

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2022





Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2022

Prepared by: Department of Finance



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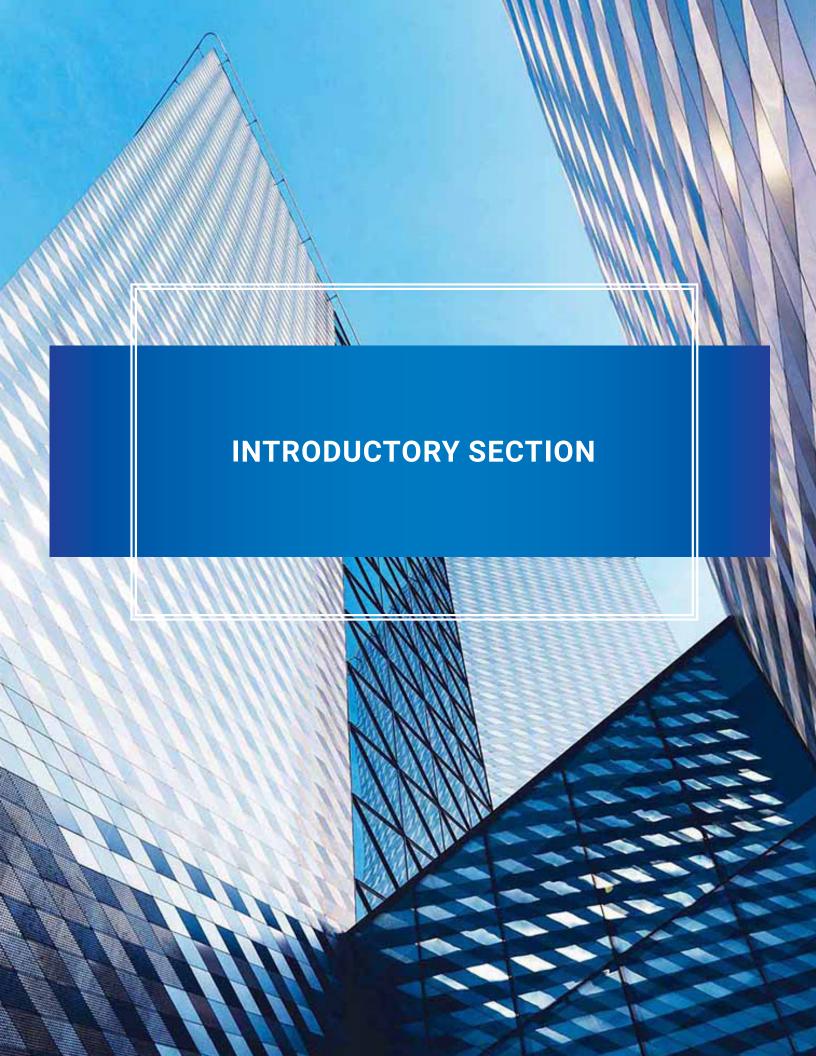
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JAVIER VILLALOBOS, Mayor
JOAQUIN ZAMORA, Mayor Pro Tem & Commissioner District 2
ANTONIO "TONY" AGUIRRE, JR., Commissioner District 1
J. OMAR QUINTANILLA, Commissioner District 3
RODOLFO "RUDY" CASTILLO, Commissioner District 4
VICTOR "SEBY" HADDAD, Commissioner District 5
PEPE CABEZA DE VACA, Commissioner District 6

ROEL "ROY" RODRIGUEZ, P.E., City Manager

March 24, 2023

To the Honorable Mayor, Members of the City Commission, Members of the Public Utility Board of Trustees and Citizens of the City of McAllen:

State and local law requires that the City of McAllen publish annually a complete set of audited financial statements. This report, the Annual Comprehensive Financial Report of the City of McAllen, is published to meet that requirement for the fiscal year ended September 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive internal control framework that it has established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The firm of Weaver and Tidwell, LLP, Certified Public Accountants and Advisors, was selected by the City to perform the audit and have issued an unmodified ("clean") opinion on the City of McAllen's financial statements for the year ended September 30, 2022. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act and Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Generally accepted auditing standards and the standards set forth in the Government Accountability Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditors' report on the basic financial statements and required supplementary information as well as the individual fund statements and schedules that are included in the financial section of this report. The auditors' reports on internal controls and compliance with applicable laws and regulations can be found in the single audit section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of McAllen is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Uniform Guidance and the State of Texas Single Audit Circular. Information related to this single audit, including a schedule of expenditures of federal and state awards, the report of independent public accountants on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the single audit section of this report.

PROFILE OF THE GOVERNMENT

The City of McAllen, incorporated in 1911 and the largest city in Hidalgo County, is located at the intersection of U.S. Highway 83 and State Highway 336. It is approximately 230 miles south of San Antonio, 150 miles north of Monterrey, Nuevo Leon, Mexico, a city with a population of over 5.9 million including the surrounding suburbs, and just 7 miles north of Reynosa, Tamps. Mexico. Within a 150-mile radius of McAllen, its trade area represents approximately 10 million people. According to the 2020 U.S. Census, McAllen's estimated population was 142,210, increasing 12,333 or 9.5% over that of the 2010 census, 129,877. Using the latest census number and local estimates as a base, it is estimated that as of September 30, 2022 the City's population is closer to 143,920. The City is empowered to levy a property tax on both real and business personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which it has done from time to time, as deemed appropriate by the City Commission.

The City has operated under the council-manager form of government since 1911. Policymaking and legislative authority is vested in the City Commission, which currently consists of a mayor and a six-member commission. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager, City Secretary, Police Chief, Fire Chief, the City Attorney and the Municipal Judges. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments. The City Commission is elected on a non-partisan basis. In May 2000, the voters decided in favor of single member district representation. Under this system, City Commission members are elected to four-year staggered terms with three elected every two years. The Mayor was and will continue to be elected at large to four-year terms.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of McAllen as legally defined). The City of McAllen provides a full range of services including public safety (primarily police and fire protection), highways and streets, health and welfare, recreational and cultural activities, water, wastewater, sanitation and recycling services, a municipal golf course, a convention center, an international airport, intermodal transit terminal, a transit system and two international toll bridge operations.

The City acts in the capacity of fiduciary for the Firemen's Relief and Retirement Fund and Rio Grande Valley Radio Communications Group; therefore, these activities are included in the reporting entity. However, the McAllen Independent School District (MISD), McAllen Chamber of Commerce (MCC), McAllen Economic Development Corporation (MEDC), McAllen Affordable Homes of South Texas, Inc., and the Texas Municipal Retirement System (TMRS) do not meet the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

The City Commission is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of McAllen financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The legal level of control is at the department level.

LOCAL ECONOMY

Over the last 20 to 25 years, the City's economy has undergone a significant transformation, characterized by a decreasing reliance on agriculture. As a consequence of this transformation, the City has experienced substantial economic growth that has spurred an increase in employment and a decline in its unemployment rate.

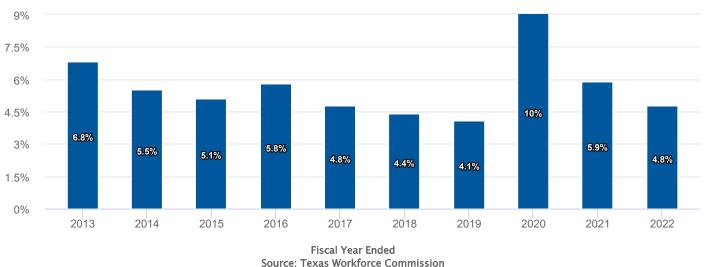
According to the U.S. Bureau of Labor Statistics, over the last 10 years the McAllen-Edinburg-Mission MSA employment has grown from 292,711 in September 30, 2012 to 343,888 in September 30, 2022 — a 17.5% increase. At this level, the unemployment rate is 7.3%. Some of the more significant employment numbers by industry include government; trade, transportation and utilities; education and health services; professional and business services; and leisure and hospitality.

The City's location has historically positioned it to take advantage of The Maquiladora "Twin Plant" Program under which U.S. firms locate manufacturing facilities in Mexico accompanied by warehousing facilities in McAllen's foreign trade zone in order to cut labor costs and remain competitive. The program has been responsible for a large part of the job growth. Since 1988 through 2022, the McAllen Economic Development Corporation has been responsible for bringing 342 new companies, which including expansions, has created 42,343 jobs in McAllen. Its efforts have also resulted in 377 new companies, which including expansions, has created 196,598 new jobs in Reynosa, Mexico. Overall, 238,941 jobs have been created.

The impact of the Renegotiated North American Free Trade Agreement (NAFTA) now known as the new United States-Mexico-Canada Agreement (USMCA), as it continues to develop, has also played a major role in increased trade with Mexico for the City as well as the State of Texas. During 2022, Texas exported \$144 billion to Mexico, which represented over 29.7% of Texas' total exports—making Mexico its Number One Trading Partner according to the U.S.Census Bureau. As USMCA continues to mature, the City of McAllen's International Toll bridge, connecting Hidalgo, Texas with Reynosa, will continue to facilitate trade between Mexico and the U. S.; and, more particularly the City with its proximity to Mexico and strong social, economic and cultural ties with the people of Mexico. The Anzalduas International Crossing also provides another bridge to connect the people of the U.S. and Mexico and facilitate economic development opportunities between the two countries. The Anzalduas International Crossing and the McAllen Hidalgo International Bridge both had increases in traffic crossings of 57% due to the reopening of the bridges to non-essential travel.

The City's unemployment rate had steadily declined from 2011 to 2019, decreasing from 8.1% to 4.1%; however, due to the coronavirus pandemic in 2020, unemployment increased to 10%. As of September 30, 2022, the unemployment rate decreased to 4.8%. The following chart shows the unemployment rate trend for the past ten years.

City of McAllen's Unemployment Rate Ten Year History



The City's sales tax revenue indicates positive growth in the local economy as sales tax revenues in FY 2022 exceeded FY 2021 by \$11M or 14.2%. From FY 2013 to FY 2022, sales tax revenue has increased by 47.9%. The residents of McAllen benefit from this growth as 25% of sales tax provides property tax relief.

The City of McAllen has maintained one of the lowest property tax rates in the region. Property tax revenue continues to grow as total assessed property values and number of properties continue to increase in the City of McAllen. For FY 2022, the City's property tax revenue increased by \$2.8M or 5% over FY 2021. From FY 2013 to FY 2022, property values have grown 65.7% resulting in a positive trend for property tax revenue.

The McAllen International Airport continues to benefit from the economic growth the City is experiencing. The airport had a 21.4% increase in passenger activity over last fiscal year.

LONG-TERM FINANCIAL PLANNING

As of September 30, 2022 the City's General Fund unassigned fund balance amounted to \$78M, which represents 223 days of operating expenses appropriated in next year's budget. This amount exceeds the City's 140-day policy by 83 days.

RELEVANT FINANCIAL POLICIES

During this fiscal year, GASB Statement No. 87, "Leases," was implemented as required by GASB. There was no significant impact on the current year's financial statements.

MAJOR INITIATIVES

For the Year 2021-22

The City's staff, following specific directives of the City Commission and the City Manager, have been involved in a variety of projects throughout the year. These projects reflect the City's commitment of ensuring that its citizens are able to live and work in a highly desirable community and include the following:

The goals adopted by the Mayor and City Commission for FY 2021-22, as well as the status, follows:

Continue to implement City Business Plan

McAllen Holiday Parade-South Pole & Beyond

Management's Response: Parade includes a 1.5 Mile stadium & street parade route, over sixty illuminated floats and surprises, over thirty larger-than-life character balloons, Celebrity hosts and guest appearances, Marching bands & dance teams, and Christmas in the Park. The 2021 McAllen Holiday Parade had more than 260,000 spectators and 27 million TV Viewers.

Complete City assets currently in progress

Quinta Mazatlan Palm House

Management's Response: The project will create a destination venue and promote environmental conservation to the public. A park and ride will be included as part of the project. Design completed and construction has begun on the Palm House. Project design completed January 2022.

Anzalduas Land Port of Entry Expansion Project

Management's Response: This \$84.5 million project consists of a \$63 million loan from North American Development Bank (NADBank), a \$25 million grant from the U.S. Department of Transportation, and \$21.7 million grant from Texas Department of Transportation. The project will construct commercial inspection facilities at the Anzalduas Land Port of Entry, including inspection booths, inspection docks, equipment, roadway, parking, and sidewalks. The project will make improvements to the southbound inspection facilities and construct northbound facilities. Project design completed January 2022 with construction awarded September 2022.

Parks Administration Facility

Management's Response: Construction in progress for new Park's administration facility, which will compose of 10,820 square feet of office space; 9,400 square feet of warehouse and building space; parking areas for vehicles and trailers; equipment storage area; chemical storage building; and necessary site infrastructure. Project began construction in August 2021 and will be completed by May 2023.

Metro Transfer Station Project

Management's Response: Transfer Station will include an 8,000 square feet Bus Transfer facility with a small interior lobby and bays for 6-8 transit buses, one hundred parking spaces (vehicles and buses) as well as a Maintenance facility with two bays and approximately 3,500 square feet of office space, electric bus charging station, and a vehicle and bus fueling station. Project is expected to be completed in May 2023.

All Inclusive Playground at Los Encinas Park

Management's Response: In partnership with Hidalgo County Pct. 2, the City will add an accessible playground designed for all. The playground will include elements for children ages 2-5 years old and a play system for kids 5 to 12 years old. The playground includes musical elements of chimes and drums. Most notable is the entire play surface is safety surfacing which serves for the fall zones as well as for easy access across the entire play area. Project is expected to be completed in December 2022.

McAllen International Airport

Management's Response: The McAllen International Airport has been progressing with its multi-year and phased safety improvement projects associated with the existing airfield storm water management system. In addition, the Airport is taking on pavement maintenance and rehabilitation projects including the main commercial runway. Also included is the cargo apron reconstruction to allow for heavy aircraft safety and increased maneuverability space. Other improvements include replacement of the tile portion of roof and skylight windows, HVAC and Lighting components, elevator rehabilitation, improvement of existing passenger boarding bridges, rehabilitation of restrooms for the public, and inclusion of travel amenity for traveling customers. Various projects are expected to be completed in September 2024.

Improve City Traffic flow

Bicentennial Boulevard Extension

Management's Response: Bicentennial's expansion to the north, from the airport to 107. This project consists of the extension of a 4-lane urban curb and gutter paved roadway from Trenton Road to State Highway 107 (University Drive). The extension of Bicentennial Boulevard is 2.80 miles and includes a storm water management system, potable water, and sanitary sewer infrastructure, installation of two raw water underground mains for irrigation, sidewalks, and noise attenuation barriers along the right of way at existing residential subdivisions. This adds another major arterial roadway to the City. Project completed December 2021.

Dove Avenue Widening

Management's Response: Dove Avenue between Bicentennial and 23rd Street-This project added capacity to the roadway by widening Dove Avenue to construct a center turn lane between Bicentennial and 23rd Street. Project completed February 2022.

• Traffic Signal Study

Management's Response: Various locations around City of McAllen-The project consists of a Comprehensive Traffic Study for signal timing coordination of 155 signals along major north/south and east/west corridors. Collection of data for signal timings began in Fall 2021 with implementation city wide May 2022. Project implemented May 2022 but will continually monitor for effectiveness.

Improve City Storm Drainage

Dove Avenue Drainage Improvements

Management's Response: Intersection of North 10th Street and Dove Avenue, as well as reducing the strain on existing storm sewer systems between North 2nd and North 6th Streets-This project consists of storm sewer infrastructure improvements to address an area with a limited and undersized existing storm sewer system that is prone to localized shallow flooding, especially during moderate to severe storm events. Project completed January 2022.

Northwest Blueline Hibiscus Tributary Drainage Improvements

Management's Response: Northwest Blueline Hibiscus Tributary West of North 23rd Street-This project consists of channel regrading and reprofiling to improve stormwater storage and conveyance capacity. Project completed January 2022.

North 8th Camelia Avenue Drainage Improvements

Management's Response: North 8th Street between Harvey and Camellia Avenue-This project consists of improvements to storm sewer infrastructure to address area with a limited and undersized existing storm sewer system that is prone to localized shallow flooding, especially during moderate to severe storm events. Project completed March 2022.

Gardenia Avenue at 12th Street Drainage Improvements

Management's Response: Gardenia Avenue between North 12th Street and Bicentennial Blueline-This project consists of improvements to storm sewer infrastructure to address area with a limited and undersized existing storm sewer system that is prone to localized shallow flooding, especially during moderate to severe storm events. Project completed March 2022.

Vine Avenue at North 48th Street Bypass Drainage Improvements

Management's Response: North 48th Street at Vine Avenue-This project consists of storm sewer infrastructure improvements to address an area with a limited and undersized existing storm sewer system that is prone to localized shallow flooding, especially during moderate to severe storm events. Project completed September 2022.

Leisure, Cultural and Entertainment

Crockett Skate Park

Management's Response: Crockett Park has been improved to include a skatepark and other amenities: two youth soccer fields and a dog run. The pavilion received a concrete overlay for sports play and an exercise station with five units. Landscaping on the north field will be completed in December with the addition of the City's 3rd Urban Forest with 50+ Native trees. Skatepark was completed November 2021.

Adaptive Playground-Blanca Sanchez Inclusive Park

Management's Response: In partnership with Hidalgo County Precinct 4, McAllen I.S.D., Capable Kids Foundation, H.E.B., and Driscoll Children's Hospital, the park includes a three-part play system specifically formulated for children who may have mobility or other challenges. In addition to playground equipment, upgrades include ADA-accessible restrooms and an expanded parking lot. Project completed January 2022.

La Vista Park

Management's Response: The La Vista Park revitalization plan included new picnic tables, new trash receptacles, replaced picnic shelters, upgraded Rental Pavilion fencing, a pifiata pole, parking lot pavers, a Parking lot seal coat, and upgrades to the previous restroom. The new La Vista restroom was designed and constructed in phases. The new masonry brick restroom is the 2nd City of McAllen Park location to include a Family Restroom with an adult changing table. The new restroom is south of the rental pavilion and kitchenette which also received in-house renovations. The kitchenette's original west brick wall and roof remained, but new walls, new windows, doors, lighting, paint, and fixtures were all built and installed, while Parks crews finalized grading, irrigation, and landscaping. Last year the City Commission approved the final phase of the La Vista Park revitalization with playground improvements. Parts were installed and the playground was reopened in March 2022 for Spring Break. Projected completed by May 2022

Fireman's Park - H20 Hut

Management's Response: The H2O Hut at Town Lake at Fireman's Park is an added amenity that will continue to provide experiences for current and future visitors of the park. The building was repurposed from an already existing container unit and the design and construction of the H2O Hut was done in-house by McAllen Parks & Recreation crews. The vibrant colors of the H2O Hut elevate the atmosphere of the environment and add to the high-quality attractions already at the park, including the pump house, pavilion, play structure and the running trail. Project completed July 2022.

· Champion Lakes Golf Course

Management's Response: Resurfacing and restriping of parking lot for Golf Course. Project completed August 2022.

McAllen Public Utility Assets

South Wastewater Treatment Plant Administration & Operations Building

Management's Response: This project consists of construction of a new Administration and Operations Building, which is necessary for day-to-day operations of the South Wastewater Treatment Plant Facility. Project completed in May 2022.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended September 30, 2021. This was the thirty-fifth consecutive year and the thirty-sixth overall that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2021. The budget for October 1, 2022 has been submitted for review and notification of an award is awaited. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document is judged on proficiency in several categories including policy documentation, financial planning and organization.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff. Due credit also should be given to the Mayor, City Commission, McAllen Public Utilities Board of Trustees, the Bridge Board, Development Corporation Board and City Management for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

Roel "Roy" Rodriguez, P.E. City Manager

Sergio Villasana Jr., CPA Finance Director

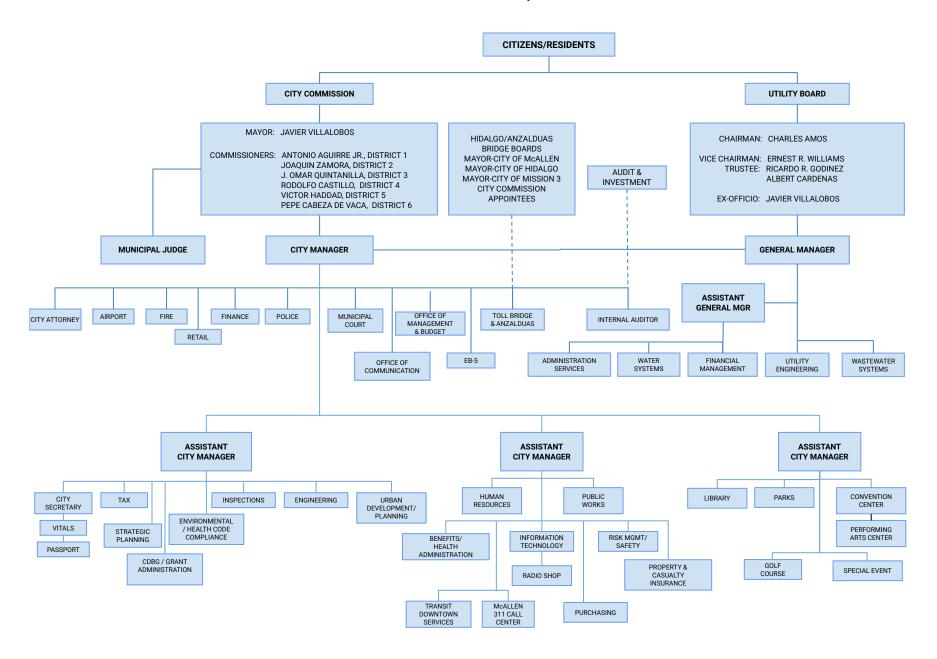
CITY OF McALLEN, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2022

Mayor	Javier Villalobos
Commissioner District 1	. Antonio "Tony" Aguirre, Jr.
Commissioner District 2	Joaquin "J.J." Zamora
Commissioner District 3	J. Omar Quintanilla
Commissioner District 4	Rodolfo "Rudy" Castillo
Commissioner District 5.	.Victor "Seby" Haddad
Commissioner District 6	Pepe Cabeza de Vaca
Public Utility Board Chairman Place A	. Charles Amos
Public Utility Board Vice-Chairman Place D	Ernest R. Williams
Trustee Place B	Ricardo R. Godinez
Trustee Place C	Albert Cardenas
Ex-Officio Member	Javier Villalobos
City Manager	Roel Rodriguez, P.E.
MPU General Manager	Marco A. Vega, P.E.
Assistant City Manager	.Jeff Johnston
Assistant City Manager	.Joe Vera
Assistant City Manager	.Michelle Rivera
Attorney	Isaac Tawil
Finance Director	Sergio Villasana Jr.
Aviation Director	Elizabeth Suarez
Bridge Superintendent	Juan Olaguibel
City Secretary.	Perla Lara
Fire Chief	.James Schultz
Director Parks and Recreation	Denny Meline
Human Resources Director	Christina Flores
Police Chief	.Victor Rodriguez

CITY OF McALLEN, TEXAS





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of McAllen Texas

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

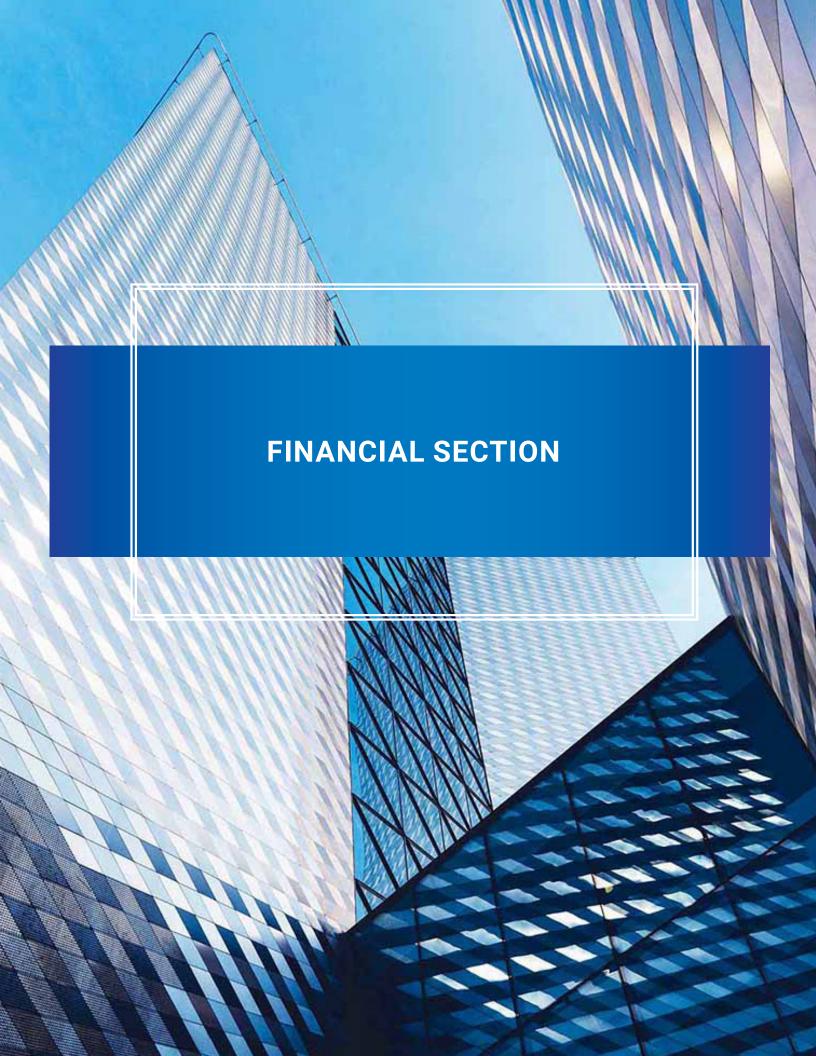
September 30, 2021

Christopher P. Morrill

Executive Director/CEO











Independent Auditor's Report

Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of McAllen, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of McAllen, Texas, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Development Corporation Fund, and the American Rescue Plan Act Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due
 to fraud or error, and design and perform audit procedures responsive to those risks. Such
 procedures include examining, on a test basis, evidence regarding the amounts and disclosures
 in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing an
 opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is
 expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System schedule of changes in net pension liability and related ratios, Texas Municipal Retirement System schedule of contributions, Firemen's Relief and Retirement Fund schedule of changes in net pension liability and related ratios, Firemen's Relief and Retirement Fund schedule of contributions, and Post Employment Benefit Plan schedule of changes in total OPEB liability and ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements, individual budget schedules, and schedule of expenditures of federal and state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, individual budget schedules, and schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 22, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Weaver and Tiduell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas March 22, 2023

Management's Discussion and Analysis (Unaudited) September 30, 2022

This discussion and analysis is intended to provide an overview of the City's financial performance for the fiscal year ended September 30, 2022 and the related effect on the City's financial condition. Please read it in conjunction with the transmittal letter on pages i-v and the City's financial statements, which begin on page 15.

FINANCIAL HIGHLIGHTS

City's Change in Net Position - Governmental and Business-Type Activities

Total government-wide net position increased \$55M as a result of this year's operations. Governmental activities increased by \$40M while business-type activities increased \$15M.

- Governmental Activities Revenues and Expenses Compared to Last Year Total revenues in the aggregate increased \$13M over last year. The increase was largely attributable to a \$10M increase in Sales Tax Revenue, a \$2M increase in charges for services, a \$2M increase in property tax revenue and a \$2M increase in other tax revenues. Gains in revenues were reduced by a \$4M decrease in other general revenues. The decrease in other general revenues was due to a decrease of \$3M in investment earnings. Expenses increased \$34M or 22.8% from last year of which \$27M attributable to general government, \$4M to public safety, \$2M to highway and streets, and \$2M to culture and recreation. The increase in general government is largely attributable to an increase in expenses of \$8M for the Emergency Food and Shelter Program and an increase of \$3M in the Coronavirus State and Local Recovery Funds. Another \$10M is due to an expense increase for the Texas A&M building.
- Business-Type Activities Revenues and Expenses Compared to Last Year Total revenues in aggregate decreased by \$3M from last year. The decrease in revenue is the result of charges for services increasing by \$8m, a \$6M decrease in capital grants and contributions, a \$2M decrease in operating grants and contributions and a \$3M decrease in investment earnings. Total expenses in aggregate had no change year over year. Expenses for the Water, Sanitation and the McAllen International Toll Bridge fund had modest increases while expenses for the Convention Center, Airport and Anzalduas International Crossing had modest decreases.

USING THE ANNUAL REPORT

The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 15 and 16-17) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 18. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole The Statement of Net Position and the Statement of Activities

One of the central concerns in assessing any City's finances could be summarized in the question, "Is the City as a whole better off or worse off as a result of the year's activities?" Our analysis addressing this question begins on page 7-8. The analysis includes a condensed summary of the government-wide financial statements — The Statement of Net Position and the Statement of Activities, which present information about the City in a way that facilitates answering this question. These statements are presented much like the private-sector companies — including *all* assets and liabilities using the *accrual basis of accounting*. All revenues and expenses for the current year are reported without regard to when cash is received or paid.

These government-wide financial statements report both net position and changes thereto. Net position is reported in the Statement of Net Position. The City's net position, which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one indicator of the City's financial well-being or financial position at one point in time. Increases or decreases to net position over a period of time is an indication whether its financial well-being is improving or deteriorating. Of course, other non-financial considerations enter into the determination of the City's overall health, which would include such things as changes in the City's property tax base and the condition of its streets.

Changes to net position are reported in the Statement of Activities, which divides all City functions into two categories:

Governmental activities — Most of the City's basic services are reported in this category, which includes public safety (including police and fire), highways and streets, health and welfare, culture and recreation, and general administration. These activities are primarily supported by sales and property taxes, and franchise fees.

Business-type activities — Certain services that the City provides are paid for from fees that are charged to customers. Water, wastewater, garbage collection, performing arts center, convention center, golf course, airport, transit terminal, transit services and the bridges are activities that are reported in this category.

Reporting the City's Most Significant Funds Fund Financial Statements

Our analysis of the City's major funds commences on page 9. The fund financial statements are presented on pages 18 through 43. These statements present detailed information about the City's more significant funds as opposed to the City as a whole. Funds are established for various reasons — some are required by state law; others by bond covenants. Some funds are established by the City Commission to assist in managing money that is to be spent for particular purposes. For example, the Community Development Block Grant Fund was established to demonstrate that the money received from the U. S. Department of Housing and Urban Development was used for purposes established by the federal government. The City has two categories of funds, which can be used for public purpose — governmental and proprietary. Each category uses a different accounting approach.

Governmental funds — Most of the City's basic services are reported in governmental funds. These funds focus on the flow of money into and out of the funds and the balance left over at the end of the year that is available for future spending. Governmental funds use a method of accounting called modified accrual. The purpose of this method is to measure cash and other *financial* assets that can readily be converted to cash. This approach provides a detailed short-term perspective of the City's general government operations and the basic services it provides. This view of the City's operations provides information that helps to determine the extent to which financial resources are available to spend in the near future to finance City programs. The relationship between these governmental fund financial statements and the governmental activities column shown in the government-wide financial statements is shown in the form of a reconciliation presented on the page following each governmental fund financial statement.

Proprietary funds — Services provided to either outside customers or to another unit of the City, where a fee is charged, are generally reported in proprietary funds. Proprietary funds are reported the same way that is used in the government-wide financial statements. Matter of fact, the City's enterprise funds (a component of proprietary funds) are substantially the same as the business-type activities column of the government-wide financial statements but provide more detail including cash flows. The other component of proprietary funds is internal service funds. These funds are used to report services that are provided for other City funds — such as the Fleet and Materials Management Fund, which reports maintenance activities for all City vehicles.

The City as Trustee Reporting the City's Fiduciary Responsibilities

The City is the trustee, or fiduciary, for the Firemen's Pension Fund and the Rio Grande Valley Radio Communications Group Fund. This activity is reported in separate Statements of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 44 - 45. These activities are not included with the City's other government-wide financial information since the City cannot use these assets to finance its programs or operations. The City is responsible for ensuring that these funds are used for their intended purpose.

THE CITY AS A WHOLE

The City's Condensed Net Position Information is presented in the table below.

Net Position Information (in Millions)

		Governmental Activities				Business-type Activities				Total Primary Government			
	2	2022		2021		2022	_	2021		2022	_	2021	
Current and other assets	\$	301	Ś	259	Ś	250	Ś	149	Ś	551	Ś	408	
Capital assets	•	350	•	352	•	498	•	500	•	848	•	852	
Total assets		651		611		748		649		1,399		1,260	
Deferred outflows of resources		57		27	_	4	_	4	_	61	_	31	
Long-term liabilities		203		186		231		163		434		349	
Other liabilities		44		47		15		12		59		59	
Total liabilities		247		233		246		175		493		408	
Deferred inflows of resources		51		35		19	_	7		70	_	42	
Net position:													
Net investment in capital assets		241		240		353		348		594		588	
Restricted		73		63		74		70		147		133	
Unrestricted		96		67		60		54		156		121	
Total net position	\$	410	\$	370	\$	487	\$	471	\$	897	\$	842	

Net position of the City's governmental activities increased by \$40M over last year as a net result from total assets and deferred outflows increasing \$70M, total liabilities increasing \$14M and total deferred inflow of resources increasing by \$16M. The City's unrestricted net position increased by \$29M. The unrestricted net position is the portion of net position, which can be utilized to finance day-to-day operations, free of any constraints established by debt covenants, enabling legislation or other legal requirements.

The net position of the City's business-type activities increased \$15M over last year's amount, which can be attributed to a total assets and deferred outflows increasing \$99M, total liabilities increasing \$71M and total deferred inflow of resources increasing by \$12M.

Changes in Net Position Information (in Millions)

		mental vities		ess-type vities	Total Primary Government			
	2022	2021	2022	2021	2022	2021		
Revenues								
Program revenues:								
Charges for services	\$ 11	\$ 9	\$ 98	\$ 90	\$ 109	\$ 99		
Operating grants and contributions	42	36	7	9	49	45		
Capital grants and contributions	5	11	13	19	18	30		
Property taxes	55	53	-	-	55	53		
Sales tax	90	80	-	-	90	80		
Other taxes	14	11	_	_	14	11		
Other general revenues	4	8	(2)	1	2	9		
Total revenues	221	208	116	119	337	327		
Program expenses								
General government	58	31	_	_	58	31		
Public safety	68	64	_	_	68	64		
Highways and streets	21	19	_	_	21	19		
Health and welfare	7	7	_	_	7	7		
Culture and recreation	25	24	_	_	25	24		
Interest on long term debt	4	4	_	_	4	4		
Water	-	-	22	20	22	20		
Wastewater	_	_	19	19	19	19		
Sanitation	_	_	22	21	22	21		
Golf	_	_	2	2	2	2		
Transit terminal	_	_	2	2	2	2		
Bus	_	_	4	4	4	4		
Performing arts center	_	_	2	2	2	2		
Convention center	_	_	5	6	5	6		
Airport	_	_	10	11	10	11		
Anzalduas international crossing			4	6	4	6		
McAllen Int.'I toll bridge	_	-	7	6	7	6		
Total expenses	183	149	99	99	282	248		
Excess (Loss) before transfers	38	59	17	20	55	79		
Transfers	2	1	(2)	(1)				
Change in net position	40	60	15	19	55	79		
Net position, beginning	370	310	472	452	842	763		
Ending net position, September 30	\$ 410	\$ 370		\$ 471	\$ 897	\$ 842		

Total revenues generated from both governmental and business-type activities this year amounted to \$337M, representing an increase of \$10M or 3.1% over last. The increase was a result of a \$10M increase in charges for services, an increase sales tax of \$10M, a \$4m increase in operating grants and contributions, a \$2M increase in property, and a \$3M increase in other taxes. Increases to revenues were reduced by a \$12M decrease in capital grants and a \$7M decrease in other revenues.

Governmental Activities

Total revenues generated from governmental activities this year amounted to \$221M. Expenses came in at \$183M, leaving an \$38M excess before transfers-in of \$2M, thus increasing net position by \$40M.

The cost of all governmental activities this year was \$183M. To finance these programs, a total of \$58M was paid mainly by grants, bond construction proceeds, those who directly benefited from them, and by other governments that subsidized certain programs with grants. The amount that our taxpayers ultimately financed for these activities through taxes and other general revenues was \$126M as shown on the Statement of Activities on pages 16-17.

The table below presents the net cost of each of the City's programs (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities (in Millions)

Net Cost of Services

	20	022	2021
General government	\$	31	\$ 14
Public safety		48	40
Highways and streets		15	9
Health and welfare		6	6
Culture and recreation		22	21
Interest on long-term debt		4	4
Total	\$	126	\$ 94

Business-type Activities

Total revenues generated from business-type activities this year amounted to \$119M. Expenses came in at \$99M leaving \$20M before transfers-out of \$2M which resulted in a net increase to net position of \$15M. More details will be provided about governmental and business-type activities' operations later in this discussion and analysis.

GOVERNMENTAL FUNDS – A Detailed Discussion

(General Fund, Special Revenue Funds, Debt Service Fund and Capital Project Funds)

As a result of this year's operations, governmental funds (as reflected in the balance sheet on page 18) combined fund balance totaled \$206M or an increase of \$32M from last year. The net increase is due to the local economy continuing to grow post pandemic and federal assistance received. Sales tax revenue outperformed last fiscal year by \$12M which resulted in a combined \$14M increase in fund balance for the General fund and Development Corp. In FY 2022, the City was able to recognize \$14M in State and Local Fiscal Recovery Funds for the replacement of revenue.

Revenues and Transfers-In and Other Financing Sources

The following table presents a summary of general fund, special revenue funds, debt service fund and capital projects funds revenues and transfers-in and other financing sources for the years ended September 30, 2022 and 2021.

Revenues, transfers-in and Other Financing Sources	_	2022 Amount	% of Total	_	2021 Amount	_	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	\$	160,246,068	56.83%	\$	143,496,240	\$	16,749,828	11.67%
Licenses and permits		2,882,174	1.02%		2,653,536		228,638	8.62%
Intergovernmental		44,349,570	15.73%		41,074,008		3,275,562	7.97%
Charges for services		8,069,844	2.86%		7,606,530		463,314	6.09%
Fines and forfeitures		1,892,727	0.67%		1,063,885		828,842	77.91%
Investment income		(1,660,771)	-0.59%		639,158		(2,299,929)	-359.84%
Miscellaneous		5,830,308	2.07%		7,600,301		(1,769,993)	-23.29%
Other Financing Sources (uses)	_	60,382,764	21.41%	_	110,730,354	_	(50,347,590)	-45.47%
Totals	\$	281,992,684	100.00%	\$	314,864,012	\$	(32,871,328)	-10.44%

In FY 2022, the City experienced a decrease in revenues and other financing sources of \$32M . Other financing sources had an overall decrease of \$50M as a result of refunding bonds issued in FY 2021 and no bonds issued in FY 2022. The City's tax revenue increased by \$17M mainly due to a \$11M increase in sales tax revenue. A \$2M increase in property tax revenue and a \$2M increase in hotel tax revenue also contributed to the increase in the City's tax revenue. Sales tax and hotel tax revenue continue to grow for the City as increased spending and service demands by residents and visitors have resumed to pre-COVID-19 levels and above. Property tax revenue continues to grow as total assessed property values and number of properties continue to increase for the City of McAllen. In FY 2022, the City spent \$8M more than in FY 2021 of Emergency Food and Shelter Program funds; and a \$3M decrease in spending of Texas Department of Transportation funds as well as a \$1M decrease in revenue from Coronavirus State and Local Fiscal Recovery Funds in FY2022 resulted in the overall \$3M increase of intergovernmental revenue funds. Investment income has a decrease of \$2M as a result of fair market value adjustments to investments as required by GASB Statement No. 31.

Expenditures and Transfers-Out

The following table presents a summary of general fund, special revenue funds, debt service fund and capital projects funds expenditures, transfers-out for the years ended September 30, 2022 and 2021.

Expenditures and Transfers-out.	 2022 Amount	% of Total	 2021 Amount	_	Amount of Increase (Decrease)	% Increase (Decrease)
General government	\$ 55,784,481	22.36%	\$ 42,140,985	\$	13,643,496	32.38%
Public safety	68,221,720	27.34%	64,868,699		3,353,021	5.17%
Highways and streets	21,442,100	8.59%	25,221,792		(3,779,692)	-14.99%
Health and welfare	7,701,275	3.09%	7,370,130		331,145	4.49%
Culture and recreation	30,245,101	12.12%	22,789,220		7,455,881	32.72%
Debt service:						
Principal	5,326,917	2.13%	3,928,921		1,397,996	35.58%
Interest and fiscal						
charges	3,210,240	1.29%	4,590,604		(1,380,364)	-30.07%
Other Financing Sources(uses)	57,598,435	23.08%	110,128,424		(52,529,989)	-47.70%
Totals	\$ 249,530,269	100.00%	\$ 281,038,775	\$	(31,508,506)	-11.21%

In FY 2022, the City experienced a decrease in expenditures and other financing uses of \$31M. Other financing uses had an overall decrease of \$53M as a result of refunding bonds issued in FY 2021 and no bonds issued in FY 2022. General government expenditures increased by \$13M mostly as a result of increased spending of \$8M from the Emergency Food and Shelter Program funds and an increase of \$3M in spending for small business grants funded by Coronavirus State and Local Fiscal Recovery Funds. Expenditures for culture and recreation increased by \$7M due to the following: a \$3M increase in expenditures for the construction of the new park administration building and a \$2M increase in various capital expenditures including the youth baseball complex, Westside Park improvements, adaptive playground at Los Encinos, stadium parking and McAuliffe Sidewalk improvements. Highways and Streets decreased by \$3M largely due to almost \$4M in street projects completed out of the Street Improvement fund in FY 2021. Expenditures for public safety increased by approximately \$3M primarily due to a \$2M increase in the cost of operating Fire and Police services.

Fund Balances

The governmental fund balances increased by \$32M, from \$173M in the prior year to \$206M in the current year. The net increase to fund balance is the result of the following fund balance increases: \$7M to the Development Corporation Fund, \$7M to the General Fund fund, \$7m to the Quinta Center for Urban Ecology and \$14M to the Infrastructure and Improvement fund. The increase to the fund balances in the Quinta Center for Urban Ecology and the Infrastructure and Improvement Fund are attributable to funds received; yet, capital projects are not complete and/or have not started.

Fund balances by major funds are discussed in the following paragraphs.

General Fund

As a result of this year's operations, total fund balance increased by \$7M —from \$76M to \$83M. Applying GASB 54 pronouncements, fund balances categories reflect \$4M nonspendable and \$79M unassigned. The increase to fund balance is directly related to the performance of sales tax revenue. The local economy in McAllen continues to perform well as indicated by a 14% or \$8M sales tax revenue increase over last fiscal year. The City also benefited from property tax revenue which increased 6% or \$3M over last fiscal year. The growth in property tax is due to an increase in taxable valuations and the number of taxable properties. During fiscal year 1997-98, the City adopted, by resolution, a financial policy requiring a minimum of 140 days of operating expenses in fund balance. Based upon next year's original operating budget, exclusive of capital outlay and transfers-out, unassigned fund balance represents 223 days of operations, which is 83 days in excess of the minimum requirement.

Development Corp Fund

The fund balance in the Development Corporation Fund reflected an increase of \$7M, leaving the ending restricted fund balance at \$24M. The Development Corporation's major source of revenue is sales tax revenue which contributed \$22M to the fund. The local economy in McAllen continues to perform well as indicated by a 14% growth of sales tax revenue year over year. The increase to the Development Corp fund balance was a result of sales tax performing well and \$7M of street projects and drainage projects not started and or not completed.

PROPRIETARY FUND TYPES (Enterprise Funds and Internal Service Funds) Enterprise Funds

The City's enterprise operations consist of the McAllen Public Utility (Water and Wastewater Funds), Sanitation Fund, Champion Lake Golf Course Fund, Transit Terminal Fund, Performing Arts Center Fund, McAllen Convention Center, McAllen International Airport Fund, Metro McAllen Fund, McAllen International Toll Bridge Fund, and the Anzalduas International Crossing Fund. In the aggregate, the proprietary funds reported a \$15M increase to net position. Of that amount, the Transit Terminal Fund had a \$5m increase, Wastewater Funds had a \$1M increase, the Airport Fund had a \$2M increase, the McAllen International Toll Bridge a \$3M increase and the Anzalduas Bridge had a \$1M increase.

Transit Terminal

The Transit Terminal fund is a non major fund; however, the fund had a \$5M increase to its net position. The increase to the net position is a result of \$6M in federal funds received for the construction of a north transfer station and maintenance shop.

Wastewater Fund

Both Operating revenues and expenses increased by 1.2% and 4.8% respectively over last year. Total operating revenues amounted to \$20M while operating expenses totaled \$19M resulting in operating income of \$1M which is offset by a nonoperating loss of \$1M. During FY 2022, developers donated a total of \$1M in public improvements which increased the fund's net position by approximately \$1M.

McAllen International Airport Fund

FY 2022 was a great year for the McAllen International Airport as passenger activity increased by 21.4% over FY 2021. The increase in passenger activity had a direct impact on operating revenues. Operating revenues for the McAllen International Airport had an increase of 12.7% or \$927K. Operating expenses decreased by 5.1% or \$500K. The Airport Fund sustained an operating loss of \$2M before non-operating expenses, capital contributions and transfers out. The operating losses were offset by federal funds of \$3M. Capital contributions from the Passenger Facility Charge, as well as the FAA, amounted to \$4M. Transfers-out to the City amounted to \$2M to reimburse for public safety personnel assigned to the Airport resulting in an increase in net position of \$2M. The increase to the net position was the result of increased passenger activity and federal funds received for capital projects. This

years' working capital is reflected at \$15M, including liabilities payable from restricted assets, which are included in current liabilities.

McAllen International Toll Bridge Fund

The table below reflects three types of crossings for 2022, as well as 2021.

			Increase	% Increase
Category	FY 21-22	FY 20-21	(Decrease)	(Decrease)
Cars	2,587,595	1,647,489	940,106	57.06%
Non-Commercial Trucks & Buses	18,053	16,489	1,564	9.49%
Passengers in cars	6,468,988	4,118,723	2,350,265	57.06%

In November 2021, non-essential travel restrictions were lifted by the U.S. government which led to significant increases in traffic crossings and toll revenues. Southbound car crossings increased 57% and operating revenues increased \$3M over last year which resulted in an increase to the fund's net position of \$3M. Operating expenses increased 7% or \$278K compared to the prior fiscal year. After considering all other non-operating revenues and expenses, changes in this year's net position totaled increased by \$3M. Working capital, including liabilities payable from restricted assets, which are included in current liabilities, at year-end amounted to \$4M.

Anzalduas International Crossing

The table below reflects four types of crossings for 2022, as well as 2021. All categories of crossings reflect increases, except for buses, which are noted below.

			Increase	% Increase
Category	FY 21-22	FY 20-21	(Decrease)	(Decrease)
Cars	1,141,646	724,838	416,808	57.50%
Trucks - empties	30,564	27,577	2,987	10.83%
Buses	1,917	1,184	733	61.91%
Passengers in cars	2,854,115	1,812,095	1,042,020	57.50%

In November 2021, non-essential travel restrictions were lifted by the U.S. government which led to significant increases in traffic crossings and toll revenues. Southbound car crossings increased 416K or 57% while empty truck traffic increased by 3K or 11%. Operating revenues increased by \$2M over last year which resulted in an increase to the fund's net position of \$1M. Operating expenses totaled \$2M. Operating expenses decreased by \$3M due to non-capital expenses for improvements on the northbound inspection station which were incurred in FY 2021 and not in FY 2022. After non-operating expenses of \$2M and a transfer-in of \$850K, the net position increased by \$1M resulting in an ending net position deficit of \$793K.

Unrestricted net position is reflected as a deficit in the amount of \$18M, largely as a result of the start up fund and board advances made to it by the McAllen International Toll Bridge Fund.

General Fund Budgetary Highlights

During the year, the City Commission amended the budget several times. The revenue budget was increased by almost \$11M due to sales tax revenue performing better than anticipated. Sales tax revenue out performed the original budget by \$11M. Original appropriations to the final budget appropriations were increased by approximately \$5M. This increase was primarily related to an increase in transfers out of \$3M for capital projects and improvements and an increase of \$2M to cover wages and benefits and fuel for the Police and Fire departments.

Pensions and Retiree Healthcare

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" created specific reporting requirements for pensions that are different than that used for funding purposes. Valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used including strategies for repaying any unfunded actuarial accrued liabilities combined with the City's history of making those contributions provides insights regarding the City's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule

of Contributions, is based on the funding valuation. On a reporting basis, the City's financial statements reflect a Net Pension Asset as of September 30, 2022 of \$9M, which is -12.5% of the City's annual covered payroll of \$76M.

The Firemen's Relief & Retirement Fund (the Plan) reflects a Net Pension Liability as of September 30, 2022 of \$36M, which is 268.6% of the Plan's annual covered payroll of \$13M. Information contained in the financial statements themselves including the third schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The fourth schedule in the RSI, Schedule of Contributions, is based on the funding valuation.

Retiree health care's net OPEB liability has been calculated in accordance with GASB Statement No.75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," to be \$27M, as of September 30, 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION Capital Assets

At the end of the fiscal year, the City had \$848M in net capital assets, which is reflected below:

Capital Assets at Year-end (In Millions)

		Govern Acti		Busine Acti		Total Primary Government					
	:	2022		2021	 2022		2021		2022		2021
Land	\$	84	\$	89	\$ 24	\$	22	\$	108	\$	111
Buildings and improvements		194		192	745		731		939		923
Equipment		98		96	86		81		184		177
Infrastructure		265		259	-		-		265		259
Construction in progress		39		29	44		40		83		69
Water rights		-		-	16		16		16		16
Accumulated depreciation		(330)	_	(313)	(417)		(390)	_	(747)	_	(703)
Net Capital Assets	\$	350	\$	352	\$ 498	\$	500	\$	848	\$	852

This year's major additions included the following projects (in millions):

North HUB Construction	\$	6
Parks Administration Building		4
NWWTP SCADA & Electrical Improvements	S	3
SWWTP Administration Building Remodel		2
RWY 14-21/TWY A Saftey Improvements		2
Northwest Blueline Regrade		2
Sprague Interceptor Sewer Design		1
RWY 14-32/TWY A Safety Improvements		1
Dove: 41st Street to Bentsen		1
Bicentennial Blueline		1
Total	\$	23

For more detailed information on capital asset activity, refer to the notes to financial statements (refer to page 61 - 62).

Debt

At the end of the fiscal year, the City had \$345M in bonds outstanding-as shown in the following table:

Outstanding Debt at Year-end (in Millions)

	Governmental Activities					Busine Activ			Total Primary Government				
		2022	_	2021	_	2022	_	2021	_	2022	_	2021	
General/certificate of obligation bonds/ note (backed by the City) Revenue bonds backed by	\$	100	\$	105	\$	-	\$	-	\$	100	\$	105	
Specific tax and fee revenues		21		21		224		152	_	245	_	173	
Totals	\$	125	\$	126	\$	160	\$	152	\$	345	\$	278	

For more detailed information on long-term debt activity, refer to the notes to financial statements (refer to page 71).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the budget process for fiscal year 2022-23 the elected and appointed officials considered many factors including the forces driving the economy-among which were the pandemic recovery, job growth, bank deposits, retail sales growth, the unemployment rate, tourism, and inflation. As a result of the deliberations, within the General Fund, total revenues were budgeted with a \$5M increase or 4% more than FY 2022 budget. Management anticipates revenues will maintain a positive trend. The City reduced its property tax rate to \$0.4799 per \$100 of valuation compared to \$0.4956 per \$100 of valuation for FY 2022. Total operating expenditures were budgeted with a \$5M increase or 4% more than FY 2022 budget. The FY 2022 budget reflects the City's healthy financial position due to a faster recovery from the fiscal impact of the Covid-19 pandemic. The estimated FY 2023 budget fund balance covers a total of 222 days of operating expenditures which is in excess of the minimum fund balance policy of 140 days.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to inform the citizens, taxpayers and customers of the City of McAllen as well as its investors and creditors about the City's finances and to provide accountability for the public support that it receives. If you have any questions about the report or need additional financial information, contact the Finance Director's Office at the City of McAllen, 1300 Houston, McAllen, Texas 78501.

Roel "Roy" Rodriguez, P.E.

