



# FINANCIAL STATEMENTS

**For the Fiscal Year Ended September 30, 2020**

**(Unaudited)**

*Prepared By:  
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Director of Finance for Utilities*



## EXECUTIVE SUMMARY

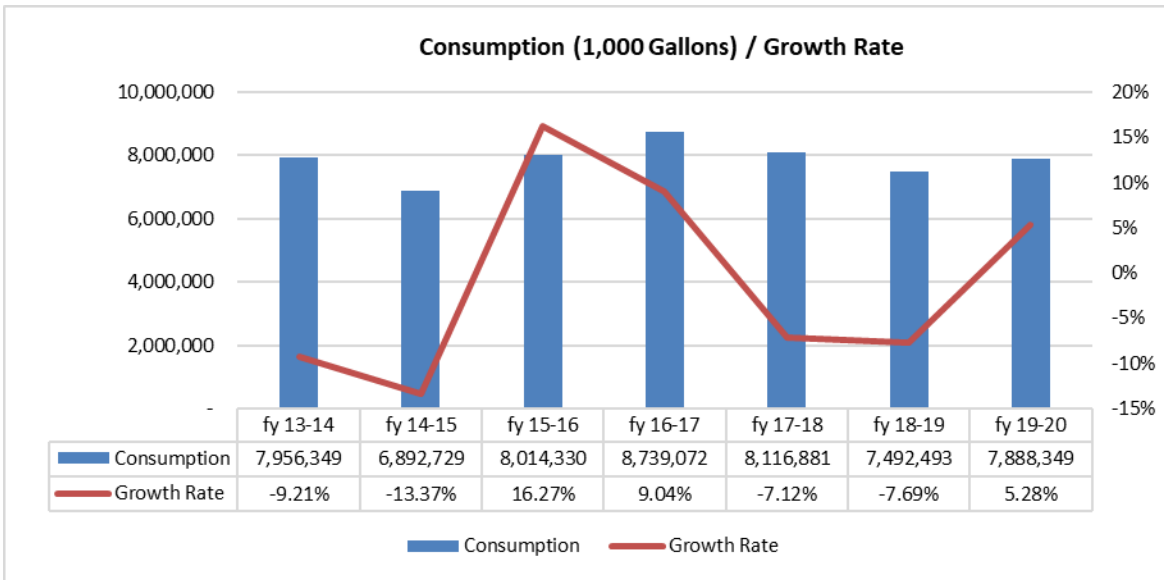
### Review of the Financial Statements For the Fiscal Year Ending September 30, 2020 (Unaudited)

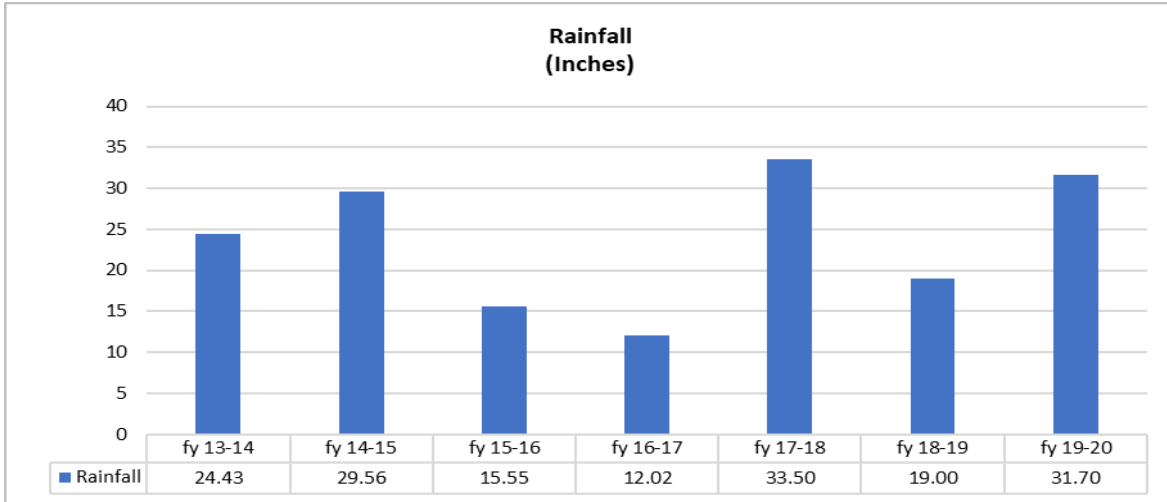
**General Comments**

This year’s results, both in the Water Fund and the Wastewater Fund, were diverse. User charge revenues were under projections; however, expenses were maintained well below budget. The COVID-19 pandemic and Hurricane Hanna impacted operations to a certain degree. Our top priority was protecting our customers and employees while continuing to provide quality water, wastewater and reclaimed water services.

**Consumption**

Water consumption increased 5% from the previous year and was 12% under planned consumption of 9,000,000,000 gallons. Fluctuations in consumption are normally directly impacted by the amounts of rainfall reported each year. Fiscal year 2019-2020 was the exception due to significant rainfall reported with the arrival of Hurricane Hanna in July 2020. During the year, approximately 32 inches of rain were reported compared to the 19 inches reported last year. Historical consumption, its percentage increase (decrease) from the previous year and the amount of rainfall reported, over the last five years, are presented in the following charts:





**Rates**

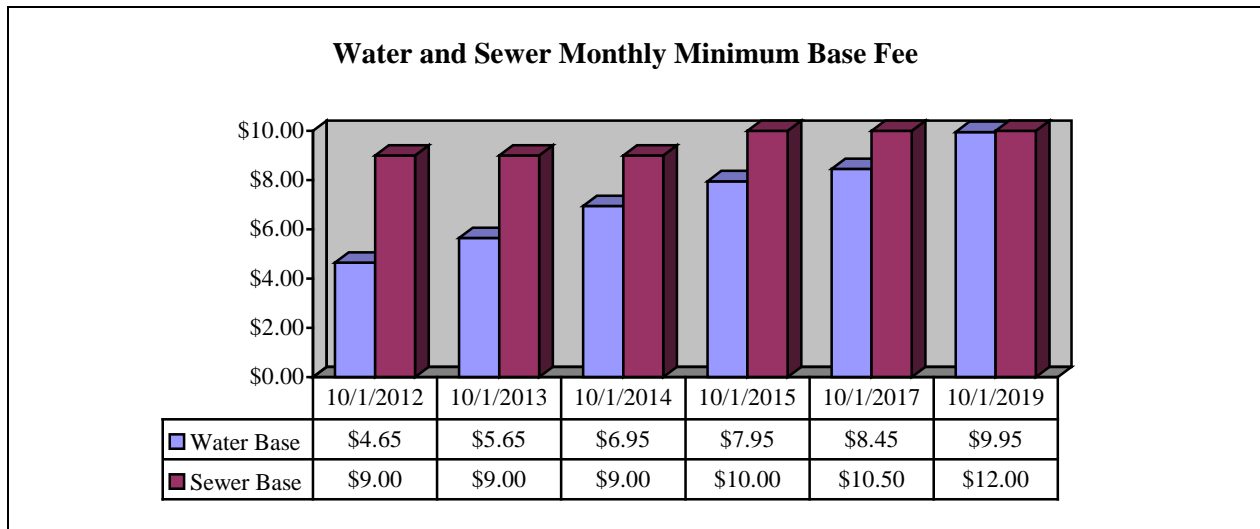
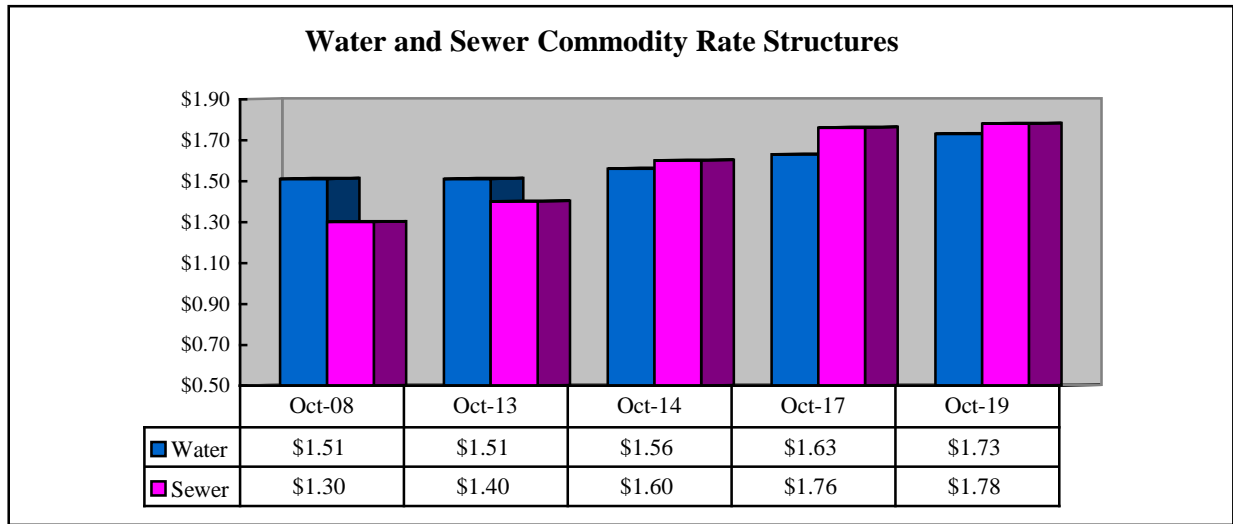
A base/extra capacity water rate structure of \$1.30/\$1.60 per 1,000 gallons, using a 20,000-gallon threshold on residential accounts and annual 12-month average base consumption on commercial, multi-family and industrial accounts, with a \$1.60 commodity rate on sprinkler accounts, was passed during fy 03-04. The monthly minimum base fee for water accounts increased from \$3.50 to \$4.00 during fy 06-07. There was no increase in rates during fy 07-08. During fy 08-09, the water commodity rate for residential accounts was restructured at \$1.30 per 1,000 for the first 12,999 gallons, \$1.60 per 1,000 for 13,000 to 17,999 gallons and \$1.80 per 1,000 in excess of 18,000 gallons. The \$1.35, \$1.39, \$1.51 and \$1.56 water commodity rates indicated below are a composite estimate based on actual usage. A history of commodity rate changes is reflected in the chart below. During fiscal year 2012-2013, the minimum monthly water base rate was increased from \$3.65 to \$4.65. The minimum monthly water base rate was also increased during fiscal year 2013-2014 to \$5.65 and the wastewater commodity rate was increased from \$1.30 to \$1.40 per 1,000 gallons of water consumption. For fiscal year 2014-2015, the minimum monthly water base rate was increased from \$5.65 to \$6.95, and the wastewater commodity rate was increased from \$1.40 to \$1.60 per 1,000 gallons of water consumption. The minimum monthly base rates for both water and wastewater were also increased by \$1.00 to \$7.95 and \$10, respectively, in fy 2015-2016. Effective October 1, 2017, the monthly minimum base rates for water and wastewater increased by \$0.50 to \$8.45 and \$10.50, respectively. The residential water commodity rate structure was also amended as indicated in the table below resulting in a composite rate of \$1.63/1,000 gallons.

