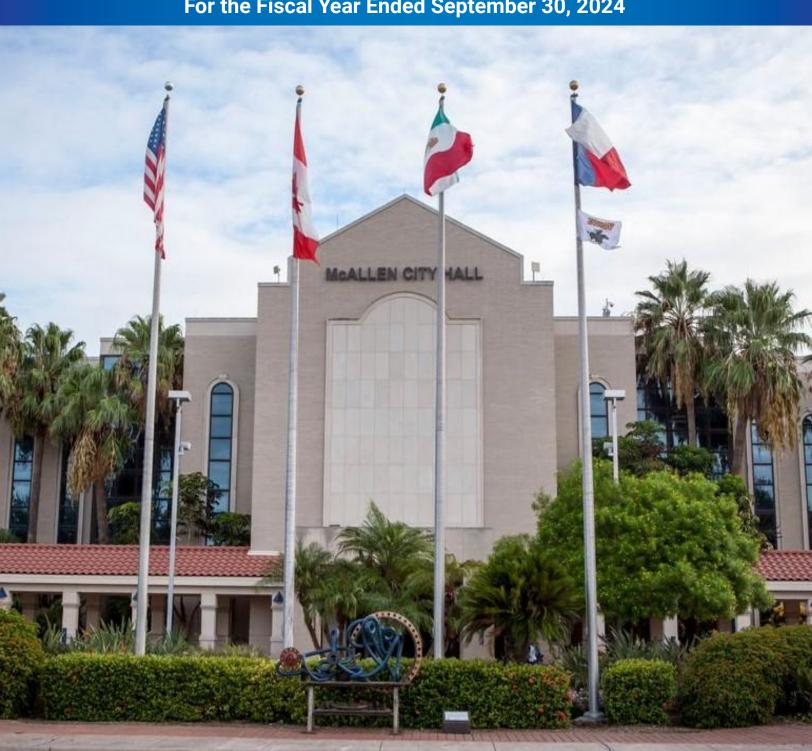


# **Annual Comprehensive Financial Report**

For the Fiscal Year Ended September 30, 2024





**Annual Comprehensive Financial Report** 

For the Fiscal Year Ended September 30, 2024

**Prepared by: Department of Finance** 



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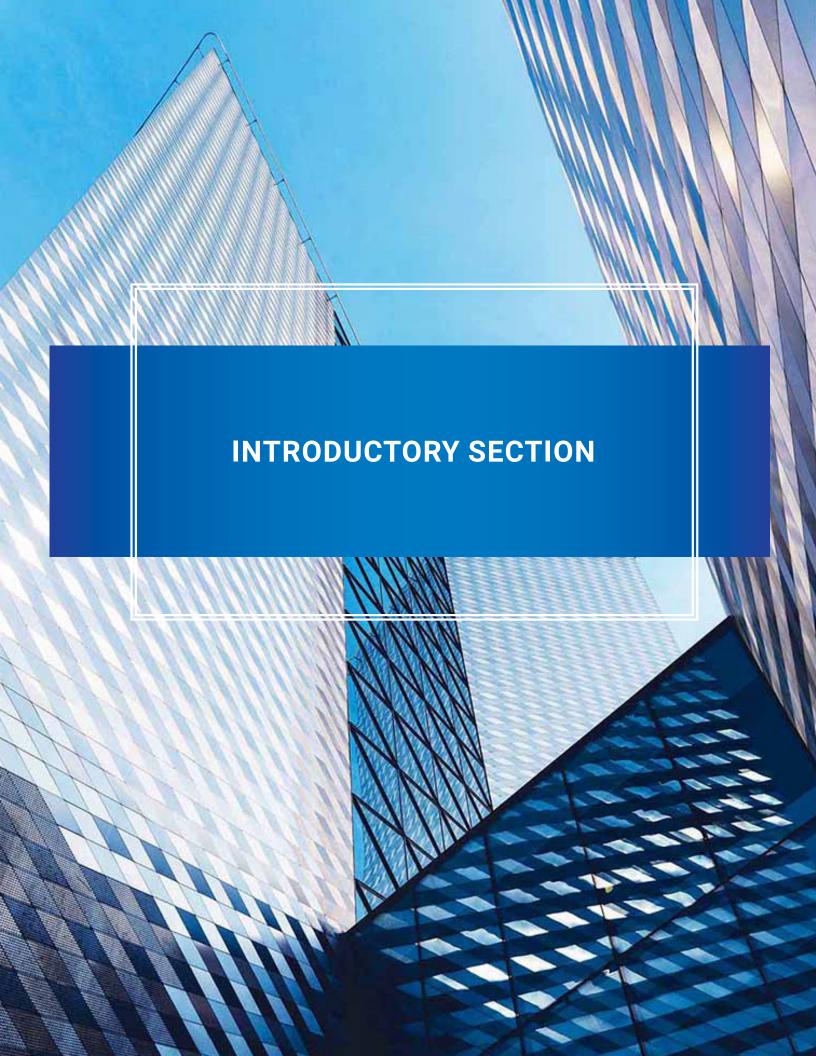
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JAVIER VILLALOBOS, Mayor
J. OMAR QUINTANILLA, Mayor Pro Tem and Commissioner District 3
ANTONIO "TONY" AGUIRRE, JR., Commissioner District 1
JOAQUIN "J.J." ZAMORA, Commissioner District 2
RODOLFO "RUDY" CASTILLO, Commissioner District 4
VICTOR "SEBY"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

ISAAC J. TAWIL, City Manager

March 24, 2025

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 a complete set of audited financial statements annually. 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, 2024.

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, 2024. 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, Tamaulipas, 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, 2024 the City's population is closer to 146,593. 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. 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 Miscellaneous Government Grants, Developers, PD Seized, TX Anti Gang Unit Fund and American Rescue Plan Act fund), and all the Capital Project Funds (excluding Local Government Finance Corporation TX A&M Construction Fund).

### **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 304,695 on September 30, 2015 to 361,813 on September 30, 2024 — a 18.75% increase. At this level, the unemployment rate is 6.18%. 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.

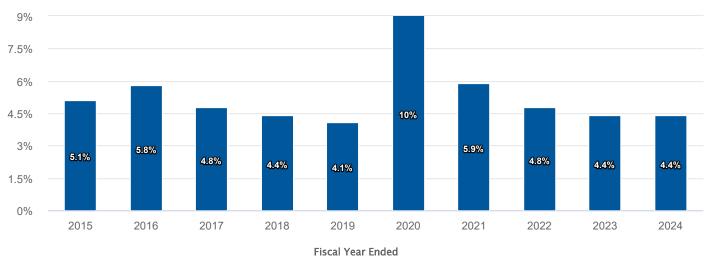
The City's location has historically positioned it to take advantage of The Maquiladora "Twin Plant" Program under which U.S. firms locate manufacturing facilities in Mexico accompanied by warehousing facilities in McAllen's foreign trade zone in order to cut labor costs and remain competitive. The program has been responsible for a large part of the job growth. Since 1988 through 2024, the McAllen Economic Development Corporation has been responsible for bringing 351 new companies, which including expansions, has created 42,781 jobs in McAllen. Its efforts have also resulted in 404 new companies, which including expansions, has created 205,130 new jobs in Reynosa, Mexico. Overall, between 881 companies, 247,911 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 2024, Texas exported \$123.5 billion to Mexico, which represented over 27.1% 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 had an increase of 14% in traffic crossings and the McAllen Hidalgo International Bridge had an increase of 5%.

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, 2024, the unemployment rate remained stable at level of 4.4%. 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 increased by \$2.6M or 2.8% over FY 2023. From FY 2015 to FY 2024, sales tax revenue has increased by 52.9%. The residents of McAllen benefit from this growth as 25% of sales tax provides property tax relief.

Source: Texas Workforce Commission

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 2024, the City's property tax revenue increased by \$4.2M or 7.1% over FY 2023. From FY 2015 to FY 2024, property values have grown 63.6% 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, 2024 the City's General Fund unassigned fund balance amounted to \$94M, which represents 247 days of operating expenses appropriated in next year's budget. This amount exceeds the City's 140-day policy by 107 days.

### **RELEVANT FINANCIAL POLICIES**

During this fiscal year, GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment to GASB Statement No. 62," was implemented as required by GASB. There was no impact on the current year's financial statements.

#### **MAJOR INITIATIVES**

#### For the Year 2023-24

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 2023-24, 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 50 illuminated floats and surprises, over 30 larger-than-life character balloons, Celebrity hosts and guest appearances, Marching bands & dance teams, and Christmas in the Park. The 2023 McAllen Holiday Parade had more than 260,000 spectators and 27 million TV Viewers.

• Adoption of Comprehensive Plan & Proposal of Unified Development Code (UDC)

Management's Response: The award-winning "Envision McAllen" Comprehensive Plan was adopted in May 2023. Work has continued with proposal for the Unified Development Code (UDC). The UDC overhauls the development process by replacing previous subdivision, zoning, landscaping, and sign ordinances and consolidating all development ordinances into one new code. This may be followed by implementation of Citywide Rezoning in effort to align with the new comprehensive vision for City's Development. UDC and subsequent city-wide rezoning pending Fiscal Year (2024-2025) Vote.

"McAllen Shines" Campaign - a citywide beautification and civic pride program led by Public Works

Management's Response: McAllen SHINES is a citywide beautification and civic pride initiative designed to inspire every resident, business, and visitor to take action and make a positive impact. By encouraging everyone to "do the right thing," this program aims to keep McAllen clean, safe, and welcoming through individual and collective efforts. Whether it's maintaining clean public spaces, enhancing neighborhood aesthetics, or fostering a sense of community responsibility, McAllen SHINES calls on everyone to take pride in their city and contribute to making McAllen a brighter, more vibrant place for all. Campaign officially launched July 11, 2024.

City assets currently in progress

Anzalduas Land Port of Entry Expansion Project

Management's Response: This \$83.8M (construction) project consists of a \$63 million loan from North American Development Bank (NADBank) and a \$25 million grant from the U.S. 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 construction awarded September 2022, groundbreaking October 2022, and projected completion date of April 2025.

Center for Urban Ecology (CUE) at Quinta Mazatlán

Management's Response: This \$51.9M (construction) project will create a destination venue and promote environmental education to the public. Programming will include a premier research lab on urban ecological sciences and applications for students in STEM. In addition, the CUE will have green spaces, an Ethnobotanical Garden, Sensory Garden, a Park and Ride, Leadership Course, Classrooms, Science Lab, outdoor amphitheater, Wellness pavilion, and see the planting of 24,000 new native plants. Stakeholders include the State of Texas, Texas Parks & Wildlife, Hidalgo County, the University of Texas-Rio Grande Valley, and McAllen Independent School District, among other public and private donations. Project construction was awarded July 2023, groundbreaking October 2023, and projected completion date of January 2026.

Fire Station #8 - 14300 N. Shary Road

**Management's Response:** This \$5.8M project will be McAllen's Fire Station #8 that will service the growing northside of McAllen will house four firefighters and one fire engine company. Amenities will boast 10,547 square feet and will include living quarters, dispatch area, and two apparatus bays. Project groundbreaking June 2023 and scheduled for completion January 2025.

• Boeye Reservoir Development - 1901 South 23rd Street

**Management's Response:** This \$21.6M project phase will prepare the site for future development. This includes \$295,000 for feasibility study. Phase 0-\$7M for grading and Phase 1-\$14.3M for platting and infrastructure. The project phase is scheduled for platting and infrastructure completion December 2025.

Animal Intake Facility

**Management's Response:** This design and construction project consists of new shelter space, animal support areas both indoors and outdoors, and dedicated administrative offices. Project is currently in the design phase.

• Airport - Terminal Improvements

**Management's Response:** This \$179.7M project is for improvements to adequately size the existing terminal for existing operations and future growth. Project includes a Federal Grant for Community Development. Design phase from January 2025 - December 2026. Project would complete construction by December 2028.

Airport Runway & Taxiway Safety Improvements - Airport

**Management's Response:** This \$34.5M project will address and mitigate on-going safety and operational issues associated with the existing storm water management system at McAllen International Airport. Last phase of the project slated for completion September 2026.

Airport - ARFF Station - Fire Department

**Management's Response:** This \$7.1M project is to replace the existing Airport Rescue & Fire Fighting station that has been a dual City/Airport station and now be a dedicated station. Design Phase during Fiscal Year (2024-2025).

Recycling Center Upgrade - 4101 N. Bentsen Road

**Management's Response:** This \$6.95M project includes recycling center upgrades such as purchase of automated recycling equipment to increase efficiency and to increase recovery rate of recycled commodities. Project is to be completed by December 2025.

Fire Training Facility - 10700 N. La Lomita Road

**Management's Response:** Built next to the Firefighter Training Tower, the Firefighter Training Facility is on 14.5 acres and features include a large, tiered seating classroom for meetings and trainings, a lobby, restrooms with showers, administrative offices, and conference rooms. Project to be completed January 2025.

Improve service delivery assets

• Metro McAllen Transit - North Transfer HUB, Administrative Office & Bus Maintenance Facility

**Management's Response:** 4600 North 23rd Street - This includes an administration and storage building, employee and visitor parking, public parking spaces, bus parking, bus berths, wash and fuel islands, and maintenance bays. Funding included \$7.8M in Federal Transit Administration and Texas Department of Transportation Development Credits. No Local funds were utilized. Project completed March 2024.

Energy Efficiency Program

Management's Response: Various City of McAllen facilities including Convention Center, McAllen Police Department, and Downtown Bus Terminal. This involved the replacement or repair of outdated equipment with

new energy efficient equipment and HVAC Building Automated Systems that will replace outdated system. Project completed September 2024.

Hidalgo Bridge - North Bound Pedestrian Expansion

**Management's Response:** Hidalgo Bridge Upgrades - End of Bridge Street in Hidalgo, Texas. Renovation of existing pedestrian inspection booths and installing additional inspection booths. Project completed August 2024.

City Hall Building - Finance & Budget Department Remodel

**Management's Response:** 1300 West Houston Avenue - Remodeled and reconfigured Finance and Budget Department. Project completed September 2024.

Bicentennial Noise Wall Repairs Project

**Management's Response:** Repairs for Noise Wall on Bicentennial Boulevard. Project completed September 2024.

McAllen – Hidalgo Bridge Building A re-roof

**Management's Response:** Hidalgo Bridge Upgrades - End of Bridge Street in Hidalgo, Texas. This project includes re-roofing an existing building of 19,942 square feet. Thermal plastic roof removed and replaced with FLEX System. Project completed September 2024.

City Hall Front Canopy Upgrades

**Management's Response:** City Hall Building -1300 West Houston Avenue - Provided facelift to front canopy and walkway lighting at City Hall. Project completed December 2023.

Items for new "McAllen Shines" Campaign - a citywide beautification and civic pride program.

Public Works - Storm Water Compliance - Vactor Trucks

**Management's Response:** Purchase of two vacuum trucks will allow for the cleaning, flushing, and maintenance of storm water lines and systems to comply with TCEQ's Municipal Separate Storm Sewer (MS4) permit. Purchase completed June 2024.

Environmental Health & Code Enforcement - Bucket Trucks - Code Enforcement

**Management's Response:** Purchase of two bucket trucks to help install a fleet of 30 surveillance cameras at sites throughout the city to curb illegal dumping. The two bucket trucks were received February 2024.

Improve City Traffic flow and safety

McAllen Vision Zero Action Plan

Management's Response: Vision Zero is the City of McAllen's safety action plan to help reduce severe injuries and fatalities on City of McAllen roadways to ZERO. The plan, which was awarded through the U.S. Department of Transportation Safe Streets and Road for All grant program, focuses on ensuring safe, healthy and equitable mobility for all. The plan identifies areas where McAllen can make improvements to protect bicyclist, pedestrian and vehicular traffic through safer street design, targeted law enforcement public engagement or evidence-based public policy to ensure McAllen's streets are safe for everyone. Action Plan adopted August 2024.

Metro McAllen System Redesign and Service Expansion

**Management's Response**: Metro McAllen has added four new routes and updated eight of its existing routes. This is part of a short-range transit plan to realign McAllen's transit system for efficiency and effectiveness to better serve residents. Fares are \$1 for adults, 50 cents for reduced-fare passengers with valid ID, and free for children under 6 with a fare-paying customer. Official launch began July 29, 2024.

Improve City Storm Drainage

Engineering Drainage Study

**Management's Response:** Drainage Master Plan study to identify future drainage projects. Project completed September 2024.

Daffodil - Taylor Road to Ware Road

**Management's Response:** Roadway paving and drainage improvements that widen existing Daffodil Avenue from Taylor Road to Ware Road (FM 2220). Construction includes development of a 4 lane, urban roadway within 80-feet of right of way along a length of approximately one mile. Project completed September 2024.

Dove - 41st Street to Bentsen Road

Management's Response: Roadway paving and drainage improvements to complete east/west Dove Avenue corridor from Bentsen Road to 41st Street. Construction includes development of a four lane, urban roadway within 70-feet of right of way along a length of approximately quarter of a mile, including the construction of a bridge class culvert crossing along the Mission/McAllen Lateral and a siphon crossing along the Hidalgo County Irrigation District Number 1 main canal. Project completed September 2024.

Mona Avenue Drainage Improvements

**Management's Response:** Upgrades to storm sewer infrastructure required to address flooding at the intersection of Mona Avenue at N 23rd Street with improvements to the overall system. Project completed May 2024.

Trade Zone Pump Station Improvement

**Management's Response:** McAllen Foreign Trade Zone Stormwater Detention Pond-Upgrade of existing stormwater pump station to include pump replacement with new backup power supply. Drainage Utility Fee Project. Project completed September 2024.

• Northgate Lane Drainage Improvements

Management's Response: Northgate Lane between 2nd Street and 10th Street-Construction of new storm sewer infrastructure to reduce the extent of localized flooding during moderate to severe storm events. This includes construction of new storm sewer inlets/laterals to efficiently intercept surface flows and a new storm sewer trunkline to convey those flows to the available downstream receiving stream (McAllen Lateral). 2018 Bond Project. Project completed February 2024.

• Quince Avenue at North 8th Street

**Management's Response:** Quince Avenue at North 8th Street-Storm sewer infrastructure improvements to address an area with a limited and undersized existing sewer system that is prone to localized shallow flooding, especially during moderate to severe storm events. Project completed November 2023.

East Tamarack Avenue

**Management's Response:** East Tamarack Avenue at Drainage ditch-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. 2018 Bond Project. Project completed September 2024.

Leisure, Cultural and Entertainment

Morris Park

**Management's Response:** 1400 Trenton Road - Development of park system in and around the south Morris location. Amenities include picnic tables, field lighting, restrooms, ramp access, lighting, entry arch, irrigation, and landscaping. A donation of \$50,000 was received for an Urban Forest and observation deck as part of the Morris Park improvements. Project completed September 2024.

Splash Grounds at City Parks

Management's Response: 301 East Hackberry Avenue - Improved Curtis Park with a 700 square feet splash pad amenity. Splash pad features notable elements such as the Aqualume Soaker with five water-spilling components and a "Fun-Brella" for a spray umbrella effect. This is the fourth splash pad in the city alongside those at Zinnia Park, Palm View Park, and the McAllen Youth Baseball Complex. Project completed August 2024.

Bill Schupp Park Improvements

**Management's Response:** 1300 Zinnia Avenue-Removal and installation of new playground system at east Bill Schupp Park. Replacement of picnic tables, irrigation parts, picnic shelters, and sidewalk additions for access to ADA picnic tables. The east swing set was also replaced with a bay dedicated to toddler swings. Project completed September 2024.

Hike & Bike Trail Amenities

Management's Response: 2nd Street Hike and Bike Trail - Added amenities to south 2nd street trail. This included addition of benches, water fountains, shade structures, a tile art wall at 2nd and Business seating node and landscape enhancements. Project completed October 2024.

Westside Park Improvements

**Management's Response:** 900 South Ware Road-Improvements including paving and asphalt, remodel of Ramiro Guerra Kitchenette and gazebo, replacement of toddler playground, upgraded lighting and painting on four rental pavilions, and a complete revitalization of Playground 1 with a new color theme. Project completed September 2024.

• Champion Lakes Golf Course - Improvements

Management's Response: 2701 South Ware Road-Champion Lakes Golf Course installed close to 700 linear feet of Erosion Control Wall on the lake between holes 3 & 4 enhancing golfer safety and upgrading the aesthetic condition of hole and lake. The Golf course updated the Public Announcement System with state-of-the-art technology that allows for better service during daily operations, tournaments and special events. The Golf course added 52 additional parking spots for daily operation and the nighttime golf driving range. In addition, the Golf Cart Stage area was increased by 1,030 square feet to improve aesthetics in front of Clubhouse and to reduce wear and tear of the golf cart fleet. Projects completed September 2024.

#### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the year ended September 30, 2023. This was the thirty-seventh consecutive year and the thirty-eighth 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 annual comprehensive 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 annual comprehensive 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, 2023. The budget for October 1, 2024 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,

Isaac J. Tawil City Manager Sonia Resendez, CPM, CGFO Interim Finance Director

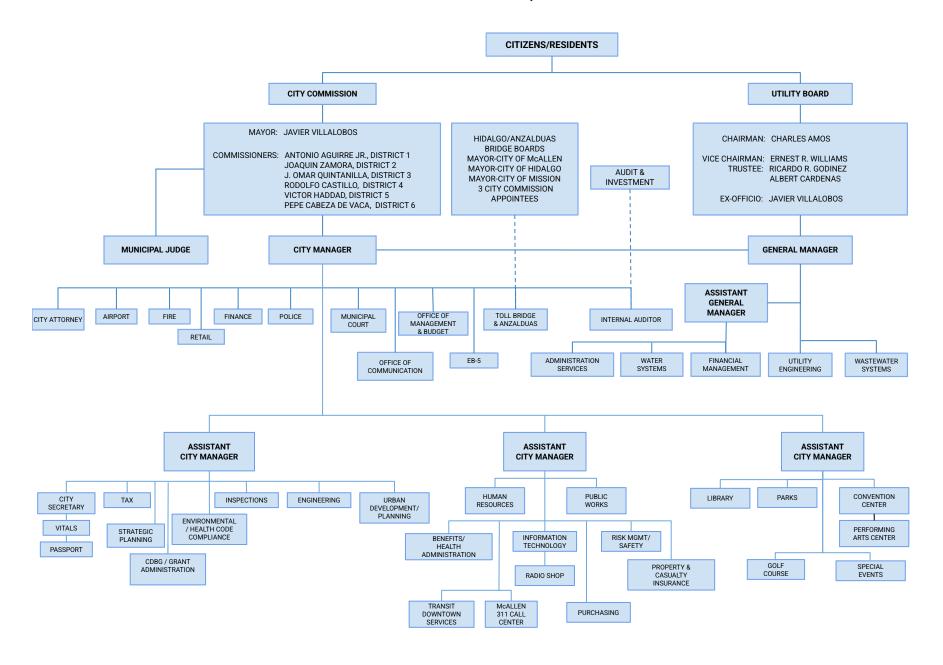
## **CITY OF McALLEN, TEXAS**

### LIST OF PRINCIPAL OFFICIALS

## SEPTEMBER 30, 2024

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	Isaac Tawil
MPU General Manager	.Marco A. Vega, P.E.
Assistant City Manager	Jeff Johnston
Assistant City Manager	Joe Vera
Assistant City Manager	Michelle Rivera
Attorney	Austin Stevenson
Interim Finance Director	Sonia Resendez
Aviation Director	Jeremy Santoscoy
Bridge Superintendent	Juan Olaguibel
City Secretary	Perla Lara
Fire Chief.	Juan A. Gloria
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

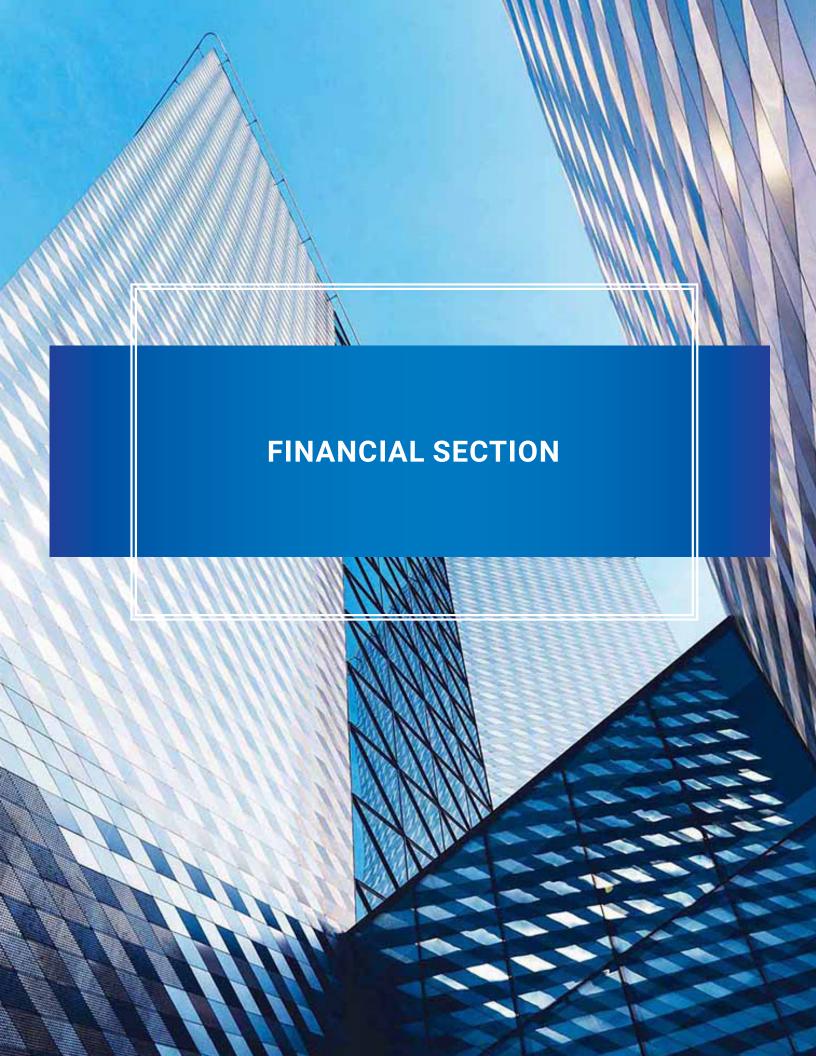
For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO









1601 South MoPac Expressway, Suite D250 Austin, Texas 78746 512-609-1900

#### **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, 2024, 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, based on our audit and the report of the other auditors, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Development Corporation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the fiduciary fund, Firemen's Relief and Retirement Fund of the City of McAllen, Texas (the Fund), as of and for the year ended September 30, 2024. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fund, is based solely on the report of the other auditors.

#### **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.

#### 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.

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.

Weaver and Tidwell, L.L.P.

CPAs AND ADVISORS | WEAVER.COM

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

#### 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.

### **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 schedules 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.

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

We and other auditors 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 and individual budget schedules 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 and individual budget schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Information in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory section and statistical section, as listed in the table of contents, 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.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 2025, 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 solely 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 the effectiveness of 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 Siduell, L.I.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas March 24, 2025



## Management's Discussion and Analysis (Unaudited) September 30, 2024

This discussion and analysis is intended to provide an overview of the City's financial performance for the fiscal year ended September 30, 2024 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 \$71M as a result of this year's operations. Governmental activities increased \$39M while business-type activities increased \$32M.

- Governmental Activities Revenues and Expenses Compared to last year Total revenues in the aggregate increased \$8M over last year. The increase was largely attributable to a \$2M increase in Sales Tax Revenue, a \$4M increase in property tax revenue and a \$2M increase in Investment Earnings. Expenses increased \$13M or 10% from last year of which \$2M is attributable to General Government, \$7M to public safety, \$1M to highway and streets, and \$3M to culture and recreation.
- Business-Type Activities Revenues and Expenses Compared to last year Total revenues in aggregate increased by \$10M from last year. The increase in revenue is the result of charges for services increasing by \$6M, a \$2M increase in capital grants and contributions, a \$3M increase in investment earnings and a \$1M decrease in Fair Value of Investments. Total expenses increased \$2M from last year. The increase in expenses is attributable to \$595K in the Water Fund, a \$800K increase in the Performing Arts Center Fund, a \$700K increase in McAllen Metro Fund, \$500K increase in the Transit Terminal Fund and a \$459K decrease in the Convention Center Fund.

#### **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 41. 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 42 - 43. 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				
	2024		2023	2024		2023		2024		2023
Assets						_				
Current and other assets	\$	309	\$ 311	\$ 315	\$	265	\$	624	\$	576
Capital assets		424	388	514		501		938		889
Total assets		733	699	829	_	766		1,562		1,465
Deferred outflows of resources		44	65	 6		10		50		75
Liabilities								-		-
Long-term liabilities		197	223	217		233		414		456
Other liabilities		47	45	58		24		105		69
Total liabilities		244	268	275	_	257		519		525
Deferred inflows of resources		37	 39	 18		9		55		48
Net position:								-		-
Net investments in capital assets	;	320	278	372		349		692		627
Restricted		65	69	88		81		153		150
Unrestricted		111	110	82		80		193		190
Total net position	\$	<u>496</u>	\$ 457	\$ 542	\$	510	\$	1,038	\$	967

Net position of the City's governmental activities increased by \$39M over last year as a net result from total assets and deferred outflows increasing \$13M, total liabilities decreased by \$24M and total deferred inflow of resources decreased by \$2M. The City's unrestricted net position increased by \$1M. 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 \$32M over last year's amount, which can be attributed to a total assets and deferred outflows increased by \$59M, total liabilities increased by \$18M and total deferred inflow of resources increased by \$9M.

# Changes in Net Position Information (in Millions)

	Governmental Activities			ess-type vities	Total Primary Government			
	2024	2023	2024	2023	2024	2023		
Revenues								
Program revenues								
Charges for services	\$ 12	\$ 11	\$ 113	\$ 108	\$ 125	\$ 119		
Operating grants and contributions	4	15	4	6	8	21		
Capital grants and contributions	15	18	22	17	37	35		
Property taxes	64	60	-	-	64	60		
Sales tax	96	94	-	-	96	94		
Other taxes	15	14	-	-	15	14		
Other general revenues	30	25	12	10_	42	35		
Total revenues	236	237	151_	141	387	378		
Program expenses					-	-		
General government	48	47	-	-	48	47		
Public safety	79	80	-	-	79	80		
Highways and streets	30	25	-	-	30	25		
Health and welfare	8	8	-	-	8	8		
Culture and recreation	30	31	-	-	30	31		
Interest on long-term debt	4	4	-	-	4	4		
Water	-	-	24	23	24	23		
Wastewater	-	-	22	21	22	21		
Sanitation	-	-	25	24	25	24		
Golf	-	-	2	2	2	2		
Transit terminal	-	-	2	2	2	2		
Bus	-	-	5	5	5	5		
Performing arts center	-	-	2	2	2	2		
Convention center	-	-	8	9	8	9		
Airport	-	-	12	12	12	12		
Anzalduas International crossing	-	-	6	6	6	6		
McAllen Int.'l toll bridge			8	8	8	8		
Total expenses	199	195	116	114	315	309		
Excess (loss) before transfers	37	42	35	27	72	69		
Transfers	3	4	(3)	(4)				
Change in net position	40	46	32	23	72	69		
Net position - beginning	457	411	511_	487	968	898		
Net position - ending	\$ 497	\$ 457	\$ 543	\$ 510	\$ 1,040	\$ 967		

Total revenues generated from both governmental and business-type activities this year amounted to \$387M, representing an increase of \$9M or 23.8% over last. The increase was a result of a \$6M increase in charges for services, an increase in sales tax of \$2M, an increase in Property Tax of \$4M, an increase in Other Taxes of \$1M, a \$2M increase in capital grants and contributions, a \$7M increase in other revenues, and a decrease in Operating grants and contributions of \$13M. The \$7M increase to other revenues is primarily due to investment earnings. The increase in charges for services consists primarily of an increase of \$1.5M from both bridges combined. There was an increase of car traffic for the McAllen-Hidalgo Bridge of about 5% while the Anzalduas Bridge had a 14% increase in car traffic. The Airport had a \$1.3M increase in charges for services which included increases in rental income, Terminal food and beverage and parking. The airport had a 21.4% increase in passenger activity. The Sanitation fund had an increase of \$2M primarily in Commercial, Residential and Recycling sales.

#### **Governmental Activities**

Total revenues generated from governmental activities this year amounted to \$236M. Expenses came in at \$199M, leaving a \$37M excess before transfers-in of \$3M, thus increasing net position by \$40M.

The cost of all governmental activities this year was \$199M. To finance these programs, a total of \$31M 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 \$168M 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

	2024	2023
General government \$	42	\$ 33
Public safety	68	68
Highways and streets	25	12
Health and welfare	7	7
Culture and recreation	23	27
Interest on long-term debt	4	4
Total <u>\$</u>	169	\$ 151

#### **Business-type Activities**

Total revenues generated from business-type activities this year amounted to \$151M. Expenses came in at \$116M leaving \$35M excess before transfers-out of \$3M which resulted in a net increase to net position of \$32M. 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 \$207M or a decrease of \$9M from last year.

#### **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, 2024 and 2023.

Revenues, transfers-in and Other Financing Sources	2024 Amount	% of Total	2023 Amount	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	\$ 175,113,774	68.48%	\$ 167,889,104	\$ 7,224,670	4.30%
Licenses and permits	2,853,509	1.12%	2,559,441	294,068	11.49%
Intergovernmental	18,817,185	7.36%	25,847,444	(7,030,259)	-27.20%
Charges for services	9,711,241	3.80%	9,317,571	393,670	4.23%
Fines and forfeitures	2,121,168	0.83%	2,052,052	69,116	3.37%
Investment income	14,021,434	5.48%	10,645,792	3,375,642	31.71%
Miscellaneous	9,981,487	3.90%	10,222,500	(241,013)	-2.36%
Other financing sources (uses)	23,098,246	9.03%	51,274,764	(28,176,518)	-54.95%
Totals	\$ 255,718,044	100.00%	\$ 279,808,668	\$ (24,090,624)	-8.61%

In FY 2024, the City experienced an overall decrease in revenues and other financing sources of \$24M. Other financing sources had an overall decrease of \$28M in transfers in. The City's tax revenue increased by \$7M mainly due to a \$2M increase in sales tax revenue and a \$4M increase in property tax revenue. Sales tax revenue continues 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 2024, the City benefited from high interest rates, Investment earnings improved by \$3M.

#### **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, 2024 and 2023.

Expenditures and Transfers-out	_	2024 Amount	% of Total	2023 Amount			Amount of Increase (Decrease)	% Increase (Decrease)
General government	\$	50,736,131	19.21%	\$	53,196,245	\$	(2,460,114)	-4.62%
Public safety		90,969,489	34.43%		81,775,934		9,193,555	11.24%
Highways and streets		30,704,833	11.62%		32,722,124		(2,017,291)	-6.16%
Health and welfare		8,732,938	3.31%		8,448,600		284,338	3.37%
Culture and recreation		51,243,009	19.40%		35,035,518		16,207,491	46.26%
Debt service:								
Principal		5,992,573	2.27%		5,828,484		164,089	2.82%
Interest and fiscal charges		4,880,481	1.85%		3,770,563		1,109,918	29.44%
Other Financing Sources(uses)		20,918,547	7.91%		49,711,427		(28,792,880)	-57.92%
Totals	\$	264,178,001	100.00%	\$	270,488,895	\$	(6,310,894)	-2.33%

In FY 2024, the City experienced a decrease in expenditures and other financing uses \$6M. Other Financing Sources had an overall decrease of \$29M as a result of a \$21M decrease in transfers out for revenue replacement from the State and Local Fiscal Recovery Funds, a \$6M decrease in transfers out to Infrastructure and Improvements fund of primarily for Land Acquisition \$3M and \$1M for an emergency A/C repair for various departments. The increase in public safety expenditures of \$9M, primarily due to \$2M for the Fire Station #8 building, \$2M for the Firefighters Training Facility Center, \$1.5M for EMS services and \$1M for a Ladder Fire Truck. The increase in culture and recreation expenditures of \$16M is a result of construction costs for the Center of Urban Ecology of \$14M and \$2M for the Precinct 2 Connectivity Trail project.

#### **Fund Balances**

The governmental fund balances decreased by \$9M, from \$216M in the prior year to \$207M in the current year. The net decrease to fund balance is the result of the net decrease to the various non-major governmental funds.

#### **General Fund**

As a result of this year's operations, total fund balance amounted to \$98M, an increase of \$16M from last fiscal year. Applying GASB 54 pronouncements, fund balances categories reflect \$4M nonspendable, \$137K restricted and \$94M unassigned. The increase in fund balance is the net result of excess revenues over expenditures exceeding transfers out. The local economy in McAllen continues to perform well as indicated by a 3% or \$2M sales tax revenue increase over last fiscal year. Marketplace sales tax contributed an increase of \$422K to the overall sales tax increase. The City also benefited from property tax revenue which increased 8% or \$4M 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 247 days of operations, which is 107 days in excess of the minimum requirement.

#### **Development Corp Fund**

The fund balance in the Development Corporation Fund reflected an increase of \$5M, leaving \$29M restricted ending fund balance. The Development Corporation's major source of revenue is sales tax revenue which contributed \$23M to the fund. The local economy in McAllen continues to perform well as indicated by a 4% growth of sales tax revenue

year over year. The increase to the Development Corp fund balance was the net result of transfers-out exceeding excess revenues over expenditures.

# 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 \$32M increase to net position. Of that amount, the Water Fund had a \$7M increase, Wastewater Funds had a \$7M increase, the Airport Fund had a \$8M increase, the McAllen International Toll Bridge a \$3M increase and the Anzalduas Bridge had a \$3M increase.

#### **Water Fund**

Operating revenue increased by 0.7% and operating expenses increased by 2.8% over last year. Total operating revenues amounted to \$25M while operating expenses totaled \$22M resulting in operating income of \$2M. Net non-operating revenues added another \$1M. During FY 2024, developers donated a total of \$4M in public improvements which increased the fund's net position by approximately \$2M.

#### Wastewater Fund

Operating revenues increased by 2.1% and operating expenses decreased by 0.1% over last year. Total operating revenues amounted to \$21M while operating expenses totaled \$21M. Net non-operating revenues amounted to \$807K. Favorable interest rates resulted in over \$1M in investments earnings. During FY 2024, developers donated a total of \$5M in public improvements which increased the fund's net position by approximately \$3M.

#### **McAllen International Airport Fund**

The McAllen International Airport continued to see growth in FY 2024 as operating revenues increased by 15.8% as a result of increase in passenger activity. Operating expenses increased by 2.4%. The Airport Fund sustained an operating loss of \$2M before non-operating expenses, capital contributions and transfers out. Capital contributions from the Passenger Facility Charge, as well as the FAA, amounted to \$10M. Transfers-out to the City amounted to \$2M to reimburse for public safety personnel assigned to the Airport. Overall, net position increased by \$8M. The increase to the net position was the result of increased passenger activity and federal funds received for capital projects. This year's working capital is reflected at \$17M, 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 2024, as well as 2023.

Category	FY 2023-24	FY 2022-23	(Decrease)	% increase (Decrease)
Cars	3,066,626	2,922,848	143,778	4.92%
Buses and others	15,873	17,438	(1,565)	-8.97%
Passengers in cars	7,666,565	7,307,120	359,445	4.92%

Southbound car crossings increased 5% and operating revenues increased by \$603K over last year. Operating expenses increased by 3.6% or \$158K compared to the prior fiscal year. After considering all other non-operating revenues and expenses, net position increased by \$3M. Working capital, including liabilities payable from restricted assets, which are included in current liabilities, at year-end amounted to \$5M.

#### **Anzalduas International Crossing Fund**

The table below reflects four types of crossings for 2024, as well as 2023.

Category	FY 2023-24	FY 2022-23	(Decrease)	(Decrease)
Cars	1.577.419	1.378.419	199.000	14.44%
Trucks - empties	52.119	42.749	9.370	21.92%
•	- ,	,	,	
Buses	2,058	2,488	(430)	-17.28%
Passengers in cars	3,943,548	3,446,048	497,500	14.44%

Southbound car crossings increased by \$199K or 14% while empty truck traffic increased by \$9K or 22%. Operating revenues amounted to \$7M, an increase of \$822K over last year. Operating expenses totaled \$3M. After non-operating expenses of \$1M and net transfer-out of \$25K, the net position increased by \$3M resulting in an ending net position \$3M. Unrestricted net position is reflected as a deficit in the amount of \$16M, 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 \$3M due to Sales tax, Franchise and Developer's fee revenue performing better than anticipated. Original appropriations to the final budget appropriations were increased by \$5M. This increase was primarily related to address department budget needs and a transfer to the employee benefits fund for health insurance expenses.

#### **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 liability as of September 30, 2024 of \$14M, which is 23.6% of the City's annual covered payroll of \$87M.

The Firemen's Relief & Retirement Fund (the Plan) reflects a Net Pension Liability as of September 30, 2024 of \$36M, which is 232.6% of the Plan's annual covered payroll of \$15M. 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 total 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 \$17M, as of September 30, 2024.

# CAPITAL ASSET AND DEBT ADMINISTRATION Capital Assets

At the end of the fiscal year, the City had \$938M in net capital assets, which is reflected below:

# Capital Assets at Year-end (In Millions)

	Governmental Activities				Busine Acti		Total Primary Government				
	2024		2023		2024		2023		2024		2023
Land	\$ 93	\$	93	\$	23	\$	23	\$	116	\$	116
Buildings and improvements	212		199		808		774		1,020		973
Equipment	114		105		95		90		209		195
Infrastructure	320		280		-		-		320		280
Construction in progress	49		58		39		39		88		97
Water rights	-		-		17		17		17		17
Development in Progress-SBITA	2		1		2		2		4		3
Subscription Right-of-Use	1		1		-		-		1		1
Accumulated depreciation	 (367)		(349)		(470)		(444)		(837)	_	(793)
Net Capital Assets	\$ 424	\$	388	\$	514	\$	501	\$	938	\$	889

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

Palm House Construction	\$ 16
Bicentennial - Trenton to 107	15
North Hub Construction	9
RWY 14-32/TWY A Safety Improvements	7
Parks Administration Building	6
AMI Project	6
Taylor to Ware Road	5
Bicentennial Blueline Drainage	5
Dove: 41st Street to Bentsen	5
Runway & Taxiway Safety	5
Fire Station #8	3
Firefighters Training Facility	 3
Total	\$ 85

For more detailed information on capital asset activity, refer to the notes to financial statements (refer to page 59 - 60).

#### Debt

At the end of the fiscal year, the City had \$315M in bonds outstanding-as shown in the following table:

# Outstanding Debt at Year-end (in Millions)

	 Governmental Activities				Busine Activ		Total Primary Government				
	2024		2023		2024		2023		2024		2023
General/certificate of obligation bonds/ note (backed by the City) Revenue bonds backed by specific tax and	\$ 90	\$	95	\$	-	\$	-	\$	90	\$	95
fee revenues	 20		21		205		215		225		236
Totals	\$ 110	\$	116	\$	205	\$	215	\$	315	\$	331

For more detailed information on long-term debt activity, refer to the notes to financial statements (refer to page 68).