City Manager

Sergio Villasana Jr., CPA Finance Director

STATEMENT OF NET POSITION

September 30, 2022

	_		Prin	nary Governmen	t		Component Unit		
	(Governmental Activities	E	Business-type Activities		Total	Т	res Lagos Public Improvement District	
ASSETS		00.544.056		0.010.407		40.540.000		101.000	
Cash	\$	38,544,856	\$	2,018,427	\$	40,563,283	\$	121,069	
Certificate of deposits		19,046,628		4,511,496		23,558,124		-	
Investments Receivables, net		200,024,603 29,845,079		55,867,837 15,806,083		255,892,440 45,651,162		52,621	
Internal balances						45,051,102		32,021	
Inventories		2,450,028		(2,450,028) 831,421		831,421		_	
Prepaid items		116,637		588,757		705,394		_	
Restricted assets		110,037		164,405,950		164,405,950		_	
Net pension asset - TMRS		6,600,079		2,993,059		9,593,138		_	
Capital assets not being depreciated:		0,000,073		2,550,005		3,030,100			
Land		83,706,541		23,517,576		107,224,117		18,627,352	
Construction in progress		39,135,734		44,047,934		83,183,668		-	
Water rights (perpetual)		-		14,323,738		14,323,738		_	
Capital assets being depreciated:				,,		,,			
Buildings and systems		114,937,622		472,205,086		587,142,708		4,275,243	
Equipment		98,390,953		86,035,610		184,426,563		5,172	
Improvements		79,536,350		272,563,147		352,099,497		-	
Infrastructure		264,977,239		-		264,977,239		-	
Water rights		-		2,200,000		2,200,000		-	
Accumulated depreciation		(330,389,633)		(417,213,917)		(747,603,550)		-	
Other long term assets		4,465,134		5,553,453		10,018,587		-	
Total assets		651,387,850		747,805,629		1,399,193,479		23,081,457	
Deferred outflows of resources:		· · · · ·		· · ·				· · ·	
Deferred charges on refunding		1,470,463		2,317,170		3,787,633		_	
Deferred charges of Fernitaling Deferred charges-pensions and OPEB Plan		55,851,595		1,608,357		57,459,952		_	
Total deferred outflows of resources	_	57,322,058	_	3,925,527	_	61,247,585	_		
Total assets and deferred outflows of resources	<u>.</u>		<u>.</u>		<u>,</u>		<u>.</u>	22 001 457	
	\$	708,709,908	\$	751,731,156	\$	1,460,441,064	\$	23,081,457	
LIABILITIES					_				
Accounts payable and accrued liabilities	\$	18,946,103	\$	13,324,453	\$	32,270,556	\$	73,368	
Unearned revenues		16,847,024		794,857		17,641,881		-	
Other		8,027,402		285,587		8,312,989		3,882,975	
Non-current liabilities:		11 750 440		10047040		00 000 000			
Due within one year		11,750,440 128,206,451		12,247,843 218,863,903		23,998,283 347,070,354		-	
Due in more than one year		27,078,896		210,003,903		27,078,896		-	
Net OPEB obligation - due in more than one year Net pension liability -Firemen's Pension - due in more than one		27,078,890		-		27,078,890		-	
year		36,314,964		-		36,314,964		-	
Total liabilities		247,171,280		245,516,643		492,687,923		3,956,343	
Deferred inflows of resources:	_		_	2 :0,0 : 0,0 :0	_	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_	0,200,010	
Deferred charges on leases		164,873		9,170,626		9,335,499		_	
Deferred charges on refunding		-		3,176,939		3,176,939		_	
Deferred charges-pensions and OPEB Plan		50,620,880		6,859,996		57,480,876		_	
Total deferred inflows of resources	_	50,785,753	_	19,207,561	_	69,993,314	_		
Total liabilities and deferred inflows of resources	_	297,957,033		264,724,204	_	562,681,237	_	3,956,343	
NET POSITION	_	237,307,000	-	204,724,204	_	002,001,207		0,200,040	
Net investment in capital assets Restricted for:		241,168,319		353,027,244		594,195,563		22,907,767	
Capital projects		37,660,858		60,114,130		97,774,988		_	
Federal and state grant awards		1,600,307		-		1,600,307		_	
Hotel tourism		820,453		_		820,453		-	
Parks		2,675,838		-		2,675,838		-	
Debt service		4,810,379		9,308,787		14,119,166		-	
Economic development		23,618,376		-		23,618,376		-	
Distribution of net surplus revenues		-		4,884,666		4,884,666		-	
Other purposes		2,021,054		-		2,021,054		-	
Unrestricted	_	96,377,291		59,672,125	_	156,049,416		(3,782,653)	
Total net position		410,752,875		487,006,952		897,759,827		19,125,114	
Total liabilities, deferred inflows of resources, and net position	\$	708,709,908	\$	751,731,156	\$	1,460,441,064	\$	23,081,457	
•	_								

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

				Program Revenues		
	Expenses	Charges for Services		Operating Grants and Contributions	;	Capital Grants and Contributions
Functions/Programs						
Governmental activities:						
General government	\$ 57,859,172	\$ 3,734,450	\$	23,401,473	\$	176,751
Public safety	68,473,095	2,714,660		16,513,695		1,104,111
Highways and streets	20,606,994	2,154,689		432		3,201,764
Health and welfare	7,355,183	950,671		743,280		-
Culture and recreation	25,437,546	1,136,775		1,753,810		129,740
Interest on long-term debt	3,935,848	-		-		-
Total governmental activities	183,667,838	10,691,245		42,412,690		4,612,366
Business-type activities:						
Water services	22,034,728	21,630,719		2,732		1,027,305
Wastewater services	19,657,019	20,253,967		7,131		1,279,688
Sanitation services	22,060,596	23,265,296		220,369		195,394
Golf course services	1,791,973	2,029,301		182		-
Performing arts center services	2,173,136	1,683,813		307,575		-
Convention center services	4,902,786	3,085,352		14,198		47,777
Airport services	9,968,590	7,302,901		2,995,924		4,517,291
Transit services	1,735,346	2,741		505,958		6,296,563
Bus services	3,823,448	573,269		3,403,200		-
Bridge servicesAnzalduas	3,571,882	4,789,105		435		-
Bridge services-Hidalgo	 7,276,868	 13,253,388		17,697	_	144,029
Total business-type activities	98,996,372	97,869,852		7,475,401		13,508,047
Total primary government	\$ 282,664,210	\$ 108,561,097	\$	49,888,091	\$	18,120,413
Component Unit -		-	_			
Tres Lagos Public Improvement District	\$ 1,722,990	\$ 	\$		\$	

General revenues:

Property taxes

Hotel occupancy tax

Sales taxes

Franchise taxes

Mixed beverage taxes

Unrestricted investment loss

Miscellaneous

Transfers

Total general revenues, special items, and transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expenses) Revenues and Changes in Net Position

omponent Unit	Co	Primary Government							
es Lagos Public rovement District		Total		Business-type Activities	vernmental Activities				
_	\$	(30,546,498)	\$	-	(30,546,498)	\$			
_	•	(48,140,629)	*	- -	(48,140,629)	*			
-		(15,250,109)		-	(15,250,109)				
_		(5,661,232)		-	(5,661,232)				
_		(22,417,221)		<u>-</u>	(22,417,221)				
_		(3,935,848)		-	(3,935,848)				
-		(125,951,537)		-	(125,951,537)				
_		626,028		626,028	_				
_		1,883,767		1,883,767	_				
		1,620,463		1,620,463	_				
_		237,510		237,510	_				
_		(181,748)		(181,748)	_				
_		(1,755,459)		(1,755,459)	_				
_		4,847,526		4,847,526	_				
_		5,069,916		5,069,916	_				
_		153,021		153,021	_				
_		1,217,658		1,217,658	_				
-		6,138,246		6,138,246					
_		19,856,928		19,856,928	_				
-	\$	(106,094,609)	\$	19,856,928	(125,951,537)	\$			
(1,722,990)	<u>\$</u>	-	<u>\$</u>	-	-	\$			
264,664		55,485,210		-	55,485,210				
-		5,986,363		-	5,986,363				
-		90,080,243		-	90,080,243				
-		7,227,859		-	7,227,859				
-		1,342,082		-	1,342,082				
-		(4,293,279)		(1,989,331)	(2,303,948)				
95,961		6,110,186		-	6,110,186				
-		-		(2,573,895)	2,573,895				
360,625		161,938,664		(4,563,226)	166,501,890				
(1,362,365)		55,844,055		15,293,702	40,550,353				
20,487,479		841,915,772		471,713,250	370,202,522				
19,125,114	\$	897,759,827	\$	487,006,952	410,752,875	\$			

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2022

	Ge	neral	De	evelopment Corp.		liscellaneous Government Grants	-	American escue Plan Act	Othe Governm Fund	ental	Go	Total overnmental Funds
ASSETS				<u> </u>								
Cash	\$ 14	,015,840	\$	-	\$	361,190	\$	-	\$ 22,756	5,388	\$	37,133,418
Certificate of deposit	. 8	3,020,793		3,007,535		-		-	7,016	5,148		18,044,476
Investments	56	,720,423		20,368,626		11,319,144		3,074,259	82,77	7,553		174,260,005
Receivables, net:												
Taxes	16	,060,883		3,851,814		-		-	328	3,065		20,240,762
Accounts	1	,767,432		-		-		-	746	5,700		2,514,132
Accrued interest		271,832		40,775		-		-	42	2,666		355,273
Other	1	,133,373		-		-		-		195		1,133,568
Due from other funds	3	3,608,323		-		-		-		-		3,608,323
Due from other governments		973,192		563,377		325,075		-	2,954	1,469		4,816,113
Prepaids		116,128		-		-		-		-		116,128
Board advances		<u>,465,134</u>			_			-			_	4,465,134
Total assets	\$ 107	,153,353	\$	27,832,127	\$	12,005,409	\$	3,074,259	\$ 116,622	2,184	\$	266,687,332
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 2	2,174,871	\$	2,005,952	\$	3,510,173	\$	447,777	\$ 3,50	1,514	\$	11,640,287
Accrued liabilities	2	2,689,283		162,749		7,608		-	516	5,038		3,375,678
Due to other funds		-		40,995		33,542		9,809	739	9,442		823,788
Unearned revenues		493,848		-		8,462,654		2,616,673	5,273	3,849		16,847,024
Other	1	,234,797		100	_				6,790),528	_	8,025,425
Total liabilities	6	,592,799		2,209,796		12,013,977		3,074,259	16,82	1,371		40,712,202
Deferred inflows of resources	17	<u>,366,071</u>	_	2,003,955	_		_		28	5,843	_	19,655,869
Total liabilities and deferred inflows of												
resources	23	<u>3,958,870</u>		4,213,751	_	12,013,977		3,074,259	17,107	7,214	_	60,368,071
Fund balances:												
Nonspendable	4	,581,262		-		-		-		-		4,581,262
Restricted		-		23,618,376		-		-	49,588	3,889		73,207,265
Committed		-		-		-		-	41	5,639		415,639
Assigned		-		-		-		-	49,526	5,196		49,526,196
Unassigned	78	3,613,221				(8,568)		-	(1	5,754)		78,588,899
Total fund balances	83	3,194,483		23,618,376		(8,568)			99,514	1,970		206,319,261
Total liabilities, deferred inflows of												
resources, and fund balances	\$ 107	<u>,153,353</u>	\$	27,832,127	\$	12,005,409	\$	3,074,259	\$ 116,622	2,184	\$	266,687,332

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

September 30, 2022

Total governmental fund balances (refer to page 18)

206,319,261

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

342,350,261

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. The amount consists of the following: property taxes - \$3,738,503 sales and

franchise taxes - \$8,015,819; weed and lot cleaning - \$1,108,442; others; \$2,163,098, and Mission repayment on Series B Bridge bonds, \$4,465,134

19,490,996

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.

33,038,516

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds, including unpaid compensated absences, (\$13,724,126), sales tax revenue bonds payable, (\$20,900,000), accrued interest, (\$485,771), certificates of obligation, (\$38,890,000), general obligations (\$61,630,000), capital lease (\$1,905,688), premium, (\$2,626,471),deferred inflows of resources, (\$50,620,880), Firemen's pension obligation (\$36,314,964), OPEB obligation (\$27,078,896), deferred outflows of resources, \$55,851,595, discount, (\$191,500),Deferred Charge on Refunding \$1,470,463 and TMRS Pension Asset \$6,600,079

(190,446,159)

Net position of governmental activities

\$ 410,752,875

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	General	Development Corp.	Miscellaneous Government Grants	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 126,132,501	\$ 22,490,638	\$ -	\$ -	\$ 11,622,929	\$ 160,246,068
Licenses and permits	2,870,839		-	-	11,335	2,882,174
Intergovernmental	1,100,208	151,722	20,814,194	19,095,332	3,188,114	44,349,570
Charges for services	5,915,155	-	-	-	2,154,689	8,069,844
Fines and forfeitures	1,023,228	150.707	-	20.050	869,499	1,892,727
Investment earnings	812,395	153,797	88,865	39,950	722,163	1,817,170
Net increase (decrease) in the fair value of		(704704)			(222 542)	(0.477.044)
investments	(2,350,667)	(734,734)	-	-	(392,540)	(3,477,941)
Other	2,539,388	170,150			3,120,770	5,830,308
Total revenues	138,043,047	22,231,573	20,903,059	19,135,282	21,296,959	221,609,920
EXPENDITURES						
Current:						
General government	20,865,297	8,225,819	20,276,586	3,075,574	3,341,205	55,784,481
Public safety	65,072,632	-	552,195	-	2,596,893	68,221,720
Highways and streets	13,161,621	1,009,941	-	-	7,270,538	21,442,100
Health and welfare	3,631,742	3,280,216	-	15,000	774,317	7,701,275
Culture and recreation	19,313,920	564,177	76,089	1,557,777	8,733,138	30,245,101
Debt service:	107.710				4000400	
Principal	437,718	1.050	-	-	4,889,199	5,326,917
Interest and fiscal charges	70,457	1,350_			3,138,433	3,210,240_
Total expenditures	122,553,387	13,081,503	20,904,870	4,648,351	30,743,723	191,931,834
Excess of revenues over (under)						
expenditures	15,489,660	9,150,070	(1,811)	14,486,931	(9,446,764)	29,678,086
OTHER FINANCING SOURCES (USES)						
Transfers in	20,251,643	1,235,412	-	-	38,895,709	60,382,764
Transfers out	(29,023,591)	(3,154,498)		(14,486,931)	(10,933,415)	(57,598,435)
Net other financing sources (uses)	(8,771,948)	(1,919,086)		(14,486,931)	27,962,294	2,784,329
Net change in fund balances	6,717,712	7,230,984	(1,811)	-	18,515,530	32,462,415
Fund balances at beginning of year	76,476,771	16,387,392	(6,757)		80,999,440	173,856,846
Fund balances at end of year	\$ 83,194,483	\$ 23,618,376	\$ (8,568)	<u>\$</u>	\$ 99,514,970	\$ 206,319,261

RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds (refer to page 20)	\$ 32,462,415
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$21,943,757 exceeded depreciation, (\$17,324,226), in the current period.	4,619,531
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	164,030
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	4,885,000
Repayment of capital lease principal and winter storm debt ar an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	999,143
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds of which (\$593,779) is compensated absences, (\$83,844) accrued interest expense, (\$641,764) bond amortization expense.	(1,319,387)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds of which \$6,095,202 is pension expense, (\$5,559,736) OPEB expense, (\$1,163,447) is Firemen's net pension obligation.	(627,981)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	(632,398)
Change in net position of governmental activities	\$ 40,550,353



GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

For the Year Ended September 30, 2022

	Ori	ginal Budget		Final Budget	A	ctual Amount		/ariance with Final Budget Positive (Negative)
REVENUES		<u> </u>						<u> </u>
Taxes:								
Property	\$	48,410,574	\$	49,377,380	\$	50,306,889	\$	929,509
Sales Franchise		57,214,947 6,057,000		66,855,792 6,057,000		68,813,996 7,011,616		1,958,204
Total taxes		111,682,521	_	122,290,172		126,132,501		954,616 3,842,329
		111,002,321	_	122,290,172		120,132,301	_	3,042,329
Licenses and permits:		70,000		70,000		78,043		8,043
Business licenses and permits Occupational		535,670		535,670		78,043 506,873		(28,797)
Non-business licenses and permits		1,964,564		1,964,564		2,285,923		321,359
Total licenses and permits		2,570,234		2,570,234		2,870,839		300,605
Intergovernmental		914,691		914,691		1,100,208		185,517
Charges for services:								
General government		2,519,088		2,519,088		3,005,776		486,688
Public safety		569,600		569,600		821,933		252,333
Health		672,030		672,030		950,671		278,641
Culture and recreation		1,036,093	_	1,036,093		1,136,775		100,682
Total charges for services		4,796,811	_	4,796,811		5,915,155		1,118,344
Fines and forfeitures:								
Corporations court		830,000		933,482		970,232		36,750
Other fines		26,547	_	26,547		52,996		26,449
Total fines and forfeitures		856,547	_	960,029		1,023,228		63,199
Investment earnings		642,616	_	325,828		812,395		486,567
Net increase (decrease) in fair value of investments			_			(2,350,667)	_	(2,350,667)
Other:								
Rovalties		189.000		321.179		502.580		181,401
Rents and concessions		5,500		5,500		82,092		76,592
Reimbursements		245,000		249,739		479,846		230,107
Other		330,000		544,891		1,474,870		929,979
Total other revenues		769,500		1,121,309		2,539,388		1,418,079
Total revenues		122,232,920	_	132,979,074		138,043,047	_	5,063,973

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

For the Year Ended September 30, 2022

Ceneral government: City commission \$ 383,130 \$ 385,268 \$ 326,328 \$ 58,940 Special services 726,898 726,898 \$ 26,062 200,836 City manager 1,755,279 1,826,012 1,748,249 77,638 City secretary 616,032 643,633 616,555 27,048 Vital statistics 191,382 206,228 160,055 46,173 Passport facility 193,488 217,810 220,344 (2,544) Audit office 227,663 235,650 240,577 (4,927) Municipal court 1,729,995 1,903,813 1,453,345 450,468 Finance 1,714,047 1,756,027 1,527,180 128,847 Budget & management 441,027 455,790 434,349 21,441 Tax office 1,272,663 293,555 1,527,180 128,847 Budget & management 441,027 455,790 434,349 21,441 Tax office 1,272,663 253,555 1,527,180 128,847 Budget & management 2,276,664 2,533,272 475,034 48,465 Finance 1,272,664 253,272 475,034 48,465 Grant administration 520,462 533,272 475,034 48,465 Grant administration 520,462 533,272 475,034 48,465 Grant administration 520,462 533,272 475,034 48,465 Human resources 833,752 896,288 847,158 491,30 Risk management 488,464 488,464 488,464 488,464 Human resources 833,752 896,288 847,158 491,30 Risk management 488,533 556,769 425,765 101,004 Public information fethenology 3,863,517 3,983,463 3,655,007 2,824,111 Public information office 850,751 875,914 776,465 99,449 311 Call center 485,393 556,769 425,765 101,004 Risk management 4,845,893 556,769 425,765 101,004 Risk management 4,845,893 576,949 425,765 101,004 Risk management 2,278,882 21,968,424 20,865,297 1,103,172 Public information office 373,432,61 3,914,952 37,881,98 1,665,776,766 Risk management 2,278,893 2,968,298 3,968,018 2,666,38 3,968,018 2,666,38 Risk management 2,278,894 2,666,38 2,666,38 2,666,38 2,666,38 2,666,38 2,666,38 2		Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
City commission \$ 383,130 \$ 385,268 \$ 326,328 \$ \$ 8,8940	EXPENDITURES				
Special services 726,898 726,898 526,062 200,836 City secretary 616,032 643,603 616,555 27,048 Vital statistics 191,382 205,228 160,055 27,048 Vital statistics 191,382 205,228 160,055 46,173 Passport facility 193,488 217,810 220,364 (2,554) Audit office 227,663 235,650 240,577 (4,927) Municipal court 1,729,395 1,303,813 455,344 450,468 Finance 1,714,041 1,756,027 1,627,180 128,847 Budget & management 410,07 455,790 434,349 21,441 Tax office 1,272,626 1,293,555 1,260,445 33,310 Purchasing and contracting 60,689 658,331 573,362 48,495 Grant administration 50,462 533,272 1,476,952 448,405 Grant administration 50,204 82,327 1,476,952 48,405 Risk management	General government:				
City manager 1,755,279 1,826,012 1,748,249 77,763 City secretary 616,032 643,603 616,555 27,048 Vital statistics 191,382 206,228 160,055 46,173 Passport facility 193,458 217,810 220,364 (2,554) Audit office 227,663 235,550 240,577 (4,927) Municipal court 1,729,395 1,903,813 1,453,345 450,468 Finance 1,714,041 1,756,027 1,627,180 128,847 Budget & management 441,027 455,790 434,349 21,441 Tax office 1,272,626 1,293,555 1,476,952 448,405 Legal 1,808,222 1,292,5357 1,476,952 448,405 Grant administration 520,462 583,272 475,034 48,238 Human resources 833,752 896,288 847,158 49,130 Risk management 488,464 488,464 488,464 488,464 488,464 488,464 488,464 </td <td>,</td> <td></td> <td>, ,</td> <td></td> <td></td>	,		, ,		
City secretary 616,032 643,003 616,555 27,048 Vital statistics 191,382 206,228 160,055 46,173 Passport facility 193,458 217,810 220,364 (2,554) Audit office 227,663 235,650 240,577 (4,927) Municipal court 1,729,395 1,308,313 1453,345 450,468 Finance 1,714,041 1,756,027 1,627,180 128,847 Budget & management 441,027 455,790 343,439 21,441 Tax office 1,227,266 1,293,555 1,260,245 33,310 Purchasing and contracting 602,089 658,331 73,652 448,405 Grant administration 520,462 533,272 475,094 582,238 Human resources 833,752 896,288 447,159 448,405 Grant administration 1,425,587 1,476,952 448,405 Flaming 1,442,587 1,439,946 483,464 -1,449,944 Planting 1,442,587	•			·	
Vital statistics 191,3482 206,228 160,055 46,173 Passport facility 193,458 217,810 220,364 (2,534) Audit office 227,663 235,650 240,577 (4,927) Municipal court 1,729,395 1,903,313 1,453,345 450,468 Finance 1,714,041 1,756,027 1,627,180 128,847 Budget & management 441,027 455,790 434,349 21,441 Tax office 1,272,626 1,293,555 1,260,245 33,311 Purchasing and contracting 620,699 658,331 573,362 48,469 Grant administration 520,462 333,272 475,024 58,238 Human resources 833,752 86,288 847,158 49,130 Risk management 488,464 488,464 488,464 488,464 Human resources 833,752 86,288 847,158 49,130 Information technology 3,863,517 3,983,463 3,655,052 228,411 Public informatio				1,748,249	
Passport facility	City secretary	· · · · · · · · · · · · · · · · · · ·	•	·	
Audit office 227,663 235,650 240,577 (4927) Municipal court 1,729,395 1,903,813 450,468 Finance 1,714,041 1,756,027 1,627,180 128,847 Budget & management 441,027 455,790 434,349 21,441 Tax office 1,272,626 1,293,555 1,260,245 33,310 Purchasing and contracting 620,689 658,331 573,362 484,690 Legal 1,880,822 1,925,357 1,476,952 448,496 Grant administration 520,462 533,272 475,034 58,238 Human resources 833,752 896,288 847,158 49,130 Risk management 488,464 <td></td> <td>· · · · · · · · · · · · · · · · · · ·</td> <td>·</td> <td>·</td> <td></td>		· · · · · · · · · · · · · · · · · · ·	·	·	
Municipal court 1,729,395 1,903,813 1,453,345 450,468 Finance 1,714,041 1,756,027 1,627,180 128,847 Budget & management 441,027 455,790 434,349 21,441 Tax office 1,272,626 1,293,555 1,260,245 33,310 Purchasing and contracting 620,689 658,331 573,362 84,969 Legal 1,880,822 1,925,357 4,76,952 448,405 Grant administration 520,462 533,272 475,034 58,228 Human resources 833,752 896,288 847,158 49,130 Risk management 488,464 </td <td></td> <td></td> <td>•</td> <td>•</td> <td>(, ,</td>			•	•	(, ,
Finance			•	·	(, ,
Budget & management	Municipal court				·
Tax office 1,272,626 1,293,555 1,260,245 3,310 Purchasing and contracting 620,689 658,331 573,362 84,969 Legal 1,880,822 1,925,357 1,476,952 448,405 Grant administration 520,462 533,272 475,034 58,238 Human resources 833,752 896,288 847,158 49,130 Risk management 488,464 488,46					•
Purchasing and contracting	Budget & management	441,027	455,790	434,349	21,441
Legal 1,880,822 1,925,357 1,476,952 448,405 Grant administration 520,462 532,722 475,034 58,238 Human resources 833,752 896,288 847,158 49,130 Risk management 488,464 488,464 488,464 488,464 -76,957 Information technology 3,65,517 3,983,463 3,655,052 328,411 Public information office 850,751 875,914 776,465 99,449 311 Call center 485,393 526,769 425,765 101,004 City hall 540,363 547,490 550,074 (2,584) Building maintenance 1,069,909 1,112,669 896,018 216,651 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 37,443,261 39,145,923 37,811,98 1,264,725<	Tax office	1,272,626	1,293,555		33,310
Grant administration 520,462 533,272 475,034 58,238 Human resources 833,752 896,288 847,158 49,130 Risk management 488,464 488,464 488,464 488,464 488,464 488,464 488,464 488,464 488,464 488,464 488,464 488,464 488,464 1,939,898 176,957 1,950,946 1,319,989 176,957 Information technology 3,863,517 3,983,463 3,655,052 328,411 1,061,957 1,981,946 1,319,989 176,957 Information office 850,751 875,914 776,465 99,449 311 Call center 485,393 526,769 425,765 101,004 City hall 540,363 547,490 550,074 (2,584) 310,604 City hall 1,126,699 31,112,669 896,018 216,651 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 664,300 96,200 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government	Purchasing and contracting		·		·
Human resources 833,752 896,288 847,158 49,130 Risk management 488,464 488,444	Legal	1,880,822		1,476,952	448,405
Risk management 488,464 488,464 488,464 1,319,989 176,957 Planning 1,442,587 1,496,946 1,319,989 176,957 Information technology 3,863,517 3,983,463 3,655,052 328,411 Public information office 850,751 875,914 776,465 99,449 311 Call center 485,393 526,769 425,765 101,004 City hall 540,363 547,490 550,074 (2,584) Building maintenance 1,069,909 1,112,669 896,018 216,651 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: Police 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786	Grant administration		533,272	475,034	·
Planning 1,442,587 1,496,946 1,319,989 176,957 Information technology 3,863,517 3,983,463 3,655,052 328,411 Public information office 850,751 875,914 776,465 99,449 311 Call center 485,393 526,769 425,765 101,004 City hall 540,363 547,490 550,074 (2,584) Building maintenance 1,069,909 1,112,669 896,018 21,658,1 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: 90lice 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,	Human resources	833,752	896,288	847,158	49,130
Information technology 3,863,517 3,983,463 3,655,052 328,411 Public information office 850,751 875,914 776,465 99,449 311 Call center 485,393 526,769 425,765 101,004 City hall 540,363 547,490 550,074 (2,584) Building maintenance 1,069,009 1,112,669 896,018 216,651 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety:	Risk management	488,464	488,464	488,464	-
Public information office 850,751 875,914 776,465 99,449 311 Call center 485,993 \$26,769 425,765 101,004 City hall 540,363 547,490 550,074 (2,584) Building maintenance 1,069,909 1,112,669 896,018 216,651 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: Public safety: Police 37,443,261 39,145,923 37,891,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 <	· ·	1,442,587			176,957
311 Call center 485,393 526,769 425,765 101,004 City hall 540,363 547,490 550,074 (2,584) Building maintenance 1,069,099 1,112,669 896,018 216,651 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: 29,000,000 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420	3 ,				·
City hall 540,363 547,490 550,074 (2,584) Building maintenance 1,069,909 1,112,669 896,018 216,651 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: Public safety: Police 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,3			•	•	
Building maintenance 1,069,909 1,112,669 896,018 216,651 Development Center 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,57,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: Public safety: Police 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets:	311 Call center	485,393	526,769		101,004
Development Center Non-departmental activities 125,938 127,948 114,800 13,148 Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: Public safety: Police 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: 2,230,711 2,367,851 2,115,157 252,694	City hall	540,363	547,490	550,074	(2,584)
Non-departmental activities 654,000 654,000 644,380 9,620 Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: Public on the control 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: 2 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 344,193 344,193 34	Building maintenance	1,069,909	1,112,669	896,018	216,651
Contingency 1,136,250 (1,509,141) 8,475 (1,517,616) Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: Public Safety: Police 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construct	Development Center	125,938	127,948	114,800	
Total general government 23,763,828 21,968,424 20,865,297 1,103,127 Public safety: 8,7443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 <td>•</td> <td></td> <td>654,000</td> <td>·</td> <td></td>	•		654,000	·	
Public safety: Police 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 <t< td=""><td>Contingency</td><td>1,136,250</td><td>(1,509,141)</td><td>8,475</td><td>(1,517,616)</td></t<>	Contingency	1,136,250	(1,509,141)	8,475	(1,517,616)
Police 37,443,261 39,145,923 37,881,198 1,264,725 Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002	Total general government	23,763,828	21,968,424	20,865,297	1,103,127
Animal control 353,243 380,786 370,573 10,213 Radio Shop 748,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: 4,262,040 2,363,914	Public safety:				
Radio Shop 744,354 761,553 724,495 37,058 Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: 4,262,040 2,363,914 2,366,638 (2,724)	Police	37,443,261	39,145,923	37,881,198	1,264,725
Fire 21,008,790 21,446,139 22,485,679 (1,039,540) Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: 4,262,040 2,363,914 2,366,638 (2,724)	Animal control	353,243	380,786	370,573	10,213
Traffic operations 2,502,454 2,603,890 2,403,267 200,623 Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Radio Shop	748,354	761,553	724,495	37,058
Building code compliance 1,237,288 1,351,100 1,207,420 143,680 Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: 4,262,040 2,363,914 2,366,638 (2,724)		21,008,790		22,485,679	(1,039,540)
Total public safety 63,293,390 65,689,391 65,072,632 616,759 Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Traffic operations	2,502,454	2,603,890		200,623
Highways and streets: Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Building code compliance	1,237,288	1,351,100	1,207,420	143,680
Engineering services 2,230,711 2,367,851 2,115,157 252,694 Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Total public safety	63,293,390	65,689,391	65,072,632	616,759
Street maintenance 6,585,312 6,787,226 6,343,033 444,193 Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Highways and streets:				
Street lighting 2,224,065 2,224,065 2,630,416 (406,351) Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Engineering services				
Sidewalk construction 380,218 403,057 372,902 30,155 Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Street maintenance	6,585,312	6,787,226	6,343,033	444,193
Drainage 1,605,069 1,736,803 1,700,113 36,690 Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)		2,224,065	2,224,065	2,630,416	(406,351)
Total highways and streets 13,025,375 13,519,002 13,161,621 357,381 Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Sidewalk construction	380,218	403,057	372,902	30,155
Health and welfare: Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Drainage	1,605,069	1,736,803	1,700,113	36,690
Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Total highways and streets	13,025,375	13,519,002	13,161,621	357,381
Health code compliance 2,262,040 2,363,914 2,366,638 (2,724)	Health and welfare:				
	Health code compliance	2,262.040	2,363,914	2,366,638	(2,724)
· · · · · · · · · · · · · · · · · · ·	•				
Other agencies 954,193 1,088,000 1,083,000 5,000	•		·	·	
Total health and welfare 3,389,006 3,631,057 3,631,742 (685)	Total health and welfare				

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:				
Parks and recreation administration	\$ 622,783	\$ 645,392	\$ 581,714	\$ 63,678
Parks	8,928,454	9,218,023	9,059,847	158,176
Recreation	1,856,791	1,892,260	1,597,519	294,741
Pools	949,293	973,008	870,819	102,189
Las palmas community center	406,227	426,719	385,313	41,406
Recreation center-Lark	512,500	874,355	451,260	423,095
Recreation center-Palmview	475,367	827,832	424,429	403,403
Quinta mazatlan	1,088,462	1,127,159	939,912	187,247
Library	3,756,935	3,950,244	3,565,479	384,765
Library branch-Lark	567,296	623,570	594,115	29,455
Library branch-Palmview	597,478	663,225	593,013	70,212
Other agencies	1,020,500	210,500	210,500	-
Museums	740,000	40,000	40,000	<u> </u>
Total culture and recreation	21,522,086	21,472,287	19,313,920	2,158,367
Debt service:				
Principal	192,718	192,718	437,718	(245,000)
Interest and fiscal charges	70,456	70,456	70,457	(1)
Total debt service	263,174	263,174	508,175	(245,001)
Total expenditures	125,256,859	126,543,335	122,553,387	3,989,948
Excess (deficiency) of revenues over expenditures	(3,023,939)	6,435,739	15,489,660	9,053,921
OTHER FINANCING SOURCES (USES)				
Transfers in	18,996,881	20,211,693	20,251,643	39,950
Transfers out	(25,521,349)	(29,026,366)	(29,023,591)	2,775
Total other financing sources (uses)	(6,524,468)	(8,814,673)	(8,771,948)	42,725
Net change in fund balance	(9,548,407)	(2,378,934)	6,717,712	9,096,646
Fund balance-beginning	76,476,771	76,476,771	76,476,771	
Fund balance-ending	\$ 66,928,364	\$ 74,097,837	\$ 83,194,483	\$ 9,096,646

DEVELOPMENT CORPORATION FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

For the Year Ended September 30, 2022

	_Or	iginal Budget	_	Final Budget	Ac	ctual Amount	_	Variance with Final Budget Positive (Negative)
REVENUES Sales tax	\$	18,821,649	\$	21,930,885	\$	22,490,638	\$	559,753
Intergovernmental Investment earnings		583,400 53,910		583,400 53,910		151,722 153,797		(431,678) 99,887
Net increase (decrease) in the fair value of investments Other		148,000	_	- 148,000		(734,734) 170,150	_	(734,734) 22,150
Total revenues		19,606,959	_	22,716,195		22,231,573		(484,622)
EXPENDITURES Current:								
General government		8,961,972		11,598,972		8,225,819		3,373,153
Highways and streets		7,845,308		8,676,110		1,009,941		7,666,169
Health and welfare		3,486,500		3,486,500		3,280,216		206,284
Culture and recreation Debt service:		1,638,093		1,743,553		564,177		1,179,376
Interest and fiscal charges	_	<u>-</u> _	_	<u>-</u>		1,350	_	(1,350)
Total expenditures		21,931,873	_	25,505,135		13,081,503		12,423,632
Excess (deficiency) of revenues over expenditures		(2,324,914)		(2,788,940)		9,150,070		11,939,010
OTHER FINANCING SOURCES (USES)								
Transfers in Transfers out		- (1,867,863 <u>)</u>		1,235,412 (3,576,778)		1,235,412 (3,154,498)		422,280
Total other financing sources (uses)		(1,867,863)	_	(2,341,366)		(1,919,086)	_	422,280
Net change in fund balance		(4,192,777)		(5,130,306)		7,230,984		12,361,290
Fund balancebeginning		16,387,392	_	16,387,392		16,387,392	_	
Fund balance-ending	\$	12,194,615	\$	11,257,086	\$	23,618,376	\$	12,361,290

AMERICAN RESCUE PLAN ACT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental Investment earnings	\$ 17,225,521 	\$ 20,031,981	\$ 19,095,332 39,950	\$ (936,649) 39,950
Total revenues	17,225,521	20,031,981	19,135,282	(896,699)
EXPENDITURES Current:				
General government	4,000,000	4,000,000	3,075,574	924,426
Health and welfare	-	15,000	15,000	-
Culture and recreation	60,000	1,570,000	1,557,777	12,223
Total expenditures	4,060,000	5,585,000	4,648,351	936,649
Excess (deficiency) of revenues over expenditures	13,165,521	14,446,981	14,486,931	39,950
OTHER FINANCING SOURCES (USES) Transfers out	(13,165,521)	(14,446,981)	(14,486,931)	(39,950)
Total other financing sources (uses)	(13,165,521)	(14,446,981)	(14,486,931)	(39,950)
Net change in fund balance	-	-	-	-
Fund balancebeginning				
Fund balanceending	\$ -	\$ -	<u>\$</u> -	<u>\$</u> -





PROPRIETARY FUNDS STATEMENT OF NET POSITION

September 30, 2022

Business-type Activities-Enterprise Funds McAllen International Water Wastewater Sanitation Airport **ASSETS** Current assets: 191,071 \$ 341,409 192,590 127,950 \$ Cash Certificate of deposit 1,002,877 1,002,877 2,004,304 Investments 6,327,328 2,934,655 12,591,771 14,087,993 Receivables, net: Accounts 2,148,391 1,961,861 2,507,202 219,576 Accrued interest 10,097 5,518 23,072 5,859 Lease receivable - current 248,906 1,588,829 Other 108,214 1,450 Due from other funds Due from other governments 2,732 10,695 46,714 Inventories, at cost 399,678 2,990 Prepaid items 4,196 960 Restricted assets: Cash and cash equivalents 49,241 124,902 2,613 50,137 Total current assets 10,534,855 5,336,916 16,369,829 18,087,058 Noncurrent assets: Restricted assets: Certificate of deposit 2,506,822 2,005,029 1,504,128 Investments 34,405,867 27,612,075 9,449,473 6,123,482 Accrued interest 24,161 31,345 13,655 547 Other 1,572,907 Total noncurrent restricted assets 34,430,028 30,150,242 11,468,157 9,201,064 TMRS net pension asset 755,939 493,087 760,736 193,781 Capital assets: 3.144.890 2.248.172 3.009.399 3.251.781 I and Buildings and systems 78,981,599 216,168,919 3,088,681 33,412,551 Improvements other than buildings 67,355,003 41,193,020 781,121 98,724,234 Machinery and equipment 10,934,246 10,783,877 32,039,263 6,223,525 Construction in progress 18,218,648 12,955,102 4,699,861 Water rights 16,523,738 Less accumulated depreciation and amortization (95,375,462) (118,034,205)(25,004,487)(87,136,250)Total capital assets (net of accumulated depreciation and amortization) 94,519,116 157,059,644 13,913,977 72,694,489 Other noncurrent assets Lease receivable - noncurrent 392,368 1,868,231 Loans receivable 81,585 95,750 Board advances Total other noncurrent assets 473,953 95,750 1,868,231 Total noncurrent assets 130,179,036 187,798,723 26,142,870 83,957,565 42,512,699 Total assets 140,713,891 193,135,639 102,044,623 Deferred outflow of resources Deferred charges on refundings 2,317,170 Deferred charges - pensions 406,213 264,967 408,791 104,131

143,437,274

193,400,606

42,921,490

102,148,754

The notes to the financial statements are an integral part of this statement.

Total assets and deferred outflows of resources

Governmental Activities			S	es-Enterprise Funds	ess-type Activiti	Busi		
Internal Service Funds	al	Total	, 	Other Proprietary Funds	Anzalduas International Crossing	McAllen International Toll Bridge		
\$ 1,678,377	-	\$ 1,751,488		\$ 688,578	\$ 39,565	\$ 170,325		
1,002,152	-	4,511,496		501,438	-	-		
25,764,598	7,837	55,867,837		12,674,937	4,088,035	3,163,118		
511,984		6,958,487		33,812	87,645	-		
18,515		50,714		4,962	-	1,206		
	-	3,791,250		89,831	-	1,863,684		
493,972	-	109,724		-	-	60		
		346,266		346,266	-	-		
2,252	-	4,654,416		4,562,906	11,277	20,092		
431,743	-	399,678		-	-	-		
509	8,757	588,757		580,611	-	-		
	6,782	656,782		147,353	97,694	184,842		
29,904,102	6,895	79,686,895		19,630,694	4,324,216	5,403,327		
						· · · · · · · · · · · · · · · · · · ·		
	7 220	6,517,230		501,251	_	_		
		154,580,096		4,058,594	64,783,707	8,146,898		
	-	82,358		11,165	1,485	0,140,000		
		2,569,484		-	996,577	-		
	9,168	163,749,168		4,571,010	65,781,769	8,146,898		
99,769	3,290	2,893,290		501,721	38,373	149,653		
	7 576	23,517,576		8,153,076	2,922,772	787,486		
965,935		471,239,151		113,138,099	10,429,987	16,019,315		
132,823	-	272,430,324		18,232,773	41,187,040	4,957,133		
32,645,082		85,131,078		20,144,330	1,053,075	3,952,762		
32,040,002		44,047,934		6,977,208	84,176	1,112,939		
		16,523,738		-	-	-		
(24,632,251	7,671)	(416,377,671) .	(53,678,759)	(19,276,743)	(17,871,765)		
9,111,589	2 130	496,512,130		112,966,727	36,400,307	8,957,870		
2,111,002	2,100	170,012,100		112,500,727		0,507,070		
	6,118	5,376,118		347,852	-	2,767,667		
	7,335	177,335		-	-	-		
	7,478	21,267,478				21,267,478		
	0,931	26,820,931	<u>.</u> .	347,852		24,035,145		
9,211,358	5,519	689,975,519		118,387,310	102,220,449	41,289,566		
39,115,460	2,414	769,662,414	·	138,018,004	106,544,665	46,692,893		
	7 170	2,317,170		_	_	_		
53,612		1,554,745		269,605	20,620	80,418		
\$ 39,169,072		\$ 773,534,329		\$ 138,287,609	\$ 106,565,285	\$ 46,773,311		

PROPRIETARY FUNDS STATEMENT OF NET POSITION

September 30, 2022

Business-type Activities-Enterprise Funds

McAllen International Water Wastewater Sanitation Airport **LIABILITIES** Current liabilities: 1,706,726 \$ \$ 803,084 \$ 783,926 \$ 779,119 Accounts payable Accrued expenses 969,305 381,709 230,613 910,436 Due to other funds Due to other government agencies Customer deposits payable 2,922,881 Compensated absences 544,145 380,213 506,413 132,672 Current portion of revenue bonds 2,679,866 5,071,496 534,078 Current portion of capital lease 57,031 3,532 Other 135,302 108,968 40,572 Total current liabilities 8,958,225 6,745,470 1,577,983 2,400,409 Other noncurrent liabilities: Revenue bonds, net of current portion 45,187,874 84,533,079 4,755,313 Compensated absences 99,947 187,045 199,812 78,823 Unearned revenues 169,196 14,626 131,060 76,023 Capital lease payable 181,674 11.252 **Board advances** Total other non current liabilities 45,457,017 84,734,750 512,546 4,921,411 Total liabilities 54,415,242 91,480,220 2,090,529 7,321,820 Deferred inflows of resources-leases 676,753 3,451,528 Deferred inflows of resources-refunding 2,759,504 184,016 1,743,582 Deferred inflows of resources-pensions 1,732,588 1,130,140 444,141 Total liabilities and deferred inflows of resources 57,008,599 95,369,864 3,834,111 11,217,489 **NET POSITION** Net investments in capital assets 69,769,017 65,251,221 13,675,273 67,390,314 Restricted for: Capital projects 9,297,824 22,988,083 10,977,482 6,390,563 265,020 Debt service 1,037,910 5,912,590 Distribution of net surplus revenues Unrestricted 3,878,848 16,885,368 6,323,924 14,434,624 Total net position 86,428,675 98,030,742 39,087,379 90,931,265 Total liabilities, deferred inflows of resources, and net position 143,437,274 \$ 193,400,606 42,921,490 102,148,754

Busin	ess-type Activitie	es-Enterprise Funds		Governmental Activities
McAllen International Toll Bridge	Anzalduas International Crossing	Other Proprietary Funds	Total	Internal Service Funds
\$ 66,667	\$ 122,407	\$ 710,946	\$ 4,972,875	\$ 2,275,488
43.435	358,396	490,719	3,384,613	1,885,351
21,825	-	2.774.469	2,796,294	334,507
799,160	_	2,774,405	799,160	-
7,75,100	_	528,452	3,451,333	_
87,556	15,538	220,266	1,886,803	115,699
07,330	1,946,721	220,200	10,232,161	113,099
1 022	1,940,721	10,154	72,649	649
1,932	-	•	•	
		186	285,028	2,536
1,020,575	2,443,062	4,735,192	27,880,916	4,614,230
-	83,317,088	-	217,793,354	-
82,811	9,562	168,322	826,322	39,725
213,255	-	190,697	794,857	-
6,153	-	32,343	231,422	2,068
	21,267,478		21,267,478	
302,219	104,594,128	391,362	240,913,433	41,793
1,322,794	107,037,190	5,126,554	268,794,349	4,656,023
4607011		425.024	0.170.606	
4,607,311	000.410	435,034	9,170,626	-
242.000	233,419	1 1 4 0 0 0 0	3,176,939	- 220 (67
343,000	87,949	1,149,929	6,631,329	228,667
6,273,105	107,358,558	6,711,517	287,773,243	4,884,690
8,949,784	13,903,079	112,924,229	351,862,917	9,108,872
4,070,964	1,702,189	4,687,025	60,114,130	_
542,994	1,550,273	4,007,023	9,308,787	- -
4,884,666	1,000,273	_	4,884,666	_
22,051,798	(17,948,814)	13,964,838	59,590,586	25,175,510
40,500,206	(793,273)	131,576,092	485,761,086	34,284,382
+0,000,200	(130,210)	101,070,092	+00,701,000	57,204,302
\$ 46,773,311	<u>\$ 106,565,285</u>	<u>\$ 138,287,609</u>	<u>\$ 773,534,329</u>	\$ 39,169,072

Concluded



RECONCILIATION OF THE STATEMENT OF NET POSITION OF THE PROPRIETARY FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

September 30, 2022

Fund equity - total proprietary funds (page 33) \$ 485,761,086

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

1,245,866

Net position of business-type activities \$ 487,006,952

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the Year Ended September 30, 2022

Business-type Activities-Enterprise Funds

	 · · · · · · · · · · · · · · · · · · ·				•		
	Water		Wastewater	_	Sanitation	_	McAllen International Airport
Operating revenues Charges for services Rentals	\$ 20,476,754	\$	19,285,022	\$	23,144,334	\$	2,994,946 4,244,683
Other	 1,153,965	_	968,945		120,962	_	63,272
Total operating revenues	 21,630,719		20,253,967		23,265,296		7,302,901
Operating expenses Salaries, wages and employee benefits Supplies Contractual and other services Repairs and maintenance Depreciation and amortization	7,734,775 2,011,100 5,509,700 823,842 4,707,431		5,069,804 990,927 2,808,577 737,526 9,124,964		8,172,390 1,274,184 4,924,122 5,149,327 2,638,886		1,997,823 252,337 2,019,490 714,552 4,867,287
Self insurance claims	 		10.701.700				- 0.051.400
Total operating expenses	 20,786,848	_	18,731,798		22,158,909	_	9,851,489
Operating income (loss) Non operating revenues (expenses) Investment earnings Net increase (decrease) in fair value of investments Interest expense Interest on board advances Bond related charges—issuance cost Gain (loss) on sale of capital assets Intergovernmental Interest revenue - leases Other Net non-operating revenues (expenses)	843,871 191,050 (434,998) (1,102,870) - (143,319) 11,405 2,732 4,348 - (1,471,652)		1,522,169 230,893 (820,989) (1,256,142) - 500,335 (153,852) 7,131 - (1,492,624)		1,106,387 163,140 (1,020,076) (8,910) - 124,688 220,369 - (520,789)	_	(2,548,588) 163,784 (378,040) (242,852) - 122,955 (4,156) 2,995,924 14,844 2,672,459
	 (1,471,652)						
Income (loss) before contributions and transfers	(627,781)		29,545		585,598		123,871
Capital contributions Transfers in Transfers out Change in net position	 1,027,305 - (80,729) 318,795		1,279,688 - (49,916) 1,259,317		195,394 - (94,990) 686,002	_	4,517,291 - (2,184,494) 2,456,668
Total net position-beginning	86,109,880		96,771,425		38,401,377		88,474,597
Total net position-ending	\$ 86,428,675	\$	98,030,742	\$	39,087,379	\$	90,931,265

	Ві	G	Governmental Activities								
	McAllen nternational Toll Bridge	ternational Internati		Other Il Proprietary Funds			Total	Se	Internal ervice Funds		
\$	10,361,157	\$	4,559,048	\$	5,056,251	\$	85,877,512	\$	9,479,039		
	2,684,385		11,677		1,680,919		8,621,664		-		
_	207,846	_	218,380	_	1,237,306	_	3,970,676		17,811,515		
	13,253,388	_	4,789,105		7,974,476	_	98,469,852		27,290,554		
	1,547,617		336,474		5,349,948		30,208,831		2,020,854		
	131,019		19,286		592,775		5,271,628		199,056		
	1,108,256		425,827		4,983,176		21,779,148		9,208,045		
	221,351		22,384		1,393,940		9,062,922		54,221		
	1,063,463		1,450,778		4,256,223	28,109,032			2,102,733		
		_									15,693,286
	4,071,706		2,254,749		16,576,062		94,431,561		29,278,195		
_	9,181,682		2,534,356	_	(8,601,586)	_	4,038,291		(1,987,641)		
	58,376		43,288		125,348		975,879		154,308		
	-		(13,038)		(298,069)		(2,965,210)		(797,485)		
	(302)		(965,178)		(1,586)		(3,577,840)		(101)		
	794,704		(794,704)		-		-		-		
	-		(243,124)				236,847		<u>-</u>		
	<u>-</u>		<u>-</u>		1,559,859		1,537,944		1,345,094		
	17,697		435		4,231,113		7,475,401		3,557		
	27,096		(106,000)		2,560		48,848		750.007		
_	(3,226,195)	_	(106,003)	_	(39)	_	(3,332,237)		750,897		
_	(2,328,624)	_	(2,078,324)	_	5,619,186	_	399,632	_	1,456,270		
	6,853,058		456,032		(2,982,400)		4,437,923		(531,371)		
	144,029		-		6,344,340		13,508,047		31,034		
	- (4.075.000)		850,792		3,411,509		4,262,301		979,292		
	(4,275,380)		(2,465)	_	(136,513)	_	(6,824,487)		(1,201,435)		
	2,721,707		1,304,359		6,636,936		15,383,784		(722,480)		
	37,778,499		(2,097,632)		124,939,156	_	470,377,302		35,006,862		
\$	40,500,206	\$	(793,273)	\$	131,576,092	\$	485,761,086	\$	34,284,382		



RECONCILIATION OF THE STATEMENT REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION OF THE PROPRIETARY FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Change in net position - total proprietary funds (page 37)	\$	15,383,784
Some amounts reported for business-type activities in the statement of activity are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	ie 	(90,082)
Change in net position of business-type activities	\$	15,293,702

The notes to the financial statements are an integral part of this statement. $\label{eq:control}$

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2022

Cash flows from operating activities: Water Wastewater Senation Mechalism international patricities Receipts from customers \$ 21,515,908 \$ 23,034,901 \$ 7,231,345 Payments to employees (8,354,900) (3,383,970) (21,104,726) \$ (2,101,117) Payments to suppliers (7,243,454) (4,447,112) (11,447,269) 3(3,171,417) Payments to suppliers (7,243,454) (4,447,112) (11,447,269) 3(3,171,417) Cash received from other cash receipts 5,917,554 (4,447,112) (11,447,269) 3(3,171,417) Tars for from for capital financing activities 8,875 (4,9916) (9,490) (2,188,494) Subsidy from federal/state grant 8,826 25,166 232,577 3,499,521 Distribution of income to City of Hidalgo 7,243 2,475 13,758 13,150,50 Net cash provided (used) by noncapital financing activities 7,243 2,245 5,277,927 4,338,763 Purch asses of capital assets (4,106,670) (2,828,225) 5,277,927 4,438,763 Principal repayments-bonds and notes		В	usiness-type Activi	ties-Enterprise Fund	ds
Receipts from customers \$ 21,515,908 \$ 20,363,567 \$ 23,204,921 \$ 7,321,345 Payments to employees (8,354,900) (5,338,375) (8,750,621) (2,161,155) Payments to suppliers (7,243,454) (4,447,112) (11,447,269) (3,171,417) Cash received from other cash receipts 5,917,554 10,578,080 3,007,031 1,988,773 Net cash provided (used) by operating activities 5,917,554 10,578,080 3,007,031 1,988,773 Cash flows from noncapital financing activities 6,0729 (49,916) (94,990) (2,184,494) Subsidy from federal/state grant 8,256 25,166 232,577 3,499,521 Distribution of income to SCT 22,257 3,499,521 Distribution of income to City of Hidalgo 22,257 1,315,027 Net cash provided (used) by noncapital financing activities 7,2473 (24,750) 137,587 1,315,027 Cash flows from capital and related financing activities 7,2473 (24,750) 137,587 1,315,027 Cash flows from capital and related financing activities <td< th=""><th></th><th>Water</th><th>Wastewater</th><th>Sanitation</th><th>International</th></td<>		Water	Wastewater	Sanitation	International
Cash flows from noncapital financing activities: Transfers from other funds (80,729) (49,916) (94,990) (2,184,494) Subsidy from federal/state grant 8,256 25,166 232,577 3,499,521 Distribution of income to SCT - - - - - Distribution of income to City of Hidalgo - - - - - - Net cash provided (used) by noncapital financing activities: (72,473) (24,750) 137,587 1,315,027 Cash flows from capital and related financing activities: -	Receipts from customers Payments to employees Payments to suppliers	(8,354,900)	(5,338,375)	(8,750,621)	(2,161,155)
Transfers from other funds - </td <td>Net cash provided (used) by operating activities</td> <td>5,917,554</td> <td>10,578,080</td> <td>3,007,031</td> <td>1,988,773</td>	Net cash provided (used) by operating activities	5,917,554	10,578,080	3,007,031	1,988,773
Cash flows from capital and related financing activities: Capital contributions - - - 4,338,763 Purchases of capital assets (4,106,670) (2,828,225) (5,277,927) (4,843,766) Proceeds from sale of capital assets 11,405 58,705 57,475 1,703 Bond issuance cost (126,099) - - - - Proceeds from bond issuance 18,000,000 - - - - Principal repayments-bonds and notes (1,508,100) (4,855,900) (55,354) (403,428) Interest paid (1,076,982) (1,269,372) (8,910) (245,352) Net cash provided (used) by capital and related financing activities 11,193,554 (8,894,792) (5,284,716) (1,152,080) Cash flows from investing activities 23,750,476 31,848,375 25,438,061 12,753,678 Purchase of investments (40,421,695) (32,891,539) (22,399,912) (14,687,019) Net decrease in fair value of investments (434,998) (820,989) (1,020,076) (378,040)	Transfers from other funds Transfers to other funds Subsidy from federal/state grant Distribution of income to SCT	, ,	, ,	` ' '	,
Capital contributions - - 4,338,763 Purchases of capital assets (4,106,670) (2,828,225) (5,277,927) (4,843,766) Proceeds from sale of capital assets 11,405 58,705 57,475 1,703 Bond issuance cost (126,099) - - - - Proceeds from bond issuance 18,000,000 - - - - Principal repayments-bonds and notes (1,508,100) (4,855,900) (55,354) (403,428) Interest paid (1,076,982) (1,269,372) (8,910) (245,352) Net cash provided (used) by capital and related financing activities 11,193,554 (8,894,792) (5,284,716) (1,152,080) Cash flows from investing activities: 11,193,554 (8,894,792) (5,284,716) (1,152,080) Cash flows from investing activities: 23,750,476 31,848,375 25,438,061 12,753,678 Purchase of investments (40,421,695) (32,891,539) (22,399,912) (14,687,019) Net decrease in fair value of investments (434,998) (820,989)	Net cash provided (used) by noncapital financing activities	(72,473)	(24,750)	137,587	1,315,027
Cash flows from investing activities: Proceeds from sales and maturities of investments 23,750,476 31,848,375 25,438,061 12,753,678 Purchase of investments (40,421,695) (32,891,539) (22,399,912) (14,687,019) Net decrease in fair value of investments (434,998) (820,989) (1,020,076) (378,040) Receipt of interest 167,016 200,675 136,371 176,031 Net cash provided (used) by investing activities (16,939,201) (1,663,478) 2,154,444 (2,135,350) Net increase (decrease) in cash 99,434 (4,940) 14,346 16,370 Cash at beginning of year 291,216 320,913 180,857 161,717	Capital contributions Purchases of capital assets Proceeds from sale of capital assets Bond issuance cost Proceeds from bond issuance Principal repayments-bonds and notes Interest paid	11,405 (126,099) 18,000,000 (1,508,100) (1,076,982)	58,705 - - (4,855,900) (1,269,372)	57,475 - - (55,354) (8,910)	(4,843,766) 1,703 - (403,428) (245,352)
Proceeds from sales and maturities of investments 23,750,476 31,848,375 25,438,061 12,753,678 Purchase of investments (40,421,695) (32,891,539) (22,399,912) (14,687,019) Net decrease in fair value of investments (434,998) (820,989) (1,020,076) (378,040) Receipt of interest 167,016 200,675 136,371 176,031 Net cash provided (used) by investing activities (16,939,201) (1,663,478) 2,154,444 (2,135,350) Net increase (decrease) in cash 99,434 (4,940) 14,346 16,370 Cash at beginning of year 291,216 320,913 180,857 161,717	, , , .	11,193,554	(8,894,792)	(5,284,/16)	(1,152,080)
Net increase (decrease) in cash 99,434 (4,940) 14,346 16,370 Cash at beginning of year 291,216 320,913 180,857 161,717	Proceeds from sales and maturities of investments Purchase of investments Net decrease in fair value of investments	(40,421,695) (434,998)	(32,891,539) (820,989)	(22,399,912) (1,020,076)	(14,687,019) (378,040)
Cash at beginning of year 291,216 320,913 180,857 161,717	Net cash provided (used) by investing activities	(16,939,201)	(1,663,478)	2,154,444	(2,135,350)
	Net increase (decrease) in cash	99,434	(4,940)	14,346	16,370
Cash at end of year <u>\$ 390,650</u> <u>\$ 315,973</u> <u>\$ 195,203</u> <u>\$ 178,087</u>	Cash at beginning of year	291,216	320,913	180,857	161,717
	Cash at end of year	\$ 390,650	\$ 315,973	\$ 195,203	\$ 178,087