Tier 1	0-7,999 gallons	\$1.35/1,000 gallons
Tier 2	8,000-12,999 gallons	\$1.65/1,000 gallons
Tier 3	13,000-17,999 gallons	\$1.85/1,000 gallons
Tier 4	Over 18,000 gallons	\$1.95/1,000 gallons

Effective October 1, 2019, the monthly minimum base rates for water and wastewater increased by \$1.50 to \$9.95 and \$12.00, respectively. The residential water commodity rate structure was also amended as indicated in the table below resulting in a composite rate of \$1.73/1,000 gallons.

Tier 1	0-7,999 gallons	\$1.45/1,000 gallons
Tier 2	8,000-12,999 gallons	\$1.75/1,000 gallons
Tier 3	13,000-17,999 gallons	\$1.95/1,000 gallons
Tier 4	Over 18,000 gallons	\$2.05/1,000 gallons

The wastewater commodity rate was amended in fy 2017-2018 to include a tiering structure using water consumption. The residential commodity rate structure was amended to \$1.60 for the first tier up to 19,999 gallons per 1,000 gallons and \$2.10 for the second tier over 20,000 gallons per 1,000 gallons. The commercial and industrial commodity rate structures were also amended to \$1.60 per 1,000 gallons for the first tier up to the prior fiscal year’s 12-month average consumption and \$2.10 per 1,000 gallons for consumption over the prior fiscal year’s 12-month average consumption. The composite rate for all categories is \$1.76/1,000 gallons. Effective October 1, 2019, the commodity rate per 1,000 gallons of water consumption was increased by \$0.10 to \$1.70 and \$2.20, respectively.



**Growth in Customer Base**

The number of water accounts this year grew by 465 or 1%, increasing the customer base from 47,950 to 48,415. The number of wastewater accounts grew by 414, a 1% increase, resulting in a customer base of 43,218 from 42,804. The number of reclaimed water accounts steadily increased during the year to 379 from 277 at the end of the prior fiscal year.

The impact of the increase in water and wastewater consumption and growth in the customer base on the effect in both water and wastewater sales comparing the prior year and budget, will be discussed under each fund respectively.

## **Water Fund**

### **Overall**

Revenues are reported at \$21,007,735, an increase of \$1,955,708, 10% over the prior year and 12% under budget. Operating expenses are reported at \$20,580,497, an increase of \$945,768, or 5%, over the prior year and 7% under budget. This resulted in revenues over expenses, inclusive of depreciation, of \$427,238 before the required transfers-out to fund the principal portion of debt service, and capital replacements and improvements.

### **Water Sales**

Water sales of \$18,800,560 increased 13% from the prior year and were 14% under budget.

### **Tap Fees**

Tap fees at \$357,350 increased 24% from the prior year and were 21% under the annual budgeted amount of \$450,000.

### **Connect & Reconnect Fees**

Connect and reconnect fees came in at \$339,100, a 10% decrease from the prior year and 8% under budget.

### **Other Operating Revenues**

Other operating revenues, at \$414,561, decreased 12% from the prior year. These revenues primarily represent a 5% late fee charged to delinquent accounts that commenced October 1, 2014.

In an effort to alleviate undue hardships faced by utility customers during the COVID-19 pandemic, reconnect fees and late fees were not charged for a two-month period during the fiscal year.

### **Reimbursements**

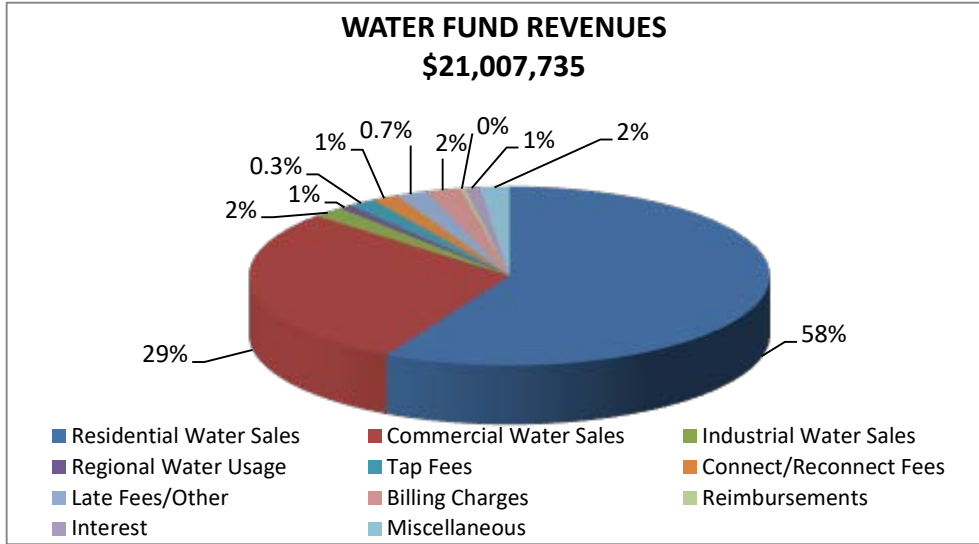
Reimbursements at \$52,394 came in \$14% over the prior year, exceeding budget.

### **Miscellaneous Non-operating Revenue**

Miscellaneous non-operating revenues represent the following revenues: cash over (short), recovery of prior year expenses, charge-offs, returned check charges, and miscellaneous non-operating revenues (i.e. water tower leases, p-card rebates, homeowner association dues administrative fees). These revenues at \$348,267 increased 7% from the prior year and exceeded the \$235,000 annual budget.

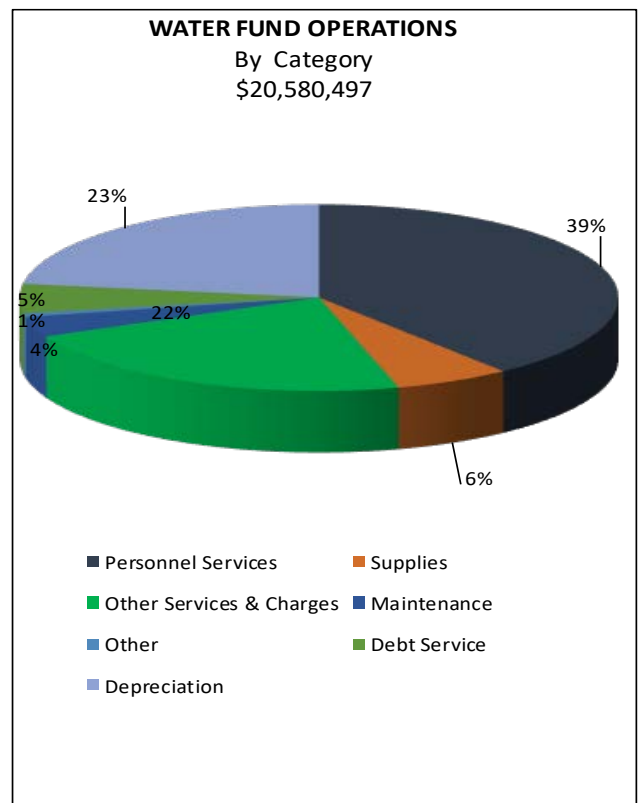
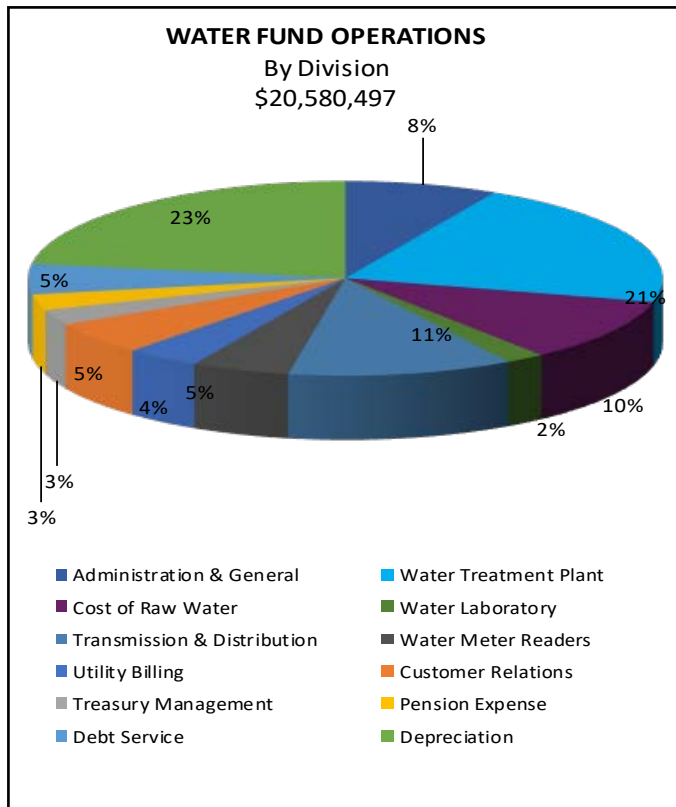
### **Interest income**