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

During the budget process for fiscal year 2024-25 the elected and appointed officials considered many factors including the forces driving the economy-among which were job growth, bank deposits, retail sales growth, the unemployment rate, tourism, and inflation. The City reduced its property tax rate to \$0.449989 per \$100 of valuation compared to \$0.457285 per \$100 of valuation for FY 2024. General Fund revenues and transfers-in are expected to generate \$169M, an increase by \$4M, 2.36% more than last year's amended budget. The growth is largely driven by an increase of \$1.4M in Sales Tax, an increase of \$1.5M in Current Property Tax, and an increase of \$712K in the transfer-in from the Toll Bridge Fund. General Fund appropriation, including expenditures and transfers-out, is \$162.3M, a \$3.8M increase from last year's adjusted budget. Total Operations are budgeted at \$153M, an increase of \$6M from last year's adjusted budget. The estimated FY 2025 budget fund balance covers a total of 232 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.

Isaac J. Tawil City Manager

Sonia Resendez, CPM, CGFO Interim Finance Director

#### STATEMENT OF NET POSITION September 30, 2024

oeptemb.	CI	•	Prin	nary Governme	ent		Co	mponent Unit
		overnmental Activities		Business-type Activities		Total	Tre	s Lagos Public mprovement District
ASSETS		71011711100	_	71011711100	_	10101		
Cash	\$	15,634,263	\$	2,464,126	\$	18,098,389	\$	61,415
Certificate of deposits		8,410,569		3,566,696		11,977,265		-
Investments		242,988,366		66,607,397		309,595,763		-
Receivables, net		36,056,167		15,103,593		51,159,760		142,990
Internal balances		202,973		(202,973)		-		-
Inventories		-		1,775,767		1,775,767		-
Prepaid items		1,572,596		1,410,156		2,982,752		-
Restricted assets		-		212,960,248		212,960,248		-
Capital assets not being depreciated:								
Land		92,548,002		23,452,195		116,000,197		18,627,352
Construction in progress		48,944,271		38,930,364		87,874,635		-
Development in Progress-SBITA		1,997,102		1,600,000		3,597,102		-
Water rights (perpetual)		-		14,323,738		14,323,738		-
Capital assets being depreciated:								
Buildings and systems		122,302,781		556,483,482		678,786,263		4,281,939
Equipment		114,342,228		94,897,413		209,239,641		19,973
Improvements		89,659,494		250,946,543		340,606,037		-
Infrastructure		320,220,599		-		320,220,599		-
Subscription Right-of-Use		923,783		49,003		972,786		-
Water rights		-		2,680,000		2,680,000		-
Accumulated depreciation	(	(366,610,268)		(469,584,252)		(836,194,520)		-
Other long term assets		4,081,318	_	11,255,173		15,336,491		
Total assets		733,274,244	_	828,718,669	_	1,561,992,913		23,133,669
Deferred outflows of resources:								
Deferred charges on refunding		1,018,782		1,761,049		2,779,831		-
Deferred charges-pensions and OPEB Plan		42,703,502		4,428,199	_	47,131,701		
Total deferred outflows of resources		43,722,284	_	6,189,248	_	49,911,532		
Total assets and deferred outflows of resources	\$	776,996,528	\$	834,907,917	\$	1,611,904,445	\$	23,133,669
LIABILITIES								
Accounts payable and accrued liabilities	\$	24,951,127	\$	36,508,855	\$	61,459,982	\$	3,142
Unearned revenues	·	10,500,248		20,461,317		30,961,565		-
Other		10,876,165		490,381		11,366,546		5,305,656
Non-current liabilities:								
Due within one year		14,862,201		13,983,508		28,845,709		-
Due in more than one year		115,779,266		196,849,792		312,629,058		-
Total OPEB obligation - due in more than one year		17,116,470		-		17,116,470		-
Net pension liability -Firemen's Pension - due in more than one year	r	35,252,065		-		35,252,065		-
Net pension liability-TMRS - due in more than one year		14,180,739		6,397,898	_	20,578,637		
Total liabilities		243,518,281	_	274,691,751	_	518,210,032		5,308,798
Deferred inflows of resources:								
Deferred charges on leases		151,397		14,513,151		14,664,548		-
Deferred charges on refunding		-		2,413,553		2,413,553		-
Deferred charges-pensions and OPEB Plan		37,000,869		905,932		37,906,801		
Total deferred inflows of resources	_	37,152,266	_	17,832,636	_	54,984,902	_	
Total liabilities and deferred inflows of resources		280,670,547		292,524,387	_	573,194,934		5,308,798
NET POSITION								
Net investments in capital assets		319,807,812		371,732,776		691,540,588		22,929,264
Restricted								
Capital projects		20,079,740		70,244,255		90,323,995		-
Federal and state grant awards		2,192,933		-		2,192,933		-
Hotel tourism		1,555,632		-		1,555,632		-
Parks		2,482,672		-		2,482,672		-
Debt service		6,901,934		11,280,905		18,182,839		-
Economic development		28,710,274		-		28,710,274		-
Distribution of net surplus revenues		-		6,803,652		6,803,652		-
Other purposes		3,568,507		-		3,568,507		-
Unrestricted		111,026,479	_	82,321,944	_	193,348,423		(5,104,393)
Total net position		496,325,983		542,383,532		1,038,709,515		17,824,871
Total liabilities, deferred inflows of resources, and net position		776,996,530	Ś	834,907,919	Ś	1,611,904,449	\$	23,133,669
Total numinities, deferred inflows of resources, and flet position	<u>~</u>	. , 0, , , 0, 000	ᆇ	30 1,201,219	포	.,011,70-1,777	<u>~</u>	20,100,009

#### **STATEMENT OF ACTIVITIES**

#### For the Year Ended September 30, 2024

					Program revenues			
Expenses			Charges for Services		Operating Grants and Contributions	Capital Grants and Contributions		
\$	47,948,451	\$	4,390,360	\$	650,956	\$	1,026,601	
	78,992,496		3,000,037		2,725,146		5,420,721	
	30,059,428		2,147,639		239,150		3,002,299	
	8,315,134		976,695		498,213		-	
	29,851,788		1,560,687		103,779		5,150,319	
	3,506,182		-		-		-	
	198,673,479		12,075,418		4,217,244		14,599,940	
\$	23,640,537	\$	24,869,436	\$	156,840	\$	3,685,548	
	21,836,117		21,450,152		-		5,069,515	
	24,527,685		25,527,023		45,479		-	
	2,049,405		2,489,641		-		-	
	2,401,349		1,536,798		8,164		-	
	8,361,810		4,407,510		50,304		-	
	11,892,043		10,062,218		100,000		10,267,361	
	2.408.721		9.633		800.003		2,569,138	
	5.065.996		581.384		2.622.038		-	
	5,993,910		6.734.808		-		-	
					_		45.096	
	<u> </u>			_	3.782.828		21,636,658	
Ś		Ś		Ś		Ś	36,236,598	
<u>.r</u>	2,102,000		-, ,	<u>-</u>	5/222/21 =	<del>-</del>		
Ś	1.306.064	Ś	-	Ś	-	Ś	-	
		\$ 47,948,451 78,992,496 30,059,428 8,315,134 29,851,788 3,506,182 198,673,479 \$ 23,640,537 21,836,117 24,527,685 2,049,405 2,401,349 8,361,810 11,892,043 2,408,721 5,065,996 5,993,910 8,338,456 116,516,029 \$ 315,189,508	\$ 47,948,451 \$ 78,992,496 30,059,428 8,315,134 29,851,788 3,506,182 198,673,479  \$ 23,640,537 \$ 21,836,117 24,527,685 2,049,405 2,401,349 8,361,810 11,892,043 2,408,721 5,065,996 5,993,910 8,338,456	\$ 47,948,451 \$ 4,390,360 78,992,496 3,000,037 30,059,428 2,147,639 8,315,134 976,695 29,851,788 1,560,687 3,506,182 198,673,479 12,075,418  \$ 23,640,537 \$ 24,869,436 21,836,117 21,450,152 24,527,685 25,527,023 2,049,405 2,489,641 2,401,349 1,536,798 8,361,810 4,407,510 11,892,043 10,062,218 2,408,721 9,633 5,065,996 581,384 5,993,910 6,734,808 8,338,456 15,710,715 116,516,029 \$ 315,189,508 \$ 125,454,736	Expenses         Services           \$ 47,948,451         \$ 4,390,360         \$ 78,992,496         3,000,037           30,059,428         2,147,639         8,315,134         976,695           29,851,788         1,560,687         -           3,506,182         -         -           198,673,479         12,075,418           \$ 23,640,537         \$ 24,869,436         \$           21,836,117         21,450,152         24,527,685         25,527,023           2,049,405         2,489,641         2,401,349         1,536,798           8,361,810         4,407,510         11,892,043         10,062,218           2,408,721         9,633         5,065,996         581,384           5,993,910         6,734,808         8,338,456         15,710,715           116,516,029         113,379,318         \$           \$ 315,189,508         \$ 125,454,736         \$	Expenses         Charges for Services         Operating Grants and Contributions           \$ 47,948,451         \$ 4,390,360         \$ 650,956           78,992,496         3,000,037         2,725,146           30,059,428         2,147,639         239,150           8,315,134         976,695         498,213           29,851,788         1,560,687         103,779           3,506,182         -         -           198,673,479         12,075,418         4,217,244           \$ 23,640,537         \$ 24,869,436         \$ 156,840           21,836,117         21,450,152         -           24,527,685         25,527,023         45,479           2,049,405         2,489,641         -           2,401,349         1,536,798         8,164           8,361,810         4,407,510         50,304           11,892,043         10,062,218         100,000           2,408,721         9,633         800,003           5,993,910         6,734,808         -           5,993,910         6,734,808         -           5,993,910         6,734,808         -           116,516,029         113,379,318         3,782,828           \$ 315,189,508         \$ 125,454,73	Expenses         Charges for Services         Operating Grants and Contributions         a           \$ 47,948,451 78,992,496 3,000,037 78,992,496 3,000,037 2,725,146 30,059,428 2,147,639 239,150 8,315,134 976,695 498,213 29,851,788 1,560,687 103,779 3,506,182 198,673,479 12,075,418 4,217,244         103,779 4,217,244           \$ 23,640,537 2,4869,436 2,18,673,479 2,4527,685 25,527,023 45,479 2,049,405 2,489,641 - 2,401,349 1,536,798 8,164 8,361,810 4,407,510 50,304 11,892,043 10,062,218 100,000 2,408,721 9,633 800,003 5,065,996 581,384 2,622,038 5,993,910 6,734,808 - 1,5710,715 116,516,029 113,379,318 3,782,828 \$ 315,189,508 \$ 125,454,736 \$ 8,000,072 \$ \$           \$ 315,189,508 \$ 125,454,736 \$ 8,000,072 \$ \$	

#### General revenues:

Property taxes

Hotel occupancy tax

Sales taxes

Franchise taxes

Mixed beverage taxes

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues, special items, and transfers

Change in net position

Net position - beginning

Net position - ending

	Net (expense) r	-						
	Primary go	overi	nment	Component Unit				
_	Governmental activities					Tres Lagos Public Improvement District		
\$	(41,880,534)	\$		\$	(41,880,534)	\$ -		
Ų	(67,846,592)	Ų	_	Ų	(67,846,592)	· ·		
	(24,670,340)		_		(24,670,340)	_		
	(6,840,226)		_		(6,840,226)	_		
	(23,037,003)		_		(23,037,003)	_		
	(3,506,182)		-		(3,506,182)	_		
	(167,780,877)		-		(167,780,877)			
,			F 071 007	^	F 071 007			
\$	-	\$	5,071,287	\$	5,071,287	-		
	-		4,683,550		4,683,550	-		
	-		1,044,817 440,236		1,044,817 440,236	-		
	-		(856,387)		(856,387)	-		
	_		(3,903,996)		(3,903,996)	-		
			8,537,536		8,537,536	_		
	_		970,053		970,053	_		
	_		(1,862,574)		(1,862,574)	_		
	_		740,898		740,898	_		
	_		7,417,355		7,417,355			
	_		22,282,775		22,282,775			
\$	(167,780,877)	\$	22,282,775	\$	(145,498,102)	\$ -		
\$	<u> </u>	\$	<u> </u>	\$	<u> </u>	\$ (1,306,064)		
	63,877,536		-		63,877,536	482,942		
	7,193,649		-		7,193,649	-		
	96,299,429		-		96,299,429	-		
	6,505,594		-		6,505,594	-		
	1,529,823		-		1,529,823	-		
	15,842,907		12,168,460		28,011,367	-		
	13,353,850		2		13,353,852	101,643		
	2,744,510	_	(2,744,510)	_				
_	207,347,298		9,423,952		216,771,250	584,585		
	39,566,421		31,706,727		71,273,148	(721,479)		
_	456,759,562	_	510,676,805	_	967,436,367	18,403,635		
\$	496,325,983	\$	542,383,532	\$	1,038,709,515	\$ 17,682,156		

#### BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2024

		General	_	Development Corp.		Other Governmental Funds		Total Governmental Funds
ASSETS								
Cash	\$	10,710,152	\$	,	\$	3,020,420	\$	13,791,275
Certificate of deposit		-		2,547,639		3,823,076		6,370,715
Investments		86,910,270		26,589,785		98,569,467		212,069,522
Receivables:								
Accounts		2,162,278		-		1,400,296		3,562,574
Taxes		17,042,768		3,938,478		372,245		21,353,491
Accrued interest		265,907		24,083		47,656		337,646
Other		929,223		-		-		929,223
Due from other funds		7,169,731		-		42,640		7,212,371
Due from other governments		1,199,449		315,038		7,781,445		9,295,932
Prepaids		20,401		-		267,350		287,751
Board advances		4,081,318	_		_		_	4,081,318
Total assets	\$	130,491,497	\$	33,475,726	\$	115,324,595	\$	279,291,818
LIABILITIES AND FUND BALANCES Liabilities:								
Accounts payable	\$	2,670,067	\$	2,248,433	\$	8,982,900	\$	13,901,400
Accrued liabilities		3,658,024		486,777		1,703,401		5,848,202
Due to other funds		-		-		5,254,390		5,254,390
Unearned revenues		531,751		-		9,006,619		9,538,370
Other liabilities		1,219,938		100	_	9,654,273	_	10,874,311
Total liabilities		8,079,780	_	2,735,310	_	34,601,583		45,416,673
Deferred inflows of resources		23,946,758	_	2,030,142	_	719,168		26,696,068
Total liabilities and deferred inflows of resources		32,026,538	_	4,765,452	_	35,320,751		72,112,741
Fund balances:								
Nonspendable		4,101,719		-		267,350		4,369,069
Restricted		136,656		28,710,274		36,644,762		65,491,692
Committed		-		-		771,270		771,270
Assigned		-		-		48,708,686		48,708,686
Unassigned		94,226,584			_	(6,388,224)		87,838,360
Total fund balances		98,464,959	_	28,710,274	_	80,003,844	_	207,179,077
Total liabilities, deferred inflows of resources, and fund balances	\$	130,491,497	Ś	33,475,726	Ś	115,324,595	Ś	279,291,818
····	<u> </u>		<b>=</b>		=		-	

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

**September 30, 2024** 

Total governmental fund balances (refer to page 18)	\$	207,179,077
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.		413,221,035
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		4,421,089
Sales and franchise taxes		8,120,568
Weed and lot cleaning		1,233,636
Others		8,688,060
Mission repayment on Series B Bridge bonds		4,081,318
Total	_	26,544,671
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.		40,213,075
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the		
funds, including:		(1.1.000.110)
Unpaid compensated absences		(16,939,669)
Sales tax revenue bonds payable Accrued interest		(19,550,000)
Certificates of obligation		(429,328) (35,585,000)
General obligations		(54,655,000)
Leases		(995,074)
Premium		(2,241,345)
Deferred inflow of resouces		(37,000,869)
Firemen's pension obligation		(35,252,065)
OPEB obligation		(17,116,470)
Deferred outflows of resources		42,703,502
Discount		(301,466)
Deferred Charge on Refunding		1,018,782
Subscription liability		(307,135)
TMRS Pension Liability	_	(14,180,739)
Total		(190,831,876)
Net position of governmental activities	\$	496,325,983

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

#### For the Year Ended September 30, 2024

		General Fund	De	evelopment Corp.	Otl	ner Governmental Funds	Tota	l Governmental Funds
REVENUES					_			
Taxes	\$	138,198,549	\$	24,055,768	\$	12,859,457	\$	175,113,774
Licenses and permits		2,835,122		-		18,387		2,853,509
Intergovernmental		1,200,651		1,674,243		15,942,291		18,817,185
Charges for services		7,388,658		-		2,322,583		9,711,241
Fines and forfeitures		1,242,410		-		878,758		2,121,168
Investment earnings		4,806,214		1,004,184		5,766,592		11,576,990
Net increase (decrease) in the fair value of								
investments		1,704,248		411,433		328,763		2,444,444
Other		4,822,123		1,973,556		3,185,808		9,981,487
Total revenues		162,197,975		29,119,184		41,302,639		232,619,798
EXPENDITURES								
Current:								
General government		24,753,725		10,783,722		15,198,684		50,736,131
Public safety		75,047,166		-		15,922,323		90,969,489
Highways and streets		14,457,257		3,795,683		12,451,893		30,704,833
Health and welfare		4,204,515		3,867,757		660,666		8,732,938
Culture and recreation		24,440,554		690,332		26,112,123		51,243,009
Debt service:								
Principal		720,059		58,057		5,214,457		5,992,573
Interest and fiscal charges		57,759		2,008,490		2,814,232		4,880,481
Total expenditures	_	143,681,035		21,204,041		78,374,378		243,259,454
Excess (deficiency) of revenues over expenses (budget								
basis) before transfers		18,516,940		7,915,143	_	(37,071,739)		(10,639,656)
OTHER FINANCING SOURCES (USES)								
Transfers in		9,176,709		-		13,780,541		22,957,250
Transfers out		(11,800,382)		(2,440,491)		(6,677,674)		(20,918,547)
Issuance of debt for SBITA		140,996				<u>-</u> _		140,996
Net other financing sources (uses)		(2,482,677)		(2,440,491)		7,102,867		2,179,699
Net change in fund balances		16,034,263		5,474,652		(29,968,872)		(8,459,957)
Fund balances at beginning of year		82,430,696	_	23,235,622	_	109,972,716		215,639,034
Fund balances at end of year	\$	98,464,959	\$	28,710,274	\$	80,003,844	\$	207,179,077

# 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, 2024

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)	\$	(8,459,957)
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.  Capital outlays  Depreciation expense  Total		52,360,590 (18,637,904) 33,722,686
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		3,664,621
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		6,560,000
Repayment of lease principal and subscription based information technology agreements are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		627,781
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:  Compensated absences  Accrued interest expense  Bond amortization expense  Total	_	(1,463,623) 20,457 17,634 (1,425,532)
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:  Pension expense  OPEB expense  Firemen's net pension obligation  Total	_	2,900,503 (1,356,297) (1,339,005) 205,201
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.		4,671,621
Change in net position of governmental activities	\$	39,566,421



# GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended September 30, 2024

	Ori	ginal Budget		Final Budget	Ac	tual Amount		Variance with Final Budget Positive (Negative)
REVENUES								
Taxes:								
Property	\$	56,896,328	\$		\$	58,168,988	\$	605,864
Sales		71,845,072		73,427,725		73,697,122		269,397
Franchise		6,302,790	_	6,547,858		6,332,439	_	(215,419)
Total taxes		135,044,190		137,538,707		138,198,549		659,842
Licenses and permits:								
Business		74,460		74,460		100,333		25,873
Occupational		456,560		456,560		570,575		114,015
Non-business		1,986,517	_	1,986,517		2,164,214	_	177,697
Total licenses and permits		2,517,537	_	2,517,537		2,835,122		317,585
Intergovernmental		1,007,250	_	1,007,250		1,200,651		193,401
Charges for services:								
General government		3,106,503		3,361,520		4,147,350		785,830
Public safety		624,810		624,810		878,870		254,060
Health		1,042,292		1,042,292		976,695		(65,597)
Culture and recreation		1,317,268	_	1,317,268		1,385,743	_	68,475
Total charges for services		6,090,873	_	6,345,890		7,388,658		1,042,768
Fines and forfeitures:								
Corporations court		950,000		950,000		1,195,470		245,470
Other fines		38,029	_	38,029		46,940	_	8,911
Total fines and forfeitures		988,029	_	988,029		1,242,410		254,381
Investment earnings		3,506,985	_	3,506,985		4,806,214		1,299,229
Net increase (decrease) in the fair value of investments				<u>-</u>		1,704,248		1,704,248
Other:								
Royalties		300,000		247,587		317,154		69,567
Rents and concessions		83,000		83,000		81,120		(1,880)
Reimbursements		280,249		445,249		565,271		120,022
Other		3,048,250	_	3,318,839		3,858,578	_	539,739
Total other revenues		3,711,499	_	4,094,675		4,822,123		727,448
Total revenues	\$	152,866,363	\$	155,999,073	\$	162,197,975	\$	6,198,902

# GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General government:				
City commission	\$ 413,451	\$ 419,354	\$ 251,775	\$ 167,579
Special services	728,638	828,638	481,750	346,888
City manager	1,922,452	1,994,646	2,084,395	(89,749)
International relations	115,000	127,910	127,517	393
City secretary	668,688	704,619	694,040	10,579
Audit office	274,507	285,973	280,756	5,217
Vital statistics	226,432	232,498	185,865	46,633
Passport facility	226,300	237,032	208,919	28,113
Municipal court	1,918,486	2,060,248	1,651,401	408,847
Finance	1,918,649	1,977,564	1,726,246	251,318
Budget & management	499,531	522,619	506,679	15,940
Tax office	1,489,523	1,509,061	1,482,706	26,355
Purchasing and contracting	902,829	929,668	840,069	89,599
Legal	2,059,823	2,116,793	1,661,962	454,831
Grant administration	597,313	615,514	486,677	128,837
Human resources	1,141,035	1,177,252	1,018,290	158,962
Risk management	1,270,358	1,270,358	1,270,358	-
Planning	1,635,833	1,701,098	1,500,998	200,100
Information technology	4,895,077	5,015,832	4,368,116	647,716
Public information office	956,934	991,448	903,411	88,037
311 Call center	590,702	610,065	537,101	72,964
City hall	565,732	·	624,416	(48,573)
Building maintenance	1,179,158	1,215,843	1,000,883	214,960
Development center	169,441	172,511	157,249	15,262
Economic development	702,000	702,000	702,000	
Non-departmental activities	10,000	10,000	146	9,854
Contingency	618,953	(1,853,232)		(1,853,232)
Total general government	27,696,845	26,151,155	24,753,725	1,397,430
Public safety:				
Police	42,060,203	42,428,347	40,898,380	1,529,967
Animal care services	468,735	482,655	447,396	35,259
Radio shop	905,759	926,593	849,344	77,249
Fire	25,131,142	25,521,039	26,500,624	(979,585)
Emergency medical services	300,000	2,100,000	2,086,667	13,333
Traffic operations	2,836,796	2,914,823	2,714,142	200,681
Building code compliance	1,671,425	1,729,255	1,550,613	178,642
Total public safety	73,374,060	76,102,712	75,047,166	1,055,546
Highways and streets:				
Engineering services	2,652,673	2,767,596	2,583,739	183,857
Street maintenance	6,827,633	6,948,709	6,563,975	384,734
Street lighting	2,424,065	2,424,065	2,853,686	(429,621)
Sidewalk construction			429,245	79,206
	488,211	508,451	·	
Drainage	2,015,126	2,081,721	2,026,612	55,109
Total highways and streets	14,407,708	14,730,542	14,457,257	273,285
Health and welfare:				
Health code compliance	2,648,464	2,720,171	2,713,976	6,195
Graffiti cleaning	244,516	252,409	260,539	(8,130)
Other agencies	1,083,000	1,083,000	1,215,000	(132,000)
Other	15,000	15,000	15,000	
Total health and welfare	3,990,980	4,070,580	4,204,515	(133,935)

# GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2024

	Original Bu	dget	Fi	nal Budget	Act	tual Amount		/ariance with Final Budget Positive (Negative)
Culture and recreation:				710010				10710
Parks and recreation administration	•	),355	\$	710,910	\$	648,147	\$	62,763
Parks	•	5,166		10,817,690		10,165,057		652,633
Recreation	, -	3,023		2,251,852		2,368,924		(117,072)
Pools		3,275		1,204,498		999,069		205,429
Las palmas community center		5,978		492,933		488,280		4,653
Recreation center-Lark		9,000		555,863		531,004		24,859
Recreation center-Palmview		1,468		629,565		506,457		123,108
Quinta mazatlan	•	9,360		1,440,653		1,524,597		(83,944)
Library	•	7,789		4,409,390		4,111,325		298,065
Library branch-Lark		7,373		600,181		547,058		53,123
Library branch-Palmview		5,000		639,732		596,636		43,096
Other agencies	•	1,000		1,131,000		1,116,000		15,000
Museums	838	3,000		838,000		838,000		
Total culture and recreation	24,033	3,787		25,722,267		24,440,554		1,281,713
Debt service:								
Principal	20!	5,980		205,980		720,059		(514,079)
Interest and fiscal charges		7,194		57,194		57,759		(565)
interest and nood sharges		,,,,,		07,131		07,703		(000)
Total debt service	263	3,174		263,174		777,818	_	(514,644)
Total expenditures	143,76	5,554		147,040,430		143,681,035	_	3,359,395
Excess (deficiency) of revenues over expenses (budget basis) before transfers	9,099	9,809		8,958,643		18,516,940		9,558,297
OTHER FINANCING SOURCES (USES)								
Transfers in	7 74	1,338		9.174.766		9,176,709		1,943
Transfers out	(9,740	•		(11,451,020)		(11,800,382)		(349,362)
Issuance of debt for SBITA	(3,7 4)	,,U <del>TT</del> )		(11,401,020)		140,996		140,996
issuance of debt for SBITA						140,550	_	140,550
Total other financing sources (uses)	(1,999	9 <u>,506)</u>		(2,276,254)		(2,482,677)	_	(206,423)
Net change in fund balances	7,100	0,303		6,682,389		16,034,263		9,351,874
Fund balances at beginning of year	82,430	0,696		82,430,696		82,430,696	_	
Fund balances at end of year	\$ 89,530	),999	\$	89,113,085	\$	98,464,959	\$	9,351,874

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

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Taxes Intergovernmental Investment earnings Net increase (decrease) in the fair value of investments Other	\$ 23,586,890 63,014 - - 1,706,547	\$ 23,980,641 1,563,014 - - 3,736,547	\$ 24,055,768 1,674,243 1,004,184 411,433 1,973,556	\$ 75,127 111,229 1,004,184 411,433 (1,762,991)
Total revenues	25,356,451	29,280,202	29,119,184	(161,018)
EXPENDITURES  Current:  General government  Highways and streets  Health and welfare	19,449,993 8,613,377 3,982,264	24,607,872 8,691,468 3,982,264	10,783,722 3,795,683 3,867,757	13,824,150 4,895,785 114,507
Culture and recreation Debt service: Principal Interest and fiscal charges	468,133 1,350,000 656,547	771,371 1,350,000 656,547	690,332 58,057 2,008,490	81,039 1,291,943 (1,351,943)
Total expenditures	34,520,314	40,059,522	21,204,041	18,855,481
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(9,163,863)	(10,779,320)	7,915,143	18,694,463
OTHER FINANCING SOURCES (USES) Transfers out	(2,908,349)	(2,908,349)	(2,440,491)	467,858
Total other financing sources (uses)	(2,908,349)	(2,908,349)	(2,440,491)	467,858
Net change in fund balances	(12,072,212)	(13,687,669)	5,474,652	19,162,321
Fund balances at beginning of year	23,235,622	23,235,622	23,235,622	
Fund balances at end of year	\$ 11,163,410	\$ 9,547,953	\$ 28,710,274	<u>\$ 19,162,321</u>



# PROPRIETARY FUNDS STATEMENT OF NET POSITION

**September 30, 2024** 

	В	Busii	ness-type Activi	ties-	Enterprise Fund	ds	
	 Water		Wastewater		Sanitation		McAllen International Airport
ASSETS							
Current assets:							
Cash	\$ 451,945	\$	265,567	\$	167,957	\$	167,927
Certificate of deposit			1 000 006		509,528		1,019,056
Investments	8,539,334		1,999,086		12,282,187		17,047,765
Receivables, net: Accounts	2,465,051		2,114,038		2,706,498		1,179,080
Accounts Accrued interest	7,775		2,114,030		47,406		56,377
Lease receivable - current	303,561		-		-		88,269
Other	-		98,349		-		-
Due from other funds	-		-		-		-
Due from other governments	-		34,485		44,161		100,000
Inventories, at cost	1,194,794		-		-		-
Prepaid items	68,224		-		914,194		445
Restricted assets:							
Cash and cash equivalents	 119,405	_	95,206	_	88,775		329,449
Total current assets	 13,150,089	_	4,606,731		16,760,706		19,988,368
Noncurrent assets:							
Restricted assets:							
Certificate of deposit	1,019,056		2,038,112		1,274,193		-
Investments	29,584,738		33,834,115		9,615,239		9,621,232
Accrued interest	-		41,986		16,483		-
Deferred contributions	-		-		-		-
Other	 	_		_		_	1,425,800
Total noncurrent restricted assets	 30,603,794	_	35,914,213		10,905,915		11,047,032
Capital assets:							
Land	3,144,890		2,182,790		3,009,399		3,251,781
Buildings and systems	99,402,882		227,359,430		3,483,971		33,510,351
Improvements other than buildings	69,948,415		41,645,200		781,121		114,609,350
Machinery and equipment	12,384,833		12,357,440		36,520,177		6,370,545
Construction in progress	7,611,768		4,703,323		118,592		22,361,605
Water rights	17,003,738		-		-		-
Subscription right-of-use	7,115		15,822		26,066		-
Development in progess-SBITA	800,000		800,000		-		-
Less accumulated depreciation and amortization	(105,464,009)		(136,785,277)		(26,897,647)		(96,360,269)
Total capital assets (net of accumulated depreciation and	104000 (00		150 070 700		17.041.670		02742262
amortization)	 104,839,632	_	152,278,728	_	17,041,679	_	83,743,363
Other noncurrent assets  Lease receivable - noncurrent	402.093		_		_		186,005
Loans receivable	81,585		95,750		_		180,003
Board advances	-		-		_		-
Total other noncurrent assets	 483,678	_	95,750			_	186,005
		_		-		_	
Total noncurrent assets	 135,927,104	_	188,288,691		27,947,594	_	94,976,400
Total assets	 149,077,193	_	192,895,422	_	44,708,300	_	114,964,768
Deferred outflows of resources:							
Deferred charges on refundings	1,761,049		-		-		-
Deferred charges - pensions	 1,089,026	_	717,662	_	1,137,336		249,124
Total deferred outflows of resources	 2,850,075		717,662		1,137,336		249,124
Total assets and deferred outflows of resources	\$ 151,927,268	\$	193,613,084	\$	45,845,636	\$	115,213,892

		Busi	ness-type Activ	ties-	Enterprise Fund	s		G	overnmental Activities
Inte	McAllen ernational Toll Bridge	_	Anzalduas International Crossing	Other Proprietary Funds			Total	Int	ernal Service Funds
\$	290,884	\$	200,569	\$	917,158	\$	2,462,007	\$	1,845,107
	-		-		2,038,112		3,566,696		2,039,854
	3,678,273		6,870,692		16,190,060		66,607,397		30,918,844
	-		-		6,316		8,470,983		352,853
	6,694		-		29,417		147,669		116,309
	2,755,820		-		218,058		3,365,708		-
	-		-		393,358		98,349 393,358		328,000
	-		-		2,622,364		2,801,010		13
	-		_				1,194,794		580,973
	-		-		427,293		1,410,156		1,284,845
	125,760		255,138		190,979		1,204,712		_
	6,857,431	_	7,326,399		23,033,115	_	91,722,839		37,466,798
	0,637,431	-	7,320,399		23,033,113	_	91,722,039		37,400,798
	_		510,026		509,777		5,351,164		_
	10,476,519		38,391,733		5,648,164		137,171,740		-
	-		-		9,167		67,636		-
	-		67,739,196		-		67,739,196		-
		_				_	1,425,800		
	10,476,519		106,640,955		6,167,108		211,755,536		
	787,486		2,922,773		8,153,076		23,452,195		_
	17,726,063		50,905,813		123,129,037		555,517,547		965,935
	5,526,964		808,272		17,494,398		250,813,720		132,823
	4,067,640		1,153,015		21,061,121		93,914,771		37,234,948
	1,695,318		193,392		2,246,366		38,930,364		-
	-		-		-		17,003,738		-
	-		-		-		49,003		-
	(10.424.002)		(22 220 226)		- (61 274 90E)		1,600,000		- (26 102 766)
	(19,434,992)		(22,229,836)		(61,374,805)		(468,546,835)		(26,182,766)
	10,368,479		33,753,429		110,709,193	_	512,734,503		12,150,940
	10,039,816		-		449,924		11,077,838		_
	-		-		, -		177,335		-
	22,973,672				<u> </u>	_	22,973,672		-
	33,013,488			_	449,924		34,228,845		
	53,858,486	_	140,394,384	_	117,326,225		758,718,884		12,150,940
	60,715,917	_	147,720,783	_	140,359,340	_	850,441,723		49,617,738
	- 214,074		- 66,155		- 795,410		1,761,049 4,268,787		- 159,412
	214,074	_	66,155	_	795,410		6,029,836		159,412
\$	60,929,991	\$	147,786,938	\$	141,154,750	\$	856,471,559	\$	49,777,150
<u>~</u>	00,727,771	<u>×</u>	177,700,700	<u>¥</u>	171,107,700	¥	300,771,007	<u> </u>	77,11,100

# PROPRIETARY FUNDS STATEMENT OF NET POSITION

**September 30, 2024** 

	 В	usiness-type Act	ivitie	es-Enterprise Fund	ls	
LIABILITIES	 Water	Wastewater		Sanitation		McAllen nternational Airport
Current liabilities:						
Accounts payable	\$ 2,346,338	\$ 703,8	15 \$	\$ 824,290	\$	1,388,946
Accrued expenses	1,074,089	407,3	53	331,207		1,009,463
Due to other funds	-		-	-		-
Due to other government agencies Customer deposits payable	- 2,991,021		-	-		-
Compensated absences	559,596	415,5	55	566,623		124,656
Current portion of revenue bonds	2,930,951	4,973,2		-		563,788
Current portion of lease	-		-	60,540		3,749
Subscription liability-current	3,234	6,4		9,708		-
Other	 212,578	236,0	<u> </u>	50	_	40,666
Total current liabilities	 10,117,807	6,742,5	0	1,792,418		3,131,268
Other noncurrent liabilities:						
Revenue bonds, net of current portion	39,373,817	74,651,2	14	-		3,642,133
Compensated absences	220,022	167,1		248,589		97,797
Unearned revenues	174,913	14,6	26	147,292		134,448
Lease payable Board advances	-		-	62,374		3,863
TMRS net pension liability	 1,573,434	1,036,8	- <u>34</u> _	1,643,232		359,936
Total other noncurrent liabilities	 41,342,186	75,869,8	<u> </u>	2,101,487		4,238,177
Total liabilities	 51,459,993	82,612,3	73	3,893,905		7,369,445
Deferred inflows of resources:						
Deferred inflows of resources-leases	826,088		-	-		271,432
Deferred inflows of resources-refunding	135,484	2,093,7		-		-
Deferred inflows of resources-pensions	 222,796	146,8	<u>21</u> _	232,679		50,966
Total deferred inflows of resources	1,184,368	2,240,6	12	232,679		322,398
Total liabilities and deferred inflows of resources	 52,644,361	84,852,9	35	4,126,584		7,691,843
NET POSITION						
Net investments in capital assets Restricted for:	68,072,196	71,187,9	10	16,909,056		79,529,831
Capital projects	9,324,128	28,381,2	34	10,994,690		7,792,579
Debt service	1,403,192	6,369,2		-		323,235
Distribution of net surplus revenues	-		-	-		-
Unrestricted	 20,483,391	2,821,6	<u> </u>	13,815,306		19,876,404
Total net position	 99,282,907	108,760,0	99_	41,719,052		107,522,049
Total liabilities, deferred inflows of resources, and net position	\$ 151,927,268	\$ 193,613,0	34 5	\$ 45,845,636	\$	115,213,892

В	usiness-type Activi	ties-Enterprise Fun	ds	Governmental Activities
McAllen International Toll Bridge	Anzalduas International Crossing	Other Proprietary Funds	Total	Internal Service Funds
Δ 222.047	Δ 16 000 110	Δ 1040 F07	Δ 00.650.000	Δ 2.600.420
\$ 222,947		\$ 1,940,507		\$ 3,628,430
69,659	4,143,938	324,935 367,733	7,360,654	1,849,581
166,802 887,708	-	307,733	534,535 887,708	1,816,802
007,700	-	904,674		-
124,057	29,480	352,036	2,172,003	123,838
124,037	3,175,000	332,030	11,643,002	123,030
2,051	3,173,000	10,778	77,118	689
2,031	_	10,776	19,410	009
_	-	412	489,722	2,513
		412	409,722	
1,473,224	23,580,528	3,901,075	50,738,830	7,421,853
-	78,139,581	-	195,806,745	-
66,921	9,133	153,282	962,883	14,226
376,215	19,389,704	224,119	20,461,317	961,878
2,113	-	11,104		710
-	22,973,672	-	22,973,672	-
309,296	95,581	1,149,215	6,167,578	230,320
754,545	120,607,671	1,537,720	246,451,649	1,207,134
2,227,769	144,188,199	5,438,795	297,190,479	8,628,987
12,756,995		658,636	14,513,151	
12,730,993	184,278	030,030	2,413,553	_
43,796	13,534	162,727	873,319	32,613
12,800,791	197,812	821,363	17,800,023	32,613
15,028,560	144,386,011	6,260,158	314,990,502	8,661,600
10,364,316	13,939,570	110,687,314	370,690,193	12,149,541
4,471,851	2,989,997	6,289,776	70,244,255	_
601,729	2,583,471	- 0,200,770	11,280,905	_
6,803,652	<u>_</u> ,000, <del>-</del> 71	-	6,803,652	-
23,659,883	(16,112,111)	17,917,502	82,462,052	28,966,009
45,901,431	3,400,927	134,894,592	541,481,057	41,115,550
\$ 60,929,991	\$ 147,786,938	\$ 141,154,750	\$ 856,471,559	\$ 49,777,150

Concluded



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

**September 30, 2024** 

Net Position - total proprietary funds (page 31) \$ 541,481,057

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.