	В	Bus	iness-type Activi	ties	s-Enterprise Fund	ls		G	overnmental Activities
Inte	McAllen nternational Toll Bridge		Anzalduas International Crossing		ther Proprietary Funds		Total	In	ternal Service Funds
\$	13,481,577 (1,680,994) (1,450,160)	\$	4,701,460 (399,564) (1,353,595)	\$	8,053,479 (5,690,002) (7,843,504)	\$	98,642,257 (32,375,611) (36,956,511)	\$	27,315,030 (2,084,942) (24,604,369) 743,507
_	10,350,423	_	2,948,301	_	(5,480,027)		29,310,135		1,369,226
	- (4,275,380) 7,171 - (3,209,003)		850,792 (2,465) 47,558 (9,738)		3,368,552 (136,513) 5,024,450		4,219,344 (6,824,487) 8,844,699 (9,738) (3,209,003)		979,292 (1,201,435) 43,540 - -
	(7,477,212)		886,147		8,256,489		3,020,815		(178,603)
	144,029 (276,974) - - - (1,875) (302)		(203,276) - (503,100) 63,000,000 (1,650,000) (924,375)		2,777,275 (3,769,916) 1,698,049 - - (9,853) (1,586)		7,260,067 (21,306,754) 1,827,337 (629,199) 81,000,000 (8,484,510) (3,526,879)		- (2,107,448) 8,035,972 - - (1,279) (101)
	(135,122)		59,719,249		693,969		56,140,062		5,927,144
	17,781,844 (20,439,483) - 84,266	_	57,208,293 (120,924,977) (13,038) 41,803	_	32,460,267 (35,164,751) (298,069) 115,757	_	201,240,994 (286,929,376) - 921,919		23,337,711 (30,738,043) (797,485) 141,177
	(2,573,373)		(63,687,919)		(2,886,796)		(87,731,673)		(8,056,640)
	164,716		(134,222)		583,635		739,339		(938,873)
	190,451	_	271,481	_	252,296	_	1,668,931		2,617,250
\$	355,167	\$	137,259	\$	835,931	\$	2,408,270	\$	1,678,377

Continued

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2022

		В	Rusin	ess-type Activit	ies-	Enternrise Fund	ls	
		Water		Wastewater		Sanitation		McAllen International Airport
Reconciliation of operating income (loss) to								
net cash provided (used) by operating activities								
Operating income (loss)	\$	843,871	\$	1,522,169	\$	1,106,387	\$	(2,548,588)
Adjustment to reconcile operating income (loss) to net cash								
provided (used) by operating activities:								
Depreciation and amortization		4,707,431		9,124,965		2,638,886		4,867,287
Other nonoperating revenues		-		-		-		-
(Increase) decrease in deferred contributions		-		-		-		-
(Increase) decrease in deferred outflows of resources - pension		59,602		13,457		65,299		14,687
Increase (decrease) in deferred inflows of resources - pension		979,008		679,713		976,614		251,921
Increase (decrease) in deferred inflows of resources - leases		676,753		-		-		3,451,528
(Increase) decrease in lease receivable		(641,274)		-		(47.046)		(3,457,060)
(Increase) decrease in accounts receivable		14,027		109,600		(47,246)		60,774
(Increase) decrease in due from other funds		13,249		-		(1.556)		-
(Increase) decrease in prepaid items		(2,203)		-		(1,556)		232
(Increase) decrease in inventories		(29,110)		177.000		20.002		-
Increase (decrease) in accounts payable		1,123,493		177,299		30,093		242,849
Increase (decrease) in customer deposits payable		(15,650)		32.514		20.549		(10.677)
Increase (decrease) in compensated absences payable		(41,414)		- ,-		25,515		(10,677)
Increase (decrease) in accrued liabilities Increase (decrease) in due to other funds		38,419		(29,965) (13,249)		(128,173)		(31,270) (379,429)
Increase (decrease) in net pension asset		(1,659,981)		(1,038,423)		(1,679,623)		(436,683)
Increase (decrease) in the pension asset Increase (decrease) in unearned revenue		(1,039,961)		(1,030,423)		286		(36,798)
			_	0.055.011			_	
Total adjustments	_	5,073,683	_	9,055,911	_	1,900,644	_	4,537,361
Net cash provided by (used) by operating activities	\$	5,917,554	\$	10,578,080	\$	3,007,031	\$	1,988,773
Reconciliation to statement of net position:								
Cash	\$	341,409	\$	191,071	\$	192,590	\$	127,950
Cash restricted		49,241		124,902		2,613		50,137
Total cash	\$	390,650	\$	315,973	\$	195,203	\$	178,087
Noncash investing, capital and financing activities:								
Contributions of capital assets	\$	1,027,305	\$	1,279,688	\$	195,394	\$	-
Decrease in fair value of investments		(434,998)		(820,989)		(1,020,076)		(378,040)

Business-type Activities-Enterprise Funds									Governmental Activities	
McAllen International Toll Bridge		Anzalduas International Crossing		Other Proprietary Funds		Total		Internal Service Funds		
\$	9,181,682	\$	2,534,356	\$	(8,601,586)	\$	4,038,291	\$	27,315,030	
	1,063,463		1,450,778		4,256,223		28,109,033		2,102,733 744,302	
	-		(996,577)		-		(996,577)		-	
	1,750		1,252		21,825		177,872		10,822	
	210,072		52,565		678,464		3,828,357		124,428	
	4,607,311		-		435,034		-		-	
	(4,631,351)		-		(437,683)		-		-	
	226,900		(87,645)		(7,120)		269,290		414	
	-		-		-		13,249		36,974	
	-		-		(580,059)		(583,586)		(509)	
	-		-		-		(29,110)		(37,232)	
	(8,584)		110,479		(179,054)		1,496,575		428,161	
	-		-		111,765		96,115		-	
	1,883		3,439		58,299		64,593		1,267	
	11,518		3,588		(25,045)		(7,240)		134,405	
	19,050		(123,934)		(82,716)		(584,517)		45,861	
	(358,600)		(123,934)		(1,154,591)		(6,451,835)		(234,419)	
_	25,329	_		_	26,217	_	(133,633)		(340)	
	1,168,741	_	413,945	_	3,121,559		25,271,844		3,356,867	
\$	10,350,423	\$	2,948,301	\$	(5,480,027)	\$	29,310,135	\$	30,671,897	
\$	170,325	\$	39,565	\$	709,702	\$	1,772,612	\$	1,678,377	
	184,842		97,694		147,353		656,782		-	
\$	355,167	\$	137,259	\$	857,055	\$	2,429,394	\$	1,678,377	
\$	-	\$	-	\$	47,777	\$	2,550,164	\$	31,034	
	-		(13,038)		(298,069)		(2,965,210)		(797,485)	

Concluded

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

September 30, 2022

		Pension Trust Firemen's Relief and Retirement Fund		Custodial Fund Communications Group	
ASSETS					
Cash and cash equivalents	\$	1,624,198	\$	266,984	
Receivables:					
Interest		69,069		-	
Other		1,927		-	
Other Assets:					
Prepaid expenditures		234			
Investments, at fair value:					
TexPool prime		-		5,613,050	
Fixed income		4,334,676		-	
Domestic and international equities		28,985,696		-	
Alternative investments		18,402,406			
Total investments		51,722,778		5,613,050	
Total assets	_	53,418,206		5,880,034	
LIABILITIES					
Accounts payable		-		2,752	
Total liabilities	_			2,752	
NET POSITION					
Restricted for:					
Pensions		53,418,206		-	
Organizations	_			5,877,282	
Total net pension	\$	53,418,206	\$	5,877,282	
The notes to the financial statements are an integral part of this statement.					

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended September 30, 2022

	Pension Trust Firemen's Relief and Retirement Fund	Custodial Fund Communications Group
ADDITIONS		
Contributions:		
Member	\$ 1,894,577	\$ -
Employer Other	2,028,406 15,695	2,052,628
Total contributions		
	3,938,678_	2,052,628
Investment earnings: Interest and dividends Net appreciation (depreciation) in fair value of investments	1,730,626 (13,262,275)	44,648
Total investment earnings (loss)	(11,531,649)	44,648
Less: investment expense	(382,761)	
Net investment earnings (loss)	(11,914,410)	44,648
Total additions (reductions)	(7,975,732)	2,097,276
DEDUCTIONS		
Benefits	4,313,286	-
Refund of contributions	79,647	-
DROP payments Administrative expense	524,983 32,282	932,519
Total deductions	4,950,198	932,519
Net increase (decrease) in fiduciary net position	(12,925,930)	1,164,757
Net position-beginning as originally reported	66,344,136	
Net position-beginning as restated		4,712,525
Net position-ending	\$ 53,418,206	\$ 5,877,282



NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of McAllen, Texas (the City) is a municipal corporation, which was incorporated February 20, 1911 under Article XI, Section 5 of the Texas Constitution. The City operates under the commission-manager form of government and provides a full range of municipal services as authorized by its charter. The governing body consists of an elected mayor and a six-member commission. Services provided include those typically provided by general-purpose local governments, namely public safety (principally police and fire), highways and streets, health and welfare, culture and recreation (principally library, parks and recreation). Other services provided include water and wastewater utilities, sanitation, civic center, convention center, International Airport, International Toll Bridge linking Hidalgo, Texas with downtown Reynosa, Tamaulipas, Mexico, International Toll Bridge linking south of the City of Mission with the west side of Reynosa, Tamaulipas, Mexico, golf course, bus transit system, and intermodal transit terminal.

The accompanying financial statements present the reporting entity, which consists of the primary government. Financial reporting standards also require the City to include, if any, legally-separate entities or organizations for which the primary government is financially accountable and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's basic financial statements to be misleading or incomplete.

Financial accountability exists if a primary government appoints a voting majority of an organization's governing Board and either is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing Board, a governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the primary government.

Applying these tests to other entities and activities for possible inclusion in the reporting entity, the City has determined that the Development Corporation and the Local Government Finance Corporation meet the financial accountability tests and, therefore, are included as blended component units. Specifically, management of the primary government has operational responsibility for the Development Corporation and the Local Government Finance Corporation. Its Boards are appointed by the City Commission and serve as an advisory board to the City Commission.

The Tres Lagos Public Improvement District (PID) was created during the year ended September 30, 2015 for the purpose of financing the costs of maintaining improvements and providing services within or related to the Tres Lagos Development Project. The primary government adopts the PID's Service and Assessment Plans annually. The PID meets the criteria of financial accountability as the City appoints a majority of the PID's governing board and is able to impose its will on the PID and is presented as a discretely presented component unit of the City. Though there are financial relationships between the two, management has determined that the PID's governing board is not substantively the same as the City's, does not meet the reporting criteria related to providing services entirely, or almost entirely to, the City, and should not be included as a blended component unit.

The City of McAllen issues separate publicly available audited financial statements of the McAllen International Toll Bridge and the Anzalduas International Crossing, enterprise funds of the City, which may be obtained by writing to the City of McAllen Finance Department, 1300 Houston, P.O. Box 220, McAllen, Texas 78505.

The Firemen's Relief and Retirement Fund is included as a pension trust fund, and reported as a fiduciary fund in the accompanying financial statements. These financials are audited and issued separately.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) applicable to states and local governments. US GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitled <u>Audits of State and Local Governments</u>.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Governmental Accounting Standards Board issued the following pronouncements, which are relevant to the City and became effective this fiscal year and have been implemented:

GASB Statement No. 87, Leases

This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 92, Omnibus 2020

This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements for parts of this statement were originally effective for reporting periods beginning after June 15, 2020.

The Governmental Accounting Standards Board has issued the following pronouncements, which are relevant to the City and will become effective in future years:

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

This Statement improves financial reporting by addressing Public-Private and Public-Public Partnerships and availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. GASB 94 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15,2022. GASB 96 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

The more significant accounting policies of the City are described below and on the following pages.

B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities, which is a statement of results of operations. These statements report information on all the activities of the reporting entity with the exception of fiduciary activity. Generally, the effect of inter-fund activity has been eliminated from these statements. *Governmental activities*, normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which primarily rely on fees and charges.

The statement of activities reflects the extent to which direct expenses of each function are offset by program revenues. *Direct expenses* are those that are attributable to a specific function and are clearly identifiable. *Program revenues* include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a specific function as well as grants and contributions that are restricted to meeting the operational or capital requirements of a specific function. Taxes and other items not appropriately included with program revenues are shown as *general revenues*.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

In addition to and apart from the government-wide financial statements, fund financial statements are presented for governmental funds, proprietary funds and fiduciary funds. In each of these financial statements, major funds are presented in separate columns.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting; consistent with the presentation of the proprietary fund and fiduciary fund financial statements, with the exception that custodial funds which use economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period, except for property taxes, which is 60 days required by GAAP. Expenditures generally are recorded when a liability is incurred, consistent with accrual accounting. However, debt service expenditures, as well as those related to compensated absences and claims and judgments are recognized only when payment is made.

Revenues derived from federal or state grants are recognized when earned at the end of the current fiscal year and are reflected as due from other governments. Because of their nature, the availability period has a longer duration of six months to a year.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental fund types, as well as related non-major governmental funds:

The General Fund is the primary operating fund. It accounts for all of the financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources, other than for debt service or major capital projects that are legally restricted or committed to expenditure for specified purposes. There are three special revenue funds reported as major funds. The Development Corp. Fund, a blended component unit. It is used to account for the additional ½¢ sales tax for economic development. The Miscellaneous Government Grants Fund was established to account for all grant programs applicable to the City for which a separate fund is not established. The American Rescue Plan Act Fund was established to account for all grant programs funded by The American Rescue Plan Act of 2021 (ARPA).

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned for the acquisition and/or construction of capital facilities except those financed by proprietary fund types.

The City reports the following major *proprietary fund types* and related funds:

The following enterprise funds are used to account for City operations for which a fee is charged to external users for goods or services. These funds must be used for activities, whose debt is backed solely by fees and charges or there is a legal requirement to recover cost, including capital cost, or a policy decision has been made to recover cost, including capital cost. Enterprise funds, which are reported as major funds include:

The Water Fund, which accounts for the activities of the City's water system.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Wastewater Fund, which accounts for the activities of the City's wastewater system.

The Sanitation Fund, which accounts for the activities of the City-owned residential and commercial garbage and brush collection as well as recycling systems.

The McAllen International Airport Fund, which accounts for the activities of the City-owned international airport.

The McAllen International Toll Bridge Fund, which accounts for the operations of the City-owned international bridge connecting the City of Hidalgo, Texas with downtown Reynosa, Mexico.

The Anzalduas International Crossing Fund, which accounts for the operations of the international bridge connecting south of the City of Mission, Texas with the west side of Reynosa, Mexico.

The City also reports, although not as major funds, the *internal service funds as proprietary funds*. These fund types were established to finance and account for goods and services provided to various departments of the City, and on a limited basis to other local agencies, on a cost-reimbursement basis. They account for fleet management, health insurance, retiree health insurance, property and casualty, and general insurance services provided to other operating funds of the City, as well as a general depreciation fund for rolling stock used within departments of the General Fund. In the statement of net position, only fleet management is reported in the business-type column, because the predominant user is determined to be the Sanitation Fund, a proprietary fund.

The City reports *fiduciary fund types*, in which the City accounts for assets received and held by the City in the capacity of trustee or custodian. Expenditures are made only in accordance with the purpose for which the assets are received and cannot be used to support the City's programs. Within this category of fund types, the *pension trust fund* accounts for the activities of the *Firemen's Relief and Retirement Fund*, which accumulates resources for pension benefit payments to qualified firefighters. The City also accounts for the *Communications Group Fund*, a custodial fund, which was established for the purpose of accounting for the operations and maintenance of a consolidated regional public safety services communication system.

Generally, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general statement are charges between the City's water and wastewater function and various other functions of the City. Eliminating these charges would distort the direct costs and program revenues reported by the respective functions.

Amounts reported in *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues*, which include all taxes, as opposed to program revenues.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses typically are the result from activities specific to a particular proprietary fund's operations. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel and depreciation. All other revenues and expenses are reported as non-operating revenues and expenses.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City typically first applies restricted resources, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

D. Assets, liabilities, and net position

1. Authorized Investments

Assets of the City may be invested only in the following instruments in accordance with the City's Investment Policy and further defined by the Public Funds Investment Act for the state of Texas.

• Obligations of the U.S. Government, its agencies and instrumentalities, including pass-through mortgage-backed securities and collateralized mortgage obligations (CMO).

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- FDIC insured or collateralized depository certificates of deposit of state and national banks doing business in Texas to include CDARS initiated through a Texas bank.
- Local government investment pools.
- AAA-rated, SEC registered money market mutual funds.
- No-load bond mutual fund.
- FDIC insured or collateralized interest bearing and money market accounts from any FDIC insured bank in Texas to include depository spread money market funds initiated in a Texas bank.
- Debt obligations of any state or political subdivision in any US state.
- Fully collateralized repurchase agreements.
- A1/P1 commercial paper
- FDIC insured brokered certificate of deposit securities from U.S. banks

The City's investment policy further restricts investments to the following:

- Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
- Obligations whose payment represents the principal stream of cash flow from the underlying mortgagebacked security collateral and bears no interest.
- Collateralized mortgage obligations that have a stated final maturity date of greater than ten (10) years.
- Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

The City's investments are reported at fair value based on quoted market prices or amortized cost, which approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2. Receivables and payables

Lending/borrowing between funds that results in amounts outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." "Due to/from other funds" represents the current portion of interfund loans. The noncurrent portion of interfund loans is reflected as interfund loans on the fund financial statements. With respect to the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

Advance receivables between funds, reported in the fund financial statements, are offset by a category of fund balance in the applicable governmental fund(s) to indicate that they are not available for appropriation and are not expendable available financial resources. All trade receivables are shown net of an allowance for uncollectible.

Property taxes are levied on October 1 based on the assessed value of property as listed on the previous January 1, on which date a tax lien attaches. Assessed values are an approximation of market value. A valuation of all property must be made at least every three (3) years. However, due to growth, the appraisal district conducts annual valuation by property category. Property taxes at the fund level are recorded as receivables and unearned revenues at the time the taxes are levied. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and, therefore, susceptible to accrual in accordance with GAAP have been recognized as revenue. Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

lawsuit for property that can be filed any time after taxes become delinquent (February 1). The City usually waits until after May 1 and July 1 to file suits on business, personal property and real property, respectively.

3. Inventories and prepaid items

Inventories for all governmental funds are valued at cost on the first-in, first-out basis. The consumption method is used to account for inventories. Under the consumption method, all inventory purchases are recorded as inventory acquisitions (current assets) at the time of purchase and expended when used.

Inventories of proprietary funds are valued at cost on the first-in, first-out basis as well.

Payments to vendors, reflecting costs applicable to future accounting periods, are recorded as prepaid items in both government-wide and fund financial statements. The consumption method is also used to account for prepaid items.

Inventories and prepaids items are reflected as nonspendable fund balance in the governmental funds.

4. Restricted assets

Proceeds from the issuance of bonds, primarily related to enterprise funds and sales tax revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position due to their use being limited by applicable bond covenants. The "revenue bond current debt service" account is used to report segregated assets accumulated for debt service payments over the next twelve months. The "revenue bond contingency" account is used to report resources set aside to subsidize potential deficiencies from the McAllen International Toll Bridge Fund and/or the Anzalduas International Crossing Fund operations that could adversely affect debt service payments. In addition to assets restricted by bond covenants, others are restricted by enabling legislation for replacement and/or acquisition of capital assets.

5. Capital assets

Capital assets, which includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the assets life are not capitalized.

Gains or losses on dispositions of capital assets are included in income within the proprietary fund financial statements and in the governmental activities and business-type activities columns of the government-wide financial statements. In the governmental fund financial statements only the proceeds from the disposition are reported.

Depreciation of capital assets used by proprietary funds, including those acquired by contributed capital, is charged as an expense against their operations in the fund financial statements as well as the government-wide financial statements. Depreciation of general capital assets used by funds categorized as governmental activities is not provided in the fund financial statements, however is included in the gross expense by function in the government-wide Statement of Activities. Capital assets, accumulated depreciation as well as the net amount are reported on proprietary fund statements of net position and in both the governmental activities and business-type activities column of the government-wide statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The estimated useful lives are as follows:

Buildings and improvements 10 – 50 years

Equipment 5 – 15 years

Infrastructure 15 – 40 years

6. Compensated absences

Accumulated unpaid compensated absences are accrued when incurred in all funds reported within the proprietary fund financial statements as well as the governmental activities and business-type activities columns of the government-wide statements. The expense is recognized in the governmental fund financial statements when paid or expected to be paid with current financial resources.

7. Long-term obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

8. Fund balances

Fund balance, reported in governmental funds, which has some level of constraint placed on it, is classified as non-spendable, restricted, committed, or assigned. The amount remaining, which can be spent for any lawful purpose is classified as unassigned. Amounts classified as restricted have constraints placed on the use by law, regulations of other governments, creditors, grantors or by enabling legislation. Those classified as committed are constrained by the City Commission through an ordinance for specific purposes. Reversing a commitment would require City Commission approval through an ordinance. Non-spendable amounts cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The City Commission has delegated the authority to make assignments to the City Manager with Commission direction. For the purposes of classifying governmental fund balances, the City typically considers expenditure to be made from the most restrictive first when more than one classification is available, however reserves the right to selectively defer the use thereof to future expenditure. During the budget process, the City Manager designates the assignment of fund balances and makes recommendations to the City Commission for their consent and approval.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following outlines the composition of the City's governmental fund balances classifications.

				Major							
		General	D	evelopment Corp.		iscellaneous Government Grants	ı	American Rescue Plan Act		Non-major unds Other	Total
Fund balances:											
Nonspendable:											
Board advances	\$	4,465,134	\$	-	\$	-	\$	-	\$	-	\$ 4,465,134
Prepaids		116,128		-		-		-		-	116,128
Restricted for:											
Law enforcement		-		-		-		-		1,600,307	1,600,307
Debt service		-		-		-		-		4,810,379	4,810,379
Economic development		-		23,618,376		-		-		51,379	23,669,755
Tourism		-		-		-		-		1,658,044	1,658,044
Capital improvements		-		-		-		-		37,660,858	37,660,858
Public education governmental		-		-		-		-		1,132,084	1,132,084
Parks		-		-		-		-		2,675,838	2,675,838
Committed to:											
Downtown services parking		-		-		-		-		96,617	96,617
Marketing		-		-		-		-		319,022	319,022
Assigned to:											
Information technology projects		-		-		-		-		254,445	254,445
Other capital projects		-		-		-		-		49,271,751	49,271,751
Unassigned	_	78,613,221			_	(8,568)	_		_	(15,754)	 78,588,899
Total fund balances	\$	83,194,483	\$	23,618,376	\$	(8,568)	\$	<u>-</u>	\$	99,514,970	\$ 206,319,261

The amount of fund balance restricted by enabling legislation totaled \$28,298,130 as of September 30, 2022.

9. Minimum fund balance policy

In order to maintain a margin of safety in the General Fund balance in anticipation of economic downturns or natural disasters, the City Commission has adopted an ordinance, requiring a minimum fund balance of 140 days of expenditures.

10. Deficit Net Position/Fund Balance

The Anzalduas Bridge Fund's net position reflects a deficit in the amount of \$793,273 primarily as a result of advances from the Hidalgo Bridge, as authorized by the board of trustees. These advances supported the annual debt service requirements and interest on the advances. The Hidalgo Bridge Board of trustees has no intention of calling these advances, which will be repaid once the resources are available. In addition, the Employee Benefits Fund reflects a deficit net position of \$741,632. The Retiree Health Insurance Fund reflects a deficit net position of \$178,602. It is estimated these shortfalls will be covered by health insurance premium rate increases and plan design changes to reduce expenses. The Property & Casualty Insurance fund, another internal service fund, reflects a deficit net position of \$91,180 which will be covered with contributions from the General Fund. The Miscellaneous Government Grants Fund reflects a deficit fund balance of \$8,568. Also, the Texas Anti-gang Unit Fund reflects a deficit fund balance of \$15,754, both of these deficits will be covered by the General Fund as well.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has several deferred outflows of resources classifications that qualifies for reporting in this category for business-type activities and government wide activities: deferred loss on refundings, pension and OPEB contributions made after measurement date, deferred charges on actuarial losses, and differences in projected and actual earnings

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

on pension assets. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The other categories of deferred outflows of resources pertain to GASB 68 and GASB 75.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At the governmental fund level, revenues that have been billed but not yet collected or collected within the availability period are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has five categories that qualify as deferred inflows of resources at the governmental fund level. The following table describes the items and amounts:

Deferred Inflows	Amount			
Property taxes	\$ 3,738,503			
Sales taxes	8,188,839			
City of Mission - Repayment on Series B Bond	4,465,134			
Weedy lots	1,108,442			
Other	 2,154,951			
Totals	\$ 19,655,869			

On the statement of net position, the deferred inflows of resources category includes deferred inflows related to leases, refundings, OPEB, differences in investment experience/assumptions related to pensions, and differences in expected and actual pension experiences. See Note IV (D) for further information on pension related deferred inflows of resources.

12. Leases

Leases are defined by the general government as the right to use an underlying asset. The City is a lessor for several non-cancellable leases of property.

As lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- a) The City uses its estimated incremental borrowing rate as the discount rate for leases.
- b) The lease term includes the noncancellable period of the lease.
- **c)** Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. <u>Budgetary information</u>

The City adheres to the following procedures in establishing the budgetary data reflected in the basic financial statements:

- 1. Prior to August 1 of each year, the City Manager is required to submit to the City Commission a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2. Public hearings are conducted to obtain taxpayer comments.
- **3.** Prior to October 1, the budget is legally enacted by the City Commission through passage of an ordinance.
- 4. The City Manager is authorized to transfer budgeted amounts between accounts within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Commission. Budgeted amounts include transfers and revisions to the original appropriations ordinance.
- **5.** Annual appropriated budgets are adopted for most governmental funds per legal requirements, while others are appropriated for management purposes.
- 6. The budget and actual comparisons include the General Fund and the Development Corp Fund. Budgets for these funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP) applicable to state and local governments. Budgets for proprietary funds have been prepared on a non-US GAAP basis, which excludes depreciation but includes capital outlay and debt principal payments.
- 7. Annual budgeted expenditures are adopted at the department level within funds. As previously noted, the City Manager is authorized to make transfers within a department. Accordingly, the level at which expenditures cannot legally exceed appropriations is the department level. During the year, several supplementary appropriations were necessary.

The governmental funds that have legally adopted budgets are General Fund, Debt Service Fund, Hotel Venue Debt Service Fund, all the Special Revenue Funds (excluding TIRZ#1, TIRZ#2A, Miscellaneous Government Grants, Developers, PD Seized, and TX Anti Gang Unit funds), and all the Capital Project Funds (excluding Local Government Finance Corporation TX A&M Construction Fund).

B. Excess of expenditures over appropriations

For the year ended September 30, 2022, expenditures in certain general fund departments exceeded appropriations. These expenditures over appropriations are the result of underestimating actual expenditures for the year. Revenue sufficient to provide for the excess was made available through the use of available surplus from current and prior years. The related departments and the excess of expenditures over appropriations are reflected in the table that follows:

Department	 Amount					
Fire	\$ 1,039,540					
Street lighting	406,351					
Audit Office	4,927					
Graffiti cleaning	2,961					
Env/Health Code Compliance	2,724					
City Hall	2,584					
Passport Facility	 2,554					
Total general fund	\$ 1,461,641					

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

It is the City's policy as well as a requirement in its Depository Agreement for deposits plus accrued interest thereon to be 105% secured by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. At September 30, 2022, the City's deposits were covered by federal deposit insurance or were secured by collateral held by the City's agent in the City's name pursuant to the City's Investment Policy and its Depository Agreement. Certificate of deposit holdings were collateralized by letters of credit issued by the Federal Home Loan Bank at 100% of principal and accrued interest.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

The City uses quoted prices (Level 1 inputs) in active markets to measure the fair value of government treasuries and a matrix pricing model (Level 2 inputs) to measure the fair value of its money market mutual funds and government agency security investments.

Investments at fair value, as of September 30, 2022 are reflected in the table that follows:

2022						Fair Value Measurements Using							
Investments by fair value level		Cost		Fair Value		(Level 1)	(Level 2)	(Leve	el 3)				
Debt Securities													
United States government agency securities	\$	208,332,649	\$	201,039,127	\$	- \$	201,039,127	\$	-				
Money market mutual funds		22,145,462		22,145,462		-	22,145,462						
Total debt securities	\$	230,478,111	\$	223,184,589	\$	- \$	223,184,589	\$					

The total amount above excludes investments in local government pools, which are reported at amortized cost in the amount of \$172,441,013 as of September 30, 2022.

Public funds investment pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAm or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one half of one percent of the values of its shares.

The City's investments in Pools are reported at amortized cost.

TexPool is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Act. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller of Public Accounts has established an Advisory Board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. This Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rate risk.

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Interest rate risk. The investment policy states that no investment shall exceed seven years in maturity. By limiting the exposure of its investments by no more than four years as reflected in the schedule below, the City reduces its risk to rising interest rates. The table below reflects the allocation of the investment portfolio.

	Government Agencies, Certificates of Deposit, and Commercial Paper						
< 1 Year	\$	120,355,001					
1-3 Years		125,613,135					
Total	\$	245,968,136					
Weighted Average Maturity		256 Days					

Credit risk. As of September 30, 2022, the investments in the State's investment pool were rated AAAm by Standards and Poor's. Available funds were invested in government securities which consist of instruments issued by the Federal Farm Credit Bank, which are rated AAA by Moody's Investors Service and AA+ by S&P. The City's investment policy limits authorized investments to TexPool Prime, certificates of deposits, U.S. Treasuries, federal government agencies, including mortgage backed securities, commercial paper, municipal bonds, and money market mutual funds.

Concentration of credit risk. The U.S. government agencies holdings represent 73% of the total portfolio. Within this category, 7% represent securities issued by the Federal Farm Credit Bank and 93% represent securities issued by the Federal Home Loan Bank. The investment policy is silent in the concentration of holding in the various types of securities and investments.

Firemen's Relief and Retirement Fund Investments

The Firemen's Relief and Retirement Fund Investments (Plan) are recorded at fair value as of September 30, 2022. The table below reflects the composition of these investments.

	-:- W-l	0/ of Douglatia	Investment Policy Asset
Facilities	 Fair Value	% of Portfolio	Allocation
Equities:	00 770 060	4.40	00 50%
Domestic	\$ 22,773,060	44%	20-50%
International	 6,212,636	12%	30-60%
Equities total	 28,985,696		
Fixed income Treasury and agency securities			
corporate bonds and mutual funds	 4,334,676		
Fixed income total	 4,334,676	8%	0-20%
Alternative investments	 18,402,406	36%	10-30%
Total portfolio	\$ 51,722,778	100%	

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Investments at fair value as of September 30, 2022 using the fair value measurement are as follows:

Investment Type		al Fair Value	 Level 1	 Level 2	Level 3	
Equities						
Domestic Equity	\$	22,773,060	\$ 22,773,060	\$ -	\$	-
International Equity		6,212,636	6,212,636	-		-
Fixed Income						
US Treasury Notes		2,966,659	2,966,659	-		-
Mortgage Backed Securities		697,326		697,326		-
Corporate Bonds		644,734	-	644,734		-
Municipal Bonds		25,957	25,957	-		-
Real Estate		770,578	-	_		770,578
Total Investments at Fair Value	\$	34,090,950	\$ 31,978,312	\$ 1,342,060	\$	770,578

Investments measured at the net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice
Hedge Funds				
Terracap V	\$ 3,335,790	-	(1)	(1)
Ironwood	3,686,229	-	Semi-annual	95 days
Terracap	1,336,341	-	(1)	(1)
Corry Capital	1,782,163	-	(2)	(2)
Pointer	3,192,482	-	(3)	(3)
Serenitas	3,604,725	-	(1)	(1)
Ironsides Opportunities Constitution Capital	694,098	-	(1)	(1)
Total of Investments Measured at NAV	17,631,828			
Total Investments	\$ 51,722,778			

⁽¹⁾ These hedge funds are not redeemable. The Firemen's Relief and Retirement Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that the remaining four hedge funds will liquidate in 5-7 years.

Because of the complexity of the portfolio, the firemen's board of trustees relies on its consultant to provide the necessary guidance to accomplish the Plan's objectives. The Board also understands that return objectives can be achieved while assuming "market" volatility. The Board is willing to forgo potential return in strong markets in return for protection against a severe decline during weak periods.

Concentration of credit risk. As noted in the previous page, other than alternative investments, none of the sectors exceeded their percentage of asset allocation. The Plan is well diversified. With the exception of the alternative investments, the portfolio can be liquidated within one to two days if so desired. Alternative investments can only be liquidated quarterly.

Interest rate risk. Only the fixed income securities of the Plan are subject to interest rate risk due to the possibility that prevailing interest rates could change before the securities reach maturity. Securities that are subject to interest rate risk as of September 30, 2022 amount to \$4,334,676 and have weighted-average duration of 14.09 years. Duration is defined as the change in the value of a fixed income security that will result from a 1% change in interest rates. Duration is stated in years. For example, five-year duration means the bond will decrease in value by 5% if interest rates rise 1% and increase in value by 5% if interest rates fall 1%. Securities that are subject to interest rate risk are shown in the following table. The investment policy is silent on the subject.

⁽²⁾ The money invested with Corry Capital is locked up because the investment is a private equity style fund. It is a self-liquidating fund that will make distributions when there are realizations.

⁽³⁾ All capital is subject to an initial 24-month lockup, so the lockup on McAllen Firemen's Relief and Retirement Fund's initial investment of \$2.6M made on 4/1/18 expires on 4/1/20. Pointer has semi-annual redemptions at 6/30 and 12/31, where an investor has access to up to 50% of their capital at each date, with signed notification due by 3/15 and 9/15, respectively.

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Investment Type		air Value	Percentage of Total	Weighted-Average Duration (Years)
Corporate bonds	\$	644,734	14.87%	11.68
US Treasury notes		2,966,659	68.44%	4.48
Government mortgage back securities		697,326	16.09%	5.70
Municipal bonds		25,957	0.60%	34.50
Total fixed income investments	\$	4,334,676	100.00%	14.09

Credit risk. Using Standard and Poor's rating system for fixed income securities as of September 30, 2022 the Plan's bonds were rated as noted below. The investment policy is silent on the subject.

Investment Type	 air Value		Α	Α	A-, A+, A, AA-, AA+	BBB, BBB+		
US Treasury Notes	\$ 2,966,659	\$	-	\$	2,966,659	\$	_	
Mortgage Back Securities	697,326		-		697,326		-	
Corporate Bonds	644,734		229,193		150,604		264,937	
Municipal Bonds	 25,957	_			25,957			
Total	\$ 4,334,676	\$	229,193	\$	3,840,546	\$	264,937	

B. Receivables

Receivables for the City's governmental activities and business-type activities at year-end are reflected in the following table below:

	Receivables													
				_				Lease		Inter-				Net
0		Accounts	_	Taxes	_	Interest	_	Receivables	gc	vernmental	_	Other	R	eceivables
Governmental activities: General	Ś	1,767,432	Ċ	16,060,883	¢	271,832	¢		-\$	973,192	¢	1,133,373	Ċ	20,206,712
Development corp.	Ų	1,707,432	Ÿ	3,851,814	Ų	40,775	Ų		-	563,377	Ų	-	Ÿ	4,455,966
Miscellaneous govt grant				0,001,014		40,770				000,077				4,400,500
fund		-		-		-			-	325,075		-		325,075
American rescue plan act										•				
fund		-		-		-			-	-		-		-
Nonmajor governmental														
and internal service funds	_	1,019,444	_	328,065	_	61,181	_		-	2,954,469	_	494,167	_	4,857,326
												4 407 5 40		
Total governmental	\$	2,786,876	\$	20,240,762	<u>Ş</u>	373,788	\$		<u>-Ş</u>	4,816,113	\$	1,627,540	\$	29,845,079
Business-type activities:														
Water	\$	2,148,391	\$	-	\$	10,097	\$	248,90	6\$	2,732	\$	-	\$	2,410,126
Wastewater		1,961,861		-		5,518			-	10,695		108,214		2,086,288
Sanitation		2,507,202		-		23,072			-	46,714		-		2,576,988
McAllen international									_					
airport		219,576		-		5,859		1,588,82	9	-		1,450		1,815,714
McAllen international toll bridge		_		_		1,206		1,863,68	1	20,092		60		1,885,042
Anzalduas international						1,200		1,003,00	-	20,092		00		1,000,042
crossing		87,645		-		-			_	11,277		-		98,922
Nonmajor enterprise and		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,								,				-,
fleet fund		273,052	_	-		4,962		89,83	1	4,565,158				4,933,003
Total business-type	\$	7,197,727	\$	<u>-</u>	\$	50,714	\$	3,791,25	0\$	4,656,668	\$	109,724	\$	15,806,083

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Within the City's water, wastewater, and sanitation funds, an estimated amount has been recorded for services rendered but not yet billed as of the close of the year. The receivable was determined by prorating the cycle billings sent to customers in October 2022 based on the number of days applicable to the prior fiscal year. The receivable balances in the water, wastewater, and sanitation have been reduced by estimated allowances for doubtful accounts. Water accounts were reduced by \$30,668; wastewater accounts by \$6,725; and sanitation accounts by \$22,157.

C. Capital assets

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Transfers	Retirements	Ending Balance	
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 89,054,753	\$ 850,000	\$ 598,976	\$ (6,797,188)	\$ 83,706,541	
Construction in progress	29,482,362	13,226,472	(3,573,100)	-	39,135,734	
Total capital assets, not being						
depreciated	118,537,115	14,076,472	(2,974,124)	(6,797,188)	122,842,275	
Capital assets, being depreciated:						
Buildings and improvements	191,732,786	2,532,974	208,557	(345)	194,473,972	
Equipment	95,545,719	3,984,655	495,577	(1,634,998)	98,390,953	
Infrastructure	259,083,592	3,603,867	2,291,919	(2,139)	264,977,239	
imadiactare	203,000,032	0,000,007		(2,10)	204,377,203	
Total capital assets, being depreciated	546,362,097	10,121,496	2,996,053	(1,637,482)	557,842,164	
Less accumulated depreciation for:						
Buildings and improvements	(77,988,718)	(6,221,829)	-	-	(84,210,547)	
Equipment	(72,731,138)	(5,360,013)	(20,910)	1,593,447	(76,518,614)	
Infrastructure	(161,927,028)	(7,733,444)	-	-	(169,660,472)	
Total accumulated depreciation	(312,646,884)	(19,315,286)	(20,910)	1,593,447	(330,389,633)	
Total capital assets, being depreciated, net	233,715,213	(9,193,790)	2,975,143	(44,035)	227,452,531	
Governmental activities capital assets, net	\$ 352,252,328	\$ 4,882,682	\$ 1,019	\$ (6,841,223)	\$ 350,294,806	

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,024,309
Public safety	3,159,297
Highways and streets, which includes the depreciation of	7,691,907
general infrastructure assets	
Health and welfare	34,807
Culture and recreation	4,413,906
In addition, depreciation on capital assets held by the City's	
internal service funds is charged to the various functions	
based on their usage of the assets	 1,991,060
Total depreciation-governmental activities	\$ 19,315,286

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Business-type activities:	Beginning Balance Ir		Increases Transfers/ Retirements		Ending Balance			
Capital assets, not being depreciated:								
Land	Ś	21,762,969	Ś	1,885,909	Ś	(131,302)	¢	23,517,576
Construction in progress	Ų	40,258,309	Ų	12,965,334	Ų	(9,175,709)	Ų	44,047,934
Water rights (perpetual)		14,323,738		12,900,004		(9,173,709)		14,323,738
Total capital assets, not being		14,020,700	_			-	_	14,020,700
depreciated		76,345,016		14,851,243		(9,307,011)		81,889,248
acpresiated	_	70,040,010	_	14,001,240	_	(2,307,011)	_	01,000,240
Capital assets, being depreciated:								
Buildings and systems		499,714,514		4,010,254		3,619,235		507,344,003
Improvements other than buildings		223,702,888		1,335,084		4,968,641		230,006,613
Machinery and equipment		80,784,082		6,526,106		(1,274,578)		86,035,610
Development cost		7,417,617		-		-		7,417,617
Water rights (non-perpetual)		2,200,000		<u>-</u>				2,200,000
Total capital assets, being depreciated		813,819,101	_	11,871,444		7,313,298	_	833,003,843
Less accumulated depreciation for:								
Buildings and systems		(179,190,135)		(16,168,596)		101,818		(195,256,913)
Improvement other than buildings		(150,741,596)		(6,161,296)		-		(156,902,892)
Machinery and equipment		(56,803,381)		(5,595,374)		1,329,802		(61,068,953)
Development cost		(2,177,220)		(185,440)		-		(2,362,660)
Water rights		(1,512,499)		(110,000)		-		(1,622,499)
·								
Total accumulated depreciation		(390,424,831)	_	(28,220,706)		1,431,620	_	(417,213,917)
Total capital assets being								
depreciated, net		423,394,270		(16,349,262)		8,744,918		415,789,926
40p. 00.4.04, 1100	_	0,0 > 1,2 1 0	_	(10,017,202)	_	3,7 1 1,5 10	_	,, 00,,020
Business-type activities								
Capital assets net	\$	499,739,286	\$	(1,498,019)	\$	(562,093)	\$	497,679,174

Depreciation expense was charged to business-type activity functions as follows:

Water	\$ 4,707,431
Wastewater	9,124,964
Sanitation	2,638,886
Golf course	383,762
Performing arts center	1,189,513
Convention center	1,561,685
McAllen international airport	4,867,287
Metro McAllen	33,123
Transit terminal	1,088,140
McAllen international toll bridge	1,063,463
Anzalduas international crossing	1,450,778
In addition, depreciation on capital assets held by the City's	
Fleet management funds is charged to the various functions	
based on their usage of the assets	 111,674
Total depreciation-business type activities	\$ 28,220,706

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

At September 30, 2022, the City had the following significant remaining contractual commitments for various construction and improvement projects:

Project Description	Remaining Commitment	Financing Sources
Airport Improvements	\$ 19,709,618	Local and grant
Streets and Drainage Improvements	8,868,402	Local and bond funds
Wastewater Improvements	284,614	Local and bond funds
Water Improvements	1,234,649	Local,grant and bond funds
Bus Services Improvements	1,790,339	Local and grant
Park Building Improvements	1,285,371	Local and bond funds
City Offices Buidling Improvements	637,828	Local
Minor projects	121,305	Local
Total	\$ 33,932,126	

D. <u>Interfund receivables/loans and transfers</u>

The compositions of inter-fund balances as of September 30, 2022 are reflected below.

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 393,176
	Non-Major Proprietary Funds	2,774,469
	Development Corp Fund	40,995
	Employee Benefits Fund	334,507
	Miscellaneous Government Grants Fund	33,542
	American Rescue Plan Act Fund	9,809
	McAllen Int'l Toll Bridge Fund	21,825
	Total General Fund	3,608,323
	Total Governmental Funds	3,608,323
Convention Center Fund	Non-Major Governmental Fund	277,013
Performing Arts Center Fund	Non-Major Governmental Fund	69,253
	Total Proprietary Funds	346,266
	Combined totals	\$ 3,954,589

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Transfers are used to 1) provide unrestricted revenues collected in the general fund to finance various programs accounted for in other funds, and 2) move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them. The following table reflects the transfer activity at year end.

			7	Transfer In:			
		Development		Anzalduas			
	General	Corp	Nonmajor	Int'l Crossing Fund	Nonmajor	Internal	Total
Turn of an austr	Fund	Fund	Governmental	runa	Proprietary	Service	Total
Transfer out:							400 000 501
General fund	\$ -	\$ -	\$ 28,388,784	•	\$ -	\$ 634,807	\$29,023,591
Development corp fund	200,000	-	2,887,498	-	67,000	-	3,154,498
American rescue plan act fund	14,486,931	-	-	-	-	-	14,486,931
Nonmajor proprietary	-	-	82,282	-	-	54,231	136,513
Nonmajor governmental	-	50,000	7,530,895	-	3,344,509	8,011	10,933,415
Water fund	-	-	-	-	-	80,729	80,729
Wastewater fund	-	-	-	-	-	49,916	49,916
Internal service	-	1,185,412	-	-	-	16,023	1,201,435
Sanitation fund	-	-	6,250	-	-	88,740	94,990
Anzalduas int'l crossing fund	-	-	-	-	-	2,465	2,465
McAllen int'l toll bridge fund	3,401,787	-	-	850,792	-	22,801	4,275,380
McAllen int'l airport fund	2,162,925					21,569	2,184,494
Total	\$ 20,251,643	\$ 1,235,412	\$ 38,895,709	\$ 850,792	\$ 3,411,509	\$ 979,292	\$65,624,357

During the year, the General Fund transferred \$5,328,593 of surplus revenues to the Capital Improvement Fund, a non-major governmental fund, to assist in funding several major projects contemplated in next year's budget. It transferred contributions of \$569,057 to the Tax Increment Zone #1 Fund and \$817,331 to the Tax Increment Zone #2A Fund per the interlocal development agreement for each tax increment reinvestment zone. The General Fund also transferred \$609,807 to the Employee Benefits Fund to provide assistance with rising health care expenses. It also transferred \$25,000 to the General Depreciation fund, an internal service fund to assist with the funding of vehicle replacements and \$21,483,712 to the Infrastructure and Improvements Fund for various capital projects throughout the City.

The Development Corporation Fund transferred \$200,000 to the General Fund to assist with an after school program. It transferred \$557,905 to the Local Government Finance Corporation Debt Service Fund to cover the debt service requirements of the Contract Revenue Bonds, Series 2017. It transferred \$1,700,915 to the Quinta Center for Urban Ecology project fund and \$620,678 to the Street Improvement fund to provide additional funding for capital projects. It also provided funding for operating costs to the Metro McAllen Fund in the amount of \$67,000 and \$8,000 to the McAllen Marketing Fund.

The American Rescue Plan Act Fund transferred \$14,486,931 to the General Fund for public safety services.

The Hotel Occupancy Tax Fund and the Hotel Venue Fund, non-major governmental funds, transferred collections of \$2,489,314 to the Convention Center, and \$855,195 to the Performing Arts Fund, as well as \$568,706 to the Hotel Venue Debt Service Fund. They also transferred \$100,000 to the Christmas Parade Fund, \$100,000 to the McAllen Marketing Fund and \$233,862 to the Debt Service Fund.

The Local Government Finance Corporation - Texas A&M Construction Fund, a non-major governmental fund, transferred residual funds of \$4,254 to the Local Government Finance Corporation Debt Service Fund to assist with the debt service requirements.

The Tax Increment Zone #1 Fund, a non-major governmental fund, transferred \$258,897 to the Local Government Finance Corporation Debt Service Fund to assist with the debt service requirements per the interlocal development agreement.

A transfer of \$550,000 from the Friends of Quinta, a non-major governmental fund, to Quinta Center for Urban Ecology project fund was provided to assist with the funding of capital project expenses. It also transferred \$50,000 to the Development Corporation fund to fund donations for planting trees throughout the City.

The Christmas Parade Fund, a non-major governmental fund, transferred \$4,000 to the McAllen Marketing Fund to provide funding for operating costs.

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

The Infrastructure and Improvements Fund, a non-major governmental fund, transferred \$5,430,000 to the Quinta Center for Urban Ecology project fund to assist with funding of capital project expenses.

The Capital Improvement Fund, a non-major governmental fund, transferred \$325,520 to the Street Improvement Fund to provide additional funds for capital improvements.

The Performing Arts Construction Fund, a non-major governmental fund, transferred \$5,156 to the Park's Facility/ Fire Station #2 Construction Fund to assist with the funding of capital project expenses.

The Metro McAllen Fund, a non-major proprietary fund, transferred \$49,282 to the Downtown Services Parking Fund to provide funding for operating expenses and \$19,720 to the Employee Benefits Fund to provide assistance with rising health care expenses. It also transferred \$15,500 to the McAllen Marketing Fund to provide funding for operating costs.

The Convention Center and the Performing Arts Funds, both a non-major proprietary fund, transferred \$17,500 and \$15,500 respectively, to the McAllen Marketing Fund to provide funding for operating expenses.

The Sanitation Fund transferred \$6,250 to the McAllen Marketing Fund to provide funding for operating costs.

The transfer of \$2,162,925 from the Airport Fund to the General Fund represents reimbursement for public safety personnel assigned to the airport. It also provided \$21,569 to the Employee Benefits Fund to provide additional assistance with rising health care expenses.

The amount reflected from the McAllen International Toll Bridge Fund to the General Fund of \$3,401,787 represents the City's share of surplus net revenue from operation of the international toll service bridge. It transferred \$850,792 to the Anzalduas International Crossing Fund for debt requirements on the International Toll Bridge System Revenue Bonds, Series 2007B/2017B Refunding Bonds. Additionally, it transferred \$22,801 to the Employee Benefits Fund to provide additional assistance with rising health care expenses.

The General depreciation fund and the Risk Management fund transferred surplus proceeds of \$807,762 and \$377,650, respectively, from the sale of land to the Development Corporation Fund for future economic development.

The Employee Benefits Fund, an internal service fund, was provided funding from various sources. These sources, in addition to those previously mentioned above, were received from the following funds: Downtown Services Parking Fund—\$8,011; Water Fund—\$80,729; Wastewater Fund—\$49,916; Sanitation Fund—\$88,740; Champion Lake Golf Course Fund—\$8,628; Convention Center Fund—\$21,569; Transit System Fund—\$4,314; Anzalduas International Crossing Fund—\$2,465; Fleet Materials Management Fund—\$11,709; Risk Management Fund—\$4,314.

E. Leases

The General Fund is a lessor for several leases of office space, buildings, and property/land. A majority of these agreements are nonexchange transactions. Those of exchange or exchange-like nature have a non-cancellable term ending 2046. Interest rate is 1.4890%. As of September 30, 2022, the General Fund had a deferred inflow of resources for leases balance of \$164,873.

The Water Fund has several elevated water tank use agreements with multiple telecommunications companies, a majority of these agreements are non-cancellable and terminate no later than 2026. Interest rates range from 0.1930% to 0.7400%. As of September 30, 2022, the Water Fund had a deferred inflow of resources for leases balance of \$676,753.

The Champion Lakes Golf Course Fund, a non-major proprietary fund, leases land to a telecommunications company in relation to a ground lease agreement. The non-cancellable term on this lease ends 2026. Interest rate is 0.4350%. As of September 30, 2022, the Champion Lakes Golf Course Fund had a deferred inflow of resources for leases balance of \$88,464.

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

The McAllen International Airport Fund leases space and facilities to several commercial retailers via advertising, rental car, and retail concession agreements. A majority of these agreements are non-cancellable and terminate no later than 2028. Interest rates range from 0.2980% to 0.7400%. As of September 30, 2022, the McAllen International Airport Fund had a deferred inflow of resources for leases balance of \$3,451,528.

The McAllen International Toll Bridge Fund leases property and buildings to the United States Government, the state of Texas, and various commercial dealers. The McAllen International Toll Bridge Fund has also entered into license agreements with various telecommunications companies in relation to the utilization of international telephone and/or fiber optic cables connecting in the Republic of Mexico. A majority of agreements are non-cancelable and terminate no later than 2030. Interest rates range from 0.1930% to 1.1640%. As of September 30, 2022, the McAllen International Bridge Fund had a deferred inflow of resources for leases balance of \$4,607,311.

The Metro McAllen Fund, a non-major proprietary fund, leases space to various commercial bus companies and retail operators. A majority of agreements are non-cancelable and terminate no later than 2028. Interest rates are 0.7690%. As of September 30, 2022, the Metro McAllen Fund had a deferred inflow of resources for leases balance of \$346,570.

Lease payments received during the current year were as follows:

Governmental activities:

Fiscal Year	Principal	Interest	Total
2022	\$ 8,000	\$ -	\$ 8,000
	\$ 8,000	\$	\$ 8,000
Fiscal Voor	Princinal	Interest	Total

Business-type activities:

Fiscal Year	Principal		Interest		Total		
2022	\$	3,791,250	\$	36,697	\$	3,827,947	
	\$	3,791,250	\$	36,697	\$	3,827,947	

Estimated future minimum lease payments to be received are as follows:

Governmental activities:

Fiscal Year	Pr	incipal		Interest		Total
2023	\$	5,611	\$	2,389	\$	8,000
2024		5,694		2,306		8,000
2025		5,779		2,221		8,000
2026		5,865		2,135		8,000
2027		5,953		2,047		8,000
2028-2032		31,119		8,881		40,000
2033-2037		33,507		6,493		40,000
2038-2042		36,076		3,924		40,000
2043-2046		30,844	_	1,156	_	32,000
Total	\$	160,448	\$	31,552	\$	192,000

Business-type activities:

Fiscal Year	Principal			Interest	Total
2023	\$	3,791,250	\$	36,697	\$ 3,827,947
2024		3,452,993		22,742	3,475,735
2025		676,777		13,801	690,578
2026		518,519		8,945	527,464
2027		478,306		4,950	483,256
2028-2030		249,523	_	4,349	 253,872
Total	\$	9,167,368	\$	91,484	\$ 9,258,852

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Regulated leases. The McAllen International Airport leases terminal space, hangars, air cargo facilities, and other structures to air carriers and other tenants under various regulated leases, a majority of which are non-cancellable and terminate no later than 2043.