Interest earnings came in 49% under prior year while over-performing budget by 141%. As shown on page 12 of this report, based upon the current portfolio, the M&O portion of the Water Fund's investment holdings are earning a weighted-average yield of 0.85%; the fund as a whole, 0.96%. The blended yield on investments, excluding non-interest-bearing cash and TexPool Prime is 1.36%.



**Expenses**

Expenses as a whole were well under control. The more significant fluctuations between the year-to-date expenses to that of the prior year are discussed on page 3 of the reports.



**Net Revenues under Expenses**

As a result of the factors previously discussed, the Water Fund ended the year with net revenues over expenses of \$427,238.

**Working Capital**

The results of this year's operations resulted in working capital of \$7,682,576, which represents 176

days of operating expenses exclusive of depreciation—up 7 days from last year’s 169 days. This level is above MPUB’s 120-day policy.

**Bond Coverage Ratio**

Net revenues generated a bond coverage ratio of 2.54x Water Fund-related debt service.

## ***Wastewater Fund***

### **Overall**

Revenues are reported at \$19,293,714, 8% over the prior year—14% under budget. Operating expenses are reported at \$18,418,538, an increase of \$680,555 or 4% over the prior year—4% under budget. This resulted in net revenues over expenses of \$875,176 before the required transfers-out to fund the principal portion of debt service and capital replacements and improvements.

### **Wastewater Sales**

Wastewater sales of \$17,640,619 increased 11% from last year and were 14% under budget.

Based upon the City's billing model, wastewater *return* (billable sewage) has historically amounted to 82% of water consumption. Generally, if both water and wastewater sales are budgeted assuming wastewater *return* at 82% of water consumption—all other factors influencing increased sales and % growth (number of customers, monthly minimum base fee, and commodity rate) remaining relatively constant with budget—the impact of a decrease in water consumption would typically result in the % decrease in water and wastewater sales having a small spread. Of course, with the larger monthly minimum billing base fee of \$12.00 for wastewater vs \$9.95 for water and the fact that it is so significant to total wastewater sales, we would never expect the two to be exactly the same.

### **Reuse Water Sales**

This fiscal year MPU saw billed growth in accounts using reclaimed water for irrigation purposes in the northwest section of the City. Reuse revenues totaled \$180,132 with 379 reuse accounts serviced.

### **Industrial Waste Surcharge**

Industrial waste surcharges, at \$690,922, are 24% under the prior year, 44% under budget.

In an effort to alleviate undue hardships faced by utility customers during the COVID-19 pandemic, industrial surcharges were not charged for a two-month period during the fiscal year.

### **Reimbursements**

Reimbursements at \$110,971 were \$57,578 more than the prior year, 21% over budget.

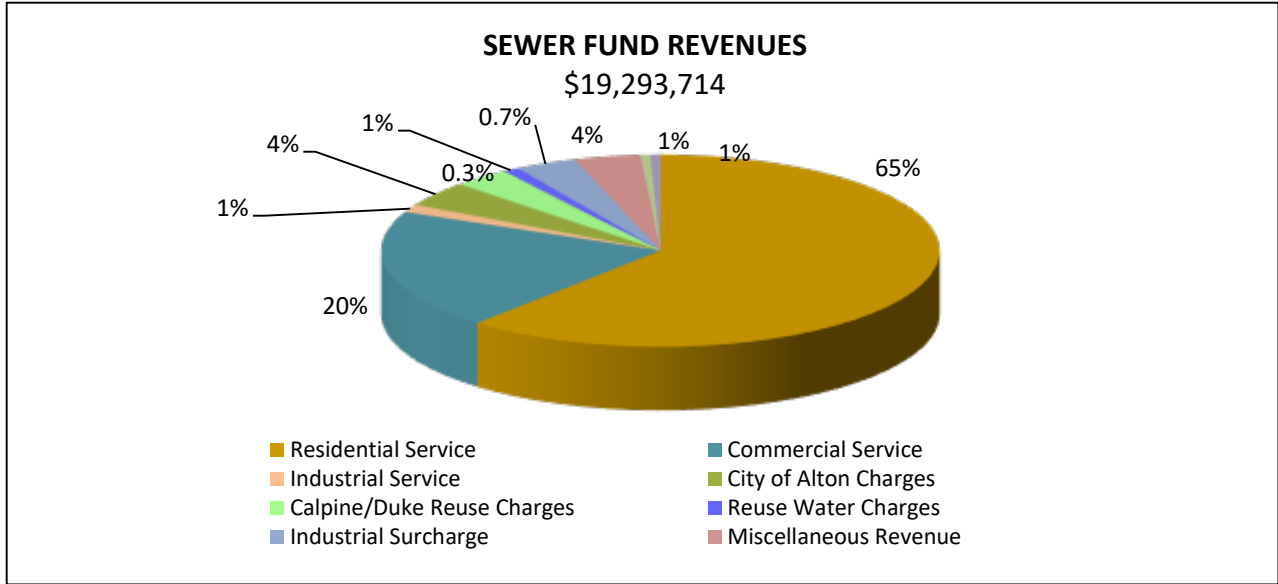
### **Miscellaneous**

Miscellaneous revenues at \$654,542 came in \$46,657 more than the prior year, well over the budgeted amount of \$538,000.

### **Interest income**

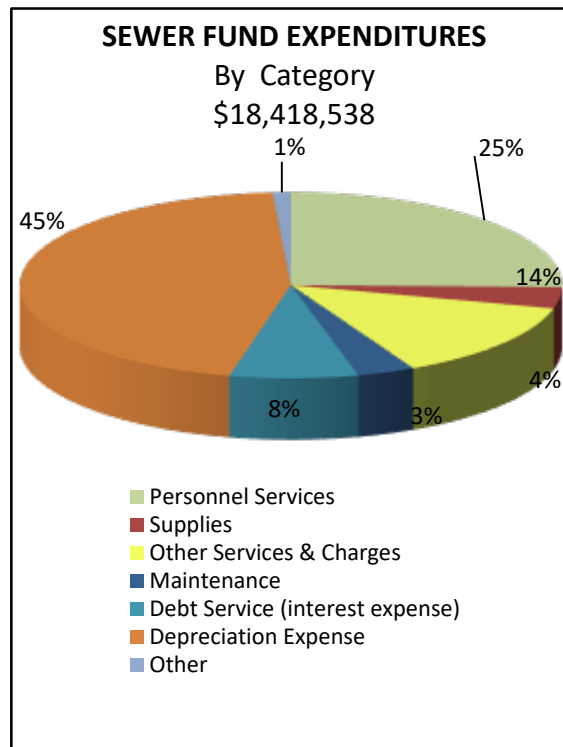
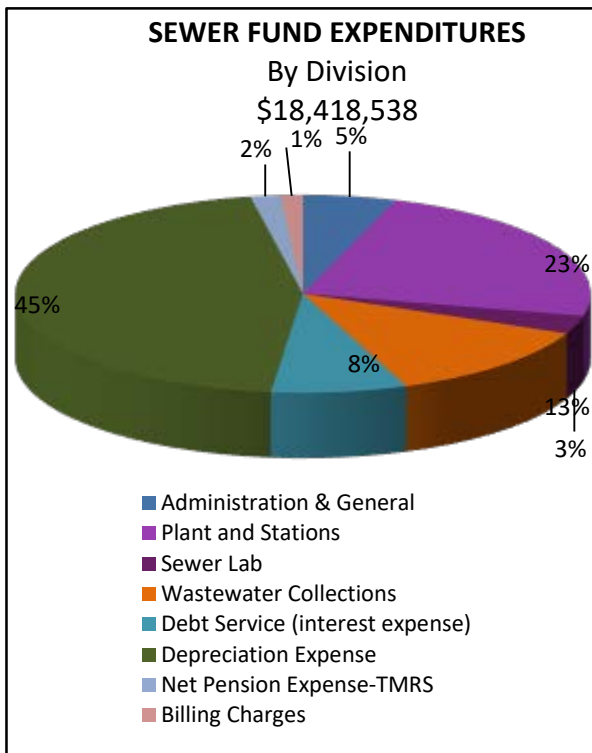
Interest earnings over-performed prior year and came in over budget. As shown on page 12 of this report, based upon the current portfolio the M&O portion of the Wastewater Fund's investment holdings are earning a weighted-average yield of 0.48%; the fund as a whole, 0.68%. The blended yield on investments, excluding non-interest bearing-cash and TexPool Prime is 1.60%.