902,475

Net position of business-type activities \$ 542,383,532

# PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION For the Year Ended September 30, 2024

**Business-type Activities-Enterprise Funds** McAllen International Water Wastewater Sanitation Airport Operating revenues 6,209,336 23,748,314 Charges for services 19,973,170 25,359,771 Rentals 3,812,752 Contributions Other 1,121,122 1,476,981 167,252 40,131 Total operating revenues 24,869,436 25,527,023 10,062,219 21,450,151 Operating expenses Salaries, wages and employee benefits 9,014,571 5,855,148 9,712,888 2,087,705 1,439,589 Supplies 2,473,536 1,441,966 363,574 3,018,596 5,888,463 Contractual and other services 5,074,581 3,977,637 Repairs and maintenance 435,697 801,242 5,244,615 701,599 Depreciation and amortization 5,500,993 9,476,078 2,338,599 4,643,826 Self insurance claims Total operating expenses 22,499,378 20,593,030 24,624,154 11,774,341 Operating income (loss) 2,370,058 857,121 902,869 (1,712,122)Non operating revenues (expenses) Investment earnings 1,986,258 1,573,285 918,369 1,300,685 Net increase (decrease) in fair value of investments 592,641 225,454 231,591 427,809 Interest expense (969,292)(1,080,041)(6,436)(200,235)Interest on board advances (92,289)391,499 104,392 Bond related charges-issuance cost Gain (loss) on sale of capital assets (35,295)(505,257)158,267 45,479 Intergovernmental 156,840 100,000 Interest revenue - leases 9,075 4,983 Other Net non-operating revenues (expenses) 1,286,888 807,295 1,708,320 1,535,279 Income (loss) before contributions and transfers 3,656,946 1,664,416 2,611,189 (176,843)Capital contributions and transfers Capital contributions 3,685,548 5,069,515 10,267,361 Transfers in Transfers out (124,984)(96,141)(177,865)(2,249,574)Total capital contributions and transfers 3,560,564 4,973,374 (177,865)8,017,787 7,217,510 6,637,790 2,433,324 7,840,944 Change in net position Total net position - beginning 92,065,397 102,122,309 39,285,728 99,681,105 99,282,907 108,760,099 107,522,049 Total net position - ending 41,719,052

Governmental
Activities

Business-type Activ	/ites-Enterprise Funas	

en International Toll Bridge	Anza	Iduas International Crossing	Other	Proprietary Funds	 Total		al Service Funds
\$ 12,298,089	\$	6,456,934	\$	6,387,162	\$ 100,432,776	\$	10,757,935
3,000,404		12,206		1,894,265	8,719,627		- 00.001.500
412,222		265,669		2,243,538	 5,726,915		22,801,583 -
15,710,715		6,734,809		10,524,965	 114,879,318		33,559,518
1,805,876		534,174		7,027,867	36,038,229		2,479,251
164,667		59,797		694,352	6,637,481		50,028
1,467,430		762,654		7,889,400	28,078,761		12,958,559
319,374		81,687		1,877,127	9,461,341		60,534
764,809 -		1,483,756 -		4,235,064 -	 28,443,125		2,211,105 17,586,721
4,522,156		2,922,068		21,723,810	108,658,937		35,346,198
11,188,559		3,812,741		(11,198,845)	 6,220,381		(1,786,680)
455,481		3,041,735 76,676		1,139,112 199,364	10,414,925 1,753,535		1,108,939 712,534
(186)		(3,112,674)		(980)	(5,369,844)		(63)
873,977		(873,977)		-	(0,005,011)		-
, -		237,077		-	640,679		-
(8,442)		(3,234)		(27,608)	(421,569)		91,640
-		-		3,480,509	3,782,828		13
38,205		(170,400)		10,909	63,172		- 2.010.000
(3,827,054)		(179,482)			 (4,006,536)		3,212,838
(2,468,019)		(813,879)		4,801,306	 6,857,190		5,125,901
8,720,540		2,998,862		(6,397,539)	 13,077,571		3,339,221
45,096		-		2,569,138	21,636,658		363,599
-		-		6,027,240	6,027,240		1,636,326
(5,913,277)		(24,383)		(167,257)	 (8,753,481)		(948,786)
(5,868,181)		(24,383)		8,429,121	 18,910,417		1,051,139
2,852,359		2,974,479		2,031,582	31,987,988		4,390,360
 43,049,072		426,448		132,863,010	 509,493,069		36,725,190
45,901,431	\$	3,400,927	\$	134,894,592	\$ 541,481,057	\$	41,115,550



# 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, 2024

Change in net position - total proprietary funds (page 35)	\$ 31,987,988
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.	 (281,261)
Change in net position of business-type activities	\$ 31,706,727

### PROPRIETARY FUNDS STATEMENT OF CASH FLOWS

#### For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds							
	Water			Vastewater		Sanitation		McAllen nternational Airport
Cash flows from operating activities: Receipts from customers Payments to employees Payments to suppliers Cash received from other cash receipts	\$ 25,230 (9,259 (8,538	,172)	\$	21,558,707 (6,107,657) (5,056,043)	\$	25,222,080 (9,903,179) (14,147,870)	\$	9,538,677 (2,200,224) (4,530,202)
Net cash provided by operating activities	7,433	,558		10,395,007		1,171,031		2,808,251
Cash flows from noncapital financing activities: Transfers from other funds Transfers to other funds Subsidy from federal/state grant Distribution of income to City of Hidalgo	•	- ,984) ,993		(96,141) - -		(177,865) 41,181		(2,249,574) 208,720
Net cash provided by (used in) non-capital financing activities	32	,009		(96,141)		(136,684)		(2,040,854)
Cash flows from capital and related financing activities: Capital contributions Purchases of capital assets Proceeds from sale of capital assets Bond issuance cost Principal repayments-bonds and notes Interest paid Subscription Liabilities	(2,721 (983	,070) ,419 (1)		39,154 (3,987,030) 275,891 1 (4,778,400) (1,095,384) (17,256)		(5,539,491) 158,267 - (58,760) (6,436) (7,461)		9,813,795 (9,679,967) - (448,640) (203,016)
Net cash used in capital and related financing activities	(13,068	,914)		(9,563,024)		(5,453,881)	_	(517,828)
Cash flows from investing activities:  Proceeds from sales and maturities of investments Purchase of investments Net increase (decrease) in fair value of investments Receipt of interest	34,282 (30,647 231 2,026	,437) ,591		39,242,829 (41,941,588) 427,809 1,575,747		32,074,233 (28,917,905) 592,641 897,042		25,510,131 (27,484,389) 225,454 1,270,944
Net cash provided by (used in) investing activities	5,893	,638		(695,203)		4,646,011		(477,860)
Net increase (decrease) in cash	290	,291		40,639		226,477		(228,291)
Cash at beginning of year	281	,059		320,134		30,255		725,667
Cash at end of year	\$ 571	,350	\$	360,773	\$	256,732	\$	497,376

	В	usiı	ness-type Activit	ies -	Enterprise Fun	ds		G	overnmental Activities
Inte	McAllen ernational Toll Bridge		Anzalduas International Crossing	Other Proprietary Funds		Total		In	ternal Service Funds
\$	15,811,400	\$	6,734,809	\$	10,851,192	\$	114,947,818	\$	34,450,239
	(1,819,339)		(541,701)		(7,141,383)		(36,972,655)		(2,471,758)
	(2,351,006)		(37,891,116)		(9,931,796)		(82,446,256)		(29,051,819)
		_				_			3,342,039
	11,641,055	_	(31,698,008)	_	(6,221,987)		(4,471,093)	_	6,268,701
	-		-		6,057,487		6,057,487		1,636,326
	(5,913,277)		(24,383)		(167,257)		(8,753,481)		(948,786)
	1,029		17,179,929		2,552,721		20,140,573		67
	(3,859,480)	_				_	(3,859,480)		
_	(9,771,728)	_	17,155,546	_	8,442,951	_	13,585,099	_	687,607
	45,096		_		1,850,913		13,257,868		_
	(1,284,261)		(130,622)		(2,968,999)		(34,496,440)		(5,058,436)
	2,641		(100,022)		1,824		475,042		760,028
	-		-		-		-		-
	(1,989)		(1,790,000)		(10,461)		(9,809,850)		(669)
	(186)		(3,118,631)		(980)		(5,408,332)		(63)
		_					(27,590)		
	(1,238,699)	_	(5,039,253)		(1,127,703)	_	(36,009,302)	_	(4,299,140)
	16,732,925		83,543,063		24,089,324		255,475,337		25,690,154
	(17,672,794)		(66,884,976)		(26,095,443)		(239,644,532)		(30,156,285)
	-		76,676		199,364		1,753,535		712,534
	495,540	_	3,044,386		1,136,125		10,446,436		1,019,327
	(444,329)	_	19,779,149		(670,630)	_	28,030,776		(2,734,270)
	186,299		197,434		422,631		1,135,480		(77,102)
	230,345		258,273		685,506	_	2,531,239	_	1,922,209
\$	416,644	\$	455,707	\$	1,108,137	\$	3,666,719	\$	1,845,107

Continued

### PROPRIETARY FUNDS STATEMENT OF CASH FLOWS

#### For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds							
		Water	\	Wastewater		Sanitation		McAllen International Airport
Reconciliation of operating income (loss) to								
net cash provided (used) by operating activities								
Operating income (loss)	\$	2,370,058	\$	857,121	\$	902,869	\$	(1,712,122)
Adjustment to reconcile operating income (loss) to net cash								
provided (used) by operating activities:								
Depreciation and amortization		5,500,993		9,476,078		2,338,599		4,643,825
Other nonoperating revenues		-		-		-		-
(Increase) decrease in deferred contributions		-		-		-		-
(Increase) decrease in deferred outflows of resources - pension		977,525		669,032		1,015,546		295,841
Increase (decrease) in deferred inflows of resources - pension		78,733		50,152		82,598		12,976
Increase (decrease) in deferred inflows of resources - leases		381,998		-		-		(1,590,048)
(Increase) decrease in lease receivable		(313,286)		-		-		1,593,958
(Increase) decrease in accounts receivable		289,080		108,556		(318,988)		(450,501)
(Increase) decrease in prepaid items		(64,217)		1,744		(911,136)		(209)
(Increase) decrease in inventories		(502,941)		-		-		-
Increase (decrease) in accounts payable		(26,672)		204,017		(664,067)		502,745
Increase (decrease) in customer deposits payable		22,056		-		-		-
Increase (decrease) in compensated absences payable		37,371		(66,324)		77,652		29,761
Increase (decrease) in accrued liabilities		84,619		41,855		71,067		(31,213)
Increase (decrease) in due to other funds		-		-		-		-
Increase (decrease) in net pension liability		(1,383,428)		(947,224)		(1,437,154)		(419,811)
Increase (decrease) in unearned revenue		(18,331)				14,045		(66,951)
Total adjustments		5,063,500		9,537,886	_	268,162	_	4,520,373
Net cash provided by (used) by operating activities	\$	7,433,558	\$	10,395,007	\$	1,171,031	\$	2,808,251
Reconciliation to statement of net position:								
Cash	\$	451,945	\$	265,567	\$	167,957	\$	167,927
Cash restricted		119,405		95,206		88,775		329,449
Total cash	\$	571,350	\$	360,773	\$	256,732	\$	497,376
Noncash investing, capital and financing activities:								
Contributions of capital assets	\$	3,685,548	\$	5,010,566	\$	-	\$	-
Increase (decrease) in fair value of investments		231,591		427,809		592,641		225,454

	В	G	overnmental Activities						
Int	McAllen ernational Toll Bridge		Anzalduas International Crossing		ner Proprietary Funds		Total	Int	ernal Service Funds
\$	11,188,559	\$	3,812,741	\$	(11,198,845)	\$	6,220,381	\$	(1,786,680)
	764,809 -		1,483,755		4,235,065		28,443,124		2,211,105 3,271,026
	-		(51,722,987)		-		(51,722,987)		-
	187,905		47,155		739,665		3,932,669		88,790
	15,773		5,635		55,715		301,582		15,310
	9,587,387		-		315,445		8,694,782		-
	(9,596,078)		-		(320,131)		(8,635,537)		-
	-		-		21,561		(350,292)		68,035
	-		-		(281,005)		(1,254,823)		51,535
	-		-		-		(502,941)		(31,067)
	(383,798)		14,736,010		669,132		15,037,367		803,779
	-		-		289,634		311,690		-
	33,000		2,142		87,014		200,616		12,785
	(64,455)		4,086		50,124		156,083		(17,032)
	64,441		- (66.545)		140,955		205,396		744,049
	(265,864)		(66,545)		(1,047,200)		(5,567,226)		(124,812)
	109,376	_	<u>-</u>		20,882	_	59,021		961,878
	452,496	_	(35,510,749)		4,976,856	_	(10,691,476)		8,055,381
\$	11,641,055	\$	(31,698,008)	\$	(6,221,989)	\$	(4,471,095)	\$	6,268,701
\$	290,884 125,760	\$	200,569 255,138	\$	917,158 190,979	\$	2,462,007 1,204,712	\$	1,845,107
\$	416,644	\$	455,707	\$	1,108,137	\$	3,666,719	\$	1,845,107
\$	-	\$	- 76,676	\$	199,364	\$	8,696,114 1,753,535	\$	618,599 712,534

Concluded

### STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

#### **September 30, 2024**

	Pension Trust	Custodial Fund			
	Firemen's Relief and Retirement Fund	Communications Group			
ASSETS					
Cash and cash equivalents	\$ 1,281,532	\$ 40,180			
Investments, at fair value:					
TexPool prime	-	9,018,850			
Domestic and international equities	62,671,703				
Total investments	62,671,703	9,018,850			
Receivables:					
Interest	84,356	-			
Other	2,006,802				
Total assets	66,044,393	9,059,030			
LIABILITIES					
Accounts payable		6,434			
Total liabilities		6,434			
NET POSITION					
Restricted for:					
Pensions	66,044,392	-			
Organizations		9,052,596			
Total net pension	\$ 66,044,392	\$ 9,052,596			

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

#### For the Year Ended September 30, 2024

	Pension Trust Firemen's Relief and Retirement Fund	Custodial Fund  Communications  Group
ADDITIONS  Contributions:  Member  Employer	\$ 2,120,526 2,273,025	\$ -
Other	5,408	2,446,433
Total contributions	4,398,959	2,446,433
Investment earnings (loss): Interest and dividends Net appreciation (depreciation) in fair value of investments	1,868,849 7,794,896	450,322
Total investment earnings (loss)	9,663,745	450,322
Less: investment expense	(389,438)	
Net investment earnings (loss)	9,274,307	450,322
Total additions (reductions)	13,673,266	2,896,755
DEDUCTIONS  Benefits  Refund of contributions  DROP payments  Administrative expense  Other	4,751,403 2,098 407,305 43,067 13,138	- - - 1,079,643 
Total deductions	5,217,011	1,079,643
Net increase (decrease) in fiduciary net position	8,456,255	1,817,112
Net position - beginning as originally reported	57,588,137	7,235,484
Net position - ending	\$ 66,044,392	\$ 9,052,596



#### 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, convention center, International Airport, International Toll Bridge linking Hidalgo, Texas with downtown Reynosa, Tamaulipas, Mexico, Anzalduas International Crossing 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 Generally Accepted Accounting Principles 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. 100, Accounting Changes and Error Corrections-an amendment of GASB No. 62

The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement is effective for fiscal years beginning after June 15, 2023.

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. 101, Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, 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*.

#### 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

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 is one special revenue fund reported as a major fund. The Development Corp. Fund, a blended component unit. It is used to account for the additional ½¢ sales tax for economic development.

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.

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.

# NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 mortgagebacked securities and collateralized mortgage obligations (CMO).
- 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:

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 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

# NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

		General	De	evelopment Non-major Funds Corp. Other			Total	
Fund balances:								
Nonspendable								
Board advances	\$	4,081,318	\$	-	\$	-	\$	4,081,318
Prepaids		20,401		-		267,350		287,751
Restricted								
Opiod Settlement		136,656		-		-		136,656
Law enforcement		-		-		2,192,933		2,192,933
Debt service		-		-		6,901,934		6,901,934
Economic development		-		28,710,274		-		28,710,274
Tourism		-		-		3,421,286		3,421,286
Capital improvements		-		-		20,079,740		20,079,740
Public education governmental		-		-		1,566,197		1,566,197
Parks		-		-		2,482,672		2,482,672
Committed								
Downtown services parking		-		-		16,869		16,869
City Special Events		-		-		60,300		60,300
Marketing		-		-		694,101		694,101
Assigned								
Information technology projects		-		-		31,540		31,540
Other capital projects		-		-		48,677,146		48,677,146
Unassigned		94,226,584				(6,388,224)		87,838,360
Total fund balances	\$	98,464,959	\$	28,710,274	\$	80,003,844	\$	207,179,077

The amount of fund balance restricted by enabling legislation totaled \$36,174,977 as of September 30, 2024.

### 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

Employee Benefits Fund reflects a deficit net position of \$1,918,600. It is estimated these shortfalls will be covered by health insurance premium rate increases and plan design changes to reduce expenses. Mcallen EB-5 Regional Center reflects a deficit fund balance of \$5,452. Also, Miscellaneous Government Grants reflects a deficit fund balance of \$6,687,676. Also, TX Anti Gang Unit reflects a deficit fund balance of \$15,754, both of these deficits will be covered by the General Fund as well.

# **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### 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 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 six 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	\$ 4,421,089
Sales taxes	8,120,568
City of Mission - Repayment on Series B Bond	4,081,318
Weedy lots	1,233,636
Leases	151,397
Other	 8,688,060
Totals	\$ 26,696,068

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

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset. Examples of nonfinancial assets include buildings, lands, and equipment. The City is a lessor for several noncancellable leases of property.

As a 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.

The City uses its estimated incremental borrowing rate as the discount rate for leases.

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **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.

# 13. Subscription Based Information Technology Arrangements

A subscription based information technology arrangement (SBITA) is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets. The City is a subscriber for several non cancellable agreements.

As a subscriber, the City recognizes a subscription liability and a subscription asset in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability. Subsequently, the subscription asset is amortized on a straight-line basis over the life of the subscription term.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription liability and subscription asset if certain changes occur that are expected to significantly affect the amount of the subscription liability.

### 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:

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.

- 1. Public hearings are conducted to obtain taxpayer comments.
- 2. Prior to October 1, the budget is legally enacted by the City Commission through passage of an ordinance.
- 3. 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.
- **4.** Annual appropriated budgets are adopted for most governmental funds per legal requirements, while others are appropriated for management purposes.
- 5. 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 United States of America Generally Accepted Accounting Principles (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.
- **6.** 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 Miscellaneous Government Grants, Developers, PD Seized, TX Anti Gang Unit Fund and American Rescue Plan Act fund), 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, 2024, 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	\$ 979,585		
Street lighting	429,621		
Other agencies	132,000		
Recreation	117,072		
City manager	89,749		
Quinta mazatlan	83,944		
City hall	48,573		
Graffiti cleaning	 8,130		
Total general fund	\$ 1,888,674		

### **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, 2024, 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, 2024, are reflected in the table that follows:

2024						Fair Value Measurements Using							
Investments by fair value level	Cost			Fair Value		(Level 1)			(Level 2)		(Level 3)		
Debt Securities													
United States government agency securities	\$	65,435,584	\$	65,628,099	\$		-	\$	65,628,099	\$	-		
Money market mutual funds		5,068,621	_	5,068,621	_		-		5,068,621	_	-		
Total debt securities	\$	70,504,205	\$	70,696,720	\$		-	\$	70,696,720	\$			

The total amount above excludes investments in local government pools, which are reported at amortized cost in the amount of \$361,522,171 as of September 30, 2024.

### 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	\$	47,384,422				
1-3 Years		50,122,768				
Total	\$	97,507,190				
Weighted Average Maturity		480 Days				

Credit risk. As of September 30, 2024, 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 64% of the total portfolio. Within this category, 53% represent securities issued by the Federal Farm Credit Bank and 47% 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, 2024. The table below reflects the composition of these investments.

	Fair Value	% of Portfolio	Investment Policy Asset Allocation
Equities:			
Domestic	\$ 25,299,961	40%	30-60%
International	 9,574,610	15%	10-30%
Equities total	 34,874,571		
Fixed income Treasury and agency securities corporate bonds, mutual funds,			
and mortgage-back securities	 11,839,108		
Fixed income total	 11,839,108	19%	20-50%
Alternative investments	 15,958,024	26%	0-30%
Total portfolio	\$ 62,671,703	100%	

# **NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)**

Investments at fair value as of September 30, 2024 using the fair value measurement are as follows:

Investment Type	Total Fair Value	Level 1	Level 2	Level 3
Equities				
Domestic Equity	\$ 25,299,961	\$ 25,299,961	\$ -	\$ -
International Equity	9,574,610	9,574,610	-	-
Fixed Income				
US Treasury Notes	3,214,772	3,214,772	-	-
Government Agency	26,663	26,663	-	-
Corporate Bonds	1,538,081	1,327,944	210,137	-
Mortgage Backed Securities	2,015,147	-	2,015,147	-
Mutual Funds	5,044,445	5,044,445		
Total Investments at Fair Value	\$ 46,713,679	\$ 44,488,395	\$ 2,225,284	<u>\$</u>

Investments measured at the net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice
Hedge Funds				
Terracap Partners V	\$ 1,892,233	-	(1)	(1)
Ironwood	3,253,943	-	Semi-annual	95 days
Terracap Partners III	1,126,565	-	(1)	(1)
CCA Longevity Fund VI	1,229,259	-	(2)	(2)
Pointer	3,468,313	-	(3)	(3)
Serenitas	3,240,490	-	(1)	(1)
Ironsides Opportunities Constitution Capital	756,643	-	(1)	(1)
Ironside Opportunities Fund II	990,578	-	(1)	10 days
Total of Investments Measured at NAV	15,958,024			·
Total Investments	\$ 62,671,703			

<sup>(1)</sup> 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 five hedge funds will liquidate in 5-10 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, 2024, amount to \$11,839,108 and have weighted-average duration of 11.03 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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	Fair Value	Percentage of Total	Weighted-Average Duration (Years)
Corporate bonds	\$ 1,538,081	12.99%	10.22
US Treasury notes	3,214,772	27.15%	8.70
Mortgage Backed Securities	2,015,147	17.02%	23.75
Government Agency	26,663	0.23%	31.52
Mutual Funds	 5,044,445	42.61%	7.57
Total fixed income investments	\$ 11,839,108	100.00%	11.03

*Credit risk.* Using Standard and Poor's rating system for fixed income securities as of September 30, 2024 the Plan's bonds were rated as noted below. The investment policy is silent on the subject.

Investment Type	ı	Fair Value	AAA, AA,A	BBB, BB, B	Below B, Not Rated
US Treasury Notes	\$	3,214,772	\$ 3,214,772	\$ -	\$ -
Government Agency		26,663	26,663	-	-
Corporate Bonds		1,538,081	932,433	605,648	-
Mortgage Backed Securities		2,015,147	 2,015,147	 <del>-</del>	 
Total	\$	6,794,663	\$ 6,189,015	\$ 605,648	\$ 

### B. Receivables

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

							R	eceivables						
		Accounts		Taxes		Interest	R	Lease eceivables	go	Inter- vernmental		Other	R	Net eceivables
Governmental activities:														
General	\$	2,162,278	\$	17,042,768	\$	265,907	\$	149,143	\$	1,199,449	\$	780,080	\$	21,599,625
Development corp.		-		3,938,478		24,083		-		315,038		-		4,277,599
Nonmajor governmental														
and internal service funds	_	1,533,288	_	372,245	_	163,965	_		_	7,781,445	_	328,000	_	10,178,943
Total governmental	\$	3,695,566	\$	21,353,491	\$	453,955	\$	149,143	\$	9,295,932	\$	1,108,080	\$	36,056,167
Business-type activities:														
Water	\$	2,465,051	\$	-	\$	7,775	\$	303,561	\$	-	\$	-	\$	2,776,387
Wastewater		2,114,038		-		-		-		34,485		98,349		2,246,872
Sanitation		2,706,498		-		47,406		-		44,161		-		2,798,065
McAllen international airport	t	1,179,080		-		56,377		88,269		100,000		-		1,423,726
McAllen international toll														
bridge		-		-		6,694		2,755,820		-		-		2,762,514
Nonmajor enterprise and		006 177				00.417		010.050		0.600.077				0.006.000
fleet fund	_	226,177	_		_	29,417	_	218,058	_	2,622,377	_		_	3,096,029
Total business-type	\$	8,690,844	\$		\$	147,669	\$	3,365,708	\$	2,801,023	\$	98,349	\$	15,103,593

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 2024 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 \$44,614; wastewater accounts by \$46,589; and sanitation accounts by \$37,015.

# **NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)**

# C. Capital assets

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Transfers	Retirements	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 92,528,337	\$ 19,665	\$ -	\$ -	\$ 92,548,002
Construction in progress	58,477,327	35,819,891	(42,562,571)	(2,790,376)	48,944,271
Development in Progress - SBITA	722,254	1,274,848			1,997,102
Total capital assets, not being					
depreciated	151,727,918	37,114,404	(42,562,571)	(2,790,376)	143,489,375
Capital assets, being depreciated:					
Buildings and improvements	199,349,262	4,751,641	7,861,371	-	211,962,274
Equipment	104,805,440	15,958,418	4,802,928	(11,224,558)	114,342,228
Infrastructure	279,709,658	10,612,668	29,898,272	-	320,220,599
Subscription Right-of-Use	782,787	150,600		(9,604)	923,783
Total capital assets, being depreciated	584,647,147	31,473,327	42,562,571	(11,234,162)	647,448,884
Less accumulated depreciation for:					
Buildings and improvements	(90,438,056)	(6,359,865)	-	-	(96,797,921)
Equipment	(80,531,284)	(5,383,764)	-	3,001,214	(82,913,834)
Infrastructure	(177,614,167)	(8,708,252)	-	-	(186,322,419)
Subscription Right-of-Use	(285,120)	(290,974)			(576,094)
Total accumulated depreciation	(348,868,626)	(20,742,856)		3,001,214	(366,610,268)
Total capital assets, being depreciated, net	235,778,521	10,730,471	42,562,571	(8,232,948)	280,838,616
Governmental activities capital assets, net	\$ 387,506,439	\$ 47,844,875	<u>\$</u>	\$ (11,023,324)	\$ 424,327,991

# Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,216,933
Public safety	3,179,015
Highways and streets, which includes the depreciation of	
general infrastructure assets	8,656,427
Health and welfare	94,506
Culture and recreation	4,491,025
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	 2,104,950
Total depreciation-governmental activities	\$ 20,742,856

# **NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)**

	Beginning Balance	Increases	Transfers/ Retirements	Ending Balance
Business-type activities: Capital assets, not being depreciated: Land Construction in progress Water rights (perpetual) Development in Progress - SBITA	\$ 23,379,726 39,476,866 14,323,738 1,600,000	\$ 223,969 19,239,439 - -	\$ (151,500) (19,785,941) - -	\$ 23,452,195 38,930,364 14,323,738 1,600,000
Total capital assets, not being depreciated	78,780,330	19,463,408	(19,937,441)	78,306,297
Capital assets, being depreciated: Buildings and systems Improvements other than buildings Machinery and equipment Development cost Water rights (non-perpetual) Subscription Right-of-Use	526,352,471 240,216,464 90,012,133 7,417,617 2,200,000 39,398	11,810,162 2,605,125 7,829,756 - 480,000 9,605	10,903,232 8,124,954 (2,944,476) - -	549,065,865 250,946,543 94,897,413 7,417,617 2,680,000 49,003
Total capital assets, being depreciated	866,238,083	22,734,648	16,083,710	905,056,441
Less accumulated depreciation for: Buildings and systems Improvement other than buildings Machinery and equipment Development cost Water rights Subscription Right-of-Use	(211,575,374) (162,853,604) (65,263,921) (2,548,101) (1,732,499) (12,476)	(17,014,859) (6,079,305) (4,981,880) (185,440) (270,000) (17,796)	- - 2,951,001 - - -	(228,590,233) (168,932,909) (67,294,800) (2,733,541) (2,002,499) (30,272)
Total accumulated depreciation	(443,985,975)	(28,549,280)	2,951,001	(469,584,254)
Total capital assets being depreciated, net  Business-type activities	422,252,108	(5,814,632)	19,034,711	435,472,187
Capital assets net	\$ 501,032,438	\$ 13,648,776	\$ (902,730)	\$ 513,778,484

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

Water	\$ 5,500,993
Wastewater	9,476,078
Sanitation	2,338,599
Golf course	423,162
Performing arts center	1,079,555
Convention center	1,538,029
McAllen international airport	4,643,826
Metro McAllen	19,715
Transit terminal	1,174,603
McAllen international toll bridge	764,809
Anzalduas international crossing	1,483,756
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	 106,155
Total depreciation-business type activities	\$ 28,549,280

# **NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)**

At September 30, 2024, the City had the following significant remaining contractual commitments for various construction and improvement projects:

Project Description	Remaining ommitment	Financing Sources
Building Improvements	\$ 26,455,753	Local & Grants
Bridge Improvements	12,210,188	Bonds & Grants
Water Improvements	10,791,757	Bonds, Local & Grants
Airport Improvements	7,251,199	Local and grant
Transit Improvements	3,652,705	Local and grant
Park Improvements	1,532,206	Local
Drainage Improvements	1,311,355	Bonds, Local & Grants
Land Improvements	 126,795	Grant
Total	\$ 63,331,958	

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

The compositions of inter-fund balances as of September 30, 2024 are reflected below.

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 4,217,019
	Non-Major Proprietary Funds	325,093
	McAllen International Toll Bridge	166,802
	Employee Benefits Fund	831,587
	Texas Anti-Gang Unit Fund	644,014
	Property and Casualty Fund	923,421
	Fleet and materials management Fund	61,795
	Total General Fund	7,169,731
Quinta Center for Urban Ecology Fund	Transit Systems Fund	42,640
	Total Governmental Funds	7,212,371
Convention Center Fund	Non-Major Governmental Fund	252,337
Performing Arts Center Fund	Non-Major Governmental Fund	63,084
Transit Terminal	Non-Major Governmental Fund	77,937
	Total Proprietary Funds	393,358
	Combined totals	\$ 7,605,729

# **NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)**

Transfers are used to 1) provide unrestricted revenues collected in the general fund to finance various capital improvement programs in non-major government funds, and 2) contribute funds to the employee benefits internal service funds, 3) move various revenues to the debt service fund, between capital improvement funds and to allocate hotel and venue tax collections to their designated funds. The following table reflects the transfer activity at year end.

			Tran	isfer In:			
	General Fund	Nonmajor overnmental		Nonmajor roprietary		Internal Service	Total
Transfer out:							
General fund	\$ -	\$ 10,760,133	\$	-	\$	1,040,249	\$ 11,800,382
Development corp fund	200,000	507,593		1,732,899		-	2,440,492
Nonmajor proprietary	-	74,000		-		93,257	167,257
Nonmajor governmental	1,943	2,370,815		4,294,341		10,575	6,677,674
Water fund	-	-		-		124,984	124,984
Wastewater fund	-	-		-		96,141	96,141
Internal service	923,789	-		-		24,997	948,786
Sanitation fund	-	25,000		-		152,865	177,865
Anzalduas int'l crossing fund	-	9,000		-		15,383	24,383
McAllen int'l toll bridge fund	5,860,052	9,000		-		44,225	5,913,277
McAllen int'l airport fund	 2,190,925	 25,000			_	33,649	 2,249,574
Total	\$ 9,176,709	\$ 13,780,541	\$	6,027,240	\$	1,636,325	\$ 30,620,815

#### 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%.

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 2028. Interest rates range from 0.4350% to 3.8720%.

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%.

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%.

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%.

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 0.2280% to 3.4450%.

# **NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)**

Lease payments received during the current year were as follows:

### Governmental activities:

Fiscal Year	Principal	Interest	Total
2024	\$ 5,694	\$ 2,306	\$ 8,000
	\$ 5,694	\$ 2,306	\$ 8,000

### **Business-type activities:**

Fiscal Year	Principal		 Interest	Total		
2024	\$	4,190,201	\$ 44,523	\$	4,234,724	
	\$	4,190,201	\$ 44,523	\$	4,234,724	

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

### Governmental activities:

Fiscal Year	 Principal	Interest	Total
2025	\$ 5,779	\$ 2,221	\$ 8,000
2026	5,865	2,135	8,000
2027	5,953	2,047	8,000
2028	6,041	1,959	8,000
2029	6,131	1,869	8,000
2030-2034	32,053	7,947	40,000
2035-2039	34,512	5,488	40,000
2040-2044	37,159	2,841	40,000
2045-2046	 15,650	 350	 16,000
Total	\$ 149,143	\$ 26,857	\$ 176,000

### **Business-type activities:**

Fiscal Year	Principal	Interest	Total
2025	\$ 3,365,708	\$ 72,380	\$ 3,438,088
2026	3,231,049	52,558	3,283,607
2027	3,189,646	33,031	3,222,677
2028	2,586,179	14,737	2,600,916
2029	2,007,182	4,101	2,011,283
2030	63,782	742	64,524
Total	\$ 14,443,546	\$ 177,549	\$ 14,621,095

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	
2025	\$ 201,6	٥٥
	, , , , , , , , , , , , , , , , , , , ,	
	. ,	
	•	
2028	153,4	23
2029	131,1	44
2030-2034	297,6	81
2035-2039	84,9	28
2040-2043	50,0	<u>48</u>
Total	\$ 1,249.3	51
2030-2034 2035-2039	297,66 84,9	2

Capital lease payments made during the current year were as follows:

#### Governmental activities:

Fiscal Year	Principal	Interest	Total
2024	\$ 469,103	\$ 43,947	\$ 513,050
	\$ 469,103	\$ 43,947	\$ 513,050

#### Business-type activities:

Fiscal Year	Principal	Interest	Total
2024	\$ 75,518	\$ 7,075	\$ 82,593
	\$ 75,518	\$ 7,075	\$ 82,593

# **NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)**

Estimated future minimum capital lease payments are as follows:

#### Governmental activities:

Governmental activities.	Fiscal Year	Principal	Interest	Total
	2025	\$ 497,113	\$ 29,733	\$ 526,846
	2026	497,961	15,088	513,049
		\$ 995,074	\$ 44,821	\$ 1,039,895
Business-type activities:				
	Fiscal Year	Principal	Interest	Total
	2025	\$ 77,807	\$ 4,787	\$ 82,594
	2026	80,164	2,429	82,593
		\$ 157,971	\$ 7,216	\$ 165,187

### F. <u>Subscription-Based Information Technology Arrangements</u>

The City has entered into agreements involving various desktop and server software, financial cloud-based software, facilities rental software, library oriented cloud-based applications, public safety oriented software, and mapping and spatial analysis tools. All agreements have fixed, periodic payments over the subscription period, which range from 1 to 3 years and expire no later than 2027.

Estimated future subscription payments to be made are as follows:

#### Governmental activities:

Fiscal Year	Principal	Interest	Total
2025	\$ 235,805	\$ 9,064	\$ 244,869
2026-2027	 71,330	 2,258	 73,588
Total	\$ 307,135	\$ 11,322	\$ 318,457

#### **Business-type activities:**

Fiscal Year	 Principal	 Interest	 Total
2025	\$ 19,410	\$ 656	\$ 20,066
Total	\$ 19,410	\$ 656	\$ 20,066

### G. 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:**

\$24,500,000 Combination Tax & Assessment Revenue Certificates of Obligation, Taxable Series 2016 due in annual installments ranging from \$650,000 to \$1,490,000 per year through February 15, 2046, with a final installment of \$1,149,000: interest at 1.87% to 3.97%	\$ 22,505,000
\$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%	3,840,000
\$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%	8,095,000
\$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%	7,730,000
\$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%	3,895,000
\$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%	4,085,000
\$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%	4,985,000
\$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%	3,470,000
\$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%	17,045,000
\$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, 2034, with a final installment of \$3,680,000; interest at 3.00% to 4.00%	 34,140,000
Total general long-term bonds and obligations payable	\$ 109,790,000

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, 2024, including interest, are reflected below:

Year Ending	 Principal	Interest
2025	\$ 6,685,000	\$ 3,347,887
2026	6,825,000	3,211,662
2027	6,965,000	3,054,856
2028	7,150,000	2,879,635
2029	7,330,000	2,694,711
2030-2034	39,805,000	10,292,898
2035-2039	17,695,000	5,196,540
2040-2044	14,415,000	2,140,579
2045-2046	2,920,000	 117,027
Total	\$ 109,790,000	\$ 32,935,795

# **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 \$5,395,071. 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%	\$ 2,175,600
	\$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%	5,246,000
	\$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%	11,875,000
	\$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%	6,255,000
	\$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%	 16,330,000
	Total water fund bonds payable	\$ 41,881,600
P	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%	\$ 6,954,000
	\$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	21,645,000
	\$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%.	4,600,000
	\$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%	1,709,400
	\$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%	30,890,000
	\$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%	6,330,000
	\$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%	 6,875,000
	Total wastewater fund bonds payable	\$ 79,003,400

# **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%	\$	3,825,000
Total airport fund bonds payable	\$	3,825,000
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%	<b>\$</b>	11,435,000
\$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 3.5	50%	5,930,000
\$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	<u>\$</u>	80,365,000
Total Proprietary Funds bonds payable	\$	205,075,000

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

Year Ending	Principal		Interest
2025	\$ 11,330,000	\$	5,090,184
2026	10,580,000		4,787,604
2027	10,855,000		4,513,915
2028	11,150,000		4,225,604
2029	11,440,000		3,921,742
2030-2034	46,540,000		15,402,741
2035-2039	37,055,000		11,428,048
2040-2044	33,265,000		7,513,070
2045-2049	22,595,000		3,628,067
2050-2053	 10,265,000	_	588,788
Total bonds outstanding	\$ 205,075,000	\$	61,099,763

# **NOTE III - DETAILED NOTES ON ALL FUNDS (Continued)**

# 3. Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2024 is shown on the following table:

	S	Balance at eptember 30, 2023		Additional Obligations and Net Increases	_	Retirement and Net Decreases	S	Balance at eptember 30, 2024		Amounts Due Within One Year
Governmental activities:										
Sales tax revenue bonds	\$	20,900,000	\$	-	\$	(1,350,000)	\$	19,550,000	\$	1,385,000
Certificates of obligation		36,980,000		-		(1,395,000)		35,585,000		1,430,000
General obligation bonds		58,470,000		-		(3,815,000)		54,655,000		3,870,000
Bond premium		2,411,189		-		(169,844)		2,241,345		171,121
Bond discount		234,155		-		67,311		301,466		24,657
Leases		1,450,381		-		(455,307)		995,074		482,899
Compensated absences		15,556,873		8,957,082		(7,507,509)		17,006,446		7,498,524
Subscription Liability		479,609		150,600		(323,075)		307,134		235,805
TMRS net pension liability (asset)		26,511,392		-		(12,330,653)		14,180,739		-
Total OPEB liability		20,420,348		-		(3,303,878)		17,116,470		-
Fire net pension liability	_	39,351,758	_		_	(4,099,693)		35,252,065	_	
Total general long-term debt	\$	222,765,705	\$	9,107,682	\$	(34,682,648)	\$	197,190,739	\$	15,098,006
Business-type activities:										
Revenue bonds payable	\$	214,810,000	\$	-	\$	(9,735,000)	\$	205,075,000	\$	11,330,000
Bond premium		2,917,090		-		(656,127)		2,260,963		348,952
Bond discount		66,264		-		47,520		113,784		(35,950)
Leases		233,490		-		(75,519)		157,971		77,807
Compensated absences		2,978,719		2,504,226		(2,276,773)		3,206,172		2,243,289
Subscription Liability		27,047		9,604		(17,240)		19,410		19,410
TMRS net pension liability (asset)	_	12,089,936	_	<u>-</u>	_	(5,692,038)	_	6,397,898	_	-
Total proprietary fund debt	_	233,122,546	_	2,513,830	_	(18,405,177)		217,231,198	_	13,983,508
Total debt	\$	455,888,251	\$	11,621,512	\$	(53,087,825)	\$	414,421,937	\$	29,081,514

With respect to governmental activities; compensated absences, TMRS net pension liability (asset), total OPEB 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 2024, 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, 2024. 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, 2022	\$	(817,944)	\$	(240,000)	\$	(700,000)	\$	(67,745)	\$	(1,825,689)
Current period claims and changes in estimate		(13,690,676)		(1,183,276)		(826,682)		(309,463)		(16,010,097)
Current period claims paid	_	13,718,336		1,183,276	_	826,682		309,298		16,037,592
Claims payable at September 30, 2023	_	(790,284)		(240,000)		(700,000)		(67,910)		(1,798,194)
Current period claims and changes in estimate		(14,268,387)		(1,058,993)		(958,049)		(621,636)		(16,907,065)
Current period claims paid		14,311,660		1,058,927	_	958,049	_	617,644		16,946,280
Claims payable at September 30, 2024	\$	(747,011)	\$	(240,066)	<u>\$</u>	(700,000)	\$	(71,902)	\$	(1,758,979)

### 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, 2024, 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 89 employees who had retired: 53 with single coverage and 36 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, 2023 for reporting in the City's full accrual financial statements and a Measurement Date (MD) of September 30, 2024.

# **NOTE IV - OTHER INFORMATION (Continued)**

The valuation results as of October 1, 2021 were rolled-forward and used for the September 30, 2024 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, 2025, for reporting in the City's full accrual financial statement as of September 30, 2025.

**4.** At the September 30, 2024 valuation and measurement date, the following members were covered by the benefit terms:

### Plan membership/participants:

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, 2023
Prior Measurement date September 30, 2023
Measurement date September 30, 2024

Assumptions:

Inflation 2.70% per year

Decreases gradually from 11.85% when hired to 3.60% at 25+

Salary increases years of service

Discount Rate\*

Prior Measurement Date 4.87% Measurement Date 4.06%

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

Mortality Tables projected fully generationally using scale MP-2021

Health Care Cost Trends Actual premium increases to 2024 decreasing gradually to an ultimate rate of

4.14% 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.

<sup>\*</sup> 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, 2024:

Service Cost	\$ 717,846
Interest on the Total OPEB Liability and Service Cost	1,017,856
Current period benefit changes	-
Current period recognition of Deferred Inflows and Outflows of Resources:  Difference between expected and actual experience in the Total OPEB	-
Liability	1,866,294
Changes of assumptions or other inputs	 (1,764,674)
OPEB Expense	\$ 1,837,322

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 total OPEB liability can be very significant for a relatively small change in either rate.

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

Healthcare Cost Trend	% Increase in iscount Rate (5.06%)	unt Rate Current Disco		1% Increase in Discount Rate (3.06%)			
1% Decrease		\$	14,222,316				
Current	\$ 14,688,870	\$	17,116,470	\$	20,188,146		
1% Increase		\$	20,929,273				

**8.** Deferred Inflows and Outflows: For the current fiscal year, the average expected remaining service life of active and inactive employees is 9 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, 2024 are amortized over 9 years.

For the year ended September 30, 2024, the Plan recognized OPEB expense of \$1,837,322.

At September 30, 2024, the Plan reported deferred outflows and inflows of resources related to OPEB from the following sources:

	erred Outflows f Resources	Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 20,575,174	\$	(11,117,600)		
Changes of assumptions	 1,089,972		(11,796,082)		
Total	\$ 21,665,146	\$	(22,913,682)		

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
2025	\$ 101,620
2026	101,620
2027	101,620
2028	101,624
2029	169,266
Thereafter	 (1,824,286)
Total	\$ (1,248,536)

Total City -

# **NOTE IV - OTHER INFORMATION (Continued)**

### 9. Changes in Total OPEB Liability -

	Increase (Decrease)				
		Total OPEB Liability (a)	Plan Fiduciary Net Position (b)		Net OPEB Liability (a) - (b)
Balance at 9/30/2023	\$	20,420,348	\$ -	\$	20,420,348
Changes for the year:					
Service cost		717,846	-		717,846
Interest on Total OPEB Liability and Service Cost		1,017,856	-		1,017,856
Changes in benefit terms		-	-		-
Difference between expected and actual experience		(4,243,327)	-		(4,243,327)
Changes in assumptions		(315,228)	-		(315,228)
Benefit payments		(481,025)	(481,025)		-
Contributions-employer		-	481,025		(481,025)
Contributions-members		-	-		-
Net investment income		-	-		-
Administrative expense					
Net Changes	_	(3,303,878)		_	(3,303,878)
Balance at 9/30/2024	\$	17,116,470	<u>\$</u>	\$	17,116,470

### D. Retirement Plans

Summary of retirement plans -

	(	City - TMRS	ı	Firemen's Pension Plan	ı	TMRS and Firemen's Pension Plan
Total pension liability	\$	366,044,119	\$	101,296,458	\$	467,340,577
Plan fiduciary net position		345,465,482	_	66,044,393		411,509,875
Net pension liability (asset)	\$	20,578,637	\$	35,252,065	\$	55,830,702
Deferred outflows of resources	\$	8,629,946	\$	11,223,395	\$	19,853,341
Deferred inflows of resources	\$	2,913,904	\$	12,079,216	\$	14,993,120
Contributions subsequent to measurement date	\$	5,613,215	\$	-	\$	5,613,215
Pension expense (income)	\$	3,536,167	\$	3,612,030	\$	7,148,197

### 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 annual comprehensive financial report that can be obtained at <a href="https://www.tmrs.com">www.tmrs.com</a>.

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 years

Service retirement eligibility (expressed as age/years of service) 60/10, Any/20

Updated Service Credit 100% Transfers

Annuity Increase (to retirees) 0% of CPI

Employees covered by benefit terms -

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	734
Inactive employees entitled to but not yet receiving benefits	702
Active employees	1,712
Total	3,148

### 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 2024, the City made contributions of 8.61%.

### d) Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

Inflation 2.50% per year

Overall payroll growth 3.60% - 11.85% 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, 2022, 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%	6.70%
Core Fixed Income	6.00%	4.70%
Non-Core Fixed Income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real Estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%
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 12/31/2023	\$ 350,684,186	\$ 312,082,858	\$ 38,601,328		
Changes for the year:					
Service cost	10,099,822	-	10,099,822		
Interest	23,470,564	-	23,470,564		
Difference between expected and actual experience	e (637,399)	-	(637,399)		
Changes in assumptions	(1,528,977)	-	(1,528,977)		
Contributions-employer	-	7,457,116	(7,457,116)		
Contributions-employee	-	6,105,246	(6,105,246)		
Net investment income	-	36,095,732	(36,095,732)		
Benefit payments, including refunds of employee					
contributions	(16,044,077)	(16,044,077)	-		
Administrative expense	-	(229,787)	229,787		
Other		(1,606)	1,606		
Net Changes	15,359,933	33,382,624	(18,022,691)		
Balance at 12/31/2024	\$ 366,044,119	\$ 345,465,482	\$ 20,578,637		

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:

	1% Decrease in Discount Rate (5.75%)		Current Discount Rate (6.75%)		1% Increase in Discount Rate (7.75%)	
City's net pension liability (asset)	\$	69,415,682	\$	20,578,637	\$	(19,803,098)

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 <a href="https://www.tmrs.com">www.tmrs.com</a>.