Estimated future minimum lease payments to be received are as follows:

Fiscal Year	 Total
2023	\$ 353,094
2024	257,797
2025	90,411
2026	90,411
2027	80,872
2028-2032	359,675
2033-2037	137,978
2038-2042	72,641
2043	7,064
Total	\$ 1,449,943

F. Long-term liabilities

1. General obligation bonds and other

The City issues general obligation bonds to finance the acquisition and construction of major capital facilities, generally for governmental activities and are direct obligations, for which the City has pledged the full faith and credit of the government. These bonds generally are serial bonds and carry a term of 20 years or more with varying amounts of principal maturing each year. All outstanding general obligation bonds have been retired, leaving only sales tax revenue bonds and combination tax and revenue certificates of obligation bond indebtedness.

The schedule that follows presents an analysis of general long-term debt outstanding, followed by a schedule of the debt service requirements on those bonds.

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Governmental activities:

\$42,380,000 General Obligation Bonds, Series 2014 due in annual installments ranging from \$600,000 to \$3,085,000 per year through February 15, 2034, with a final installment of \$3,085,000; interest at 3.00% to 5.00%	\$ 2,000,000
\$11,850,000 Combination Tax and Revenue Certificates of Obligation, Series 2014 due in annual installments ranging from \$205,000 to \$840,000 per year through February 15, 2034, with a final installment of \$840,000; interest at 3.00% to 4.00%	555,000
\$24,500,000 Combination Tax & Assessment Revenue Certificates of Obligation, Taxable Series 2016 due in annual installments ranging from \$650,000 to \$1,1490,000 per year through February 15, 2046, with a final installment of \$1,149,000: interest at 1.87% to 3.97%	23,850,000
\$5,120,000 Development Corporation of McAllen, Inc. Sales Tax Revenue Bonds, Taxable Series 2016 due in annual installments ranging from \$250,000 to \$380,000 per year through August 15, 2036; interest at 1.40% to 3.50%	4,105,000
\$10,670,000 Local Government Finance Corporation Contract Revenue Bonds, Series 2017 due in annual installments ranging from \$490,000 to \$825,000 per year through August 15, 2036; interest at 2.00% to 5.00%	9,170,000
\$10,165,000 Development Corporation of McAllen, Inc. Sales Tax Revenue Bonds, Taxable Series 2017 due in annual installments ranging from \$465,000 to \$785,000 per year through August 15, 2036; interest at 2.04% to 4.07%	8,240,000
\$5,115,000 Development Corporation of McAllen, Inc. Sales Tax Revenue Bonds, Taxable Series 2018 due in annual installments ranging from \$98,223 to \$415,241 per year through August 15, 2036; interest at 2.44% to 3.82%	4,155,000
\$4,400,000 Development Corporation of McAllen, Inc. Sales Tax Revenue Refunding Bonds, Taxable Series 2021 due in annual installments ranging from \$315,000 to \$370,000 per year through August 15, 2036; interest at 0.570% to 2.100%	4,400,000
\$5,890,000 Combination Tax and Revenue Certificates of Obligation Bonds, Series 2018 due in annual installments ranging from \$119,879 to \$356,406 per year through February 15, 2043; interest at 3.00% to 5.00%	5,315,000
\$4,000,000 General Obligation Bonds, Series 2018 due in annual installments ranging from \$149,700 to \$253,609 per year through February 15, 2043; interest at 3.00% to 5.00%	3,700,000
\$18,955,000 General Obligation Bonds, Series 2019 due in annual installments ranging from 1,306,550 to \$1,42,571 per year through September 30, 2044; interest at 2.00% to 5.00%	18,015,000
\$38,490,000 General Obligation Refunding Bonds, Series 2021 due in annual installments ranging from \$575,000 to \$3,680,000 per year through February 15, 2024, with a final installment of \$3,680,000; interest at 3.00% to 4.00%	37,915,000
Total general long-term bonds and obligations payable	\$ 121,420,000

The annual debt service requirements to maturity on sales tax bonds payable, combination tax and revenue certificates of obligation, general obligations, and certificates of obligation, as of September 30, 2022, including interest, are reflected below:

Year Ending	Principal			Interest
2023	\$	5,070,000	\$	3,700,488
2024		6,560,000		3,465,398
2025		6,685,000		3,347,887
2026		6,825,000		3,211,662
2027		6,965,000		3,054,856
2028-2032		37,690,000		12,429,484
2033-2037		29,100,000		6,965,361
2038-2042		13,820,000		3,333,341
2043-2046		8,705,000		593,204
Total	\$	121,420,000	\$	40,101,681

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

2. Revenue bonds and other

The City also issues revenue bonds which are repaid from the revenues derived from operating activity of the borrowing fund(s). The total amount of interest expense paid on revenue bonds in the current period was \$3,511,193. The following schedule is an analysis of the business-type activity long-term debt, including related revenue bonds.

Business-type activities:

Payable from Water Fund:

	\$9,363,200 Waterworks and Sewer System Revenue and Refunding Bonds, Series 2015 due in annual installments from \$380,000 to \$1,825,000 through February 1, 2030: interest at 2.00% to 5.00%	\$ 4,065,600
	\$9,937,300 Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016 due in annual installments from \$1,480,000 to \$1,960,000 through February 1, 2031: interest at 2.00% to 5.00%	6,471,500
	\$12,000,000 Waterworks and Sewer System Revenue Bonds Series 2018 (DWSRF) due in annual installments from \$5,000 to \$625,000 through February 1, 2048: interest at 0.660% to 2.02%	11,990,000
	\$6,900,000 Waterworks and Sewer System Revenue Bonds Series 2018C due in annual installments from \$115,000 to \$365,000 through February 1, 2048: interest at 1.59% to 3.43%	6,555,000
	\$18,000,000 Waterworks and Sewer System Revenue Bonds Series 2021 due in annual installments from \$835,000 to \$1,030,000 through February 1, 2042: interest at 0.21% to 2.20%	18,000,000
	Total water fund bonds payable	\$ 47,082,100
Pa	ayable from Wastewater Fund:	
	\$13,172,700 Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016 due in annual installments from \$1,480,000 to \$1,960,000 through February 1, 2031: interest at 2.00% to 5.00%	\$ 8,578,500
	\$39,485,000 Waterworks and Sewer System Revenue Bonds, Series 2009 due in annual installments from \$1,090,000 to \$1,350,000 through February 1, 2040: with no interest	24,355,000
	\$6,655,000 Waterworks and Sewer System Revenue Bonds, Series 2013 due in annual installments from \$175,000 to \$285,000 through February 1, 2043: interest at 1.60%.	5,015,000
	\$217,000 Waterworks and Sewer System Revenue Bonds, Series 2013A due in annual installments from \$18,000 to \$25,000 through February 1, 2043: interest at 2.43%.	25,000
	\$2,995,000 Waterworks and Sewer System Revenue Bonds, Series 2013B due in annual installments from \$270,000 to \$310,000 through February 1, 2043: interest at 0.52%.	310,000
	\$7,356,800 Waterworks and Sewer System Revenue and Refunding Bonds, Series 2015 due in annual installments from \$380,000 to \$1,825,000 through February 1, 2030: interest at 2.00% to 5.00%	3,194,400
	\$40,000,000 Waterworks and Sewer System Revenue Bonds Series 2015 (loan) due in annual installments from \$710,000 to \$1,730,000 through September 30, 2045: interest at 0.14% to 1.62%	33,410,000
	\$7,110,000 Waterworks and Sewer System Revenue Bonds Series 2016 (loan) due in annual installments from \$20,000 to \$315,000 through February 1, 2047: interest at 0.07% to 1.41%	6,820,000
	\$7,000,000 Waterworks and Sewer System Revenue Bonds Series 2018 (CWSRF) due in annual installments from \$5,000 to \$350,000 through February 1, 2048: interest at 0.036% to 1.72%	 6,990,000
	Total wastewater fund bonds payable	\$ 88,697,900

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

Payable from McAllen International Airport Fund:

\$5,565,000 General Obligation Refunding Bonds, Series 2019 (AMT) due in annual installments from \$385,000 to \$635,000 through February 15, 2031: interest at 1.35% to 2.19%	\$ 4,690,000
Total airport fund bonds payable	\$ 4,690,000
Payable from Anzalduas International Crossing Fund:	
\$18,455,000 International Toll Bridge System Revenue Refunding Bonds, Series 2017A due in annual installments from \$900,000 to \$1,690,000 through March 1, 2032: interest at 2.00% to 5.00%	\$ 13,650,000
\$10,185,000 International Toll Bridge System Revenue Refunding Bonds, Series 2017B due in annual installments from \$570,000 to \$825,000 through March 1, 2032: interest at 2.00% to 3.50%	7,225,000
\$33,500,000 Junior Lien International Toll Bridge System Revenue Bonds, Taxable Series 2022A due in annual installments from \$775,000 to \$1,740,000 through March 1, 2052: interest at 3.00%	33,500,000
\$29,500,000 Junior Lien International Toll Bridge System Revenue Bonds, Taxable Series 2022B due in annual installments from \$540,000 to \$1,810,000 through March 1, 2052: interest at 4.50%	 29,500,000
Total Anzalduas International Crossing fund bonds payable	\$ 83,875,000
Total Proprietary Funds bonds payable	\$ 224,345,000

The table below reflects the revenue bond debt service requirements to maturity.

Year Ending	Principal	Interest
2023	\$ 9,535,000	\$ 5,526,450
2024	9,735,000	5,395,071
2025	11,330,000	5,090,184
2026	10,580,000	4,787,604
2027	10,855,000	4,513,915
2028-2032	55,260,000	18,025,558
2033-2037	35,660,000	12,818,923
2038-2042	36,680,000	9,136,180
2043-2047	26,870,000	5,115,478
2048-2052	 17,840,000	 1,611,920
Total bonds outstanding	\$ 224,345,000	\$ 72,021,283

NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)

3. Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2022 is shown on the following table:

	s	Balance at September 30, 2021		Additional Obligations and Net Increases	oligations Retirer and Net and N		Balance at September 30, 2022			Amounts Due Within One Year
Governmental activities:										
Sales tax revenue bonds	\$	20,900,000	\$	-	\$	-	\$	20,900,000	\$	-
Certificates of obligation		40,740,000		-		(1,850,000)		38,890,000		1,910,000
General obligation bonds		64,665,000		-		(3,035,000)		61,630,000		3,160,000
Bond premium		2,873,808		-		(247,337)		2,626,471		215,282
Bond discount		138,989		-		52,511		191,500		(42,655)
Capital lease		2,347,605		-		(441,917)		1,905,688		455,307
Compensated absences		13,210,399		6,658,865		(6,056,032)		13,813,232		6,052,506
Feb 2021 Storm Recovery Fee		557,225		-		(557,225)		-		-
TMRS net pension liability (asset)		8,533,975		-		(15,134,055)		(6,600,080)		-
Net OPEB liability		11,934,060		15,144,836		-		27,078,896		-
Fire net pension liability		19,718,033		16,596,931	_		_	36,314,964	_	
Total general long-term debt	\$	185,619,094	\$	38,400,632	\$	(27,269,055)	\$	196,750,671	\$	11,750,440
Business-type activities:										
Revenue bonds payable	\$	151,759,000	\$	81,000,000	\$	(8,414,000)	\$	224,345,000	\$	9,535,000
Bond premium		4,520,239		-		(845,291)		3,674,948		757,858
Bond discount		(70,084)		-		75,651		5,567		(60,697)
Capital lease		377,928		-		(71,140)		306,788		73,298
Compensated absences		2,722,638		2,000,230		(1,943,425)		2,779,443		1,942,384
Feb 2021 Storm Recovery Fee		404,014		-		(404,014)		-		-
TMRS net pension liability (asset)		3,693,195			_	(6,686,254)		(2,993,059)	_	
Total proprietary fund debt		163,406,930	_	83,000,230	_	(18,288,473)	_	228,118,687	_	12,247,843
Total debt	\$	349,026,024	\$	121,400,862	\$	(45,557,528)	\$	424,869,358	\$	23,998,283

With respect to governmental activities; compensated absences, TMRS net pension liability (asset), net OPEB liability and the Fire net pension liability are liquidated by the General Fund. Under business-type activities, the TMRS net pension liabilities(asset) are liquidated by the respective proprietary funds and Fleet fund.

4. Debt covenants

The City is required to comply with various provisions included in the trust indenture for issued bonds (including bonds issued through the Texas Water Development Board). The City has complied with all significant provisions of the trust indenture.

Bonds issued by the City for the construction of the toll bridge located in the City of Mission are secured by the net revenues of both International Bridges. Bonds issued by the City for water and wastewater improvements are secured by pledging the net revenues of the water and wastewater utilities systems. The City did not use any revenue received from fees collected from a water supply or wastewater service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes.

NOTE IV - OTHER INFORMATION

A. Risk Management

The City is exposed to various risks or torts; theft of, damage to, and destruction of assets; injuries to employees, citizens and the general public; and natural disasters. During fiscal year 2022, the City self-funded group health insurance, life insurance, general liability insurance, and workmen's compensation insurance. The City purchased insurance coverage for fire and extended coverage on buildings and contents; and fire, lightning, and windstorm insurance for its vehicles for damages in excess of certain limits.

The group health insurance program is reported in the Employee Benefits Fund, an internal service fund. General liability is reported in the Property & Casualty Fund, an internal service fund. Workmen's compensation insurance programs are reported in the Risk Management Fund, and the Retiree Health Insurance Fund, both are internal service funds.

The health insurance excess coverage policy covers individual claims in excess of \$150,000. Third-party coverage is currently maintained for workmen's compensation claims in excess of \$400,000. Third-party coverage is also currently maintained for general liability claims in excess of \$10,000.

The City estimates the liabilities for its self-funded insurance programs on a case-by-case basis based on historical claims experience. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss is reasonably estimable. Accruals for claims are adjusted on a regular basis based on the latest information available on each case. Claims incurred but not reported have been considered in determining the accrual for claims, and City management believes adequate accruals have been provided at September 30, 2022. Inter-fund premiums are based primarily on claims experience and are reported as interfund services provided and used.

There were no significant reductions in insurance coverage from coverage in the prior year by major category of risk. In addition, there were no insurance settlements exceeding insurance coverage in any of the past three years. Changes in claims payable amounts for the most recent two years are reflected on the following schedule:

	_	Employee Benefits	Retiree Health Insurance		Risk Management		Property & Casualty Insurance		_	Total
Claims payable at September 30, 2020	\$	(906,084)	\$	(240,000)	\$	(581,501)	\$	(58,570)	\$	(1,786,155)
Current period claims and changes in estimate		(12,149,337)		(2,016,006)		(925,845)		(358,608)		(15,449,796)
Current period claims paid		12,351,340		2,016,006	_	807,346		354,673		15,529,365
Claims payable at September 30, 2021		(704,081)		(240,000)	_	(700,000)		(62,505)		(1,706,586)
Current period claims and changes in estimate		(14,055,807)		(1,197,949)		(956,438)		(583,874)		(16,794,068)
Current period claims paid		13,941,944	_	1,197,949		956,438		578,634		16,674,965
Claims payable at September 30, 2022	\$	(817,944)	\$	(240,000)	<u>\$</u>	(700,000)	\$	(67,745)	\$	(1,825,689)

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's management and legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE IV - OTHER INFORMATION (Continued)

The City has been granted authority from U.S. Citizenship and Immigration Service to operate an EB-5 Visa (also known as the Employment Based 5th Preference Visa) Regional Center, which attracts foreign investment for jobs creation in exchange for expediting applicants for permanent residency. This activity is accounted for in a non-major governmental fund. Under this program a foreign national deposits with the City, in addition to \$10,000 application fee, \$540,000, which is held in deposit pending approval of permanent residency, at which time \$40,000 is released to the City as an administrative fee and the remaining \$500,000 to the investment project selected by applicant. As of September 30, 2022, the deposit amount totaled \$65,000.

C. Accounting for post-employment benefits other than pensions

1. Plan Description: The City provides post-employment health care benefits for eligible retirees and their dependents. To be eligible to elect retiree medical coverage, a City employee retiring at age 60 or over must have at least 10 years of service with the City. City employees retiring before age 60 must have at least 20 years of service with the City. Members of the City's Fire Department are eligible to retire on or after age 50 with at least 20 years of service with the City.

Effective October 1, 2008, retirees are allowed to elect dependent coverage at retirement provided that the dependents have been covered for at least three years prior to retirement. Retiree health coverage continues to surviving dependents upon retirees' death only per the COBRA continuation guidelines (maximum of 36 months, provided they make the required contributions).

Retirees less than age 65 will have a one-time option to drop coverage and to be reinstated once the retiree reaches age 65 and has enrolled in Medicare Parts A and B. Retirees are required to pay 100% of the blended (active and retiree) premium cost for both single and dependent coverage. However, police officers who retired prior to October 1, 2010, or after October 1, 2021, with 25 or more years of service pay 50% of the blended premium cost for both single and dependent coverage. As of year-end, there were 103 employees who had retired: 55 with single coverage and 48 dependent subscribers.

- 2. Funding Policy: The policy of the City is to fund the plan on a pay-as-you-go basis.
- 3. In June 2015 the Governmental Accounting Standards Board (GASB) issued Statement No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other than Pensions) which is meant to replace GASB 45. The effective date for this statement is for employers with fiscal years beginning after June 15, 2017. The City is assumed to be a single employer without a special funding situation without a qualified trust for the purposes of reporting under GASB 75. GASB 75 requires the Total OPEB Liability (TOL) to be calculated based on the Entry Age Normal Level Percent of Pay (EAN) actuarial cost method. These benefits are not currently pre-funded.

This valuation includes all retirees who are currently receiving these benefits; and all active employees who will be eligible in the future to receive these benefits.

An actuarial valuation requires assumptions for the following parameters:

- A discount rate, which is based on the S&P Municipal Bond 20 Year High Grade Index;
- Mortality rates relevant to the underlying group of employees and retirees;
- Withdrawal rates relevant to the underlying group of employees;
- Retirement rates relevant to the underlying group of employees; and
- Current and future per capita claim costs for the benefits being valued.

The assumptions used in this valuation conform to the requirements of GASB 75 and generally accepted actuarial principles.

The calculations were performed using a Valuation Date (VD) of October 1, 2021 for reporting in the City's full accrual financial statements and a Measurement Date (MD) of September 30, 2022.

NOTE IV - OTHER INFORMATION (Continued)

The valuation results as of October 1, 2021 were rolled-forward and used for the September 30, 2021 financial statements. There were no changes to any of the benefits packages, cost-sharing structures or census.

The City's next full valuation should be as of October 1, 2023, for reporting in the City's full accrual financial statement as of September 30, 2023.

4. At the September 30, 2022 valuation and measurement date, the following members were covered by the benefit terms:

Plan membership/participants:

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	-
Active employees	1,811
Total	1,914

5. Actuarial Assumptions:

Significant assumptions and other inputs used to measure the Total OPEB Liability for the current fiscal year are summarized below.

Valuation date	October 1, 2021
Prior Measurement date	September 30, 2021
Measurement date	September 30, 2022

Assumptions:

Inflation 2.50% per year

Salary increases Varies from 11.50% to 3.50%

Discount Rate*

Prior Measurement Date 2.15% Measurement Date 4.77%

Pub-2010 General and Public Safety Employees/Retirees Headcount-Weighted

Mortality Mortality Tables projected fully generationally using scale MP-2021

Actual premium increases for 2022 and 2023 then 5.50% from 2023 to 2024

Health Care Cost Trends decreasing to an ultimate rate of 4.04% by 2075

6. OPEB Expense: GASB states the OPEB expense also should be recognized in the current reporting period for costs incurred by the government related to the administration of OPEB. The measurement period for these costs should be the same as the measurement period applied to changes in the Total OPEB Liability.

The OPEB Expense consists of:

- a) Service Costs for the year
- b) Interest on the TOL using the bond rate at the beginning of the period
- c) Change in the TOL due to benefit changes
- d) The current year recognition of changes in the TOL due to Actual versus Expected experience
- e) The current year recognition of changes in the TOL due to changes of assumptions or other inputs experience (including the change in discount rate)
- f) Recognition of Deferred Inflows and Outflows of Resources from prior years.

^{*} The discount rate was based on the S&P Municipal Bond 20 Year High Grade Index.

NOTE IV - OTHER INFORMATION (Continued)

The following table provides a breakdown of the OPEB Expense as of September 30, 2022:

Service Cost	\$ 612,814
Interest on the Total OPEB Liability and Service Cost	262,653
Current period benefit changes	3,801,314
Current period recognition of Deferred Inflows and Outflows of Resources: Difference between expected and actual experience in the Total OPEB	
Liability	3,247,089
Changes of assumptions or other inputs	 (1,699,707)
OPEB Expense	\$ 6,224,163

7. Sensitivity Results: Changes in the discount and health care cost trend rates affect the measurement of the Total OPEB Liabilities (TOL). Lower discount rates produce a higher TOL whereas lower trend rates produce a lower TOL. The converse is true for higher discount rates and trend rates. Because discount rate and trend rates do not affect the measurement of assets, the percentage change in the Net OPEB liability can be very significant for a relatively small change in either rate.

The table that follows shows the sensitivity of the net OPEB liability to the discount rate and the healthcare cost trend rates.

Healthcare Cost Trend	1% Increase in Discount Rate (5.77%)		rrent Discount Rate (4.77%)	1% Decrease in Discount Rate (3.77%)		
1% Decrease		\$	22,743,637			
Current	\$ 23,439,926	\$	27,078,896	\$	31,659,092	
1% Increase		\$	32,746,294			

8. Deferred Inflows and Outflows: For the current fiscal year, the average expected remaining service life of active and inactive employees is 9.16 years and the Deferred Inflows and Outflows of resources for (a) differences between expected and actual experience and (b) changes of assumptions or other inputs as of September 30, 2021 are amortized over 9 years.

For the year ended September 30, 2022, the Plan recognized OPEB expense of \$6,224,163.

At September 30, 2022, the Plan reported deferred outflows and inflows of resources related to OPEB from the following sources:

	ferred Outflows of Resources	Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 27,461,578	\$	1,372,786		
Changes of assumptions	 1,504,416	-	15,120,143		
Total	\$ 28,965,994	\$	16,492,929		

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Amount
2023	\$ 1,547,382
2024	1,547,382
2025	1,547,382
2026	1,547,382
2027	1,547,382
Thereafter	 4,736,155
Total	\$ 12,473,065

NOTE IV - OTHER INFORMATION (Continued)

9. Changes in Total OPEB Liability -

		Increase (Decrease)				
		Total OPEB Liability (a)		lan Fiduciary Net Position (b)		Net OPEB Liability (a) - (b)
Balance at 9/30/2021	\$	11,934,060	\$	-	\$	11,934,060
Changes for the year:						
Service cost		612,814		-		612,814
Interest on Total OPEB Liability and Service Cost		262,653		-		262,653
Changes in benefit terms		3,801,314				3,801,314
Difference between expected and actual experience		27,686,057		-		27,686,057
Changes in assumptions		(16,553,575)		-		(16,553,575)
Benefit payments		(664,427)		(664,427)		-
Contributions-employer		-		664,427		(664,427)
Contributions-members		-		-		-
Net investment income		-		-		-
Administrative expense						<u>-</u>
Net Changes	_	15,144,836	_	<u> </u>		15,144,836
Balance at 9/30/2022	\$	27,078,896	\$		\$	27,078,896

D. Retirement Plans

Summary of retirement plans -

					Total City - TMRS and
	(City - TMRS	Firemen's ension Plan	F	Firemen's Pension Plan
Total pension liability	_	330,093,400	\$ 89,733,170	\$	419,826,570
Plan fiduciary net position	_	339,686,539	 53,418,206		393,104,745
Net pension liability (asset)	\$	(9,593,139)	\$ 36,314,964	\$	26,721,825
Deferred outflows of resources	\$	328,169	\$ 23,338,967	\$	23,667,136
Deferred inflows of resources	\$	21,987,163	\$ 19,000,783	\$	40,987,946
Contributions subsequent to measurement date	\$	4,826,823	\$ -	\$	4,826,823
Pension expense (income)	\$	(2,039,607)	\$ 3,191,854	\$	1,152,247

Tatal City

1. Texas Municipal Retirement System

a) Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of 201 Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS. Fire department personnel, except clerical staff, have a separate pension plan and are not covered by TMRS.

b) Benefits provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

NOTE IV - OTHER INFORMATION (Continued)

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the City are as follows:

Employee deposit rate	7.00%
Matching ratio (city to employee)	2 to 1
Years required for vesting	10
Service retirement eligibility (expressed as age/years of service)	60/10,0/20
Updated Service Credit	100%
	Transfers
Annuity Increase (to retirees)	0% of CPI

Employees covered by benefit terms -

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	655
Inactive employees entitled to but not yet receiving benefits	558
Active employees	1,621
Total	2,834

c) Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employees gross earnings, and the city matching are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of McAllen were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2022, the City made contributions of 8.13%.

d) Net Pension Asset

The City's Net Pension Asset (NPA) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.

Actuarial assumptions

Inflation 2.50% per year Overall payroll growth 2.75% per year

Investment Rate of Return 6.75% per year composed of an assumed 2.50%

inflation rate and a 4.25% net real rate of return

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100%.

NOTE IV - OTHER INFORMATION (Continued)

Actuarial assumptions used in the December 31, 2021, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 valuation. Healthy postretirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2019 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and the long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments were determined using a buildingblock method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.55%
Core Fixed Income	6.00%	2.00%
Non-Core Fixed Income	20.00%	5.68%
Other Public and Private Markets	12.00%	7.22%
Real Estate	12.00%	6.85%
Hedge Funds	5.00%	5.35%
Private Equity	10.00%	10.00%
Total	100.00%	

Discount Rate-

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed the employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

NOTE IV - OTHER INFORMATION (Continued)

Changes in the Net Pension Liability (Asset)-

	Increase (Decrease)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)	
Balance at 12/31/2020	\$ 316,063,816	\$ 303,836,646	\$ 12,227,170	
Changes for the year:				
Service cost	8,858,798	-	8,858,798	
Interest	21,119,830	-	21,119,830	
Difference between expected and actual experience	(735,363)	-	(735,363)	
Contributions-employer	-	6,287,685	(6,287,685)	
Contributions-employee	-	5,355,562	(5,355,562)	
Net investment income	-	39,602,343	(39,602,343)	
Benefit payments, including refunds of employee				
contributions	(15,213,681)	(15,213,681)	-	
Administrative expense	-	(183,272)	183,272	
Other		1,256	(1,256)	
Net Changes	14,029,584	35,849,893	(21,820,309)	
Balance at 12/31/2021	\$ 330,093,400	\$ 339,686,539	\$ (9,593,139)	

Sensitivity of the net pension asset to changes in the discount rate-

The following presents the net pension asset of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Dis	Decrease in count Rate (5.75%)	Di	Current scount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$	36,105,348	\$	(9,593,139)	\$ (47,240,473)

Pension Plan Fiduciary Net Position-

Detailed information about the pension plan's Fiduciary Net Position is available in a separately–issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

e) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2022, the City recognized pension income of \$(2,039,607).

NOTE IV - OTHER INFORMATION (Continued)

At September 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Oı	Deferred Outflows of Resources		d Inflows sources
Differences between expected and actual experience	\$	328,169	\$	1,518,436
Difference in assumption changes		-		173,035
Difference between projected and actual investment earnings		-	20	0,295,692
Contributions subsequent to the measurement date		4,826,823		
Total	\$	5,154,992	\$ 2	1,987,163

\$4,826,823 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending September 30, 2023.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows:

Year ended	
December 31	Amount
2022	\$ (4,098,254)
2023	(9,028,668)
2024	(4,553,438)
2025	(3,896,351)
2026	(82,283)
Thereafter	-
Total	\$ (21,658,994)

2. Firemen's Relief & Retirement Fund

a) Plan Description

Firemen's Relief & Retirement Fund, a single-employer defined benefit plan (the "Plan"), was created pursuant to the Texas Local Fire Fighter's Retirement Act ("TLFFRA") and is administered by the Board of Trustees of the fund. The fund provides pension, disability, death, and severance benefits to employees of the City's fire department and former volunteer firemen eligible to receive benefits.

At the September 30, 20210 actuarial valuation, the following members were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	114
Terminated employees entitled to but not yet receiving benefits	5
Active members	174
Total	293

The City issues a publicly-available financial report that includes financial statements and required supplementary information for the Firemen's Relief & Retirement Fund. This financial report may be obtained by writing to the City of McAllen Finance Director, P.O. Box 220, McAllen, Texas 78505-0220 or by calling (956) 681-1081.

b) Summary of Significant Accounting Policies

Basis of Accounting – The financial statements of the Firemen's Relief & Retirement Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues

NOTE IV - OTHER INFORMATION (Continued)

when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan document.

Plan Benefits – Benefit provisions are established under authority of the TLFFRA. Specific plan provisions are governed by a Plan document and a trust agreement executed by the Board of Trustees. The Plan document may be amended as provided in Section 7 of the TLFFRA (Article 6243e. V.T.C.S.) Amending the Plan requires approval of any proposed change by an eligible actuary and a majority of the participating members of the Plan. Both the City and the members of the Plan have specific authority to appoint members of the Board under TLFFRA.

Pension Benefits – A member is eligible for service retirement upon completion of 20 years of service and attainment of age 50. A member who retires under the service retirement provisions of the fund will receive a monthly benefit equal to the sum of (a), (b), and (c) where: (a) equal to 2.9 percent of the member's highest 60-month average salary for each of the member's years of service up to and including the 20th year of service and (b) equals the greater of 2.9 percent of the member's highest 60-month average salary, or \$58.00 per month for each of the member's 21st and 22nd years of service, and (c) equals \$58.00 per month for each year of service in excess of 22 years.

Disability Benefits – An active member who becomes disabled as defined in the plan will receive a monthly disability benefit. Separate disability benefits are provided for duty-related and off-duty disabilities. Disability benefits are payable in the same joint-and-survivor form as service retirement benefits. However, disability benefits stop if the member recovers to the point that he no longer meets the definition of disability under the fund. If the total monthly amount a disabled member receives from (a) the fund, (b) workers compensation, and (c) the City of McAllen, exceeds the member's monthly rate of pay as of his date of disability, the amount payable from the fund will be reduced so that the member's benefit from all three sources, combined, does not exceed such rate of pay.

Death Benefits - Duty-related death benefits, payable to a member's spouse for as long as they are living, equal the sum of (a) 38.67% of the member's highest 60-month average salary, (b) plus two-thirds of any additional service benefit earned by the member as of the date of their death. The death benefit is payable for life, but it ceases upon remarriage. Effective January 1, 2006 the widowed spouse of a member who completed 10 or more years of service prior to their death will have the death benefit payments terminated in the event of remarriage. In addition to the above spousal death benefit, each unmarried child of the member will receive a monthly benefit of 7.73 percent of the firefighter's highest 60-month average salary. Orphan benefits continue until the child reaches age 18. However, benefits will continue until age 22 for a child who is a full-time student. If the member's spouse dies or remarries, or if the member has no spouse on the date of their death, each eligible orphan will receive a monthly benefit of 15.47 percent of the member's highest 60-month average salary. Orphan benefits are continued for life to disabled children. The total of all benefits paid as a result of the death of an active fund member may not exceed the disability or retirement benefits such member had earned as of the date of their death. The total of all benefits paid as a result of the death of a retired member may not exceed the retirement benefit the member was receiving as of the date of their death. Benefits are reduced pro rata, if necessary, in order to satisfy these limitations.

Severance Benefits – Members who terminate employment with less than 10 years of service will be entitled to the return of the excess of their contributions to the fund over the amount of any benefits they have received from the Plan. Such refunds will not include any interest on the members' contributions. If members terminate on or after the date they have completed 10 years of service but prior to the date they complete 20 years of service, they will be entitled to receive a monthly benefit, starting on the date they would have both completed 20 years of service and attained age 50, had they remained in the service of the fire department. The amount the members will receive will equal the monthly service retirement benefit they had accumulated on the date they separated from service with the fire department, multiplied by the vested percentage of the members.

The Deferred Retirement Option Plan (DROP) – A member is eligible to receive their benefits under the plan's DROP provision after they have both completed 20 years of service and attained age 53. The

NOTE IV - OTHER INFORMATION (Continued)

election to participate in the DROP may be made at the time the member elects to retire. The monthly retirement income payable to a member who retires under the DROP will equal their service retirement benefits under the plan based on the highest 60-month average salary and years of service as of the member's DROP Eligibility Date. The member's benefit will be calculated, however using the benefit formula in effect on the member's actual date of retirement. A members DROP Eligibility Date is the later of (a) the date the member meets the eligibility requirements for the DROP or (b) the date which is two years prior to the member's actual retirement date: Upon retirement, the member will receive—in addition to their monthly retirement benefit—a single payment equal to the sum of: (a.) the total of the monthly retirement benefits the member would have received between his DROP Eligibility Date and the time they retired under the plan, and (b.) the amount of monthly contributions that the member has made to the fund between their DROP Eligibility Date and the time they retired under the plan.

Method Used to Value Investments – The Plan's investments are stated at fair value and, accordingly, unrealized appreciation and depreciation are reported in the statement of changes in fiduciary net position. The fair value of money market funds is considered to be the same as the cost of these investments due to their nature. The fair value of common stocks and foreign equities are based on quoted market prices. The fair value of United States Government securities and corporate and foreign bonds are based on quotes from broker dealers. The Plan values investments in alternative funds based on its percentage investment in each such fund. The estimated fair value of each fund is based on market conditions and information reported by the fund manager, and is generally based on the estimated fair value of each funds' underlying investments at the end of the reporting period.

Purchases and sales of investments are recorded on a trade-date basis and, accordingly, the related receivables and payables for any unsettled trades are recorded. Interest income and dividends are recorded on the accrual basis.

c) Net Pension Liability

Total pension liability is developed by subtracting the present value of future service costs from the present value of future benefits. The net pension liability is calculated by subtracting the plan fiduciary net position from the pension liability. The components of the net pension liability of the Plan at September 30, 2022 were as follows:

Total pension liability	\$ 89,733,170
Plan fiduciary net position	 53,418,206
Net pension liability	\$ 36,314,964
Fiduciary net position as a percentage of total pension liability	59.53%
Covered payroll	13,522,707
Net pension liability as a % of covered payroll	268.55%

NOTE IV - OTHER INFORMATION (Continued)

Actuarial Assumptions -

The total pension liability was determined by an actuarial valuation as of October 1, 2020 and rolled forward to the measurement date of September 30, 2022, the Plan's fiscal year end.

Valuation date October 1, 2020 Measurement date September 30, 2022

Actuarial cost method Entry age

Amortization method Level percentage of payroll, open

Actuarial assumptions:

Mortality

Investment rate of return 7.5% per annum

Projected salary increases 3.0% plus merit, step and longevity increases that vary by service

Inflation 3.0% per year

Cost-of-living adjustment None

PubS-2010 (safety employees) total dataset mortality tables for

employees

and for retirees (sex distinct), projected for mortality improvement

generationally using the projection scale MP-2018.

Other information There have been no benefit changes since the October 1, 2020

valuation date

The investment rate of return and the projected salary increases both used the same assumptions with regard to inflation. Best estimates of long-term real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summaries in the table below:

Asset class:	Target allocation	Long-term expected real rate of return					
Equities							
Domestic all cap	32%	5.50%					
International developed	16%	6.08%					
Emerging markets	7%	7.36%					
Fixed Income							
Global	5%	1.67%					
Domestic core	5%	1.43%					
Nontraditional	14%	2.49%					
Alternatives							
Private real estate	6%	4.25%					
Hedge funds	14%	2.75%					
Cash	1%	0.15%					
Total	100%						
Weighted average		4.39%					

Discount Rate-

The discount rate used to measure the total pension liability was 7.50%. No projection of cash flows was used to determine the discount rate because the September 30,2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 28 years. Because of the 28-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes To Financial Statements

NOTE IV - OTHER INFORMATION (Continued)

Changes in the Net Pension Liability – Firemen's Relief and Retirement Fund Plan

	Increase (Decrease)											
	T	otal Pension Liability (a)		lan Fiduciary Net Position (b)	1	Net Pension Liability (a) - (b)						
Balance at 9/30/2021	\$	86,062,169	\$	66,344,136	\$	19,718,033						
Changes for the year:												
Service cost		2,156,908		-		2,156,908						
Interest		6,432,009		-		6,432,009						
Difference between expected												
Benefit payments, including												
refunds of member contributions		(4,917,916)		(4,917,916)		-						
Contributions-employer		-		2,028,406		(2,028,406)						
Contributions-members		-		1,894,577		(1,894,577)						
Net investment income		-		(11,898,715)		11,898,715						
Gain or (loss) due to difference in												
Administrative expense		-		(32,282)		32,282						
Net Changes	_	3,671,001	_	(12,925,930)	_	16,596,931						
Balance at 9/30/2022	\$	89,733,170	\$	53,418,206	\$	36,314,964						

Sensitivity of the net pension liability to changes in the discount rate-

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1 percentage-point higher (8.5%) than the current rate:

	 Decrease in scount Rate (6.5%)	Cui	rrent Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)		
Plan's net pension liability	\$ 47,396,538	\$	36,314,964	\$	27,042,684	

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2022, the Plan recognized pension expense of \$3,191,854.

At September 30, 2022, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

D-4-----

	Deferred Outflows of Resources		Inflows of Resources
Differences between expected and actual experience	\$ 43,511	\$	4,577,505
Changes in actuarial assumptions	13,009,737		14,423,278
Difference between projected and actual investment earnings	 10,285,719	_	
Total	\$ 23,338,967	\$	19,000,783

NOTE IV - OTHER INFORMATION (Continued)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30	 Amount
2023	\$ 1,492,264
2024	1,217,106
2025	1,740,427
2026	2,859,071
2027	(482,896)
Thereafter	 (2,487,788)
Total	\$ 4,338,184

d) Contributions

The Plan's minimum required contribution provisions are established under Title 8, Subtitle A, Chapter 802, Subchapter B, Section 802.101 of the Texas Government Code and under Texas Pension Review Board Guidelines for Actuarial Soundness. Specific Plan contribution rates are governed by the Plan document. Changes in the members' or the City's contribution rate requires a plan amendment.

The contribution rates of the Plan members and the City are established under the terms of the Plan. An actuarial valuation is performed biennially to verify that Plan benefits and Plan contributions are in balance. Costs of administering the fund are paid from Plan assets.

Pursuant to the Plan document, a legal instrument binding both the City and its firefighters, the City of McAllen is required to match employee contributions. Benefits paid to former volunteer firefighters are funded by the City when paid to the former volunteer firefighters or beneficiaries. The City's contribution rate for the fiscal year ended September 30, 2022 was 15.00% of annual compensation. Contributions required and paid into the fund as of September 30, 2022 were members, \$1,894,577 and employer, \$2,028,406.

e) Other pension information

In September 2003, Texas voters approved an amendment to the Texas Constitution, which provided that once certain benefits are granted to retirees, those benefits may not be subsequently reduced. It was codified as Article XVI, Section 66, of the Texas Constitution. The amendment applies only to the City of McAllen Firefighters' Relief and Retirement Plan.

It further provided that the City and the retirement system that finance benefits under the retirement system are jointly responsible for ensuring that benefits are not reduced or otherwise impaired, which could potentially require the City to involuntarily increase its funding due to under-performing investments, plan improvements as well as other factors outside the control of the City. The amendment also permitted the City to be exempt from its requirements upon holding an election in which the majority of the votes favored the exemption. On May 15, 2004, a special City election was held, in which the majority of the voters voted in favor of exempting the City of McAllen and the McAllen Firefighters' Relief and Retirement Plan from the application of this amendment, Article XVI, Section 66 of the Texas Constitution.

E. Tax Increment Reinvestment Zone Number One

On December 22, 2014, the City Commission passed a resolution establishing Tax Increment Reinvestment Zone Number One, City of McAllen, Texas (TIRZ#1) containing approximately 2,571 acres of land located in the northernmost area of the City's jurisdictional limits and designating the area as a reinvestment zone being commonly referred to as the "Tres Lagos Development Project". On November 18, 2015, a resolution was passed by the Board of Directors of TIRZ#1, approving an amended supplemental project and financing plan providing for an effective date of December 14, 2015. The City has committed to contribute to the Tax Increment Fund created for TIRZ#1, 70% of its tax increment derived from the City's maintenance and operations ad valorem taxes generated therein for years 2015 through 2025, and 80% for years 2026 through 2044. The amount to

Notes To Financial Statements

NOTE IV - OTHER INFORMATION (Continued)

be contributed to TIRZ#1 is based upon the incremental increase in the appraised value each January 1st compared to the base year appraised value of property in the Zone as of January 1, 2014. On April 7, 2016, the Commissioners Court of Hidalgo County passed and approved an amended interlocal agreement to participate in TIRZ#1 by pledging 67% of its maintenance and operation portion of the County's assessed and collected taxes for years 2015 through 2025, and 77% for years 2026 through 2044. The amount contributed by both taxing entities will be set aside for capital improvement projects within TIRZ#1 beginning with taxes levied after January 1, 2015. On June 1, 2016, the City issued Combination Tax and Assessment Revenue Certificates of Obligation-Taxable Series 2016 in the amount of \$24,500,000 to pay for public improvements for TIRZ#1. The balance of bonds proceeds were spent on infrastructure and drainage improvements within TIRZ#1 in prior years. As of September 30, 2022, the TIRZ#1 fund balance was \$499,947.

F. Tax Increment Reinvestment Zone Number 2A

On December 12, 2016, the City created a second TIRZ known as McAllen Tax Increment Reinvestment Zone Number 2A (TIRZ #2A). This second TIRZ covers approximately 1,702 acres located in the south central area of City. The City committed to contribute to the Tax Increment Fund created for TIRZ#2A 60% of its tax increment derived from the City's maintenance and operations ad valorem taxes generated therein for 20 years. The amount to be contributed to TIRZ #2A is based upon the incremental increase in the appraised value each January 1st compared to the base year appraised value of property in the Zone as of January 1, 2017. On October 3, 2017, the Commissioners Court of Hidalgo County passed and approved an interlocal agreement to participate in TIRZ#2A by pledging 50% of its maintenance and operation portion of the County's assessed and collected taxes for tax years 2017 through 2036. The amount contributed by both taxing entities will be set aside for capital improvement projects within TIRZ #2A beginning with taxes levied after January 1, 2017. As of September 30, 2022, the TIRZ#2A fund balance was \$3,820,180.

G. <u>Tax Abatements</u>

The City of McAllen negotiates loans, grants, property tax abatement agreements, property tax rebates, and sales tax rebates on an individual basis. These agreements are designed to promote local economic development and redevelopment within the City, stimulate commercial activity, promote job creation, generate additional sales tax and enhance the property tax base and economic vitality of the City. This program is authorized under Chapter 380.001 of the Texas Local Government Code.

The City has entered into various agreements that rebate a percentage of property, sales tax, and employment related reimbursements as well as economic development grants. The reimbursement amounts range per type of agreement once certain milestones are attained. There were no tax abatements issued as of September 30, 2022.

Required Supplementary Information



Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios Last Eight Fiscal Years (Previous years are not available)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total pension liability: Service cost Interest(on the total pension liability) Changes of benefit terms	\$6,805,485 14,011,751	\$7,407,030 15,035,551 2,340,034	\$7,992,201 15,972,265	\$8,196,790 16,912,836	\$8,285,275 17,790,762	\$8,678,357 19,076,997 6,023,884	\$9,049,919 20,053,615	\$8,858,798 21,119,830
Difference between expected and actual experience Change in assumptions	12,762 -	385,103 8,087,143	285,052 -	(814,726)	(1,012,619)	(743,805) (347,815)	473,099 -	(735,363)
Benefit payments, including refunds of employee contributions	(8,961,369)	(8,728,811)	(10,020,877)	(10,813,970)	(11,851,695)	(12,605,315)	(12,156,900)	(15,213,681)
Net change in total pension liability	11,868,629	24,526,050	14,228,641	13,480,930	13,211,723	20,082,303	17,419,733	14,029,584
Total pension liability - beginning	201,245,807	213,114,436	237,640,486	251,869,127	265,350,057	278,561,780	298,644,083	316,063,816
Total pension liability - ending (a)	\$213,114,436	\$237,640,486	\$251,869,127	\$265,350,057	\$278,561,780	\$298,644,083	\$316,063,816	\$330,093,400
Plan fiduciary net position: Contributions - employer Contributions - employee Net investment income Benefit payments, including refunds of employee contributions Administrative expense Other	\$4,139,770 4,367,657 11,471,696 (8,961,369) (119,767) (9,847)	\$4,278,578 4,595,301 311,957 (8,728,811) (190,013) (9,385)	\$4,477,156 4,707,800 14,305,407 (10,020,877) (161,560) (8,705)	\$5,460,155 4,838,151 31,182,396 (10,813,970) (161,590) (8,189)	\$5,558,475 4,894,255 (7,653,315) (11,851,695) (147,898) (7,727)	\$5,704,990 5,147,685 38,073,253 (12,605,315) (215,122) (6,462)	\$6,826,265 5,523,932 21,426,486 (12,156,900) (138,687) (5,411)	\$6,287,685 5,355,562 39,602,343 (15,213,681) (183,272) 1,256
Net change in plan fiduciary net position	10,888,140	257,627	13,299,221	30,496,953	(9,207,904)	36,099,029	21,475,685	35,849,893
Plan fiduciary net position - beginning	200,527,895	211,416,035	211,673,662	224,972,883	255,469,836	246,261,932	282,360,961	303,836,646
Plan fiduciary net position - ending (b)	\$211,416,035	\$211,673,662	\$224,972,883	\$255,469,836	\$246,261,932	\$282,360,961	\$303,836,646	\$339,686,539
Net pension liability - ending (a) - (b)	\$1,698,401	\$25,966,824	\$26,896,244	\$9,880,221	\$32,299,848	\$16,283,122	\$12,227,170	\$(9,593,139)
Plan fiduciary net position as a percentage of total pension liability	99.20%	89.07%	89.32%	96.28%	88.40%	94.55%	96.13%	102.91%
Covered payroll	\$62,261,492	\$65,030,992	\$67,161,351	\$69,112,898	\$69,917,934	\$73,358,895	\$78,900,777	\$76,566,965
Net pension liability as a percentage of covered payroll	2.73%	39.93%	40.05%	14.30%	46.20%	22.20%	15.50%	-12.53%

Note: This is a 10-year schedule to be created prospectively commencing with Measurement Year 2014.

Texas Municipal Retirement System Schedule Of Contributions Last Eight Fiscal Years (Unaudited)

Fiscal Year			tothe	(2) tion in relation actuarially ed contribution	 (3) tribution excess (deficiency) (2) -(1)	Co	(4) vered payroll	(5) Contributions as a percentage of covered payroll (2)/(4)
2015	\$	4,200,690	\$	4,200,685	\$ (5)	\$	64,045,229	6.56%
2016		4,594,830		4,594,391	(439)		69,339,611	6.63%
2017		5,197,019		5,197,025	6		68,243,115	7.62%
2018		5,550,314		5,550,315	1		69,919,236	7.94%
2019		5,652,948		5,652,942	(6)		72,447,570	7.80%
2022		6,334,573		6,334,567	(6)		74,960,498	8.45%
2021		6,366,112		6,366,109	(3)		76,503,054	8.32%
2022		6,587,260		6,587,256	(4)		80,865,471	8.15%

Note: This is a 10-year schedule to be created prospectively commencing with Fiscal Year 2015.

Valuation Date: Actuarial determined contribution rates are calculated as of December 31 st and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rate for 2022:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information:	There were no benefit changes this year.

Firemen's Relief and Retirement Fund Last Nine Fiscal Years (Previous years are not available) (Unaudited)

	N	leasurement Year 2014	N	Measurement Year 2015	N	Measurement Year 2016	N	Measurement Year 2017	N	Measurement Year 2018	N	Measurement Year 2019	ľ	Measurement Year 2020	N	leasurement Year 2021	N	Measurement Year 2022
Total pension liability:	s s	1 570 107	· _	1 004 F06	<u></u>	0.070.6.41	<u></u>	1 06 5 770	· _	1 0 4 0 4 0 0	<u></u>	1.050.647	<u>~</u>	2 126 670	<u> </u>	2.004.005	<u>,</u>	2.156.000
Service cost Interest(on the total pension	\$	1,573,197	\$	1,824,526	\$	2,879,641	\$	1,865,778	\$	1,940,409	\$	1,959,647	\$	3,136,670	\$	2,094,085	\$	2,156,908
liability)		4,841,219		4,884,830		5,130,946		5,361,757		5,631,214		5,715,164		5,697,831		6,170,518		6,432,009
Changes of benefit terms Difference between expected and actual experience Change in assumptions		- -		221,439 (3,414,995)		- -		(1,202,731) -		- -		(6,083,899) 23,055,865		- (20,428,073)		(939,637)		- -
Benefit payments, including refunds of member contributions		(2,588,586)		(3,170,707)		(3,876,966)		(3,520,297)		(3,898,551)		(3,797,821)		(4,519,133)		(4,763,835)		(4,917,916)
Net change in total pension liability	, —	3,825,830	_	345,093	_	4,133,621	_	2,504,507		3,673,072	_	20,848,956	_	(16,112,705)		2,561,131	_	3,671,001
Total pension liability - beginning	'	64,282,664		68,108,494		68,453,587		72,587,208		75,091,715		78,764,787		99,613,743		83,501,038		86,062,169
Total pension liability - ending (a)	Ś	68,108,494	Ś	68,453,587	Ś	72,587,208	Ś	75,091,715	Ś	78,764,787	Ś	99,613,743	Ś	83,501,038	Ś	86,062,169	Ś	89,733,170
Plan fiduciary net position:	<u> </u>	00,100,121	· <u>*</u>	00,100,007	<u>*</u>	, 2,00,,200	<u> </u>	. 0,0	· <u>*</u>	7 0/7 0 1/7 07	<u>*</u>	77,010,7	<u>*</u>	00,00.,000	<u> </u>	00,002,.07	<u>*</u>	32,733,733
Contributions - employer Contributions - members Benefit payments, including	\$	1,435,293 1,214,786	\$	1,477,483 1,223,445	\$	1,554,567 1,265,734	\$	1,498,194 1,266,209	\$	1,547,133 1,360,361	\$	1,625,691 1,499,435	\$	1,675,942 1,547,867	\$	1,969,448 1,836,219	\$	2,028,406 1,894,577
refunds of member contributions Net investment income Gain or (loss) due to difference		(2,588,586) 2,525,951		(3,170,707) (2,467,023)		(3,876,966) 3,867,719		(3,520,297) 5,489,970		(3,898,550) 4,256,675		(3,797,821) 2,006,816		(4,519,133) 5,318,376		(4,763,835) 9,374,927		(4,917,916) (11,898,715)
in projected vs actual earnings Administrative expense		- (23,961)		- (46,070)		(352,963)		(33,822)		- (49,519)		(37,403)	_	(38,950)		(28,852)		(32,282)
Net change in plan fiduciary net position		2,563,483		(2,982,872)		2,458,091		4,700,254		3,216,100		1,296,718		3,984,102		8,387,907		(12,925,930)
Plan fiduciary net position - beginning		42,720,353		45,283,836	_	42,300,964	_	44,759,055		49,459,309	_	52,675,409	_	53,972,127		57,956,229		66,344,136
Plan fiduciary net position - ending (b)	\$	45,283,836	\$	42,300,964	\$	44,759,055	\$	49,459,309	\$	52,675,409	\$	53,972,127	\$	57,956,229	\$	66,344,136	\$	53,418,206
Net pension liability - ending (a) - (b)	\$	22,824,658	\$	26,152,623	\$	27,828,153	\$	25,632,406	\$	26,089,378	\$	45,641,616	\$	25,544,809	\$	19,718,033	\$	36,314,964
Plan fiduciary net position as a percentage of total pension liability		66.49%	,	61.80%		61.66%		65.87%)	66.88%		54.18%		69.41%		77.09%		59.53%
Covered payroll	\$	11,043,509	\$	11,365,262	\$	11,515,311	\$	11,524,569	\$	11,901,023	\$	12,505,315	\$	12,891,862	\$	13,129,653	\$	13,522,707
Net pension liability as a percentage of covered payroll		206.68%		230.11%		241.66%		222.42%		219.22%		364.98%		198.15%		150.18%		268.55%
or covered payroll		200.00%	,	230.11/0		Z41.00%		ZZZ.4Z/0)	Z13.ZZ/0		304.90%		190.13%		130.10%		200.33%

Note: This is a 10-year schedule to be created prospectively commencing with Measurement Year 2016.

Firemen's Relief And Retirement Fund Schedule Of Contributions

Last Nine Fiscal Years (previous years unavailable) (Unaudited)

Fiscal Year	 (1) Actuarial determined contribution	the actua	(2) ion in relation to rially determined ntribution	(3) Contribution excess (deficiency) (2) -(1)		(4) Covered payroll	(5) Contributions as a percentage of covered payroll (2)/(4)
2014	\$ 1,435,293	\$	1,435,293	\$	- \$	11,043,509	13.00%
2015	1,554,567		1,554,567		-	11,515,311	13.50%
2016	1,498,194		1,498,194		-	11,524,569	13.00%
2017	1,547,133		1,547,133		-	11,901,023	13.00%
2018	1,625,691		1,625,691		-	12,505,315	13.00%
2019	1,675,942		1,675,942		-	12,891,862	13.00%
2020	1,675,942		1,675,942		-	12,891,862	13.00%
2021	1,969,448		1,969,448		-	13,129,653	15.00%
2022	2,028,406		2,028,406		-	13,522,707	15.00%

Note: This is a 10-year schedule to be created prospectively commencing with Fiscal Year 2014

Valuation Date: Actuarial determined contribution rates are calculated as of October 1st.