**Expenses**

Expenses as a whole were well under control. Almost without exception, all expense line items, year-to-date, were under budget. The more significant fluctuations between the year-to-date expenses compared to that of the prior year are discussed on page 3 of the reports.



**Net Revenues under Expenses**

As a result of the factors previously discussed, the Wastewater Fund ended the year with net revenues over expenses of \$875,176.

**Working Capital**

Working capital at year end amounted to \$4,505,423, which represents 163 days of operating

expenses exclusive of depreciation—up 3 days from last year’s 160 days. This level is in excess of MPU’s 120-day policy.

Combined working capital results in 171 days of operating expenses.

**Bond Coverage Ratio**

Net revenues generated a bond coverage ratio of 1.79x Wastewater Fund-related debt service.

**Compliance with Bond Ordinance**

MPU is in compliance with the provisions of all revenue bond ordinances when combining both the Water and Wastewater fund financial results. Combined debt coverage ratio is 2.01x total debt service which exceeds the 1.25x required under the bond covenant. The balance in the debt service funds exceeds that required under the ordinance.

***Cash and Investments  
Water & Wastewater Funds Combined***

A summary of the portfolio for the Water and Wastewater Funds is presented on page 12 of this report. Overall the portfolio is allocated with \$697,566 in demand deposit accounts, which earned 0.00% in September; \$21,078,127 in certificates of deposit earning a blended rate of 1.46%; \$2,846,845 in CDARs investments earning a blended yield of 2.62%; \$5,750,000 in government securities, earning a blended rate of 1.00%; and \$23,023,429 in TexPool Prime, which earned 0.26% in September. The blended yield of non-interest-bearing cash, TexPool Prime and investment holdings is 0.80%. The overall blended yield of investments held on 9/30/20 is presented as 1.48%.

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

For the Fiscal Year Ended September 30, 2020

(Unaudited)

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined</u>
<b>OPERATING REVENUES</b>			
Residential Charges	\$ 12,145,740	\$ 11,843,895	\$ 23,989,635
Commercial Charges	6,067,968	3,896,587	9,964,555
Industrial Charges	414,513	256,983	671,496
City of Alton User Charges	-	820,855	820,855
Calpine/Duke Reuse Charges	-	642,167	642,167
Reuse-Water Charges	-	180,132	180,132
Regional Water Sales	172,339	-	172,339
Industrial Waste Surcharge	-	690,922	690,922
Reimbursements	52,394	110,971	163,365
Billing Charges	460,000	-	460,000
Connects/Reconnects	339,100	-	339,100
Tap Fees	357,350	-	357,350
Other Charges	762,828	713,317	1,476,145
	<u>20,772,231</u>	<u>19,155,829</u>	<u>39,928,060</u>
Total Operating Revenues			
<b>NON-OPERATING REVENUES</b>			
Sale of Property	31,574	25,529	57,102
Interest	203,930	112,357	316,287
	<u>235,504</u>	<u>137,885</u>	<u>373,390</u>
Total Non-Operating Revenues			
	<b>21,007,735</b>	<b>19,293,714</b>	<b>40,301,449</b>
<b>EXPENSES</b>			
Plants	4,348,923	4,308,292	8,657,215
Cost of Raw Water	2,163,329	-	2,163,329
Labs	414,351	547,194	961,545
Distribution & Collections	2,352,896	2,312,826	4,665,722
Meter Readers	1,029,297	-	1,029,297
Utility Billing	781,222	-	781,222
Customer Relations	1,121,945	-	1,121,945
Treasury Management	520,816	-	520,816
General & Administration	1,561,618	921,805	2,483,423
Employee Benefits	3,500	-	3,500
Insurance	39,060	42,528	81,588
Pension Expense-TMRS (GASB 68)	1,049,898	598,213	1,648,111
TMRS Benefits-Contra (GASB 68)	(505,568)	(286,387)	(791,955)
Debt Service	1,040,571	1,404,312	2,444,883
Billing Charges	-	230,000	230,000
Depreciation*	4,658,640	8,339,755	12,998,395
	<u>20,580,497</u>	<u>18,418,538</u>	<u>38,999,036</u>
TOTAL EXPENSES			
<b>INCOME(LOSS) PRIOR TO CONTRIBUTIONS &amp; TRANSFERS</b>			
	<u>\$ 427,238</u>	<u>\$ 875,176</u>	<u>\$ 1,302,414</u>
<b>Contributions - Acquired Assets</b>	-	-	-
<b>Change in net assets</b>	<u>\$ 427,238</u>	<u>\$ 875,176</u>	<u>\$ 1,302,414</u>
<i>Transfer to Capital Improvement Fund</i>	\$ 1,271,960	\$ 837,270	\$ 2,109,230
<i>Transfer to Depreciation Fund</i>	1,592,024	3,335,902	4,927,926
<i>Transfer to TWDB Construction-Loan Reimbursement</i>	3,894,745	4,476,994	8,371,739
<i>Rebatable Arbitrage</i>	-	9,588	9,588
<i>Capitalized Interest</i>	-	-	-
<i>Bond Refunding Costs</i>	186,169	(425,544)	(239,376)
<i>Health Insurance Fund</i>	207,352	118,054	325,406

\* 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 Fiscal Year Ended September 30, 2020  
(Unaudited)

	Budget	Year-To-Date				Inc/Dec	100.00% Completed Actual % to Budget
		Current	Prior	Variance			
<b>REVENUES</b>							
1 Residential Charges	\$ 14,371,367	\$ 12,145,740	\$ 10,705,875	\$ 1,439,866	13.45%	84.51%	
2 Commercial Charges	6,499,482	6,067,968	5,542,633	525,335	9.48%	93.36%	
3 Industrial Charges	541,053	414,513	341,217	73,296	21.48%	76.61%	
4 Backflow Testing Charges	-	-	-	-	0.00%	0.00%	
5 Regional Water Usage	340,000	172,339	97,138	75,200	77.42%	50.69%	
<b>Total users' charges</b>	<b>21,751,902</b>	<b>18,800,560</b>	<b>16,686,862</b>	<b>2,113,698</b>	<b>12.67%</b>	<b>86.43%</b>	
6 Tap Fees	450,000	357,350	288,200	69,150	23.99%	79.41%	
7 Connects & Reconnects	370,000	339,100	376,675	(37,575)	-9.98%	91.65%	
8 Other Operating Revenues	400,000	414,561	469,909	(55,348)	-11.78%	103.64%	
9 Other Revenues - Sale of Property	-	31,574	(897)	32,471	0.00%	0.00%	
11 Reimbursements - Sharyland #2	-	-	-	-	0.00%	0.00%	
16 Reimbursements - Other	35,500	52,394	45,826	6,568	14.33%	147.59%	
17 Miscellaneous	235,000	348,267	325,781	22,486	6.90%	148.20%	
18 Interest Earned	84,526	203,930	399,671	(195,741)	-48.98%	241.26%	
19 <b>Revenues before billing charges</b>	<b>23,326,928</b>	<b>20,547,735</b>	<b>18,592,028</b>	<b>1,955,708</b>	<b>10.52%</b>	<b>88.09%</b>	
20 Billing Charges	460,000	460,000	460,000	-	0.00%	100.00%	
21 <b>TOTAL REVENUES</b>	<b>23,786,928</b>	<b>21,007,735</b>	<b>19,052,028</b>	<b>1,955,708</b>	<b>10.27%</b>	<b>88.32%</b>	
<b>EXPENSES</b>							
22 Water Plants	4,753,073	4,348,923	4,191,710	D 157,213	3.75%	91.50%	
23 Cost of Raw Water	2,597,311	2,163,329	2,089,621	E 73,707	3.53%	83.29%	
24 Water Lab	454,624	414,351	400,309	F 14,042	3.51%	91.14%	
25 Trans & Distribution	2,834,846	2,352,896	2,191,550	G 161,346	7.36%	83.00%	
26 Meter Readers	1,122,032	1,029,297	927,742	H 101,555	10.95%	91.74%	
27 Utility Billing	837,353	781,222	765,291	I 15,931	2.08%	93.30%	
28 Customer Relations	1,180,774	1,121,945	952,157	J 169,788	17.83%	95.02%	
29 Treasury Management	571,426	520,816	453,525	K 67,291	14.84%	91.14%	
30 General & Admin	1,987,013	1,561,618	1,498,059	L 63,560	4.24%	78.59%	
31 Non-recurring Expense	-	-	-	-	0.00%	0.00%	
32 Employee Benefits	49,262	3,500	48,000	(44,500)	-92.71%	7.10%	
33 Insurance	55,099	39,060	39,060	-	0.00%	70.89%	
34 Pension Expense-TMRS (GASB 68)	-	1,049,898	798,640	251,258	0.00%	0.00%	
35 TMRS Benefits-Contra (GASB 68)	-	(505,568)	(436,376)	(69,191)	0.00%	0.00%	
36 <b>Sub-Total Expenses</b>	<b>16,442,813</b>	<b>14,881,286</b>	<b>13,919,287</b>	<b>961,999</b>	<b>6.91%</b>	<b>90.50%</b>	
37 Debt Service	1,050,419	1,040,571	1,062,127	(21,556)	-2.03%	99.06%	
38 Depreciation *	4,574,246	4,658,640	4,653,315	5,325	0.11%	101.84%	
39 <b>TOTAL EXPENSES</b>	<b>22,067,478</b>	<b>20,580,497</b>	<b>19,634,729</b>	<b>945,768</b>	<b>4.82%</b>	<b>93.26%</b>	
40 <b>Revenues Over (Under) Expenses</b>	<b>1,719,450</b>	<b>427,238</b>	<b>(582,701)</b>				
41 <b>Contributions - Acquired assets</b>	<b>-</b>	<b>-</b>	<b>682,203</b>				
42 <b>Change in Net Assets</b>		<b>427,238</b>	<b>99,502</b>				
<b>NON-OPERATING EXPENSES</b>							
43 Capital Outlay	-	-	-	-			
44 Transfer to Capital Improvements	1,271,960	1,271,960	1,170,921	101,039			
45 Transfer to TWDB Construction-Loan Reimbursement	-	3,894,745	6,925,775	(3,031,030)			
46 Transfer to Depreciation	1,600,986	1,592,024	1,590,160	1,864			
47 Reserve for Water Rights	-	-	-	-			
48 Rebutable Arbitrage	-	-	-	-			
49 Capitalized Interest	-	-	-	-			
50 Bond Refunding Costs	-	186,169	120,980	65,188			
51 Health Insurance Fund	207,352	207,352	472,651	(265,299)			
52 Transfer to Sewer Fund (reimbursement)	-	-	55,347	(55,347)			
53 Transfer from Capital Improvement Fund	-	-	(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, 2020  
(Unaudited)