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

For the year ended September 30, 2024, the City recognized pension expense of \$3,536,167.

At September 30, 2024, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
Differences between expected and actual experience	\$	136,971	\$	1,626,459		
Difference in assumption changes		-		1,287,445		
Difference between projected and actual investment earnings		8,492,975		-		
Contributions subsequent to the measurement date		5,613,215				
Total	\$	14,243,161	\$	2,913,904		

\$5,613,215 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, 2025.

# **NOTE IV - OTHER INFORMATION (Continued)**

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
2024	\$ 1,380,457
2025	2,037,544
2026	5,851,608
2027	(3,498,676)
2028	(54,891)
Thereafter	-
Total	\$ 5,716,042

### 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, 2022 actuarial valuation, the following members were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	120
Terminated employees entitled to but not yet receiving benefits	7
Active members	180
Total	307

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 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

# **NOTE IV - OTHER INFORMATION (Continued)**

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 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.

### **NOTE IV - OTHER INFORMATION (Continued)**

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, 2024 were as follows:

Total pension liability	\$ 101,296,458
Plan fiduciary net position	 66,044,393
Net pension liability	\$ 35,252,065
Fiduciary net position as a percentage of total pension liability	65.20%
Covered payroll	15,153,500
Net pension liability as a % of covered payroll	232.63%

### Actuarial Assumptions -

The total pension liability was determined by an actuarial valuation as of September 30, 2022 and rolled forward to the measurement date of September 30, 2024, the Plan's fiscal year end.

	Valuation date	September 30, 2022, rolled forward to September 30, 2024
--	----------------	--

Measurement date September 30, 2024

Actuarial cost method Entry age

Amortization method Level percentage of payroll, open

Actuarial assumptions:

Investment rate of return 7.25% per annum

Projected salary increases 2.85% plus merit, step and longevity increases that vary by service

Inflation 2.85% per year

Cost-of-living adjustment None

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

valuation date.

# **NOTE IV - OTHER INFORMATION (Continued)**

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, 2024 are summaries in the table below:

Asset class:	Target allocation	Long-term expected real rate of return
Equities		
Domestic all cap	32%	5.55%
International developed	16%	6.05%
Emerging markets	7%	7.37%
Fixed Income		
Global	5%	1.69%
Domestic core	5%	1.43%
Nontraditional	14%	2.50%
Alternatives		
Private real estate	6%	4.25%
Hedge funds	14%	2.75%
Cash	1%	0.00%
Total	100%	
Weighted average		4.40%

#### Discount Rate -

The discount rate used to measure the total pension liability was 7.25%. No projection of cash flows was used to determine the discount rate because the September 30, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 35 years. Because of the 35-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 investment of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Increase (Decrease)				
	T	otal Pension Liability (a)		an Fiduciary let Position (b)	 Net Pension Liability (a) - (b)
Balance at 9/30/2023	\$	96,939,895	\$	57,588,137	\$ 39,351,758
Changes for the year:					
Service cost		2,495,390		-	2,495,390
Interest		7,021,979		-	7,021,979
Benefit payments, including refunds of member contributions		(5,160,806)		(5,160,806)	-
Contributions-employer		-		2,273,025	(2,273,025)
Contributions-members		-		2,120,526	(2,120,526)
Net investment income		-		9,279,716	(9,279,716)
Administrative expense				(56,205)	56,205
Net Changes		4,356,563		8,456,256	(4,099,693)
Balance at 9/30/2024	\$	101,296,458	\$	66,044,393	\$ 35,252,065

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 (7.25%), 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	 Decrease in scount Rate (6.25%)	D	Current Discount Rate (7.25%)	% Increase in Discount Rate (8.25%)
Plan's net pension liability	\$ 48,044,770	\$	35,252,065	\$ 24,563,333

Notes To Financial Statements

#### **NOTE IV - OTHER INFORMATION (Continued)**

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

For the year ended September 30, 2024, the Plan recognized pension expense of \$3,612,030.

At September 30, 2024, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	_	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 368,306	\$	2,777,543
Changes in actuarial assumptions	9,931,974		9,301,673
Difference between projected and actual investment earnings	 923,115		<u>-</u>
Total	\$ 11,223,395	\$	12,079,216

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
2025	\$ 827,594
2026	1,946,238
2027	(1,395,729)
2028	(2,681,509)
2029	(144,592)
Thereafter	 592,177
Total	\$ (855,821)

#### 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, 2024 was 15.00% of annual compensation. Contributions required and paid into the fund as of September 30, 2024 were members, \$2,120,526 and employer, \$2,273,025.

#### 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

Notes To Financial Statements

#### **NOTE IV - OTHER INFORMATION (Continued)**

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. <u>Tax Increment Reinvestment Zone Number One</u>

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 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, 2024, the TIRZ#1 fund balance was \$1,255,729.

#### 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, 2024, the TIRZ#2A fund balance was \$4,363,997.

#### G. Tax Abatements

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, 2024.

# **Required Supplementary Information**



## Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Fiscal Years

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023
Total pension liability: Service cost	\$ 6,805,485	\$ 7,407,030	\$ 7,992,201	\$ 8,196,790	\$ 8,285,275	\$ 8,678,357	\$ 9,049,919	\$ 8,858,798	\$ 9,474,625	\$ 10,099,822
Interest(on the total pension liability) Changes of benefit terms Difference between expected	14,011,751 -	15,035,551 2,340,034	15,972,265 -	16,912,836 -	17,790,762 -	19,076,997 6,023,884	20,053,615	21,119,830 -	22,419,250 4,943,376	23,470,564
and actual experience Change in assumptions Benefit payments, including refunds of employee	12,762 -	385,103 8,087,143	285,052 -	(814,726) -	(1,012,619) -	(743,805) (347,815)	473,099 -	(735,363) -	(972,357) -	(637,399) (1,528,977)
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)	(15,274,108)	(16,044,077)
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	20,590,786	15,359,933
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	330,093,400	350,684,186
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	\$350,684,186	\$366,044,119
Plan fiduciary net position: Contributions - employer Contributions - employee Net investment income Benefit payments, including	\$ 4,139,770 4,367,657 11,471,696	\$ 4,278,578 4,595,301 311,957	\$ 4,477,156 4,707,800 14,305,407	\$ 5,460,155 4,838,151 31,182,396	\$ 5,558,475 4,894,255 (7,653,315)	\$ 5,704,990 5,147,685 38,073,253	\$ 6,826,265 5,523,932 21,426,486	\$ 6,287,685 5,355,562 39,602,343	\$ 6,670,243 5,742,967 (24,784,260)	\$ 7,457,116 6,105,246 36,095,732
refunds of employee contributions Administrative expense Other	(8,961,369) (119,767) (9,847)	(8,728,811) (190,013) (9,385)	(10,020,877) (161,560) (8,705)	(10,813,970) (161,590) (8,189)	(11,851,695) (147,898) (7,727)	(12,605,315) (215,122) (6,462)	(12,156,900) (138,687) (5,411)	(15,213,681) (183,272) 1,256	(15,274,108) (214,569) 256,046	(16,044,077) (229,787) (1,606)
Net change in plan fiduciary net position	10,888,140	257,627	13,299,221	30,496,953	(9,207,905)	36,099,029	21,475,685	35,849,893	(27,603,681)	33,382,624
Plan fiduciary net position - beginning	200,527,895	211,416,035	211,673,662	224,972,883	255,469,836	246,261,931	282,360,960	303,836,645	339,686,539	312,082,858
Plan fiduciary net position - ending (b)	\$211,416,035	\$211,673,662	<u>\$224,972,883</u>	<u>\$255,469,836</u>	<u>\$246,261,931</u>	<u>\$282,360,960</u>	\$303,836,645	\$339,686,538	\$312,082,858	\$345,465,482
Net pension liability (asset) - ending (a) - (b)	\$ 1,698,401	\$ 25,966,824	\$ 26,896,244	\$ 9,880,221	\$ 32,299,848	\$ 16,283,123	\$ 12,227,171	\$ (9,593,139)	\$ 38,601,328	\$ 20,578,637
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%	88.99%	94.38%
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	\$ 81,960,422	\$ 87,217,808
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%	47.10%	23.59%

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

### Texas Municipal Retirement System Schedule Of Contributions

### Last Ten Fiscal Years (Unaudited)

Fiscal Year	 (1) Actuarial determined contribution	the actua	(2) tion in relation to rially determined entribution	Co	(3) ntribution excess (deficiency) (2) - (1)	 (4) Covered 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%
2020	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%
2023	7,116,739		7,116,732		(7)	84,346,509	8.44%
2024	7,790,360		7,790,356		(4)	90,657,816	8.59%

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 31st and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rate for 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% 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 2023 valuation pursuant to an experience study of the period ending 2022.
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.

GrNTED 100% ad hoc USC with Transfer

Other Information:

#### Firemen's Relief and Retirement Fund

### Last Ten Fiscal Years (Unaudited)

	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total pension liability: Service cost Interest (on the total pension liability) Changes of benefit terms	\$ 1,824,526 4,884,830	\$ 2,879,641 5,130,946	\$ 1,865,778 5,361,757	\$ 1,940,409 5,631,214	\$ 1,959,647 5,715,164	\$ 3,136,670 5,697,831	\$ 2,094,085 6,170,518	\$ 2,156,908 6,432,009	\$ 2,426,242 6,720,076	\$ 2,495,390 7,021,979
Difference between expected and actual experience Change in assumptions Benefit payments, including refunds	221,439 (3,414,995)	- -	(1,202,731)		(6,083,899) 23,055,865	(20,428,073)	(939,637)	- -	477,920 2,524,259	- -
of member contributions	(3,170,707)	(3,876,966)	(3,520,297)	(3,898,551)	(3,797,821)	(4,519,133)	(4,763,835)	(4,917,916)	(4,941,772)	(5,160,806)
Net change in total pension liability	345,093	4,133,621	2,504,507	3,673,072	20,848,956	(16,112,705)	2,561,131	3,671,001	7,206,725	4,356,563
Total pension liability - beginning	68,108,494	68,453,587	72,587,208	75,091,715	78,764,787	99,613,743	83,501,038	86,062,169	89,733,170	96,939,895
Total pension liability - ending (a)	\$ 68,453,587	\$ 72,587,208	\$ 75,091,715	\$ 78,764,787	\$ 99,613,743	\$ 83,501,038	\$ 86,062,169	\$ 89,733,170	\$ 96,939,895	\$ 101,296,458
Plan fiduciary net position: Contributions - employer Contributions - members Benefit payments, including refunds of member contributions Net investment income Gain or (loss) due to difference in	\$ 1,477,483 1,223,445 (3,170,707) (2,467,023)	\$ 1,554,567 1,265,734 (3,876,966) 3,867,719	\$ 1,498,194 1,266,209 (3,520,297) 5,489,970	\$ 1,547,133 1,360,361 (3,898,550) 4,256,675	\$ 1,625,691 1,499,435 (3,797,821) 2,006,816	\$ 1,675,942 1,547,867 (4,519,133) 5,318,376	\$ 1,969,448 1,836,219 (4,763,835) 9,374,927	\$ 2,028,406 1,894,577 (4,917,916) (11,898,715)	\$ 2,155,354 2,010,356 (4,941,772) 4,994,111	\$ 2,273,025 2,120,526 (5,160,806) 9,279,716
projected vs actual earnings Administrative expense	(46,070)	(352,963)	(33,822)	(49,519)	(37,403)	(38,950)	(28,852)	(32,282)	(48,118)	(56,205)
Net change in plan fiduciary net position	(2,982,872)	2,458,091	4,700,254	3,216,100	1,296,718	3,984,102	8,387,907	(12,925,930)	4,169,931	8,456,256
Plan fiduciary net position - beginning	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	57,588,137
Plan fiduciary net position - ending (b)	\$ 42,300,964	\$ 44,759,055	\$ 49,459,309	\$ 52,675,409	\$ 53,972,127	\$ 57,956,229	\$ 66,344,136	\$ 53,418,206	\$ 57,588,137	\$ 66,044,393
Net pension liability - ending (a) - (b)	\$ 26,152,623	\$ 27,828,153	\$ 25,632,406	\$ 26,089,378	\$ 45,641,616	\$ 25,544,809	\$ 19,718,033	\$ 36,314,964	\$ 39,351,758	\$ 35,252,065
Plan fiduciary net position as a percentage of total pension liability	61.80%	61.66%	65.87%	66.88%	54.18%	69.41%	77.09%	59.53%	59.41%	65.20%
Covered payroll	\$ 11,365,262	\$ 11,515,311	\$ 11,524,569	\$ 11,901,023	\$ 12,505,315	\$ 12,891,862	\$ 13,129,653	\$ 13,522,707	\$ 14,369,027	\$ 15,153,500
Net pension liability as a percentage of covered payroll	230.11%	241.66%	222.42%	219.22%	364.98%	198.15%	150.18%	268.55%	273.87%	232.63%

#### Firemen's Relief And Retirement Fund Schedule Of Contributions Last Ten Fiscal Years (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)
2015	\$ 1,435,293	\$	1,435,293	\$	- \$	11,043,509	13.00%
2016	1,547,133		1,547,133		-	11,901,023	13.00%
2017	1,625,691		1,625,691		-	12,505,315	13.00%
2018	1,675,942		1,675,942		-	12,891,862	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	1,675,942		1,675,942		-	12,891,862	13.00%
2022	1,969,448		1,969,448		-	13,129,653	15.00%
2023	2,028,406		2,028,406		-	13,522,707	15.00%
2024	2,273,025		2,273,025		-	15,153,500	15.00%

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

Methods and Assumptions Used to Determine Contribution Rate for 2024:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Opened
Remaining Amortization Period	Infinity
Asset Valuation Method	5 Year smoothed market; 20% soft corridor
Inflation	2.85% per year
Projected salary increases	2.85% plus merit, step and longevity increases that vary by service
Investment Rate of Return	7.25% 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 Information:	There have been no benefit changes since the October 1, 2020 valuation date.

# Post Employment Benefit Plan Schedule of Changes in Total OPEB Liability and Related Ratios Last Seven Fiscal Years

(Previous years are not available)

	Measurement Year 2018		Measurement Year 2019		I	Measurement Year 2020	N	Measurement Year 2021	Measurement Year 2022			Measurement Year 2023	Measurement Year 2024	
Total OPEB Liability: Service cost	\$	326,694	\$	297,170	\$	321,502	\$	579,803	Ś	612,814	 \$	1,001,596	<u> </u>	717,846
Interest (on the total OPEB and Service Cost) Changes of benefit terms	Ÿ	368,004	Ų	386,856	Ų	222,328	Ų	253,031 -	Ų	262,653 3,801,314	Ų	1,326,859	Ÿ	1,017,856 -
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)		(8,183,822) (269,478) (533,703)		(4,243,327) (315,228) (481,025)
Net change in total OPEB liability		(954,434)		(503,577)		2,708,639		423,783		15,144,836		(6,658,548)		(3,303,878)
Total OPEB liability - beginning		10,259,649	_	9,305,215		8,801,638		11,510,277	_	11,934,060	_	27,078,896		20,420,348
Total OPEB liability - ending	\$	9,305,215	\$	8,801,638	\$	11,510,277	\$	11,934,060	\$	27,078,896	\$	20,420,348	\$	17,116,470
Plan fiduciary net position: Contributions - employer Contributions - members Net investment income	\$	905,063	\$	566,863	\$	1,539,994	\$	1,288,470	\$	664,427	\$	533,703	\$	481,025
Benefit payments		(905,063)		(566,863)	_	(1,539,994)		(1,288,470)	_	(664,427)	_	(533,703)		(481,025)
Net change in plan fiduciary net position		-		-		-		-		-		-		-
Plan fiduciary net position - beginning		-	_	-		-	_	-	_		_	-		-
Plan fiduciary net position - ending		-		-		-		-		-		-		-
Total OPEB liability - ending	\$	9,305,215	\$	8,801,638	\$	11,510,277	\$	11,934,060	\$	27,078,896	\$	20,420,348	\$	17,116,470
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	\$	90,568,596	\$	86,843,931
Total OPEB liability as a percentage of covered-employee payroll		12.54%		11.74%		14.10%		15.42%		36.38%		22.55%		19.71%

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**

**Special Revenue Funds** 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 Tax 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 **Community Development Fund** 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>City Special Events Fund</u> was established to account for revenues and expenditures related to special events organized by the City.

The <u>COPS Grant Fund</u> was established to account for revenues and expenditures associated with the Community Oriented Policing Services grant funds.

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>McAllen Performing and Cultural Arts Foundation</u> was established to account for revenues and expenditures for the purpose of promoting the performing arts.

The <u>Miscellaneous Government Grant Fund</u> was established to account for receipt and disbursement of various Federal, State and Local government programs and projects.

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.

The <u>American Rescue Plan Act Fund</u> was established to account for revenues and expenditures associated with the State and Local Fiscal Recovery grant funds.



#### **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 Construction 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>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 **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.

The <u>City Hall Expansion/Reservoir Development Fund</u> was established to account for all expenditures related to the expansion of the City Hall and the reservoir development project.

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

**September 30, 2024** 

	Special Revenue Funds									
	Hote	l Occupancy Tax	Hotel	Venue Tax	Mcallen EB-5 Regional Center					
ASSETS										
Cash	\$	47,188	\$	124,835	\$	5,514				
Certificate of deposit		-		-		-				
Investments		200,338		1,227,688		70,960				
Receivables:										
Accounts		718,293		117,188		-				
Taxes		-		-		-				
Accrued interest		-		-		-				
Due from other funds		-		-		-				
Due from other governments		-		-		-				
Prepaids										
Total assets		965,819		1,469,711		76,474				
Total assets and deferred outflows of resources	\$	965,819	\$	1,469,711	\$	76,474				
LIABILITIES										
Accounts payable	\$	254,246	Ś	-	\$	3,250				
Accrued liabilities	•		*	-	•	9,251				
Due to other funds		315,421		-		4,425				
Unearned revenues		310,159		-		-				
Other liabilities		25		47		65,000				
Total liabilities		879,851		47		81,926				
Deferred inflows of resources		<u>-</u>		<u>-</u>						
Total liabilities and deferred inflows of resources		879,851		47		81,926				
FUND BALANCES										
Nonspendable		-		-		_				
Restricted		85,968		1,469,664		-				
Committed		-		-		-				
Assigned		-		-		-				
Unassigned						(5,452)				
Total fund balances		85,968		1,469,664		(5,452)				
Total liabilities, deferred inflows of resources and fund balances	\$	965,819	\$	1,469,711	\$	76,474				

**Special Revenue Funds** 

Drainage Fee		De\	Park velopment	Tax Increment Reinvestment Zone # 1 (TIRZ # 1)		Community Development		Tax Increment einvestment Zone # 2 (TIRZ #2)		scellaneous overnment Grants	American Rescue Plan Act
\$	108,096 254.888	\$	136,846	\$ 919,710	\$	2,585	\$	82,002	\$	-	\$ -
	5,179,533		2,346,960	336,019		-		4,719,235		484,673	-
	152,975		-	-		-		-		-	-
	23,840		-	- -		-		-		-	-
	- - -		- - -	- 162,352 		287,097 -		2,826,488 -		65,185 -	- - -
	5,719,332		2,483,806	1,418,081	_	289,682	_	7,627,725		549,858	
\$	5,719,332	\$	2,483,806	\$ 1,418,081	\$	289,682	\$	7,627,725	\$	549,858	\$ -
\$	609,551	\$	1,134	\$ -	\$	152,644 37,824 99,214	\$	435,240 2,000	\$	62,745 9,838 3,677,633	\$ -
	- -		- -	162,352		-		2,826,488		3,487,318	
	609,551		1,134	162,352	_	289,682	_	3,263,728		7,237,534	
							_	<u>-</u>	_		
	609,551		1,134	162,352		289,682	_	3,263,728		7,237,534	
	- 5,109,781		- 2,482,672	- 1,255,729		-		- 4,363,997		-	- -
	-		-	-		-		-		-	-
					_		_	<u>-</u>		(6,687,676)	
	5,109,781		2,482,672	1,255,729			_	4,363,997		(6,687,676)	
\$	5,719,332	\$	2,483,806	\$ 1,418,081	\$	289,682	\$	7,627,725	\$	549,858	\$ -

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

**September 30, 2024** 

Special Revenue Funds

<u>487,000</u> <u>\$</u> <u>2,195,413</u> <u>\$</u> <u>672,877</u>

Downtown Services Parking PD Seized TX	TX Anti Gang Unit		
ASSETS			
Cash \$ 2,540 \$ 149,744 \$	-		
Certificate of deposit	-		
Investments 869 2,045,669	2		
Receivables:			
Accounts 374,457 -	-		
Taxes	-		
Accrued interest	-		
Due from other funds	-		
Due from other governments 109,134 -	672,875		
Prepaids	<del>-</del>		
Total assets	672,877		
Total assets and deferred outflows of resources \\ \frac{\\$}{2,195,413} \\ \fr	672,877		
LIABILITIES			
Accounts payable \$ 31,016 \$ - \$	35,841		
Accrued liabilities 27,134 -	8,776		
Due to other funds 40,006 -	644,014		
Unearned revenues - 2,480	-		
Other liabilities			
Total liabilities 98,156 2,480	688,631		
Deferred inflows of resources         371,975         -			
Total liabilities and deferred inflows of resources 470,131 2,480	688,631		
FUND BALANCES			
Nonspendable	-		
Restricted - 2,192,933	-		
Committed 16,869 -	-		
Assigned	-		
Unassigned	(15,754 <u>)</u>		
Total fund balances	(15,754)		

Total liabilities, deferred inflows of resources and fund balances

y Special Events	Commun Oriente Policin Service (COPS) G	ed ng es	Christmas Parade		Friends of Quinta	T F a	Revenue Fu he McAllen Performing nd Cultural Arts Foundation	Е	Public, ducational, and overnmental (PEG)		Developers		Marketing	Total
\$ 62,803	\$	-	\$ 87,97	'3	\$ 84,305	\$	69,876	\$	94,267	\$	67,172	\$	85,314	
-		-	1,143,96	-	- 454,642		- 101,306		- 1,471,930		- 9,770,010		- 629,231	254,888 30,183,033
-		-	37,38	3	-		-		-		-		-	1,400,296
-		-		-	-		-		-		- 2,851		-	- 26,691
-	149	- 9,923		-	-		-		-		-		-	4,273,054
 			12,35	<u> 0</u>						_				12,350
62,803	149	9,923	1,281,67	4	538,947	_	171,182	_	1,566,197	_	9,840,033	_	714,545	38,281,082
\$ 62,803	\$ 149	9,923	\$ 1,281,67	<u>'4</u>	\$ 538,947	\$	171,182	\$	1,566,197	\$	9,840,033	\$	714,545	\$ 38,281,082
\$ 2,503		- 7,609	\$ 27,76	3	\$ 26,110	\$	-	\$	-	\$	197,138 -	\$	20,444	\$ 1,859,625 142,432
-	102	2,314		-	-		-		-		-		-	4,883,027
			59,92	26 			<u> </u>				- 9,589,201		<u> </u>	6,848,723 9,654,273
 2,503	149	9,923	87,68	<u> 9</u>	26,110			_		_	9,786,339		20,444	23,388,080
 				_										371,975
 2,503	149	9,923	87,68	19	26,110					_	9,786,339		20,444	23,760,055
-		-	12,35		-		-		- 1 566 107		-		-	12,350
60,300		-	1,181,63	-	512,837 -		171,182 -		1,566,197 -		53,694 -		- 694,101	20,446,289 771,270
-		-		-	-		-		-		-		-	(6,708,882)
 60,000			1 100 00			_	171 100	_	1 566 107	_	F0.604	_	604101	
 60,300			1,193,98	_	512,837	_	171,182		1,566,197	_	53,694	_	694,101	14,521,027
\$ 62,803	\$ 149	9,923	\$ 1,281,67	<u>'4</u>	\$ 538,947	\$	171,182	\$	1,566,197	\$	9,840,033	\$	714,545	\$ 38,281,082

#### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2024

	Debt Service Funds				
	D	ebt Service	Hotel Venue Debt Service	F Corpo	Government Finance Pration Debt Service
ASSETS Cash	\$	100,852	ė .	\$	750
Certificate of deposit	Ş	100,632	-	Ş	730
Investments		6,242,081	-		533,199
Receivables:					
Accounts Taxes		372,245	-		-
Accrued interest		-	-		-
Due from other funds		-	-		-
Due from other governments		-	-		-
Prepaids		<del>-</del>			
Total assets		6,715,178			533,949
Total assets and deferred outflows of resources	\$	6,715,178	<u>\$</u>	\$	533,949
LIABILITIES					
Accounts payable	\$	-	\$ -	\$	-
Accrued liabilities		-	-		-
Due to other funds Unearned revenues		-	-		-
Other liabilities					_
Total liabilities		_			_
Deferred inflows of resources		347,193			<u>-</u>
Total liabilities and deferred inflows of resources		347,193			
FUND BALANCES  Nonspendable		-	-		_
Restricted		6,367,985	-		533,949
Committed		-	-		-
Assigned Unassigned		-	-		-
Total fund balances		6,367,985			533,949
Total liabilities, deferred inflows of resources and fund balances	\$	6,715,178	\$ -	\$	533,949

Capital Projects Funds City Hall								
	ormation chnology	Street Improvements		Expansion/ Reservoir Development	Park's Facility/ Fire Station #2 Construction			
\$	31,175	\$ -	\$	37,422	\$ 19,221			
	365	329		3,568,188 18,265,325	898,812			
	-	-		-				
	-	-		- 16,250				
	-	-		10,230				
	- -	498,341		<u>-</u>				
	31,540	498,670		21,887,185	918,033			
\$	31,540	\$ 498,670	\$	21,887,185	\$ 918,033			
\$	-	\$ 79,147	\$	1,016,506	\$ -			
	-	- 186,673		-	- 77,937			
	-	-		-	-			
	-	265,820		1,016,506	77,937			
	<del>-</del>							
	<del>-</del>	265,820		1,016,506	77,937			
	-	-		-				
	-	232,850		-	840,096			
	31,540 -	-		20,870,679				
	31,540	232,850		20,870,679	840,096			
\$	31,540	\$ 498,670	\$	21,887,185	\$ 918,033			

#### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2024

	Capital Projects Funds				
	Capital Improvement		Infrastructure & Improvements		Sports Facilities
ASSETS		•			
Cash	\$	643,388	\$	17,512	\$ -
Certificate of deposit		-		-	-
Investments		9,863,284		19,748,566	-
Receivables:					
Accounts		-		-	-
Taxes		-		-	-
Accrued interest		4,715		-	-
Due from other funds		-		-	-
Due from other governments		380,172		-	-
Prepaids		255,000			
Total assets		11,146,559		19,766,078	
Total assets and deferred outflows of resources	\$	11,146,559	\$	19,766,078	\$ -
LIABILITIES					
Accounts payable	\$	1,167,668	\$	673,652	\$ -
Accrued liabilities		122,548		472,258	-
Due to other funds		-		-	-
Unearned revenues		415,044		-	-
Other liabilities					
Total liabilities		1,705,260		1,145,910	
Deferred inflows of resources		-			
Total liabilities and deferred inflows of resources		1,705,260		1,145,910	
FUND BALANCES					
Nonspendable		255,000		-	-
Restricted		-		-	-
Committed		-		-	-
Assigned		9,186,299		18,620,168	-
Unassigned					
Total fund balances		9,441,299		18,620,168	
Total liabilities, deferred inflows of resources and fund balances	\$	11,146,559	\$	19,766,078	\$ -

Tra	Capital Pro	To	otal Nonmajor			
Dra	ninage Bond onstruction	Quinta Center for Urban Ecology		Governmental Funds		
\$	39,330	\$ -	\$	3,020,420		
	-	-		3,823,076		
	8,573,663	4,260,810		98,569,467		
	-	-		1,400,296		
	-	-		372,245		
	-	-		47,656		
	-	42,640		42,640		
	-	2,629,878		7,781,445		
	<del>-</del>		_	267,350		
	8,612,993	6,933,328		115,324,595		
\$	8,612,993	\$ 6,933,328	\$	115,324,595		
\$	361,337	\$ 3,824,965	\$	8,982,900		
	28,063	938,100		1,703,401		
	-	106,753		5,254,390		
	-	1,742,852		9,006,619		
				9,654,273		
	389,400	6,612,670		34,601,583		
				719,168		
	389,400	6,612,670		35,320,751		
	-	-		267,350		
	8,223,593	-		36,644,762		
	-	-		771,270		
	-	-		48,708,686		
		320,658		(6,388,224)		
	8,223,593	320,658	_	80,003,844		
\$	8,612,993	\$ 6,933,328	\$	115,324,595		

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

For the Year Ended September 30, 2024

	Special Revenue Funds					
	Ос	Hotel cupancy Tax	Hot	el Venue Tax		illen EB-5 onal Center
REVENUES						
Taxes		F F0F 740		1 507 000		
Hotel	\$	5,595,749	\$	1,597,900	\$	-
Property Franchise		-		_		-
Licenses and permits		-		_		-
Intergovernmental		_		_		_
Charges for services		_		_		_
Fines and forfeitures		_		_		_
Investment earnings		334		24,547		2,460
Net increase (decrease) in the fair value of investments		-		· -		· -
Other						
Total revenues		5,596,083		1,622,447		2,460
EXPENDITURES						
Current:						
General government		1,488,715		-		57,864
Public safety		-		-		-
Highways and streets		-		-		-
Health and welfare		-		-		-
Culture and recreation		-		-		-
Debt service:						
Principal		-		-		-
Interest and fiscal charges				<u>-</u>		
Total expenditures		1,488,715				57,864
Excess (deficiency) of revenues over expenses (budget basis) before transfers		4,107,368		1,622,447		(55,404)
OTHER FINANCING SOURCES (USES)						
Transfers in		100,000		4		-
Transfers out		(4,121,788)		(1,375,330)		<u>-</u>
Net other financing sources (uses)		(4,021,788)		(1,375,326)		
Net change in fund balances		85,580		247,121		(55,404)
Fund balances at beginning of year	_	388		1,222,543		49,952
Fund balances at end of year	\$	85,968	\$	1,469,664	\$	(5,452)

**Special Revenue Funds** 

Drainage Fee	Park Development	Tax Increment Reinvestment Zone # 1 (TIRZ # 1)	Community  Development	Tax Increment Reinvestment Zone # 2 (TIRZ #2)	Miscellaneous Government Grants	American Rescue Plan Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	1 106 660	2 005 200	-	-	-
1,289,507	-	1,196,663 -	2,805,380	-	669,289	-
-	-	-	-	-	-	-
254,676	116,191	25,151	-	248,072	52,757	207
53,803	11,626	150,000	-	-	-	-
<del></del>	158,200	150,022	3,698	3,949		
1,597,986	286,017	1,371,836	2,809,078	252,021	722,046	207
_	_	13,333	505,874	5,000	6,942,926	_
-	-	-	384,546	-	421,800	-
1,490,016	-	-	1,121,731	1,174,193	-	-
-	105 500	-	498,213	-	-	-
-	185,589	-	298,714	-	28,124	-
-	-	680,000	-	-	-	-
		837,299				
1,490,016	185,589	1,530,632	2,809,078	1,179,193	7,392,850	
107,970	100,428	(158,796)		(927,172)	(6,670,804)	207
-	-	931,503	-	826,371	-	-
<u>-</u>		(461,533)				(207)
		469,970		826,371		(207)
107,970	100,428	311,174	-	(100,801)	(6,670,804)	-
5,001,811	2,382,244	944,555		4,464,798	(16,872)	
\$ 5,109,781	\$ 2,482,672	\$ 1,255,729	\$ -	\$ 4,363,997	\$ (6,687,676)	\$ -

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

For the Year Ended September 30, 2024

**Special Revenue Funds** 

	<u> </u>		- Citae i aiiae
	Downtown		
	Park	king	PD Seized
REVENUES			
Taxes			
Hotel	\$	-	\$ -
Property		-	-
Franchise		-	-
Licenses and permits		18,387	-
Intergovernmental		109,134	-
Charges for services Fines and forfeitures		858,132	700.606
Investment earnings		140,072 1,854	738,686 101,033
Net increase (decrease) in the fair value of investments		1,034	101,033
Other		47,213	-
Total revenues	-	1,174,792	839,719
EXPENDITURES			
Current:			
General government		-	-
Public safety		-	378,137
Highways and streets		1,197,197	-
Health and welfare		-	-
Culture and recreation		-	-
Debt service:			
Principal		4,457	-
Interest and fiscal charges		418	
Total expenditures		1,202,072	378,137
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(27,280)	461,582
OTHER FINANCING SOURCES (USES)			
Transfers in		- (10.574)	-
Transfers out		(10,576)	
Net other financing sources (uses)		(10,576)	
Net change in fund balances		(37,856)	461,582
Fund balances at beginning of year		54,725	1,731,351
Fund balances at end of year	\$	16,869	\$ 2,192,933

Special	Revenue	Funds
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				Special Rev	enue Funas				
TX Anti Gang Unit	City Special Events	Community Oriented Policing Services (COPS) Grant	Christmas Parade	Friends of Quinta	The McAllen Performing and Cultural Arts Foundation	Public, Educational, and Governmental (PEG)	Developers	<u>Marketing</u>	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,193,649
-	_	-	_	_	-	173,154	-	_	173,154
_	_	_	_	_	_	-	-	_	18,387
5,442,604	-	679,804	74,900	_	_	-	-	_	10,977,774
-	174,944	-	-	_	-	-	-	_	2,322,583
-	· -	-	-	-	-	-	-	-	878,758
-	-	-	74,101	23,939	1,306	77,285	-	35,714	1,039,627
-	-	-	-	· -	-	-	-	-	65,429
			1,367,830_	765,166	108,182			585,688	3,189,948
5,442,604	174,944	679,804	1,516,831	789,105	109,488	250,439		621,402	25,859,309
						62,831		836,727	9,913,270
5,442,604	_	1,116,726	_	_	_	02,031	_	- 030,727	7,743,813
3,442,004	_	1,110,720	_	_	_	_	_	_	4,983,137
_	_	_	_	_	_	_	-	_	498,213
-	134,873	-	1,178,247	194,586	785	-	-	-	2,020,918
_	_	_	_	_	-	_	-	_	684,457
									837,717
5,442,604	134,873	1,116,726	1,178,247	194,586	785	62,831		836,727	26,681,525
	40,071	(436,922)	338,584	594,519	108,703	187,608		(215,325)	(822,216)
-		436,922	100,000 (112,000)	- (594,500)	<u> </u>		<u> </u>	518,000	2,912,800 (6,675,934)
		436,922	(12,000)	(594,500)				518,000	(3,763,134)
-	40,071	-	326,584	19	108,703	187,608	-	302,675	(4,585,350)
(15,754)	20,229		867,401	512,818	62,479	1,378,589	53,694	391,426	19,106,377
\$ (15,754)	\$ 60,300	\$ -	\$ 1,193,985	\$ 512,837	\$ 171,182	\$ 1,566,197	\$ 53,694	\$694,101	\$14,521,027

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

For the Year Ended September 30, 2024

	Debt Service Funds				
	Debt Service	Hotel Venue Debt Service	Local Government Finance Corporation Debt Service		
REVENUES					
Taxes					
Hotel	\$ -	\$ -	\$ -		
Property	5,492,654	-	-		
Franchise Licenses and permits	-	-	-		
Intergovernmental	-	-	-		
Charges for services	_	-	-		
Fines and forfeitures	-	-	-		
Investment earnings	366,091	-	33,534		
Net increase (decrease) in the fair value of investments	-	-	-		
Other					
Total revenues	5,858,745		33,534		
EXPENDITURES					
Current:					
General government	-	-	-		
Public safety	-	-	-		
Highways and streets	-	-	-		
Health and welfare	-	-	-		
Culture and recreation	-	-	-		
Debt service:	0.005.000		545,000		
Principal Interest and fiscal charges	3,985,000 1,653,577	- 807	545,000 322,131		
interest and fiscal charges	1,003,077	807	322,131		
Total expenditures	5,638,577	807	867,131		
Excess (deficiency) of revenues over expenses (budget basis) before transfers	220,168	(807)	(833,597)		
OTHER FINANCING SOURCES (USES)					
Transfers in	802,166	613	920,125		
Transfers out		(4)			
Net other financing sources (uses)	802,166	609	920,125		
Net change in fund balances	1,022,334	(198)	86,528		
Fund balances at beginning of year	5,345,651	198_	447,421		
Fund balances at end of year	\$ 6,367,985	<u>\$</u>	\$ 533,949		

Information Technology	Street Improvements	City Hall Expansion/ Reservoir Development		
\$ -	\$ -	\$ -		
-	-	-		
-	-	-		
-	-	-		
-	-	-		
-	-	-		
1,212	1,531	1,235,101		
-	-	27,672		
95,848				
97,060	1,531	1,262,773		
123,422 - - - - - - 123,422 (26,362)	276,580 - - - - - 276,580 (275,049)	2,104,345 - - - - 2,104,345 (841,572)		
(20,302)	(273,049)	(041,372)		
<u>-</u>	<u>-</u>	-		

(26,362) (275,049) (841,572)

507,899

21,712,251

232,850 \$ 20,870,679

57,902

31,540 \$

**Capital Projects Funds** 

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

For the Year Ended September 30, 2024

	Capital Projects Funds			
	Park's Facility/ Fire Station #2 Construction	Capital Improvement	Infrastructure & Improvements	
REVENUES				
Taxes				
Hotel	\$ -	\$ -	\$ -	
Property	-	-	-	
Franchise	-	-	-	
Licenses and permits	-	-	-	
Intergovernmental	-	933,992	-	
Charges for services	-	-	-	
Fines and forfeitures	-	-	-	
Investment earnings	52,833	306,959	1,601,514	
Net increase (decrease) in the fair value of investments	-	235,662	-	
Other			6,269	
Total revenues	52,833	1,476,613	1,607,783	
EXPENDITURES				
Current:				
General government	-	876,993	4,284,999	
Public safety	-	711,050	7,197,460	
Highways and streets	-	2,380,187	1,073,114	
Health and welfare	-	162,453	-	
Culture and recreation	108,360	3,180,013	2,753,882	
Debt service:				
Principal	-	-	-	
Interest and fiscal charges				
Total expenditures	108,360	7,310,696	15,309,455	
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(55,527)	(5,834,083)	(13,701,672)	
OTHER FINANCING SOURCES (USES)				
Transfers in	_	5,830,087	-	
Transfers out	_	-	-	
Net other financing sources (uses)		5,830,087		
Net change in fund balances	(55,527)	(3,996)	(13,701,672)	
Fund balances at beginning of year	895,623	9,445,295	32,321,840	
Fund balances at end of year	\$ 840,096	\$ 9,441,299	\$ 18,620,168	

Sports Facilities	apital Projects Fun Traffic Improv/ Drainage Bond Construction	Quinta Center for Urban Ecology	Total Nonmajor Governmental Funds		
\$ -	\$ -	\$ -	\$ 7,193,649		
\$ -	•	• -	\$ 7,193,649 5,492,654		
			173,154		
_	_	_	18,387		
	_	4,030,525	15,942,291		
_	_	-,000,020	2,322,583		
_	_	_	878,758		
-	516,735	611,455	5,766,592		
-	-	-	328,763		
		(106,257)	3,185,808		
	516,735	4,535,723	41,302,639		
-	_	-	15,198,684		
-	270,000	-	15,922,323		
-	1,634,530	-	12,451,893		
-	-	-	660,666		
-	-	18,048,950	26,112,123		
-	-	-	5,214,457		
			2,814,232		
	1,904,530	18,048,950	78,374,378		
	(1,387,795)	(13,513,227)	(37,071,739)		
_	-	3,314,750	13,780,541		
(1,736)		<u> </u>	(6,677,674)		
(1,736)		3,314,750	7,102,867		
(1,736)	(1,387,795)	(10,198,477)	(29,968,872)		
1,736	9,611,388	10,519,135	109,972,716		
\$ -	\$ 8,223,593	\$ 320,658	\$ 80,003,844		



### **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: Champion Lake Golf Course; Metro McAllen; Transit Terminal; Convention Center; and Performing Arts.