Methods and Assumptions Used to Determine Contribution Rate for 2022:

Actuarial C	ost Method	Entry Age
Amortizatio	on Method	Level Percentage of Payroll, Opened
Remaining	Amortization Period	Infinity
Asset Valua	ation Method	5 Year smoothed market; 20% soft corridor
Inflation		3.00%
Salary Incre	eases	3%, plus merit, step and longevity increases that very by service
Investment	Rate of Return	7.5% per annum
Retirement	Age	Experience-based table of rates that are specific to the Firemen's Relief and Retirement Fund
Mortality		PubS-2010 (safety employees) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2018
Other Infor	mation:	There were no benefit changes during the year.

Post Employment Benefit Plan Schedule of Changes in Total OPEB Liability and Related Ratios (Previous years unavailable)

	M	easurement Year 2018	_	Measurement Year 2019		Measurement Year 2020	Measurement Year 2021		Measurement Year 2022
Total OPEB Liability: Service cost Interest (on the total OPEB and Service Cost) Changes of benefit terms	\$	326,694 368,004	\$	297,170 386,856	\$	321,502 \$ 222,328	579,803 253,031 -	\$	612,814 262,653 3,801,314
Difference between expected and actual experience Change in assumptions or other inputs Benefit payments		(744,069) (905,063)		(2,157,238) 1,536,498 (566,863)		3,112,285 592,518 (1,539,994)	756,346 123,073 (1,288,470)	_	27,686,057 (16,553,575) (664,427)
Net change in total OPEB liability		(954,434)		(503,577)		2,708,639	423,783		15,144,836
Total OPEB liability - beginning		10,259,649		9,305,215	_	8,801,638	11,510,277	_	11,934,060
Total OPEB liability - ending	\$	9,305,215	\$	8,801,638	\$	11,510,277 \$	11,934,060	\$	27,078,896
Plan fiduciary net position: Contributions - employer Contributions - members Net investment income Benefit payments	\$	905,063 - - (905,063)	\$	566,863 - - (566,863)	\$	1,539,994 \$ - - (1,539,994)	1,288,470 - - (1,288,470)	\$	664,427 - - (664,427)
Net change in plan fiduciary net position		-		-		-	-		-
Plan fiduciary net position - beginning						-		_	
Plan fiduciary net position - ending		-		-		-	-		-
Net OPEB liability - ending	\$	9,305,215	\$	8,801,638	\$	11,510,277 \$	11,934,060	\$	27,078,896
Plan fiduciary net position as a percentage of total OPEB liability		-		-		-	-		-
Covered-employee payroll	\$	74,223,284	\$	74,941,172	\$	81,607,453 \$	77,393,920	\$	74,424,831
Net OPEB liability as a percentage of covered-employee payroll		12.54%		11.74%		14.10%	15.42%		36.38%

Note: This is a 10-year schedule to be created prospectively commencing with Measurement Year 2018. Refer to page 74 of the notes to financial statements for the actuarial assumptions of the plan.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.



Non Major Governmental Funds

<u>Special Revenue Funds</u> are used to account for resources allocated to specific purposes. A special revenue fund continues in existence as long as governmental resources are allocated to its specific purposes.

The <u>Hotel Occupancy Tax Fund</u> was established to account for the hotel-motel occupancy tax levied. This tax revenue is allocated to the promotion of tourism and conventions, promotion of the arts, support of convention center and civic center management, and other expenditures.

The <u>Hotel Venue Project Fund</u> was established to account for funding under Ordinance 2012-69 for a 2% Hotel Occupancy tax for a Performing Arts Facility.

The <u>McAllen EB5 Regional Center Fund</u> was established to account for revenues and expenditures to operate an EB-Regional Center under the U.S. Citizenship and Immigration Services (USCIS).

The <u>Drainage Fee Fund</u> was established to account for revenue generated from drainage fees which will be used to fund maintenance and drainage improvements.

The Parkland Zones Development Fund was established to account for land acquired for future park development.

The <u>Tax Increment Reinvestment Zone #1 Fund</u> was established to account for a portion of the revenues derived from property taxes levied by the City and County to facilitate the provision of capital improvements within the zone.

The <u>Community Development Fund</u> was established to account for receipt and disbursement of Federal Program revenues.

The <u>Tax Increment Reinvestment Zone #2A Fund</u> was established to account for a portion of the revenues derived from property taxes levied by the City and County to facilitate the provision of capital improvements within the zone.

The <u>Downtown Services Parking Fund</u> was established to account for revenues and disbursements associated with the activities of vehicular parking in the downtown district.

The **PD Seized Fund** was established to account for court awarded funds and use for purchase of police department capital assets.

The <u>Texas Anti-Gang Unit Fund</u> was established to account for revenues and expenditures associated with the operation of a new anti-gang unit.

The <u>Christmas Parade Fund</u> was established to account for revenues and expenditures for the purpose of promoting the City's Annual Christmas Parade.

The <u>Friends of Quinta Fund</u> was established to account for revenues and expenditures for the purpose of promoting Quinta Mazatlan.

The <u>PEG Fund (Public, Educational and Government)</u> was established to account for the revenue and expenditures related to the programming fees provided by various cable subscribers.

The **Developers Fund** was established to account for developers' contributions for future infrastructure developments.

The <u>Marketing Fund</u> was established to account for revenues and expenditures for the purpose of promoting the City of McAllen.

The **<u>Debt Service Fund</u>** was established to retire general government debt.

The Hotel Venue Debt Service Fund was established to retire Certificate of Obligation, Series 2014.

The Local Govt Finance Corp Debt Service Fund was established to retire Contract Revenue Bonds, Series 2017.



Capital Projects Funds:

The <u>Capital Improvement Fund</u> was established to account for all expenditures related to planned capital projects not accounted for in other capital project funds. Its main funding source is a transfer-in from the general fund.

The <u>Traffic / Drainage Bond Fund</u> is a non major fund that was established to account for all expenses in undertaking all Drainage and Traffic improvements.

The <u>Information Technology Fund</u> was established to account for all expenditures related to the implementation of strategic technology projects.

The <u>Street Improvements Construction Fund</u> was established to account for all expenditures related to the construction of intersections and street improvement projects.

The <u>Park's Facility/Fire Station #2 Construction Fund</u> was established to account for all expenditures related to the construction of a new Park's facility and fire station.

The <u>Performing Arts C.O. Construction Fund</u> was established to account for all expenditures related to the construction of the Performing Arts Center as funded with Certificate of Obligation Series 2014.

The <u>Sports Facility Construction Fund</u> was established to account for all expenditures related to the construction of 12 fields for youth and adult baseball.

The <u>Local Government Finance Corp - TX A&M Construction Fund</u> was established to account for all expenditures related to the Texas A&M University Building Project.

The **Quinta Center for Urban Ecology Fund** was established to account for all expenditures related to the construction of a Center for Urban Ecology which will include classroom and teaching spaces to further environmental education.

The <u>Infrastructure & Improvements Fund</u> was established to account for expenditures related to the acquisition and/or construction of capital improvements to the City.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

September 30, 2022

			Special Revenue	
	Hotel Occupand Tax	су	Hotel Venue Tax	McAllen EB-5 Regional Center
ASSETS Cash Certificate of deposit	\$ 1	14,317 \$	713,295	\$ 16,164
Investments Receivables:		4	743	105,773
Accounts	4	76,192	106,027	-
Taxes Accrued interest		-	-	-
Other Due from other governments		<u> </u>		<u>-</u>
Total assets	5	90,513	820,065	121,937
Deferred outflows of resources				
Total assets and deferred outflows of resources	<u>\$ 50</u>	90,513 <u>\$</u>	820,065	<u>\$ 121,937</u>
LIABILITIES Accounts payable Accrued liabilities Due to other funds Unearned revenues	3.	38,761 \$ - 46,266 05,098	- - - -	\$ 625 4,933 -
Other liabilities			-	65,000
Total liabilities	50	90,125		70,558
Deferred inflows of resources			-	
Total liabilities and deferred inflows of resources	50	90,125	-	70,558
FUND BALANCES Restricted Committed Assigned Unassigned		388 - - -	820,065 - -	51,379 - - -
Total fund balances		388	820,065	51,379
Total liabilities and fund balances	<u>\$ 50</u>	90,513 \$	820,065	\$ 121,937

				Sp	ecial Revenue		
Drainage	Fee		Park Development		TIRZ #1	mmunity elopment	 TIRZ #2A
	2,274	\$	49,134	\$	-	\$ -	\$ 59
	2,152 3,588		- 2,631,221		- 499,947	-	- 3,822,121
14	4,126		-		-	-	-
1	2,030		- 71		-	-	-
			- -		47,680	 476,783	- 1,182,274
4,32	<u>4,170</u>	_	2,680,426	_	547,627	 476,783	 5,004,454
\$ 4,32	<u> 4,170</u>	\$	2,680,426	\$	547,627	\$ 476,783	\$ 5,004,454
\$ 7	'9,031 -	\$	4,588 -	\$	-	\$ 289,879 42,695	\$ - 2,000
	-		- - -		47,680 -	 144,209 - -	1,182,274 -
7	9,031		4,588		47,680	476,783	 1,184,274
			-	_		 	
7	9,031		4,588		47,680	 476,783	 1,184,274
4,24	5,139		2,675,838		499,947 -	-	3,820,180
	-		-		-	-	-
4,24	5,139		2,675,838		499,947		3,820,180
\$ 4,32	<u>4,170</u>	\$	2,680,426	\$	547,627	\$ 476,783	\$ 5,004,454

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2022

	Specia	I Revenue
	Downtown Services Parking	
ASSETS		
Cash Certificate of deposit	\$ 36,325 -	5 \$ 60,564 500,901
Investments	97,900	
Receivables:		
Accounts Taxes	2,138	
Accrued interest		. 93
Other	-	
Due from other governments	140	<u>-</u>
Total assets	136,503	1,611,619
Deferred outflows of resources		<u> </u>
Total assets and deferred outflows of resources	<u>\$ 136,503</u>	\$ 1,611,619
LIABILITIES		
Accounts payable	\$ 17,732	
Accrued liabilities Due to other funds	22,154	-
Unearned revenues		- 2,480
Other liabilities		<u> </u>
Total liabilities	39,886	11,312
Deferred inflows of resources		<u> </u>
Total liabilities and deferred inflows of resources	39,886	11,312
FUND BALANCES		
Restricted	-	1,600,307
Committed	96,617	-
Assigned Unassigned		-
Ondoorgined		
Total fund balances	96,617	1,600,307
Total liabilities and fund balances	<u>\$ 136,503</u>	\$ 1,611,619

					Spe	ecia	al Revenue					
T)	X Anti Gang Unit	_	hristmas Parade		riends of Quinta	_	P. E. G.	D	evelopers	Marketing		Total
\$	-	\$	7,351	\$	95,973	\$	600	\$	160,938	\$ 56	\$	1,367,050
	-		-		-		-		500,901	-		2,003,954
	2		445,360		306,007		1,131,484		6,054,086	324,910		19,523,207
	-		18,217		-		-		-	-		746,700
	-		-		-		-		-	-		-
	-		-		-		-		13,500	-		25,694
	195		-		-		-		-	-		195
_	247,402	_		_		-		_			-	1,954,279
_	247,599	_	470,928	_	401,980	_	1,132,084	_	6,729,425	324,966	_	25,621,079
	-		-		-		-		-	_		-
							_					
\$	247,599	\$	470,928	\$	401,980	\$	1,132,084	\$	6,729,425	<u>\$ 324,966</u>	\$	25,621,079
\$	7,726	\$	12,992	\$	1,052	\$	-	\$	3,897	\$ 5,944	\$	571,059
	6,660		-		-		-		-	-		78,442
	248,967		-		-		-		-	-		739,442
	-		21,273		-		-		-	-		1,358,805
		_				_		_	6,725,528		_	6,790,528
	263,353		34,265		1,052		_		6,729,425	5,944		9,538,276
_		_				_		_			_	-
	263,353		34,265		1,052			_	6,729,425	5,944		9,538,276
	-		436,663		400,928		1,132,084		-	-		15,682,918
	-		-		-		-		-	319,022		415,639
	- (15,754)		-		-		-		-			- (15,754)
_	(13,734)	_				_		_			_	(13,734)
_	(15,754)	_	436,663	_	400,928	_	1,132,084	_		319,022	_	16,082,803
\$	247,599	\$	470,928	\$	401,980	\$	1,132,084	\$	6,729,425	\$ 324,966	\$	25,621,079

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2022

		Debt Service	
	Debt Service	Hotel Venue Debt Service	Local Govt Finance Corp Debt Service
ASSETS Cash	\$ 78,84	ıo ¢	- \$ 750
Certificate of deposit	\$ 70,02	- -	- 5 /50
Investments	4,380,71	9	4 308,135
Receivables:			
Accounts		-	
Taxes	328,06	55	
Accrued interest		-	-
Other		-	-
Due from other governments		-	<u> </u>
Total assets	4,787,63	33	308,885
Deferred outflows of resources		<u>-</u>	<u> </u>
Total assets and deferred outflows of resources	\$ 4,787,63	33 \$	\$ 308,885
LIABILITIES			
Accounts payable	\$ 30	00 \$	- \$ -
Accrued liabilities		-	
Due to other funds		-	
Unearned revenues		-	
Other liabilities		<u>-</u>	<u> </u>
Total liabilities	30	00	<u> </u>
Deferred inflows of resources	285,84	13	<u> </u>
Total liabilities and deferred inflows of resources	286,14	13	<u> </u>
FUND BALANCES			
Restricted	4,501,49	90	4 308,885
Committed		-	
Assigned		-	
Unassigned		<u>-</u>	<u> </u>
Total fund balances	4,501,49	90	308,885
Total liabilities and fund balances	\$ 4,787,63	33 \$	\$ 308,885

	Cap	ital Projects		
formation echnology	lm	Street provements		Park's Facility/Fire Station #2 Construction
\$ 1,697 -	\$	2,937 -	\$	1,053,018 1,002,152
252,748		2,500,742		825,108
-		-		-
-		-		222
 <u>-</u>		670,313		<u> </u>
254,445		3,173,992	_	2,880,500
\$ 254,445	\$	3,173,992	\$	2,880,500
\$ - - -	\$	405,878 25,165 -	\$	390,648 189,802 - -
 			_	-
 		431,043		580,450
		431,043	_	580,450
-		2,742,949		2,300,050
254,445		-		-
254,445		2,742,949		2,300,050
\$ 254,445	\$	3,173,992	\$	2,880,500

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2022

Capital Projects

	Performing Arts	lr	Capital nprovement		rastructure &
ASSETS Cash	^	- \$	(0.500	^	00166605
Cash Certificate of deposit	\$	- \$ -	69,583 1,002,507	\$	20,166,685
Investments		-	10,081,943		20,013,264
Receivables:					
Accounts	-	-	-		-
Taxes Accrued interest	•	•	16.070		-
Other			16,078		-
Due from other governments			_		_
			_		
Total assets		:	11,170,111	_	40,179,949
Deferred outflows of resources					
Deferred outflows of resources					<u>-</u>
Total assets and deferred outflows of resources	<u>\$</u>	\$	11,170,111	\$	40,179,949
LIABILITIES					
Accounts payable	\$	- \$	1,438,720	\$	167,261
Accrued liabilities		-	40,878		16,406
Due to other funds		-	-		-
Unearned revenues	•	•	415,044		-
Other liabilities					<u>-</u>
Total liabilities		-	1,894,642		183,667
Deferred inflows of resources		:			
Total liabilities and deferred inflows of resources		<u> </u>	1,894,642		183,667
FUND BALANCES					
Restricted		-	_		_
Committed		-	-		-
Assigned		-	9,275,469		39,996,282
Unassigned	<u></u>	:			
Total fund balances			9,275,469		39,996,282
Total liabilities and fund balances	\$.	\$	11,170,111	\$	40,179,949
rotal habilities dila fulla balances	ý ·	<u> </u>	11,170,111	<u>v</u>	70,179,949

		Capita	l Proj	ects			
_	Sports Facilities	Local Government Finance Corporation- TX A&M Construction	Dı	raffic Improv/ rainage Bond Construction	uinta Center for ban Ecology		Total Nonmajor Governmental Funds
\$	671	\$	- \$	14,989	\$ 159	\$	22,756,388
	1,380			3,007,535 11,970,227	12,920,076		7,016,148 82,777,553
	-			-	-		746,700
	-		-	-	-		328,065
	-		•	672	-		42,666
	-	-	•	-	-		195
	<u>-</u>		·		 329,877	_	2,954,469
	2,051		:	14,993,423	 13,250,112	_	116,622,184
	_				 		-
\$	2,051	\$ -	\$	14,993,423	\$ 13,250,112	\$	116,622,184
\$	- - - -	\$	- \$ - -	527,648 165,345 - -	\$ - - 3,500,000	\$	3,501,514 516,038 739,442 5,273,849 6,790,528
	_		_	692,993	3,500,000		16,821,371
_			:	.	 		285,843
				692,993	 3,500,000	_	17,107,214
	2,051 - - -			14,300,430 - - -	9,750,112 - - -	_	49,588,889 415,639 49,526,196 (15,754)
	2,051			14,300,430	9,750,112		99,514,970
\$	2,051	\$ -	\$	14,993,423	\$ 13,250,112	\$	116,622,184

			Special Revenue	
	00	Hotel cupancy Tax	Hotel Venue Tax	McAllen EB-5 Regional Center
REVENUES Hotel taxes	\$	4,656,299	\$ 1,330,064	\$ -
Property taxes	·	-	-	-
Franchise taxes Licenses and permits		-	-	-
Intergovernmental		-	-	-
Charges for services Fines and forfeitures		-	-	-
Investment earnings		-	58	490
Net increase (decrease) in the fair value of investments		-	-	-
Other		-		
Total revenues		4,656,299	1,330,122	490
EXPENDITURES				
Current: General government		1,344,657	_	12,535
Public safety		-	-	-
Highways and streets Health and welfare		-	-	-
Culture and recreation		-	-	-
Debt service: Principal			_	_
Interest and fiscal charges		<u> </u>		
Total expenditures		1,344,657		12,535
Excess (deficency) of revenues over (under) expenditures		3,311,642	1,330,122	(12,045)
OTHER FINANCING SOURCES (USES)				
Transfers in Transfers out		(3,311,642)	- (1,035,435)	-
Issuance of debt		-	-	-
Payment to refunded bond escrow agent				
Net other financing sources (uses)		(3,311,642)	(1,035,435)	
Net change in fund balances		-	294,687	(12,045)
Fund balances at beginning of year		388	525,378	63,424
Fund balances at end of year	<u>\$</u>	388	\$ 820,065	\$ 51,379

Special Revenue	Spec	ial	Rev	enue
-----------------	------	-----	-----	------

Drainage Fee	Park Development	TIRZ #1	Community Development
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	629,828	- 1,857,390
1,267,288	-	027,020	-
-	-	-	-
28,608	10,384	3,876	-
(41,508)	(27,865)	0.41.000	- 0.462
-	498,050	841,808	8,463
1,254,388	480,569	1,475,512	1,865,853
		13,333	297,018
-	-	13,333	208,825
701,450	-	-	539,959
-	-	-	725,694
-	749,299	-	94,357
_	_	650,000	_
-	-	866,353	-
701,450	749,299	1,529,686	1,865,853
552,938	(268,730)	(54,174)	-
	(200):00)	(0.1,1.7.1)	
_	_	569,057	-
-	-	(258,897)	-
-	-	-	-
		310,160	
552,938	(268,730)	255,986	-
3,692,201	2,944,568	243,961	
\$ 4,245,139	\$ 2,675,838	\$ 499,947	<u>\$</u>

	Special I	Revenue
	TIRZ #2A	Downtown Services Parking
REVENUES Hotel taxes Property taxes	\$ - -	\$ -
Franchise taxes Licenses and permits Intergovernmental Charges for services	- - -	- 11,335 140 887,401
Fines and forfeitures Investment earnings Net increase (decrease) in the fair value of investments	30,504	107,969 881
Other		28,785
Total revenues	30,504	1,036,511
EXPENDITURES Current: General government	5,000	-
Public safety Highways and streets Health and welfare Culture and recreation	- - -	1,095,240 - -
Debt service: Principal Interest and fiscal charges		4,199 676_
Total expenditures	5,000	1,100,115
Excess (deficency) of revenues over (under) expenditures	25,504	(63,604)
OTHER FINANCING SOURCES (USES) Transfers in Transfers out Issuance of debt Payment to refunded bond escrow agent	817,331 - - -	49,282 (8,011) -
Net other financing sources (uses)	817,331	41,271
Net change in fund balances	842,835	(22,333)
Fund balances at beginning of year	2,977,345	118,950
Fund balances at end of year	\$ 3,820,180	\$ 96,617

			Special	Revenue			
PD Seized	TX Anti Gang Unit	P. E. G.	Christmas Parade	Friends of Quinta	<u>Developers</u>	Marketing	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,986,363
-	-	216,243	-	-	-	-	216,243
-	-	-	-	-	-	-	11,335
-	608,962	-	52,747	-	-	-	3,149,067
761 F20	-	-	-	-	-	-	2,154,689
761,530 8,783	-	9,352	3,530	4,694	-	910	869,499 102,070
-	_		-	-,054	-	-	(69,373)
		<u> </u>	788,813	821,888	3,830	875	2,992,512
770,313	608,962	225,595	845,090	826,582	3,830	1,785	15,412,405
	_	220,211				24,104	1,916,858
316,669	608,962	220,211	-	-	_	24,104	1,134,456
-	-	_	-	-	3,830	_	2,340,479
-	-	-	-	-	-	-	725,694
-	-	-	1,019,026	120,253	-	-	1,982,935
-	-	-	-	-	-	-	654,199
							867,029
316,669	608,962	220,211	1,019,026	120,253	3,830	24,104	9,621,650
453,644		5,384	(173,936)	706,329		(22,319)	5,790,755
-	-		100,000 (4,000)	- (550,500)	-	341,341 -	1,877,011 (5,168,485)
			96,000	(550,500)		341,341	(3,291,474)
453,644	-	5,384	(77,936)	155,829	-	319,022	2,499,281
1,146,663	(15,754)	1,126,700	514,599	245,099			13,583,522
<u>\$ 1,600,307</u>	\$ (15,754)	\$ 1,132,084	\$ 436,663	\$ 400,928	<u>\$</u>	\$ 319,022	\$ 16,082,803

		Debt Service		
	Debt Service	Hotel Venue Debt Service	Local Govt Finance Corp Debt Service	
REVENUES Hotel taxes	\$ -	\$ -	\$ -	
Property taxes	5,420,323	-	-	
Franchise taxes	-	-	-	
Licenses and permits	-	-	-	
Intergovernmental	-	-	-	
Charges for services	-	-	-	
Fines and forfeitures	20.604	-	2 200	
Investment earnings Net increase (decrease) in the fair value of investments	38,604	-	3,398	
Other	3,176			
Total revenues	5,462,103		3,398	
EXPENDITURES Current:				
General government	-	_	-	
Public safety	-	-	-	
Highways and streets	-	-	-	
Health and welfare	-	-	-	
Culture and recreation	-	-	-	
Debt service: Principal	3,190,000	535,000	510,000	
Interest and fiscal charges	1,884,867	33,706	352,831	
Total expenditures	5,074,867	568,706	862,831	
Excess (deficency) of revenues over (under) expenditures	387,236	(568,706)	(859,433)	
OTHER FINANCING SOURCES (USES)				
Transfers in	233,862	568,706	821,056	
Transfers out	-	-	-	
Issuance of debt	-	-	-	
Payment to refunded bond escrow agent				
Net other financing sources (uses)	233,862	568,706	821,056	
Net change in fund balances	621,098	-	(38,377)	
Fund balances at beginning of year	3,880,392	4	347,262	
Fund balances at end of year	\$ 4,501,490	\$ 4	\$ 308,885	

O	Proiects
t.anıta	Projects

Information Technology	Street Improvements
\$ -	\$ -
- -	- -
-	-
-	-
_	-
-	-
1,923	17,316
62,827	
64,750	17,316
11,523	-
-	- 1,745,185
-	-
-	-
	-
11,523	1,745,185
53,227	(1,727,869)
-	946,198 -
-	-
	-
	946,198
53,227	(781,671)
201,218	3,524,620
\$ 254,445	\$ 2,742,949

	Capital Projects			
	Parks Facil/Fire Station #2 Construction	Performing Arts	Capital Improvement	
REVENUES	\$ -	\$ -	\$ -	
Hotel taxes Property taxes	\$ -	\$ -	\$ - -	
Franchise taxes	_	_	_	
Licenses and permits	-	-	_	
Intergovernmental	_	-	_	
Charges for services	-	-	-	
Fines and forfeitures	-	-	-	
Investment earnings	17,073	9	78,548	
Net increase (decrease) in the fair value of investments	-	-	(323,167)	
Other			62,255	
Total revenues	17,073_	9	(182,364)	
EXPENDITURES				
Current:				
General government	-	-	807,040	
Public safety	-	-	945,267	
Highways and streets	-	-	718,942	
Health and welfare	-	-	48,623	
Culture and recreation	3,601,028	-	2,013,256	
Debt service:				
Principal	-	-	-	
Interest and fiscal charges				
Total expenditures	3,601,028		4,533,128	
Excess (deficency) of revenues over (under) expenditures	(3,583,955)	9	(4,715,492)	
OTHER FINANCING SOURCES (USES)				
Transfers in	5,156	-	5,328,593	
Transfers out	-	(5,156)	(325,520)	
Issuance of debt	-	-	-	
Payment to refunded bond escrow agent				
Net other financing sources (uses)	5,156	(5,156)	5,003,073	
Net change in fund balances	(3,578,799)	(5,147)	287,581	
Fund balances at beginning of year	5,878,849	5,147	8,987,888	
Fund balances at end of year	\$ 2,300,050	<u>\$</u> -	\$ 9,275,469	

Capital Projects							
Infrastructure & Improvements	Sports Facilities	Local Government Finance Corporation- TX A&M Construction	Traffic Improv/ Drainage Bond Construction	Quinta Center for Urban Ecology	Total Nonmajor Governmental Funds		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,986,363		
-	-	-	-	-	5,420,323		
-	-	-	-	-	216,243		
-	-	-	-	-	11,335		
-	-	-	-	39,047	3,188,114		
-	-	-	-	-	2,154,689		
076.604	-	-	105 404	01.150	869,499		
276,634	33	1	105,404	81,150	722,163 (392,540)		
					3,120,770		
276,634	33	1	105,404	120,197	21,296,959		
605,784	_	_	_	_	3,341,205		
15,309	_	_	501,861	_	2,596,893		
112,871	-	-	2,353,061	_	7,270,538		
· -	-	-	-	-	774,317		
1,002,040	55,785	-	-	78,094	8,733,138		
-	-	-	-	-	4,889,199		
					3,138,433		
1,736,004	55,785		2,854,922	78,094	30,743,723		
(1,459,370)	(55,752)	1	(2,749,518)	42,103	(9,446,764)		
21,483,712				7,631,415	38,895,709		
(5,430,000)	_	(4,254)	_	7,031,413	(10,933,415)		
(0,400,000)	_	(4,204)	_	-	(10,500,410)		
16,053,712		(4,254)		7,631,415	27,962,294		
14,594,342	(55,752)	(4,253)	(2,749,518)	7,673,518	18,515,530		
25,401,940	57,803	4,253	17,049,948	2,076,594	80,999,440		
å 20.00¢.000	ė 0.051	•	¢ 14.000.400	0.750.110	¢ 00.514.070		
\$ 39,996,282	\$ 2,051	\$ -	\$ 14,300,430	\$ 9,750,112	\$ 99,514,970		



Non Major Enterprise Funds

These funds are used to account for City operations that are financed and/or operated in a manner similar to private business enterprises. Included in this category are: <u>Champion Lake Golf Course</u>; <u>Metro McAllen</u>; <u>Transit Terminal</u>; <u>Convention Center</u>; and <u>Performing Arts</u>.

The Champion Lake Golf Course Fund is utilized to account for the operations of the City's golf course.

The Metro McAllen Fund is utilized to account for the operations of the Bus Transportation System.

The <u>Transit Terminal Fund</u> is utilized to account for the operations of the Intermodal Transportation System.

The **Convention Center Fund** is utilized to account for the operations of the Convention Center.

The **Performing Arts Fund** is utilized to account for the operations of the Performing Arts.



NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION

September 30, 2022

	McAllen Convention Center	Performing Arts Center	Champio Lake Gol Course		Transit Terminal	Total
ASSETS					· · ·	
Current assets:						
Cash	\$ 68,367	\$ 64,856	\$ 51,3	26 \$ 504,029	\$ -	\$ 688,578
Certificate of deposit	501,438	-	+		-	501,438
Investments	6,884,071	3,414,239	2,224,6	73 148,301	3,653	12,674,937
Receivables, net:	0,001,071	0,111,200	2,22 1,0	70 110,001	0,000	12,07 1,507
Accounts	250	_	2,0	60 31,502	_	33,812
Accrued interest	4,702	13		32 215	_	4,962
Lease receivable - current	4,702	13	24,7			89,831
Due from other funds	277,013	69.253	24,7	47 05,004	_	346,266
		- ,	1	82 503,791	4.052.462	
Due from other governments	5,386	84	1	82 503,791	4,053,463	4,562,906
Prepaid items	580,611	-		-	-	580,611
Restricted assets:	45700			70		4.7.050
Cash and cash equivalents	65,739	66,044	15,5	-	<u> </u>	147,353
Total currents assets	8,387,577	3,614,489	2,318,5	90 1,252,922	4,057,116	19,630,694
Noncurrent assets:						
Restricted assets:						
Certificate of deposit	501,251	-			-	501,251
Investments	2,259,133	1,230,457	569,0	- 04	-	4,058,594
Accrued interest	5,647	5,518	-		<u> </u>	11,165
Total noncurrent restricted assets	2,766,031	1,235,975	569,0	04		4,571,010
TMRS net pension asset	194,741	-	81,5	42 193,781	31,657	501,721
Capital assets:						
Land	4,758,071	690,155	187,9	05	2,516,855	8,153,076
Buildings and systems	56,281,224	50,992,311	228,3		5,636,219	113,138,099
Improvements other than buildings		30,992,311	8,422,1		2,529,100	18,232,773
Machinery and equipment	6,792,381	1 170 /E1				
Construction in progress	3,686,679 -	1,178,451 -	1,312,0	24 4,510,295	9,456,881 6,977,208	20,144,330 6,977,208
. •				 -		
Total capital assets	71,518,355	52,860,917	10,150,5	13 4,999,438	27,116,263	166,645,486
Less accumulated depreciation	(24,676,675)	(6,680,147)	(7,854,4	06) (4,849,751)	(9,617,780)	(53,678,759)
Net capital assets	46,841,680	46,180,770	2,296,1	07 149,687	17,498,483	112,966,727
Lease receivable - noncurrent	-	-	65,5	95 282,257	-	347,852
Total noncurrent assets	49,802,452	47,416,745	3,012,2	48 625,725	17,530,140	118,387,310
Total assets	58,190,029	51,031,234	5,330,8	38 1,878,647	21,587,256	138,018,004
Deferred outflows of resources-pensions	104,646		43,8	17 104,131	17,011	269,605
Total assets and deferred outflows of resources	\$ 58,294,675	\$ 51,031,234	\$ 5,374,6	<u>55</u> <u>\$ 1,982,778</u>	\$ 21,604,267	<u>\$ 138,287,609</u>

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION

September 30, 2022

	McAllen Convention Center	Performing Arts Center	Champion Lake Golf Course	Metro McAllen	Transit Terminal	Total
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 250,98	33,418	\$ 86,610	\$ 57,173	\$ 282,765	\$ 710,946
Accrued expenses	69,75	; -	26,039	64,940	329,984	490,719
Due to other funds			-	168,571	2,605,898	2,774,469
Customer deposits payable	421,74	106,706	-	-	-	528,452
Current portion of capital lease	7,29		163		2,692	10,154
Compensated absences	70,57	1 -	36,503	93,204	19,985	220,266
Other	9	519	72			186
Total current liabilities	820,45	140,143	149,387	383,888	3,241,324	4,735,192
Other noncurrent liabilities:						
Unearned revenues			150,697	40,000	-	190,697
Capital lease payable	23,25		519	-	8,574	32,343
Compensated absences	80,95		55,126	32,241		168,322
Total other noncurrent liabilities	104,20	<u> </u>	206,342	72,241	8,574	391,362
Total liabilities	924,65	140,143	355,729	456,129	3,249,898	5,126,554
Deferred inflows of resources-leases			88,464	346,570	_	435,034
Deferred inflows of resources - pensions	446,33	<u> </u>	186,891	444,141	72,558	1,149,929
Total liabilities and deferred inflows of						
resources	1,370,99	140,143	631,084	1,246,840	3,322,456	6,711,517
NET POSITION						
Net investment in capital assets	46,811,13	46,180,770	2,295,425	149,687	17,487,216	112,924,229
Restricted for improvements	2,810,79	3 1,291,653	584,574	-	-	4,687,025
Unrestricted	7,301,75	3,418,668	1,863,572	586,251	794,595	13,964,838
Total net position	56,923,68	50,891,091	4,743,571	735,938	18,281,811	131,576,092
Total liabilities, deferred inflows and net position	\$ 58,294,67	5 <u>\$ 51,031,234</u>	\$ 5,374,655	\$ 1,982,778	\$ 21,604,267	\$ 138,287,609

The notes to the financial statements are a integral part of this statement.

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION For the Year Ended September 30, 2022

	McAllen Convention Center	Performing Arts Center	Champion Lake Golf Course	Metro McAllen	Transit Terminal	Total
Operating revenues:						
Charges for services	\$ 2,360,626	\$ 898,950	\$ 1,482,218	\$ 314,457	\$ -	\$ 5,056,251
Rentals	659,088	771,776	-	250,055	-	1,680,919
Other	665,638	13,087	547,083	8,757	2,741	1,237,306
Total operating revenues	3,685,352	1,683,813	2,029,301	573,269	2,741	7,974,476
Operating expenses:						
Salaries, wages and employee benefits	2,113,629	-	867,441	2,020,392	348,486	5,349,948
Supplies	272,290	39,262	202,718	66,518	11,987	592,775
Contractual and other services	2,172,901	1,361,412	153,147	1,243,509	52,207	4,983,176
Repairs and maintenance	336,786	181,229	184,234	458,999	232,692	1,393,940
Depreciation and amortization	1,561,685	1,189,513	383,762	33,123	1,088,140	4,256,223
Total operating expenses	6,457,291	2,771,416	1,791,302	3,822,541	1,733,512	16,576,062
Operating income (loss)	(2,771,939)	(1,087,603)	237,999	(3,249,272)	(1,730,771)	(8,601,586)
Nonoperating revenues (expenses):						
Investment earnings	63,850	38,651	16,714	2,387	3,746	125,348
Net decrease in the fair value of	•	•	ŕ	•	•	•
investments	(287,439)	(10,630)	-	-	-	(298,069)
Interest expense	(1,140)	· -	(25)	-	(421)	(1,586)
Gain (loss) on sale of capital asset	1,559,526	-	333	-		1,559,859
Intergovernmental	14,198	307,575	182	3,403,200	505,958	4,231,113
Interest revenue - leases	-	-	440	2,120	-	2,560
Other					(39)	(39)
Net nonoperating revenues						
(expenses)	1,348,995	335,596	17,644	3,407,707	509,244	5,619,186
, , ,						
Income (loss) before contributions and transfers	(1,422,944)	(752,007)	255,643	158,435	(1,221,527)	(2,982,400)
Capital contributions	47,777	-	-	-	6,296,563	6,344,340
Transfers in	2,489,314	855,195	-	67,000	-	3,411,509
Transfers out	(39,069)	(15,500)	(8,628)	(69,002)	(4,314)	(136,513)
Change in net position	1,075,078	87,688	247,015	156,433	5,070,722	6,636,936
Total net positionbeginning	55,848,603	50,803,403	4,496,556	579,505	13,211,089	124,939,156
Total net positionending	\$ 56,923,681	\$ 50,891,091	\$ 4,743,571	\$ 735,938	\$ 18,281,811	\$ 131,576,092

NON-MAJOR ENTERPRISE FUNDS STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2022

	McAllen Convention Center	Performing Arts Center	Champion Lake Golf Course	Metro McAllen	Transit Terminal	Total
Cash flows from operating activities:						
Receipts from customers	\$ 3,706,701	\$ 1,724,769	\$ 2,053,580	\$ 565,688	\$ 2,741	\$ 8,053,479
Payments to employees	(2,220,193)	-	(928,836)	(2,193,389)	(347,584)	(5,690,002)
Payments to suppliers	(3,406,787)	(1,643,997)	(503,772)	(1,832,263)	(456,685)	(7,843,504)
Net cash provided (used) by operating activities	(1,920,279)	80,772	620,972	(3,459,964)	(801,528)	(5,480,027)
Cash flows from noncapital financing activities:						
Transfers from other funds	2,478,097	802,414	-	67,000	21,041	3,368,552
Transfers to other funds	(39,069)	(15,500)	(8,628)	(69,002)	(4,314)	(136,513)
Subsidy from federal/state grant	87,226	307,772	783	3,977,876	650,793	5,024,450
Net cash provided (used) by noncapital financing activities	2,526,254	1,094,686	(7,845)	3,975,874	667,520	8,256,489
Cash flows from capital and related financing activities:						
Capital contributions	-	-	-	-	2,777,275	2,777,275
Payments for capital acquisitions	-	-	(91,282)	-	(3,678,634)	(3,769,916)
Proceeds from sale of capital assets	1,690,828	-	7,221	-	-	1,698,049
Principal repayments-bonds and notes	(7,084)	-	(158)	-	(2,611)	(9,853)
Interest paid	(1,140)		(25)		(421)	(1,586)
Cash provided (used) by capital and related financing activities	1,682,604	-	(84,244)	-	(904,391)	693,969
Cash flows from investing activities: Proceeds from sales and maturities of						
investments	14,611,342	7,600,645	4,448,234	2,726,000	3,074,046	32,460,267
Purchase of investments	(16,586,662)	(8,818,835)	(4,954,976)	(2,743,386)	(2,060,892)	(35,164,751)
Net decrease in fair value of investments	(287,439)	(10,630)	-	-	-	(298,069)
Receipt of interest	55,602	34,245	17,497	4,292	4,121	115,757
Net cash provided (used) by investing activities	(2,207,157)	(1,194,575)	(489,245)	(13,094)	1,017,275	(2,886,796)
Net increase (decrease) in cash	81,422	(19,117)	39,638	502,816	(21,124)	583,635
Cash at beginning of year	52,684	150,017	27,258	1,213	21,124	252,296
Cash at end of year	\$ 134,106	\$ 130,900	\$ 66,896	\$ 504,029	\$ -	\$ 835,931

Continued

NON-MAJOR ENTERPRISE FUNDS STATEMENT OF CASH FLOWS

	McAllen Convention Center	Performing Arts Center	Champion Lake Golf Course	Metro McAllen	Transit Terminal	Total
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ (2,771,939)	\$ (1,087,603)	\$ 237,999	\$ (3,249,272)	\$ (1,730,771)	\$ (8,601,586)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation (Increase) decrease in deferred outflows of	1,561,685	1,189,513	383,762	33,123	1,088,140	4,256,223
resources - pension Increase (decrease) in deferred inflow of	3,532	-	2,292	14,096	1,905	21,825
resources -pension Increase (decrease) in deferred inflow of	271,333	-	112,298	252,877	41,956	678,464
resources - leases	-	-	88,464	346,570	-	435,034
(Increase) decrease in lease receivable (Increase) decrease in accounts receivable	(250)	-	(90,342) (60)	(347,341) (6,810)	-	(437,683) (7,120)
(Increase) decrease in prepaid items	(580,611)	-	-	552	-	(580,059)
Increase (decrease) in accounts payable	17,476	(47,366)	44,084	(33,449)	(159,799)	(179,054)
Increase (decrease) in customer deposits payable Increase (decrease) in compensated absences	70,809	40,956	-	-	-	111,765
payable	39,799	-	15,670	(650)	3,480	58,299
Increase (decrease) in accrued liabilities	(23,326)	(14,728)	1,290	8,945	2,774	(25,045)
Increase (decrease) in due to other funds	(61,675)	-	-	(21,041)	-	(82,716)
Increase (decrease) net pension asset	(447,112)	-	(200,702)	(457,564)	(49,213)	(1,154,591)
Increase (decrease) in unearned revenue			26,217			26,217
Total adjustments	851,660	1,168,375	382,973	(210,692)	929,243	3,121,559
Net cash provided (used) by operating activities	\$ (1,920,279)	\$ 80,772	\$ 620,972	\$ (3,459,964)	\$ (801,528)	\$ (5,480,027)
Reconciliation to statement of net position:						
Cash	\$ 68,367			\$ 504,029	\$ 21,124	\$ 709,702
Cash-restricted	65,739	66,044	15,570			147,353
Total cash	\$ 134,106	\$ 130,900	\$ 66,896	\$ 504,029	\$ 21,124	\$ 857,055
Noncash investing, capital and financing activities:						
Contributions of capital assets	\$ 47,777		\$ -	\$ -	\$ -	\$ 47,777
Decrease in fair value of investments	(287,439)	(10,630)	-	-	-	(298,069)



Internal Service Funds

The <u>Internal Service Funds</u> were established to finance and account for services, materials, and supplies furnished to the various departments of the City, and on a limited basis, to other local governmental agencies. These services are provided on a cost reimbursement basis.

The <u>Fleet Materials Management Fund</u> sales and services are accounted for in two Interdepartmental Service Fund departments: Fleet Operations and Materials Management.

The **Employee Benefits Fund** was established to account for all expenses related to health insurance premiums and claims for City employees. Primary funding sources are transfers in from General Fund and Enterprise Funds.

The **Retiree Health Insurance Fund** was established to account for all expenses related to health insurance premiums and claims for retired City employees.

The <u>Risk Management Fund</u> was established to account for all expenses related to workmen's compensation claims and general liability insurance. Primary funding sources are transfers in from General Fund and Enterprise Funds.

The <u>Property & Casualty Insurance Fund</u> was established to account for all expenses related to general liability insurance personal and property claims. Primary funding sources are transfers in from General Fund and Enterprise Funds.

The <u>General Depreciation Fund</u> which was established for the sole purpose of replacing fixed assets of the General Fund. Funding has been provided by a rental charge to the appropriate department in the General Fund.

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION September 30, 2022

	Fleet Materials Management	Employee Benefits	Retiree Health Insurance
ASSETS			
Current assets: Cash	\$ 266,939	\$ 1,195,358	\$ 494
Certificate of deposit	-	-	-
Investments	-	13,613	51,510
Receivables, net: Accounts	239,240	120 116	9,583
Accrued interest	239,240	138,116	9,303
Due from other governments	2,252	-	-
Other	-	407,000	-
Prepaid items	401.740	-	-
Inventories	431,743	·	
Total current assets	940,174	1,754,087	61,587
Non current assets:			
TMRS net pension asset	99,769	-	-
Capital assets			
Buildings and systems	965,935	-	-
Improvement other than buildings	132,823	-	-
Machinery and equipment Less accumulated depreciation	904,532 (836,246)	-	-
Less accumulated depreciation	(630,240)	<u> </u>	
Total capital assets (net of accumulated depreciation)	1,167,044	<u> </u>	
Other noncurrent assets			
Total assets	2,206,987	1,754,087	61,587
Deferred outflows of resources-pension	53,612	<u> </u>	
Total Assets and deferred outflows of resources	\$ 2,260,599	\$ 1,754,087	\$ 61,587
LIABILITIES			
Current liabilities: Accounts payable	\$ 685,126	\$ 1,286,236	\$ 189
Accounts payable Accrued expense	31,346	830,113	240.000
Due to other funds	-	334,507	-
Current portion of capital lease	649	-	-
Compensated absences	55,581	29,389	-
Other	559	1,977	
Total current liabilities	773,261	2,482,222	240,189
Other non-current liabilities:			
Compensated absences	10,737	13,497	-
Capital lease payable	2,068		
Total other non-current liabilities	12,805	13,497	
Total liabilities	786,066	2,495,719	240,189
Deferred inflows of resources-pension	228,667		
Total liabilities and deferred inflows of resources	1,014,733	2,495,719	240,189
NET POSITION			
Net investment in capital assets	1,164,327	-	-
Unrestricted	81,539	(741,632)	(178,602)
Total net position	1,245,866	(741,632)	(178,602)
Total liabilities, deferred inflows of resources and net position	\$ 2,260,599	\$ 1,754,087	\$ 61,587
. Star habilities, deterred inherte of recodings and net position	<u> </u>	<u> </u>	y 01,007

_M	Risk anagement	Property & Casualty Insurance		General Depreciation		Total
\$	180,275	\$ 17,627	\$	17,684	\$	1,678,377
	-	-		1,002,152		1,002,152
	8,164,444	-		17,535,031		25,764,598
	125,045	-		_		511,984
	3,119	-		15,396		18,515
	-	-		-		2,252
	-	-		86,972		493,972
	509	-		-		509
			_			431,743
	8,473,392	17,627		18,657,235		29,904,102
	-	-		-		99,769
	_	_		_		965,935
	-	-		_		132,823
	37,257	-		31,703,293		32,645,082
	(33,953)		_	(23,762,052)		(24,632,251)
	3,304		_	7,941,241		9,111,589
	8,476,696	17,627		26,598,476		39,115,460
			_		_	53,612
\$	8,476,696	\$ 17,627	\$	26,598,476	\$	39,169,072
\$	70,669	\$ 30,381	\$	202,887	\$	2,275,488
	711,920	71,972		-		1,885,351
	-	-		-		334,507
	- 24,275	- 6,454		-		649 115,699
	24,273	- 0,434		-		2,536
	806,864	108,807		202,887		4,614,230
	15,491	-		-		39,725
	<u> </u>					2,068
	15,491					41,793
	822,355	108,807		202,887		4,656,023
			_	<u> </u>		228,667
	822,355	108,807		202,887		4,884,690
	322,000	100,007	_	202,007		1,007,000
	3,304	-		7,941,241		9,108,872
	7,651,037	(91,180)		18,454,348		25,175,510
	7,654,341	(91,180)		26,395,589		34,284,382
\$	8,476,696	\$ 17,627	\$	26,598,476	\$	39,169,072

INTERNAL SERVICE FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION For the Year Ended September 30, 2022

	Fleet Materials Management	Employee Benefits	Retiree Health Insurance	
Operating revenues:	A	•	•	
Charges for services Contributions	\$ 6,400,523	\$ - 13,279,685	\$ - 1,498,097	
Contributions	<u>-</u> _	13,279,003	1,490,097	
Total operating revenues	6,400,523	13,279,685	1,498,097	
Operating expenses:				
Salaries, wages and employee benefits	1,006,254	416,311	-	
Supplies and materials	26,846	99,279	-	
Contractual and other services	5,336,750	1,811,289	78,188	
Repairs and maintenance	53,205	-	-	
Depreciation and amortization	111,674	-	-	
Self insurance claims		13,955,642	1,197,949	
Total operating expenses	6,534,729	16,282,521	1,276,137	
Operating income (loss)	(134,206)	(3,002,836)	221,960	
Non operating revenues (expenses):				
Investment earnings	-	195	487	
Net increase (decrease) in fair value of investments	-	-	-	
Interest expense	(101)	-	-	
Gain (loss) on sale of capital assets	· -	-	-	
Intergovernmental	2,252	1,275	-	
Other	53,682	455,919	26,827	
Net non-operating revenues (expenses)	55,833	457,389	27,314	
Income (loss) before contributions and transfers	(78,373)	(2,545,447)	249,274	
Capital contributions	-	-	-	
Transfers in	-	954,292	-	
Transfers out	(11,709)			
Change in net position	(90,082)	(1,591,155)	249,274	
Total net position-beginning	1,335,948	849,523	(427,876)	
Total net position-ending	\$ 1,245,866	\$ (741,632)	\$ (178,602)	

	isk gement	Property & Casualty Insurance	De	General epreciation	 Total
\$	_	\$ -	\$	3,078,516	\$ 9,479,039
	,162,010	871,723		<u> </u>	 17,811,515
2	,162,010	871,723		3,078,516	 27,290,554
	454,273	144,016		-	2,020,854
1	72,856	75 444,324		-	199,056
ļ	,537,494 1,016	444,324		-	9,208,045 54,221
	3,603	-		1,987,456	2,102,733
	-	539,695		-	 15,693,286
2	,069,242	1,128,110		1,987,456	 29,278,195
	92,768	(256,387)		1,091,060	(1,987,641)
	40.001			102.705	154 200
	49,831 (209,215)	-		103,795 (588,270)	154,308 (797,485)
	(203,213)	_		(500,270)	(101)
	377,650	-		967,444	1,345,094
	30	-		-	3,557
	144,167	6,182		64,120	 750,897
	362,463	6,182		547,089	 1,456,270
	455,231	(250,205)		1,638,149	(531,371)
	_	-		31,034	31,034
	-	-		25,000	979,292
	(381,964)			(807,762)	 (1,201,435)
	73,267	(250,205)		886,421	(722,480)
7	,581,074	159,025		25,509,168	 35,006,862
\$ 7	,654,341	\$ (91,180)	\$	26,395,589	\$ 34,284,382

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

	Fleet Materials Management		Employee Benefits		Retiree Health Insurance
Cash flows from operating activities:					
Receipts from customers	\$ 6,378,113	\$	13,279,685	\$	1,544,909
Payments to employees	(1,105,669)		(400,622)		-
Payments to suppliers	(5,103,979)		(15,403,759)		(1,565,243)
Cash received from other cash receipts	52,932		513,444	_	26,827
Net cash provided (used) by operating activities	221,397		(2,011,252)		6,493
Cash flows from non-capital financing activities:					
Transfer from other funds	-		954,292		-
Transfer to other funds	(11,709)		-		-
Subsidy from federal/state grant	27,388		9,396		-
Cash provided (used) by non-capital financing activities	15,679	_	963,688		
Cash flows from capital and related financing activities:					
Purchases of capital assets	(5,437)		-		-
Proceeds from sale of capital assets	-		-		-
Principal repayments-bonds and notes	(1,279)		-		-
Interest paid	(101)	_	<u> </u>		
Net cash (used) by capital and related financing activities	(6,817)		<u>-</u>		
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-		590,000		274,000
Purchase of investments	-		(300,195)		(280,486)
Net decrease in fair value of investments	-		-		-
Receipt of interest			195		487
Net cash provided (used) by investing activities			290,000	_	(5,999)
Net increase (decrease) in cash	230,259		(757,564)		494
Cash at beginning of year	36,680		1,952,922		<u> </u>
Cash at end of year	\$ 266,939	\$	1,195,358	\$	494

Risk Management	Property & Casualty Insurance	General Depreciation	Totals
\$ 2,162,010	\$ 871,797	\$ 3,078,516	\$ 27,315,030
(442,521)	(136,130)	-	(2,084,942)
(1,576,555)	(954,833)	-	(24,604,369)
144,122	6,182		743,507
287,056	(212,984)	3,078,516	1,369,226
-	-	25,000	979,292
(381,964)	-	(807,762)	(1,201,435)
6,756			43,540
(375,208)		(782,762)	(178,603)
_	_	(2,102,011)	(2,107,448)
2,535,953	-	5,500,019	8,035,972
-	-	-	(1,279)
			(101)
2,535,953		3,398,008	5,927,144
9,333,471	_	13,140,240	23,337,711
(11,554,250)	_	(18,603,112)	(30,738,043)
(209,215)	-	(588,270)	(797,485)
47,917		92,578	141,177
(2,382,077)		(5,958,564)	(8,056,640)
65,724	(212,984)	(264,802)	(938,873)
114,551	230,611	282,486	2,617,250
\$ 180,275	\$ 17,627	\$ 17,684	\$ 1,678,377

Continued

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

	Fleet Materials Management	Employee Benefits	Retiree Health Insurance
Operating income (loss)	\$ (134,206)	\$ (3,002,836)	\$ 221,960
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	111,674	-	-
Other nonoperating revenues	53,682	513,444	26,827
(Increase) decrease in deferred outflows of resources - pension	10,822	-	-
Increase (decrease) in deferred inflow of resources -pension	124,428	-	-
Increase (decrease) in deferred inflows of resources - leases	-	-	-
(Increase) decrease in lease receivable	-	-	-
(Increase) decrease in accounts receivable	(23,065)	13,272	46,812
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in inventories	(37,232)	-	-
Increase (decrease) in accounts payable	349,310	14,081	189
Increase (decrease) in compensated absences payable	(7,788)	(1,040)	-
Increase (decrease) in accrued liabilities	7,542	117,320	-
Increase (decrease) in due to other funds	649	334,507	(289,295)
Increase (decrease) in net pension asset	(234,419)	-	-
Increase (decrease) in unearned revenue	<u> </u>		
Total adjustments	355,603	991,584	(215,467)
Net cash provided (used) by operating activities	\$ 221,397	\$ (2,011,252)	\$ 6,493
Noncash investing, capital, and financing activities:			
Contributions of capital assets	\$ -	\$ -	\$ -
Decrease in fair value of investments	\$ -	\$ -	\$ -

M	Risk Management		Property & Casualty Insurance		General epreciation		Totals
\$	92,768	\$	(256,387)	\$	1,091,060	\$	(1,987,641)
	3,603		-		1,987,456		2,102,733
	144,167		6,182		-		744,302
	-		-		-		10,822
	-		-		-		124,428
	-		-		-		-
	-		-		-		-
	(45)		414		-		37,388
	(500)		-		-		(500)
	(509)		-		-		(509)
	-		-		-		(37,232)
	35,320		29,261		-		428,161
	9,996 1,756		99 7.707		-		1,267
	1,/56		7,787		-		134,405
	-		-		-		45,861 (234,419)
			(340)				(340)
	194,288		43,403		1,987,456		3,356,867
\$	287,056	\$	(212,984)	\$	3,078,516	\$	1,369,226
¢	_	\$	_	\$	31,034	\$	31,034
\$ \$	(209,215)	\$	-	\$	(588,270)	\$	(797,485)
Ų	(207,210)	Ų		Ÿ	(300,270)	Ų	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,