Ref	Description	Month Ending				Fiscal Year-to-Date			% Inc (Dec)	
		CONSUMPTION	30-Sep-20	30-Sep-19	Inc(Dec)	% Inc(Dec)	30-Sep-20	30-Sep-19		Inc(Dec)
A	Residential		402,408,700	458,971,200	(56,562,500)	-12.32%	4,473,362,500	4,164,850,000	308,512,500	7.41%
B	Commercial		267,015,400	345,694,600	(78,679,200)	-22.76%	3,167,882,900	3,102,057,700	65,825,200	2.12%
C	Industrial		23,002,100	16,944,000	6,058,100	35.75%	247,103,300	225,585,100	21,518,200	9.54%
	<b>Total</b>		<b>692,426,200</b>	<b>821,609,800</b>	<b>(129,183,600)</b>	<b>-15.72%</b>	<b>7,888,348,700</b>	<b>7,492,492,800</b>	<b>395,855,900</b>	<b>5.28%</b>

**NUMBER OF WATER ACCOUNTS**

A	Residential	**	40,716	40,296	420	1.04%
B	Commercial		7,547	7,502	45	0.60%
C	Industrial		152	152	0	0.00%
	<b>Total</b>		<b>48,415</b>	<b>47,950</b>	<b>465</b>	<b>0.97%</b>

\* Gallons year-to-date for Sharyland accounts = 43,840,400  
\*\* Number of Sharyland accounts = 270

Growth in number of new accounts for the current fiscal year:			Growth in number of new accounts prior year:		
Number of accounts at	9/30/2020	48,415	9/30/2019	47,950	
Number of accounts at	9/30/2019	47,950	9/30/2018	47,399	
<b>Increase/(Decrease) in accounts</b>		<b>465</b>		<b>551</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	\$ 1,302	\$ 14,847	\$ 150,248	\$ (17,594)	\$ 8,411	\$ 157,213
E Cost of Raw Water	-	-	73,707	-	-	73,707
F Water Lab	12,306	(1,591)	19,911	(14,704)	(1,879)	14,042
G Trans & Distribution	37,450	3,084	101,477	37,181	(17,846)	161,346
H Meter Readers	79,188	2,655	7,100	1,478	11,134	101,555
I Utility Billing	14,410	6,535	(12,527)	2,086	5,426	15,931
J Customer Relations	76,620	(650)	76,975	132	16,711	169,788
K Treasury Management	14,912	(322)	45,860	3,355	3,486	67,291
L General & Admin	141,879	4,334	(85,276)	497	2,125	63,560
	<b>\$ 378,067</b>	<b>\$ 28,893</b>	<b>\$ 377,476</b>	<b>\$ 12,430</b>	<b>\$ 27,567</b>	<b>\$ 824,433</b>

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

<b>Budgeted Consumption for fy 2019-20 (gals.)</b>		<b>9,000,000,000</b>		<b>Monthly Planned Consumption</b>
* 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 9/30/2020		9,000,000,000		January 675,000,000
Actual consumption at 9/30/2020		7,888,348,700		February 675,000,000
<b>Excess/(deficiency) to planned</b>		<b>(1,111,651,300)</b>	<b>-12.35%</b>	March 675,000,000
				April 825,000,000
<b>Budgeted User Charge Revenues for fy 2019-20</b>		<b>\$ 21,751,902</b>		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
Planned revenues at 9/30/2020		21,751,902		August 825,000,000
Actual revenues at 9/30/2020		18,800,560		September 825,000,000
<b>Excess/(deficiency) to planned</b>		<b>\$ (2,951,342)</b>	<b>-13.57%</b>	<b>Total 9,000,000,000</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, 2020  
(Unaudited)

	Water Depreciation				Water Capital Improvement			
	Budget	YTD Budget	YTD	% to YTD Budget *	Budget	YTD Budget	YTD	% to YTD Budget *
<b>Sources</b>								
Interest Revenue	\$ 103,019	\$ 103,019	\$ 126,606	122.90%	\$ 67,573	\$ 67,573	\$ 76,346	112.98%
Miscellaneous	0	0	0	0.00%	0	0	0	0.00%
Transfers In	1,600,986	1,600,986	1,592,024	99.44% **	1,271,960	1,271,960	1,271,960	100.00%
<b>Total Sources</b>	<b>\$ 1,704,005</b>	<b>\$ 1,704,005</b>	<b>\$ 1,718,630</b>	<b>100.86%</b>	<b>1,339,533</b>	<b>1,339,533</b>	<b>1,348,306</b>	<b>100.65%</b>
<b>Uses</b>								
Replacement (Infrastructure)	2,226,070	2,226,070	628,298	28.22%	0	0	0	0.00%
Capital Outlay	901,500	901,500	811,907	90.06%	3,587,660	3,587,660	2,046,425	57.04%
Transfers Out	0	0	0	0.00%	0	0	0	0.00%
<b>Total Uses</b>	<b>\$ 3,127,570</b>	<b>\$ 3,127,570</b>	<b>\$ 1,440,205</b>	<b>46.05%</b>	<b>\$ 3,587,660</b>	<b>\$ 3,587,660</b>	<b>\$ 2,046,425</b>	<b>57.04%</b>
<b>Sources Over/ (Under) Uses</b>	<b>\$ (1,423,565)</b>	<b>\$ (1,423,565)</b>	<b>\$ 278,425</b>		<b>\$ (2,248,127)</b>	<b>\$ (2,248,127)</b>	<b>\$ (698,119)</b>	

\*100% of the year completed

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

For the Fiscal Year Ended September 30, 2020  
(Unaudited)

	Budget	Year-To-Date				100.00%
		Current	Prior Year	Variance	Inc/Dec	Actual % Year-To-Date To Budget
<b>REVENUES</b>						
1 Residential Charges	\$ 13,172,770	\$ 11,843,895	\$ 10,483,079	A \$ 1,360,816	12.98%	89.91%
2 Commercial Charges	5,489,450	3,896,587	3,797,562	A 99,024	2.61%	70.98%
3 Industrial Charges	402,851	256,983	213,857	A 43,126	20.17%	63.79%
4 City of Alton User Charges	650,000	820,855	656,173	A 164,682	25.10%	126.29%
5 Calpine/Duke Reuse Charges	640,000	642,167	653,614	A (11,447)	-1.75%	100.34%
6 Reuse-Water Charges	120,000	180,132	133,835	A 46,297	34.59%	150.11%
Total users' charges	<b>20,475,071</b>	<b>17,640,619</b>	<b>15,938,120</b>	<b>1,702,499</b>	<b>10.68%</b>	<b>86.16%</b>
7 Ind. Waste Surcharge	1,240,000	690,922	906,601	(215,679)	-23.79%	55.72%
8 Other Operating Revenues	-	58,775	51,825	6,950	0.00%	0.00%
9 Other Revenues - Sale of Property	-	25,529	18,027	7,501	0.00%	0.00%
10 Reimbursements	91,500	110,971	53,394	57,578	107.84%	121.28%
11 Miscellaneous	538,000	654,542	607,885	46,657	7.68%	121.66%
12 Interest Earned	53,773	112,357	224,027	(111,670)	-49.85%	208.95%
<b>13 Total Revenues</b>	<b>22,398,344</b>	<b>19,293,714</b>	<b>17,799,879</b>	<b>1,493,836</b>	<b>8.39%</b>	<b>86.14%</b>
<b>EXPENSES</b>						
14 Wastewater Plant	5,056,207	4,308,292	3,875,169	B 433,123	11.18%	85.21%
15 Wastewater Lab	591,208	547,194	538,209	C 8,985	1.67%	92.56%
16 Wastewater Collections	2,400,098	2,312,826	2,240,919	D 71,907	3.21%	96.36%
17 General & Admin.	1,294,844	921,805	1,011,862	E (90,058)	-8.90%	71.19%
18 Employee Benefits	22,960	-	-	-	0.00%	0.00%
19 Insurance	65,261	42,528	42,528	-	0.00%	65.17%
20 Pension Expense-TMRS (GASB 68)	-	598,213	455,925	142,289	0.00%	0.00%
21 TMRS Benefits-Contra (GASB 68)	-	(286,387)	(243,685)	(42,702)	0.00%	0.00%
<b>22 Sub-Total Expenses</b>	<b>9,430,578</b>	<b>8,444,471</b>	<b>7,920,928</b>	<b>523,543</b>		<b>89.54%</b>
22 Debt Service	1,411,487	1,404,312	1,458,502	(54,190)	-3.72%	99.49%
23 Depreciation *	8,211,213	8,339,755	8,128,553	211,202	2.60%	101.57%
24 Expenses Before Billing Charges	19,053,278	18,188,538	17,507,983	680,555	3.89%	95.46%
25 Billing Charges	230,000	230,000	230,000	-	0.00%	100.00%
<b>26 TOTAL EXPENSES</b>	<b>19,283,278</b>	<b>18,418,538</b>	<b>17,737,983</b>	<b>680,555</b>	<b>3.84%</b>	<b>95.52%</b>
<b>27 Revenues Over (Under) Expenses</b>	<b>\$ 3,115,067</b>	<b>\$ 875,176</b>	<b>\$ 61,896</b>			
<b>28 Contributions - Acquired assets</b>	<b>-</b>	<b>-</b>	<b>976,510</b>			
<b>29 Change in Net Assets</b>		<b>875,176</b>	<b>1,038,406</b>			
<b>NON-OPERATING EXPENSES</b>						
30 Capital Outlay	-	-	-	-		
31 Transfer to Capital Improvement	837,270	837,270	1,070,609	(233,339)		
32 Transfer to Depreciation	3,284,485	3,335,902	3,251,467	84,435		
33 Transfer to TWDB Construction-Loan Reimbursement	-	4,476,994	2,552,372	1,924,622		
34 Rebatable Arbitrage	-	9,588	20,195	(10,607)		
35 Capitalized Interest	-	-	-	-		
36 Bond Refunding Costs	-	(425,544)	(456,346)	30,802		
37 Health Insurance	118,054	118,054	269,100	(151,046)		
38 Transfer from Water Fund	-	-	(55,347)	55,347		
39 Transfer from Wastewater CIP	-	-	(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, 2020  
(Unaudited)