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, 2024** 

	McAllen Convention Center	Performing Arts Center	Champion Lake Golf Course	Metro McAllen	Transit Terminal	Total
ASSETS					· ·	
Current assets:						
Cash	\$ 229,175	\$ 360,942	\$ 104,250	\$ 1,213	\$ 221,578	\$ 917,158
Certificate of deposit	1,019,056	509,528	509,528	-	-	2,038,112
Investments	10,514,074	3,043,168	2,629,265	3,347	206	16,190,060
Receivables, net:						
Accounts	292	-	-	6,024	-	6,316
Accrued interest	29,000	-	15	402	-	29,417
Lease receivable - current	-	-	26,497	191,561	-	218,058
Due from other funds	252,337	63,084	-	-	77,937	393,358
Due from other governments	-	-	-	1,515,277	1,107,087	2,622,364
Prepaid items	213,552	-	-	445	213,296	427,293
Restricted assets:						
Cash and cash equivalents	85,107	68,396	37,476			190,979
Total currents assets	12,342,593	4,045,118	3,307,031	1,718,269	1,620,104	23,033,115
Noncurrent assets:						
Restricted assets:						
Certificate of deposit	-	509,777	-	-	-	509,777
Investments	3,529,672	1,181,494	936,998	-	-	5,648,164
Accrued interest	9,167					9,167
Total noncurrent restricted assets	3,538,839	1,691,271	936,998			6,167,108
Capital assets:						
Land	4,758,071	690,155	187,995	-	2,516,855	8,153,076
Buildings and systems	56,281,224	50,992,311	228,345	-	15,627,157	123,129,037
Improvements other than buildings	6,929,104	-	8,422,149	489,143	1,654,002	17,494,398
Machinery and equipment	4,009,985	1,491,470	1,658,972	4,273,958	9,626,736	21,061,121
Construction in progress	178,576	-	-	-	2,067,790	2,246,366
Less accumulated depreciation and						
amortization	(27,777,170)	(8,832,997)	(8,276,591)	(4,664,406)	(11,823,641)	(61,374,805)
Total capital assets (net of accumulated depreciation and amortization)	44,379,790	44,340,939	2,220,870	98,695	19,668,899	110,709,193
aspresiation and amortization,						
Other noncurrent assets:						
Lease receivable - noncurrent			13,489	436,435		449,924
Total other noncurrent assets	-	-	13,489	436,435	-	449,924
Total noncurrent assets	47,918,629	46,032,210	3,171,357	535,130	19,668,899	117,326,225
Total accete						140,359,340
Total assets	60,261,222	50,077,328	6,478,388	2,253,399	21,289,003	140,339,340
Deferred outflows of resources: Deferred charges - pensions	326,587	-	105,392	317,685	45,746	795,410
Total deferred outflows of resources	326,587		105,392	317,685	45,746	795,410
Total assets and deferred outflows of resources	\$ 60,587,809	\$ 50,077,328	\$ 6,583,780	\$ 2,571,084	\$ 21,334,749	<u>\$ 141,154,750</u>

### NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION

**September 30, 2024** 

	McAllen Convention Center	Performing Arts Center	Champion Lake Golf Course	Metro McAllen	Transit Terminal	Total
LIABILITIES		71110 0011101		Metro Mortineir		
Current liabilities:						
Accounts payable	\$ 770,745	\$ 252,105	\$ 185,118	\$ 144,656	\$ 587,883	\$ 1,940,507
Accrued expenses	111,279	-	31,633	101,686	80,337	324,935
Due to other funds	-	-	-	309,526	58,207	367,733
Customer deposits payable	811,788	92,886	-	-	-	904,674
Compensated absences	132,673	-	37,778	163,006	18,579	352,036
Current portion of lease	7,748	-	173	-	2,857	10,778
Other	176	19	217			412
Total current liabilities	1,834,409	345,010	254,919	718,874	747,863	3,901,075
Other noncurrent liabilities:						
Compensated absences	74,221	-	75,792	3,269	-	153,282
Unearned revenues	-	-	184,119	40,000	-	224,119
Lease payable	7,982	-	178	-	2,944	11,104
TMRS net pension liability	471,855		152,271	458,995	66,094	1,149,215
Total other noncurrent liabilities	554,058		412,360	502,264	69,038	1,537,720
Total liabilities	2,388,467	345,010	667,279	1,221,138	816,901	5,438,795
Deferred inflows of resources:			06.006	604.000		(50 (0)
Deferred inflows of resources-leases	-	-	36,806	621,830	0.050	658,636
Deferred inflows of resources-pensions	66,814		21,561	64,993	9,359	162,727
Total deferred inflows of resources	66,814		58,367	686,823	9,359	821,363
Total liabilities and deferred inflows of						
resources	2,455,281	345,010	725,646	1,907,961	826,260	6,260,158
NET POSITION						
Net investments in capital assets Restricted for:	44,364,061	44,340,939	2,220,520	98,695	19,663,099	110,687,314
Capital projects	3,623,946	1,759,666	906,164	_	_	6,289,776
Unrestricted	10,144,521	3,631,713	2,731,450	564,428	845,390	17,917,502
Total net position	58,132,528	49,732,318	5,858,134	663,123	20,508,489	134,894,592
Total liabilities, deferred inflows and net position	\$ 60,587,809	\$ 50,077,328	\$ 6,583,780	\$ 2,571,084	\$ 21,334,749	\$ 141,154,750
•						

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, 2024

	McAllen Convention Center	Performing Arts Center	Champion Lake Golf Course	Metro McAllen	Transit Terminal	Total
Operating revenues: Charges for services Rentals Other	\$ 3,398,798 941,608 1,567,103	\$ 825,828 682,522 28,448		\$ 305,237 270,135 6,012		\$ 6,387,162 1,894,265 2,243,538
Total operating revenues	5,907,509	1,536,798	2,489,641	581,384	9,633	10,524,965
Operating expenses: Salaries, wages and employee benefits Supplies Contractual and other services Repairs and maintenance Depreciation and amortization	2,888,675 199,019 3,300,382 416,127 1,538,029	150,783 2,472,673 192,919 1,079,555	1,035,449 240,509 199,185 146,708 423,162	2,720,725 86,990 1,778,740 460,875 19,715	383,018 17,051 138,420 660,498 1,174,603	7,027,867 694,352 7,889,400 1,877,127 4,235,064
Total operating expenses	8,342,232	3,895,930	2,045,013	5,067,045	2,373,590	21,723,810
Operating income (loss)	(2,434,723)	(2,359,132)	444,628	(4,485,661)	(2,363,957)	(11,198,845)
Nonoperating revenues (expenses): Investment earnings Net increase (decrease) in fair value of	625,461	274,571	198,376	31,386	9,318	1,139,112
investments Interest expense Gain (loss) on sale of capital assets Intergovernmental Interest revenue - leases	190,778 (704) - 50,304	8,343 - - 8,164 	243 (16) - - 249	1,824 2,622,038 10,660	(260) (29,432) 800,003	199,364 (980) (27,608) 3,480,509 10,909
Net nonoperating revenues (expenses)	865,839	291,078	198,852	2,665,908	779,629	4,801,306
Income (loss) before contributions and transfers	(1,568,884)	(2,068,054)	643,480	(1,819,753)	(1,584,328)	(6,397,539)
Capital contributions and transfers:						
Capital contributions Transfers in Transfers out	2,977,431 (64,879)	1,316,910 (24,500)	- - (11,537)	- 1,531,683 (59,611)	2,569,138 201,216 (6,730)	2,569,138 6,027,240 (167,257)
Total capital contributions and transfers	2,912,552	1,292,410	(11,537)	1,472,072	2,763,624	8,429,121
Change in net position	1,343,668	(775,644)	631,943	(347,681)	1,179,296	2,031,582
Total net position - beginning	56,788,860	50,507,962	5,226,191	1,010,804	19,329,193	132,863,010
Total net position - ending	\$ 58,132,528	\$ 49,732,318	\$ 5,858,134	\$ 663,123	\$ 20,508,489	\$ 134,894,592

### NON-MAJOR ENTERPRISE FUNDS STATEMENT OF CASH FLOWS

#### For the Year Ended September 30, 2024

	McAllen Convention Center	Performing Arts Center	Champion Lake Golf Course	Metro McAllen	Transit Terminal	Total
Cash flows from operating activities:						
Receipts from customers	\$ 6,203,431	\$ 1,551,284	\$ 2,513,707	\$ 573,137	\$ 9,633	\$ 10,851,192
Payments to employees	(2,953,969)	-	(1,053,791)	(2,743,214)	(390,409)	(7,141,383)
Payments to suppliers	(3,932,796)	(2,692,860)	(492,671)	(2,125,757)	(687,712)	(9,931,796)
Net cash provided by (used in) operating activities	(683,334)	(1,141,576)	967,245	(4,295,834)	(1,068,488)	(6,221,987)
Cash flows from noncapital financing activities:						
Transfers from other funds	3,001,628	1,322,960	-	1,531,683	201,216	6,057,487
Transfers to other funds	(64,879)	(24,500)	(11,537)	(59,611)	(6,730)	(167,257)
Subsidy from federal/state grant	50,306	8,166	53	1,949,997	544,199	2,552,721
Net cash provided by (used in) non-capital						
financing activities	2,987,055	1,306,626	(11,484)	3,422,069	738,685	8,442,951
Cash flows from capital and related financing activities:						
Capital contributions	-	-	-	-	1,850,913	1,850,913
Payments for capital acquisitions	(554,800)	(131,304)	(205,879)	(6,116)	(2,070,900)	(2,968,999)
Proceeds from sale of capital assets	-	-	-	1,824	-	1,824
Principal repayments-bonds and notes	(7,520)	-	(168)	-	(2,773)	(10,461)
Interest paid	(704)		(16)		(260)	(980)
Net cash used in capital and related financing activities	(563,024)	(131,304)	(206,063)	(4,292)	(223,020)	(1,127,703)
Cash flows from investing activities:						
Proceeds from sales and maturities of						
investments	14,085,043	4,416,390	2,089,891	2,555,000	943,000	24,089,324
Purchase of Investments	(16,382,069)	(4,559,185)	(2,963,485)	(1,811,386)	(379,318)	(26,095,443)
Net increase (decrease) in fair value of investments	190,778	8,343	243			199,364
Receipt of interest	604,062	281,331	199,589	41,825	9,318	1,136,125
Neceipt of interest	004,002	201,331	199,309	41,023	9,310	1,130,123
Net cash provided by (used in) investing						
activities	(1,502,186)	146,879_	(673,762)	785,439	573,000	(670,630)
Net increase (decrease) in cash	238,511	180,625	75,936	(92,618)	20,177	422,631
Cash at beginning of year	75,771	248,713	65,790	93,831	201,401	685,506
Cash at end of year	\$ 314,282	\$ 429,338	\$ 141,726	\$ 1,213	\$ 221,578	\$ 1,108,137

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)	\$ (2,434,723	) \$ (2,359,132)	\$ 444,628	\$ (4,485,661)	\$ (2,363,957)	\$(11,198,845)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:	1 500 000	1 070 555	100.1.00	40.745	1474604	4005065
Depreciation and amortization (Increase) decrease in deferred outflows of	1,538,029	1,079,555	423,162	19,715	1,174,604	4,235,065
resources - pension Increase (decrease) in deferred inflows of	331,688	-	118,529	246,165	43,283	739,665
resources - pension Increase (decrease) in deferred inflows of	20,925	-	5,951	25,686	3,153	55,715
resources - leases		-	(25,829)	341,274	-	315,445
(Increase) decrease in lease receivable		-	25,609	(345,740)	-	(320,131)
(Increase) decrease in accounts receivable	20,773	-	3,404	(2,616)	-	21,561
(Increase) decrease in prepaid items	(68,102	,	-	393	(213,296)	(281,005)
Increase (decrease) in accounts payable	50,834	123,515	93,731	59,500	341,553	669,133
Increase (decrease) in customer deposits payable	275,149	14,486	-	-	-	289,635
Increase (decrease) in compensated absences payable	31,634		21,512	29,843	4,025	87,014
Increase (decrease) in accrued liabilities	20,476		3,786	22,425	3,437	50,124
Increase (decrease) due to other funds	20,470	_	-	140.955	-	140,955
Increase (decrease) in net pension liability	(470,017	) -	(168,120)	(347,773)	(61,290)	(1,047,200)
Increase (decrease) in unearned revenue		<u> </u>	20,882			20,882
Total adjustments	1,751,389	1,217,556	522,617	189,827	1,295,469	4,976,858
Net cash provided by (used) by operating activities	\$ (683,334	) \$ (1,141,576)	\$ 967,245	\$ (4,295,834)	\$ (1,068,488)	\$ (6,221,987)
Reconciliation to statement of net position:						
Cash	\$ 229,175	\$ 360,942	\$ 104,250	\$ 1,213	\$ 221,578	\$ 917,158
Cash restricted	85,107	68,396	37,476	-	-	190,979
Total cash	\$ 314,282	\$ 429,338	\$ 141,726	\$ 1,213	\$ 221,578	\$ 1,108,137
Noncash investing, capital and financing activities:						
Increase (decrease) in fair value of investments	\$ 190,778	\$ 8,343	\$ 243	\$ -	\$ -	\$ 199,364



#### **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 capital 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, 2024

		et Materials anagement		Employee Benefits		tiree Health
ASSETS						
Current assets:						
Cash	\$	2,119	\$	1,530,005	\$	10,772
Certificate of deposit		-		-		-
Investments		-		46		492,652
Receivables, net:						
Accounts		219,861		78,641		364
Accrued interest		-		-		-
Other		-		328,000		-
Due from other governments		13		-		-
Inventories, at cost		580,973		-		-
Prepaid items				<u>-</u>		<u> </u>
Total current assets		802,966		1,936,692		503,788
Noncurrent assets:						_
Capital assets:						
Buildings and systems		965,935		-		-
Improvements other than buildings		132,823		-		-
Machinery and equipment		982,642		-		-
Less accumulated depreciation and amortization		(1,037,417)		-		-
Total capital assets (net of accumulated depreciation and amortization)		1,043,983		-		
Total noncurrent assets		1,043,983		_		
Total assets		1,846,949		1,936,692		503,788
Deferred outflows of resources:		1,0 10,1		.,,		223/: 22
Deferred charges - pensions		159,412		_		_
Total deferred outflows of resources		159,412	-		-	
Total assets and deferred outflows of resources	\$	2,006,361	\$	1,936,692	\$	503,788
LIABILITIES						
Current liabilities:						
	٨	650,000	\$	2 220 1 46	ć	35,578
Accounts payable	\$	659,308	Ş	2,220,146	\$	•
Accrued expenses		46,507		765,067		240,066
Due to other funds		61,794		831,587		-
Compensated absences		71,286		28,963		-
Current portion of lease		689		1.054		-
Other		659	-	1,854		
Total current liabilities		840,243		3,847,617		275,644
Other noncurrent liabilities:				7.75		
Compensated absences		-		7,675		-
Unearned revenues		-		-		-
Lease payable		710		-		-
TMRS net pension liability		230,320		<u> </u>		
Total other noncurrent liabilities		231,030		7,675		<del></del>
Total liabilities		1,071,273		3,855,292		275,644
Deferred inflows of resources:						
Deferred inflows of resources-pensions		32,613				
Total deferred inflows of resources		32,613				<u>-</u>
Total liabilities and deferred inflows of resources		1,103,886		3,855,292		275,644
NET POSITION						
Net investments in capital assets		1,042,584		-		-
Unrestricted		(140,109)		(1,918,600)		228,144
Total net position		902,475		(1,918,600)		228,144
Total liabilities, deferred inflows of resources, and net position	\$	2,006,361	\$	1,936,692	\$	503,788

N	Risk lanagement	Property & Casualty Insurance		General Depreciation		Total
\$	223,721	\$ -	\$	78,490	\$	1,845,107
	509,777	-		1,530,077		2,039,854
	9,381,550	3,005,630		18,038,966		30,918,844
	53,987	-		-		352,853
	77,448	-		38,861		116,309
	-	-		-		328,000
	-	-		-		13
	-	-		-		580,973
	30,328		_	1,254,517	_	1,284,845
_	10,276,811	3,005,630		20,940,911		37,466,798
	-	-		-		965,935
	-	-		-		132,823
	37,257	-		36,215,049		37,234,948
_	(37,257)		_	(25,108,092)		(26,182,766)
			_	11,106,957	_	12,150,940
	10.076.011	2,005,620	_	11,106,957		12,150,940
_	10,276,811	3,005,630	_	32,047,868	_	49,617,738
						159,412
						159,412
\$	10,276,811	\$ 3,005,630	\$	32,047,868	\$	49,777,150
\$	46,582	\$ 135,367	\$	531,449	\$	3,628,430
	722,945	74,996		-		1,849,581
	-	923,421		-		1,816,802
	22,875	714		-		123,838
	-	-		-		689
	792,402	1,134,498	_	531,449		2,513 7,421,853
-	772,102	1,101,150	_	001,112	_	7,121,000
	6,551	-		-		14,226
	-	961,878		-		961,878
	-	-		-		710
						230,320
	6,551	961,878	_		_	1,207,134
	798,953	2,096,376	_	531,449	_	8,628,987
						32,613
						32,613
	798,953	2,096,376	_	531,449	_	8,661,600
				11 104 057		12 140 541
	- 9,477,858	000 254		11,106,957		12,149,541
_	9,477,858	909,254 909,254	_	20,409,462 31,516,419	_	28,966,009 41,115,550
ġ	10,276,811	\$ 3,005,630	\$	32,047,868	\$	49,777,150
<u>ې</u>	10,270,011	<u> </u>	<u>ې</u>	32,047,000	<u>~</u>	49,111,130

# INTERNAL SERVICE FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION For the Year Ended September 30, 2024

	Fleet Materials Management	Employee Benefits	Retiree Health Insurance
Operating revenues: Charges for services Contributions	\$ 7,287,222	\$ - 16,696,307	\$ - 1,443,536
Total operating revenues	7,287,222	16,696,307	1,443,536
Operating expenses: Salaries, wages and employee benefits Supplies Contractual and other services Repairs and maintenance Depreciation and amortization Self insurance claims	1,359,201 32,765 6,052,966 57,869 106,155	452,773 9,639 4,311,494 - 15,952,513	127,795 - - 1,075,847
Total operating expenses	7,608,956	20,726,419	1,203,642
Operating income (loss)	(321,734)	(4,030,112)	239,894
Non-operating revenues (expenses): Investment earnings Net increase (decrease) in fair value of investments Interest expense Gain (loss) on sale of capital assets Intergovernmental Other	- (63) - 13 58,790	45 - - - - 2,111,466	17,286 - - - - - -
Net non-operating revenues (expenses)	58,740	2,111,511	17,286
Income (loss) before contributions and transfers	(262,994)	(1,918,601)	257,180
Capital contributions and transfers Capital contributions Transfers in Transfers out	- - (18,267)	- 1,636,326 	- - -
Total capital contributions and transfers	(18,267)	1,636,326	
Change in net position	(281,261)	(282,275)	257,180
Total net position - beginning	1,183,736	(1,636,325)	(29,036)
Total net position - ending	\$ 902,475	\$ (1,918,600)	\$ 228,144

Risk Management	Property & Casualty Insurance	General Depreciation	Total
\$ -	\$ -	\$ 3,470,713	\$ 10,757,935
2,394,633	2,267,107		22,801,583
2,394,633	2,267,107	3,470,713	33,559,518
534,763	132,514	-	2,479,251
7,060	430	134	50,028
1,600,241	866,063	-	12,958,559
2,665	-	-	60,534
-	-	2,104,950	2,211,105
	558,361		17,586,721
2,144,729	1,557,368	2,105,084	35,346,198
249,904	709,739	1,365,629	(1,786,680)
0.40.440	65.600	600 500	1 100 000
342,448	65,630	683,530	1,108,939
277,767	-	434,767	712,534
_	_	91,640	(63) 91,640
_	_	-	13
116,744	925,838		3,212,838
736,959	991,468	1,209,937	5,125,901
986,863	1,701,207	2,575,566	3,339,221
_	_	363,599	363,599
_	_	-	1,636,326
(6,730)	(923,789)		(948,786)
(6,730)	(923,789)	363,599	1,051,139
980,133	777,418	2,939,165	4,390,360
8,497,725	131,836	28,577,254	36,725,190
\$ 9,477,858	\$ 909,254	\$ 31,516,419	<u>\$ 41,115,550</u>

#### INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

	Fleet Materials Management	Employee Benefits	Retiree Health Insurance
Cash flows from operating activities:			
Receipts from customers	\$ 7,215,999	\$ 16,696,307	\$ 1,443,602
Payments to employees	(1,340,184)	(457,620)	,,,
Payments to suppliers	(5,991,623)	(19,855,486)	(1,202,830)
Cash received from other cash receipts	58,790	2,169,654	(1,202,000)
			-
Net cash provided by (used in) operating activities	(57,018)	(1,447,145)	240,772
Cash flows from non-capital financing activities:			
Transfers from other funds	-	1,636,326	-
Transfers to other funds	(18,267)	-	-
Subsidy from federal/state grant	67		
Net cash provided by (used in) non-capital financing activities	(18,200)	1,636,326	<u>-</u> _
Cash flows from capital and related financing activities:	(7.605)		
Purchases of capital assets	(7,695)	-	-
Proceeds from sale of capital assets	(660)	-	-
Principal repayments-bonds and notes	(669)	-	-
Interest paid	(63)	<del>-</del>	<u>-</u>
Net cash used in capital and related financing activities	(8,427)		
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	-	14,233	110,000
Purchase of investment	-	-	(357,286)
Net increase (decrease) in fair value of investments	-	-	· -
Receipt of interest		45	17,286
Net cash provided by (used in) investing activities		14,278	(230,000)
Net increase (decrease) in cash	(83,645)	203,459	10,772
Cash at beginning of year	85,764	1,326,546	
Cash at end of year	\$ 2,119	\$ 1,530,005	\$ 10,772

Risk Management		Property & Casualty Insurance	Gei	neral Depreciation	Total
\$ 2,394,633		3,228,985	\$	3,470,713	\$ 34,450,239
(543,810		(130,138)		- 01 700	(2,471,758)
(1,684,233 187,75		(399,376) 925,838		81,729	(29,051,819) 3,342,039
107,73		923,030			 3,342,039
354,34	<u> </u>	3,625,309		3,552,442	 6,268,701
	_	-		-	1,636,326
(6,730	))	(923,789)		-	(948,786)
		<u> </u>		-	 67
(6,730	))	(923,789)			 687,607
	_	-		(5,050,741)	(5,058,436)
	-	-		760,028	760,028
	-	-		-	(669)
		<u> </u>			 (63)
				(4,290,713)	 (4,299,140)
8,448,29 <sup>-</sup>	l	355,000		16,762,630	25,690,154
(9,352,860		(3,360,630)		(17,085,503)	(30,156,285)
277,76	,	-		434,767	712,534
268,169	<u> </u>	65,630		668,197	 1,019,327
(358,639	9)	(2,940,000)		780,091	(2,734,270)
(11,028	3)	(238,480)		41,820	(77,102)
234,749	<u> </u>	238,480		36,670	 1,922,209
\$ 223,72	\$		\$	78,490	\$ 1,845,107

Continued

#### INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

	Fleet Materials Management		Employee Benefits		iree Health nsurance
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$	(321,734)	\$ (4,030,112)	\$	239,894
$\label{prop:concile} \mbox{Adjustments to reconcile operating income (loss) to net cash provided by operating activities:}$					
Depreciation and amortization		106,155	-		-
Other nonoperating revenues		58,790	2,169,654		-
(Increase) decrease in deferred outflows of resources - pension		88,790	-		-
Increase (decrease) in deferred inflows of resources - pension		15,310	-		-
(Increase) decrease in accounts receivable		(71,223)	68,245		-
(Increase) decrease in prepaid items		-	-		-
(Increase) decrease in inventories		(31,067)	-		-
Increase (decrease) in accounts payable		121,250	609,950		14,461
Increase (decrease) in compensated absences payable		26,836	1,891		-
Increase (decrease) in accrued liabilities		12,893	(39,256)		66
Increase (decrease) in due to other funds		61,794	(227,517)		(13,649)
Increase (decrease) in net pension liability		(124,812)	-		-
Increase (decrease) in unearned revenue			 		<u>-</u>
Total adjustments		264,716	 2,582,967		878
Net cash provided (used) by operating activities	\$	(57,018)	\$ (1,447,145)	\$	240,772
Noncash investing, capital, and financing activities:					
Contributions of capital assets	\$	-	\$ -	\$	-
Increase (decrease) in fair value of investments	\$	-	\$ -	\$	-

_Ma	Risk anagement	Property & Casualty Insurance	 General Depreciation	 Total
\$	249,904	\$ 709,739	\$ 1,365,629	\$ (1,786,680)
	-	-	2,104,950	2,211,105
	116,744	925,838	-	3,271,026
	-	-	-	88,790
	-	-	-	15,310
	71,013	-	-	68,035
	(30,328)	-	81,863	51,535
	-	-	-	(31,067)
	(43,939)	102,057	-	803,779
	(15,584)	(358)	-	12,785
	6,531	2,734	-	(17,032)
	-	923,421	-	744,049
	-	-	-	(124,812)
		 961,878	 	 961,878
	104,437	 2,915,570	 2,186,813	 8,055,381
\$	354,341	\$ 3,625,309	\$ 3,552,442	\$ 6,268,701
\$	-	\$ -	\$ 618,599	\$ 618,599
\$ \$	277,767	\$ -	\$ 434,767	\$ 712,534







	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 56,896,328		\$ 58,168,988	
Sales	71,845,072	73,427,725	73,697,122	269,397
Franchise	6,302,790	6,547,858	6,332,439	(215,419)
Total taxes	135,044,190	137,538,707	138,198,549	659,842
Licenses and permits:				
Business	74,460	74,460	100,333	25,873
Occupational	456,560	456,560	570,575	114,015
Non-business	1,986,517	1,986,517	2,164,214	177,697
Total licenses and permits	2,517,537	2,517,537	2,835,122	317,585
Intergovernmental	1,007,250	1,007,250	1,200,651	193,401
Charges for services:				
General government	3,106,503	3,361,520	4,147,350	785,830
Public safety	624,810	624,810	878,870	254,060
Health	1,042,292	1,042,292	976,695	(65,597)
Culture and recreation	1,317,268	1,317,268	1,385,743	68,475
Total charges for services	6,090,873	6,345,890	7,388,658	1,042,768
Fines and forfeitures:	050,000	050,000	1 105 470	245 470
Corporations court Other fines	950,000 38,029	950,000 38,029	1,195,470 46,940	245,470 8,911
Other lines	30,029	30,029	40,940	0,911
Total fines and forfeitures	988,029	988,029	1,242,410	254,381
Investment earnings	3,506,985	3,506,985	4,806,214	1,299,229
Net increase (decrease) in the fair value of investments	-	-	1,704,248	1,704,248
Other:				
Royalties	300,000	247,587	317,154	69,567
Rents and concessions	83,000	83,000	81,120	(1,880)
Reimbursements	280,249	445,249	565,271	120,022
Other	3,048,250	3,318,839	3,858,578	539,739
Total other revenues	3,711,499	4,094,675	4,822,123	727,448
Total revenues	152,866,363	155,999,073	162,197,975	6,198,902
EXPENDITURES Current:				
General government:				
City commission:				
Salaries and benefits	227,181	233,084	158,705	74,379
Supplies	4,380	4,380	4,297	83
Miscellaneous services	164,890	164,890	72,251	92,639
Maintenance	17,000	17,000	16,522	478
Total city commission	413,451	419,354	251,775	167,579
Special services:				
Salaries and benefits	_	100,000	60,923	39,077
Miscellaneous services	728,638	728,638	420,827	307,811
Total special services	728,638	828,638	481,750	346,888

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
City manager:				
Salaries and benefits	\$ 1,817,091	\$ 1,889,285	\$ 1,964,645	\$ (75,360)
Supplies	15,500	15,500	13,168	2,332
Miscellaneous services	88,181	88,181	102,823	(14,642)
Maintenance	1,680	1,680	3,759	(2,079)
Total city manager	1,922,452	1,994,646	2,084,395	(89,749)
International relations:				
Salaries and benefits	115,000	115,000	95,498	19,502
Supplies	-	300	4,270	(3,970)
Miscellaneous services		12,610	27,749	(15,139)
Total international relations	115,000	127,910	127,517	393
City secretary:				
Salaries and benefits	614,760	650,691	648,211	2,480
Supplies	9,090	9,090	4,466	4,624
Miscellaneous services	21,352	21,352	23,066	(1,714)
Maintenance	23,486	23,486	18,297	5,189
Total city secretary	668,688	704,619	694,040	10,579
Audit office:				
Salaries and benefits	258,982	270,448	273,130	(2,682)
Supplies	1,375	1,375	684	691
Miscellaneous services	14,150	14,150	6,942	7,208
Total audit office	274,507	285,973	280,756	5,217
Vital statistics:				
Salaries and benefits	177,539	183,605	150,801	32,804
Supplies	9,050	9,050	14,545	(5,495)
Miscellaneous services	39,843	39,843	20,519	19,324
<b>-</b>				
Total vital statistics	226,432	232,498	185,865	46,633
Passport facility:				
Salaries and benefits	212,985	223,717	192,565	31,152
Supplies	2,425	2,425	5,418	(2,993)
Miscellaneous services	10,690	10,690	10,936	(246)
Maintenance	200	200		200
Total passport facility	226,300	237,032	208,919	28,113
Municipal court:				
Salaries and benefits	1,672,576	1,814,338	1,478,035	336,303
Supplies	75,895	75,895	74,582	1,313
Miscellaneous services	88,764	88,764	36,058	52,706
Maintenance	81,251	73,601	55,076	18,525
Capital outlay		7,650	7,650	
Total municipal court	1,918,486	2,060,248	1,651,401	408,847
Finance:				
Salaries and benefits	1,578,066	1,636,981	1,364,098	272,883
Supplies	19,260	29,760	25,576	4,184
Miscellaneous services	273,449	262,749	312,891	(50,142)
Maintenance	47,874	48,074	23,681	24,393
Total finance	1,918,649	1,977,564	1,726,246	251,318

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budget & management:				
Salaries and benefits	\$ 445,029	\$ 468,117	\$ 479,699	\$ (11,582)
Supplies	8,300	11,482	11,183	299
Miscellaneous services	18,282	15,100	10,493	4,607
Maintenance	27,920	27,920	5,304	22,616
Total budget & management	499,531	522,619	506,679	15,940
Tax office:				
Salaries and benefits	370,414	389,952	354,481	35,471
Supplies	10,300	10,567	9,518	1,049
Miscellaneous services Maintenance	1,075,502	1,075,235	1,097,207	(21,972)
Maintenance	33,307	33,307	21,500	11,807
Total tax office	1,489,523	1,509,061	1,482,706	26,355
Purchasing and contracting:	0.46.061	070 700	777 11 5	06.505
Salaries and benefits	846,861	873,700	777,115	96,585 (12,002)
Supplies Miscellaneous services	21,975 23,993	34,075 21,893	46,077 16,877	5,016
Capital outlay	10,000		-	
Total purchasing and contracting	902,829	929,668	840,069	89,599
Legal:				
Salaries and benefits	1,526,944	1,583,914	1,173,253	410,661
Supplies	12,032	12,032	7,439	4,593
Miscellaneous services	520,847	520,847	370,737	150,110
Capital outlay			110,533	(110,533)
Total legal	2,059,823	2,116,793	1,661,962	454,831
Grant administration:				
Salaries and benefits	475,076	493,277	396,522	96,755
Supplies	11,150	13,783	10,556	3,227
Miscellaneous services	56,087	53,454	49,265	4,189
Capital outlay	55,000	55,000	30,334	24,666
Total grant administration	597,313	615,514	486,677	128,837
Human resources:				
Salaries and benefits	915,015	951,232	829,500	121,732
Supplies	45,071	45,071	28,100	16,971
Miscellaneous services Maintenance	160,449 500	160,449 500	119,881 742	40,568
Capital outlay	20,000	20,000	40,067	(242) (20,067)
Total human resources	1,141,035	1,177,252	1,018,290	158,962
Risk management:				
Liability insurance	1,270,358	1,270,358	1,270,358	-
Total risk management	1,270,358	1,270,358	1,270,358	
Š				
Planning: Salaries and benefits	1,542,872	1,608,137	1,432,352	175,785
Supplies  Supplies	23,414	23,414	21,320	2,094
Miscellaneous services	50,988	50,988	37,656	13,332
Maintenance	18,559	18,559	9,670	8,889
Total planning	1,635,833	1,701,098	1,500,998	200,100

Miscellaneous services   33,0362   320,362   188,966   131     Maintenance   1,332,178   1,332,178   1,211,374   120, Capital outlay   674,741   674,941   320,691   354,     Total information technology   4,895,077   5,015,832   4,368,116   647,     Total information office: Salaries and benefits   744,444   778,958   692,286   86,     Miscellaneous services   178,700   188,720   186,631   2,     Miscellaneous services   178,700   188,720   186,631   2,     Maintenance   23,840   7,145   7,036       Total public information office   956,934   991,448   903,411   88,     311 Call center:   313,052   33,500   3,500   2,539       Miscellaneous services   84,725   80,525   72,144   8,     Maintenance   28,000   32,200   29,680   2,     Total Juli center   590,702   610,065   537,101   72,     City hall:   Salaries and benefits   133,052   143,163   134,019   9,     Supplies   39,000   19,900   24,761   (4,     Miscellaneous services   264,972   264,972   335,580   (70,     Maintenance   264,972   264,972   335,580   (70,     Maintenance   30,023   30,022   30,023       Maintenance   30,023   30,022   30,023       Maintenance   36,032   30,032   30,005   17,     Total city hall   565,732   575,843   624,416   (48,     Building maintenance   55,744   55,744   59,710   (3,     Maintenance   30,023   30,023   30,005   3,005		Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Supplies	Information technology:				
Miscellaneous services         330,362         320,362         188,966         131, Maintenance         1332,178         1,211,374         120, Capital outlay         674,741         674,941         320,691         354, Total information technology         4,895,077         5,015,832         4,368,116         647, Path information office:           Salaries and benefits         744,444         778,958         692,286         86, Supplies         9,950         16,625         174,589         (6,82,86)         86, Supplies         19,950         16,625         174,589         (6,92,286)         86, Supplies         178,700         188,720         186,631         2, Maintenance         23,840         7,145         7,036         2, Maintenance         2, Maintenance         23,840         7,145         7,036         2, Maintenance         2, Maintenance         3,500         3,500         3,500         3,500         2, 33         4, 3,53         1, 3,13         1, 3,13         1, 3,14         1, 3,14         1, 3,14         1, 3,14         1, 3,14         1, 3,14         1, 3,14         1, 3,14         1, 3,14         1, 3,14 <td>Salaries and benefits</td> <td></td> <td></td> <td>, , , , , , ,</td> <td></td>	Salaries and benefits			, , , , , , ,	
Maintenance         1,332,178         1,332,178         1,211,374         120,691         354,354           Total information technology         4,895,077         5,015,832         4,368,116         647,354           Public information office:         Salaries and benefits         744,444         778,958         692,286         86,534           Supplies         9,950         16,625         174,58         6(           Miscellaneous services         178,700         188,720         186,631         2,           Maintenance         23,840         7,145         7,036         2,           Total public information office         956,934         991,448         903,411         88,           311 Call center         311 Call center         3500         3500         25,39         61,           Salaries and benefits         474,477         493,840         432,738         61,           Supplies         3,500         35,500         25,39         61,           Miscellaneous services         84,725         80,525         72,144         8,           Maintenance         28,000         32,200         25,680         2,           Total call call center         133,052         143,163         134,019         9,	Supplies	•	71,598	143,686	(72,088)
Capital outlay         674,741         674,941         320,691         354,           Total information technology         4,895,077         5,015,832         4,368,116         647,           Public information office:         354,         4,368,116         647,           Salaries and benefits         744,444         778,958         692,286         86,           Supplies         9,950         16,625         17,458         7,036           Miscellaneous services         178,700         188,720         186,631         2,           Miscellaneous services         23,840         7,145         7,036         2           Total public information office         956,934         991,448         903,411         88,           311 Call center:         Salaries and benefits         474,477         493,840         432,738         61,           Supplies         3,500         3,500         2,539         18,         61,           Supplies         3,500         3,500         2,539         61,           Miscellaneous services         427,02         610,065         537,101         72,           City hall:         335,00         32,200         29,680         2,           Supplies         19,000	Miscellaneous services	330,362	320,362	188,966	131,396
Total information technology	Maintenance	1,332,178	1,332,178	1,211,374	120,804
Public information office: Salaries and benefits Supplies 9,950 16,625 17,458 (Miscellaneous services 178,700 188,720 186,631 2, Maintenance 23,840 7,145 7,036  Total public information office 956,934 991,448 903,411 88, 311 Call center: Salaries and benefits 474,477 493,840 432,738 61, Supplies 3,500 3,500 2,539 Miscellaneous services 84,725 80,525 72,144 8, Maintenance 28,000 32,200 29,680 2, Total 311 call center  Solupilies 3,500 3,500 2,539 Miscellaneous services 447,477 493,840 432,738 61, Supplies 3,500 3,500 2,539 Miscellaneous services 34,725 80,525 72,144 8, Maintenance 28,000 32,200 29,680 2, Total 311 call center 590,702 610,065 537,101 72, City halt: Salaries and benefits 133,052 143,163 134,019 9, Supplies 19,900 19,900 24,761 4, Miscellaneous services 264,972 264,972 335,580 (70, Maintenance 147,808 147,808 147,808 130,056 17, Total city halt 565,732 575,843 624,416 48, Building maintenance: Salaries and benefits 963,234 999,919 842,541 157, Supplies 30,322 30,322 30,123 Miscellaneous services 64,863 64,863 61,334 3, Maintenance 55,744 55,744 59,210 (3, Capital outlay 64,995 64,995 7,675 57, Total building maintenance 1,179,158 1,215,843 1,000,883 214, Development center Salaries and benefits 20,300 20,300 15,623 4 Miscellaneous services 61,046 61,046 78,691 (17, Maintenance 18,500 18,500 19,945 (17, Maintenance 18,500 18,500 18,500 18,500 18,500 18,500 18,500 18,500 18,500 18,500 18,500 18,500 18,50	Capital outlay	674,741	674,941	320,691	354,250
Salaries and benefits         744,444         778,958         692,268         86, Supplies         9,950         16,625         17,458         06, Miscellaneous services         178,700         188,720         136,631         2, Maintenance         178,700         188,720         136,631         2, Miscellaneous services         178,700         188,720         136,631         2, Miscellaneous services         23,840         7,145         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         7,036         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,031         8,032         8,032         7,036         7,036         8,032         9,032         9,032         9,032         9,032         8,032         8,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032         9,032	Total information technology	4,895,077	5,015,832	4,368,116	647,716
Supplies         9,950         16,625         17,458         0           Miscellaneous services         178,700         188,720         186,631         2           Total public information office         956,934         991,448         903,411         88,           311 Call center:         Salaries and benefits         474,477         493,840         432,738         61,           Supplies         3,500         3,500         2,539         Miscellaneous services         84,725         80,525         72,144         8,           Maintenance         28,000         32,200         29,680         2,           City hall:         311 call center         590,702         610,065         537,101         72,           City hall:         313,052         143,153         134,019         9,         9,           Supplies         19,900         19,900         24,761         (4)         Miscellaneous services         264,972         264,972         264,972         24,972         264,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972         24,972					
Miscellaneous services         178,700         188,720         186,631         2, Auditenance           Total public information office         956,934         991,448         903,411         88, Balanes and benefits           311 Call center:         Salaries and benefits         474,477         493,840         432,738         61, Supplies           Miscellaneous services         3,500         3,500         2,539           Miscellaneous services         84,725         80,525         72,144         8, Maintenance           City hall:         590,702         610,065         537,101         72, City hall:           Salaries and benefits         133,052         143,163         134,019         9, Stapplies           Supplies         19,900         19,900         24,761         (4, Miscellaneous services         264,972         264,972         335,580         (70, Miscellaneous services         264,972         264,972         335,580         (70, Miscellaneous services         303,222         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,232         30,2	Salaries and benefits	744,444	778,958	692,286	86,672
Maintenance         23,840         7,145         7,036           Total public information office         956,934         991,448         903,411         88, 311 Call center:           Salaries and benefits         474,477         493,840         432,738         61, 3500           Supplies         3,500         3,500         2,539         61, 3500           Miscellaneous services         84,725         80,525         72,144         8, 3500           Maintenance         28,000         32,200         29,680         2, 32, 32, 32, 32, 32, 32, 32, 32, 32, 3	Supplies	9,950	16,625	17,458	(833)
Maintenance         23,840         7,145         7,036           Intal public information office         956,934         991,448         903,411         88, 311 Call center:           Salaries and benefits         474,477         493,840         432,738         61, 35,000         2,539         61, 35,000         3,500         2,539         61, 35,000         2,539         62,532         537,01         72,000         72,000         72,000         72,000         72,000         72,000         72,000	Miscellaneous services	178,700	188,720	186,631	2,089
Salaries and benefits			7,145		109
Salaries and benefits         474,477         493,840         432,738         61, Supplies         3,500         3,500         2,239         48, Responsible of the standard of	Total public information office	956,934	991,448	903,411	88,037
Supplies         3,500         3,500         2,539           Miscellaneous services         84,725         80,525         72,144         8, 8, 8, 8, 8, 8, 8, 8, 8, 8, 8, 8, 8, 8	311 Call center:				
Supplies         3,500         3,500         2,539           Miscellaneous services         84,725         80,525         72,144         8, Maintenance           Zep,000         29,680         2, 2           Total 311 call center         590,702         610,065         537,101         72, 2           City hall:          133,052         143,163         134,019         9, 3           Supplies         19,900         19,900         24,761         (4, 4)           Miscellaneous services         264,972         264,972         335,580         70, Maintenance         147,808         147,808         130,056         17, Total city hall         565,732         575,843         624,416         (48, 48, 48, 48, 48, 48, 48, 48, 48, 48,	Salaries and benefits	474,477	493,840	432,738	61,102
Miscellaneous services         84,725         80,525         72,144         8, Maintenance           Total 311 call center         590,702         610,065         537,101         72,           City hall:         Salaries and benefits         133,052         143,163         134,019         9,           Supplies         19,900         19,900         24,761         (4,           Miscellaneous services         264,972         264,972         335,580         (70,           Maintenance         147,808         147,808         130,056         17,           Total city hall         565,732         575,843         624,416         (48,           Building maintenance:         Salaries and benefits         963,234         999,919         842,541         157,           Supplies         30,322         30,322         30,123         30,123         30,123           Miscellaneous services         64,863         64,863         64,863         61,334         3,           Maintenance         55,744         55,744         59,210         (3,           Capital outlay         64,995         64,995         7,675         57,           Total building maintenance         1,79,158         1,215,843 <td< td=""><td>Supplies</td><td></td><td></td><td>•</td><td>961</td></td<>	Supplies			•	961
Maintenance         28,000         32,200         29,680         2,           Total 311 call center         590,702         610,065         537,101         72,           City hall:         Salaries and benefits         133,052         143,163         134,019         9,           Supplies         19,900         19,900         24,761         (4,           Miscellaneous services         264,972         264,972         335,580         (70,           Maintenance         147,808         147,808         130,056         17,           Total city hall         565,732         575,843         624,416         (48,           Building maintenance:         Salaries and benefits         963,234         999,919         842,541         157,           Supplies         30,322         30,322         30,123         Miscellaneous services         64,863         64,863         61,334         3,           Miscellaneous services         64,863         64,965         7,675         57,           Total building maintenance         1,179,158         1,215,843         1,000,883         214,           Development center:         Salaries and benefits         43,595         46,665         42,990         3,	• •				8,381
City hall:       Salaries and benefits       133,052       143,163       134,019       9, 9, 9, 19,900       24,761       (4, 4, 4)         Miscellaneous services       264,972       264,972       335,580       (70, 70, 70, 70, 70, 70, 70, 70, 70, 70,					2,520
Salaries and benefits         133,052         143,163         134,019         9, Supplies         19,900         24,761         (4/2)	Fotal 311 call center	590,702	610,065	537,101	72,964
Salaries and benefits         133,052         143,163         134,019         9, Supplies         19,900         19,900         24,761         (4,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,2)         (5,7,4)         (5,7,4)         (5,9,2)         (5,7,2)         (5,7,4)         (5,7,4)         (5,9,2)         (7,6,7,5)         (5,7,7,5)         (5,7,4)         (5,7,4,4)         (5,9,2)         (7,6,7,5)         (5,7,7,5)         (5,7,4)         (5,9,2)         (7,6,7,5)         (5,7,7,5)         (5,7,7,5)         (5,7,7,5)         (5,7,7,7,5)         (5,7,7,7,5)         (5,7,7,7,5)         (5,7,7,7,5)         (5,7,7,7,5)         (5,7,7,7,5)         (5,7,7,7,5)	City hall:				
Supplies         19,900         19,900         24,761         (4,7)           Miscellaneous services         264,972         264,972         335,580         (70,70)           Maintenance         147,808         147,808         130,056         17,7           Total city hall         565,732         575,843         624,416         (48,80,14)           Building maintenance:         8         8         48,2541         157,249           Supplies         30,322         30,322         30,123         30,123           Miscellaneous services         64,863         64,863         61,334         3,34           Maintenance         55,744         55,744         59,210         (3,63)           Capital outlay         64,995         64,995         7,675         57,765           Total building maintenance         1,179,158         1,215,843         1,000,883         214,761           Development center:         Salaries and benefits         43,595         46,665         42,990         3,7675           Supplies         20,300         20,300         15,623         4,761         1,7623         4,761         1,7623         4,761         1,7623         4,761         1,7623         4,761         1,7623         1	,	133 052	143 163	134 019	9,144
Miscellaneous services         264,972         264,972         335,580         (70, Maintenance           Maintenance         147,808         147,808         130,056         17,           Total city hall         565,732         575,843         624,416         (48, 48, 48, 48, 48, 48, 48, 48, 48, 48,					(4,861)
Maintenance         147,808         147,808         130,056         17,           Total city hall         565,732         575,843         624,416         (48,           Building maintenance:         Salaries and benefits         963,234         999,919         842,541         157,           Supplies         30,322         30,322         30,123         43,24         30,222         30,123         30,123         30,123         30,123         30,123         30,123 <td< td=""><td>• •</td><td></td><td>·</td><td></td><td>(70,608)</td></td<>	• •		·		(70,608)
Building maintenance:   Salaries and benefits   963,234   999,919   842,541   157, Supplies   30,322   30,322   30,123     Miscellaneous services   64,863   64,863   61,334   3, Maintenance   55,744   55,744   59,210   (3, Capital outlay   64,995   64,995   7,675   57,     Total building maintenance   1,179,158   1,215,843   1,000,883   214,     Development center:   Salaries and benefits   43,595   46,665   42,990   3,     Supplies   20,300   20,300   15,623   4,     Miscellaneous services   61,046   61,046   78,691   (17, Maintenance   18,500   18,500   19,945   (1, Capital outlay   26,000   26,000   - 26,     Total development center   169,441   172,511   157,249   15,     Economic development:   Chambers of commerce   702,000   702,000   702,000     Total economic development   702,000   702,000   702,000     Non-departmental activities   10,000   10,000   146   9,     Contingency   618,953   (1,853,232)   - (1,853,232)   - (1,853,232)					17,752
Salaries and benefits         963,234         999,919         842,541         157, Supplies           Supplies         30,322         30,322         30,123           Miscellaneous services         64,863         64,863         61,334         3, Maintenance           Capital outlay         64,995         64,995         7,675         57,           Total building maintenance         1,179,158         1,215,843         1,000,883         214,           Development center:         Salaries and benefits         43,595         46,665         42,990         3,           Supplies         20,300         20,300         15,623         4,           Miscellaneous services         61,046         61,046         78,691         (17,           Maintenance         18,500         18,500         19,945         (1,           Capital outlay         26,000         26,000         -         26,           Total development center         169,441         172,511         157,249         15,           Economic development:         702,000         702,000         702,000         702,000           Total economic development         702,000         702,000         702,000         702,000         702,000         -         16,853,232	Total city hall	565,732	575,843	624,416	(48,573)
Salaries and benefits         963,234         999,919         842,541         157, Supplies           Supplies         30,322         30,322         30,123           Miscellaneous services         64,863         64,863         61,334         3, Maintenance           Capital outlay         55,744         55,744         59,210         (3, Capital outlay)           Capital outlay         64,995         64,995         7,675         57, Capital outlay           Development center:         Salaries and benefits         43,595         46,665         42,990         3, Supplies           Supplies         20,300         20,300         15,623         4, Miscellaneous services         61,046         61,046         78,691         (17, Maintenance           Capital outlay         26,000         18,500         19,945         (1, Capital outlay)         26,000         26,000         26,000         26,000         26,000         26,000         26,000         26,000         26,000         27,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000         702,000	Building maintenance:				
Supplies         30,322         30,322         30,123           Miscellaneous services         64,863         64,863         61,334         3,           Maintenance         55,744         55,744         59,210         (3,           Capital outlay         64,995         64,995         7,675         57,           Total building maintenance         1,179,158         1,215,843         1,000,883         214,           Development center:         Salaries and benefits         43,595         46,665         42,990         3,           Supplies         20,300         20,300         15,623         4,           Miscellaneous services         61,046         61,046         78,691         (17,           Maintenance         18,500         18,500         19,945         (1,           Capital outlay         26,000         26,000         -         26,           Total development center         169,441         172,511         157,249         15,           Economic development:         702,000         702,000         702,000         702,000           Total economic development         702,000         702,000         702,000         702,000           Non-departmental activities         10,000         1		963.234	999.919	842.541	157,378
Miscellaneous services       64,863       64,863       61,334       3, Maintenance       55,744       55,744       59,210       (3, Capital outlay)       64,995       64,995       7,675       57, C75		•	·	•	199
Maintenance Capital outlay         55,744 55,744 59,210 64,995 7,675 57,         Capital outlay         64,995 64,995 7,675 57,         57, 67,675 57,           Total building maintenance         1,179,158 1,215,843 1,000,883 214,         214, 1,000,883 214,           Development center:         Salaries and benefits         43,595 46,665 42,990 3,         3, 2,000 20,300 15,623 4,           Supplies         20,300 20,300 15,623 4,         4, 2,900 15,623 4,         4, 2,900 15,623 4,           Miscellaneous services         61,046 61,046 78,691 (17,000)         19,945 (17,000)         1, 2,000 19,945 (17,000)           Maintenance Capital outlay         26,000 26,000 26,000 - 26,000 - 26,000         - 26,000         26,000 - 26,000           Total development center         169,441 172,511 157,249 15,000         15,249 15,000         15,224 15,000           Economic development:         702,000 702,000 702,000 702,000         702,000 702,000         702,000           Total economic development         702,000 702,000 702,000 702,000         702,000 702,000         702,000 702,000           Non-departmental activities         10,000 10,000 10,000 146 9,000 702,000 702,000 702,000         146 9,000 702,000		· · · · · · · · · · · · · · · · · · ·	·	•	3,529
Capital outlay         64,995         64,995         7,675         57,           Total building maintenance         1,179,158         1,215,843         1,000,883         214,           Development center:         Salaries and benefits         43,595         46,665         42,990         3,           Supplies         20,300         20,300         15,623         4,           Miscellaneous services         61,046         61,046         78,691         (17,           Maintenance         18,500         18,500         19,945         (1,           Capital outlay         26,000         26,000         -         26,           Total development center         169,441         172,511         157,249         15,           Economic development:         Chambers of commerce         702,000         702,000         702,000         702,000           Total economic development         702,000         702,000         702,000         702,000           Non-departmental activities         10,000         10,000         146         9,           Contingency         618,953         (1,853,232)         -         (1,853,232)					(3,466)
Development center: Salaries and benefits		· · · · · · · · · · · · · · · · · · ·	·	•	57,320
Salaries and benefits       43,595       46,665       42,990       3,         Supplies       20,300       20,300       15,623       4,         Miscellaneous services       61,046       61,046       78,691       (17,000)         Maintenance       18,500       18,500       19,945       (1,000)         Capital outlay       26,000       26,000       -       26,000         Total development center       169,441       172,511       157,249       15,000         Economic development:       702,000       702,000       702,000         Total economic development       702,000       702,000       702,000         Non-departmental activities       10,000       10,000       146       9,000         Contingency       618,953       (1,853,232)       -       (1,853,232)	Total building maintenance	1,179,158	1,215,843	1,000,883	214,960
Salaries and benefits       43,595       46,665       42,990       3,         Supplies       20,300       20,300       15,623       4,         Miscellaneous services       61,046       61,046       78,691       (17,000)         Maintenance       18,500       18,500       19,945       (1,000)         Capital outlay       26,000       26,000       -       26,000         Total development center       169,441       172,511       157,249       15,000         Economic development:       702,000       702,000       702,000         Total economic development       702,000       702,000       702,000         Non-departmental activities       10,000       10,000       146       9,000         Contingency       618,953       (1,853,232)       -       (1,853,232)	Develonment center:				
Supplies         20,300         20,300         15,623         4, Miscellaneous services         61,046         61,046         78,691         (17, Maintenance         18,500         18,500         19,945         (1, Capital outlay)         19,945         (1, Capital outlay)         26,000         26,000         -         26,           Total development center         169,441         172,511         157,249         15,           Economic development: Chambers of commerce         702,000         702,000         702,000           Total economic development         702,000         702,000         702,000           Non-departmental activities         10,000         10,000         146         9, Contingency           618,953         (1,853,232)         -         (1,853,232)		A2 505	46 665	<i>1</i> 2 gan	3,675
Miscellaneous services         61,046         61,046         78,691         (17,046)           Maintenance         18,500         18,500         19,945         (1,046)         26,000         19,945         (1,046)         26,000         19,945         (1,046)         26,000         -         15,000         -         -         26,000         -         -         -         -         -         -         -         -         -         - <td></td> <td></td> <td></td> <td></td> <td>4,677</td>					4,677
Maintenance Capital outlay         18,500 26,000         18,500 26,000         19,945 (1,000)         (1,000)         19,945 (1,000)         (1,000)         19,945 (1,000)         (1,000)         19,945 (1,000)         (1,000)         19,945 (1,000)         (1,000)         15,000         26,000         -         26,000         -         26,000         -         26,000         -         26,000         -         26,000         -         15,000         15,000         -         15,000         -         10,000         -         702,000         -	• •		·		(17,645)
Capital outlay         26,000         26,000         -         26,000           Total development center         169,441         172,511         157,249         15,           Economic development: Chambers of commerce         702,000         702,000         702,000           Total economic development         702,000         702,000         702,000           Non-departmental activities         10,000         10,000         146         9,           Contingency         618,953         (1,853,232)         -         (1,853,232)					
Total development center 169,441 172,511 157,249 15,  Economic development: Chambers of commerce 702,000 702,000 702,000  Total economic development 702,000 702,000 702,000  Non-departmental activities 10,000 10,000 146 9, Contingency 618,953 (1,853,232) - (1,853,				19,945	(1,445) 26,000
Economic development: Chambers of commerce   702,000   702,000   702,000	Total development center		172,511	157,249	15,262
Chambers of commerce         702,000         702,000         702,000           Total economic development         702,000         702,000         702,000           Non-departmental activities         10,000         10,000         146         9,           Contingency         618,953         (1,853,232)         -         (1,853,232)	•	<u></u>			·
Total economic development         702,000         702,000         702,000           Non-departmental activities         10,000         10,000         146         9,           Contingency         618,953         (1,853,232)         -         (1,853,232)	•	702,000	702,000	702,000	
Non-departmental activities 10,000 10,000 146 9, Contingency 618,953 (1,853,232) - (1,853,	Total economic development		702.000	702.000	
Contingency <u>618,953</u> <u>(1,853,232)</u> <u>-</u> <u>(1,853,</u>	·				9,854
	•				(1,853,232)
deneral government 27.696.845 26.151.155 24.753.725 1.397.	general government	27,696,845	26,151,155	24,753,725	1,397,430