	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 48,410,574			\$ 929,509
Sales	57,214,947	66,855,792	68,813,996	1,958,204
Franchise	6,057,000	6,057,000	7,011,616	954,616
Total taxes	111,682,521	122,290,172	126,132,501	3,842,329
Licenses and permits:				
Business licenses and permits	70,000	70,000	78,043	8,043
Occupational	535,670		506,873	(28,797)
Non-business licenses and permits	1,964,564	1,964,564	2,285,923	321,359
Total licenses and permits	2,570,234	2,570,234	2,870,839	300,605
Intergovernmental	914,691	914,691	1,100,208	185,517
Charges for services:				
General government	2,519,088	2,519,088	3,005,776	486,688
Public safety	569,600	569,600	821,933	252,333
Health	672,030	672,030	950,671	278,641
Culture and recreation	1,036,093	1,036,093	1,136,775	100,682
Total charges for services	4,796,811	4,796,811	5,915,155	1,118,344
Fines and forfeitures:				
Corporations court	830,000	933,482	970,232	36,750
Other fines	26,547	26,547	52,996	26,449
Total fines and forfeitures	856,547	960,029	1,023,228	63,199
Investment earnings	642,616	325,828	812,395	486,567
Net increase (decrease) in the fair value of investments			(2,350,667)	(2,350,667)
Other:				
Royalties	189,000	321,179	502,580	181,401
Rents and concessions	5,500	5,500	82,092	76,592
Reimbursements	245,000	249,739	479,846	230,107
Other	330,000	544,891	1,474,870	929,979
Total other revenues	769,500	1,121,309	2,539,388	1,418,079
Total revenues	122,232,920	132,979,074	138,043,047	5,063,973
EXPENDITURES General government: City commission:				
Salaries and benefits	222,470	224,608	203,817	20,791
Supplies	4,380	·	5,907	473
Miscellaneous services	139,280	137,280	100,724	36,556
Maintenance	17,000	17,000	15,880	1,120
Total city commission	383,130	385,268	326,328	58,940

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Special services:	A 304.000	A 704.000		
Miscellaneous services	\$ 726,898	\$ 726,898	\$ 526,062	\$ 200,836
Total special services	726,898	726,898	526,062	200,836
City manager:	4.450.400	4 700 000	4 4 5 0 5 4 0	44.050
Salaries and benefits	1,650,488	1,720,399	1,658,549	61,850
Supplies Miscellaneous services	14,930 88,181	15,555 88,181	13,327 75,199	2,228 12,982
Maintenance	1,680	1,877	1,174	703
Walltellalioe	1,000	1,077		700
Total city manager	1,755,279	1,826,012	1,748,249	77,763
City secretary:				
Salaries and benefits	565,771	593,415	565,653	27,762
Supplies	5,000	6,681	8,339	(1,658)
Miscellaneous services	22,603	20,922	20,612	310
Maintenance	22,658	22,585	21,951	634
Total city secretary	616,032	643,603	616,555	27,048
Audit office:				
Salaries and benefits	216,788	224,775	234,826	(10,051)
Supplies	1,375	1,375	1,162	213
Miscellaneous services	9,500	9,500	4,589	4,911
Total audit office	227,663	235,650	240,577	(4,927)
Vital statistics:				
Salaries and benefits	160,164	170,271	129,759	40,512
Supplies	9,050	13,789	18,528	(4,739)
Miscellaneous services	22,168	22,168	11,768	10,400
Total vital statistics	191,382	206,228	160,055	46,173
Decement for illing				
Passport facility: Salaries and benefits	182,213	196,565	202,045	(5,480)
Supplies	2,425	12,425	12,130	(3,480)
Miscellaneous services	8,620	8,620	6,189	2,431
Maintenance	200	200		200
Total passport facility	193,458	217,810	220,364	(2,554)
Municipal court:	1 400 0 40	4 564406	1 000 440	005744
Salaries and benefits	1,493,346	1,564,186	1,228,442	335,744
Supplies Miscellaneous services	75,895	124,210	58,082	66,128
Miscellaneous services Maintenance	78,764 81,390	82,552 83,068	50,358 66,484	32,194 16,584
Capital outlay	61,390	49,797	49,979	(182)
Οαριταί Outray		49,797	49,979	(102)
Total municipal court	1,729,395	1,903,813	1,453,345	450,468

	Original Bud	lget_	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Finance:	\$ 1,349	0.747	h 1001700	Δ 1000740	ά (7.00 <i>4</i>
Salaries and benefits Supplies		9,747 4,760	\$ 1,391,726 31,185	\$ 1,323,742 26,321	\$ 67,984 4,864
Miscellaneous services		4,700 1,728	254,960	203,207	51,753
Maintenance		7,806	78,156	73,910	4,246
Walltellance		7,000	70,130	73,910	4,240
Total finance	1,714	4,041	1,756,027	1,627,180	128,847
Budget & management:					
Salaries and benefits		3,445	418,208	412,017	6,191
Supplies		0,300	10,300	6,820	3,480
Miscellaneous services		6,282	16,282	9,312	6,970
Maintenance	1	1,000	11,000	6,200	4,800
Total budget & management	44	1,027	455,790	434,349	21,441
Tax office:					
Salaries and benefits	318	8,121	339,050	317,992	21,058
Supplies		8,000	7,600	7,401	199
Miscellaneous services		7,198	918,198	906,482	11,716
Maintenance		9,307	28,707	28,370	337
Total tax office	1,272	2,626	1,293,555	1,260,245	33,310
Purchasing and contracting:					
Salaries and benefits	594	4,481	632,123	549,956	82,167
Supplies	9	9,215	9,415	8,825	590
Miscellaneous services		6,993	16,793	14,581	2,212
Total purchasing and contracting	620	0,689	658,331	573,362	84,969
Legal:					
Salaries and benefits	1.396	6,649	1,441,184	1,013,805	427,379
Supplies	·	7,032	7,032	7,025	7
Miscellaneous services		7,141	477,141	456,122	21,019
Total legal	1,880	0,822	1,925,357	1,476,952	448,405
Grant administration:					
Salaries and benefits	4.4	7,678	460,488	411,582	48,906
Supplies		7,078 0,097	10,097	5,730	4,367
Miscellaneous services		0,097 2,687	62,687	57,722	4,965
wiscendieous services		2,007	02,007	37,722	4,900
Total grant administration	520	0,462	533,272	475,034	58,238
Human resources:					
Salaries and benefits		7,622	720,158	718,402	1,756
Supplies		8,481	38,481	31,830	6,651
Miscellaneous services	107	7,149	137,149	96,689	40,460
Maintenance		500	500	237	263
Total human resources	833	3,752	896,288	847,158	49,130

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Risk management:	\$ 488,464	\$ 488,464	\$ 488,464	\$ -
Liability insurance	\$ 488,404	\$ 488,464	\$ 488,464	\$ -
Total risk management	488,464	488,464	488,464	
Planning:				
Salaries and benefits	1,332,746	1,385,050	1,236,772	148,278
Supplies	20,700	20,700	29,120	(8,420)
Miscellaneous services	56,900	56,900	40,686	16,214
Maintenance Capital outlay	17,241 15,000	19,296 15,000	13,411	5,885 15,000
Capital Outlay	13,000	13,000		13,000
Total planning	1,442,587	1,496,946	1,319,989	176,957
Information technology:				
Salaries and benefits	2,141,840	2,245,767	2,209,974	35,793
Supplies	128,448	139,019	186,549	(47,530)
Miscellaneous services	323,575	323,575	226,719	96,856
Maintenance	1,117,154	1,122,602	988,927	133,675
Capital outlay	152,500	152,500	42,883	109,617
Total information technology	3,863,517	3,983,463	3,655,052	328,411
Public information office:				
Salaries and benefits	681,700	706,487	612,378	94,109
Supplies	14,950	17,450	15,993	1,457
Miscellaneous services	114,200	137,700	134,009	3,691
Maintenance	39,901	14,277	14,085	192_
Total public information office	850,751	875,914	776,465	99,449
311 Call center:				
Salaries and benefits	378,037	419,413	349,473	69,940
Supplies	5,856	5,856	4,765	1,091
Miscellaneous services	38,500	38,500	17,888	20,612
Maintenance	28,000	28,000	53,639	(25,639)
Capital outlay	35,000	35,000		35,000
Total 311 Call center	485,393	526,769	425,765	101,004
City hall:				
Salaries and benefits	122,866	128,799	112,087	16,712
Supplies	19,900	19,900	15,121	4,779
Miscellaneous services	254,669	254,669	278,654	(23,985)
Maintenance	142,928	144,122	144,212	(90)
Total city hall	540,363	547,490	550,074	(2,584)
Building maintenance:				
Salaries and benefits	883,049	910,797	742,832	167,965
Supplies	20,522	20,522	18,764	1,758
Miscellaneous services	71,325	71,325	67,914	3,411
Maintenance	45,813	60,825	66,508	(5,683)
Capital outlay	49,200	49,200		49,200
Total building maintenance	1,069,909	1,112,669	896,018	216,651

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Development center				
Salaries and benefits	\$ 41,918		\$ 39,636	4,292
Supplies	14,300	15,300	14,293	1,007
Miscellaneous services	51,720	50,720	45,680	5,040
Maintenance	18,000	18,000	15,191	2,809
Total development center	125,938	127,948	114,800	13,148
Economic development:				
Chambers of commerce	644,000	644,000	644,000	
Total economic development	644,000	644,000	644,000	
Non-departmental activities	10,000	10,000	380	9,620
Contingency	1,136,250	(1,509,141)	8,475	(1,517,616)
Total general government	23,763,828	21,968,424	20,865,297	1,103,127
Public safety:				
Police:				
Salaries and benefits	33,647,642	34,964,039	33,636,448	1,327,591
Supplies	484,132	489,220	682,287	(193,067)
Miscellaneous services	1,494,312	1,494,312	1,503,767	(9,455)
Maintenance	1,429,939	1,806,116	1,907,874	(101,758)
Capital outlay	387,236	392,236	150,822	241,414
Total police	37,443,261	39,145,923	37,881,198	1,264,725
Animal control:				
Salaries and benefits	293,967	303,420	285,878	17,542
Supplies	12,000	12,000	13,480	(1,480)
Miscellaneous services	10,200	10,200	8,535	1,665
Maintenance	37,076	55,166	62,680	(7,514)
Total animal control	353,243	380,786	370,573	10,213
Radio shop:				
Salaries and benefits	344,354	358,833	384,527	(25,694)
Supplies	97,052	97,052	85,506	`11,546 [´]
Miscellaneous services	300,178	300,178	252,444	47,734
Maintenance	6,770	5,490	2,018	3,472
Total communication technology	748,354	761,553	724,495	37,058
Fire:				
Salaries and benefits	18,271,645	18,662,931	19,593,417	(930,486)
Supplies	553,393	553,393	584,449	(31,056)
Miscellaneous services	1,367,572	1,367,572	1,394,515	(26,943)
Maintenance	816,180	862,243	913,298	(51,055)
Total fire	21,008,790	21,446,139	22,485,679	(1,039,540)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Traffic operations:				
Salaries and benefits	\$ 1,617,720			
Supplies	137,105	137,105	118,333	18,772
Miscellaneous services	371,219	371,219	355,295	15,924
Maintenance	320,404	353,006	331,239	21,767
Capital outlay	56,006	56,006	54,735	1,271
Total traffic operations	2,502,454	2,603,890	2,403,267	200,623
Building code compliance:				
Salaries and benefits	1,100,855	1,206,916	1,064,481	142,435
Supplies	25,013	25,013	23,911	1,102
Miscellaneous services	98,384	98,384	87,486	10,898
Maintenance	13,036	20,787	31,542	(10,755)
Total building code compliance	1,237,288	1,351,100	1,207,420	143,680
Total public safety	63,293,390	65,689,391	65,072,632	616,759
Highways and streets: Engineering services:				
Salaries and benefits	2,042,241	2,163,609	1,931,951	231,658
Supplies	19,608	38,858	35.895	2,963
Miscellaneous services	131,752	112,502	94,904	17,598
Maintenance	37,110	52,882	52,407	475
Total engineering	2,230,711	2,367,851	2,115,157	252,694
Street maintenance:				
Salaries and benefits	2,200,644	2,298,573	1,899,780	398,793
Supplies	46,657	46,657	51,234	(4,577)
Miscellaneous services	440,939	440,939	439,979	960
Maintenance	3,897,072	4,001,057	3,952,040	49,017
Total street maintenance	6,585,312	6,787,226	6,343,033	444,193
Street lighting:				
Miscellaneous services	2,151,390	2,151,390	2,573,697	(422,307)
Maintenance	72,675	72,675	56,719	15,956
Total street lighting	2,224,065	2,224,065	2,630,416	(406,351)
Sidewalk construction:				
Salaries and benefits	277,271	292,532	274,948	17,584
Supplies	30,132	30,132	28,732	1,400
Miscellaneous services	23,945	23,945	23,945	-
Maintenance	27,870	35,448	45,277	(9,829)
Capital outlay	21,000	21,000		21,000
Total sidewalk construction	380,218	403,057	372,902	30,155

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Drainage:				
Salaries and benefits	\$ 1,000,288			
Supplies	28,452	28,452	33,604	(5,152)
Miscellaneous services	254,280	254,280	243,134	11,146
Maintenance	289,049	370,458	435,508	(65,050)
Capital outlay	33,000	33,000	16,500	16,500
Total drainage	1,605,069	1,736,803	1,700,113	36,690
Total highways and streets	13,025,375	13,519,002	13,161,621	357,381
Health and welfare:				
Health code compliance:				
Salaries and benefits	1,685,102	1,759,902	1,776,854	(16,952)
Supplies	57,595	48,595	72,653	(24,058)
Miscellaneous services	348,622	348,622	391,223	(42,601)
Maintenance	66,721	93,795	90,521	3,274
Capital outlay	104,000	113,000	35,387	77,613
Total health code compliance	2,262,040	2,363,914	2,366,638	(2,724)
Graffiti cleaning:				
Salaries and benefits	117,340	122,932	123,135	(203)
Supplies	10,181	10,181	9,826	355
Miscellaneous services	17,513	17,513	17,520	(7)
Maintenance	20,239	21,017	31,623	(10,606)
Capital outlay	7,500	7,500		7,500
Total graffiti cleaning	172,773	179,143	182,104	(2,961)
Other agencies:				
Humane society	919,193	1,068,000	1,068,000	_
Other health and welfare agencies	35,000	20,000	15,000	5,000
·			•	
Total other agencies	954,193	1,088,000	1,083,000	5,000
Total health and welfare	3,389,006	3,631,057	3,631,742	(685)
Culture and recreation: Parks and recreation administration:				
Salaries and benefits	455,849	478.458	448,235	30,223
Supplies	10,250	10,250	8,826	1,424
Miscellaneous services	127,387	127,387	102,037	25,350
Maintenance	24,097	24,097	22,616	1,481
Capital outlay	5,200	5,200		5,200
Total parks and recreation administration	622,783	645,392	581,714	63,678
Parks:				
Salaries and benefits	5,549,021	5,785,920	5,019,933	765,987
Supplies	223,799	223,799	206,939	16,860
Miscellaneous services	2,325,790	2,325,790	2,755,850	(430,060)
Maintenance	724,244	776,914	1,071,145	
	·			(294,231)
Capital outlay	105,600	105,600	5,980	99,620
Total parks	8,928,454	9,218,023	9,059,847	158,176

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Recreation:				
Salaries and benefits	\$ 1,450,898			
Supplies	78,000	63,000	59,547	3,453
Miscellaneous services	312,294		400,094	(72,800)
Maintenance	15,599	17,590	13,963	3,627
Total recreation	1,856,791	1,892,260	1,597,519	294,741
Pools:				
Salaries and benefits	678,113	700,588	629,694	70,894
Supplies	89,800	89,800	92,421	(2,621)
Miscellaneous services	121,378	121,378	96,462	24,916
Maintenance	60,002	61,242	52,242	9,000
Total pools	949,293	973,008	870,819	102,189
Las palmas community center:				
Salaries and benefits	276,200	297,951	256,533	41,418
Supplies	16,180	16,180	14,787	1,393
Miscellaneous services	96,463	96,463	93,417	3,046
Maintenance	17,384	16,125	20,576	(4,451)
Total las palmas community center	406,227	426,719	385,313	41,406
Recreation center-Lark:				
Salaries and benefits	329,944	360,299	286,186	74,113
Supplies	25,730	25,730	19,204	6,526
Miscellaneous services	129,573	129,573	111,989	17,584
Maintenance	16,500	16,500	33,881	(17,381)
Capital outlay	10,753	342,253		342,253
Total recreation center-Lark	512,500	874,355	451,260	423,095
Recreation center-Palmview:				
Salaries and benefits	319,238	343,832	280,822	63,010
Supplies	23,205	23,205	20,370	2,835
Miscellaneous services	115,924	115,924	103,332	12,592
Maintenance	17,000	17,000	19,905	(2,905)
Capital outlay		327,871		327,871
Total recreation center-Palmview	475,367	827,832	424,429	403,403
Quinta mazatlan:				
Salaries and benefits	849,904	887,987	688,366	199,621
Supplies	75,643	75,643	65,011	10,632
Miscellaneous services	112,525	112,525	131,852	(19,327)
Maintenance	50,390	51,004	54,683	(3,679)
Total quinta mazatlan	1,088,462	1,127,159	939,912	187,247

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Library:				
Salaries and benefits	\$ 2,634,126	\$ 2,834,879	\$ 2,377,248	\$ 457,631
Supplies	276,600	276,600	279,446	(2,846)
Miscellaneous services	630,858	630,858	733,807	(102,949)
Maintenance	190,351	190,248	157,691	32,557
Capital outlay	25,000	17,659	17,287	372
Total library	3,756,935	3,950,244	3,565,479	384,765
Library branch-Lark:				
Salaries and benefits	456,468	488,262	465,391	22,871
Supplies	29,150	29,150	41,408	(12,258)
Miscellaneous services	13,293	25,693	22,574	3,119
Maintenance	5,250	5,250	3,161	2,089
Capital outlay	63,135	75,215	61,581	13,634
,	03,133	75,215	01,301	13,034
Total library branch-Lark	567,296	623,570	594,115	29,455
Library branch-Palmview:				
Salaries and benefits	488,650	529,917	464,000	65,917
Supplies	30,200	30,200	40,578	(10,378)
Miscellaneous services	9,993	22,393	22,614	(221)
Maintenance	5,500	5,500	4,240	1,260
Capital outlay	63,135	75,215	61,581	13,634
Total library branch-Palmview	597,478	663,225	593,013	70,212
Other agencies	1,020,500	210,500	210,500	
Museums	740,000	40,000	40,000	
Total culture and recreation	21,522,086	21,472,287	19,313,920	2,158,367
Debt service:				
Principal	192,718	192,718	437,718	(245,000)
Interest and fiscal charges	70,456	70,456	70,457	(1)
Total debt service	263,174	263,174	508,175	(245,001)
Total expenditures	125,256,859	126,543,335	122,553,387	3,989,948
Excess (deficiency) of revenues over expenditures	(3,023,939)	6,435,739	15,489,660	9,053,921
OTHER FINANCING SOURCES (USES)				
Transfers in	18,996,881	20,211,693	20,251,643	39,950
Transfers out	(25,521,349)		(29,023,591)	2,775
Total other financing sources (uses)	(6,524,468)	(8,814,673)	(8,771,948)	42,725
Net change in fund balance	(9,548,407)	(2,378,934)	6,717,712	9,096,646
Fund balance-beginning	76,476,771	76,476,771	76,476,771	
Fund balance-ending	\$ 66,928,364	\$ 74,097,837	\$ 83,194,483	\$ 9,096,646

	Orig	inal Budget	F	inal Budget	Act	tual Amount	_	Variance with Final Budget Positive (Negative)
REVENUES Hotel tax Investment earnings	\$	2,811,000	\$	2,811,000	\$	4,656,299 -	\$	1,845,299 -
Total revenues		2,811,000		2,811,000		4,656,299	_	1,845,299
EXPENDITURES Current: General government		917,393		817,393		1,344,657		(527,264)
Total expenditures		917,393	_	817,393		1,344,657		(527,264)
Excess (deficiency) of revenues over expenditures		1,893,607		1,993,607		3,311,642	_	1,318,035
OTHER FINANCING SOURCES (USES) Transfers out		(1,893,607)		(1,993,607)		(3,311,642)	_	(1,318,035)
Total other financing sources (uses)		(1,893,607)		(1,993,607)		(3,311,642)	_	(1,318,035)
Net change in fund balance		-		-		-		-
Fund balancebeginning		388		388		388		
Fund balanceending	\$	388	\$	388	\$	388	\$	

	Out.	de al Berdera		Final Budget				Variance with Final Budget Positive
DEVENUE	Orig	jinal Budget	_	Final Budget	Act	ual Amount	_	(Negative)
REVENUES Hotel tax Investment earnings	\$	803,815	\$	803,815	\$	1,330,064 58	\$	526,249 58
Total revenues		803,815	_	803,815		1,330,122	_	526,307
OTHER FINANCING SOURCES (USES) Transfers out		(1,035,435)	_	(1,035,435)		(1,035,435)	_	<u>-</u>
Total other financing sources (uses)		(1,035,435)		(1,035,435)		(1,035,435)	_	
Net change in fund balance		(231,620)		(231,620)		294,687		526,307
Fund balance-beginning		525,378	_	525,378		525,378	_	
Fund balance-ending	\$	293,758	\$	293,758	\$	820,065	\$	526,307

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Investment earnings Other	\$ -	\$ -	\$ 910 875	\$ 910 875
Total revenues		<u> </u>	1,785	1,785
EXPENDITURES Current: General government		391,341	24,104	367,237
Total expenditures		391,341	24,104	367,237
Excess (deficiency) of revenues over expenditures		(391,341)	(22,319)	369,022
OTHER FINANCING SOURCES (USES) Transfers in		391,341	341,341	(50,000)
Total other financing sources (uses)		391,341	341,341	(50,000)
Net change in fund balance	-	-	319,022	319,022
Fund balance-beginning		<u> </u>		
Fund balance-ending	<u>\$</u>	\$ -	\$ 319,022	\$ 319,022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Intergovernmental Investment earnings	\$ -	-	\$ 52,747 3,530	\$ 52,747 3,530
Other	605,000	605,000	788,813	183,813
Total revenues	605,000	605,000	845,090	240,090
EXPENDITURES Current:				
Culture and recreation	717,100	713,100	1,019,026	(305,926)
Total expenditures	717,100	713,100	1,019,026	(305,926)
Excess (deficiency) of revenues over expenditures	(112,100	(108,100)	(173,936)	(65,836)
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers out		(4,000)	(4,000)	
Total other financing sources (uses)	100,000	96,000	96,000	
Net change in fund balance	(12,100	(12,100)	(77,936)	(65,836)
Fund balance-beginning	514,599	514,599	514,599	
Fund balance-ending	\$ 502,499	\$ 502,499	\$ 436,663	\$ (65,836)

LOCAL GOVERNMENT FINANCE CORPORATION DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 3,398	\$ 3,398
Total revenues			3,398	3,398
EXPENDITURES Debt service:				
Principal	535,500	535,500	510,000	25,500
Interest and fiscal charges	369,685	369,685	352,831	16,854
Total expenditures	905,185	905,185	862,831	42,354
Excess (deficiency) of revenues over expenditures	(905,185)	(905,185)	(859,433)	45,752
OTHER FINANCING SOURCES (USES) Transfers in	905,185	905,185	821,056	(84,129)
Total other financing sources (uses)	905,185	905,185	821,056	(84,129)
Net change in fund balance	-	-	(38,377)	(38,377)
Fund balancebeginning	347,262	347,262	347,262	
Fund balanceending	\$ 347,262	\$ 347,262	\$ 308,885	\$ (38,377)

Mcallen eb-5 regional center fund Schedule of revenues, expenditures, and changes in fund balance Budget and actual

				Variance with Final Budget Positive
	Original Budget	Final Budget	Actual Amount	(Negative)
REVENUES Investment earnings	\$ 282	\$ 282	\$ 490	\$ 208
Total revenues	282	282	490	208
EXPENDITURES Current:				
General government			12,535	(12,535)
Total expenditures			12,535	(12,535)
Excess (deficiency) of revenues over expenditures	282	282	(12,045)	(12,327)
Net change in fund balance	282	282	(12,045)	(12,327)
Fund balancebeginning	63,424	63,424	63,424	
Fund balance-ending	\$ 63,706	\$ 63,706	\$ 51,379	\$ (12,327)

	Orig	ginal Budget		Final Budget	Actual Amount	Variance v Final Budo Positive (Negative	get e
REVENUES Investment earnings Net increase (decrease) in the fair value of investments Other	\$	10,077 - -	\$	10,077 - -	\$ 10,384 (27,865) 498,050	`	307 7,865) 3,050
Total revenues		10,077	_	10,077	480,569	470	0,492
EXPENDITURES Current: Culture and recreation		1,197,294		1,437,534	749,299	688	3,235_
Total expenditures		1,197,294	_	1,437,534	749,299	688	3,235
Excess (deficiency) of revenues over expenditures		(1,187,217)	_	(1,427,457)	(268,730)	1,158	3,727
Net change in fund balance		(1,187,217)		(1,427,457)	(268,730)	1,158	3,727
Fund balancebeginning		2,944,568	_	2,944,568	2,944,568		
Fund balanceending	\$	1,757,351	\$	1,517,111	\$ 2,675,838	\$ 1,158	3,727

PUBLIC EDUCATION GOVERNMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Origi	nal Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES					
Franchise tax	\$	222,816		\$ 216,243	. , ,
Investment earnings		3,554	3,554	9,352	5,798
Total revenues		226,370	226,370	225,595	(775)
EXPENDITURES Current:					
General government		178,500	253,500	220,211	33,289
Total expenditures		178,500	253,500	220,211	33,289
Excess (deficiency) of revenues over expenditures		47,870	(27,130)	5,384	32,514
Net change in fund balance		47,870	(27,130)	5,384	32,514
Fund balancebeginning		1,126,700	1,126,700	1,126,700	
Fund balanceending	\$	1,174,570	\$ 1,099,570	\$ 1,132,084	\$ 32,514

	_ Orig	inal Budget	F	inal Budget	Acti	ual Amount		Variance with Final Budget Positive (Negative)
REVENUES Investment earnings Other	\$	1,467 2,392,850	\$	1,467 2,442,850	\$	4,694 821,888	\$	3,227 (1,620,962)
Total revenues		2,394,317		2,444,317		826,582	_	(1,617,735)
EXPENDITURES Current: Culture and recreation		50,000		50,000		120,253		(70,253)
Total expenditures		50,000		50,000		120,253	_	(70,253)
Excess (deficiency) of revenues over expenditures		2,344,317		2,394,317		706,329		(1,687,988)
OTHER FINANCING SOURCES (USES) Transfers out		(2,252,850)		(2,302,850)		(550,500)	_	1,752,350
Total other financing sources (uses)		(2,252,850)		(2,302,850)		(550,500)		1,752,350
Net change in fund balance		91,467		91,467		155,829		64,362
Fund balancebeginning		245,099		245,099		245,099	_	
Fund balanceending	\$	336,566	\$	336,566	\$	400,928	\$	64,362

COMMUNITY DEVELOPMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Intergovernmental Other	\$ 2,500,171 	\$ 2,500,171	\$ 1,857,390 8,463	\$ (642,781) 8,463
Total revenues	2,500,171	2,500,171	1,865,853	(634,318)
EXPENDITURES Current: General government Public safety Highways and streets Health and welfare Culture and recreation	422,023 335,100 442,048 1,056,000 245,000	422,023 335,100 442,048 1,056,000 245,000	297,018 208,825 539,959 725,694 94,357	125,005 126,275 (97,911) 330,306 150,643
Total expenditures	2,500,171	2,500,171	1,865,853	634,318
Excess (deficiency) of revenues over expenditures				
Net change in fund balance	-	-	-	-
Fund balancebeginning				
Fund balance-ending	\$	\$	<u>\$</u>	\$ -

DOWNTOWN SERVICES PARKING FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits Intergovernmental	\$ 15,000	\$ 15,000	\$ 11,335 140	\$ (3,665) 140
Charges for services	1,014,000	1,014,000	887,401	(126,599)
Fines and forfeitures	140,000	140,000	107,969	, , ,
	140,000	140,000	107,969	(32,031) 881
Investment earnings	0.000	0.000		
Other	8,900	8,900	28,785	19,885
Total revenues	1,177,900	1,177,900	1,036,511	(141,389)
EXPENDITURES				
Current:				
Highways and streets	1,200,346	1,209,396	1,095,240	114,156
Debt service:				
Principal	4,199	4,199	4,199	-
Interest and fiscal charges	676	676	676	
Total expenditures	1,205,221	1,214,271	1,100,115	114,156
Total experiantics	1,200,221	1,217,271	1,100,110	117,130
Excess (deficiency) of revenues over expenditures	(27,321)	(36,371)	(63,604)	(27,233)
OTHER FINANCING SOURCES (USES)				
Transfers in	35,000	35,000	49,282	14,282
Transfers out	-	(8,011)	(8,011)	· -
Total other financing sources (uses)	35,000	26,989	41,271	14,282
Net change in fund balance	7,679	(9,382)	(22,333)	(12,951)
Fund balancebeginning	118,950	118,950	118,950	
Fund balance-ending	\$ 126,629	\$ 109,568	\$ 96,617	\$ (12,951)

DRAINAGE FEE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Orio	ginal Budget		Final Budget	Δct	ual Amount		Variance with Final Budget Positive (Negative)
REVENUES	_011	gillai baaget	_	I illai buuget		Actual Amount		(ivegative)
Residential customers	\$	656,000	\$	656,000	\$	663,550	\$	7,550
Commercial accounts		566,000		566,000		570,099		4,099
Industrial customers		33,500		33,500		33,639		139
Investment earnings		9,416		9,416		28,608		19,192
Net increase (decrease) in the fair value of investments			_			(41,508)		(41,508)
Total revenues		1,264,916		1,264,916		1,254,388	_	(10,528)
EXPENDITURES Current:								
Highways and streets		3,991,300	_	4,957,116		701,450		4,255,666
Total expenditures		3,991,300		4,957,116		701,450	_	4,255,666
Excess (deficiency) of revenues over expenditures		(2,726,384)		(3,692,200)		552,938		4,245,138
Net change in fund balance		(2,726,384)		(3,692,200)		552,938		4,245,138
Fund balance-beginning		3,692,201	_	3,692,201		3,692,201		
Fund balance-ending	\$	965,817	\$	1	\$	4,245,139	\$	4,245,138

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Orig	inal Budget		Final Budget	Actı	ual Amount		Variance with Final Budget Positive (Negative)
REVENUES								
Property tax Investment earnings Other	\$	4,843,179 54 <u>-</u>	\$	4,843,179 54 -	\$	5,420,323 38,604 3,176	\$	577,144 38,550 3,176
Total revenues		4,843,233		4,843,233		5,462,103	_	618,870
EXPENDITURES Debt service: Principal		3,190,000		3,190,000		3,190,000		_
Interest and fiscal charges		1,887,095		1,887,095		1,884,867		2,228
interest and nood onarges		1,007,000	_	1,007,000		1,004,007	_	2,220
Total expenditures		5,077,095		5,077,095		5,074,867		2,228
Excess (deficiency) of revenues over expenditures		(233,862)		(233,862)		387,236		621,098
OTHER FINANCING SOURCES (USES) Transfers in		233,862		233,862		233,862	_	<u>-</u>
Total other financing sources (uses)		233,862		233,862		233,862	_	
Net change in fund balance		-		-		621,098		621,098
Fund balancebeginning		3,880,392		3,880,392		3,880,392	_	<u>-</u>
Fund balanceending	\$	3,880,392	\$	3,880,392	\$	4,501,490	\$	621,098

HOTEL VENUE DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Investment earnings	<u>\$</u> -	\$ -	\$ -	\$ -
Total revenues				
EXPENDITURES Debt service:				
Principal	535,000	535,000	535,000	-
Interest and fiscal charges	33,706	33,706	33,706	
Total expenditures	568,706	568,706	568,706	
Excess (deficiency) of revenues over expenditures	(568,706)	(568,706)	(568,706)	-
OTHER FINANCING SOURCES (USES) Transfers in	568,706	568,706	568,706	
Total other financing sources (uses)	568,706	568,706	568,706	<u> </u>
Net change in fund balance	-	-	-	-
Fund balance-beginning	4	4	4	
Fund balance-ending	\$ 4	\$ 4	\$ 4	\$ -

CAPITAL IMPROVEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Origi	nal Budget		Final Budget	Actual Amount	_	Variance with Final Budget Positive (Negative)
REVENUES							
Intergovernmental	\$	661,732	\$	911,732	•	\$	(911,732)
Investment earnings		27,418		27,418	78,548		51,130
Net increase (decrease) in the fair value of investments		-		-	(323,167)		(323,167)
Other			_		62,255	-	62,255
Total revenues		689,150		939,150	(182,364)	_	(1,121,514)
EXPENDITURES							
Current:							
General government		2,176,214		2,594,457	807,040		1,787,417
Public safety		1,532,730		1,616,960	945,267		671,693
Highways and streets		3,982,722		3,658,864	718,942		2,939,922
Health and welfare		-		50,000	48,623		1,377
Culture and recreation		5,890,014		6,241,196	2,013,256	_	4,227,940
Total expenditures		13,581,680		14,161,477	4,533,128	_	9,628,349
Excess (deficiency) of revenues over expenditures	(12,892,530)	_	(13,222,327)	(4,715,492)	_	8,506,835
OTHER FINANCING SOURCES (USES)							
Transfers in		5,491,712		5,365,371	5,328,593		(36,778)
Transfers out				(325,520)	(325,520)	_	<u>-</u> _
Total other financing sources (uses)		5,491,712		5,039,851	5,003,073	_	(36,778)
Net change in fund balance		(7,400,818)		(8,182,476)	287,581		8,470,057
Fund balance-beginning		8,987,888		8,987,888	8,987,888	_	
Fund balance-ending	\$	1,587,070	\$	805,412	\$ 9,275,469	\$	8,470,057

QUINTA CENTER FOR URBAN ECOLOGY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Ori	ginal Budget	F	inal Budget	Act	ual Amount	_	ariance with inal Budget Positive (Negative)
REVENUES Intergovernmental Investment earnings Other	\$	16,948,564 - 5,000,000	\$	16,948,564 - 5,500,000	\$	39,047 81,150	\$	(16,909,517) 81,150 (5,500,000)
Total revenues		21,948,564		22,448,564		120,197		(22,328,367)
EXPENDITURES Current: Culture and recreation		31,692,341		31,692,341		78,094		31,614,247
Total expenditures		31,692,341		31,692,341		78,094		31,614,247
Excess (deficiency) of revenues over expenditures		(9,743,777)		(9,243,777)		42,103	_	9,285,880
OTHER FINANCING SOURCES (USES) Transfers in	_	2,252,850		9,383,765		7,631,415		(1,752,350)
Total other financing sources (uses)		2,252,850		9,383,765		7,631,415		(1,752,350)
Net change in fund balance		(7,490,927)		139,988		7,673,518		7,533,530
Fund balancebeginning	_	2,076,594		2,076,594		2,076,594		
Fund balance-ending	\$	(5,414,333)	\$	2,216,582	\$	9,750,112	\$	7,533,530

TRAFFIC IMPROVEMENTS/DRAINAGE CONSTRUCTION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,077,349	\$ 1,077,349	\$ -	\$ (1,077,349)
Investment earnings	60,988	60,988	105,404	44,416
Total revenues	1,138,337	1,138,337	105,404	(1,032,933)
EXPENDITURES Current:				
Public safety	1,023,000	1,023,000	501,861	521,139
Highways and streets	11,864,554	13,417,303	2,353,061	11,064,242
Total expenditures	12,887,554	14,440,303	2,854,922	11,585,381
Excess (deficiency) of revenues over expenditures	(11,749,217)	(13,301,966)	(2,749,518)	10,552,448
Net change in fund balance	(11,749,217)	(13,301,966)	(2,749,518)	10,552,448
Fund balance-beginning	17,049,948	17,049,948	17,049,948	
Fund balance-ending	\$ 5,300,731	\$ 3,747,982	\$ 14,300,430	\$ 10,552,448

PARKS FACILITY/FIRE STATION #2 CONSTRUCTION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Origin	Original Budget		Final Budget Actual Amount		Variance with Final Budget Positive (Negative)		
REVENUES								
Investment earnings	\$	24,147	\$	24,147	\$	17,073	\$	(7,074)
Total revenues		24,147		24,147		17,073		(7,074)
EXPENDITURES								
Current: Culture and recreation		6 022 000	6	. 000 000		2 601 020		2 421 000
Culture and recreation		6,023,008		5,023,008		3,601,028		2,421,980
Total expenditures		6,023,008	6	5,023,008		3,601,028		2,421,980
Excess (deficiency) of revenues over expenditures		(5,998,861)	(5	5,998,861)		(3,583,955)		2,414,906
· · · · · · · · · · · · · · · · · · ·		,						
OTHER FINANCING SOURCES (USES)								
Transfers in				5,147		5,156		9
Total other financing sources (uses)		_		5,147		5,156		9
Total other infalicing sources (uses)				3,147		3,130	_	
Net change in fund balance		(5,998,861)	(5	5,993,714)		(3,578,799)		2,414,915
Fund balance-beginning		5,878,849	5	5,878,849		5,878,849		
Fund halance anding	.	(120.012)	ć	(11406E)	ć	2 200 050	ć	0.414.015
Fund balanceending	\$	(120,012)	ş	<u>(114,865)</u>	Ş	2,300,050	<u>\$</u>	2,414,915

INFRASTRUCTURE AND IMPROVEMENTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget Final Budget		Actual Amount	Variance with Final Budget Positive (Negative)	
REVENUES					
Investment earnings	\$ -	\$ -	\$ 276,634	\$ 276,634	
Total revenues			276,634	276,634	
EXPENDITURES					
Current:					
General government	17,900,000	14,300,000	605,784	13,694,216	
Public safety	7,305,750	7,410,552	15,309	7,395,243	
Highways and streets	6,342,645	5,921,645	112,871	5,808,774	
Health and welfare	204,000	54,000	-	54,000	
Culture and recreation	14,690,000	13,431,000	1,002,040	12,428,960	
Total expenditures	46,442,395	41,117,197	1,736,004	39,381,193	
Excess (deficiency) of revenues over expenditures	(46,442,395)	(41,117,197)	(1,459,370)	39,657,827	
OTHER FINANCING SOURCES (USES)					
Transfers in	18,677,253	21,483,713	21,483,712	(1)	
Transfers out		(5,430,000)	(5,430,000)		
Total other financing sources (uses)	18,677,253	16,053,713	16,053,712	(1)	
Total other illiancing sources (uses)	10,077,200	10,033,713	10,033,712	(1)	
Net change in fund balance	(27,765,142)	(25,063,484)	14,594,342	39,657,826	
Fund balancebeginning	25,401,940	25,401,940	25,401,940		
Fund balance-ending	\$ (2,363,202)	\$ 338,456	\$ 39,996,282	\$ 39,657,826	

STREET IMPROVEMENTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental Investment earnings	\$ 1,879,479 6,038	\$ 1,879,479 6,038	\$ - 17,316	\$ (1,879,479) 11,278
Total revenues	1,885,517	1,885,517	17,316	(1,868,201)
EXPENDITURES Current:				
Highways and streets	4,015,740	6,155,767	1,745,185	4,410,582
Total expenditures	4,015,740	6,155,767	1,745,185	4,410,582
Excess (deficiency) of revenues over expenditures	(2,130,223)	(4,270,250)	(1,727,869)	2,542,381
OTHER FINANCING SOURCES (USES)				
Transfers in	620,678	946,198	946,198	
Total other financing sources (uses)	620,678	946,198	946,198	
Net change in fund balance	(1,509,545)	(3,324,052)	(781,671)	2,542,381
Fund balancebeginning	3,524,620	3,524,620	3,524,620	
Fund balanceending	\$ 2,015,075	\$ 200,568	\$ 2,742,949	\$ 2,542,381

PERFORMING ARTS CONSTRUCTION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Investment earnings	\$ -	\$ -	\$ 9	\$ 9
· ·	<u>v</u>	<u> </u>	-	
Total revenues			9	9
EXPENDITURES Current:				
Culture and recreation				
Total expenditures				
Excess (deficiency) of revenues over expenditures			9	9
OTHER FINANCING SOURCES (USES)				
Transfers out		(5,147)	(5,156)	(9)
Total other financing sources (uses)		(5,147)	(5,156)	(9)
Net change in fund balance	-	(5,147)	(5,147)	-
Fund balance-beginning	5,147	5,147	5,147	
Fund balance-ending	\$ 5,147	\$ -	\$ -	\$ -

SPORTS FACILITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Investment earnings	\$ 241	\$ 241	\$ 33	\$ (208)
Total revenues	241_	241_	33	(208)
EXPENDITURES Current:				
Culture and recreation	60,000	57,872	55,785	2,087
Total expenditures	60,000	57,872	55,785	2,087
Excess (deficiency) of revenues over expenditures	(59,759)	(57,631)	(55,752)	1,879
Net change in fund balance	(59,759)	(57,631)	(55,752)	1,879
Fund balance-beginning	57,803	57,803	57,803	
Fund balance-ending	\$ (1,956)	\$ 172	\$ 2,051	\$ 1,879

INFORMATION TECHNOLOGY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Origin	al Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES					
Investment earnings	\$	790	\$ 790	, , -	
Other		52,375	52,375	62,827	10,452
Total revenues		53,165	53,165	64,750	11,585
EXPENDITURES Current:					
General government		65,000	65,000	11,523	53,477
Total expenditures		65,000	65,000	11,523	53,477
Excess (deficiency) of revenues over expenditures		(11,835)	(11,835)	53,227	65,062
Net change in fund balance		(11,835)	(11,835)	53,227	65,062
Fund balancebeginning		201,218	201,218	201,218	
Fund balanceending	\$	189,383	\$ 189,383	\$ 254,445	\$ 65,062

WATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating revenues:				
Water sales: Residential customers	\$ 14,490,648	\$ 14,490,648	\$ 12,463,994	\$ (2,026,654)
Commercial accounts	6,513,810	6,513,810	6,092,590	(421,220)
Industrial customers	541,053	541,053	412,142	(128,911)
Total water sales	21,545,511	21,545,511	18,968,726	(2,576,785)
Service charges:				
Tap fees	810,000	810,000	901,166	91,166
Connect fees	220,000	220,000	235,170	15,170
Reconnect fees	190,000	190,000	195,625	5,625
Other services	340,000	340,000	176,067	(163,933)
Total service charges	1,560,000	1,560,000	1,508,028	(51,972)
Other	730,500	730,500	1,153,965	423,465
Total operating revenues	23,836,011	23,836,011	21,630,719	(2,205,292)
Nonoperating revenues:				
Investment earnings	81,497	81,497	191,050	109,553
Net increase (decrease) in the fair value of investment	-	-	(434,998)	(434,998)
Gain (loss) on sale of capital assets	-	-	11,405	11,405
Intergovernmental	-	-	2,732	2,732
Capital contributions	-	-	1,027,305	1,027,305
Interest revenue - leases	<u>-</u>		4,348	4,348
Total nonoperating revenues	81,497	81,497	801,842	720,345
Total revenues	23,917,508	23,917,508	22,432,561	(1,484,947)
Expenses:				
Water plant:				
Salaries and benefits	1,851,012	2,169,504	1,884,582	284,922
Supplies and raw water purchases	1,579,330	1,812,830	1,778,205	34,625
Contractual and other services	4,084,393	3,887,093	3,621,290	265,803
Repairs and maintenance	452,500	416,300	417,918	(1,618)
Capital outlay	252,250	252,250	291,668	(39,418)
, ,				
Total water plant	8,219,485	8,537,977	7,993,663	544,314
Water lab:				
Salaries and benefits	317,965	397,712	354,356	43,356
Supplies	48,680	48,680	36,417	12,263
Contractual and other services	65,514	65,514	51,232	14,282
Repairs and maintenance	40,950	40,950	33,678	7,272
Capital outlay	395,157	395,157	22,481	372,676
Total water lab	868,266	948,013	498,164	449,849
Transmission and distribution:				
Salaries and benefits	2,359,814	2,503,574	1,951,331	552,243
Supplies	2,359,814	112,250	1,951,331	10,297
Contractual and other services	124,570	124,570	73,621	50,949
Repairs and maintenance	268,000	268,000	169,222	98,778
Capital outlay	1,309,955	1,505,155	1,151,293	353,862
Suprial Suriay	1,000,000	1,500,155	1,101,290	300,002
Total transmission and distribution	4,174,589	4,513,549	3,447,420	1,066,129

WATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Water meters: Salaries and benefits	\$ 956,024	\$ 1,012,115	\$ 922,350	\$ 89,765
Supplies	63,900	63,900	22,291	41,609
Contractual and other services	66,531	66,531	39,522	27,009
Repairs and maintenance	250,740	250,740	101,889	148,851
Capital outlay	106,000	199,000	70,095	128,905
Total water meters	1,443,195	1,592,286	1,156,147	436,139
Utility billing:				
Salaries and benefits	479,440	507,673	464,889	42,784
Supplies	58,300	58,300	47,327	10,973
Contractual and other services	332,630	332,630	315,192	17,438
Repairs and maintenance	13,600	13,600	817	12,783
Total utility billing	883,970	912,203	828,225	83,978
Customer relations:				
Salaries and benefits	974,481	1,021,897	908,421	113,476
Supplies	25,940	24,840	16,113	8,727
Contractual and other services	73,925	74,625	62,444	12,181
Repairs and maintenance	14,445	14,845	14,745	100
Total customer relations	1,088,791	1,136,207	1,001,723	134,484
Treasury/Fiscal management			242.000	
Salaries and benefits	319,915	339,704	313,902	25,802
Supplies	2,000	2,000	1,851	149
Contractual and other services	140,687	158,787	111,289	47,498
Repairs and maintenance	80,000	80,000	78,035	1,965
Total treasury/fiscal management	542,602	580,491	505,077	75,414
Administration:				
Salaries and benefits	1,579,574	1,085,438	934,944	150,494
Supplies	13,300	13,300	6,943	6,357
Contractual and other services	1,118,060	1,308,360	1,193,369	114,991
Repairs and maintenance	26,100	26,100	7,538	18,562
Total administration	2,737,034	2,433,198	2,142,794	290,404
Non-departmental:				
Liability insurance	55,099	55,099	41,741	13,358
Interest expense	1,071,338	1,071,338	1,102,870	(31,532)
Bond related charges-issuance cost	1 500 100	1 500 100	143,319	(143,319)
Bond principal requirements	1,508,100	1,508,100	2,660,000	1,508,100
Capital outlay	27,946,480	27,946,480	2,669,980	25,276,500
Total non-departmental	30,581,017	30,581,017	3,957,910	26,623,107
otal expenses	50,538,949	51,234,941	21,531,123	29,703,818
excess (deficiency) of revenues over expenses (budget basis)	(0	(0=====		
efore transfers	(26,621,441)	(27,317,433)	901,438	28,218,871

WATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Or	riginal Budget		Final Budget	A	ctual Amount		Variance with Final Budget Positive (Negative)
Transfers:			_				_	
Transfers out	\$		\$	8 (80,729)	\$	(80,729)	\$	
Net transfers	_		_	(80,729)	_	(80,729)	_	
Excess (deficiency) of revenues over budget		(26,621,441)	_	(27,398,162)		820,709	_	28,218,871
GAAP basis adjustments: Depreciation expense, not budgeted		-		-		(4,707,431)		(4,707,431)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		-		-		4,205,517		4,205,517
Principal payments on revenue bonds-budgeted as expenses per budget basis, treated as a reduction of bonds payable per GAAP basis		1,508,100	_	1,508,100	_	<u>-</u> _		(1,508,100)
Net income-GAAP basis	\$	(25,113,341)	ţ	(25,890,062)	\$	318,795	\$	26,208,857

WATER FUND SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS IN RESTRICTED ACCOUNTS For the Year Ended September 30, 2022

	Current Debt Service	TWDB Debt Service	Bond Reserve
Cash, certificates of deposit, and investments at September 30, 2021	\$ 553,614	\$ 153,742	\$ 713,056
Cash receipts: Transfers in Operating activities Due to other funds	1,926,618 - -	1,168,537 - -	- 293,487 -
Interest received Valuation allowance		4,752 	7,749
Total cash receipts	1,926,618	1,173,289	301,236
Total cash available	2,480,232	1,327,031	1,014,292
Cash disbursements: Due from other funds Transfers out Refunds Capital acqusitions Principal payments Interest and fiscal charges (net) Total cash disbursements	1,388,100 505,405 1,893,505	570,368	
Cash, certificates of deposit, and investments at September 30, 2022	\$ 586,727		\$ 1,014,292
Cash, certificates of deposit, and investments at September 30, 2022 is comprised of the following: Cash Certificates of deposit Investments (net) Accrued interest	5 386,727 	-	1,014,292
Total	\$ 586,727	\$ 636,663	\$ 1,014,292

eserve for provements	Customer Deposits		Depreciation	Capital Improvement		Water Revenu Bonds		 Total
\$ 4,273,017	\$ 2,938,531	\$	6,494,160	\$	4,237,849	\$	(195,687)	\$ 19,168,282
 18,000,000 - - 56,093 -	- 1,115,430 - - -		1,609,102 - 1,352 40,577 (124,298)		941,468 - - 33,272 (89,213)		1,062,535 - - - -	 24,708,260 1,408,917 1,352 142,443 (213,511)
18,056,093	1,115,430		1,526,733	_	885,527		1,062,535	26,047,461
22,329,110	4,053,961	_	8,020,893	_	5,123,376		866,848	 45,215,743
1,062,535 -	- 1,131,080 - - -	_	- - 1,660,835 - -		- - - 533,940 - -		841,330 - - -	1,131,080 4,098,640 1,508,100 1,075,773
 1,062,535	1,131,080	_	1,660,835	_	533,940		841,330	 7,813,593
\$ 21,266,575	\$ 2,922,881	\$	6,360,058	\$	4,589,436	\$	25,518	\$ 37,402,150
- - 21,266,575 -	- - 2,922,881 		- - 6,347,504 12,554		23,723 - 4,554,106 11,607		25,518 - - -	 49,241 - 37,328,748 24,161
\$ 21,266,575	\$ 2,922,881	\$	6,360,058	\$	4,589,436	\$	25,518	\$ 37,402,150

WASTEWATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Oriç	ginal Budget		Final Budget		Actual Amount		Variance with Final Budget Positive (Negative)
Operating revenues:		04 705 770	,	04 705 770		10,000,004		(0.770.000)
Wastewater service charges	\$	21,795,772	Ş		\$	19,022,964	\$	(2,772,808)
Industrial surcharges		402,851		402,851 629,500		262,058 968,945		(140,793)
Other		629,500	-	629,500		908,945		339,445
Total operating revenues		22,828,123	_	22,828,123	_	20,253,967		(2,574,156)
Nonoperating revenues:								
Investment earnings		99,255		99,255		230,893		131,638
Net increase (decrease) in the fair value of investment		-		-		(820,989)		(820,989)
Gain (loss) on sale of capital assets		-		-		(153,852)		(153,852)
Intergovernmental		-		-		7,131		7,131
Capital contributions		435,098	_	435,098		1,279,688		844,590
Total nonoperating revenues		534,353	_	534,353		542,871		8,518
Total revenues		23,362,476		23,362,476		20,796,838		(2,565,638)
			-		-			(///
Expenses:								
Wastewater collection:								
Salaries and benefits		1,285,959		1,414,085		1,248,169		165,916
Supplies		601,270		516,070		514,468		1,602
Contractual and other services		237,140		242,540		205,907		36,633
Repairs and maintenance		304,000		402,800		410,157		(7,357)
Capital outlay		879,000	-	895,000	_	675,285	_	219,715
Total wastewater collection		3,307,369	_	3,470,495		3,053,986		416,509
Wastewater plant:								
Salaries and benefits		2,347,750		2,747,618		2,449,325		298,293
Supplies		275,990		295,190		356,284		(61,094)
Contractual and other services		1,913,766		2,050,266		1,765,021		285,245
Repairs and maintenance		325,450		440,050		294,514		145,536
Capital outlay		400,232	_	400,232	_	72,859		327,373
Total wastewater plant		5,263,188		5,933,356		4,938,003		995,353
Washawahan lahu								
Wastewater lab:		514,895		625.065		E71 E01		E2 E64
Salaries and benefits Supplies		98,905		625,065 101,105		571,501 98,744		53,564 2,361
Contractual and other services		7,580		8,880		7,911		2,301 969
Repairs and maintenance		9,400		12,400		11,090		1,310
Capital outlay		30,000		30,000		11,090		30,000
•			-					
Total wastewater lab		660,780	_	777,450		689,246		88,204
Administration:								
Salaries and benefits		1,538,434		956,433		800,809		155,624
Supplies		23,400		23,100		21,431		1,669
Contractual and other services		950,010		950,310		784,290		166,020
Repairs and maintenance		49,563		49,563		21,765		27,798
Capital outlay		20,000	_	20,000	_	5,200	_	14,800
Total administration		2,581,407	_	1,999,406		1,633,495		365,911

WASTEWATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Original Bud	jet		Final Budget	Ac	tual Amount		Variance with Final Budget Positive (Negative)
Non-departmental:	^	261		(50(1	^	45.440		10.010
Liability insurance	\$ 65,3		\$	65,261	\$	45,448	\$	19,813
Interest expense	1,267,	224		1,267,224		1,256,142		11,082
Bond related charges-issuance cost	4.055	-		4.055.000		(500,335)		500,335
Bond principal requirements	4,855,9			4,855,900		-		4,855,900
Capital outlay	10,796,	118		10,985,861		1,812,055	_	9,173,806
Total non-departmental	16,984,	503		17,174,246		2,613,310	_	14,560,936
Total expenses	28,797,	247_		29,354,953		12,928,040	_	16,426,913
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(5,434,	771 <u>)</u>		(5,992,477)		7,868,798		13,861,275
Transfers: Transfers out				(49,916)		(49,916)	_	
Net transfers			_	(49,916)		(49,916)	_	
Excess (deficiency) of revenues over budget	(5,434,	771 <u>)</u>		(6,042,393)		7,818,882	_	13,861,275
GAAP basis adjustments: Depreciation expense, not budgeted		-		-		(9,124,964)		(9,124,964)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		-		-		2,565,399		2,565,399
Principal payments on revenue bonds-budgeted as expenses per budget basis, treated as reduction of bonds payable per GAAP basis	4,855,	900_		4,855,900				(4,855,900)
Net income-GAAP basis	\$ (578,	<u>371)</u>	\$	(1,186,493)	\$	1,259,317	\$	2,445,810

