229,789	5,071,181
<u>Other Non-Current Liabilities</u>						
Deferred Revenue.....	1,524,502	-	-	-	-	1,524,502
Revenue Bonds.....	99,515,304	-	-	-	-	99,515,304
Deferred inflows of resources.....	3,820,597	-	-	-	-	3,820,597
Noncurrent liabilities/Net Pension Liability - TMRS.....	1,449,115	-	-	-	-	1,449,115
Arbitrage Payable	38,027	-	-	-	-	38,027
TOTAL LIABILITIES	111,573,618	-	17,262	302,280	229,789	112,122,949
FUND EQUITY						
<u>Retained Earnings</u>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Debt Service.....	-	-	-	-	664,510	664,510
Reserve for Depreciation.....	-	13,069,464	-	-	-	13,069,464
Reserve for Capital Improvement.....	-	-	5,240,168	-	-	5,240,168
Unreserved.....	61,762,611	-	-	5,707,020	-	67,469,630
Total Retained Earnings	61,762,611	13,069,464	5,240,168	5,707,020	664,510	86,443,772
\$ 173,336,228	\$ 13,069,464	\$ 5,257,430	\$ 6,009,300	\$ 894,299	\$ 198,566,720	

McALLEN PUBLIC UTILITY
RECONCILED BANK BALANCES
As of March 31, 2020

	POOL	TIME		CDARS		GROSS		TEX POOL-PRIME		BLENDED		BLENDED YIELD ON INVESTMENTS ONLY		TOTAL
		CASH	APR/ROI	DEPOSITS	APR/ROI	HOLDINGS	APR/ROI	INVESTMENTS	APR/ROI	APR/ROI	APR/ROI	TOTAL	APR/ROI	INVESTMENTS
WATER FUND														
M & O	155,288	0	3,014,191	0.00%			3,498,338	1.92%	1,760,874	1.34%	8,428,691	1.08%	1.03%	6,512,530
% of Total	1.84%		35.76%	0.00%	0.00%		41.51%		20.89%					
WATER BOND RESERVE	0	0	0	0.00%			53,722	0.00%	319,168	1.34%	319,168	1.34%	0.00%	0
% of Total	0.00%		0.00%	0.00%			0.00%		100.00%					
DEPRECIATION	0	0	3,824,247	2.28%	510,865	2.62%	1,500,000	1.00%	812,745	1.34%	6,647,857	1.90%	1.87%	5,835,112
% of Total	0.00%		57.53%	7.68%	11.73%		22.56%		12.23%					
DEBT SERVICE	-	-	-	0.00%			0	0.00%	102,120	1.34%	102,120	1.34%	0.00%	0
% of Total	0.00%		0.00%	0.00%			0.00%		100.00%					
WATER DEBT SERVICE TWDB	-	-	-	0.00%			0	0.00%	93,426	1.34%	93,426	1.34%	0.00%	0
% of Total	0.00%		0.00%	0.00%			0.00%		100.00%					
CAPITAL IMPROVEMENT	195	0	2,781,552	1.67%			750,000	1.00%	1,127,343	1.34%	4,659,090	1.48%	1.53%	3,531,552
% of Total	0.00%		59.70%		0.00%		16.10%		24.20%					
BOND CONSTRUCTION	25,518	-	78,767	0.00%			21,242	0.00%	0	0.00%	25,518	0.00%	0.00%	0
% of Total	100.00%		0.00%	0.00%			0.00%		0.00%					
TOTAL WATER	181,000	0	9,619,991	1.39%	510,865	2.62%	5,748,338	1.56%	4,215,677	1.34%	20,275,870	1.38%	1.49%	15,879,194
% of Total	0.89%		47.45%		2.52%		28.35%		20.79%		97.48%			
			60.58%		3.22%		36.20%							
SEWER FUND														
M & O	123,782	0	500,992	0.00%			0	0.00%	2,103,862	1.34%	2,728,637	1.03%	0.00%	500,992
% of Total	4.54%		18.36%	0.00%	0.00%		0.00%		77.10%					
BOND RESERVE-TWDB 2009	-	0	-	0.00%			0	0.00%	2,806,283	1.34%	2,806,283	1.34%	0.00%	0
% of Total	0		0.00%	0.00%			0.00%		100.00%					
DEPRECIATION	1,699	0	5,877,714	2.43%	510,865	2.62%	4,751,139	2.02%	1,894,300	1.34%	13,035,717	2.13%	2.26%	11,139,718
% of Total	0.01%		45.09%	3.92%	4.59%		36.45%		14.53%					
DEBT SERVICE	-	0	-	0.00%			0	0.00%	110,317	1.34%	110,317	1.34%	0.00%	0
% of Total	0.00%		0.00%	0.00%			0.00%		100.00%					
SEWER DEBT TWDB- 2009-2010	246	0	-	0.00%			0	0.00%	273,919	1.34%	274,165	1.33%	0.00%	0
% of Total	0.09%		0.00%	0.00%			0.00%		99.91%					
SEWER BOND CONST TWDB - F492 * Series 2012	(390,102)	0	-	0.00%			0	0.00%	0	0.00%	-390,102	0.00%	0.00%	0
% of Total	100.00%		0.00%	0.00%			0.00%		0.00%					
TWDB CONSTR FUND SERIES 2015 *FUND 494	59,255	0	-	0.00%			0	0.00%	0	0.00%	59,255	0.00%	0.00%	0
% of Total	100.00%		0.00%	0.00%			0.00%		0.00%					
SEWER TWDB Debt - 2012	-	0	-	0.00%			0	0.00%	509,817	1.34%	509,817	1.34%	0.00%	0
% of Total	0.00%		0.00%	0.00%			0.00%		100.00%					
CAPITAL IMPROVEMENT	10,776	0	2,546,583	1.95%			1,751,683	2.40%	930,487	1.34%	5,239,528	1.99%	2.14%	4,298,266
% of Total	0.21%		48.60%		0.00%		33.43%		17.76%					
BOND CONSTRUCTION	391,382	0	-	0.00%			0	0.00%	1,937,639	1.34%	2,329,021	1.11%	0.00%	0
% of Total	16.80%		0.00%	0.00%			0.00%		83.20%					
TOTAL SEWER	197,039	0	8,925,289	2.16%	510,865	2.62%	6,502,822	2.12%	14,577,749	1.34%	30,713,764	1.71%	2.16%	15,938,976
% of Total	0.64%		29.06%		1.66%		21.17%		0.474632452		98%			
			56.00%		3.21%		40.80%		91.46%					
TOTAL PUB	378,039	0	18,545,280	1.76%	1,021,730	2.62%	12,251,161	1.86%	18,793,426	1.34%	50,989,635	1.58%	1.83%	31,818,170
% of Total	0.74%		36.37%		2.00%		24.03%		36.86%		100.00%			
			58.29%		3.21%		38.50%		59.07%					