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Public safety:				
Police:				
Salaries and benefits	\$ 38,150,842	\$ 38,518,986	\$ 36,496,377	\$ 2,022,609
Supplies	476,025	476,025	625,266	(149,241)
Miscellaneous services	1,653,782	1,653,782	1,744,953	(91,171)
Maintenance	1,515,564	1,515,564	2,020,794	(505,230)
Capital outlay	263,990	263,990	10,990	253,000
Total police	42,060,203	42,428,347	40,898,380	1,529,967
Animal care services:				
Salaries and benefits	349,424	363,344	343,477	19,867
Supplies	18,020	12,755	8,018	4,737
Miscellaneous services	53,700	53,700	53,070	4,737
Maintenance				
Maintenance	47,591	52,856	42,831	10,025
Total animal care services	468,735	482,655	447,396	35,259
Radio shop:				
Salaries and benefits	389,787	410,621	405,651	4,970
Supplies	149,115	149,115	149,262	(147)
Miscellaneous services	354,768	354,768	284,049	70,719
Maintenance	5,089	5,089	3,394	1,695
Capital outlay	7,000	7,000	6,988	12
Total radio shop	905,759	926,593	849,344	77,249
Fire:				
Salaries and benefits	21,189,339	21,251,707	22,133,573	(881,866)
Supplies	924,844	1,065,128	977,479	87,649
Miscellaneous services	1,483,904	1,408,904	1,431,181	(22,277)
Maintenance	978,918	956,056		, ,
	·	·	1,271,513	(315,457)
Capital outlay	554,137	839,244	686,878	152,366
Total fire	25,131,142	25,521,039	26,500,624	(979,585)
Emergency medical services:				
Miscellaneous services	300,000	2,100,000	2,086,667	13,333
Total emergency medical services	300,000	2,100,000	2,086,667	13,333
Traffic operations:				
	1 000 200	1 076 016	1 770 071	202.045
Salaries and benefits	1,898,289	1,976,316	1,773,371	202,945
Supplies	137,477	137,477	162,467	(24,990)
Miscellaneous services	360,725	360,725	379,015	(18,290)
Maintenance	374,805	374,805	370,789	4,016
Capital outlay	65,500	65,500	28,500	37,000
Total traffic operations	2,836,796	2,914,823	2,714,142	200,681
Building code compliance:				
Salaries and benefits	1,463,299	1,521,129	1,367,882	153,247
Supplies	23,554	23,554	18,876	4,678
Miscellaneous services	120,523	120,523	101,837	18,686
Maintenance	24,049	24,049	22,940	1,109
Capital outlay	40,000	40,000	39,078	922
Total building and compliance	1 671 405	1 700 055	1 550 610	
Total building code compliance	1,671,425	1,729,255	1,550,613	178,642
Total public safety	73,374,060	76,102,712	75,047,166	1,055,546

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Highways and streets:				
Engineering services:				
Salaries and benefits	\$ 2,328,624	\$ 2,443,547	\$ 2,334,978	\$ 108,569
Supplies	22,250	22,250	16,736	5,514
Miscellaneous services	188,527	188,527	124,234	64,293
Maintenance	53,272	53,272	61,713	(8,441)
Capital outlay	60,000	60,000	46,078	13,922
Total engineering services	2,652,673	2,767,596	2,583,739	183,857
Street maintenance:				
Salaries and benefits	2,361,966	2,483,042	2,115,386	367,656
Supplies	42,457	42,457	45,992	(3,535)
Miscellaneous services	424,560	424,560	428,565	(4,005)
Maintenance	3,998,650	3,998,650	3,974,032	24,618
Total street maintenance	6,827,633	6,948,709	6,563,975	384,734
Street lighting:				
Miscellaneous services	2,351,390	2,351,390	2,772,523	(421,133)
Maintenance	72,675	72,675	81,163	(8,488)
Total street lighting	2,424,065	2,424,065	2,853,686	(429,621)
Sidewalk construction:				
Salaries and benefits	309,677	329,917	246,300	83,617
Supplies	80,532	80,532	79,274	1,258
Miscellaneous services	38,320	38,320	38,305	15
Maintenance	33,682	33,682	40,297	(6,615)
Capital outlay	26,000	26,000	25,069	931
Total sidewalk construction	488,211	508,451	429,245	79,206
Drainage:				
Salaries and benefits	1,101,192	1,167,787	1,121,374	46,413
Supplies	69,652	69,652	58,325	11,327
Miscellaneous services	497,829	497,829	492,406	5,423
Maintenance	346,453	312,653	320,768	(8,115)
Capital outlay		33,800	33,739	61
Total drainage	2,015,126	2,081,721	2,026,612	55,109
Total highways and streets	14,407,708	14,730,542	14,457,257	273,285
Health and welfare:				
Health code compliance:				
Salaries and benefits	2,052,418	2,124,125	2,086,817	37,308
Supplies	80,616	80,616	69,429	11,187
Miscellaneous services	404,702	404,702	427,183	(22,481)
Maintenance	78,728	78,728	106,164	(27,436)
Capital outlay	32,000	32,000	24,383	7,617
Total health code compliance	2,648,464	2,720,171	2,713,976	6,195
Graffiti cleaning:				
Salaries and benefits	130,612	138,505	129,553	8,952
Supplies	10,181	10,181	12,198	(2,017)
Miscellaneous services	34,763	34,763	34,770	(7)
Maintenance	17,960	17,960	40,514	(22,554)
Capital outlay	51,000	51,000	43,504	7,496
Total graffiti cleaning	244,516	252,409	260,539	(8,130)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Other agencies: Humane society Other health and welfare agencies	\$ 1,068,000 15,000	\$ 1,068,000 15,000	\$ 1,200,000 15,000	\$ (132,000)
Total other agencies	1,083,000	1,083,000	1,215,000	(132,000)
Other	15,000	15,000	15,000	
Total health and welfare	3,990,980	4,070,580	4,204,515	(133,935)
Culture and recreation: Parks and recreation administration: Salaries and benefits Supplies Miscellaneous services	499,561 10,250 141,247	530,116 10,250 141,247	467,357 10,066 142,392	62,759 184 (1,145)
Maintenance	29,297	29,297	28,332	965
Total parks and recreation administration	680,355	710,910	648,147	62,763
Parks: Salaries and benefits Supplies Miscellaneous services Maintenance Capital outlay	6,135,505 232,274 2,386,396 817,791 194,200	6,424,585 994,718 2,386,396 817,791 194,200	5,884,336 297,542 2,963,894 959,119 60,166	540,249 697,176 (577,498) (141,328) 134,034
Total parks	9,766,166	10,817,690	10,165,057	652,633
Recreation: Salaries and benefits Supplies Miscellaneous services Maintenance	1,611,242 78,000 482,072 16,709	1,631,996 106,075 497,072 16,709	1,816,194 60,677 477,904 14,149	(184,198) 45,398 19,168 2,560
Total recreation	2,188,023	2,251,852	2,368,924	(117,072)
Pools: Salaries and benefits Supplies Miscellaneous services Maintenance Capital outlay	822,055 129,923 117,577 60,360 43,360	834,993 148,208 117,577 48,041 55,679	689,066 139,573 116,274 46,738 7,418	145,927 8,635 1,303 1,303 48,261
Total pools	1,173,275	1,204,498	999,069	205,429
Las palmas community center: Salaries and benefits Supplies Miscellaneous services Maintenance Capital outlay	302,438 16,180 102,345 15,015	314,424 16,180 102,345 15,015 44,969	295,647 15,538 109,463 23,113 44,519	18,777 642 (7,118) (8,098) 450
Total las palmas community center	435,978	492,933	488,280	4,653
Recreation center-Lark: Salaries and benefits Supplies Miscellaneous services Maintenance	370,497 25,730 126,273 16,500	382,875 30,215 126,273 16,500	368,667 24,101 122,844 15,392	14,208 6,114 3,429 1,108
Total recreation center-Lark	539,000	555,863	531,004	24,859

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Recreation center-Palmview:				
Salaries and benefits	\$ 354,499	\$ 367,096	\$ 335,816	\$ 31,280
Supplies	33,895	129,395	33,331	96,064
Miscellaneous services	116,074	116,074	124,593	(8,519)
Maintenance	17,000	17,000	12,717	4,283
Total recreation center-Palmview	521,468	629,565	506,457	123,108
Quinta mazatlan:				
Salaries and benefits	969,470	1,006,352	912,295	94,057
Supplies	103,520	103,520	213,173	(109,653)
Miscellaneous services	146,375	146,375	250,414	(104,039)
Maintenance	69,695	69,695	49,266	20,429
Capital outlay	10,300	114,711	99,449	15,262
Total quinta mazatlan	1,299,360	1,440,653	1,524,597	(83,944)
Library:				
Salaries and benefits	2,982,265	3,103,866	2,780,460	323,406
Supplies	295,200	302,493	295,750	6,743
Miscellaneous services	755,318	757,140	793,789	(36,649)
Maintenance	215,006	215,006	212,613	2,393
Capital outlay	40,000	30,885	28,713	2,172
Total library	4,287,789	4,409,390	4,111,325	298,065
Library branch-Lark:				
Salaries and benefits	509,180	541,988	499,480	42,508
Supplies	36,150	37,073	35,763	1,310
Miscellaneous services	16,793	16,793	9,823	6,970
Maintenance	5,250	4,327	1,992	2,335
Total library branch-Lark	567,373	600,181	547,058	53,123
Library branch-Palmview:				
Salaries and benefits	552,507	586,239	545,829	40,410
Supplies	36,000	36,923	34,767	2,156
Miscellaneous services	11,993	11,993	8,140	3,853
Maintenance	5,500	4,577	7,900	(3,323)
Total library branch-Palmview	606,000	639,732	596,636	43,096
Other agencies	1,131,000	1,131,000	1,116,000	15,000
Museums	838,000	838,000	838,000	10,000
Total culture and recreation	24,033,787	25,722,267	24,440,554	1,281,713
Total current	143,503,380	146,777,256	142,903,217	3,874,039
Debt service				
Principal	205,980	205,980	720,059	(514,079)
Interest and fiscal charges	57,194	57,194	57,759	(565)
Total debt service	263,174	263,174	777,818	(514,644)
Total expenditures	143,766,554	147,040,430	143,681,035	3,359,395
Excess (deficiency) of revenues over expenses (budget basis)				
before transfers	9,099,809	8,958,643	18,516,940	9,558,297

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,741,338	9,174,766	9,176,709	1,943
Transfers out	(9,740,844)	(11,451,020)	(11,800,382)	(349,362)
Issuance of debt for SBITA			140,996	140,996
Total other financing sources (uses)	(1,999,506)	(2,276,254)	(2,482,677)	(206,423)
Net change in fund balances	7,100,303	6,682,389	16,034,263	9,351,874
Fund balances at beginning of year	82,430,696	82,430,696	82,430,696	
Fund balances at end of year	\$ 89,530,999	\$ 89,113,085	\$ 98,464,959	\$ 9,351,874

## HOTEL OCCUPANCY TAX SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Orig	jinal Budget		Final Budget	Act	tual Amount		Variance with Final Budget Positive (Negative)
REVENUES  Taxes  Hotel Investment earnings	\$	4,815,220 -	\$	4,815,220 -	\$	5,595,749 334	\$	780,529 334
Total revenues		4,815,220		4,815,220		5,596,083		780,863
EXPENDITURES  Current:  General government		1,289,998	_	1,289,998		1,488,715	_	(198,717)
Total expenditures		1,289,998	_	1,289,998		1,488,715	_	(198,717)
Excess (deficiency) of revenues over expenses (budget basis) before transfers		3,525,222	_	3,525,222		4,107,368	_	582,146
OTHER FINANCING SOURCES (USES)  Transfers in  Transfers out		(3,525,222)	_	100,000 (3,625,222)		100,000 (4,121,788)		- (496,566 <u>)</u>
Total other financing sources (uses)		(3,525,222)		(3,525,222)		(4,021,788)		(496,566)
Net change in fund balances			_			85,580	_	85,580
Fund balances at beginning of year		388		388		388	_	
Fund balances at end of year	\$	388	\$	388	\$	85,968	\$	85,580

## HOTEL VENUE TAX 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 Taxes				
Hotel	\$ 1,374,717	\$ 1,374,717	\$ 1,597,900	\$ 223,183
Investment earnings		<u> </u>	24,547	24,547
Total revenues	1,374,717	1,374,717	1,622,447	247,730
EXPENDITURES		<u></u> -		
Total expenditures		<u> </u>		
Excess (deficiency) of revenues over expenses (budget basis) before transfers	1,374,717	1,374,717	1,622,447	247,730
OTHER FINANCING SOURCES (USES)				
Transfers in	-	- (	4	4
Transfers out	(1,374,718)	(1,374,718)	(1,375,330)	(612)
Total other financing sources (uses)	(1,374,718)	(1,374,718)	(1,375,326)	(608)
Net change in fund balances	(1)	(1)	247,121	247,122
Fund balances at beginning of year	1,222,543	1,222,543	1,222,543	
Fund balances at end of year	\$ 1,222,542	\$ 1,222,542	\$ 1,469,664	\$ 247,122

## MCALLEN EB-5 REGIONAL CENTER SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

DEVENUE	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Investment earnings	\$ 1,602	\$ 1,602	\$ 2,460	\$ 858
Total revenues	1,602	1,602	2,460	858
EXPENDITURES  Current:  General government	-	-	57,864	(57,864)
Total expenditures			57,864	(57,864)
Excess (deficiency) of revenues over expenses (budget basis) before transfers	1,602	1,602	(55,404)	(57,006)
Net change in fund balances	1,602	1,602	(55,404)	(57,006)
Fund balances at beginning of year	49,952	49,952	49,952	
Fund balances at end of year	\$ 51,554	\$ 51,554	\$ (5,452)	\$ (57,006)

	Orig	inal Budget	_	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Charges for services	\$	1,278,500	Ś	1,278,500	\$ 1,289,507	\$ 11,007
Investment earnings	*	-	•	-	254,676	254,676
Net increase (decrease) in the fair value of investments	-		_		53,803	53,803
Total revenues		1,278,500	_	1,278,500	1,597,986	319,486
EXPENDITURES Current:						
Highways and streets		5,989,812	_	6,129,812	1,490,016	4,639,796
Total expenditures		5,989,812	_	6,129,812	1,490,016	4,639,796
Excess (deficiency) of revenues over expenses (budget basis)						
before transfers		(4,711,312)	_	(4,851,312)	107,970	4,959,282
Net change in fund balances		(4,711,312)	_	(4,851,312)	107,970	4,959,282
Fund balances at beginning of year		5,001,811	_	5,001,811	5,001,811	
Fund balances at end of year	\$	290,499	\$	150,499	\$ 5,109,781	\$ 4,959,282

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

	Origina	al Budget	Final E	Budget	Actual Amour	nt_	Variance with Final Budget Positive (Negative)
REVENUES			_				
Investment earnings	\$	-	\$	-	\$ 116,1		
Net increase (decrease) in the fair value of investments		-		-	11,6		11,626
Other					158,2	200	158,200
Total revenues					286,0	<u> 17</u>	286,017
EXPENDITURES Current:							
Culture and recreation		557,951		622,617	185,5	589	437,028
Total expenditures		557,951		622,617	185,5	589	437,028
Excess (deficiency) of revenues over expenses (budget basis)							
before transfers		(557,951)		(622,617 <u>)</u>	100,4	128	723,045
Net change in fund balances		(557,951)		(622,617)	100,4	<u>128</u>	723,045
Fund balances at beginning of year		2,382,244	2	,382,244	2,382,2	<u>244</u>	
Fund balances at end of year	\$	1,824,293	\$ 1	,759,627	\$ 2,482,6	572	\$ 723,045

# TAX INCREMENT REINVESTMENT ZONE # 1 (TIRZ # 1) SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Orig	jinal Budget	F	inal Budget	Ac	tual Amount		Variance with Final Budget Positive (Negative)
REVENUES Intergovernmental Investment earnings Other	\$	- - 1,517,299	\$	- - 1,517,299	\$	1,196,663 25,151 150,022	\$	1,196,663 25,151 (1,367,277)
Total revenues		1,517,299		1,517,299		1,371,836	_	(145,463)
EXPENDITURES  Current:  General government		13,333	_	13,333		13,333	_	
Total expenditures		13,333		13,333		13,333	_	
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(13,333)		(13,333)		(158,796)	_	(145,463)
OTHER FINANCING SOURCES (USES) Transfers in Transfers out		934,602		934,602		931,503 (461,533)	_	(3,099) (461,533 <u>)</u>
Total other financing sources (uses)		934,602		934,602		469,970		(464,632)
Net change in fund balances		921,269		921,269		311,174	_	(610,095)
Fund balances at beginning of year		944,555		944,555		944,555	_	
Fund balances at end of year	\$	1,865,824	\$	1,865,824	\$	1,255,729	\$	(610,095)

## COMMUNITY DEVELOPMENT 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	A 0.500.544	A 0.500.544	4 0005000	<b>A</b> 076 000
Intergovernmental Other	\$ 2,528,541	\$ 2,528,541	\$ 2,805,380 3,698	\$ 276,839 3,698
Total revenues	2,528,541	2,528,541	2,809,078	280,537
EXPENDITURES				
Current:	000.000	000.000	F0F 074	400 11 4
General government Public safety	993,988	993,988	505,874 384,546	488,114 (384,546)
Highways and streets	613,293	613,293	1,121,731	(508,438)
Health and welfare	843,260	843,260	498,213	345,047
Culture and recreation	78,000	78,000	298,714	(220,714)
Total expenditures	2,528,541	2,528,541	2,809,078	(280,537)
Excess (deficiency) of revenues over expenses (budget basis) before transfers				
Net change in fund balance				
Fund balances at beginning of year				
Fund balances at end of year	\$ -	\$	\$	\$ -

# TAX INCREMENT REINVESTMENT ZONE # 2 (TIRZ #2) 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 Other	\$ - -	\$ -	\$ 248,072 3,949	\$ 248,072 3,949
Total revenues			252,021	252,021
EXPENDITURES Current:				
General government Highways and streets	5,000 <u>5,324,313</u>	5,000 5,324,313	5,000 1,174,193	4,150,120
Total expenditures	5,329,313	5,329,313	1,179,193	4,150,120
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(5,329,313)	(5,329,313)	(927,172)	4,402,141
OTHER FINANCING SOURCES (USES) Transfers in	838,370	838,370	826,371	(11,999)
Total other financing sources (uses)	838,370	838,370	826,371	(11,999)
Net change in fund balances	(4,490,943)	(4,490,943)	(100,801)	4,390,142
Fund balances at beginning of year	4,464,798	4,464,798	4,464,798	
Fund balances at end of year	\$ (26,145)	\$ (26,145)	\$ 4,363,997	\$ 4,390,142

## AMERICAN RESCUE PLAN ACT 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	\$ -	\$ -	\$ 207	\$ 207
Total revenues			207	207
EXPENDITURES				
Total expenditures				
Excess (deficiency) of revenues over expenses (budget basis) before transfers			207	207
OTHER FINANCING SOURCES (USES) Transfers out			(207)	(207)
Total other financing sources (uses)			(207)	(207)
Net change in fund balance				
Fund balances at beginning of year				
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

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

	Origi	nal Budget		Final Budget	Act	ual Amount		Variance with Final Budget Positive (Negative)
REVENUES								
Licenses and permits	\$	15,000	\$	15,000	\$	18,387	\$	3,387
Intergovernmental		-		-		109,134		109,134
Charges for services		1,014,000		1,014,000		858,132		(155,868)
Fines and forfeitures		140,000		140,000		140,072		72
Investment earnings		2,852		2,852		1,854		(998)
Other	-	46,550		46,550		47,213		663
Total revenues		1,218,402		1,218,402		1,174,792	_	(43,610)
EXPENDITURES Current:								
Highways and streets		1,308,602		1,308,602		1,197,197		111,405
Total expenditures		1,308,602	_	1,308,602		1,197,197	_	111,405
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(95,075)		(95,075)		(27,280)		67,795
OTHER FINANCING SOURCES (USES) Transfers out				(10,576)		(10,576)		
Total other financing sources (uses)				(10,576)		(10,576)	_	
Net change in fund balances		(95,075)		(105,651)		(37,856)		67,795
Fund balances at beginning of year		54,725		54,725		54,725		
Fund balances at end of year	\$	(40,350)	\$	(50,926)	\$	16,869	\$	67,795

## CITY SPECIAL EVENTS 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 Charges for services	\$ 130,000	\$ 130,000	\$ 174,944	\$ 44,944
Total revenues	130,000	130,000	174,944	44,944
EXPENDITURES Current:				
Culture and recreation	130,000	130,000	134,873	(4,873)
Total expenditures	130,000	130,000	134,873	(4,873)
Excess (deficiency) of revenues over expenses (budget basis) before transfers			40,071	40,071
Net change in fund balances			40,071	40,071
Fund balances at beginning of year	20,229	20,229	20,229	
Fund balances at end of year	\$ 20,229	\$ 20,229	\$ 60,300	\$ 40,071

# COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT 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	Original budget	Fillal Buuget	Actual Amount	(ivegative)
Intergovernmental	\$ 625,000	\$ 625,000	\$ 679,804	\$ 54,804
Total revenues		625,000	679,804	54,804
EXPENDITURES Current:				
Public safety	888,922	888,922	1,116,726	(227,804)
Total expenditures	<u> </u>	888,922	1,116,726	(227,804)
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(263,922)	(263,922)	(436,922)	(173,000)
OTHER FINANCING SOURCES (USES) Transfers in	263,922	263,922	436,922	173,000
Total other financing sources (uses)		263,922	436,922	173,000
Net change in fund balance				
Fund balances at beginning of year				
Fund balances at end of year	<u>\$</u>	\$ -	\$ -	\$ -

# PUBLIC, EDUCATIONAL, AND GOVERNMENTAL (PEG) 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					
Taxes					
Franchise	\$	222,816			. , ,
Investment earnings		40,587	40,587	77,285	36,698
Total revenues		263,403	263,403	250,439	(12,964)
EXPENDITURES Current:					
General government		228,488	228,488	62,831	165,657
Total expenditures		228,488	228,488	62,831	165,657
Excess (deficiency) of revenues over expenses (budget basis)					
before transfers		34,915	34,915	187,608	152,693
Net change in fund balances		34,915	34,915	187,608	152,693
Fund balances at beginning of year		1,378,589	1,378,589	1,378,589	
Fund balances at end of year	\$	1,413,504	\$ 1,413,504	\$ 1,566,197	\$ 152,693

### CHRISTMAS PARADE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Origir	nal Budget	Final Budget	Act	ual Amount		Variance with Final Budget Positive (Negative)
REVENUES Intergovernmental Investment earnings Other	\$	1,060,000	\$ - 1,060,000	\$	74,900 74,101 1,367,830	\$	74,900 74,101 307,830
Total revenues		1,060,000	1,060,000		1,516,831	_	456,831
EXPENDITURES  Current:  Culture and recreation		1,115,000	1,115,000		1,178,247		(63,247)
Total expenditures		1,115,000	1,115,000		1,178,247		(63,247)
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(55,000)	(55,000)	-	338,584		393,584
OTHER FINANCING SOURCES (USES) Transfers in Transfers out		100,000 (12,000)	100,000 (112,000)		100,000 (112,000)		
Total other financing sources (uses)		88,000	(12,000)		(12,000)		
Net change in fund balances		33,000	(67,000)		326,584		393,584
Fund balances at beginning of year		867,401	867,401		867,401		<u> </u>
Fund balances at end of year	\$	900,401	\$ 800,401	\$	1,193,985	\$	393,584

### FRIENDS OF QUINTA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

DEMENTING	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Investment earnings Other	\$ - 571,500	\$ - 622,525	\$ 23,939 765,166	\$ 23,939 142,641
Total revenues	571,500	622,525	789,105	166,580
EXPENDITURES  Current:  Culture and recreation	140,752	191,777	194,586	(2,809)
Total expenditures	140,752	191,777	194,586	(2,809)
Excess (deficiency) of revenues over expenses (budget basis) before transfers	430,748	430,748	594,519	163,771
OTHER FINANCING SOURCES (USES) Transfers out	(1,229,288)	(1,229,288)	(594,500)	634,788
Total other financing sources (uses)	(1,229,288)	(1,229,288)	(594,500)	634,788
Net change in fund balances	(798,540)	(798,540)	19	798,559
Fund balances at beginning of year	512,818	512,818	512,818	
Fund balances at end of year	\$ (285,722)	\$ (285,722)	\$ 512,837	\$ 798,559

### THE MCALLEN PERFORMING AND CULTURAL ARTS FOUNDATION 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	٨	٨	h 1000	Δ 1006
Investment earnings Other	\$ -	\$ -	\$ 1,306 108,182	\$ 1,306 108,182
Other			100,102	100,102
Total revenues			109,488	109,488
EXPENDITURES Current:				
Culture and recreation			785	(785)
Total expenditures			785	(785)
Excess (deficiency) of revenues over expenses (budget basis)			100 700	100 700
before transfers			108,703	108,703
Net change in fund balances			108,703	108,703
Fund balances at beginning of year	62,479	62,479	62,479	
Fund balances at end of year	\$ 62,479	\$ 62,479	\$ 171,182	\$ 108,703

#### MARKETING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

DEMENTING	Original Budget	Final Budget	_Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Investment earnings Other	\$ - -	\$ - 500,000	\$ 35,714 585,688	\$ 35,714 85,688
Total revenues		500,000	621,402	121,402
EXPENDITURES Current: General government	418,000	918,000	836,727	81,273
Total expenditures	418,000	918,000	836,727	81,273
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(418,000)	(418,000)	(215,325)	202,675
OTHER FINANCING SOURCES (USES) Transfers in	418,000	518,000	518,000	
Total other financing sources (uses)	418,000	518,000	518,000	
Net change in fund balances		100,000	302,675	202,675
Fund balances at beginning of year	391,426	391,426	391,426	
Fund balances at end of year	\$ 391,426	\$ 491,426	\$ 694,101	\$ 202,675

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

	Orio	ginal Budget		Final Budget	Δ	ctual Amount		/ariance with Final Budget Positive (Negative)
REVENUES	_0110	Jillai Dauget	_	i iliai buuget		ctual Amount	_	(ivegative)
Taxes								
Property	\$	4,837,273	\$	4,837,273	\$	5,492,654	\$	655,381
Investment earnings			_			366,091	_	366,091
Total revenues		4,837,273	_	4,837,273		5,858,745		1,021,472
EXPENDITURES								
Debt service:								
Principal		3,985,000		3,985,000		3,985,000		-
Interest and fiscal charges		1,654,439	_	1,654,439		1,653,577		862
Total expenditures		5,639,439	_	5,639,439		5,638,577		862
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(802,166)	_	(802,166)		220,168		1,022,334
OTHER FINANCING SOURCES (USES)								
Transfers in		802,166	_	802,166		802,166	_	<u>-</u>
Total other financing sources (uses)		802,166	_	802,166		802,166		
Net change in fund balances			_			1,022,334		1,022,334
Fund balances at beginning of year		5,345,651	_	5,345,651		5,345,651		
Fund balances at end of year	\$	5,345,651	\$	5,345,651	\$	6,367,985	\$	1,022,334

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

REVENUES	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Total revenues				
EXPENDITURES  Debt service: Interest and fiscal charges			807	(807)
Total expenditures			807	(807)
Excess (deficiency) of revenues over expenses (budget basis) before transfers			(807)	(807)
OTHER FINANCING SOURCES (USES) Transfers in Transfers out	-		613 (4)	613 (4)
Total other financing sources (uses)			609	609
Net change in fund balances			(198)	(198)
Fund balances at beginning of year	198	198	198	
Fund balances at end of year	\$ 198	\$ 198	\$ -	\$ (198)

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

DEMENTED	Original Budget	Final Budget	_Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES Investment earnings	\$ -	\$ -	\$ 33,534	\$ 33,534
Total revenues			33,534	33,534
EXPENDITURES Principal Interest and fiscal charges	572,250 336,925	572,250 336,925	545,000 322,131	27,250 14,794
Total expenditures	909,175	909,175	867,131	42,044
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(909,175)	(909,175)	(833,597)	75,578
OTHER FINANCING SOURCES (USES) Transfers in	909,175	909,175	920,125	10,950
Total other financing sources (uses)	909,175	909,175	920,125	10,950
Net change in fund balances			86,528	86,528
Fund balances at beginning of year	447,421	447,421	447,421	
Fund balances at end of year	\$ 447,421	\$ 447,421	\$ 533,949	\$ 86,528

### INFORMATION TECHNOLOGY 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 Other	\$ - 66,000	\$ - 66,000	\$ 1,212 95,848	\$ 1,212 29,848
Total revenues	66,000	66,000	97,060	31,060
EXPENDITURES Current:				
General government	120,000	120,000	123,422	(3,422)
Total expenditures	120,000	120,000	123,422	(3,422)
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(54,000)	(54,000)	(26,362)	27,638
Net change in fund balances	(54,000)	(54,000)	(26,362)	27,638
Fund balances at beginning of year	57,902	57,902	57,902	
Fund balances at end of year	\$ 3,902	\$ 3,902	\$ 31,540	\$ 27,638

### STREET IMPROVEMENTS 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	A 511.675	۸ 511 675	•	Λ (F11.67E)
Intergovernmental	\$ 511,675	\$ 511,675	\$ -	\$ (511,675)
Investment earnings	71,146	71,146	1,531_	(69,615)
Total revenues	582,821	582,821	1,531	(581,290)
EXPENDITURES Current:				
Highways and streets	2,259,112	2,259,112	276,580	1,982,532
Total expenditures	2,259,112	2,259,112	276,580	1,982,532
Excess (deficiency) of revenues over expenses (budget basis)				
before transfers	(1,676,291)	(1,676,291)	(275,049)	1,401,242
Net change in fund balances	(1,676,291)	(1,676,291)	(275,049)	1,401,242
Fund balances at beginning of year	507,899	507,899	507,899	
Fund balances at end of year	\$ (1,168,392)	\$ (1,168,392)	\$ 232,850	\$ 1,401,242

### CITY HALL EXPANSION/RESERVOIR DEVELOPMENT 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 Net increase (decrease) in the fair value of investments	\$ -	\$ -	\$ 1,235,101 27,672	\$ 1,235,101 27,672
Total revenues		<u> </u>	1,262,773	1,262,773
EXPENDITURES Current: Highways and streets	21,175,377	21,175,377	2,104,345	19,071,032
Total expenditures	21,175,377	21,175,377	2,104,345	19,071,032
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(21,175,377)	(21,175,377)	(841,572)	20,333,805
Net change in fund balances	(21,175,377)	(21,175,377)	(841,572)	20,333,805
Fund balances at beginning of year	21,712,251	21,712,251	21,712,251	
Fund balances at end of year	\$ 536,874	\$ 536,874	\$ 20,870,679	\$ 20,333,805

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

	Original Budget	Final Dudgas	A atual Amazunt	Variance with Final Budget Positive
REVENUES	Original Budget	Final Budget	Actual Amount	(Negative)
Investment earnings	\$ -	\$ -	\$ 52,833	\$ 52,833
Total revenues			52,833	52,833
EXPENDITURES Current:				
Culture and recreation	450,000	428,665	108,360	320,305
Total expenditures	450,000	428,665	108,360	320,305
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(450,000)	(428,665)	(55,527)	373,138
Net change in fund balances	(450,000)	(428,665)	(55,527)	373,138
Fund balances at beginning of year	895,623	895,623	895,623	
Fund balances at end of year	\$ 445,623	\$ 466,958	\$ 840,096	\$ 373,138

### CAPITAL IMPROVEMENT 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	\$ 935,276	\$ 935,276	\$ 933,992	\$ (1,284)
Investment earnings	-	175,275	306,959	131,684
Net increase (decrease) in the fair value of investments			235,662	235,662
Total revenues	935,276	1,110,551	1,476,613	366,062
EXPENDITURES				
Current:				
General government	458,000	1,246,344	876,993	369,351
Public safety	809,920	2,201,589	711,050	1,490,539
Highways and streets	7,220,386	6,956,086	2,380,187	4,575,899
Health and welfare	-	162,454	162,453	1
Culture and recreation	4,314,394	5,417,369	3,180,013	2,237,356
Total expenditures	12,802,700	15,983,842	7,310,696	8,673,146
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(11,867,424)	(14,873,291)	(5,834,083)	9,039,208
OTHER FINANCING SOURCES (USES)				
Transfers in	4,968,700	5,638,627	5,830,087	191,460
Total other financing sources (uses)	4,968,700	5,638,627	5,830,087	191,460
Net change in fund balances	(6,898,724)	(9,234,664)	(3,996)	9,230,668
Fund balances at beginning of year	9,445,295	9,445,295	9,445,295	
Fund balances at end of year	\$ 2,546,571	\$ 210,631	\$ 9,441,299	\$ 9,230,668