Ref	Description	Month Ending				Fiscal Year-to-Date			
		30-Sep-20	30-Sep-19	Inc(Dec)	% Inc(Dec)	30-Sep-20	30-Sep-19	Inc(Dec)	(Dec)
	<b>CONSUMPTION</b>								
A	Residential	335,467,900	376,948,800	(41,480,900)	-11.00%	3,722,976,500	3,462,980,100	259,996,400	7.51%
A	Commercial	202,816,600	212,826,200	(10,009,600)	-4.70%	2,384,605,300	2,364,371,600	20,233,700	0.86%
A	Industrial	20,458,000	14,203,500	6,254,500	44.03%	208,672,600	189,442,000	19,230,600	10.15%
	<b>Total</b>	<b>558,742,500</b>	<b>603,978,500</b>	<b>(45,236,000)</b>	<b>-7.49%</b>	<b>6,316,254,400</b>	<b>6,016,793,700</b>	<b>299,460,700</b>	<b>4.98%</b>

Ref	Description	Month Ending				Fiscal Year-to-Date			
		30-Sep-20	30-Sep-19	Inc(Dec)	% Inc(Dec)	30-Sep-20	30-Sep-19	Inc(Dec)	(Dec)
	<b>REUSE CONSUMPTION *</b>								
	Residential	9,195,600	6,714,700	2,480,900	36.95%	69,040,300	46,173,600	22,866,700	49.52%
	Commercial	4,830,800	9,738,500	(4,907,700)	-50.39%	67,343,600	64,450,800	2,892,800	4.49%
	Industrial	0	0	0	0.00%	0	0	0	0.00%
	<b>Total</b>	<b>14,026,400</b>	<b>16,453,200</b>	<b>(2,426,800)</b>	<b>-14.75%</b>	<b>136,383,900</b>	<b>110,624,400</b>	<b>25,759,500</b>	<b>23.29%</b>

\* Excludes effluent to power plants

**NUMBER OF WASTEWATER ACCOUNTS**

A	Residential	**	37,566	37,137	429	1.16%
A	Commercial		5,530	5,545	(15)	-0.27%
A	Industrial		122	122	0	0.00%
	<b>Total</b>		<b>43,218</b>	<b>42,804</b>	<b>414</b>	<b>0.97%</b>

Number of new accounts for the current fiscal year:

Number of accounts at	9/30/2020	43,218
Number of accounts at	9/30/2019	42,804
<b>Increase/(Decrease) in accounts</b>		<b>414</b>

Growth in number of new accounts prior year:

9/30/2019	42,804
9/30/2018	42,286
	<b>518</b>

**NUMBER OF REUSE ACCOUNTS**

A	Residential	363	263	100	38.02%
A	Commercial	16	14	2	14.29%
A	Industrial	0	0	0	0.00%
	<b>Total</b>	<b>379</b>	<b>277</b>	<b>102</b>	<b>36.82%</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	\$ 135,910	\$ 61,537	\$ 133,212	\$ 59,878	\$ 42,584	\$ 433,123
C Wastewater Lab	16,126	3,546	5,902	874	(17,463)	8,985
D Wastewater Collections	16,203	(44,416)	9,237	96,291	(5,408)	71,907
E General & Admin.	79,202	(1,032)	(162,875)	(5,352)	-	(90,058)
	<b>\$ 247,441</b>	<b>\$ 19,635</b>	<b>\$ (14,525)</b>	<b>\$ 151,691</b>	<b>\$ 19,714</b>	<b>\$ 423,957</b>

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

<b>Budgeted Consumption for fy 2019-20 (gals.)</b>	<b>7,142,138,000</b>	<b>Monthly Planned Consumption</b>	
* 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 9/30/20	7,142,138,000	January	535,660,350
Actual consumption at 9/30/20	6,316,254,400	February	535,660,350
<b>Excess/(deficiency) to planned</b>	<b>(825,883,600)</b>	March	535,660,350
		April	654,695,983
<b>Budgeted User Charge Revenues for fy 2019-20</b>	<b>\$ 19,835,071</b>	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 9/30/20	19,835,071	September	654,695,983
Actual revenues at 9/30/20	16,998,451	<b>Total</b>	<b>7,142,138,000</b>
<b>Excess/(deficiency) to planned</b>	<b>\$ (2,836,620)</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, 2020  
(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 Revenue	\$ 169,418	\$ 169,418	\$ 247,410	146.04%	\$ 77,384	\$ 77,384	\$ 87,453	113.01%
Miscellaneous	-	-	-	0.00%	-	-	-	0.00%
Transfers In	3,284,485	3,284,485	3,335,902	101.57%	837,270	837,270	837,270	100.00%
<b>Total Sources</b>	<b>\$ 3,453,903</b>	<b>\$ 3,453,903</b>	<b>\$ 3,583,312</b>	<b>103.75%</b>	<b>\$ 914,654</b>	<b>\$ 914,654</b>	<b>\$ 924,723</b>	<b>101.10%</b>

	Budget	YTD Budget	YTD	To Y-T-D Budget *	Budget	YTD Budget	YTD	To Y-T-D Budget *
<b>Uses</b>								
Replacement (Infrastructure)	1,505,000	1,505,000	865,550	57.51%	-	-	-	0.00%
Capital Outlay	1,478,660	1,478,660	1,209,657	81.81%	2,459,770	2,459,770	480,006	19.51%
Transfers Out	-	-	-	0.00%	-	-	-	0.00%
<b>Total Uses</b>	<b>\$ 2,983,660</b>	<b>\$ 2,983,660</b>	<b>\$ 2,075,207</b>	<b>69.55%</b>	<b>\$ 2,459,770</b>	<b>\$ 2,459,770</b>	<b>\$ 480,006</b>	<b>19.51%</b>

<b>Sources Over/ (Under) Uses</b>	<b>\$470,243</b>	<b>\$470,243</b>	<b>\$1,508,105</b>		<b>(\$1,545,116)</b>	<b>(\$1,545,116)</b>	<b>\$444,718</b>	
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\*100% of the year completed