WASTEWATER FUND SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS IN RESTRICTED ACCOUNTS

	Current Debt Service	TWDB Debt Service	Bond Reserve
Cash, certificates of deposit, and investments at September 30, 2021	\$ 554,856	\$ 2,565,764	\$ 2,962,260
Cash receipts: Transfers from operating cash Transfers from internal funds	1,960,031 -	4,167,289 -	16,143 -
Due Wastewater fund Interest received Valuation allowance	1,267 - -	- 16,471 -	24,413 -
Other		(3)	
Total cash receipts	1,961,298	4,183,757	40,556
Total cash available	2,516,154	6,749,521	3,002,816
Cash disbursements: Other Due Wastewater fund and internal funds Principal payments Interest and fiscal charges (net) Capital acqusitions	1,366,900 554,960	3,513,000 714,411 	- - - -
Total cash disbursements	1,921,860	4,227,411	
Cash, certificates of deposit, and investments at September 30, 2022	\$ 594,294	\$ 2,522,110	\$ 3,002,816
Cash, certificates of deposit, and investments at September 30, 2022 is comprised of the following: Cash Certificates of deposit	1 -	1,050 -	-
Investments (net) Accrued interest Other receivables	594,293 - -	2,521,060	3,002,816
Total	\$ 594,294	\$ 2,522,110	\$ 3,002,816

Reserve for Improvements			Wastewater Revenue Bonds	Wastewater Series 2012	Wastewater Series 2015	Total
\$ 810,264	\$ 15,994,790	\$ 5,308,999	\$ 924,234	\$ (90,349)	\$ 59,255	\$ 29,090,073
-	3,651,160	858,657 -	-	240,870	-	10,894,150 -
1,357 - 	- 111,947 (568,994) 	35,693 (157,782) 3,564	265 - 	- 172 - 6,263	- - -	1,267 190,318 (726,776) 9,824
1,357	3,194,113	740,132	265	247,305		10,368,783
811,621	19,188,903	6,049,131	924,499	156,956	59,255	39,458,856
- - - - 240,869	57,775 56,362 - - 1,150,140	14,672 - - - - 352,479	- - - - 924,499	- - - - 229,746	- - - -	72,447 56,362 4,879,900 1,269,371 2,897,733
240,869	1,264,277	367,151	924,499	229,746		9,175,813
\$ 570,752	\$ 17,924,626	\$ 5,681,980	\$	\$ (72,790)	\$ 59,255	\$ 30,283,043
- - 570,752 - -	59,936 2,005,383 15,835,064 24,243	98,685 501,439 5,066,855 7,102 7,899	- - - -	(94,025) - 21,235 - -	59,255 - - - -	124,902 2,506,822 27,612,075 31,345 7,899
\$ 570,752	\$ 17,924,626	\$ 5,681,980	\$	\$ (72,790)	\$ 59,255	\$ 30,283,043

SANITATION FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

Solid waste Collections		Origin	al Budget	Final Bud	lget	Ac	tual Amount	F	ariance with inal Budget Positive (Negative)
Other 6,0000 12,062,000 12,062,266 6,096,206 Total operating revenues 21,661,000 21,661,000 23,265,296 1,604,296 Nonoperating revenues: Investment earnings 118,583 118,583 163,140 44,557 Net increase (decrease) in fair value of investments 2 12,000,70 1,020,007		^	01 (01 000	01.6	01 000	^	00144004	٨	1 540 004
Nonoperaling revenues:		\$ 			•	\$ —		\$ —	
Investment earnings	Total operating revenues		21,661,000	21,6	61,000		23,265,296		1,604,296
Net increase (decrease) in fair value of investments				_					
Gain (loss) on sale of capital assets Intergovernmental 124,688 124,688 Intergovernmental 20,369 220,369 Capital contributions 118,583 118,583 (316,485) (435,068) Total nonoperating revenues 21,779,583 21,779,583 22,948,811 1,69228 Expenses: Facilities administration: Salaries and benefits 1216,618 1,274,845 1,098,397 176,448 Supplies 42,750 59,750 83,465 (23,735) Contractual and other services 1,455,192 1,469,192 1,485,068 (15,676) Repairs and maintenance 35,097 7,4289 87,467 (13,778) Capital outlaty 285000 2,340,00 2,098,899 2,456,11 Total facilities administration 3,064,657 5,222,076 4,852,806 369,270 Compositing: Salaries and benefits 468,555 493,399 428,547 64,852 Supplies 36,2375 362,375 343,507 18,688 Repairs and maintenance	· · · · · · · · · · · · · · · · · · ·		118,583	1	18,583		•		•
Intergoverimental			-		-				,
Capital contributions	` '		-		-		,		
Expenses			_		_		•		
Facilities administration: Salaries and benefits 1,216,618 1,274,845 1,098,397 176,448 1,098,397 176,448 1,098,397 176,448 1,098,397 176,448 1,098,397 1,76,448 1,098,397 1,76,448 1,098,397 1,76,448 1,098,397 1,76,448 1,098,397 1,76,448 1,098,398 1,298,398	Total nonoperating revenues		118,583	1	18,583		(316,485)		(435,068)
Facilities administration: Salaries and benefits 1,216,618 1,274,845 1,098,397 176,448 1,098,397 176,448 1,098,397 176,448 1,098,397 176,448 1,098,397 1,76,448 1,098,397 1,76,448 1,098,397 1,76,448 1,098,397 1,76,448 1,098,397 1,76,448 1,098,398 1,298,398	, ,								
Pacilities administration: Salaries and benefits 1,216,618 1,274,845 1,098,397 176,448 Supplies 42,750 59,750 83,485 (23,735) Contractual and other services 1,465,192 1,469,192 1,485,068 (15,876) Repairs and maintenance 55,097 74,289 87,467 (13,178) Capital outlay 285,000 2,344,000 2,098,389 245,611	Total revenues		21,//9,583		79,583		22,948,811		1,109,228
Salaries and benefits	•								
Supplies 42,750 59,750 83,485 (23,735) Contractual and other services 1,465,192 1,465,192 1,485,086 (15,876) Repairs and maintenance 55,097 74,289 87,467 (13,178) Capital outlay 285,000 2,344,000 2,098,389 245,611 Total facilities administration 3,064,657 5,222,076 4,852,806 369,270 Composting: 3 3,044,657 5,222,076 4,852,806 369,270 Composting: 3 363,375 362,375 343,507 48,852 Supplies 46,000 46,000 37,734 8,266 Contractual and other services 362,375 362,375 343,507 18,688 Repairs and maintenance 121,975 11,000 11,000 10,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,000 11,0			1 216 610	1 0	7/0/5		1 000 207		176 //0
Contractual and other services 1,465,192 1,469,192 1,485,068 (15,876) Repairs and maintenance 55,097 74,289 87,467 (13,178) Capital outlay 285,000 2,344,000 2,998,389 245,611 Total facilities administration 3,064,657 5,222,076 4,852,806 369,270 Composting: 36,000 40,000 33,399 428,547 64,852 Salaries and benefits 46,65,555 493,399 428,547 64,852 Supplies 46,000 46,000 37,734 8,266 Contractual and other services 362,375 362,375 343,507 1,868 Repairs and maintenance 121,975 116,293 401,829 (285,536) Capital outlay 11,000 11,000 1,000 1,000 1,000 1,000 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,100 1,10				•	-				•
Repairs and maintenance 55,097 74,289 87,467 (13,178) Capital outlay 285,000 2,344,000 2,098,389 245,611 Total facilities administration 3,064,657 5,222,076 4,852,806 369,270 Composting: 33,064,655 493,399 428,547 64,852 Supplies 46,000 46,000 37,734 8,266 Contractual and other services 362,375 362,375 343,507 18,686 Repairs and maintenance 121,975 116,293 401,829 (285,536) Capital outlay 11,000 11,000 - 11	• • • • • • • • • • • • • • • • • • • •		,				•		, ,
Capital outlay 285,000 2,344,000 2,098,389 245,611 Total facilities administration 3,064,657 5,222,076 4,852,806 369,270 Composting: Salaries and benefits 468,555 493,399 428,547 64,852 Supplies 46,000 46,000 37,734 8,266 Contractual and other services 362,375 362,375 343,507 18,868 Repairs and maintenance 121,975 116,293 401,829 (285,536) Capital outlay 11,000 11,000 1,29,067 1,211,617 (182,550) Residential collection: Salaries and benefits 1,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection				•					
Composting: Salaries and benefits	Capital outlay		285,000	2,3	44,000		2,098,389		
Salaries and benefits 468,555 493,399 428,547 64,852 Supplies 46,000 46,000 37,734 8,266 Contractual and other services 362,375 362,375 343,507 18,686 Repairs and maintenance 121,975 116,293 401,829 (285,536) Capital outlay 11,000 11,000 - 11,000 Total composting 1,009,905 1,029,067 1,211,617 (182,550) Residential collection: Salaries and benefits 1,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: 1,612,174 <	Total facilities administration		3,064,657	5,2	22,076		4,852,806		369,270
Salaries and benefits 468,555 493,399 428,547 64,852 Supplies 46,000 46,000 37,734 8,266 Contractual and other services 362,375 362,375 343,507 18,686 Repairs and maintenance 121,975 116,293 401,829 (285,536) Capital outlay 11,000 11,000 - 11,000 Total composting 1,009,905 1,029,067 1,211,617 (182,550) Residential collection: Salaries and benefits 1,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: 1,612,174 <	Composting								
Supplies 46,000 46,000 37,734 8,266 Contractual and other services 362,375 362,375 343,507 18,688 Repairs and maintenance 121,975 116,293 401,829 285,536) Capital outlay 11,000 11,000 - 11,000 Total composting 1,009,905 1,029,067 1,211,617 (182,550) Residential collection: Salaries and benefits 1,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: 224,079 224,079 434,831 (210,752) Supplies 224,079 224,079 434,831 (210,752)<			468.555	4	93.399		428.547		64.852
Repairs and maintenance 121,975 116,293 401,829 (285,536) Capital outlay 11,000 11,000 - 11,000 Total composting 1,009,905 1,029,067 1,211,617 (182,550) Residential collection: 3,5859 20,759 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: 3,258,343 3,785,132 3,875,433 (90,301) Contractual and other services 1,335,980 1,564,727 123,559 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,302,124 106,144 <t< td=""><td></td><td></td><td></td><td></td><td>•</td><td></td><td>•</td><td></td><td>•</td></t<>					•		•		•
Capital outlay 11,000 11,000 - 11,000 Total composting 1,009,905 1,029,067 1,211,617 (182,550) Residential collection: Salaries and benefits 1,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection: 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Total commercial box collection	• •				-		•		
Total composting 1,009,905 1,029,067 1,211,617 (182,550) Residential collection: 31,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: 36,12,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979	Repairs and maintenance			1	16,293		401,829		
Residential collection: Salaries and benefits 1,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,522,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll	Capital outlay		11,000		11,000				11,000
Salaries and benefits 1,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,881 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220)	Total composting		1,009,905	1,0	29,067		1,211,617		(182,550)
Salaries and benefits 1,763,963 1,848,892 1,523,403 325,489 Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,881 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220)	Residential collection:								
Supplies 35,859 201,759 199,254 2,505 Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: 3alaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Cont			1.763.963	1.8	48.892		1.523.403		325.489
Contractual and other services 753,940 608,040 731,701 (123,661) Repairs and maintenance 934,581 954,441 1,421,075 (466,634) Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 <				•	-				•
Capital outlay 90,000 172,000 - 172,000 Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,40	••				-				
Total residential collection 3,578,343 3,785,132 3,875,433 (90,301) Commercial box collection: Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	Repairs and maintenance			9	54,441				
Commercial box collection: Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	Capital outlay		90,000	1	72,000				172,000
Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	Total residential collection		3,578,343	3,7	85,13 <u>2</u>		3,875,433		(90,301)
Salaries and benefits 1,612,174 1,688,386 1,564,727 123,659 Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	Commercial hav collection:								
Supplies 224,079 224,079 434,831 (210,752) Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965			1 612 174	1.6	88 386		1 564 727		123 659
Contractual and other services 1,335,980 1,335,980 1,502,124 (166,144) Repairs and maintenance 1,159,476 1,138,534 1,525,047 (386,513) Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965				•	-				•
Repairs and maintenance Capital outlay 1,159,476 1,138,534 1,525,047 (386,513) Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	• • • • • • • • • • • • • • • • • • • •				-				
Capital outlay 212,000 284,000 5,470 278,530 Total commercial box collection 4,543,709 4,670,979 5,032,199 (361,220) Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965									
Roll offs: Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	Capital outlay								
Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	Total commercial box collection		4,543,709	4,6	70,979		5,032,199		(361,220)
Salaries and benefits 364,861 388,398 327,059 61,339 Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	Roll offe:								
Supplies 5,750 5,750 5,381 369 Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965			364.861	3:	88.398		327.059		61.339
Contractual and other services 323,450 317,200 294,203 22,997 Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965				0					-
Repairs and maintenance 249,874 290,025 379,333 (89,308) Capital outlay 90,400 90,400 29,435 60,965	• •			3					
Capital outlay 90,400 90,400 29,435 60,965									
Total roll offs 1,034,335 1,091,773 1,035,411 56,362	•								
	Total roll offs		1,034,335	1,0	91,773		1,035,411		56,362

SANITATION FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Orig	inal Budget	Final Budget	Actual Amount	Fi	oriance with Inal Budget Positive Negative)
Brush collection: Salaries and benefits	\$	1,987,327	\$ 2,061,792	\$ 1,829,068	\$	232,724
Supplies	Ş	287,320	289,320	245,351	Ş	43,969
Contractual and other services		195,225	·	•		
		,	193,225	289,488		(96,263)
Repairs and maintenance		540,531	701,428	907,931		(206,503)
Capital outlay	-	350,000	440,000	78,016		361,984
Total brush collection		3,360,403	3,685,765	3,349,854		335,911
Street cleaning:						
Salaries and benefits		311,631	321,546	268,994		52,552
Supplies		10,930	10,930	9,635		1,295
Contractual and other services		4,842	4,842	1,306		3,536
Repairs and maintenance		124,427	129,861	143,070		(13,209)
Capital outlay		88,000	88,000	88,000		(13,209)
Capital outlay		88,000	88,000	88,000	-	
Total street cleaning		539,830	555,179	511,005		44,174
Recycling:						
Salaries and benefits		1,271,127	1,352,068	1,132,195		219,873
Supplies		235,806	235,806	258,513		(22,707)
Contractual and other services		263,943	263,943	276,725		(12,782)
			·	•		, ,
Repairs and maintenance		267,149	285,475	283,575		1,900
Capital outlay		249,600	249,600	63,120		186,480
Total recycling		2,287,625	2,386,892	2,014,128		372,764
Non-departmental:						
Depreciation fund -capital outlay		5,913,408	5,913,408	2,898,582		3,014,826
Interest expense		8,910	8,910	8,910		-
Bond principal requirements		55,354	55,354	-		55,354
Contingency		269,578	(66,609)	_		(66,609)
,						
Total non-departmental		6,247,250	5,911,063	2,907,492		3,003,571
Total expenses		25,666,057	28,337,926	24,789,945		3,547,981
Excess (deficiency) of revenues over expenses (budget basis)			4	4		
before transfers		(3,886,474)	(6,558,343)	(1,841,134)		4,717,209
Transfers:						
Transfers out			(94,990)	(94,990)		<u>-</u>
N			(0.4.000)	(0.4.000)		
Net transfers			(94,990)	(94,990)		
Excess (deficiency) of revenues over budget		(3,886,474)	(6,653,333)	(1,936,124)		4,717,209
GAAP basis adjustments:						
Depreciation expense, not budgeted		-	-	(2,638,886)		(2,638,886)
Capital outlay-budgeted as expenses per budget basis,						
capitalized per GAAP basis		-	-	5,261,012		5,261,012
					-	-, -,,-,-
Net income-GAAP basis	\$	(3,886,474)	\$ (6,653,333)	\$ 686,002	\$	7,339,335

CHAMPION LAKES GOLF COURSE FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Origii	nal Budget		Final Budget	Act	ual Amount	,	Variance with Final Budget Positive (Negative)
Operating revenues: Green fees Membership sales Cart rental Rentals and other sales	\$	794,419 188,293 334,757 250,351	\$	794,419 188,293 334,757 250,351	\$	981,103 240,983 470,943 336,272	\$	186,684 52,690 136,186 85,921
Total operating revenues		1,567,820	_	1,567,820		2,029,301	_	461,481
Nonoperating revenues: Investment earnings Gain (loss) on sale of capital assets Intergovernmental Interest revenue - leases		8,145 155,600 - -	_	8,145 155,600 -		16,714 333 182 440	_	8,569 (155,267) 182 440
Total nonoperating revenues		163,745	_	163,745		17,669		(146,076)
Total revenues		1,731,565		1,731,565		2,046,970	_	315,405
Expenses: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay		1,027,825 133,024 131,712 89,895 484,900		1,039,198 133,024 131,712 140,095 621,900		867,441 202,718 153,147 184,234 91,282		171,757 (69,694) (21,435) (44,139) 530,618
Total operating expenses		1,867,356		2,065,929		1,498,822		567,107
Non-departmental: Interest expense Bond principal requirements		26 158		26 158		25		1 158
Total non-departmental		184	_	184		25		159
Total expenses		1,867,540		2,066,113		1,498,847		567,266
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(135,975)		(334,548)		548,123		882,671
Transfers: Transfers out				(8,628)		(8,628)		
Net transfers				(8,628)		(8,628)		
Excess (deficiency) of revenues over budget		(135,975)		(343,176)		539,495		882,671
GAAP basis adjustments: Depreciation expense, not budgeted		-		-		(383,762)		(383,762)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		<u> </u>				91,282		91,282
Net income-GAAP basis	\$	(135,975)	\$	(343,176)	\$	247,015	\$	590,191

McALLEN CONVENTION CENTER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating revenues: Charges for services Rentals Other	\$ 2,932,060 800,000 620,444	\$ 2,932,060 800,000 620,444	\$ 2,360,626 659,088 665,638	\$ (571,434) (140,912) 45,194
Total operating revenues	4,352,504	4,352,504	3,685,352	(667,152)
Nonoperating revenues: Investment earnings Net increase (decrease) in the fair value of investments Gain (loss) on sale of capital asset Intergovernmental Capital contributioms	24,868 - - - -	24,868	63,850 (287,439) 1,559,526 14,198 47,777	38,982 (287,439) 1,559,526 14,198 47,777
Total nonoperating revenues	24,868	24,868	1,397,912	1,373,044
Total revenues	4,377,372	4,377,372	5,083,264	705,892
Expenses: Administration: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay	3,028,180 273,870 2,672,570 349,582 369,000	3,061,973 273,870 2,655,070 349,582 369,000	2,113,629 272,290 2,172,901 336,786 47,777	948,344 1,580 482,169 12,796 321,223
Total administration	6,693,202	6,709,495	4,943,383	1,766,112
Non-departmental: Interest expense Note principal requirements	1,140 7,084	1,140 7,084	1,140	- 7,084
Total non-departmental	8,224	8,224	1,140	7,084
Total expenses	6,701,426	6,717,719	4,944,523	1,773,196
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(2,324,054)	(2,340,347)	138,741	2,479,088
Transfers: Transfers in Transfers out	1,434,785 	1,434,785 (39,069)	2,489,314 (39,069)	1,054,529
Net transfers	1,434,785	1,395,716	2,450,245	1,054,529
Excess (deficiency) of revenues over budget	(889,269)	(944,631)	2,588,986	3,533,617
GAAP basis adjustments: Depreciation expense, not budgeted	-	-	(1,561,685)	(1,561,685)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		<u> </u>	47,777	47,777
Net income-GAAP basis	\$ (889,269)	\$ (944,631)	\$ 1,075,078	\$ 2,019,709

PERFORMING ARTS CENTER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Origin	nal Budget		Final Budget	Act	ual Amount		Variance with Final Budget Positive (Negative)
Operating revenues:								
Charges for services	\$	430,300	\$	430,300	\$	898,950	\$	468,650
Rentals		303,000		303,000		771,776		468,776
Other services		-		-		13,087		13,087
								-,
Total operating revenues		733,300	_	733,300		1,683,813		950,513
Nonoperating revenues:								
. •		0.476		0.476		00.651		00.175
Investment earnings		9,476		9,476		38,651		29,175
Net increase (decrease) in the fair value of investments		-		-		(10,630)		(10,630)
Intergovernmental			_	<u> </u>		307,575		307,575
Total nonoperating revenues		9,476		9,476		335,596		326,120
Total revenues		742,776	_	742,776		2,019,409		1,276,633
Expenses: Administration:								
Supplies		46,000		46,000		39,262		6,738
Contractual and other services		1,335,803		1,320,303		1,361,412		(41,109)
Repairs and maintenance		196,000		196,000		181,229		14,771
			_					, , , , , , , , , , , , , , , , , , ,
Total expenses		1,577,803	_	1,562,303		1,581,903	_	(19,600)
Excess (deficiency) of revenues over expenses (budget basis)								
before transfers		(835,027)		(819,527)		437,506		1,257,033
Transfers:			_					
		F04 600		F04.600		055405		060 506
Transfers in		591,689		591,689		855,195		263,506
Transfers out			_	(15,500)		(15,500)		
Net transfers		591,689		576,189		839,695		263,506
				0.0,.00			_	
Excess (deficiency) of revenues over budget		(243,338)	_	(243,338)		1,277,201		1,520,539
GAAP basis adjustments:								
						(1 100 510)		(1 100 510)
Depreciation expense, not budgeted			_			(1,189,513)	_	(1,189,513)
Net income-GAAP basis	\$	(243,338)	\$	(243,338)	\$	87,688	\$	331,026
Net meetic GAAL pasis	γ	(240,000)	<u>\$</u>	(240,000)	y	07,000	Ÿ	331,020

Mcallen International Airport Fund SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	_Ori	ginal Budget	Final Budget	Actual Amount	Fin F	iance with al Budget Positive legative)
Operating revenues:						
Charges for services	\$	2,868,138	\$ 2,868,138	\$ 2,994,946	\$	126,808
Rentals		3,785,817	3,785,817	4,244,683		458,866
Other services		23,420	23,420	63,272		39,852
Total operating revenues		6,677,375	6,677,375	7,302,901		625,526
Nonoperating revenues:						
Investment earnings		44,863	44,863	163,784		118,921
Net increase (decrease) in fair value of investments		-	-	(378,040)		(378,040)
Gain (loss) on sale of capital assets		-	-	(4,157)		(4,157)
Intergovernmental		4,340,205	4,340,205	2,995,924		(1,344,281)
Interest revenue - leases		-	-	14,843		14,843
Capital contributions		43,655,559	43,655,559	4,517,291		(39,138,268)
Total nonoperating revenues		48,040,627	48,040,627	7,309,645		(40,730,982)
Total revenues		54,718,002	54,718,002	14,612,546		(40,105,456)
Expenses:						
Salaries and benefits		2,394,435	2,421,066	1,997,823		423,243
						•
Supplies Contractual and other services		140,000 2,936,221	140,000 2,911,221	252,336 2,019,489		(112,336) 891,732
Repairs and maintenance		706,373	706,373	714,552		(8,179)
Capital outlay		57,898,720	57,898,720	5,006,732		52,891,988
Total administrative expenses		64,075,749	64,077,380	9,990,932		54,086,448
Non-departmental:						
Interest expense		245,352	245,352	242,852		2,500
Bond related chargesissuance cost		-	-	(122,955)		122,955
Bond principal requirements		403,428	403,428	-		403,428
Total non-departmental		648,780	648,780	119,897		528,883
				10.110.000		
Total expenses	_	64,724,529	64,726,160	10,110,829		54,615,331
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(10,006,527)	(10,008,158)	4,501,717		14,509,875
Transfers:						
Transfers out		(2,162,925)	(2,209,494)	(2,184,494)		25,000
Net transfers		(2,162,925)	(2,209,494)	(2,184,494)		25,000
Excess (deficiency) of revenues over budget		(12,169,452)	(12,217,652)	2,317,223		14,534,875
GAAP basis adjustments: Depreciation expense, not budgeted		-	-	(4,867,287)		(4,867,287)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		<u> </u>		5,006,732		5,006,732
Net income-GAAP basis	\$	(12,169,452)	\$ (12,217,652)	\$ 2,456,668	\$	14,674,320

METRO McALLEN FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Origin	nal Budget	_	Final Budget	_ Act	tual Amount		Variance with Final Budget Positive (Negative)
Operating revenues:								
Charges for services	\$	255,000	\$,	\$	314,457	\$	59,457
Rentals		373,807		373,807		250,055		(123,752)
Other		3,600	_	3,600		8,757	_	5,157
Total operating revenues		632,407	_	632,407		573,269		(59,138)
Nonoperating revenues:								
Investment earnings		3,249		3,249		2,387		(862)
Intergovernmental		3,770,461		3,770,461		3,403,200		(367,261)
Interest revenue - leases		<u> </u>	_			2,120	_	2,120
Total nonoperating revenues		3,773,710	_	3,773,710		3,407,707	_	(366,003)
Total revenues		4,406,117	_	4,406,117		3,980,976		(425,141)
Expenses:								
Salaries and benefits		2,562,446		2,589,854		2,020,392		569,462
Supplies		53,729		53,729		66,518		(12,789)
Contractual and other services		1,358,715		1,333,715		1,243,509		90,206
Repairs and maintenance		541,613		541,613		458,999		82,614
Repairs and maintenance		041,010	_	341,013		430,555	_	02,014
Total expenses		4,516,503	_	4,518,911		3,789,418	_	729,493
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(110,386)	_	(112,794)		191,558	_	304,352
Transfers:								
Transfers in		67,000		67,000		67,000		-
Transfers out		(35,000)		(79,720)		(69,002)		10,718
			_			, , ,	_	· · ·
Net transfers		32,000	_	(12,720)		(2,002)	_	10,718
Excess (deficiency) of revenues over budget		(78,386)	_	(125,514)		189,556		315,070
GAAP basis adjustments:								
Depreciation expense, not budgeted			_			(33,123)	_	(33,123)
Net income-GAAP basis	\$	(78,386)	\$	(125,514)	\$	156,433	\$	281,947

TRANSIT TERMINAL FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating revenues: Other	\$ -	\$ -	\$ 2,741	\$ 2,741
	<u> </u>	<u>*</u>		
Total operating revenues			2,741	2,741
Nonoperating revenues: Investment earnings Intergovernmental Capital contributions Other	5,180 794,733 14,789,414	5,180 794,733 14,789,414	3,746 505,958 6,296,563 (39)	(1,434) (288,775) (8,492,851) (39)
Total nonoperating revenues	15,589,327	15,589,327	6,806,228	(8,783,099)
Total revenues	15,589,327	15,589,327	6,808,969	(8,780,358)
Expenses: Administration:	460.064	465.060	0.40.404	444 577
Salaries and benefits Supplies	460,061 -	465,063 -	348,486 11,987	116,577 (11,987)
Contractual and other services	41,353	41,353	52,207	(10,854)
Repairs and maintenance	391,897	391,897	232,692	159,205
Capital outlay	14,789,414	14,998,818	6,383,707	8,615,111
Total administration expenses	15,682,725	15,897,131	7,029,079	8,868,052
Non-departmental:				
Interest expense	421	421	421	-
Bond principal requirements	2,612	2,612		2,612
Total non-departmental	3,033	3,033	421_	2,612
Total expenses	15,685,758	15,900,164	7,029,500	8,870,664
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(96,431)	(310,837)	(220,531)	90,306
Transfers: Transfers in Transfers out	75,000 	75,000 (4,314)	- (4,314)	(75,000)
Net transfers	75,000	70,686	(4,314)	(75,000)
Excess (deficiency) of revenues over budget	(21,431)	(240,151)	(224,845)	15,306
GAAP basis adjustments: Depreciation expense, not budgeted	-	-	(1,088,140)	(1,088,140)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis			6,383,707	6,383,707
Net income-GAAP basis	\$ (21,431)	\$ (240,151)	\$ 5,070,722	\$ 5,310,873

Mcallen International Toll Bridge Fund SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating revenues:	Δ 10.017.471	Δ 10.017.471	٥ 10061157	Λ (ΓΓ(214)
Charges for services Rentals	\$ 10,917,471 2,676,159	\$ 10,917,471 2,676,159	\$ 10,361,157 2,684,385	\$ (556,314) 8,226
Other	105,000	105,000	207,846	102,846
Other		100,000	207,040	102,040
Total operating revenues	13,698,630	13,698,630	13,253,388	(445,242)
Nonoperating revenues:				
Investment earnings	17,183	17,183	58,376	41,193
Intergovernmental	-	-	17,697	17,697
Capital contributions	-	-	144,029	144,029
Interest revenue - leases			27,096	27,096
Total nonoperating revenues	17,183	17,183	247,198	230,015
Total revenues	13,715,813	13,715,813	13,500,586	(215,227)
Expenses:				
Administration:				
Salaries and benefits	401,688	302,940	199,194	103,746
Supplies	24,800	24,800	22,921	1,879
Contractual and other services	472,325	472,325	439,806	32,519
Repairs and maintenance	12,162	12,162	8,737	3,425
Capital outlay	2,009,336	2,006,337	276,973	1,729,364
Total administration	2,920,311	2,818,564	947,631	1,870,933
Operations:				
Salaries and benefits	1,702,103	1,822,794	1,348,423	474,371
Supplies	85,000	85,000	96,183	(11,183)
Contractual and other services	538,250	538,250	643,688	(105,438)
Repairs and maintenance	176,000	176,000	212,614	(36,614)
Total operations	2,501,353	2,622,044	2,300,908	321,136
Non-departmental:				
Supplies	_	2,999	11,915	(8,916)
Liability insurance	24,762	24,762	24,762	(0,910)
Interest expense	302	302	302	_
Bond principal requirements	1,875	1,875	-	1,875
Other	3,212,470	3,212,470	3,226,195	(13,725)
				(10), 20)
Total non-departmental	3,239,409	3,242,408	3,263,174	(20,766)
Total expenses	8,661,073	8,683,016	6,511,713	2,171,303
Excess (deficiency) of revenues over expenses (budget basis)				
before transfers	5,054,740	5,032,797	6,988,873	1,956,076

McALLEN INTERNATIONAL TOLL BRIDGE FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	_Ori	ginal Budget	Final Budget	Ac	ctual Amount	_	Variance with Final Budget Positive (Negative)
Transfers: Transfers out	\$	(5,711,057)	\$ (4,265,263)	\$	(4,275,380)	\$	(10,117)
Net transfers		(5,711,057)	 (4,265,263)		(4,275,380)	_	(10,117)
Excess (deficiency) of revenues over budget		(656,317)	 767,534		2,713,493	_	1,945,959
GAAP basis adjustments: Depreciation expense, not budgeted		-	-		(1,063,463)		(1,063,463)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		-	-		276,973		276,973
Interest on board advances			 		794,704	_	794,704
Net income-GAAP basis	\$	(656,317)	\$ 767,534	\$	2,721,707	\$	1,954,173

ANZALDUAS INTERNATIONAL CROSSING FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Or	iginal Budget	_	Final Budget	_Ac	ctual Amount	F	ariance with inal Budget Positive (Negative)
Operating revenues: Charges for services Rentals Other	\$	3,021,012 12,204 40,797	\$	3,021,012 12,204 190,797	\$	4,559,048 11,677 218,380	\$	1,538,036 (527) 27,583
Total operating revenues	_	3,074,013	_	3,224,013		4,789,105		1,565,092
Nonoperating revenues: Investment earnings Net increase (decrease) in fair value of investments Intergovernmental		4,826 - -	_	4,826 - -		43,288 (13,038) 435		38,462 (13,038) 435
Total nonoperating revenues		4,826	_	4,826		30,685		25,859
Total revenues		3,078,839		3,228,839		4,819,790		1,590,951
Expenses: Administration: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay		185,560 8,200 358,000 7,000 570,010		156,176 8,200 1,504,577 7,000 570,010		100,849 7,435 381,416 2,247 203,275		55,327 765 1,123,161 4,753 366,735
Total administration		1,128,770		2,245,963		695,222		1,550,741
Operations: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Total operations		397,319 15,000 41,010 41,094 494,423	_	432,985 15,000 41,010 41,094 530,089		235,625 3,868 22,009 20,137 281,639	_	197,360 11,132 19,001 20,957 248,450
Non-departmental: Supplies Liability insurance Interest expense Interest on board advances Bond related charges—issuance cost Bond principal requirements Other		22,402 923,775 - - 1,650,000	_	22,402 923,775 - - 1,650,000		7,983 22,402 965,178 794,704 243,124 - 106,003		(7,983) - (41,403) (794,704) (243,124) 1,650,000 (106,003)
Total non-departmental		2,596,177		2,596,177		2,139,394		456,783
Total expenses		4,219,370		5,372,229		3,116,255		2,255,974
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(1,140,531)	_	(2,143,390)		1,703,535		3,846,925
Transfers: Transfers in Transfers out		1,681,350 (840,675)	_	1,681,350 (843,140)		850,792 (2,465)		(830,558) 840,675
Net transfers		840,675	_	838,210		848,327		10,117
Excess (deficiency) of revenues over budget		(299,856)	_	(1,305,180)		2,551,862		3,857,042
GAAP basis adjustments: Depreciation expense, not budgeted		-		-		(1,450,778)		(1,450,778)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis			_	<u>-</u>		203,275		203,275
Net income-GAAP basis	\$	(299,856)	<u>\$</u>	(1,305,180)	\$	1,304,359	\$	2,609,539

FLEET MATERIALS MANAGEMENT FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Original	Budget	F	- -inal Budget	Act	ual Amount		Variance with Final Budget Positive (Negative)
Operating revenues:								<u> </u>
Fleet billings	\$ 4	1,120,000	\$	4,120,000	\$	5,991,349	\$	1,871,349
Materials management		350,000		350,000		409,174		59,174
Total operating revenues		<u>1,470,000</u>		4,470,000		6,400,523		1,930,523
Nonoperating revenues:								
Intergovernmental		-		-		2,252		2,252
Other		20,000		20,000		53,682	_	33,682
Total nonoperating revenues		20,000		20,000		55,934	_	35,934
Total revenues		1,490,000		4,490,000		6,456,457		1,966,457
F								
Expenses:								
Materials management:		214700		165707		147440		10 200
Salaries and benefits		214,709		165,737		147,449		18,288
Supplies		2,750		2,750		2,144		606
Contractual and other services		3,100		3,300		2,097		1,203
Repairs and maintenance		5,390		5,190		4,524		666
Capital outlay		8,000		8,000		5,438		2,562
Total materials management		233,949		184,977		161,652	_	23,325
Fleet operations:								
Salaries and benefits	1	1,138,201		1,201,507		858,805		342,702
Supplies	'	27,714		25,714		24,702		1,012
Contractual and other services	,	2,517,300		2,517,300		5,332,943		(2,815,643)
Repairs and maintenance	2	49,450		51,450		48,681		2,769
						40,001		
Capital outlay		60,000		60,000				60,000
Total fleet operations	3	3,792,66 <u>5</u>		3,855,971		6,265,131		(2,409,160)
Non-departmental:								
Liability insurance		1,710		1,710		1,710		_
Principal		630		630		1,710		630
Interest expense		101		101		101		-
Total non-departmental		2,441		2,441		1,811		630
•								(0.005.005)
Total expenses		4,029,055		4,043,389		6,428,594		(2,385,205)
Excess (deficiency) of revenues over expenses (budget basis) before transfers		460,945		446,611		27,863		(418,748)
Transfers:								
Transfers out				(11,709)		(11,709)		
Net transfers		_		(11,709)		(11,709)		_
Net transfers	-		_	(11,709)		(11,709)	_	
Excess (deficiency) of revenues over budget		460,945	-	434,902		16,154		(418,748)
GAAP basis adjustments: Depreciation expense, not budgeted		-		-		(111,674)		(111,674)
Capital outlay-budgeted as expenses per budget basis,								
capitalized per GAAP basis						5,438	_	5,438
Net income-GAAP basis	\$	460,945	\$	434,902	\$	(90,082)	\$	(524,984)

GENERAL DEPRECIATION FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Orig	jinal Budget	!	Final Budget	Act	ual Amount	_	ariance with Final Budget Positive (Negative)
Operating revenues: Charges for services	\$	3,078,514	\$	3,078,514	\$	3,078,516	\$	2
Charges for services	<u>v</u>	3,070,314	<u>v</u>	3,070,314	<u> </u>	3,070,310	<u>v</u>	
Total operating revenues		3,078,514	_	3,078,514		3,078,516	_	2
Nonoperating revenues:								
Investment earnings		49,463		49,463		103,795		54,332
Net increase (decrease) in the fair value of investments		-		-		(588,270)		(588,270)
Gain (loss) on sale of capital assets		-		5,424,192		967,444		(4,456,748)
Capital contributions		-		-		31,034		31,034
Other						64,120		64,120
Total nonoperating revenues		49,463		5,473,655		578,123		(4,895,532)
Total revenues		3,127,977	_	8,552,169		3,656,639		(4,895,530)
Expenses:								
Capital outlay		3,729,399		4,634,399		2,221,955		2,412,444
Total expenses		3,729,399		4,634,399		2,221,955		2,412,444
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(601,422)		3,917,770		1,434,684		(2,483,086)
Transfers:								
Transfers in		_		25,000		25,000		_
Transfers out		-		(807,762)		(807,762)		-
Net transfers				(782,762)		(782,762)		
The transfers			_	(102,102)		(102,102)	_	
Excess (deficiency) of revenues over budget		(601,422)	_	3,135,008		651,922		(2,483,086)
GAAP basis adjustments: Depreciation expense, not budgeted		-		-		(1,987,456)		(1,987,456)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		3,729,399		4,634,399		2,221,955		(2,412,444)
Net income-GAAP basis	\$	3,127,977	\$	7,769,407	\$	886,421	\$	(6,882,986)

EMPLOYEE BENEFITS FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Original Budget		_	Final Budget		tual Amount	Variance with Final Budget Positive (Negative)	
Operating revenues:								
Contributions	\$	13,606,432	\$	13,606,432	\$	13,279,685	\$	(326,747)
Total operating revenues		13,606,432	_	13,606,432		13,279,685	_	(326,747)
Nonoperating revenues: Investment earnings Intergovernmental		2,959		2,959 -		195 1,275		(2,764) 1,275
Other		199,000	_	199,000		455,919		256,919
Total nonoperating revenues		201,959	_	201,959		457,389	_	255,430
Total revenues		13,808,391	_	13,808,391		13,737,074	_	(71,317)
Expenses: Salaries and benefits Supplies Contractual and other services Self insurance claims		422,438 6,500 1,871,187 12,220,000	_	427,242 17,919 1,868,687 13,238,373		416,311 99,279 1,811,289 13,955,642	_	10,931 (81,360) 57,398 (717,269)
Total expenses		14,520,125		15,552,221		16,282,521		(730,300)
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(711,734)	_	(1,743,830)		(2,545,447)		(801,617)
Transfers: Transfers in			_	954,292		954,292	_	
Net transfers			_	954,292		954,292	_	<u>-</u>
Excess (deficiency) of revenues over budget		(711,734)	_	(789,538)		(1,591,155)		(801,617)
Net income-GAAP basis	\$	(711,734)	\$	(789,538)	\$	(1,591,155)	\$	(801,617)

RETIREE HEALTH INSURANCE FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

			F. 15.1.		Variance with Final Budget Positive
	Origi	nal Budget	Final Budget	Actual Amount	(Negative)
Operating revenues:					
Contributions	\$	1,714,401	\$ 1,714,401	\$ 1,498,097	\$ (216,304)
Total operating revenues		1,714,401	1,714,401	1,498,097	(216,304)
Nonoperating revenues:					
Investment earnings		1,301	1,301	487	(814)
Other		-	-	26,827	26,827 [´]
Total nonoperating revenues		1,301	1,301	27,314	26,013
Total revenues		1,715,702	1,715,702	1,525,411	(190,291)
Expenses:					
Contractual and other services		85,774	85,774	78,188	7,586
Self insurance claims		1,222,000	1,222,000	1,197,949	24,051
Total expenses		1,307,774	1,307,774	1,276,137	31,637
Excess (deficiency) of revenues over expenses (budget basis)					
before transfers		407,928	407,928	249,274	(158,654)
Excess (deficiency) of revenues over budget		407,928	407,928	249,274	(158,654)
Net income-GAAP basis	\$	407,928	\$ 407,928	\$ 249,274	<u>\$ (158,654)</u>

RISK MANAGEMENT FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

	Origi	nal Budget	Fir	nal Budget	Act	tual Amount		Variance with Final Budget Positive (Negative)
Operating revenues: Contributions	\$	1,753,496	\$	1,753,496	\$	2,162,010	\$	408,514
Total operating revenues		1,753,496		1,753,496		2,162,010	_	408,514
Nonoperating revenues: Investment earnings Net increase (decrease) in the fair value of investments		19,667		19,667		49,831 (209,215)		30,164 (209,215)
Gain (loss) on sale of capital assets Intergovernmental		-		2,535,953		377,650 30		(2,158,303) 30
Other		133,500		133,500		144,167		10,667
Total nonoperating revenues		153,167		2,689,120		362,463		(2,326,657)
Total revenues		1,906,663		4,442,616		2,524,473		(1,918,143)
Expenses: Salaries and benefits Supplies Contractual and other services Repairs and maintenance		521,925 12,100 1,595,302 3,640		527,649 33,275 1,595,302 3,640		454,273 72,856 1,537,494 1,016		73,376 (39,581) 57,808 2,624
Total expenses		2,132,967		2,159,866		2,065,639		94,227
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(226,304)		2,282,750		458,834	_	(1,823,916)
Transfers: Transfers out		<u>-</u>		(381,964)		(381,964)		<u>-</u>
Net transfers				(381,964)		(381,964)	_	
Excess (deficiency) of revenues over budget		(226,304)		1,900,786		76,870	_	(1,823,916)
GAAP basis adjustments: Depreciation expense, not budgeted		<u>-</u>				(3,603)		(3,603)
Net income-GAAP basis	\$	(226,304)	\$	1,900,786	\$	73,267	\$	(1,827,519)

PROPERTY & CASUALTY INSURANCE FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2022

				Variance with Final Budget Positive
	Original Budget	Final Budget	Actual Amount	(Negative)
Operating revenues: Contributions	\$ 871,723	\$ 871,723	\$ 871,723	\$ -
Total operating revenues	871,723	871,723	871,723	
Nonoperating revenues: Other			6,182	6,182
Total nonoperating revenues			6,182	6,182
Total revenues	871,723	871,723	877,905	6,182
Expenses:				
Salaries and benefits	149,034	150,694	144,016	6,678
Supplies	1,500	1,500	75	1,425
Contractual and other services	417,115	417,115	444,324	(27,209)
Self insurance claims	313,000	313,000	539,695	(226,695)
Total expenses	880,649	882,309	1,128,110	(245,801)
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(8,926)	(10,586)	(250,205)	(239,619)
Excess (deficiency) of revenues over budget	(8,926)	(10,586)	(250,205)	(239,619)
Net income-GAAP basis	\$ (8,926)	\$ (10,586)	\$ (250,205)	\$ (239,619)

Statistical Section

This part of the City of McAllen's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities it performs.

Other Information

Information that City considers useful to its citizens is included in this section.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

NET POSITION BY COMPONENT (1)

Last TenYears (accrual basis of accounting)

	2013	2014*	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	33,151,044	\$261,002,031	\$271,338,778	\$277,919,085	\$220,553,878	\$205,470,975	\$219,672,941	\$226,088,033	\$240,339,983	\$241,168,319
Restricted		23,333,654	24,007,134	23,545,092	22,963,251	26,550,903	29,564,998	52,640,091	62,684,340	73,207,265
Unrestricted	84,517,660	45,785,583	45,826,104	36,063,681	38,062,911	33,617,347	36,961,573	31,884,261	67,178,199	96,377,291
Total governmental activities net position	<u>\$361,350,597</u>	\$330,121,268	<u>\$341,172,016</u>	<u>\$337,527,858</u>	\$281,580,040	\$265,639,225	\$286,199,512	<u>\$310,612,385</u>	\$370,202,522	<u>\$410,752,875</u>
Business-type activities										
Net investment in capital assets	\$259,339,759	\$263,527,417	\$245,028,871	\$269,347,294	\$332,816,366	\$345,070,300	\$337,286,613	\$339,364,968	\$347,494,167	\$353,027,244
Restricted	50,319,574	54,776,089	53,275,318	61,516,830	63,635,870	65,221,064	70,008,882	70,317,544	69,971,630	74,307,583
Unrestricted	56,415,746	49,262,997	80,172,274	49,323,806	39,820,546	35,366,274	38,518,470	43,304,674	54,247,453	59,672,125
Total business-type activities net position	\$366,075,079	\$367,566,503	\$378,476,463	\$380,187,930	\$436,272,782	\$445,657,638	\$445,813,965	\$452,987,186	\$471,713,250	\$487,006,952
Primary government										
Net investment in capital assets	\$503,021,652	\$524,529,448	\$516,367,649	\$547,266,379	\$553,370,244	\$550,541,275	\$556,959,554	\$565,453,001	\$587,834,150	\$594,195,563
Restricted	83,470,618	78,109,743	77,282,452	85,061,922	86,599,121	91,771,967	99,573,880	122,957,635	132,655,970	147,514,848
Unrestricted	140,933,406	95,048,580	125,998,378	85,387,487	77,883,457	68,983,621	75,480,043	75,188,935	121,425,652	156,049,416
Total primary government activities net position	\$727,425,676	\$697,687,771	\$719,648,479	\$717,715,788	\$717,852,822	\$711,296,863	\$732,013,477	\$763,599,571	\$841,915,772	\$897,759,827

(1) As per GASB 63

* 2014 Restated per GASB 68

Source: Annual Comprehensive Financial Reports

CHANGES IN NET POSITION (1) Last Ten Years (accrual basis of accounting)

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses											
Governmental activities:											
General government	\$	20,817,432 \$	35,315,069 \$	26,748,778 \$	38,778,497 \$	43,779,576 \$	52,324,011 \$	27,563,177 \$	30,479,235 \$	30,996,336 \$	57,859,172
Public safety		53,799,148	58,432,712	57,338,636	63,079,739	61,676,966	57,965,285	64,933,815	69,197,955	64,284,810	68,473,095
Highways and streets		19,620,592	20,457,888	23,018,428	24,136,943	21,126,938	24,448,675	23,881,893	21,524,702	19,239,375	20,606,994
Health and welfare		5,247,302	4,604,866	7,676,848	5,693,042	8,305,076	7,094,404	6,924,442	7,764,075	7,309,487	7,355,183
Culture and recreation		18,061,633	20,996,431	13,810,026	22,500,569	28,074,221	23,161,527	25,939,335	25,865,451	24,234,654	25,437,546
Interest on long-term debt		780,778	816,650	2,159,876	2,066,207	3,418,388	3,651,488	4,164,252	5,343,342	4,320,581	3,935,848
Total governmental activities											
expenses	1	118,326,885	140,623,616	130,752,592	156,254,997	166,381,165	168,645,390	153,406,914	160,174,760	150,385,243	183,667,838
Business-type activities:											
Water services		17,390,301	17,474,327	17,161,204	20,135,477	19,213,848	19,120,533	20,635,156	20,533,021	20,373,834	22,034,728
Wastewater services		13,787,604	15,251,999	15,063,966	16,431,643	14,568,734	14,211,367	17,826,609	17,822,342	18,608,627	19,657,019
Sanitation services		14,799,650	15,756,027	16,352,417	17,976,533	18,110,918	18,391,187	19,583,152	19,912,328	21,140,272	22,060,596
Golf course services		1,451,413	1,401,051	1,365,580	1,448,965	1,449,564	1,455,820	1,561,416	1,559,155	1,637,471	1,791,973
Civic center services		423,632	438,233	417,072	162,176	154	· · · · · -	-	-	· · · · · -	-
Performing arts center services		, -	, -	· -	, -	1,638,310	2,422,385	2,450,108	6,619,680	1,708,565	2,173,136
Convention center services		5,097,875	5,591,643	5,660,315	6,400,139	6,259,718	5,766,331	6,095,097	2,369,526	6,257,533	4,902,786
Airport services		6,867,863	7,385,213	7,922,418	8,856,156	9,180,118	9,021,537	10,623,431	9,788,459	11,220,628	9,968,590
Transit services		1,314,193	965,054	1,432,186	1,551,484	1,688,647	1,759,640	1,766,906	1,623,375	1,896,225	1,735,346
Bus services		2,877,020	3,973,485	3,621,901	3,795,560	3,832,463	3,402,599	3,677,914	3,728,749	3,916,422	3,823,448
Anzalduas crossing		4,571,611	4,558,948	4,552,866	5,642,196	5,181,228	4,682,605	3,254,699	3,706,940	6,107,458	3,571,882
Bridge services		6,111,267	6,530,689	6,877,304	7,310,552	7,542,209	7,651,619	7,914,051	5,824,001	6,144,256	7,276,868
Total business-type activities											
expenses		74,692,429	79,326,669	80,427,229	89,710,881	88,665,911	87,885,623	95,388,539	93,487,576	99,011,291	98,996,372
Total primary government			010 050 005 4	011 170 001 4	0.45.045.070. A	055047076 A	054 504 040 Å	040705450 4	050 ((0.00(4	0.40.004.504.4	
expenses	\$	193,019,314 \$	219,950,285 \$	211,179,821 \$	245,965,878 \$	255,047,076 \$	<u>256,531,013</u> \$	248,795,453 \$	253,662,336 \$	249,396,534 \$	282,664,210
Program Revenues											
Governmental activities:											
Charges for services:											
General government	\$	2,079,410 \$	1,918,951 \$	2,088,536 \$	2,343,536 \$	2,430,066 \$	2,225,610 \$	3,138,933 \$	1,246,277 \$	3,788,132 \$	3,734,450
Public safety		4,358,385	4,366,315	7,394,577	3,991,057	4,320,581	4,493,813	4,696,264	4,294,525	1,662,726	2,714,660
Highways and streets		1,178,562	1,160,689	1,108,870	1,087,905	1,114,907	1,833,144	2,182,147	1,944,900	1,940,423	2,154,689
Health and welfare		308,515	271,722	414,699	366,471	446,902	484,970	464,934	336,513	845,614	950,671
Culture and recreation		1,187,176	1,213,111	1,202,362	1,363,071	1,278,037	1,178,511	1,149,823	435,262	883,556	1,136,775
Operating grants and											
contributions		3,592,660	2,736,600	1,961,190	2,090,002	4,474,280	2,264,818	1,793,948	21,661,783	35,912,854	42,412,690
Capital grants and contributions		4,306,512	5,303,435	3,406,289	4,127,471	4,715,841	7,826,973	6,559,247	10,893,157	10,987,570	4,612,366
Total governmental activities											
program revenues		17,011,220	16,970,823	17,576,523	15,369,513	18,780,614	20,307,839	19,985,296	40,812,417	56,020,875	57,716,301
Business-type activities:											
Charges for services:											
Water services		16,125,777	15,689,054	15,659,444	18,558,428	19,407,111	19,053,440	18,653,257	20,772,227	20,692,360	21,630,719
Wastewater services		14,840,659	14,976,046	15,378,193	17,147,746	17,704,596	17,456,310	17,539,928	19,155,828	20,002,986	20,253,967
Sanitation services		16,738,683	16,968,558	17,398,629	18,220,367	19,230,472	19,579,301	21,442,210	21,691,829	22,646,597	23,265,296
Bridge services		14,902,453	15,747,749	13,600,185	14,512,742	14,728,300	14,392,407	13,808,430	10,724,806	13,331,408	18,042,493
Other		9,870,476	10,513,929	15,021,175	15,928,338	15,589,382	16,035,625	16,930,343	15,253,523	14,112,302	14,677,377
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Schedule 2 Schedule 2

CHANGES IN NET POSITION (1) Last Ten Years (accrual basis of accounting)

	_	2013		2014	_	2015		2016	2017		2018	2019	2020		2021	2022
Operating grants and contributions Capital grants and contributions	\$	853,095 7,161,439	\$	1,587,799 8,520,524	\$	1,329,212 \$ 13,042,693	3	1,523,384 \$ 10,907,454	1,854,981 \$ 6,159,765	8	1,762,389 \$ 10,279,600	1,910,238 \$ 5,870,993	5,302,896 11,323,284		8,798,316 \$ 18,941,229	7,475,401 13,508,047
Total business-type activities program revenues	_	80,492,582		84,003,659	_	91,429,531		96,798,459	94,674,607		98,559,072	96,155,399	104,224,393	<u> </u>	118,525,198	118,853,300
Total primary government program revenues	\$	97,503,802	\$	100,974,482	\$	109,006,054 \$	<u>; </u>	112,167,972 \$	113,455,221 \$	3	118,866,911 \$	116,140,695 \$	145,036,810) \$	174,546,073 \$	176,569,601
Net (Expense) Revenue Governmental activities Business-type activities	\$ ((101,315,665) 5,800,153	\$	(123,652,793) 4,676,990	\$	(113,176,069) \$ 11,002,302	;	(140,885,484) \$ 7,087,578	(147,600,551) \$ 6,008,696	3	(148,337,551) \$ 10,673,449	(133,421,618) \$ 766,860	(119,362,343 10,736,817	,	(94,364,368) \$ 19,513,907	(125,951,537) 19,856,928
Total primary government net expense	\$	<u>(95,515,512)</u>	\$	<u>(118,975,803)</u>	\$	<u>(102,173,767)</u> \$)	(133,797,906) \$	<u>(141,591,855)</u> \$	3	(137,664,102) <u>\$</u>	<u>(132,654,758)</u> \$	(108,625,526	<u>5) \$</u>	(74,850,461) \$	(106,094,609)
General Revenues and Other Changes in Net Position Governmental activities Taxes Property taxes, levied for general purposes Hotel occupancy taxes Sales tax Franchise taxes Mixed beverage Taxes Unrestricted investment earnings (loss) Royalties	\$	32,783,760 4,784,757 60,825,866 6,457,397 - 123,546 936,278	\$	35,037,958 5,343,765 61,331,004 6,707,787 - 938,877 944,609	\$	39,050,045 \$ 5,479,719 63,758,787 6,613,745 - 1,077,441 828,482	3	40,459,314 \$ 5,253,476 61,301,698 6,716,262 - 1,354,865 490,736	42,975,582 \$ 4,946,155 59,488,228 6,801,740 - 1,477,050 620,011	3	45,630,288 \$ 4,788,407 63,177,249 6,918,783 - 2,040,853 534,238	46,800,963 \$ 5,310,620 70,274,159 6,931,777 - 4,194,784 342,643	51,489,045 3,968,617 67,025,563 6,612,373 2,826,269 241,597	3 3 -	52,947,964 \$ 4,178,181 79,887,252 6,496,154 1,112,755 793,169	55,485,210 5,986,363 90,080,243 7,227,859 1,342,082 (2,303,948)
Contributions Miscellaneous Transfers		1,188,002 1,656,644		718,857 4,158,872		4,332,402 3,086,193		- 5,179,301 16,485,677	22,969,640 1,503,250 (49,128,923)		6,227,083 3,079,835	- 8,100,824 2,571,144	5,938,616 5,673,142		- 7,073,997 1,465,033	- 6,110,186 2,573,895
Total governmental activities		108,756,250		115,181,729		124,226,814		137,241,329	91,652,733		132,396,736	144,526,914	143,775,216		153,954,505	166,501,890
Business-type activities Unrestricted investment earnings (loss) Gain (loss) on sale of capital assets Miscellaneous		157,213 - 532,137		467,440 2,098,640 288,076		649,882 1,220,285 1,123,687		689,307 9,899,884 520,372	729,638 - 217,595		1,330,004 - 461,238	3,151,897 (1,191,286)	2,109,546	; - -	677,190 - -	(1,989,331) - -
Transfers	_	(1,656,644)	_	(4,158,872)	_	(3,086,193)		(16,485,677)	49,128,923		(3,079,835)	(2,571,144)	(5,673,142		(1,465,033)	(2,573,895)
Total business-type activities Total primary government	\$	(967,294) 107,788,956	\$	(1,304,716) 113,877,013	\$	(92,339) 124,134,475 \$	3	(5,376,114) 131,865,215 \$	50,076,156 141,728,889 \$	3	(1,288,593) 131,108,143 \$	(610,533) 143,916,381 \$	(3,563,596 140,211,620		(787,843) 153,166,662 \$	(4,563,226) 161,938,664
Change in Net Position Governmental activities Business-type activities	\$	7,440,585 4,832,859	\$	(8,471,064) 3,372,274	\$	11,050,745 \$ 10,909,963	3	(3,644,155) \$ 1,711,464	(55,947,818) \$ 56,084,852	3	(15,940,815) \$ 9,384,856	11,105,296 \$ 156,327	24,412,873 7,173,221		59,590,137 \$ 18,726,064	40,550,353 15,293,702
Total government net position	\$	12,273,444	\$	(5,098,790)	\$	21,960,708 \$	<u> </u>	(1,932,691) \$	137,034 \$	}	(6,555,959) \$	11,261,623 \$	31,586,094	\$	78,316,201 \$	55,844,055