### INFRASTRUCTURE & IMPROVEMENTS 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 Other	\$ -	\$ - -	\$ 1,601,514 6,269	\$ 1,601,514 6,269
Total revenues			1,607,783	1,607,783
EXPENDITURES Current:				
General government	6,658,271	7,872,141	4,284,999	3,587,142
Public safety	4,382,212	8,176,482	7,197,460	979,022
Highways and streets	4,252,000	5,054,905	1,073,114	3,981,791
Culture and recreation	6,577,886	10,392,030	2,753,882	7,638,148
Total expenditures	21,870,369	31,495,558	15,309,455	16,186,103
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(21,870,369)	(31,495,558)	(13,701,672)	17,793,886
Net change in fund balances	(21,870,369)	(31,495,558)	(13,701,672)	17,793,886
Fund balances at beginning of year	32,321,840	32,321,840	32,321,840	
Fund balances at end of year	\$ 10,451,471	\$ 826,282	\$ 18,620,168	\$ 17,793,886

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

REVENUES	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Total revenues				
EXPENDITURES				-
Total expenditures				
Excess (deficiency) of revenues over expenses (budget basis) before transfers				
OTHER FINANCING SOURCES (USES) Transfers out			(1,736)	(1,736)
Total other financing sources (uses)			(1,736)	(1,736)
Net change in fund balances			(1,736)	(1,736)
Fund balances at beginning of year	1,736.00	1,736	1,736	
Fund balances at end of year	1,736.00	\$ 1,736	<u>\$</u> -	\$ (1,736)

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

DEVENUES	Orig	jinal Budget	_	Final Budget	Actual An	nount		/ariance with Final Budget Positive (Negative)
REVENUES Intergovernmental	\$	1,258,425	\$	1,258,425	\$	-	\$	(1,258,425)
Investment earnings			_		5	16,735		516,735
Total revenues		1,258,425	_	1,258,425	5	16,735	_	(741,690)
EXPENDITURES Current:								
Public safety		-		-		70,000		(270,000)
Highways and streets		6,287,195	_	8,653,454	1,63	34,530	_	7,018,924
Total expenditures		6,287,195	_	8,653,454	1,90	04,530	_	6,748,924
Excess (deficiency) of revenues over expenses (budget basis)								
before transfers		(5,028,770)	_	(7,395,029)	(1,38	87,795 <u>)</u>		6,007,234
Net change in fund balances		(5,028,770)	_	(7,395,029)	(1,38	87,795 <u>)</u>		6,007,234
Fund balances at beginning of year		9,611,388	_	9,611,388	9,6	11,388		
Fund balances at end of year	\$	4,582,618	\$	2,216,359	\$ 8,22	23,593	\$	6,007,234

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

	Ori	ginal Budget		Final Budget		Actual Amount		Variance with Final Budget Positive (Negative)
REVENUES Intergovernmental Investment earnings Other	\$	16,679,663 - 23,043,057	\$	16,679,663 - 23,043,057	\$	4,030,525 611,455 (106,257)	\$	(12,649,138) 611,455 (23,149,314)
Total revenues		39,722,720	_	39,722,720	_	4,535,723	_	(35,186,997)
EXPENDITURES  Current:  Culture and recreation		54,887,589		54,887,589	_	18,048,950	_	36,838,639
Total expenditures		54,887,589	_	54,887,589	_	18,048,950		36,838,639
Excess (deficiency) of revenues over expenses (budget basis) before transfers	_	(15,164,869)	_	(15,164,869)	_	(13,513,227)	_	1,651,642
OTHER FINANCING SOURCES (USES) Transfers in		3,949,538	_	3,949,538	_	3,314,750		(634,788)
Total other financing sources (uses)		3,949,538	_	3,949,538	_	3,314,750		(634,788)
Net change in fund balances		(11,215,331)	_	(11,215,331)	_	(10,198,477)		1,016,854
Fund balances at beginning of year		10,519,135	_	10,519,135	_	10,519,135		-
Fund balances at end of year	\$	(696,196)	\$	(696,196)	\$	320,658	\$	1,016,854

#### WATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

Operating Revenues	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Water sales:				
Residential customers	\$ 16,627,282	\$ 16,627,282	\$ 14,539,596	\$ (2,087,686)
Commercial accounts	7,470,558	7,470,558	6,911,880	
Industrial customers				(558,678)
industrial customers	614,225	614,225	506,138	(108,087)
Total water sales	24,712,065	24,712,065	21,957,614	(2,754,451)
Service charges:				
Tap fees	810,000	810,000	1,010,895	200,895
Connect fees	220,000	220,000	245,510	25,510
Reconnect fees	190,000	190,000	295,850	105,850
Other services	340,000	340,000	238,445	(101,555)
				(101)000)
Total service charges	1,560,000	1,560,000	1,790,700	230,700
Other	730,500	730,500	1,121,122	390,622
Total operating revenues	27,002,565	27,002,565	24,869,436	(2,133,129)
Nonoperating revenues:				
Investment earnings	509,636	509,636	1,986,258	1,476,622
Net increase (decrease) in the fair value of investments	-	-	231,591	231,591
Gain (loss) on sale of capital assets	-	-	(35,295)	(35,295)
Intergovernmental	_	_	156,840	156,840
Capital contributions	_	_	3,685,548	3,685,548
Interest revenue - leases	_	_	9,075	9,075
Total nonoperating revenues	509,636	509,636	6,034,017	5,524,381
Total revenues	27,512,201	27,512,201	30,903,453	3,391,252
Expenses				
Water plant:				
Salaries and benefits	2,308,383	2,398,162	2,016,541	381,621
Supplies and raw water purchases	2,166,025	2,166,025	2,118,766	47,259
Contractual and other services	4,656,647	4,656,647	3,375,566	1,281,081
Repairs and maintenance	532,500	574,900	511,847	63,053
Capital outlay	387,900	463,204	274,615	188,589
ouplius outing				
Total water plant	10,051,455	10,258,938	8,297,335	1,961,603
Water lab:				
Salaries and benefits	427,367	448,337	398,257	50,080
Supplies	96,441	96,441	87,634	8,807
Contractual and other services	68,429	68,429	72,288	(3,859)
Repairs and maintenance	43,250	43,250	28,704	14,546
Capital outlay	40,500	40,500	34,553	5,947
Total water lab	675,987	696,957	621,436	75,521
Total Hutel lub	070,507		021,430	70,021
Transmission and distribution:				
Salaries and benefits	2,700,829	2,800,901	2,207,689	593,212
Supplies	111,490	111,490	127,724	(16,234)
Contractual and other services	137,200	137,200	84,170	53,030
Repairs and maintenance	305,000	305,000	(248,997)	553,997
Capital outlay	2,814,099	2,814,099	1,738,349	1,075,750
Total transmission and distribution				
iotai tialistilissioti allu uistiluutioti	6,068,618	6,168,690	3,908,935	2,259,755

#### WATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Bu	dget	Final Budget	Actua	l Amount	F	ariance with inal Budget Positive (Negative)
Water meters:	<b>0</b> 1061	- 255	¢ 1120.607	ć	070 777	ć	1.41.020
Salaries and benefits Supplies		5,355 7,100	\$ 1,120,607 57,100	\$	978,777 39,794	\$	141,830 17,306
Contractual and other services		4,951	54,951		41,019		13,932
Repairs and maintenance		),300	270,300		91,199		179,101
Capital outlay		0,000	200,000		195,390		4,610
Total water meters	1,647	7,706	1,702,958		1,346,179		356,779
Utility billing:							
Salaries and benefits		3,301	618,493		540,463		78,030
Supplies		7,200	57,200		53,657		3,543
Contractual and other services		2,443	412,443		401,128		11,315
Repairs and maintenance	13	3,600	13,600		1,652		11,948
Total utility billing	1,06	1,544	1,101,736		996,900		104,836
Customer relations:							
Salaries and benefits		),828	1,129,038		968,480		160,558
Supplies		9,760	29,760		24,328		5,432
Contractual and other services		3,828	68,828		69,631		(803)
Repairs and maintenance	17	7,183	17,183		9,224		7,959
Total customer relations	1,186	5,599	1,244,809		1,071,663		173,146
Treasury/Fiscal management:							
Salaries and benefits		5,423	362,333		315,766		46,567
Supplies		2,500	2,500		1,770		730
Contractual and other services		0,522	120,522		85,764		34,758
Repairs and maintenance	87	7,846	87,846		38,356		49,490
Total treasury/fiscal management Administration:	557	7,291	573,201		441,656		131,545
Salaries and benefits	1,532	2.747	1,152,362		1,588,599		(436,237)
Supplies		1,920	41,920		19,863		22,057
Contractual and other services	1,180	),760	1,180,760		836,458		344,302
Repairs and maintenance	26	5,100	26,100		3,712		22,388
Total administration	2,78	1,527	2,401,142		2,448,632	_	(47,490)
Non-departmental: Liability insurance	7'	2,408	108,557		108,557		_
Interest expense		2,400 2,197	982,197		969,292		12,905
Bond related charges-issuance cost	902	_,197	902,197		92,289		(92,289)
Bond principal requirements	2.72	1,600	2,721,600		-		2,721,600
Capital outlay	20,15		21,648,778		7,346,278		14,302,500
Total non-departmental	23,93	1,205	25,461,132		8,516,416		16,944,716
Total expenses	47,96	1,932	49,609,563	2	27,649,152		21,960,411
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(20,449	9,731 <u>)</u>	(22,097,362)		3,254,301		25,351,663
Transfers:					_		_
Transfers out			(124,984)		(124,984)		
Net transfers			(124,984)		(124,984)		
Excess (deficiency) of revenues over budget	(20,449	9,731)	(22,222,346)		3,129,317		25,351,663
					· · ·		. , ,

#### WATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	_0	riginal Budget		Final Budget	_A	ctual Amount		Variance with Final Budget Positive (Negative)
GAAP basis adjustments:								
Depreciation expense, not budgeted	\$	-	\$	-	\$	(5,500,993)	\$	(5,500,993)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		-		-		9,589,185		9,589,185
Principal payments on revenue bonds-budgeted as expenses per budget basis, treated as a reduction of bonds payable per								
GAAP basis		2,721,600	_	2,721,600	_		_	(2,721,600)
Net income-GAAP basis	\$	(17,728,131)	\$	(19,500,746)	\$	7,217,509	\$	26,718,255

# WATER FUND SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS IN RESTRICTED ACCOUNTS For the Year Ended September 30, 2024

Current Debt Service		 TWDB Debt Service	Bond Reserve		
Cash, certificates of deposit, and investments at September 30, 2023	\$	601,043	\$ 898,195	\$	1,343,571
Cash receipts: Transfers in Operating activities Interest received Valuation allowance Other		1,967,831 - - - -	1,754,568 - 45,364 - -		272,619 83,322 -
Total cash receipts		1,967,831	1,799,932		355,941
Total cash available		2,568,874	2,698,127		1,699,512
Cash disbursements:     Transfers out     Refunds     Capital acquisitions     Principal payments     Interest and fiscal charges (net)     Other		1,596,600 356,151	- - - 1,125,000 627,369		- - - - -
Total cash disbursements		1,952,751	 1,752,369		
Cash, certificates of deposit, and investments at September 30, 2024	\$	616,123	\$ 945,758	\$	1,699,512
Cash, certificates of deposit, and investments at September 30, 2024 is comprised of the following:  Cash  Certificates of deposit Investments (net) Accrued interest		- - 616,123 -	- - 945,758 -		- - 1,699,512 -
Total	\$	616,123	\$ 945,758	\$	1,699,512

eserve for provements	Customer Deposits	Depreciation	Capital Improvement	Water Revenue Bonds	Total
\$ 3,896,824	\$ 2,968,966	\$ 6,188,831	\$ 5,705,804	\$ 15,903,875	\$ 37,507,109
-	- 1,147,790	1,847,122 -	1,721,500	164,589	7,455,610 1,420,409
 182,766 - -	- - -	201,419 74,019 156,840	281,891 53,955 	818,642 - 	1,613,404 127,974 156,840
182,766	1,147,790	2,279,400	2,057,346	983,231	10,774,237
 4,079,590	4,116,756	8,468,231	7,763,150	16,887,106	48,281,346
164,589 - - - - 164,589	1,125,735 - - - - - - 1,125,735	3,645,035 - - 73,418 3,718,453	851,175 - - 29,312 880,487	4,972,742 - - - - - 4,972,742	1,125,735 9,633,541 2,721,600 983,520 102,730 14,567,126
\$ 3,915,001	\$ 2,991,021	\$ 4,749,778	\$ 6,882,663	\$ 11,914,364	\$ 33,714,220
- - 3,915,001 -	- - 2,991,021 	9,231 509,528 4,231,019	84,656 509,528 6,288,479	25,518 - 11,888,846 	119,405 1,019,056 32,575,759
\$ 3,915,001	\$ 2,991,021	\$ 4,749,778	\$ 6,882,663	\$ 11,914,364	\$ 33,714,220

# WASTEWATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Or	iginal Budget		Final Budget	A	ctual Amount	-	ariance with Final Budget Positive (Negative)
Operating Revenues	-							
Wastewater service charges	\$	22,473,450	\$	22,473,450	\$	19,671,585	\$	(2,801,865)
Industrial surcharges		403,733		403,733		301,585		(102,148)
Other		829,500		829,500		1,476,981		647,481
Total operating revenues	-	23,706,683	_	23,706,683		21,450,151		(2,256,532)
rotal operating revenues		23,700,003	-	23,700,003		21,430,131		(2,230,332)
Nonoperating revenues:								
Investment earnings		827,266		827.266		1,573,285		746,019
Net increase (decrease) in the fair value of investments		,		· -		427,809		427,809
Gain (loss) on sale of capital assets		_		_		(505,257)		(505,257)
Capital contributions		1,327,305		1,327,305		5,069,515		3,742,210
Capital Contributions	_	1,327,303	-	1,327,303		3,009,313		3,742,210
Total nonoperating revenues		2,154,571	_	2,154,571		6,565,352		4,410,781
Total revenues		25,861,254	_	25,861,254		28,015,503		2,154,249
Expenses								
Wastewater collection:								
Salaries and benefits		1,546,850		1,644,554		1,378,933		265,621
Supplies		648,040		723,040		734.651		(11,611)
Contractual and other services		245,390		245,390		273,000		(27,610)
				•				, , ,
Repairs and maintenance		484,600		519,600		449,044		70,556
Capital outlay		644,645	_	644,645		374,362		270,283
Total wastewater collection		3,569,525	_	3,777,229		3,209,990		567,239
Wastewater plant:								
Salaries and benefits		2,938,614		3,088,466		2,690,294		398,172
Supplies		438,340		438,340		549,902		(111,562)
Contractual and other services		2,196,466		2,196,466		1,968,254		228,212
Repairs and maintenance		361,950		361,950		321,689		40,261
Capital outlay		988,500	_	988,500		577,561		410,939
Total wastewater plant		6,923,870	_	7,073,722		6,107,700		966,022
Wastewater lab:								
Salaries and benefits		641,855		681,121		572,176		108,945
Supplies		112,755		•		121,823		(9,068)
• •				112,755				,
Contractual and other services		18,800		18,800		14,957		3,843
Repairs and maintenance		11,140		11,140		17,531		(6,391)
Capital outlay		246,500	_	246,500		36,889		209,611
Total wastewater lab		1,031,050		1,070,316		763,376		306,940
Administration:		.,00.,000	_	.,0,0,0,0	_			000,210
Salaries and benefits		1,452,816		1,165,994		1,213,745		(47,751)
Supplies		77,088		77,088		34,390		42,698
Contractual and other services		763,076		•		644,188		
		•		763,076		•		118,888
Repairs and maintenance		44,963		44,963		12,978		31,985
Capital outlay		416,500	_	416,500		311,139		105,361
Total administration		2,754,443		2,467,621		2,216,440		251,181
Non-departmental:			_	, , , , , , , , , , , , , , , , , , , ,				
Supplies		_		_		1,200		(1,200)
Liability insurance		78,838		118,198		118,197		(1,200)
Interest expense		1,093,070						12 020
·		1,093,070		1,093,070		1,080,041		13,029
Bond related charges-issuance cost		-		<b>-</b>		(391,499)		391,499
Bond principal requirements		4,778,400		4,778,400		-		4,778,400
Capital outlay		14,002,564	_	16,713,067		2,680,704		14,032,363
Total non-departmental		19,952,872	_	22,702,735		3,488,643		19,214,092
Total evpenses		24 221 740		27.001.602		15 706 1 40		21 205 474
Total expenses		34,231,760	-	37,091,623		15,786,149		21,305,474

# WASTEWATER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Oriç	jinal Budget		Final Budget	_Ac	tual Amount		Variance with Final Budget Positive (Negative)
Excess (deficiency) of revenues over expenses (budget basis) before transfers	\$	(8,370,506)	\$	(11,230,369)	\$	12,229,354	\$	23,459,723
Transfers: Transfers out				(96,141)		(96,141)	_	
Net transfers				(96,141)		(96,141)	_	
Excess (deficiency) of revenues over budget		(8,370,506)	_	(11,326,510)		12,133,213	_	23,459,723
GAAP basis adjustments: Depreciation expense, not budgeted		-		-		(9,476,078)		(9,476,078)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis		-		-		3,980,655		3,980,655
Principal payments on revenue bonds-budgeted as expenses per budget basis, treated as a reduction of bonds payable per GAAP basis		4,778,400		4,778,400			_	(4,778,400)
Net income-GAAP basis	\$	(3,592,106)	\$	(6,548,110)	\$	6,637,790	\$	13,185,900

#### 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, 2023	\$ 608,494	\$ 2,474,390	\$ 3,150,162		
Cash receipts: Transfers from operating cash Transfers from internal funds Due Wastewater fund Interest received Valuation allowance Other	2,013,454	3,819,964 59,255 118,184 	- - 178,418 - 		
Total cash receipts	2,013,454	3,997,403	178,418		
Total cash available	2,621,948	6,471,793	3,328,580		
Cash disbursements: Transfers out Due Wastewater fund and internal funds Principal payments Interest and fiscal charges (net) Capital acquisitions Other	125 1,593,400 405,148	3,185,000	- - - - -		
Total cash disbursements	1,998,673	3,874,321			
Cash, certificates of deposit, and investments at September 30, 2024	\$ 623,275	\$ 2,597,472	\$ 3,328,580		
Cash, certificates of deposit, and investments at September 30, 2024 is comprised of the following:  Cash  Certificates of deposit Investments (net)  Accrued interest Other receivables	623,275	250 2,597,222 	- - 3,328,580 - -		
Total	\$ 623,275	\$ 2,597,472	\$ 3,328,580		

	serve for rovements		Depreciation		Capital Improvement		Wastewater Series 2012	Wastewater Series 2015			
\$	591,980	\$	19,132,374	\$	6,802,677	\$	12,706	\$	59,255	\$	32,832,038
			3,803,295		1,475,145 -		- 9,568		-		11,111,858 68,823
	28,443 - -		3,034 815,194 313,609		291,705 100,858 58,949		790 - -		- - -		3,034 1,432,734 414,467 58,949
	28,443		4,935,132		1,926,657		10,358		-		13,089,865
	620,423		24,067,506		8,729,334	_	23,064	_	59,255	_	45,921,903
\$	620,423	<u> </u>	2,188,918 150,383 2,339,301 21,728,205	 <u>\$</u>	1,588,564 3,982 1,592,546 7,136,788	\$	9,568 - - - - - 9,568 13,496	\$	59,255 - - - - - - 59,255	\$	59,255 9,693 4,778,400 1,094,469 3,777,482 154,365 9,873,664 36,048,239
<del></del> \$	620,423 - - 620,423	\$	1,528,584 20,179,812 19,809 - 21,728,205	<u> </u>	94,956 509,528 6,471,307 22,177 38,820 7,136,788	\$	- 13,496 - - 13,496	 \$	- - - -	<u> </u>	95,206 2,038,112 33,834,115 41,986 38,820 36,048,239

# SANITATION FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	<u>Or</u>	iginal Budget		Final Budget	_A	ctual Amount		ariance with Final Budget Positive (Negative)
Operating Revenues Charges for services Other	\$	24,253,385 60,000	\$	24,253,385 60,000	\$	25,359,771 167,252	\$	1,106,386 107,252
Total operating revenues		24,313,385	_	24,313,385		25,527,023		1,213,638
Nonoperating revenues:     Investment earnings     Net increase (decrease) in the fair value of investments     Gain (loss) on sale of capital assets     Intergovernmental		465,477 - - -		465,477 - - -		918,369 592,641 158,267 45,479		452,892 592,641 158,267 45,479
Total nonoperating revenues		465,477		465,477		1,714,756		1,249,279
Total revenues		24,778,862	_	24,778,862	_	27,241,779	_	2,462,917
Expenses  Facilities administration: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay		1,413,101 89,462 1,797,354 54,249 690,000	_	1,485,318 146,462 1,787,354 64,249 633,000	_	1,842,428 94,358 1,884,322 65,840 364,779		(357,110) 52,104 (96,968) (1,591) 268,221
Total facilities administration		4,044,166	_	4,116,383		4,251,727		(135,344)
Composting: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay		557,114 46,000 362,375 132,941 313,500		577,851 46,000 362,375 132,941 313,500		437,638 69,393 328,469 236,412 253,738		140,213 (23,393) 33,906 (103,471) 59,762
Total composting	·	1,411,930	_	1,432,667		1,325,650		107,017
Residential collection: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay		1,889,842 242,059 608,040 958,109 505,000		1,980,175 242,059 608,040 958,109 505,000		1,740,321 248,281 859,326 1,571,355 152,280		239,854 (6,222) (251,286) (613,246) 352,720
Total residential collection		4,203,050	_	4,293,383		4,571,563		(278,180)
Commercial box collection: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay		1,810,810 357,279 1,335,980 1,128,632 665,000		1,903,317 357,279 1,335,980 1,128,632 665,000		1,734,260 397,383 1,655,827 1,767,450 205,982		169,057 (40,104) (319,847) (638,818) 459,018
Total commercial box collection		5,297,701		5,390,208		5,760,902		(370,694)
Roll offs: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay		403,073 11,350 304,700 264,508 179,000	_	418,934 11,350 304,700 264,508 179,000		305,963 14,048 304,057 297,258 201,530		112,971 (2,698) 643 (32,750) (22,530)
Total roll offs		1,162,631	_	1,178,492		1,122,856		55,636

# SANITATION FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Brush collection:				
Salaries and benefits	\$ 2,087,086	\$ 2,195,069	\$ 1,975,551	\$ 219,518
Supplies	287,320	287,320	312,114	(24,794)
Contractual and other services	195,225	195,225	284,613	(89,388)
Repairs and maintenance	770,205	770,205	759,182	11,023
Capital outlay	501,000	609,700	611,626	(1,926)
Capital Outlay		009,700	011,020	(1,920)
Total brush collection	3,840,836	4,057,519	3,943,086	114,433
Street cleaning:				
Salaries and benefits	513,488	532,006	351,179	180,827
Supplies	20,730	20,730	7,388	13,342
Contractual and other services	254,842	240,842	205,085	35,757
Repairs and maintenance	142,534	142,534	143,585	(1,051)
Capital outlay	500,000	514,000	157,883	356,117
Total street cleaning	1,431,594	1,450,112	865,120	584,992
Recycling:				
Salaries and benefits	1,598,371	1,668,075	1,325,547	342,528
Supplies	288,106	288,106	296,624	(8,518)
Contractual and other services	263,943	263,943	366,764	(102,821)
Repairs and maintenance	301,218	301,218	403,534	(102,316)
Capital outlay	434,500	434,500	403,779	30,721
Total recycling	2,886,138	2,955,842	2,796,248	159,594
Non-departmental:				
Depreciation fund - capital outlay	6,956,566	7,414,666	3,186,501	4,228,165
Interest expense	5,505	5,505	6,436	(931)
Bond principal requirements	58,759	58,759	-	58,759
Contingency	500,009	12,149		12,149
Total non-departmental	7,520,839	7,491,079	3,192,937	4,298,142
Total expenses	31,798,885	32,365,685	27,830,089	4,535,596
Excess (deficiency) of revenues over expenses (budget basis)	(7,000,000)	(7.504.000)	(500.04.0)	
before transfers	(7,020,023)	(7,586,823)	(588,310)	6,998,513
Transfers:				
Transfers out	(25,000)	(177,865)	(177,865)	_
Transiers out	(23,000)	(177,003)	(177,003)	
Net transfers	(25,000)	(177,865)	(177,865)	
Excess (deficiency) of revenues over budget	(7,045,023)	(7,764,688)	(766,175)	6,998,513
CAAP hasis adjustments:				
GAAP basis adjustments:			(0.000.500)	(0.000.500)
Depreciation expense, not budgeted	-	-	(2,338,599)	(2,338,599)
Capital outlay-budgeted as expenses per budget basis,			_	_
capitalized per GAAP basis			5,538,098	5,538,098
Net income-GAAP basis	\$ (7,045,023)	\$ (7,764,688)	\$ 2,433,324	\$ 10,198,012

# MCALLEN INTERNATIONAL AIRPORT FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	_Or	iginal Budget	_	Final Budget	_ A	ctual Amount		Variance with Final Budget Positive (Negative)
Operating Revenues		F 450 070		5 450 070				750.060
Charges for services Rentals	\$	5,450,273 3,095,450	\$	5,450,273 3,095,450	\$	6,209,336 3,812,752	\$	759,063 717,302
Other		25,598		25,598		40,131		14,533
Other		20,000	-	20,070		40,131	-	17,000
Total operating revenues		8,571,321	_	8,571,321		10,062,219	_	1,490,898
Nonoperating revenues:								
Investment earnings		544,527		544,527		1,300,685		756,158
Net increase (decrease) in the fair value of investments		-		-		225,454		225,454
Intergovernmental		50,000		50,000		100,000		50,000
Capital contributions		38,075,031		38,075,031		10,267,361		(27,807,670)
Interest revenue - leases		<u>-</u> _	_	<u>-</u>		4,983		4,983
Total nonoperating revenues		38,669,558	_	38,669,558		11,898,483	_	(26,771,075)
Total revenues		47,240,879	_	47,240,879		21,960,702		(25,280,177)
Expenses								
Administration:								
Salaries and benefits		2,690,179		2,901,678		2,087,705		813,973
Supplies		199,116		199,116		363,574		(164,458)
Contractual and other services		5,102,427		5,102,427		3,977,637		1,124,790
Repairs and maintenance		701,233		701,233		701,599		(366)
Capital outlay		49,591,682	_	49,591,682		10,036,698	_	39,554,984
Total administration		58,284,637	_	58,496,136		17,167,213	_	41,328,923
Non-departmental:		000 716		000.716		000.005		0.401
Interest expense		202,716		202,716		200,235		2,481
Bond related charges-issuance cost		440.600		440.600		(104,392)		104,392
Bond principal requirements		448,639	_	448,639	_			448,639
Total non-departmental		651,355	-	651,355		95,843	_	555,512
Total expenses		58,935,992	_	59,147,491		17,263,056		41,884,435
Excess (deficiency) of revenues over expenses (budget basis)								
before transfers		(11,695,113)	_	(11,906,612)		4,697,646		16,604,258
Transfers:								
Transfers out		(2.21 E.02 E)		(2,249,574)		(2,249,574)		
Transfers out		(2,215,925)	-	(2,249,374)	_	(2,249,374)	_	
Net transfers		(2,215,925)	_	(2,249,574)		(2,249,574)	_	
Excess (deficiency) of revenues over budget		(13,911,038)	_	(14,156,186)		2,448,072	_	16,604,258
GAAP basis adjustments:								
Depreciation expense, not budgeted		-		-		(4,643,826)		(4,643,826)
Capital outlay-budgeted as expenses per budget basis,						10.007.700		10.006.600
capitalized per GAAP basis			_	<u>-</u>		10,036,698		10,036,698
Net income-GAAP basis	\$	(13,911,038)	\$	(14,156,186)	\$	7,840,944	\$	21,997,130

# MCALLEN INTERNATIONAL TOLL BRIDGE FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating Revenues Charges for services Rentals Other	\$ 11,400,753 2,724,574 105,000	\$ 11,400,753 2,724,574 105,000	\$ 12,298,089 3,000,404 412,222	\$ 897,336 275,830 307,222
Total operating revenues	14,230,327	14,230,327	15,710,715	1,480,388
Nonoperating revenues: Investment earnings Gain (loss) on sale of capital assets Capital contributions Interest revenue - leases	38,918 - - -	38,918 - - -	455,481 (8,442) 45,096 38,205	416,563 (8,442) 45,096 38,205
Total nonoperating revenues	38,918	38,918	530,340	491,422
Total revenues	14,269,245	14,269,245	16,241,055	1,971,810
Expenses  Administration: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay	403,997 34,488 566,325 9,829 2,159,890	318,583 34,488 566,325 9,829 2,174,264	382,254 26,108 607,857 6,075 1,284,261	(63,671) 8,380 (41,532) 3,754 890,003
Total administration	3,174,529	3,103,489	2,306,555	796,934
Operations: Salaries and benefits Supplies Contractual and other services Repairs and maintenance	1,933,301 120,000 620,050 175,132	2,018,715 120,000 620,050 175,132	1,423,622 100,673 795,174 313,299	595,093 19,327 (175,124) (138,167)
Total operations	2,848,483	2,933,897	2,632,768	301,129
Non-departmental: Supplies Liability insurance Interest expense Bond principal requirements Other	- 64,399 186 1,991 3,203,816	- 64,399 186 1,991 3,203,816	37,886 64,399 186 - 3,827,054	(37,886) - - 1,991 (623,238)
Total non-departmental	3,270,392	3,270,392	3,929,525	(659,133)
Total expenses	9,293,404	9,307,778	8,868,848	438,930
Excess (deficiency) of revenues over expenses (budget basis) before transfers	4,975,841	4,961,467	7,372,207	2,410,740
Transfers: Transfers out	(5,704,672)	(5,913,277)	(5,913,277)	
Net transfers	(5,704,672)	(5,913,277)	(5,913,277)	<u> </u>
Excess (deficiency) of revenues over budget	(728,831)	(951,810)	1,458,930	2,410,740
GAAP basis adjustments:  Depreciation expense, not budgeted	-	-	(764,809)	(764,809)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis	-	-	1,284,261	1,284,261
Interest on board advances			873,977	873,977
Net income-GAAP basis	\$ (728,831)	\$ (951,810)	\$ 2,852,359	\$ 3,804,169

#### ANZALDUAS INTERNATIONAL CROSSING FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	O	riginal Budget		Final Budget	Ac	tual Amount		/ariance with Final Budget Positive (Negative)
Operating Revenues			_					<u> </u>
Charges for services	\$	5,008,260	\$	5,008,260	\$	6,456,934	\$	1,448,674
Rentals Other		12,204 40,797		12,204 40,797		12,206 265,669		2 224,872
other		40,737	_	40,737		200,000	_	224,072
Total operating revenues		5,061,261	_	5,061,261		6,734,809		1,673,548
Nonoperating revenues:     Investment earnings     Net increase (decrease) in the fair value of investments     Gain (loss) on sale of capital assets		113,682 - -		113,682		3,041,735 76,676 (3,234)		2,928,053 76,676 (3,234)
Intergovernmental		46,737,600		46,737,600				(46,737,600)
Total nonoperating revenues		46,851,282	_	46,851,282		3,115,177		(43,736,105)
Total revenues		51,912,543	_	51,912,543		9,849,986	_	(42,062,557)
Expenses								
Administration:								
Salaries and benefits		206,512		182,019		165,155		16,864
Supplies		14,259		14,259		12,554		1,705
Contractual and other services		63,519,126		63,595,567		678,459		62,917,108
Repairs and maintenance Capital outlay		7,000 2,248,210		7,000 2.319.215		6,641 130,622		359 2,188,593
Total administration		65,995,107	_	66,118,060		993,431	_	65,124,629
Operations:		00,220,107	_	00,110,000		770,101	_	00,121,025
Salaries and benefits		441,161		465,654		369,019		96,635
Supplies		15,000		15,000		5,153		9,847
Contractual and other services		41,010		41,010		25,934		15,076
Repairs and maintenance		41,094		41,094		75,046		(33,952)
Total operations		538,265	_	562,758		475,152		87,606
Non-departmental:								(
Supplies		-		-		42,090		(42,090)
Liability insurance		58,261		58,261		58,261		(1,000,243)
Interest expense Interest on board advances		2,112,431		2,112,431		3,112,674 873,977		(1,000,243)
Bond related charges-issuance cost		_		_		(237,077)		237,077
Bond principal requirements		2,795,000		2,795,000		(207,077)		2,795,000
Other			_			179,482		(179,482)
Total non-departmental		4,965,692	_	4,965,692		4,029,407	_	936,285
Total expenses		71,499,064	_	71,646,510		5,497,990		66,148,520
Excess (deficiency) of revenues over expenses (budget basis) before transfers		(19,586,521)	_	(19,733,967)		4,351,996		24,085,963
Transfers: Transfers out		(9,000)	_	(24,383)		(24,383)		
Net transfers		(9,000)		(24,383)		(24,383)		<u>-</u>
Excess (deficiency) of revenues over budget		(19,595,521)	_	(19,758,350)		4,327,613	_	24,085,963
GAAP basis adjustments: Depreciation expense, not budgeted		-		-		(1,483,756)		(1,483,756)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis	_		_			130,622		130,622
Net income-GAAP basis	\$	(19,595,521)	\$	(19,758,350)	\$	2,974,479	\$	22,732,829

# MCALLEN CONVENTION CENTER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	<u>Ori</u>	ginal Budget	_	Final Budget	_Ac	tual Amount		/ariance with Final Budget Positive (Negative)
Operating Revenues Charges for services	Ś	3.460.819	Ś	3.460.819	Ś	3.398.798	Ś	(62.021)
Rentals	Ą	975,000	Ų	975,000	Ų	941,608	Ų	(33,392)
Other		1,518,944	_	1,518,944		1,567,103		48,159
Total operating revenues		5,954,763	_	5,954,763		5,907,509		(47,254)
Nonoperating revenues:								
Investment earnings		345,189		345,189		625,461		280,272
Net increase (decrease) in the fair value of investments		-		-		190,778		190,778
Intergovernmental			_			50,304		50,304
Total nonoperating revenues		345,189	_	345,189	_	866,543		521,354
Total revenues		6,299,952	_	6,299,952		6,774,052		474,100
Expenses								
Administration:								
Salaries and benefits		3,809,761		4,069,788		2,888,675		1,181,113
Supplies		317,313		317,313		199,019		118,294
Contractual and other services		3,368,606		3,368,606		3,300,382		68,224
Repairs and maintenance		385,468		385,468		416,127		(30,659)
Capital outlay		4,760,000	_	6,067,838		554,801		5,513,037
Total administration		12,641,148		14,209,013		7,359,004		6,850,009
Non-departmental:								
Interest expense		704		704		704		-
Bond principal requirements		7,520	_	7,520				7,520
Total non-departmental		8,224	_	8,224		704		7,520
Total expenses		12,649,372	_	14,217,237	_	7,359,708		6,857,529
Excess (deficiency) of revenues over expenses (budget basis)								
before transfers		(6,349,420)	_	(7,917,285)		(585,656)	_	7,331,629
Transfers:								
Transfers in		2,579,997		2,579,997		2,977,431		397,434
Transfers out		(24,500)	_	(64,879)		(64,879)		
Net transfers		2,555,497	_	2,515,118		2,912,552	_	397,434
Excess (deficiency) of revenues over budget		(3,793,923)	_	(5,402,167)		2,326,896	_	7,729,063
GAAP basis adjustments:								
Depreciation expense, not budgeted		-		-		(1,538,029)		(1,538,029)
Capital outlay-budgeted as expenses per budget basis,								
capitalized per GAAP basis			_			554,801		554,801
Net income-GAAP basis	\$	(3,793,923)	\$	(5,402,167)	\$	1,343,668	\$	6,745,835

# PERFORMING ARTS CENTER FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 618,300	\$ 618,300	\$ 825,828	\$ 207,528
Rentals	545,000	545,000	682,522	137,522
Other	100,000	100,000	28,448	(71,552)
Total operating revenues	1,263,300	1,263,300	1,536,798	273,498
Nonoperating revenues:				
Investment earnings	142,726	142,726	274,571	131,845
Net increase (decrease) in the fair value of investments			8,343	8,343
Intergovernmental	-	_	8,164	8,164
Total nonoperating revenues	142,726	142,726	291,078	148,352
Total Honoperating revenues	172,720	172,720	271,070	140,002
Total revenues	1,406,026	1,406,026	1,827,876	421,850
Expenses Administration: Supplies	49,543	49,543	150,783	(101,240)
Contractual and other services	2,288,200	2,288,200	2,472,673	(184,473)
Repairs and maintenance	196,000	196,000	192,919	3,081
Capital outlay	395,590	395,590	131,303	264,287
Suprial Sullay				
Total administration	2,929,333	2,929,333	2,947,678	(18,345)
Total expenses	2,929,333	2,929,333	2,947,678	(18,345)
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(1,523,307)	(1,523,307)	(1,119,802)	403,505
Transfers: Transfers in	1,217,777	1,217,777	1,316,910	99,133
Transfers out	(24,500)	(24,500)	(24,500)	
Net transfers	1,193,277	1,193,277	1,292,410	99,133
Excess (deficiency) of revenues over budget	(330,030)	(330,030)	172,608	502,638
GAAP basis adjustments: Depreciation expense, not budgeted	-	-	(1,079,555)	(1,079,555)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis			131,303	131,303
Net income-GAAP basis	\$ (330,030)	\$ (330,030)	\$ (775,644)	\$ (445,614)

# CHAMPION LAKE GOLF COURSE FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating Revenues Charges for services Other	\$ 1,435,244 521,945	\$ 1,435,244 521,945	\$ 1,857,299 632,342	\$ 422,055 110,397
Total operating revenues	1,957,189	1,957,189	2,489,641	532,452
Nonoperating revenues: Investment earnings Net increase (decrease) in the fair value of investments Interest revenue - leases	87,669 - -	87,669 - 	198,376 243 249	110,707 243 249
Total nonoperating revenues	87,669	87,669	198,868	111,199
Total revenues	2,044,858	2,044,858	2,688,509	643,651
Expenses Operations: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay	1,259,551 202,197 169,620 123,350 176,000	1,259,380 202,197 169,620 123,350 298,000	1,035,449 240,509 199,185 146,708 205,879	223,931 (38,312) (29,565) (23,358) 92,121
Total operations	1,930,718	2,052,547	1,827,730	224,817
Non-departmental: Interest expense Bond principal requirements	21 163	21 163	16 	5 5
Total non-departmental	184	184	16	168
Total expenses	1,930,902	2,052,731	1,827,746	224,985
Excess (deficiency) of revenues over expenses (budget basis) before transfers	113,956	(7,873)	860,763	868,636
Transfers: Transfers out		(11,537)	(11,537)	
Net transfers		(11,537)	(11,537)	
Excess (deficiency) of revenues over budget	113,956	(19,410)	849,226	868,636
GAAP basis adjustments: Depreciation expense, not budgeted	-	-	(423,162)	(423,162)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis			205,879	205,879
Net income-GAAP basis	<u>\$ 113,956</u>	\$ (19,410)	\$ 631,943	\$ 651,353

# METRO MCALLEN FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 395,061	\$ 395,061	\$ 305,237	\$ (89,824)
Rentals	373,807	373,807	270,135	(103,672)
Other	3,600	3,600	6,012	2,412
Total operating revenues	772,468	772,468	581,384	(191,084)
Nonoperating revenues:				
Investment earnings	36,697	36,697	31,386	(5,311)
Gain (loss) on sale of capital assets	-	-	1,824	1,824
Intergovernmental	2,915,994	2,915,994	2,622,038	(293,956)
Interest revenue - leases			10,660	10,660
Total nonoperating revenues	2,952,691	2,952,691	2,665,908	(286,783)
rotal honoperating revenues				(200,700)
Total revenues	3,725,159	3,725,159	3,247,292	(477,867)
Expenses Materials management:	0.004.005	0.004.005	0.700.705	640 504
Salaries and benefits	3,334,306	3,334,306	2,720,725	613,581
Supplies	69,339	69,339	86,990	(17,651)
Contractual and other services	1,423,641	1,423,641	1,778,740	(355,099)
Repairs and maintenance	471,357	471,357	460,875	10,482
Total materials management	5,298,643	5,298,643	5,047,330	251,313
Total expenses	5,298,643	5,298,643	5,047,330	251,313
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(1,573,484)	(1,573,484)	(1,800,038)	(226,554)
Transfers: Transfers in	1,531,683	1,531,683	1,531,683	-
Transfers out	(25,000)	(59,611)	(59,611)	
Net transfers	1,506,683	1,472,072	1,472,072	
Excess (deficiency) of revenues over budget	(66,801)	(101,412)	(327,966)	(226,554)
GAAP basis adjustments: Depreciation expense, not budgeted			(19,715)	(19,715)
Net income-GAAP basis	\$ (66,801)	\$ (101,412)	\$ (347,681)	\$ (246,269)

# TRANSIT TERMINAL FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating Revenues Other	\$ -	\$ -	\$ 9,633	\$ 9,633
Total operating revenues			9,633	9,633
Nonoperating revenues:     Investment earnings     Gain (loss) on sale of capital assets     Intergovernmental     Capital contributions	76,032 - 976,088 14,754,857	76,032 - 976,088 18,706,089	9,318 (29,432) 800,003 2,569,138	(66,714) (29,432) (176,085) (16,136,951)
Total nonoperating revenues	15,806,977	19,758,209	3,349,027	(16,409,182)
Total revenues	15,806,977	19,758,209	3,358,660	(16,399,549)
Expenses  Administration: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay	510,012 1,814 107,548 633,978 16,801,350	510,012 1,814 107,548 633,978 18,727,151	383,018 17,051 138,420 660,498 1,996,522	126,994 (15,237) (30,872) (26,520) 16,730,629
Total administration Non-departmental: Interest expense Bond principal requirements	18,054,702 260 2,773	19,980,503 260 2,773	3,195,509 260 	16,784,994 - 2,773
Total non-departmental	3,033	3,033	260	2,773
Total expenses	18,057,735	19,983,536	3,195,769	16,787,767
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(2,250,758)	(225,327)	162,891	388,218
Transfers: Transfers in Transfers out	218,491	218,491 (6,730)	201,216 (6,730)	(17,275)
Net transfers	218,491	211,761	194,486	(17,275)
Excess (deficiency) of revenues over budget	(2,032,267)	(13,566)	357,377	370,943
GAAP basis adjustments: Depreciation expense, not budgeted	-	-	(1,174,603)	(1,174,603)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis			1,996,522	1,996,522
Net income-GAAP basis	\$ (2,032,267)	\$ (13,566)	\$ 1,179,296	\$ 1,192,862