**WATER & WASTEWATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2020  
(Unaudited)

	<u>WATER FUND</u> *	<u>WASTEWATER FUND</u> *	<u>COMBINED</u>
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash & Investments			
Demand.....	\$ 296,499	\$ 297,981	\$ 594,480
Time Deposits.....	5,038,623	1,505,659	6,544,282
Investments.....	1,251,454	1,555,344	2,806,798
Market Value Adjustment.....	4,469	0	4,469
Mgr/Trust Cash.....	0	0	0
Receivables, net:			
Accounts.....	1,975,971	1,943,048	3,919,019
Accrued Interest.....	2,318	136	2,454
Due From Other Funds.....	889	117	1,006
Water/Sewer Line Assessments.....	0	2,650	2,650
Inventories, at cost.....	187,183	0	187,183
Miscellaneous.....	0	0	0
Prepaid expenses.....	0	0	0
<b>Total Current Assets</b>	<b>\$ 8,757,405</b>	<b>\$ 5,304,935</b>	<b>\$ 14,062,340</b>
Notes Receivable	81,269	95,950	177,219
<u>Restricted Assets</u>			
Mgr/Trust Cash.....	0	0	0
Accrued Interest.....	5,296	1,197	6,493
Due From Other Funds.....	0	0	0
Notes Receivable - Airport	0	0	0
Accounts Receivable.....	0	0	0
Sub-Total	5,296	1,197	6,493
Demand.....	26,611	78,775	105,386
Time Deposits.....	6,372,912	11,004,257	17,377,169
Investments.....	8,395,769 **	14,257,571	22,653,340
Market Value Adjustment.....	2,234	5,958	8,192
<b>Total Restricted Cash &amp; Investments</b>	<b>14,797,527</b>	<b>25,346,561</b>	<b>40,144,087</b>
<b>Total Restricted Assets</b>	<b>14,802,823</b>	<b>25,347,758</b>	<b>40,150,581</b>
Propert, Plant, & Equipment.....	159,847,708	264,342,507	424,190,214
(Less: Accumulated Depreciation).....	(86,169,848)	(101,268,528)	(187,438,376)
Net Property, Plant, & Equipment	73,677,860	163,073,979	236,751,838
Other Assets, net.....	28,495,650	6,529,217	35,024,867
<b>TOTAL ASSETS</b>	<b>\$ 125,815,007</b>	<b>\$ 200,351,838</b>	<b>326,166,845</b>

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

\*\* Includes a portion of the restricted customer deposits totalling \$2,883,336

**WATER & WASTEWATER FUND**

**COMBINED BALANCE SHEET**

as of September 30, 2020

(Unaudited)

	<u>WATER FUND</u>	*	<u>WASTEWATER FUND</u>	*	<u>COMBINED</u>
<b>LIABILITIES &amp; FUND EQUITY</b>					
<u>Current Liabilities</u>					
Accounts Payable.....	\$ 373,866		\$ 210,358		\$ 584,224
Accrued Expense.....	700,963		489,154		1,190,117
Due to Other Funds.....	0		0		0
Other.....	0		100,000		100,000
<b>Total Current Liabilities</b>	<b>1,074,829</b>		<b>799,512</b>		<b>1,874,341</b>
<u>Liabilities Payable from Restricted Assets</u>					
Accounts Payable.....	949,241		1,174,584		2,123,825
Accrued Expense.....	277,201		469,943		747,144
Due to Other Funds.....	889		117		1,006
Interest Payable.....	169,683		229,789		399,473
Customer Deposits.....	2,883,336		0		2,883,336
Current Portion of Revenue Bonds.....	1,439,650		4,598,350		6,038,000
<b>Total Liabilities Payable from Restricted Assets</b>	<b>5,720,001</b>		<b>6,472,783</b>		<b>12,192,784</b>
<u>Other Non-Current Liabilities</u>					
Revenue Bonds.....	31,881,338		94,824,266		126,705,604
Arbitrage Payable.....	0		2,353		2,353
Deferred Revenues.....	251,235		189,626		440,861
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
<b>TOTAL LIABILITIES</b>	<b>41,215,760</b>		<b>106,924,277</b>		<b>148,140,036</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		2,750,983		2,750,983
Reserve for Capital Improvement.....	4,137,179		5,464,059		9,601,238
Reserve for Depreciation.....	6,723,790		13,645,043		20,368,832
Reserve for Water Rights Purchase.....	0		0		0
Unreserved.....	73,738,278		71,567,477		145,305,755
<b>Total Retained Earnings</b>	<b>84,599,247</b>		<b>93,427,562</b>		<b>178,026,809</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 125,815,007</b>		<b>\$ 200,351,838</b>		<b>\$ 326,166,845</b>

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

**WATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2020  
(Unaudited)

ASSETS	Water Fund	RESTRICTED ASSETS				Debt Service	Combined
		Water Depr. Fund	Water Capital Impr. Fund	Water Revenue Bonds			
<u>Current Assets</u>							
Cash & Investments							
Demand.....	\$ 296,499	\$ -	\$ 1,093	\$ 25,518	\$ -	\$ -	\$ 323,110
Time Deposits.....	5,038,623	3,582,085	2,790,827	-	-	-	11,411,535
Investments & Securities.....	1,251,454	3,251,312	1,565,241	-	695,880	-	6,763,887
Market Value Adjustment.....	4,469	-	2,234	-	-	-	6,703
Mgr/Trust Cash.....	-	-	-	-	-	-	-
Receivables							
Accounts.....	1,975,971	-	-	-	-	-	1,975,971
Accrued Interest.....	2,318	4,967	329	-	-	-	7,615
Due From Other Funds.....	889	-	-	-	-	-	889
Water Line Assessments.....	-	-	-	-	-	-	-
Inventories, at cost.....	187,183	-	-	-	-	-	187,183
Prepaid expenses.....	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>8,757,405</b>	<b>6,838,365</b>	<b>4,359,725</b>	<b>25,518</b>	<b>695,880</b>	<b>-</b>	<b>20,676,891</b>
Notes Receivable	81,269	-	-	-	-	-	81,269
CD's restricted for customer deposits.....	-	-	-	-	-	-	-
Investments restricted for customer deposits.....	2,883,336	-	-	-	-	-	2,883,336
Property, Plant, & Equipment.....	159,847,708	-	-	-	-	-	159,847,708
(Less: Accum. Depreciation/Amortization).....	(86,169,848)	-	-	-	-	-	(86,169,848)
<b>Net Property, Plant, &amp; Equipment</b>	<b>73,677,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,677,860</b>
Other Assets, net.....	28,495,650	-	-	-	-	-	28,495,650
<b>TOTAL ASSETS</b>	<b>113,895,520</b>	<b>6,838,365</b>	<b>4,359,725</b>	<b>25,518</b>	<b>695,880</b>	<b>-</b>	<b>125,815,007</b>
<b>LIABILITIES &amp; FUND EQUITY</b>							
<u>Current Liabilities</u>							
Accounts Payable.....	373,866	-	-	-	-	-	373,866
Accrued Expense.....	700,963	-	-	-	-	-	700,963
Due To Other Funds.....	-	-	-	-	-	-	-
Other.....	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,074,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,074,829</b>
<u>Liabilities Payable from Restricted Assets</u>							
Current Portion of Revenue Bonds.....	1,439,650	-	-	-	-	-	1,439,650
Accounts Payable.....	-	75,844	222,545	650,852	-	-	949,241
Accrued Expense.....	-	37,959	-	239,242	-	-	277,201
Interest Payable.....	-	-	-	-	169,683	-	169,683
Due To Other Funds.....	-	772	-	-	117	-	889
Customer Deposits.....	2,883,336	-	-	-	-	-	2,883,336
<b>Total Liabilities Payable from Restricted Assets</b>	<b>4,322,986</b>	<b>114,575</b>	<b>222,545</b>	<b>890,094</b>	<b>169,800</b>	<b>-</b>	<b>5,720,001</b>
<u>Other Non-Current Liabilities</u>							
Revenue Bonds	31,881,338	-	-	-	-	-	31,881,338
Arbitrage Payable.....	-	-	-	-	-	-	-
Deferred Revenues.....	251,235	-	-	-	-	-	251,235
Deferred inflows of resources.....	1,064,706	-	-	-	-	-	1,064,706
Noncurrent liabilities / net pension liability.....	1,223,651	-	-	-	-	-	1,223,651
<b>TOTAL LIABILITIES</b>	<b>39,818,745</b>	<b>114,575</b>	<b>222,545</b>	<b>890,094</b>	<b>169,800</b>	<b>-</b>	<b>41,215,760</b>
<b>FUND EQUITY</b>							
<u>Retained Earnings</u>							
Reserve for Encumbrances.....	-	-	-	-	-	-	-
Reserve for Current Debt Service.....	-	-	-	-	-	-	-
Reserve for Capital Improvement.....	-	-	4,137,179	-	-	-	4,137,179
Reserve for Depreciation.....	-	6,723,790	-	-	-	-	6,723,790
Reserve for Water Rights.....	-	-	-	-	-	-	-
Unreserved.....	74,076,775	-	-	(864,576)	526,080	-	73,738,278
<b>Total Retained Earnings</b>	<b>74,076,775</b>	<b>6,723,790</b>	<b>4,137,179</b>	<b>(864,576)</b>	<b>526,080</b>	<b>-</b>	<b>84,599,247</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 113,895,520</b>	<b>\$ 6,838,365</b>	<b>\$ 4,359,725</b>	<b>\$ 25,518</b>	<b>\$ 695,880</b>	<b>\$ -</b>	<b>\$ 125,815,007</b>

**WASTEWATER FUND  
COMBINED BALANCE SHEET**

as of September 30, 2020  
(Unaudited)