(1) As per GASB 63

Source: Annual Comprehensive Financial Reports

(Concluded)

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Years (modified accrual basis of accounting)

	2	2013	2	2014		2015	2016	2017	2018	2019	2020		2021		2022
General Fund															
Nonspendable	\$ 1	,774,762	\$ 2	2,160,543	\$	2,295,944	\$ 2,646,319	\$ 2,989,178	\$ 3,837,797	\$ 3,619,510	\$ 3,876,920	\$	4,243,020	\$	4,581,262
Reserved/Assigned	1	,730,634		447,859		457,022	457,022	457,022	177,736	-	-		-		-
Unreserved/Unassigned	40),370,161	41	1,221,379		46,369,562	44,346,729	 42,941,348	48,732,108	 56,950,633	75,232,268	_	72,233,751		78,613,221
Total General Fund	\$ 43	3,875,557	<u>\$ 43</u>	3,829,781	\$ 4	49,122,528	\$ 47,450,070	\$ 46,387,548	\$ 52,747,641	\$ 60,570,143	\$ 79,109,188	\$_	76,476,771	\$ 8	83,194,483
All Other Governmental Funds															
Nonspendable	\$	352,716	\$	-	\$	-	\$ 27,064	\$ 53,659	\$ 57,055	\$ 94,083	\$ -	\$	8,250	\$	-
Restricted	33	3,636,421	79	9,530,591	-	71,032,714	71,553,166	52,714,390	41,515,087	67,193,014	55,101,958		62,684,340	7	73,207,265
Committed		154,790		387,626		513,561	297,145	290,623	119,863	14,809	-		118,950		415,639
Assigned	9	9,090,061	5	5,741,676		4,451,033	2,989,333	5,412,080	5,399,201	6,091,646	5,884,642		34,591,046	4	49,526,196
Unassigned											 (64,179)	_	(22,511)		(24,322)
Total all other governmental funds	\$ 43	3,233,988	<u>\$ 85</u>	5,659,893	\$ 7	75,997,308	\$ 74,866,708	\$ 58,470,752	\$ 47,091,206	\$ 73,393,552	\$ 60,922,421	\$	97,380,075	\$12	23,124,778

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Years (modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$105,293,773	\$107,695,530	\$114,763,015	\$113,666,622	\$114,111,851	\$119,820,314	\$129,498,114	\$128,174,571	\$143,496,240	\$160,246,068
Licenses and permits	1,429,150	1,447,712	1,613,397	1,808,701	1,994,947	1,983,125	2,144,535	2,246,575	2,653,536	2,882,174
Intergovernmental	6,782,631	7,376,849	3,502,500	2,760,398	7,783,963	3,094,407	4,167,021	29,354,952	41,074,008	44,349,570
Charges for services	5,279,159	5,220,385	5,767,795	6,001,013	6,354,554	7,060,426	8,359,074	6,519,087	7,606,530	8,069,844
Fines and forfeitures	2,548,733	2,556,904	5,415,137	1,808,320	1,788,568	1,840,277	1,719,382	1,426,744	1,063,885	1,892,727
Investment earnings (loss)	69,628	739,885	876,393	1,006,394	1,151,039	1,711,816	3,603,895	2,413,884	639,158	(1,660,771)
Other	2,101,208	1,784,518	4,348,725	4,710,326	5,863,023	7,626,775	8,897,870	7,566,655	7,600,301	5,830,308
Total revenues	123,504,282	126,821,783	136,286,962	131,761,774	139,047,945	143,137,140	158,389,891	177,702,468	204,133,658	221,609,920
Expenditures										
General government	19,550,411	34,649,924	25,333,902	35,773,536	53,158,214	42,661,910	27,232,111	30,162,193	40,045,730	54,041,105
Public safety	50,041,327	51,912,722	52,994,445	54,484,060	55,487,989	57,457,183	59,665,591	61,995,064	63,605,359	66,450,052
Highways and streets	13,414,722	13,318,011	10,782,403	16,486,478	13,314,445	12,628,135	12,566,709	13,131,152	13,152,011	21,406,713
Health and welfare	5,208,427	4,552,904	7,512,747	5,596,042	8,062,409	7,089,064	7,133,563	7,519,006	7,331,452	1,078,320
Culture and recreation	15,410,540	17,194,648	17,767,314	19,980,953	19,174,040	19,872,005	20,083,465	20,596,926	19,780,333	22,619,464
Capital outlay *	19,896,331	22,156,818	29,946,314	39,251,496	22,594,772	17,711,495	24,014,899	29,100,201	18,475,941	17,799,023
Debt service:	0.445.000	. 7. 5	10050501	.7.5000	4000000	-		7.01.001		500404
Principal	2,645,000	2,765,000	19,853,534	4,765,000	4,830,000	5,030,000	6,069,091	7,621,306	3,928,921	5,326,917
Interest	896,365	774,407	3,803,374	2,567,009	4,017,840	4,230,646	4,527,727	5,562,384	4,590,604	3,210,240
Total expenditures	127,063,123	147,324,434	167,994,033	178,904,574	180,639,709	166,680,438	161,293,156	175,688,232	170,910,351	191,931,834
Excess of revenues over (under) expenditures	(3,558,841)	(20,502,651)	(31,707,071)	(47,142,800)	(41,591,764)	(23,543,298)	(2,903,265)	2,014,236	33,223,307	29,678,086
Other Financing Sources										
(Uses)										
Bond proceeds	-	54,230,001	15,035,000	29,620,000	20,835,000	15,005,000	18,955,000	-	42,890,000	-
Transfers in	22,353,826	18,453,155	26,945,098	31,581,149	18,770,483	17,595,175	19,405,758	22,757,119	67,840,354	60,382,764
Bond Premium	-	3,493,907	1,281,031	-	445,587	439,010	2,250,605	-	-	-
Bond Discount	-	-	-	(160,520)	-	-	-	-	-	-
Payment to refunded bond									(40 540 046)	
escrow agent	-	-	-	-	-	-	2 061 022	-	(42,543,046)	-
Capital lease Transfers out	(20,697,182)	(13,544,283)	(15,923,896)	(16,700,887)	(15 017 704)	(1 / E1E 2 / 0)	3,861,923 (16,900,164)	(18,703,441)	(67 E0E 270)	(57,598,435)
	(20,097,182)	(13,344,283)	(15,923,890)	(10,700,887)	(15,917,784)	(14,515,340)	(10,900,104)	(18,703,441)	(67,585,378)	(37,398,433)
Total other financing	4.556.44	60 600 700	07.007.000	44000740	0.4.4.00.00.6	10 500 045	07 570 400	4050 (70	604.000	0.704000
sources (uses)	1,656,644	62,632,780	27,337,233	44,339,742	24,133,286	18,523,845	27,573,122	4,053,678	601,930	2,784,329
Net change in fund balances	\$(1,902,197)	\$42,130,129	\$(4,369,838)	\$(2,803,058)	\$(17,458,478)	\$(5,019,453)	\$24,669,857	\$6,067,914	\$33,825,237	\$32,462,415
Debt service as a										
percentage of noncapital expenditures	3.30%	2.83%	17.14%	5.25%	5.60%	6.22%	7.72%	8.99%	5.59%	4.90%

^{*} This excludes capital contributions and internal service funds treated as governmental funds for government-wide purposes.

Source: Annual Comprehensive Financial Reports

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

Last Ten Years (modified accrual basis of accounting)

Fiscal Year	Property	Sales	Franchise	Н	otel	Total
				7%	2%	
2013 2014	\$33,225,753 34,312,972	\$60,825,866 61.331.004	\$ 6,457,397 6,707,787	\$ 3,978,186 4.156.140	\$ 806,571 1.187.625	\$ 105,293,773 107.695.528
2014	38,910,760	62,939,971	6,613,748	4,130,140	1,167,023	113,944,199
2016	40,388,385	60,449,553	6,716,262	4,085,205	1,168,272	112,807,677
2017	42,875,727	58,621,552	6,801,740	3,845,907	1,100,249	113,245,175
2018	44,935,877	62,156,132	6,918,784	3,724,272	1,063,462	118,798,527
2019	46,981,577	69,284,265	6,931,777	4,130,393	1,180,205	129,498,112
2020	50,568,021	66,297,144	6,612,373	3,086,414	882,197	127,446,150
2021	52,947,964	78,761,185	6,496,154	3,249,439	928,742	142,383,484
2022	55,727,211	89,962,552	7,227,859	4,656,299	1,330,064	158,903,985
Change 2013-2022	67.72%	47.90%	11.93%	17.05%	100.00%	50.91%

TAXABLE SALES BY CATEGORY

Last Ten Years (in Millions)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Retail	\$ 1,847	\$ 1,859	\$ 1,813	\$ 1,709 *\$	1,558 *	\$ 1,709 *\$	1,806 * \$	1,510 *\$	1,853	\$ 1,109
Services	195	207	223	202	191 *	195 *	208 *	168 *	172	\$ 101
Wholesale	108	118	123	128	132 *	139 *	295 *	446 *	532	\$ 315
Other	 491	501	526	 524 *	544 *	587 *	620 *	535 *	690	\$ 385
Total - All Industries	\$ 2,641	\$ 2,685	\$ 2,685	\$ 2,563 \$	2,425	\$ 2,630 \$	2,929 \$	2,659 \$	3,247	\$ 1,910
										(1)

Other includes Agricultural/Forestry, Mining, Construction, Manufacturing, Transportation/Utilities, Financial Services, and Other

Percent Allocation of Taxable Sales - Retail Only

Building Materials	5%	5%*	5%	6%	6%	5%	5%*	7%	7%	7%
General Merchandise	28%*	27%	26%*	24%*	21%*	20%*	20%*	20%*	18%	20%
Food Stores	6%	6%*	7%	7%	7%*	7%*	7%*	8%	8%	7%
Automotive	5%	6%	5%*	6%	6%	5%	5%*	6%	6%	5%
Clothing	17%	17%	17%	16%	16%	15%*	15%*	13%	15%	17%
Home Furnishings	13%	12%	12%	12%	11%	16%*	17%*	13%	12%	11%
Restaurants	17%*	18%	19%	20%	21%*	21%*	21%*	21%*	22%	21%
Miscellaneous Retail	9%	9%	9%	9%	12%*	11%	10%*	12%	12%	12%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) Represents only three quarters of fiscal year.

Source: State Comptroller's Office

The State Comptroller's Office does not report detail of the Retail category at the city level due to confidentiality issues.

^{*} Restated due to updated totals received from State Comptroller's Office.

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1) Last Ten Fiscal Years

Fiscal Year Ended September 30	Tax Roll Year	_	Residential Property	 Commercial Property		Industrial Property	_	Minerals	_	Other	Le	ss: Tax-Exempt Property	 otal Net Taxable Assessed Value	Total Direct Tax Rate
2013	2012	\$	4,327,680,248	\$ 3,343,176,312	\$	137,187,071	\$	68,824,902	\$	1,013,294,611	\$	1,326,819,524	\$ 7,563,343,620	0.43
2014	2013		4,475,282,922	3,503,723,046		132,720,411		71,783,017		1,011,927,424		1,360,010,810	7,835,426,010	0.43
2015	2014		4,474,949,998	3,533,253,705		124,370,144		73,248,263		1,030,966,285		1,347,181,652	7,889,606,743	0.48
2016	2015		4,884,004,235	3,738,806,189		129,302,716		75,747,969		1,027,473,342		1,419,789,823	8,435,544,628	0.48
2017	2016		5,143,975,739	4,118,594,649		141,279,203		70,842,520		1,118,293,988		1,481,312,452	9,111,673,647	0.48
2018	2017		5,260,686,958	4,171,943,818		157,106,970		79,655,806		1,254,070,354		1,611,587,992	9,311,875,914	0.48
2019	2018		5,500,272,539	4,364,401,680		139,316,745		85,340,922		1,361,069,371		1,704,589,581	9,745,811,676	0.48
2020	2019		5,893,733,882	4,524,359,150		155,530,926		97,712,018		1,377,314,391		1,745,414,005	10,303,236,362	0.50
2021	2020		6,194,533,865	4,587,479,086		146,443,948		84,949,415		1,394,384,749		1,767,657,551	10,640,133,512	0.50
2022	2021		6,892,606,537	4,324,757,097		157,820,768		95,385,162		1,353,028,737		1,767,944,801	11,055,653,500	0.48

⁽¹⁾ The assessed value and actual value of properties is the same amount. The appraisal district appraises all property at market value. A column for the actual value is not reflected.

Source: City of McAllen Tax Office & Hidalgo County Appraisal District Tax Roll

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years (rate per \$100 of assessed value)

		(City Direct Rate	es				0	verlapping Ra	ates			
							School	Districts			Hidalgo		-
Fiscal Year Ended September 30	Tax Roll Year	Basic Rate	General Obligation Debt Service	Total Direct	McAllen	Sharyland	P.S.J.A	So. Tx College	Hidalgo	Edinburg	County Drainage District No.1	Hidalgo County	Tres Lagos PID Assessment
2013	2012	0.43	-	0.43	1.17	1.29	1.36	0.15	1.56	1.24	0.08	0.59	-
2014	2013	0.43	-	0.43	1.17	1.29	1.36	0.15	1.56	1.24	0.07	0.59	-
2015	2014	0.43	0.04	0.48	1.17	1.34	1.36	0.19	1.53	1.24	0.10	0.59	-
2016	2015	0.44	0.04	0.48	1.16	1.34	1.40	0.19	1.53	1.24	0.10	0.59	-
2017	2016	0.43	0.05	0.48	1.16	1.38	1.39	0.19	1.47	1.24	0.10	0.58	-
2018	2017	0.44	0.04	0.48	1.16	1.38	1.38	0.18	1.47	1.24	0.10	0.58	0.20
2019	2018	0.44	0.04	0.48	1.16	1.30	1.30	0.17	1.30	1.14	0.11	0.58	0.20
2020	2019	0.44	0.06	0.50	1.14	1.28	1.27	0.17	1.28	1.14	0.11	0.58	0.20
2021	2020	0.45	0.05	0.50	1.14	1.16	1.22	0.17	1.28	1.11	0.13	0.58	0.20
2022	2021	0.44	0.04	0.48	1.10	1.12	1.18	0.16	1.23	1.06	0.12	0.58	0.25

PRINCIPAL PROPERTY TAX PAYERS Current Year and Nine Years Ago

			2022		2013						
Taxpayer	Тах	able Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Тах	able Assessed Value	Rank	Percentage of Total City Taxable Assessed Value			
Simon Property Group	\$	156,416,994	1	1.41%	\$	61,802,878	1	0.82%			
AEP Texas Central Co.		77,859,270	2	0.70%		31,146,500	6	0.41%			
Big Sky Commercial Property		63,091,506	3	0.57%							
La Plaza Mall		52,000,000	4	0.47%							
Rio Grande Regional Hospital		50,752,851	5	0.46%		56,328,437	2	0.74%			
United Parcel Services Inc		47,750,104	6	0.43%							
Universal Health Services		47,743,201	7	0.43%		52,246,584	3	0.69%			
Palm Crossing Town Center LLC		34,734,157	8	0.31%							
Shops at 29 LTD		31,892,792	9	0.29%							
S P Plaza LC		29,276,312	10	0.26%							
Palms Crossing LP		-		-		41,915,932	4	0.55%			
GE Engine Services		-		-		35,988,688	5	0.48%			
H E Butt Grocery Company		-		-		24,437,376	7	0.32%			
Inland Western		-		-		22,025,172	8	0.29%			
McAllen Medical Center		-		-		19,185,516	9	0.25%			
Weingarten Las Tiendas JV		-		-		17,952,261	10	0.24%			
	\$	591,517,187		5.35%	\$	363,029,344		4.80%			

Data Source: City of McAllen - Tax Office

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

	Taxes Levied			Ad	justments to	Adjusted Taxes			Collected Within the Fiscal Year of the Levy			Collections in		Total Collections		
Fiscal Year	Tax Roll Year		in the Fiscal r of the Levy	Lev	y in the Fiscal Year	_	Levied for the Fiscal Year	_	Amount	Percentage Levy	of	Subsequent Years	_	Amount	Percentage of Levy	
2013	2012	\$	32,234,649	\$	(21,260)	\$	32,213,389	\$	31,076,068	96.47%	\$	1,057,557	\$	32,133,625	99.75%	
2014	2013		33,395,738		154,588		33,550,326		32,474,873	96.79%		985,559		33,460,432	99.73%	
2015	2014		36,982,695		865,085		37,847,780		36,687,212	96.93%		1,044,122		37,731,334	99.69%	
2016	2015		39,413,347		175,479		39,588,826		38,386,098	96.96%		1,049,348		39,435,446	99.61%	
2017	2016		42,519,989		(98,381)		42,421,608		41,015,610	96.69%		1,232,810		42,248,420	99.59%	
2018	2017		43,393,343		574,153		43,967,496		42,713,360	97.15%		1,055,344		43,768,704	99.55%	
2019	2018		45,726,885		143,567		45,870,452		44,515,112	97.05%		1,055,372		45,570,484	99.35%	
2020	2019		49,916,376		82,947		49,999,323		48,512,317	97.03%		1,028,073		49,540,390	99.08%	
2021	2020		50,905,212		835,693		51,740,905		50,311,919	97.24%		844,026		51,155,945	98.87%	
2022	2021		53,036,057		1,429,226		54,465,283		53,290,262	97.84%		-		53,290,262	97.84%	

Source:

City of McAllen Tax Office

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

_		Governmental .	Activities			Busin	ess-Type Activities					
Year	General Obligation Bonds	Combination Tax and Revenue Certificates of Obligation	Sales Tax Revenue Obligations	Capital Lease	Water Revenue Bonds	Sewer Revenue Bonds	Anzalduas International Crossing Bonds	Airport CO Bonds	Capital Lease	Total Primary Government	Percentage of Personal Income (a)	Per Capital (a)
2013	-	\$ 22,608,183	\$ 125,000 \$	-	\$ 22,427,956	\$ 80,464,931	\$ 36,121,559	\$ 9,125,000	\$ - :	\$ 170,872,629	5.88%	1,244
2014	42,380,000	30,845,000	100,000	-	20,891,827	76,956,249	34,891,417	8,750,000	-	214,814,493	7.47%	1,564
2015	59,047,110	13,003,737	75,000	-	19,028,844	113,066,972	33,610,987	8,365,000	-	246,197,650	8.28%	1,823
2016	55,272,893	35,837,855	5,120,000	-	21,257,589	103,266,578	32,274,488	7,970,000	-	260,999,403	8.45%	1,826
2017	50,377,332	46,483,517	15,285,000	-	19,573,582	105,954,478	31,202,924	7,565,000	-	276,441,833	8.76%	1,903
2018	50,526,755	51,097,737	20,400,000	-	17,846,783	101,577,149	29,507,509	7,150,000	-	278,105,933	8.68%	1,915
2019	65,590,678	51,490,248	20,400,000	3,192,833	34,759,764	104,037,154	27,760,750	6,720,000	513,996	314,465,423	9.24%	2,139
2020	60,123,612	50,646,378	19,455,000	2,360,219	33,052,064	99,233,530	25,744,215	6,197,346	379,960	297,675,649	8.46%	2,049
2021	66,822,196	41,595,600	20,900,000	1,918,684	31,612,414	94,635,180	24,149,215	5,812,346	308,878	287,754,513	8.57%	1,876
2022	63,589,502	39,748,469	20,900,000	1,905,688	47,867,740	89,604,575	85,263,809	5,289,390	306,788	354,475,961	9.81%	2,411

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. (a) See Schedule 16 for personal income and population data.

RATIO OF GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year	Gen	eral Obligation Bonds	A۱	ss: Amount vailable for t Service (c)	 Total	Percentage of Actual Taxable Value of Property ^(a)	Per Capital ^(b)
2013	\$	21,735,000	\$	289,327	\$ 21,445,673	0.28%	158
2014		73,225,000		296,800	72,928,200	0.93%	533
2015		72,050,847		637,201	71,413,646	0.91%	534
2016		91,110,748		1,053,495	90,057,253	1.07%	637
2017		96,860,849		2,372,556	94,488,293	1.04%	667
2018		101,624,492		2,976,160	98,648,332	1.06%	688
2019		117,080,926		2,867,355	114,213,571	1.17%	781
2020		110,769,990		3,566,345	107,203,645	1.04%	732
2021		108,417,796		4,227,658	104,190,138	0.98%	750
2022		103,337,971		4,810,379	98,527,592	0.79%	703

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

⁽a) See Schedule 7 for property value data.

⁽b) See Schedule 16 for population data.

⁽c) Amount available for repayment of Debt - restricted for debt service in the Statement of Net Position.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT As of September 30, 2022

Governmental Unit	Del	bt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt		
Debt repaid with property taxes						
Hidalgo County	\$	367,135,000	26.04%	\$	95,601,954	
McAllen Independent School District		84,351,000	99.43%		83,870,199	
Sharyland Independent School District		84,460,000	26.26%		22,179,196	
P.S.J.A Independent School District		260,995,000	12.00%		31,319,400	
Hidalgo County Drainage District #1		240,946,000	26.04%		62,742,338	
South Texas College		112,069,693	24.44%		27,389,833	
Hidalgo Independent School District		26,487,000	28.79%		7,625,607	
Edinburg Independent School District		122,975,000	6.30%		7,747,425	
Subtotal, overlapping debt					338,475,952	
City of McAllen (direct debt)		126,143,659	100.00%		126,143,659	
Total direct and overlapping debt				\$	464,619,611	

^{*}The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determing the entities' taxable assessed value that is with the City's bonundaries and dividing the entities' total taxable assessed value.

Source: Information provided by Texas MAC - Municipal Advisory of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of McAllen.

LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$1	1,055,653,500
Debt limit (5% of assessed value)		552,782,675
Debt applicable to limit:		
General obligation bonds		103,337,971
Less: amount set aside for repayment of general obligation		
debt		(3,880,392)
Total net debt applicable to limit		99,457,579
Legal debt margin	\$	453,325,096

	Fiscal Year												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022			
Debt limit	\$356,700,467	\$391,771,301	\$394,480,337	\$421,777,231	\$455,583,682	\$465,593,796	\$487,290,584	\$515,161,818	\$532,006,676 \$	552,782,675			
Total net debt applicable to limit	21,466,714	72,940,390	68,167,809	90,478,043	95,808,670	99,253,585	114,491,713	107,929,637	105,052,352	99,457,579			
Legal debt margin	\$335,233,753	\$318,830,911	\$326,312,528	\$331,299,188	\$359,775,012	\$366,340,211	\$372,798,871	\$407,232,181	\$426,954,324 \$	453,325,096			
Total net debt applicable to the limit as a percentage of debt limit	6.40%	22.88%	20.89%	27.31%	26.63%	27.09%	30.71%	26.50%	24.61%	21.94%			

Note: State statutes do not prescribe a debt limit; however, by custom, a practical economic debt limit of 5% of the assessed valuation is used.

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

	Water Revenue Bonds											9	Sewer Revenu	іе В	onds				
						Debt S	Serv	rice							Debt Se	rvic	e		
Fiscal Year	Total Revenues (a)	Less: Operating Expenses (b)		et Available Revenue	_	Principal	_	Interest	Coverage	 Total Revenues ^(a)	Less: Operating xpenses ^(b)		et Available Revenue		Principal	l	nterest	Cov	verage_
2013	\$ 16,634,518	\$ 12,613,800	\$	4,020,718	\$	1,514,610	\$	1,227,162	1.47	\$ 14,899,235	\$ 8,092,635	\$	6,806,600	\$	3,313,390 \$	3	1,386,497	1.	.45
2014	16,269,236	12,315,395		3,953,841		1,583,751		1,160,204	1.44	15,128,924	8,138,492		6,990,432		3,594,249		1,327,371	1.	.42
2015	16,864,143	11,974,407		4,889,736		1,649,458		1,016,999	1.83	15,590,842	7,687,962		7,902,880		4,486,542		1,116,563	1.	.41
2016	19,180,636	14,454,458		4,726,178		1,316,800		824,172	2.21	17,374,694	8,861,585		8,513,109		4,049,200		1,440,048	1.	.55
2017	20,002,527	14,207,848		5,794,679		1,385,850		751,288	2.71	18,015,632	8,574,078		9,441,554		4,161,150		1,428,355	1.	.69
2018	19,772,823	14,113,051		5,659,772		1,430,450		743,192	2.60	17,819,239	8,269,193		9,550,046		4,221,550		1,420,067	1.	.69
2019	19,383,883	13,932,849		5,451,034		1,371,150		881,152	2.42	18,440,075	8,161,076		10,278,999		4,521,850		1,362,520	1.	.75
2020	21,212,706	14,934,816		6,277,890		1,708,574		1,400,575	2.02	19,696,773	8,743,279		10,953,494		4,787,436		1,039,646	1.	.88
2021	20,826,057	14,744,515		6,081,542		1,744,674		972,802	2.24	20,172,463	9,240,796		10,931,667		5,030,605		1,330,864	1.	.72
2022	21,398,176	16,079,417		5,318,759		2,679,866		1,101,582	1.41	19,510,019	9,606,834		9,903,185		5,071,496		1,253,991	1.	.57

Note: (a) Includes operating revenues and non-operating revenues

⁽b) Operating expenses do not include interest, depreciation, or amortization expenses.

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Years

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	137,608	\$2,906,693	\$21,123	32.5	24,500	10.70%
2014	137,358	2,874,354	20,926	32.0	25,217	8.50%
2015	138,925	2,974,384	21,410	32.5	24,692	4.90%
2016	142,940	3,087,504	21,600	32.5	24,330	5.20%
2017	145,249	3,155,680	21,726	32.4	23,721	4.80%
2018	147,717	3,202,948	21,683	32.9	22,855	4.50%
2019	149,875	3,363,795	22,444	30.5	22,451	4.00%
2020	151,352	3,518,329	23,246	35.3	22,451	10.00%
2021	144,650	3,362,534	23,246	35.3	20,303	5.60%
2022	147,034	3,613,802	24,578	33.9	20,366	6.70%
	(A)	(B)	•	(C)	(D)	(E)

Source:

- (A) U.S Census Bureau-2015 and local estimates; 2010 Official U.S. Census
- (B) U.S Census Bureau-2015 community survey profile.
- (C) U.S Census Bureau-2015 community survey profile.
- (D) McAllen Independent School District
- (E) U. S. Bureau of Labor Statistics

PRINCIPAL EMPLOYERS IN THE AREA Current Year and Nine Years Ago

	2022					2013	<u> </u>
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
McAllen Independent School District	3,265	1	4.93%	McAllen Independent School District	4,024	1	7.12%
City of McAllen	2,566	2	3.88%	McAllen Medical Center	2,800	2	4.95%
South Texas College	2,321	3	3.51%	City of McAllen	1,996	3	3.53%
BBVA Compass Bank	1,500	4	2.27%	South Texas College	1,820	4	3.22%
Wal-Mart/Sam's	1,200	5	1.81%	Rio Grande Regional Hospital	1,100	5	1.95%
International Bank of Commerce	1,200	6	1.81%	Wal-Mart	675	6	1.19%
McAllen Medical Center - South Texas Health System	1,200	7	1.81%	НЕВ	550	7	0.97%
Rio Grande Regional Hospital	1,150	8	1.74%	International Bank of Commerce	405	8	0.72%
HEB	1,000	9	1.51%	Valley Coca-Cola Company	380	9	0.67%
GE Aviation	550	10	0.83%	Dillards	354	10	0.63%
Total	15,952 (A)		<u>24.10%</u> (B)		14,104 (C)		24.94% (C)

Source:

⁽A) Annual Budget Book - McAllen EDC

⁽B) Texas Workforce Commission

⁽C) City of McAllen ACFR Fiscal Year 2013

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

	full time only										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Function/Program General Government	192	192	196	199	200	203	198	198	213	212	
Public Safety: Police:											
Officers Civilians	285 136	285 136	285 143	285 144	285 144	285 146	275 137	294 146	294 146	300 148	
Fire:											
Fire fighters and officers Civilians	167 11	167 11	167 12	167 12	169 14	171 14	175 18	179 19	179 19	180 19	
Other	56	56	62	63	66	66	57	68	68	67	
Highways and streets	97	97	98	93	94	95	83	98	98	99	
Health and welfare	26	26	25	25	26	27	24	32	32	39	
Culture and Recreational	195	195	197	202	205	214	198	231	232	239	
Downtown Services	16	16	16	16	16	16	16	16	15	15	
Water services	137	137	137	138	134	144	146	149	148	149	
Wastewater services	84	84	85	87	89	88	87	87	92	92	
Sanitation	148	148	153	159	161	165	165	165	166	169	
Golf Course	12	12	12	12	12	12	12	12	12	17	
Convention Center	38	38	39	45	48	47	47	48	48	50	
Airport	41	41	38	37	37	37	41	41	41	42	
Transit terminal	8	8	8	8	8	7	6	8	9	9	
Metro McAllen	47	47	47	47	47	47	49	49	49	49	
Bridge	32	32	41	42	41	41	42	42	45	45	
Anzalduas Bridge	10	10	13	13	13	14	14	15	12	9	
Fleet Services	21	21	26	26	26	26	26	26	26	26	
Employee benefits	5	5	5	6	6	6	6	6	6	6	
Risk Management	7	7	7	7	7	7	8	8	11	11	
Total	1,771	1,771	1,812	1,833	1,848	1,878	1,830	1,937	1,961	1,992	

Source: City's Budget Document

OPERATING INDICATORS BY FUNCTION/PROGRAM Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
Public Safety										
Police										
Number of employees-commissioned	281	285	285	285	289	289	298	298	300	316
Number of service calls	147,528	144,761	152,303	144,761	140,632	143,598	138,777	132,367	142,149	136,948
Fire										
Number of firemen	167	167	167	167	167	174	176	180	180	180
Total number of alarm responses	5,949	5,500	6,674	6,696	7,344	7,814	8,238	4,447	4,594	4,686
Code enforcement										
Number of employees	20	20	22	12	18	18	18	33	31	23
Number of building permits	1,671	1,562	1,559	1,551	1,548	1,512	1,662	2,197	2,463	2,743
Development services										
Street Resurfacing (linear miles)	26	48	42	33	36	11	12	12	8	10
Sidewalk Construction (linear feet)	7,920	1,065	29,304	3,368	5,887	2,746	1,242	3,653	7,207	10,402
Cultural and recreational										
Parks and recreation										
Participants in special event programs	245,000	104,500	360,000	360,000	367,900	301,000	302,197	359,671	25,000	361,000
Participants in athletic programs	16,000	8,145	518	10,860	13,819	11,860	8,340	5,448	1,223	6,512
Participants in after school programs	1,800	1,648	827	1,195	1,313	1,206	1,218	781	373	1,098
Library-main										
Volumes in collection	323,019	281,643	324,932	323,822	336,396	333,600	337,046	325,037	300,295	334,491
Water and Wastewater system										
Number of water customers	44,068	44,708	45,830	46,201	46,780	47,399	47,950	48,415	49,331	50,357
Number of Wastewater customers	39,247	39,802	40,996	40,912	41,660	42,286	42,804	43,218	43,914	44,614
Average daily water consumption (gallons)	25,952,225	23,953,301	21,000,000	22,303,830	20,302,000	26,300,000	24,000,000	25,011,602	20,848,000	21,670,000
Maximum storage capacity (gallons) South	7.000.000	7.000.000	7.000.000	7750000	7.750.000	7.750.000	7.750.000	7.750.000	7.750.000	7.750.000
Plant	7,900,000	7,900,000	7,900,000	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000
Maximum storage capacity (gallons)- North Plant	4,000,000	4,000,000	4 000 000	4,250,000	4,250,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
	4,000,000	4,000,000	4,000,000 21.22	4,250,000 17.80	4,250,000	4,000,000	4,000,000	4,000,000 35.26	30.00	4,000,000
Rainfall (inches)	14.39	24.43	21.22	17.80	10.02	31.52	10.91	33.20	30.00	17.59
Sanitation										
Refuse collected (tons)	122,499	127,562	138,149	143,225	137,834	141,659	144,117	141,569	152,702	152,753
Bulky/brush pickups (tons)	44,187	22,265	30,410	34,586	26,131	32,625	33,132	43,203	47,542	33,197
Recyclables collected (tons)	5,476	4,323	4,323	5,200	5,503	4,644	5,858	5,469	6,827	6,379
,	-,	.,. 20	.,- 20	-,-30	-,-30	.,	2,200	-, - 2 2	-,	-,
Golf course										
Total number of rounds	39,759	36,859	40,447	42,484	35,569	44,346	43,285	45,638	51,442	51,442
	•	-	-	-	-	-	-	-	•	-

Source: City Departments Notes: N/A - Data not available. Estimates: Fiscal Year 2018

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
Public Safety Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	7	6	7	2	6	2	5	6	7	7
Fire stations	7	7	7	7	7	7	7	7	7	7
Fire hydrants	4,000	4,200	4,200	4,769	4,900	5,250	5,046	5,471	5,132	5,281
Development Services										
City area:										
Square miles	49.6	49.8	54.5	57.9	63.4	62.5	62.8	74.3	63.1	63.0
Acres	31,747	31,898	34,864	37,064	39,910	40,148	40,205	40,200	40,360	40,410
Streets- paved (miles)	464	480	540	1,061	1,040	1,384	1,387	1,387	1,395	1,401
Cultural and Recreational										
Developed parks (acres)	577	600	615	662	687	708	708	708	714	719
Parks (acres)-undeveloped	488	398	382	654	310	308	308	146	140	140
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	24	26	26	26	36	36	36	36	36	36
Lighted baseball diamonds/athletic fields	12	12	12	16	41	68	68	66	66	66
Municipal golf (18-hole course)	1	1	1	1	1	1	1	1	1	1
Water and Wastewater										
Water mains (miles)	714	1,046	738	722	727	730	734	737	744	747
Sanitary wastewater (miles)	500	500	535	540	546	550	554	558	566	570
Storm (miles)	315	315	315	239	239	243	239	241	245	269
5.5 (IIII66)	0.0	0.0	0.0	207	207	2.0	207		2 70	207

(1) Revised by engineering. Source: City Departments

MISCELLANEOUS STATISTICAL DATA

Section I - Water rates

The rate charged for water furnished and consumed under the standard water rate schedule by Section 106-82 of the City Ordinance, amended September 23, 2022 to all classes of customers is as follows:



\$9.95

(1) Per 1,000 gallons or any part thereof as follows: Residential-\$1.45/1,000 gallons for the first 7,999 gallons; plus \$1.75/1,000 for consumption between 8,000 and 12,999 gallons; plus \$1.95 for consumption between 13,000 gallons to 17,999; and \$2.05 per 1,000 thereafter.

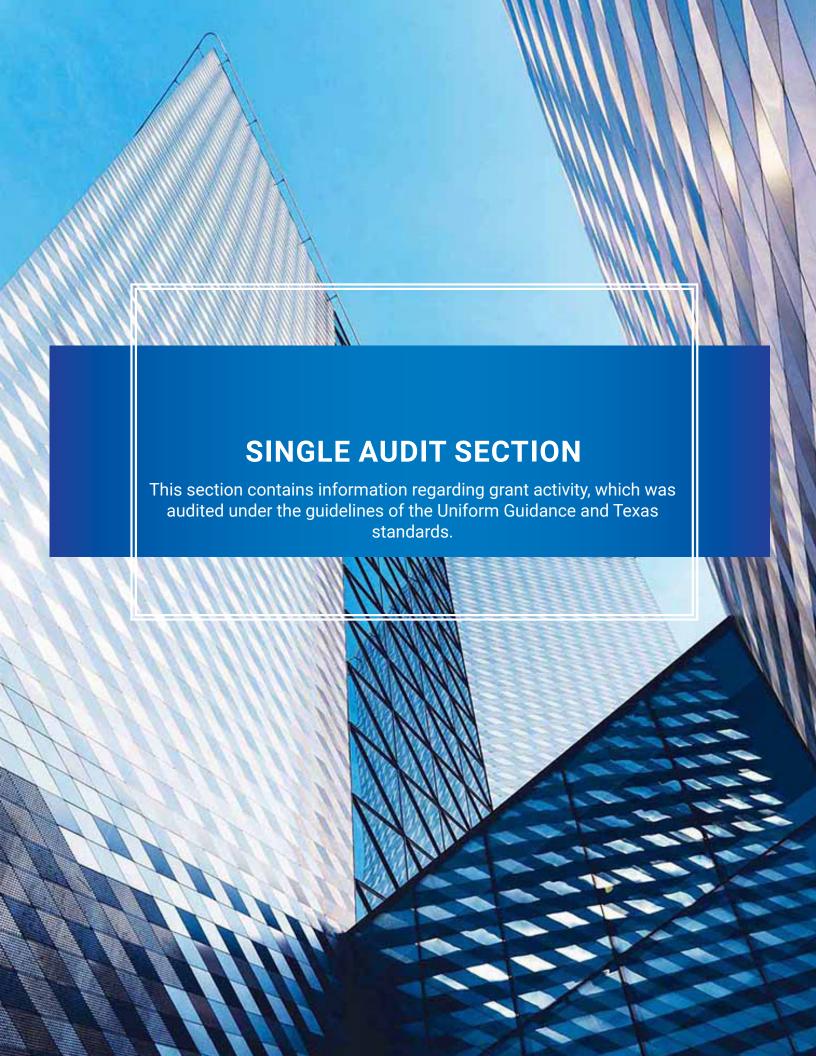
Commercial, Multi-family, and Industrial-\$1.45/1,000 gallons for the first 12-month average base consumption; plus \$1.95/1,000 for consumption over the 12-month average base consumption.

Sprinkler-\$1.95/1,000 gallons

Section II - Estimated unaccounted gallons of water

	Class of customers	Number	Usage (gallons)
	Residential	42,299	4,487,603,200
	Commercial Industrial	7,906 152	3,173,137,700 248,741,900
Number of gallons shown to ha and #3 during the period	8,690,462,000		
Number of gallons billed			(7,909,482,800)
Estimated water used in fire hy	(49,000,000)		
Estimated number of gallons u	naccounted due to breaks, leaks, etc.		731,979,200







Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

We have audited, in accordance with the auditing standards generally accepting in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of McAllen, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 22, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Siduell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas March 22, 2023



Independent Auditor's Report on Compliance for Each Major
Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance and State of Texas
Grant Management Standards

Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the compliance of the City of McAllen, Texas (the City) with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and Texas Grant Management Standards (TxGMS) that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2022. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended March 22, 2023

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and TxGMS. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal and state programs.

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Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, the Uniform Guidance, and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design
 and perform audit procedures responsive to those risks. Such procedures include examining, on
 a test basis, evidence regarding the City's compliance with the compliance requirements
 referred to above and performing such other procedures as we considered necessary in the
 circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in
 order to design audit procedures that are appropriate in the circumstances and to test and report
 on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but
 not for the purpose of expressing an opinion on the effectiveness of the City's internal control over
 compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, item 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas March 22, 2023

City of McAllen

Schedule of Federal and State Expenditures

As of September 30, 2022

Federal Grantor/ Passed-Through Grantor/Program or ClusterTitle		Passed-Through Grantor's Number	Passed Through To Subrecipients		
U.S. Department of Housing and Urban Development					
Direct Program:					
Community Development Block Grant:					
41st Year Entitlement Grant	14.218	B15MC480506	\$ -	\$ 83,925	
42nd Year Entitlement Grant	14.218	B16MC480506	-	38,261	
43rd Year Entitlement Grant	14.218	B17MC480506	-	396,768	
44th Year Entitlement Grant 45th Year Entitlement Grant	14.218 14.218	B18MC480506 B19MC480506	-	76,507 134,640	
46th Year Entitlement Grant	14.218	B20MC480506	-	304,280	
47th Year Entitlement Grant	14.218	B21MC480506	_	312,305	
COVID-19 - Entitlement Grant	14.218	B-20-MW-48-0506	-	12,360	
CDBG/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-20-DW-48-0001	-	113,182	
CDBG/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-20-DW-48-0001	-	329,708	
ESG	14.231	E21MC480506		10,274	
Total Entitlement Grant Cluster			-	1,812,210	
Home Investment Partnerships Programs	14.239	M19MC480506	-	19,714	
Home Investment Partnerships Programs	14.239	M20MC480506	-	11,340	
Home Investment Partnerships Programs	14.239	M21MP480506		22,589	
			-	53,643	
Total U.S. Department of Housing and Urban Development Program				1,865,853	
U.S. Department of Transportation					
Direct Program: Airport Improvement Program	20.106	3-48-0144-50	_	1,547,907	
Airport Improvement Program	20.106	3-48-0144-55		1,070,534	
Airport Improvement Program	20.106	3-48-0144-57	-	2,689,930	
COVID-19 - Airport Coronavirus Response Grant Program	20.106	3-48-0144-54		255,994	
Total Airport Improvement Program			-	5,564,365	
Federal Transit Formula Grant	20.507	TX-90-X937-00	-	49,593	
Federal Transit Formula Grant	20.507	TX-90-Y048-00	-	36,240	
Federal Transit Formula Grant	20.507	TX-2019-103-00	-	2,849,220	
Federal Transit Formula Grant COVID-19 - Federal Transit Formula Grant	20.507 20.507	TX-2021-033-00 TX-2020-076-00	-	3,107,513 3,342,554	
Federal Transit Formula Grant	20.507	TX-2022-068-00	-	499,949	
Total Federal Transit Formula Grant Cluster	20.507	174 2022 000 00		9,885,069	
Federal Highway Administration					
Passed through Texas Department of Transportation	20.600	2022 M. H. DD G IVG 20072		5 0.000	
State and Community Highway Safety	20.600 20.600	2022-McAllenPD-S-1YG-00060	-	79,000	
State and Community Highway Safety State and Community Highway Safety	20.600	2022-McAllenPD-S-CMV-00003 2022-McAllenPD-OPSLOW-00016	-	58,000 19,956	
National Priority Safety Programs	20.616	2022-McAilenPD-IDM-00002	-	24,998	
National Priority Safety Programs	20.616	2022-McAllenPD-CIOT-00025	-	19,905	
Total State and Community Highway Safety (Highway Safety Cluster)			-	201,859	
Federal Transit Administration	20.505			200	
Metropolitan Transportation Planning and State and Non-Metropolitan Planning	20.505			390	
Total U.S. Department of Transportation				15,651,683	
U.S. Department of Justice					
Direct Program: Equitable Sharing Program	16.922			256,517	
	10.722			230,317	
Passed through Office of the Governor COVID-19 - Coronavirus Emergency Supplemental Funding	16.034	4150201	-	41,252	
FY2021 JAG	16.738	15PBJA-21-GG-01888-JAGX	-	12,165	
Congressionally Recommended Awards	16.753	15PBJA-22-GG-00187-BRND	_	60,000	
· · · · · · · · · · · · · · · · · · ·		23 0010, 510.5		00,000	
Total U.S. Department of Justice				369,934	

The Notes to Schedule of Federal and State Expenditures are an integral part of this statement.

City of McAllen

Schedule of Federal and State Expenditures

As of September 30, 2022

	As of September	30, 2022		
Federal Grantor/ Passed-Through Grantor/Program or ClusterTitle	Assistance Listing Number	Passed-Through Grantor's Number	Passed Through To Subrecipients	Disbursements/ Expenditures
Department of Interior				
Reclamation States Emergency Drought Relief	15.514	R22AP00353-00	-	3,564
Total Department of Interior				3,564
U.S. Environmental Protection Agency				
Drinking Water State Revolving Fund Cluster (2018B)	66.468	L1000746	-	1,749,703
Total U.S. Environmental Protection Agency				1,749,703
U.S. Department of Homeland Security				
Passed through Texas Division of Emergency Management				
Hazard Mitigation Grant Program	97.039	FEMA-4272-DR-TX-010		1,722
Total Hazard Mitigation Grant Program			-	1,/22
Passed through Emergency Food and Shelter Program National Board Emergency Food and Shelter National Board Program - ARPA	97.024	8128-00	-	19,956,997
Passed through Office of the Governor				
Homeland Security Grant Program	97.067	3299605	-	117,462
Homeland Security Grant Program	97.067	3299606	-	182,391
Homeland Security Grant Program	97.067 97.067	4289301 4288701	-	59,971 60,045
Homeland Security Grant Program Total Homeland Security Grant Program	97.007	4200/01		419,869
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00345		103,004
			-	
Assistance to Firefighter Grant	97.044	EMW-2020-FG-00792	-	41,095
COVID-19 - Disaster Grants - Public Assistance	97.036	FEMA-4485-Texas COVID-19 Pandemic - 558	-	6,099
COVID-19 - Disaster Grants - Public Assistance	97.036	FEMA-4485-Texas COVID-19 Pandemic - 581	-	9,679
COVID-19 - Disaster Grants - Public Assistance COVID-19 - Disaster Grants - Public Assistance	97.036 97.036	FEMA-4485-Texas COVID-19 Pandemic - 460 FEMA-4485-Texas COVID-19 Pandemic - 684	-	4,385 1,308
COVID-19 - Disaster Grants - Public Assistance	97.036	FEMA-4485-Texas COVID-19 Pandemic - 593	-	2,222
COVID-19 - Disaster Grants - Public Assistance	97.036	FEMA-4485-Texas COVID-19 Pandemic - 465	-	105
COVID-19 - Disaster Grants - Public Assistance	97.036	FEMA-4485-Texas COVID-19 Pandemic - 651	-	8,249
COVID-19 - Disaster Grants - Public Assistance	97.036	FEMA-4485-Texas COVID-19 Pandemic - 660		769
Total COVID-19 Disaster Grants - Public Assistance				32,816
Total U.S. Department Homeland Security				20,555,503
U.S. Department of Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recover Funds	21.027		3,075,574	19,095,332
Total U.S. Department of Treasury			3,075,574	19,095,332
U.S. General Services Administration				
Passed through Texas Facilities Commission/Federal Surplus Program				
Donation of Federal Surplus Personal Property	39.003	12750		457,497
Total U.S. General Services Administration				457,497
U.S. Small Business Administration	59.075	CD 4 HO21 CV 01 2 1 0 5		307.431
CRRSAA - Shuttered Venue Operators Grant	39.073	SBAHQ21SV013105		
Total U.S. Small Business Administration				307,431
National Endownment for Humanities				
Institute of Museum and Library Services	45.310	TT-22004	-	20,487
Institute of Museum and Library Services Institute of Museum and Library Services	45.310 45.310	TSL-22017 TXR-22004	-	31,557 8,061
Institute of Museum and Library Services Institute of Museum and Library Services	45.310	LSTA LS-249990-OLS-21	-	15,985
Total National Endownment for Humanities				
				76,090
Total Expenditures of Federal Awards			\$ 3,075,574	\$ 60,132,590

The Notes to Schedule of Federal and State Expenditures are an integral part of this statement.

City of McAllen

Schedule of Federal and State Expenditures

As of September 30, 2022

State Grantor/ Passed-Through Grantor/Program or ClusterTitle	Assistance Listing Number	Passed-Through Grantor's Number	Passed Through To Subrecipients		Disbursements/ Expenditures	
Texas Agencies						
Texas Office of the Attorney General						
2022 Victim Coordinator and Liaison Grant		2214914	\$	-	\$	38,151
2023 Victim Coordinator and Liaison Grant		C-00036		-		4,236
Texas Office of the Governor						
CJD - Texas Anti-Gang Grant		3060507		-		542,033
CJD - Texas Anti-Gang Grant		3060508		-		66,929
Local Border Security Program		4110802		-		14,874
Rifle-Resistance Body Armor		4278301		-		44,336
Texas Department of Transportation:						
Routine Airport Maintenance Program		M2221MCAL		-		50,000
Passed Through - City of Brownsville						
Auto Theft Prevention 2022		608-22-0310100		-		287,856
Auto Theft Prevention 2023		608-23-0310100		-		24,118
Quinta Mazatlan Center of Urban Ecology (Rider)		51-000074		-		39,047
Equitable Sharing Program				-		60,152
Lower Rio Grande Valley Development Council		STATE-U-2021-LRGVDC-00090	-			308,086
Total Expenditures of State Awards			\$	-	\$	1,479,818
Total Expenditures of Federal and State awards			\$ 3,07	75,574	\$	61,612,408

The Notes to Schedule of Federal and State Expenditures are an integral part of this statement.

CITY OF McALLEN, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended September 30, 2022

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the federal award of activities of City of McAllen, Texas (City), under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards (Uniform Guidance) and the State of Texas Grant Management Standards. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. Enterprise Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Federal and state grant funds are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

3. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of McAllen, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards (Uniform Guidance) and the State of Texas Grant Management Standards. Because this schedule presents only a selected portion of the operations of the City of McAllen, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of McAllen.

4. Indirect Cost Rate

The City of McAllen has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of McAllen, Texas

Schedule of Findings and Questioned Costs For the Fiscal Year Ended September 30, 2022

Section 1. Summary of Auditor's Results

Financial Statements				
An unmodified opinion was issued on the financial statements.				
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	Χ	No
Significant deficiencies identified that are not considered to be material weakness(es)?		Yes	Х	None reported
Noncompliance material to financial statements noted?		Yes	Χ	_No
Federal Awards				
Internal control over major federal programs:				
Material weakness(es) identified?	,	Yes	Χ	_No
Significant deficiencies identified that are not considered to be material weakness(es)?		Yes	Х	None reported
An unmodified opinion was issued on compliance for major federal programs.				
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?		Yes	Х	_No
Identification of major federal programs:				
20.507 - Federal Transit Cluster 97.024 - Emergency Food and Shelter National Board Program 21.027 - State & Local Fiscal Recovery Funds				
State Awards				
Internal control over major state programs:				
Material weakness(es) identified?		Yes	Χ	_No
Significant deficiencies identified that are not considered to be material weakness(es)?	X	Yes		None reported
An unmodified opinion was issued on compliance for major programs.				
Any audit findings disclosed that are required to be reported in accordance with Texas Grant Management Standards		Yes	Х	_No
Identification of major state programs:				
CJD - Texas Anti-Gang grant Lower Rio Grande Valley Development Council				
Dollar threshold used to distinguish between type A and type B programs?	\$1,803,978	_ Fede	ral	
	\$ 750,000	_ State	;	

City of McAllen, Texas

Schedule of Findings and Questioned Costs – Continued For the Fiscal Year Ended September 30, 2022

Section 2. Financial Statement Findings

None

Section 3. Federal Award Findings and Questioned Costs

None

Section 4. State Award Findings and Questioned Costs

2022-001: Review of Employee Payroll

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting State Program: Texas Anti-Gang Grant (TAG)

Known or likely questioned Costs - NONE

<u>Criteria</u>

The Office of the Governor requires that as a recipient of the Texas Anti-Gang grant, the city is required to follow the State of Texas Grant Management Standards issued by the Texas Governor's Office of Budget and Planning.

- Establish and maintain effective internal control over the state award that provides reasonable
 assurance that the local government is managing the state award in compliance with statutes,
 rules, and the terms and conditions of the state award
- Comply with statutes, rules, and the terms and conditions of the state awards
- Evaluate and monitor the local government's compliance with statutes, rules and the terms and conditions of state awards
- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings
- Take reasonable measures to safeguard protected personally identifiable information and other
 information the state awarding agency designates as sensitive or the local government considers
 sensitive consistent with applicable federal, state and local laws regarding privacy and
 obligations of confidentiality

Condition

The following individual control deficiency was identified:

For individuals that receive supplemental overtime pay, A Comp Time request slip is filled out by the TAG grant employee and signed by the reviewing supervisor. During our audit, employees were selected for testing where a Comp Time request slip should have been completed and reviewed, but no Comp Time request slip was retained, or no review of the Comp Time request slip was documented.

Honorable Mayor, Members of the City Commission and Public Utility Board of Trustees City of McAllen, Texas

<u>Cause</u>

The City did not consistently adhere to its internal control and policy related to approval of overtime salaries charged to the state award.

Effect

Without the recommended controls in places around the review of payroll information, there is a potential that unapproved financial transactions may be entered, approved, or posted or that review may not perform in the expected manner and may impact the accuracy of financial data

<u>Recommendation</u>

We recommend that the City implement monitoring procedures to verify that controls related to overtime and Comp Time are operating effectively as designed.

View of Responsible Officials and Corrective Action Plan

Management will provide additional training to supervisors and emphasize the importance of adherence to internal control policies and procedures. Additionally, a monitoring program will be implemented.

Section 5. Prior Year Findings

None