ASSETS	RESTRICTED ASSETS					Combined
	Wastewater Fund	Depreciation Fund	Wastewater Capital Impr. Fund	Wastewater Revenue Bonds	Debt Service	
<b>Current Assets</b>						
Cash & Investments						
Demand.....	\$ 297,981	\$ 3,864	\$ 2,686	\$ 71,289	\$ 935	\$ 376,756
Time Deposits.....	1,505,659	8,708,197	2,296,060	-	-	12,509,916
Investments & Securities.....	1,555,344	5,101,083	3,188,892	2,987,642	2,979,954	15,812,914
Market Value Adjustment.....	-	5,213	745	-	-	5,958
Mgr/Trust Cash.....	-	-	-	-	-	-
Receivables						
Accounts.....	1,943,048	-	-	-	-	1,943,048
Accrued Interest.....	136	960	237	-	-	1,333
Due From Other Funds.....	117	-	-	-	-	117
Wastewater Line Assessments.....	2,650	-	-	-	-	2,650
Miscellaneous.....	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Current Assets	5,304,935	13,819,318	5,488,620	3,058,931	2,980,889	30,652,693
Notes Receivables - Hunt	95,950	-	-	-	-	95,950
Property, Plant, & Equipment.....	264,342,507	-	-	-	-	264,342,507
(Less: Accumulated Depreciation).....	(101,268,528)	-	-	-	-	(101,268,528)
Net Property, Plant, & Equipment	163,073,979	-	-	-	-	163,073,979
Other Assets.....	6,529,217	-	-	-	-	6,529,217
<b>TOTAL ASSETS</b>	<b>175,004,080</b>	<b>13,819,318</b>	<b>5,488,620</b>	<b>3,058,931</b>	<b>2,980,889</b>	<b>200,351,838</b>
<b>LIABILITIES &amp; FUND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable.....	210,358	-	-	-	-	210,358
Accrued Expenses.....	489,154	-	-	-	-	489,154
Due to Other Funds.....	-	-	-	-	-	-
Other.....	100,000	-	-	-	-	100,000
Total Current Liabilities	799,512	-	-	-	-	799,512
<b>Liabilities Payable from Restricted Assets</b>						
Accounts Payable.....	-	174,275	22,669	977,639	-	1,174,584
Accrued Expenses.....	-	-	1,892	468,051	-	469,943
Due to Other Funds.....	-	-	-	-	117	117
Interest Payable.....	-	-	-	-	229,789	229,789
Current Portions of all Revenue Bonds....	4,598,350	-	-	-	-	4,598,350
Total Liabilities Payable from Restricted Assets	4,598,350	174,275	24,561	1,445,690	229,906	6,472,783
<b>Other Non-Current Liabilities</b>						
Deferred Revenue.....	189,626	-	-	-	-	189,626
Revenue Bonds.....	94,824,266	-	-	-	-	94,824,266
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
<b>TOTAL LIABILITIES</b>	<b>105,049,844</b>	<b>174,275</b>	<b>24,561</b>	<b>1,445,690</b>	<b>229,906</b>	<b>106,924,277</b>
<b>FUND EQUITY</b>						
<b>Retained Earnings</b>						
Reserve for Encumbrances.....	-	-	-	-	-	-
Reserve for Debt Service.....	-	-	-	-	2,750,983	2,750,983
Reserve for Depreciation.....	-	13,645,043	-	-	-	13,645,043
Reserve for Capital Improvement.....	-	-	5,464,059	-	-	5,464,059
Unreserved.....	69,954,237	-	-	1,613,240	-	71,567,477
Total Retained Earnings	69,954,237	13,645,043	5,464,059	1,613,240	2,750,983	93,427,562
	<b>\$ 175,004,080</b>	<b>\$ 13,819,318</b>	<b>\$ 5,488,620</b>	<b>\$ 3,058,931</b>	<b>\$ 2,980,889</b>	<b>\$ 200,351,838</b>

**McALLEN PUBLIC UTILITY  
RECONCILED BANK BALANCES  
As of September 30, 2020**

	POOL	TIME		CDARS		GROSS		TEX POOL-PRIME		TOTAL	BLENDED APR/ROI	BLENDED YIELD ON INVESTMENTS ONLY	TOTAL INVESTMENTS	
		APR/ROI	DEPOSITS	APR/ROI	HOLDINGS	APR/ROI	INVESTMENTS	APR/ROI	APR/ROI					
<b>WATER FUND</b>														
M & O	294,199	0.00%	5,040,691	1.15%			1,500,000	1.00%	2,634,790	0.26%	9,469,681	0.85%	1.12%	6,540,691
% of Total	3.11%		53.23%	0.00%	0.00%		15.84%	0.00%	27.82%					
WATER BOND RESERVE	0	0.00%	0	0.00%			0	0.00%	450,949	0.26%	450,949	0.26%	0.00%	0
% of Total	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	100.00%					
DEPRECIATION	0	0.00%	3,064,726	1.77%	517,608	2.62%	1,500,000	1.00%	1,751,312	0.26%	6,833,646	1.28%	1.63%	5,082,334
% of Total	0.00%		44.85%	7.57%	7.57%		21.95%	1.00%	25.63%					
DEBT SERVICE	-	0.00%	60.30%	0.00%	10.18%		29.51%	0.00%	0	0.26%	542,016	0.26%	0.00%	0
% of Total	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%					
WATER DEBT SERVICE TWDB	-	0.00%	-	0.00%			0	0.00%	153,864	0.26%	153,864	0.26%	0.00%	0
% of Total	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	100.00%					
CAPITAL IMPROVEMENT	1,093	0.00%	2,791,031	1.53%			750,000	1.00%	815,241	0.26%	4,357,365	1.20%	1.41%	3,541,031
% of Total	0.03%		64.05%	0.00%	0.00%		17.21%	1.00%	18.71%					
BOND CONSTRUCTION	25,518	0.00%	78.76%	0.00%			21,24%	0.00%	0	0.00%	25,518	0.00%	0.00%	0
% of Total	100.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%					
<b>TOTAL WATER</b>	<b>320,810</b>	<b>0.00%</b>	<b>10,896,448</b>	<b>1.42%</b>	<b>517,608</b>	<b>2.62%</b>	<b>3,750,000</b>	<b>1.00%</b>	<b>6,348,172</b>	<b>0.26%</b>	<b>21,833,039</b>	<b>0.96%</b>	<b>1.36%</b>	<b>15,164,056</b>
% of Total	1.47%		49.91%	2.37%	3.41%		17.18%	1.00%	29.08%		97.63%			
			71.86%				24.73%		0.00%					
<b>SEWER FUND</b>														
M & O	297,981	0.00%	1,505,795	0.81%			0	0.00%	1,555,344	0.26%	3,359,120	0.48%	0.81%	1,505,795
% of Total	8.87%		44.83%	0.00%	0.00%		0.00%	0.00%	46.30%					
BOND RESERVE-TWDB 2009	-	0.00%	-	0.00%			0	0.00%	2,862,342	0.26%	2,862,342	0.26%	0.00%	0
% of Total	0		0.00%	0.00%	0.00%		0.00%	0.00%	100.00%					
DEPRECIATION	3,864	0.00%	6,379,629	1.77%	2,329,237	2.62%	1,750,000	1.00%	3,351,083	0.26%	13,813,813	1.45%	1.83%	10,458,866
% of Total	0.03%		46.18%	16.86%	22.27%		12.67%	1.00%	24.26%					
DEBT SERVICE	-	0.00%	61.00%	0.00%			16.73%	0.00%	0	0.26%	543,772	0.26%	0.00%	0
% of Total	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%					
SEWER DEBT TWDB- 2009-2010	935	0.00%	-	0.00%			0	0.00%	952,902	0.26%	953,837	0.26%	0.00%	0
% of Total	0.10%		0.00%	0.00%	0.00%		0.00%	0.00%	99.90%					
SEWER BOND CONST TWDB - F492 * Series 2012	(564,093)	0.00%	-	0.00%			0	0.00%	0	0.00%	-564,093	0.00%	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%	0.00%	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%	1,483,281	0.26%	1,483,281	0.26%	0.00%	0
% of Total	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	100.00%					
CAPITAL IMPROVEMENT	2,686	0.00%	2,296,256	1.69%			250,000	1.00%	2,938,892	0.26%	5,487,834	0.89%	1.62%	2,546,256
% of Total	0.05%		41.84%	0.00%	0.00%		4.56%	1.00%	53.55%					
BOND CONSTRUCTION	-	0.00%	90.18%	0.00%			9.82%	0.00%	0	0.00%	0	0.00%	0.00%	0
% of Total	0		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%					
BOND CONSTRUCTION	576,128	0.00%	-	0.00%			0	0.00%	1,660,316	0.26%	2,236,444	0.19%	0.00%	0
% of Total	25.76%		0.00%	0.00%	0.00%		0.00%	0.00%	74.24%					
BOND CONSTRUCTION-TWDB	-	0.00%	-	0.00%			0	0.00%	1,327,326	0.00%	1,327,326	-	0.00%	0
% of Total	0		0.00%	0.00%	0.00%		0	0.00%	1					
<b>TOTAL SEWER</b>	<b>376,756</b>	<b>0.00%</b>	<b>10,181,679</b>	<b>1.49%</b>	<b>2,329,237</b>	<b>2.62%</b>	<b>2,000,000</b>	<b>1.00%</b>	<b>16,675,256</b>	<b>0.26%</b>	<b>31,562,928</b>	<b>0.68%</b>	<b>1.60%</b>	<b>14,510,916</b>
% of Total	1.19%		32.26%	7.38%	6.34%		5.33%	1.00%	52.83%		92.62%			
			70.17%		16.05%		13.78%		0.00%					
<b>TOTAL PUB</b>	<b>697,566</b>	<b>0.00%</b>	<b>21,078,127</b>	<b>1.46%</b>	<b>2,846,845</b>	<b>2.62%</b>	<b>5,750,000</b>	<b>1.00%</b>	<b>23,023,429</b>	<b>0.26%</b>	<b>53,395,967</b>	<b>0.80%</b>	<b>1.48%</b>	<b>29,674,972</b>
% of Total	1.31%		39.48%	5.33%	9.59%		10.77%	1.00%	43.12%		100.00%			
			71.03%				19.38%		0.00%					