# FLEET MATERIALS MANAGEMENT FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Budge	et	Final Budget		Actual Amount		ariance with Final Budget Positive (Negative)
Operating Revenues Fleet billings Materials management	\$ 4,920,0 350,0			\$	6,822,361 464,861	\$	1,902,361 114,861
Total operating revenues	5,270,0	00	5,270,000	_	7,287,222	_	2,017,222
Nonoperating revenues: Intergovernmental Other	20,0	- 00	20,000		13 58,790	_	13 38,790
Total nonoperating revenues	20,0	00	20,000	_	58,803		38,803
Total revenues	5,290,0	00	5,290,000	_	7,346,025		2,056,025
Expenses  Materials management: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay	228,8 2,7 3,1 8,2	50 00 10	163,631 2,750 3,100 8,210 120,000		137,122 1,861 4,662 5,367		26,509 889 (1,562) 2,843
Total materials management	<u>120,0</u> 362,8		297,691	_	149,012		120,000 148,679
Fleet operations: Salaries and benefits Supplies Contractual and other services Repairs and maintenance Capital outlay	1,400,8 34,6 3,324,8 68,5 10,0	54 00 04	1,465,987 34,654 3,324,800 68,504 10,000		1,222,079 30,904 6,043,857 52,502 7,695		243,908 3,750 (2,719,057) 16,002 2,305
Total fleet operations Non-departmental: Liability insurance Interest expense Bond principal requirements	6	47 62 69	4,903,945 4,447 62 669		7,357,037 4,447 63	_	(2,453,092) (1) 669
Total non-departmental	5,1		5,178		4,510	_	668
Total expenses  Excess (deficiency) of revenues over expenses (budget basis) before transfers	<u>5,206,8</u> 83,1		5,206,814		7,510,559	_	(2,303,745)
Transfers: Transfers out		<u>-</u>	(18,267)	<u>)                                    </u>	(18,267)		
Net transfers			(18,267)	<u> </u>	(18,267)		
Excess (deficiency) of revenues over budget	83,1	86	64,919		(182,801)		(247,720)
GAAP basis adjustments: Depreciation expense, not budgeted		-	-		(106,155)		(106,155)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis					7,695	_	7,695
Net income-GAAP basis	\$ 83,1	86	\$ 64,919	\$	(281,261)	\$	(346,180)

# EMPLOYEE BENEFITS FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Origin	al Budget	Fina	ıl Budget	Act	ual Amount	F	ariance with inal Budget Positive (Negative)
Operating Revenues					_		_	(
Contributions	\$	<u>16,945,136</u>	\$	16,945,136	\$	16,696,307	\$	(248,829)
Total operating revenues		16,945,136		16,945,136		16,696,307		(248,829)
Nonoperating revenues:								
Investment earnings		-		-		45		45
Other		1,747,945		1,747,945		2,111,466		363,521
Total nonoperating revenues		1,747,945		1,747,945		2,111,511		363,566
Total revenues		18,693,081		18,693,081		18,807,818		114,737
Expenses  Materials management:								
Salaries and benefits		488,345		488,345		452,773		35,572
Supplies		6,965		6,965		9,639		(2,674)
Contractual and other services		4,476,920		4,204,597		4,311,494		(106,897)
Self insurance claims		13,348,330		14,016,279		15,952,513		(1,936,234)
Total materials management		18,320,560		18,716,186		20,726,419		(2,010,233)
Total expenses		18,320,560		18,716,186		20,726,419		(2,010,233)
Excess (deficiency) of revenues over expenses (budget basis) before transfers		372,521		(23,105)		(1,918,601)		(1,895,496)
Transfers: Transfers in				1,636,326		1,636,326		<u> </u>
Net transfers				1,636,326		1,636,326		<u> </u>
Excess (deficiency) of revenues over budget		372,521		1,613,221		(282,275)		(1,895,496)
Net income-GAAP basis	\$	372,521	\$	1,613,221	\$	(282,275)	\$	(1,895,496)

# RETIREE HEALTH INSURANCE FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

				Variance with Final Budget Positive
	Original Budg	et Final Budget	Actual Amount	(Negative)
Operating Revenues Contributions	\$ 1,596,4	56 \$ 1,596,456	\$ 1,443,536	\$ (152,920)
Total operating revenues	1,596,4	56 1,596,456	1,443,536	(152,920)
Nonoperating revenues: Investment earnings		<u>-</u>	17,286	17,286
Total nonoperating revenues		<u>-</u>	17,286	17,286
Total revenues	1,596,4	56 1,596,456	1,460,822	(135,634)
Expenses  Materials management:				
Contractual and other services	144,	85 144,585	127,795	16,790
Self insurance claims	835,9	69 835,969	1,075,847	(239,878)
Total materials management	980,	980,554	1,203,642	(223,088)
Total expenses	980,	980,554	1,203,642	(223,088)
Excess (deficiency) of revenues over expenses (budget basis) before transfers	615,9	02 615,902	257,180	(358,722)
Excess (deficiency) of revenues over budget	615,9	02 615,902	257,180	(358,722)
Net income-GAAP basis	\$ 615,9	02 \$ 615,902	\$ 257,180	\$ (358,722)

# RISK MANAGEMENT FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	_Orig	ginal Budget	Final	Budget	Act	ual Amount	F	ariance with inal Budget Positive (Negative)
Operating Revenues Contributions	\$	2,283,295	\$	2,283,295	\$	2,394,633	\$	111,338
Total operating revenues		2,283,295		2,283,295		2,394,633		111,338
Nonoperating revenues: Investment earnings Net increase (decrease) in the fair value of investments		230,416		230,416		342,448 277,767		112,032 277,767
Other		108,500		108,500		116,744		8,244
Total nonoperating revenues		338,916		338,916		736,959		398,043
Total revenues		2,622,211		2,622,211		3,131,592		509,381
Expenses  Materials management: Salaries and benefits Supplies Contractual and other services Repairs and maintenance	_	707,792 8,975 1,579,979 2,624		707,792 8,975 1,579,979 2,624		534,763 7,060 1,600,241 2,665		173,029 1,915 (20,262) (41)
Total materials management		2,299,370		2,299,370		2,144,729		154,641
Total expenses		2,299,370		2,299,370		2,144,729		154,641
Excess (deficiency) of revenues over expenses (budget basis) before transfers		322,841		322,841		986,863		664,022
Transfers: Transfers out		<u>-</u>		(6,730)		(6,730)		
Net transfers		<del>-</del>		(6,730)		(6,730)	_	<u>-</u>
Excess (deficiency) of revenues over budget		322,841		316,111		980,133	_	664,022
Net income-GAAP basis	\$	322,841	\$	316,111	\$	980,133	\$	664,022

# PROPERTY & CASUALTY INSURANCE FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Orig	inal Budget	Fi	nal Budget	Act	ual Amount		Variance with Final Budget Positive (Negative)
Operating Revenues  Contributions	\$	2,267,107	Ś	2,267,107	Ś	2,267,107	\$	_
Total operating revenues		2,267,107		2,267,107		2,267,107	_	
Nonoperating revenues: Investment earnings Other		- -		- 923,789		65,630 925,838		65,630 2,049
Total nonoperating revenues				923,789		991,468		67,679
Total revenues		2,267,107		3,190,896		3,258,575		67,679
Expenses  Materials management: Salaries and benefits Supplies Contractual and other services Self insurance claims		161,056 1,500 1,579,573 326,448		161,056 1,500 1,579,573 326,448		132,514 430 866,063 558,361		28,542 1,070 713,510 (231,913)
Total materials management		2,068,577		2,068,577		1,557,368	_	511,209
Total expenses		2,068,577		2,068,577		1,557,368	_	511,209
Excess (deficiency) of revenues over expenses (budget basis) before transfers		198,530		1,122,319		1,701,207	_	578,888
Transfers: Transfers out		<del>-</del>		(923,789)		(923,789)		
Net transfers				(923,789)		(923,789)		
Excess (deficiency) of revenues over budget		198,530		198,530		777,418		578,888
Net income-GAAP basis	\$	198,530	\$	198,530	\$	777,418	\$	578,888

# GENERAL DEPRECIATION FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGET BASIS) For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Operating Revenues Charges for services	\$ 3,470,710	\$ 3,470,710	\$ 3,470,713	\$ 3
Total operating revenues	3,470,710	3,470,710	3,470,713	3
Nonoperating revenues:     Investment earnings     Net increase (decrease) in the fair value of investments     Gain (loss) on sale of capital assets     Capital contributions	572,666 - - -	572,666 - - -	683,530 434,767 91,640 363,599	110,864 434,767 91,640 363,599
Total nonoperating revenues	572,666	572,666	1,573,536	1,000,870
Total revenues	4,043,376	4,043,376	5,044,249	1,000,873
Expenses Administration: Supplies Capital outlay	- 8,841,018	- 8,996,898	134 5,294,934	(134) 3,701,964
Total administration	8,841,018	8,996,898	5,295,068	3,701,830
Total expenses	8,841,018	8,996,898	5,295,068	3,701,830
Excess (deficiency) of revenues over expenses (budget basis) before transfers	(4,797,642)	(4,953,522)	(250,819)	4,702,703
Excess (deficiency) of revenues over budget	(4,797,642)	(4,953,522)	(250,819)	4,702,703
GAAP basis adjustments: Depreciation expense, not budgeted	-	-	(2,104,950)	(2,104,950)
Capital outlay-budgeted as expenses per budget basis, capitalized per GAAP basis			5,294,934	5,294,934
Net income-GAAP basis	\$ (4,797,642)	\$ (4,953,522)	\$ 2,939,165	\$ 7,892,687



# **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 Ten Years (accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$271,338,778	\$277,919,085	\$220,553,878	\$205,470,975	\$219,672,941	\$226,088,033	\$240,339,983	\$241,168,319	\$277,597,057	\$ 319,807,812
Restricted	24,007,134	23,545,092	22,963,251	26,550,903	29,564,998	52,640,091	62,684,340	73,207,265	69,342,696	65,491,692
Unrestricted	45,826,104	36,063,681	38,062,911	33,617,347	36,961,573	31,884,261	67,178,199	96,377,291	109,819,809	111,026,479
Total governmental activities net position	\$341,172,016	\$337,527,858	\$281,580,040	\$265,639,225	\$286,199,512	\$310,612,385	\$370,202,522	\$410,752,875	\$456,759,562	\$ 496,325,983
Business-type activities										
Net investment in capital assets	\$245,028,871	\$269,347,294	\$332,816,366	\$345,070,300	\$337,286,613	\$339,364,968	\$347,494,167	\$353,027,244	\$349,069,018	\$ 371,732,776
Restricted	53,275,318	61,516,830	63,635,870	65,221,064	70,008,882	70,317,544	69,971,630	74,307,583	81,181,296	88,328,812
Unrestricted	80,172,274	49,323,806	39,820,546	35,366,274	38,518,470	43,304,674	54,247,453	59,672,125	80,426,491	82,321,944
Total business-type activities net position	\$378,476,463	\$380,187,930	\$436,272,782	\$445,657,638	\$445,813,965	\$452,987,186	\$471,713,250	\$487,006,952	\$510,676,805	\$ 542,383,532
Primary government										
Net investment in capital assets	\$516,367,649	\$547,266,379	\$553,370,244	\$550,541,275	\$556,959,554	\$565,453,001	\$587,834,150	\$594,195,563	\$626,666,075	\$ 691,540,588
Restricted	77,282,452	85,061,922	86,599,121	91,771,967	99,573,880	122,957,635	132,655,970	147,514,848	150,523,992	153,820,504
Unrestricted	125,998,378	85,387,487	77,883,457	68,983,621	75,480,043	75,188,935	121,425,652	156,049,416	190,246,300	193,348,423
Total primary government activities net										
position	<u>\$719,648,479</u>	<u>\$717,715,788</u>	<u>\$717,852,822</u>	<u>\$711,296,863</u>	<u>\$732,013,477</u>	<u>\$763,599,571</u>	<u>\$841,915,772</u>	\$897,759,827	<u>\$967,436,367</u>	<u>\$1,038,709,515</u>

### (1) As per GASB 63

\* 2015 Restated per GASB 68

Source: Annual Comprehensive Financial Reports

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses Governmental activities: General government Public safety Highways and streets Health and welfare Culture and recreation Interest on long-term debt	\$ 26,748,778 \$ 57,338,636 23,018,428 7,676,848 13,810,026 2,159,876			52,324,011 \$ 57,965,285 24,448,675 7,094,404 23,161,527 3,651,488	27,563,177 \$ 64,933,815 23,881,893 6,924,442 25,939,335 4,164,252	30,479,235 \$ 69,197,955 21,524,702 7,764,075 25,865,451 5,343,342	30,996,336 \$ 64,284,810 19,239,375 7,309,487 24,234,654 4,320,581	57,859,172 \$ 68,473,095 20,606,994 7,355,183 25,437,546 3,935,848	46,815,019 \$ 80,508,390 25,178,835 8,445,811 30,669,464 3,928,732	47,948,451 78,992,496 30,059,428 8,315,134 29,851,788 3,506,182
Total governmental activities expenses	130,752,592	156,254,997	166,381,165	168,645,390	153,406,914	160,174,760	150,385,243	183,667,838	195,546,251	198,673,479
Business-type activities: Water services Wastewater services Sanitation services Golf course services Civic center services Performing arts center services Convention center services Airport services Transit services Bus services Anzalduas crossing Bridge services	17,161,204 15,063,966 16,352,417 1,365,580 417,072 5,660,315 7,922,418 1,432,186 3,621,901 4,552,866 6,877,304	20,135,477 16,431,643 17,976,533 1,448,965 162,176 6,400,139 8,856,156 1,551,484 3,795,560 5,642,196 7,310,552	19,213,848 14,568,734 18,110,918 1,449,564 154 1,638,310 6,259,718 9,180,118 1,688,647 3,832,463 5,181,228 7,542,209	19,120,533 14,211,367 18,391,187 1,455,820 2,422,385 5,766,331 9,021,537 1,759,640 3,402,599 4,682,605 7,651,619	20,635,156 17,826,609 19,583,152 1,561,416 	20,533,021 17,822,342 19,912,328 1,559,155 6,619,680 2,369,526 9,788,459 1,623,375 3,728,749 3,706,940 5,824,001	20,373,834 18,608,627 21,140,272 1,637,471 1,708,565 6,257,533 11,220,628 1,896,225 3,916,422 6,107,458 6,144,256	22,034,728 19,657,019 22,060,596 1,791,973 2,173,136 4,902,786 9,968,590 1,735,346 3,823,448 3,571,882 7,276,868	23,000,185 21,492,670 24,239,023 1,918,818 - 2,097,761 8,803,853 11,605,981 1,901,581 4,384,622 5,635,154 8,068,973	23,640,537 21,836,117 24,527,685 2,049,405 2,401,349 8,361,810 11,892,043 2,408,721 5,065,996 5,993,910 8,338,456
Total business-type activities expenses	80,427,229	89,710,881	88,665,911	87,885,623	95,388,539	93,487,576	99,011,291	98,996,372	113,148,621	116,516,029
Total primary government expenses	<u>\$ 211,179,821</u> <u>\$</u>	\$ 245,965,878 \$	255,047,076 \$	256,531,013 \$	248,795,453 \$	253,662,336 \$	249,396,534 \$	282,664,210 \$	308,694,872 \$	315,189,508
Program Revenues Governmental activities: Charges for services: General government Public safety Highways and streets Health and welfare Culture and recreation Operating grants and contributions Capital grants and contributions	\$ 2,088,536 5 7,394,577 1,108,870 414,699 1,202,362 1,961,190 3,406,289	\$ 2,343,536 \$ 3,991,057 1,087,905 366,471 1,363,071 2,090,002 4,127,471	2,430,066 \$ 4,320,581 1,114,907 446,902 1,278,037 4,474,280 4,715,841	2,225,610 \$ 4,493,813 1,833,144 484,970 1,178,511 2,264,818 7,826,973	3,138,933 \$ 4,696,264 2,182,147 464,934 1,149,823 1,793,948 6,559,247	1,246,277 \$ 4,294,525 1,944,900 336,513 435,262 21,661,783 10,893,157	3,788,132 \$ 1,662,726 1,940,423 845,614 883,556 35,912,854 10,987,570	3,734,450 \$ 2,714,660 2,154,689 950,671 1,136,775 42,412,690 4,612,366	3,668,834 \$ 2,897,551 2,146,822 960,560 1,644,798 15,201,826 \$ 17,744,587	4,390,360 3,000,037 2,147,639 976,695 1,560,687 4,217,244 14,599,940
Total governmental activities program revenues	17,576,523	15,369,513	18,780,614	20,307,839	19,985,296	40,812,417	56,020,875	57,716,301	44,264,978	30,892,602
Business-type activities: Charges for services: Water services Wastewater services Sanitation services Bridge services Other	15,659,444 15,378,193 17,398,629 13,600,185 15,021,175	18,558,428 17,147,746 18,220,367 14,512,742 15,928,338	19,407,111 17,704,596 19,230,472 14,728,300 15,589,382	19,053,440 17,456,310 19,579,301 14,392,407 16,035,625	18,653,257 17,539,928 21,442,210 13,808,430 16,930,343	20,772,227 19,155,828 21,691,829 10,724,806 15,253,523	20,692,360 20,002,986 22,646,597 13,331,408 14,112,302	21,630,719 20,253,967 23,265,296 18,042,493 14,677,377	24,696,431 \$ 21,008,796 23,359,709 21,020,123 17,649,941	24,869,436 21,450,152 25,527,023 22,445,523 19,087,184

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating grants and contributions Capital grants and contributions	\$ 1,329,212 \$ 13,042,693	1,523,384 \$ 10,907,454	1,854,981 \$ 6,159,765	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	6,097,219 \$ 17,239,331	3,782,828 21,636,658
Total business-type activities program revenues	91,429,531	96,798,459	94,674,607	98,559,072	96,155,399	104,224,393	118,525,198	118,853,300	131,071,550	138,798,804
Total primary government program revenues	\$ 109,006,054 \$	112,167,972 \$	113,455,221 \$	118,866,911 \$	116,140,695 \$	145,036,810 \$	174,546,073 \$	176,569,601 \$	175,336,528 \$	169,691,406
Net (Expense) Revenue Governmental activities Business-type activities	\$ (113,176,069) \$ 11,002,302	(140,885,484) \$ 7,087,578	(147,600,551) \$ 6,008,696	(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	(151,281,273) \$ 17,922,929	(167,780,877) 22,282,775
Total primary government net expense	<u>\$ (102,173,767)</u> <u>\$</u>	(133,797,906) \$	(141,591,855) \$	(137,664,102) \$	(132,654,758) \$	(108,625,526) \$	(74,850,461) \$	(106,094,609) \$	(133,358,344) \$	(145,498,102)
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 Contributions Miscellaneous	1,077,441 828,482 - 4,332,402	5,253,476 61,301,698 6,716,262 - 1,354,865 490,736 - 5,179,301	42,975,582 \$ 4,946,155 59,488,228 6,801,740 - 1,477,050 620,011 22,969,640 1,503,250	45,630,288 \$ 4,788,407 63,177,249 6,918,783 - 2,040,853 534,238 - 6,227,083	46,800,963 \$ 5,310,620 70,274,159 6,931,777 - 4,194,784 342,643 - 8,100,824	51,489,045 \$ 3,968,611 67,025,563 6,612,373 - 2,826,269 241,597 - 5,938,616	52,947,964 \$ 4,178,181 79,887,252 6,496,154 1,112,755 793,169 - 7,073,997	55,485,210 \$ 5,986,363 90,080,243 7,227,859 1,342,082 (2,303,948)	59,879,201 \$ 6,522,909 93,622,389 6,868,263 1,468,420 11,693,380	63,877,536 7,193,649 96,299,429 6,505,594 1,529,823 15,842,907
Transfers  Total governmental activities	3,086,193 _ 124,226,814	16,485,677 137,241,329	(49,128,923) 91,652,733	3,079,835 132,396,736	2,571,144 144,526,914	5,673,142 143,775,216	1,465,033 153,954,505	<u>2,573,895</u> 166,501,890	4,093,929 197,287,960	2,744,510 207,347,298
Business-type activities Unrestricted investment earnings (loss) Gain (loss) on sale of capital assets Miscellaneous Transfers		689,307 9,899,884 520,372 (16,485,677)	729,638 - 217,595 49,128,923	1,330,004 - 461,238 (3,079,835)	3,151,897 (1,191,286) - (2,571,144)	2,109,546 - (5,673,142)	677,190 - - (1,465,033)	(1,989,331) - - (2,573,895)	9,840,853 \$ - - (4,093,929)	12,168,460 - 2 (2,744,510)
Total business-type activities	(92,339)	(5,376,114)	50,076,156	(1,288,593)	(610,533)	(3,563,596)	(787,843)	(4,563,226)	5,746,924	9,423,952
Total primary government	\$ 124,134,475 \$	131,865,215 \$	141,728,889 \$	131,108,143 \$	143,916,381 \$	140,211,620 \$	153,166,662 \$	161,938,664 \$	203,034,884 \$	216,771,250
Change in Net Position Governmental activities Business-type activities	\$ 11,050,745 \$ 10,909,963	(3,644,155) \$ 1,711,464	(55,947,818) \$ 56,084,852	(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	46,006,687 \$ 23,669,853	39,566,421 31,706,727
Total government net position	\$ 21,960,708 \$	(1,932,691) \$	137,034 \$	(6,555,959) \$	11,261,623 \$	31,586,094 \$	78,316,201 \$	55,844,055 \$	69,676,540 \$	71,273,148

(1) As per GASB 63

**Source: Annual Comprehensive Financial Reports** 

(Concluded)

### **FUND BALANCES - GOVERNMENTAL FUNDS**

# Last Ten Years (modified accrual basis of accounting)

		2015	2016	2017		2018		2019	_	2020	_	2021	_	2022		2023		2024
General Fund																		
Nonspendable	\$	2,295,944	2,646,319	\$ 2,989,178	\$	3,837,797	\$	3,619,510	\$	3,619,510	\$	3,876,920	\$	4,581,262	\$	4,170,814	\$	4,101,719
Assigned		457,022	457,022	457,022		177,736		-		-		-		-		114,400		136,656
Unassigned	_	46,369,562	44,346,729	42,941,348	_	48,732,108		56,950,633	_	56,950,633	_	75,232,268	_	78,613,221	_	78,145,482		94,226,584
Total General Fund	\$	49,122,528	\$ 47,450,070	\$ 46,387,548	\$	52,747,641	<u>\$</u>	60,570,143	\$	60,570,143	\$	79,109,188	<u>\$</u>	83,194,483	\$	82,430,696	\$	98,464,959
All Other Governmental Funds																		
Nonspendable	\$	- \$	27,064	\$ 53,659	\$	57,055	\$	94,083	\$	94,083	\$	-	\$	-	\$	11,322	\$	267,350
Restricted		71,032,714	71,553,166	52,714,390		41,515,087		67,193,014		67,193,014		55,101,958		73,207,265		69,228,296		65,355,036
Committed		513,561	297,145	290,623		119,863		14,809		14,809		-		415,639		466,380		771,270
Assigned		4,451,033	2,989,333	5,412,080		5,399,201		6,091,646		6,091,646		5,884,642		49,526,196		63,537,288		48,708,686
Unassigned				 					_		_	(64,179)	_	(24,322)	_	(34,948)		(6,388,224)
Total all other governmental funds	\$	75,997,308	74,866,708	\$ 58,470,752	\$	47,091,206	\$	73,393,552	\$	73,393,552	\$	60,922,421	\$1	123,124,778	\$1	133,208,338	\$1	08,714,118

### **CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

## Last Ten Years (modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues				2010						2024
Taxes	\$114,763,015	\$113,666,622	\$114,111,851	\$119,820,314	\$129,498,114	\$128,174,571	\$143,496,240	\$160,246,068	\$167,889,104	\$175,113,774
Licenses and permits	1,613,397	1.808.701	1.994.947	1.983.125	2.144.535	2.246.575	2.653.536	2.882.174	2.559.441	2,853,509
Intergovernmental	3,502,500	2,760,398	7,783,963	3,094,407	4,167,021	29,354,952	41,074,008	44,349,570	25,847,444	18,817,185
Charges for services	5,767,795	6,001,013	6,354,554	7,060,426	8,359,074	6,519,087	7,606,530	8,069,844	9,317,571	9,711,241
Fines and forfeitures	5,415,137	1,808,320	1,788,568	1,840,277	1,719,382	1,426,744	1,063,885	1,892,727	2,052,052	2,121,168
Investment earnings (loss)	876,393	1,006,320	1,151,039	1,711,816	3,603,895	2,413,884	639,158	(1,660,771)	10,645,792	14,021,434
Other	4,348,725	4,710,326	5,863,023	7,626,775	8,897,870	7,566,655	7,600,301	5,830,308	10,222,500	9,981,487
Total revenues	136,286,962	131,761,774	139,047,945	143,137,140	158,389,891	177,702,468	204,133,658	221,609,920	228,533,904	232,619,798
Expenditures										
General government	25,333,902	35,773,536	53,158,214	42,661,910	27,232,111	30,162,193	40,045,730	54,041,105	43,231,918	46,021,234
Public safety	52,994,445	54,484,060	55,487,989	57,457,183	59,665,591	61,995,064	63,605,359	66,450,052	70,499,830	76,789,593
Highways and streets	10,782,403	16,486,478	13,314,445	12,628,135	12,566,709	13,131,152	13,152,011	21,406,713	9,573,472	16,687,843
Health and welfare	7,512,747	5,596,042	8,062,409	7,089,064	7,133,563	7,519,006	7,331,452	1,078,320	8,239,074	8,502,598
Culture and recreation	17,767,314	19,980,953	19,174,040	19,872,005	20,083,465	20,596,926	19,780,333	22,619,464	25,008,605	26,404,776
Capital outlay *	29,946,314	39,251,496	22,594,772	17,711,495	24,014,899	29,100,201	18,475,941	17,799,023	54,625,522	57,980,356
Debt service:										
Principal	19,853,534	4,765,000	4,830,000	5,030,000	6,069,091	7,621,306	3,928,921	5,326,917	5,828,484	5,992,573
Interest	3,803,374	2,567,009	4,017,840	4,230,646	4,527,727	5,562,384	4,590,604	3,210,240	3,770,563	4,880,481
Total expenditures	167,994,033	178,904,574	180,639,709	166,680,438	161,293,156	175,688,232	170,910,351	191,931,834	220,777,468	243,259,454
•	107,55 1,000			100,000,100						210,200,101
Excess of revenues over	(04 707 074)	(47.4.40.000)	(44 504 764)	(00 540 000)	(0.000.065)	0.014006	00 000 007	00.670.006	7.756.406	(40,600,656)
(under) expenditures	(31,707,071)	(47,142,800)	(41,591,764)	(23,543,298)	(2,903,265)	2,014,236	33,223,307	29,678,086	7,756,436	(10,639,656)
Other Financing Sources										
(Uses)										
Bond proceeds	15,035,000	29,620,000	20,835,000	15,005,000	18,955,000	-	42,890,000	-	-	-
Transfers in	26,945,098	31,581,149	18,770,483	17,595,175	19,405,758	22,757,119	67,840,354	60,382,764	50,491,977	22,957,250
Bond Premium	1,281,031	-	445,587	439,010	2,250,605	-	-	-	-	-
Bond Discount	-	(160,520)	-	-	-	-	-	-	-	-
Payment to refunded bond		, ,								
escrow agent	-	-	-	-	-	-	(42,543,046)	-	-	-
Lease	-	-	-	-	3,861,923	-	-	-	-	-
Transfers out	(15,923,896)	(16,700,887)	(15,917,784)	(14,515,340)	(16,900,164)	(18,703,441)	(67,585,378)	(57,598,435)	(49,711,427)	(20,918,547)
Issuance of debt for SBITA	<u> </u>							_ <u>-</u> _	782,787	140,996
Total other financing										
Total other financing sources (uses)	27,337,233	44,339,742	24,133,286	18,523,845	27,573,122	4,053,678	601,930	2,784,329	1,563,337	2,179,699
sources (uses)	27,337,233	44,009,742	24,133,200	10,323,043	27,373,122	4,000,070	001,930	2,704,329	1,303,337	2,179,099
Net change in fund										
balances	\$ (4,369,838)	<u>\$ (2,803,058)</u>	<u>\$ (17,458,478)</u>	\$ (5,019,453)	<u>\$ 24,669,857</u>	\$ 6,067,914	\$ 33,825,237	<u>\$ 32,462,415</u>	<u>\$ 9,319,773</u>	<u>\$ (8,459,957)</u>
Debt service as a										
percentage of noncapital										
expenditures	17.14%	5.25%	5.60%	6.22%	7.72%	8.99%	5.59%	4.90%	5.78%	5.87%
on portation of	17.1470	3.20%		J.2270	7.7270	3.5570	3.05%	1.50%	3.70%	0.07 %

<sup>\*</sup> 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%	
2015	\$38,910,760	\$62,939,971	\$ 6,613,748	\$ 4,262,268	\$ 1,217,452	\$ 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	128,508,217
2020	50,568,021	66,297,144	6,612,373	3,086,414	882,197	127,446,149
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
2023	59,435,509	93,594,002	6,868,263	5,072,130	1,450,778	166,420,682
2024	63,661,641	96,223,067	6,505,594	5,595,749	1,597,900	173,583,951
Change 2015-2024	63.61%	52.88%	-1.64%	31.29%	31.25%	52.34%

### **TAXABLE SALES BY CATEGORY**

### Last Ten Years (in Millions)

	2015	2016	2017		2018	2019	2020	2021	2022		2023		2024
Retail	\$ 1,813	\$ 1,709	\$ 1,561	*\$	1,709	\$ 1,806	\$ 1,510	\$ 1,855 *\$	2,173	*\$	2,231	* \$	2,281
Services	223	202	191		195	208	168	172	209	*	225	k	210
Wholesale	123	129	132		139	295	446	532	665	*	635 *	k	621
Other	526	524	541	*	587	620	535	690	771	*	803 3	k	832
Total - All Industries	\$ 2,685	\$ 2,564	\$ 2,425	\$	2,630	\$ 2,929	\$ 2,659	\$ 3,249 \$	3,818	\$	3,894	\$	3,944
							 						(1)

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

#### Percent Allocation of Taxable Sales - Retail Only

Building Materials	5%	6%	6%	5%	5%	7%	7%	7%	N/A*	N/A
General Merchandise	26%	24%	21%	20%	20%	20%	18%	20%	24%*	25%
Food Stores	7%	7%	7%	7%	7%	8%	8%	7%	10%*	10%
Automotive	5%	6%	6%	5%	5%	6%	6%	5%	3%*	3%
Clothing	17%	16%	16%	15%	15%	13%	15%	17%	19%*	19%
Home Furnishings	12%	12%	11%	16%	17%	13%	12%	11%	N/A*	N/A
Restaurants	19%	20%	21%	21%	21%	21%	22%	21%	29%*	28%
Miscellaneous Retail	9%	9%	12%	11%	10%	12%	12%	12%	15%*	15%
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.

<sup>\*</sup> 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	-
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	
2023	2022		8,166,719,428	4,860,509,348	162,675,699		103,392,527	1,134,482,853		1,897,044,102	12,530,735,753	0.46	
2024	2023		9,452,351,028	5,288,554,444	203,170,740		112,140,174	1,073,910,818		2,060,476,882	14,069,650,322	0.45	

<sup>(1)</sup> 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	Overlapping Rates											
		-					School	Districts			Hidalgo					
Fiscal Year Ended September 30	d Tax Roll Obligation So.		So. Tx College	Hidalgo	Edinburg	County Drainage District No.1	Hidalgo County	Tres Lagos PID Assessment								
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			
2023	2022	0.42	0.04	0.46	1.00	0.96	1.02	0.16	1.20	0.88	0.11	0.58	0.25			
2024	2023	0.41	0.04	0.45	1.00	0.96	1.02	0.16	1.20	0.87	0.11	0.58	0.25			

# PRINCIPAL PROPERTY TAX PAYERS Current Year and Nine Years Ago

	2024				2015						
Taxpayer	Tax	able Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Tax	kable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value			
Simon Property Group	\$	158,158,612	1	1.12%	\$	115,303,024	1	1.46%			
AEP Texas Central Co.		91,387,810	2	0.65%		41,662,980	4	0.53%			
Big Sky Commercial Property		68,372,598	3	0.49%							
Rio Grande Regional Hospital		62,538,704	4	0.44%		54,415,269	2	0.69%			
La Plaza Mall		56,249,517	5	0.40%							
Universal Health Services		49,206,319	6	0.35%		46,786,593	3	0.59%			
United Parcel Services Inc		47,469,379	7	0.34%							
Palm Crossing Town Center LLC		37,786,377	8	0.27%		41,358,090	5	0.52%			
Shops at 29 LTD		33,210,469	9	0.24%							
McAllen Foreign Trade Zone		30,853,878	10	0.22%							
GE Engine Services		-		-		33,870,284	6	0.43%			
H E Butt Grocery Company		-		-		25,974,322	7	0.33%			
Inland Western		-		-		21,730,017	8	0.28%			
McAllen Medical Center		-		-		18,219,227	9	0.23%			
Weingarten Las Tiendas JV		<u>-</u>		-		17,985,283	10	0.23%			
	\$	635,233,663		4.52%	\$	417,305,089		5.29%			

Data Source: City of McAllen - Tax Office

### PROPERTY TAX LEVIES AND COLLECTIONS

**Last Ten Fiscal Years** 

		т.	axes Levied	۸di	ustments to	^	diusted Taxes	С	ollected Within t the L	the Fiscal Year of	C	ollections in	Total Col	lections
Fiscal Year	Tax Roll Year	Wit	hin the Fiscal ar of the Levy	•	in the Fiscal Year		evied for the Fiscal Year	vied for the Percentage		Percentage of	_	ubsequent Years	Amount	Percentage of Levy
2015	2014	\$	36,982,695	\$	865,085	\$	37,847,780	\$	36,687,212	96.93%	\$	1,070,599	37,757,811	99.76%
2016	2015		39,413,347		175,479		39,588,826		38,386,098	96.96%		1,085,660	39,471,758	99.70%
2017	2016		42,519,989		(98,381)		42,421,608		41,015,610	96.69%		1,280,497	42,296,107	99.70%
2018	2017		43,393,343		574,153		43,967,496		42,713,360	97.15%		1,131,806	43,845,166	99.72%
2019	2018		45,726,885		143,567		45,870,452		44,515,112	97.05%		1,201,387	45,716,499	99.66%
2020	2019		49,916,376		82,947		49,999,323		48,512,317	97.03%		1,257,738	49,770,055	99.54%
2021	2020		50,905,212		835,693		51,740,905		50,311,919	97.24%		1,154,417	51,466,336	99.47%
2022	2021		53,036,057		1,429,226		54,465,283		53,290,262	97.84%		762,035	54,052,297	99.24%
2023	2022		58,106,007		540,296		58,646,303		57,290,116	97.69%		573,080	57,863,196	98.66%
2024	2023		62,158,794		444,070		62,602,864		61,175,454	97.72%		-	61,175,454	97.72%

Source: City of McAllen Tax Office

### **RATIOS OF OUTSTANDING DEBT BY TYPE**

### **Last Ten Fiscal Years**

	_		Governmental	Activities		_		Busin	ess-Type Activit						
Year		General Obligation Bonds	Combination Tax and Revenue Certificates of Obligation	Sales Tax Revenue Obligations	Leases & SBITA's	W	ater Revenue Bonds	Sewer Revenue Bonds	Anzalduas International Crossing Bond		Airport CO Bonds	Leases & SBITA's	Total Primary Government	Percentage of Personal Income (a)	Per Capital (a)
2015	\$	59,047,110	\$ 13,003,737	\$ 75,000	\$ .	\$	19,028,844	\$ 113,066,972	\$ 33,610,9	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	32,274,4	188	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	31,202,9	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	27,760,7	750	6,720,000	513,996	314,465,423	9.24%	2,139
2020		60,123,612	50,646,378	19,455,000	2,776,526	i	33,052,064	99,233,530	25,744,2	215	6,197,346	446,978	297,675,649	8.46%	2,049
2021		66,822,196	41,595,600	20,900,000	1,918,684	ļ	31,612,414	94,635,180	24,149,2	215	5,812,346	308,878	287,754,513	8.57%	1,876
2022		63,589,502	39,748,469	20,900,000	1,463,771		47,867,740	89,604,575	85,263,8	309	5,289,390	235,648	353,962,904	9.81%	2,411
2023		60,262,740	37,832,604	20,900,000	1,929,990	)	45,187,874	84,533,079	83,317,0	880	4,755,313	260,537	338,979,225	8.45%	2,326
2024		56,320,233	36,161,111	19,550,000	995,074	ļ	42,304,768	79,624,477	81,314,	581	4,205,921	177,381	320,653,546	7.39%	2,173

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 /ailable for ot Service <sup>(c)</sup>	 Total	Percentage of Actual Taxable Value of Property (a)	Per Capital <sup>(b)</sup>
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
2023		98,095,344		5,793,270	92,302,074	0.74%	674
2024		92,782,811		6,901,934	85,880,877	0.61%	629

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

<sup>(</sup>a) See Schedule 7 for property value data.

<sup>(</sup>b) See Schedule 16 for population data.

<sup>(</sup>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, 2024

Governmental Unit	Del	bt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt		
Debt repaid with property taxes						
Hidalgo County	\$	379,475,000	25.92%	\$	98,359,920	
McAllen Independent School District		63,996,000	99.42%		63,624,823	
Sharyland Independent School District		74,615,000	27.03%		20,168,435	
P.S.J.A Independent School District		232,440,000	11.86%		27,567,384	
Hidalgo County Drainage District #1		249,590,000	26.82%		66,940,038	
South Texas College		85,419,693	24.15%		20,628,856	
Hidalgo Independent School District		24,382,000	33.78%		8,236,240	
Mission Consolidated Independent School District		88,307,960	0.36%		317,909	
Edinburg Independent School District		109,735,000	7.22%		7,922,867	
Subtotal, overlapping debt					313,766,472	
City of McAllen (direct debt)		113,327,885	100.00%		113,327,885	
Total direct and overlapping debt				\$	427,094,357	

<sup>\*</sup>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 boundaries 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 2024

Assessed value	\$	14,069,650,322
Debt limit (5% of assessed value)		703,482,516
Debt applicable to limit:		
General obligation bonds		92,782,811
Less: amount set aside for repayment of general obligation		
debt		(5,345,651)
Total net debt applicable to limit		87,437,160
I amal dalah manusin	<u> </u>	(16.045.056
Legal debt margin	<u>ې</u>	616,045,356

	Fiscal Year											
	2015	2016	2017	2018	2019	2020	2021	2022	2023		2024	
Debt limit	\$ 394,480,337	\$ 421,777,231	\$ 455,583,682	\$ 465,593,796	\$ 487,290,584	\$ 515,161,818	\$ 532,006,676	\$ 552,782,675	\$ 626,536,788	\$	703,482,516	
Total net debt applicable to limit	68,167,809	90,478,043	95,808,670	99,253,585	114,491,713	107,929,637	105,052,352	99,457,579	93,593,854		87,437,160	
Legal debt margin	\$ 326,312,528	\$331,299,188	\$359,775,012	\$ 366,340,211	\$ 372,798,871	\$ 407,232,181	\$ 426,954,324	\$ 453,325,096	\$ 532,942,934	\$	616,045,356	
Total net debt applicable to the limit as a percentage of debt limit	20.89%	27.31%	26.63%	27.09%	30.71%	26.50%	24.61%	21.94%	17.56%		14.19%	

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									Sewer Revenue Bonds											
						Debt S	Serv	rice									Debt Sei	rvic	е		
Fiscal Year	Total Revenues <sup>(a)</sup>	Less: Operating Expenses (b)		et Available Revenue		Principal		Interest	Coverage		Total Revenues <sup>(a)</sup>		Less: Operating expenses (b)		et Available Revenue		Principal	ı	Interest	Cov	verage_
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 \$	3	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
2023	26,560,680	17,189,164		9,371,516		2,883,106		1,052,168	2.38		22,371,795		11,183,628		11,188,167		4,908,602		1,168,481	1	.84
2024	27,051,990	16,998,385		10,053,605		2,930,951		967,757	2.58		22,945,988		11,116,952		11,829,036		4,973,263		1,077,771	1	.95

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

<sup>(</sup>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
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%
2023	145,499	4,006,024	27,533	34.4	20,399	5.80%
2024	147,539	4,338,532	29,406	35.3	20,095	5.90%
	(A)		(B)	(C)	(D)	(E)

Source:

(A) U.S Census Bureau-2015 and local estimates; 2020 Official U.S. Census

(B) U.S Census Bureau - 2020

(C) U.S Census Bureau - 2020.

(D) McAllen Independent School District

(E) U. S. Bureau of Labor Statistics

### PRINCIPAL EMPLOYERS IN THE AREA

### **Current Year and Nine Years Ago**

		2024				2015	
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
McAllen Independent School District	3,439	1	4.91%	McAllen Independent School District	3,419	1	5.71%
City of McAllen	2,028	2	2.90%	South Texas College	2,200	2	3.67%
Rio Grande Regional Hospital	2,000	3	2.86%	McAllen Medical Center	2,000	3	3.34%
South Texas College	1,777	4	2.54%	City of McAllen	1,877	4	3.13%
BBVA Compass Bank	1,610	5	2.30%	HEB	1,220	5	2.04%
International Bank of Commerce	1,200	6	1.71%	International Bank of Commerce	1,200	6	2.00%
McAllen Medical Center - South Texas Health System	1,150	7	1.64%	Rio Grande Regional Hospital	1,100	7	1.84%
Regal Beloit	380	8	0.54%	Wal-Mart	1,000	8	1.67%
Alps Automotive	375	9	0.54%	GE Engines	650	9	1.09%
GE Aviation	350	10	0.50%	Dillards	354	10	0.59%
Total	<u>14,309</u> (A)		20.44% (B)		=15,020 (C)		25.08% (C)

Source:

<sup>(</sup>A) McAllen EDC - Fiscal Year 2024 information will not be available before April 2025.

<sup>(</sup>B) Texas Workforce Commission

<sup>(</sup>C) City of McAllen ACFR Fiscal Year 2015

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

	Full Time only									
Formation (Document	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program General Government	196	199	200	203	198	198	213	212	217	223
Public Safety: Police:										
Officers Civilians	285 143	285 144	285 144	285 146	275 137	294 146	294 146	300 148	313 148	298 148
Fire: Fire fighters and officers Civilians	167 12	167 12	169 14	171 14	175 18	179 19	179 19	180 19	178 22	181 25
Other	62	63	66	66	57	68	68	67	70	71
Highways and streets	98	93	94	95	83	98	98	99	99	99
Health and welfare	25	25	26	27	24	32	32	39	35	38
Culture and Recreational	197	202	205	214	198	231	232	239	214	233
Downtown Services	16	16	16	16	16	16	15	15	15	15
Water services	137	138	134	144	146	149	148	149	150	153
Wastewater services	85	87	89	88	87	87	92	92	93	96
Sanitation	153	159	161	165	165	165	166	169	170	184
Golf Course	12	12	12	12	12	12	12	17	17	17
Convention Center	39	45	48	47	47	48	48	50	53	58
Airport	38	37	37	37	41	41	41	42	42	46
Transit terminal	8	8	8	7	6	8	9	9	9	9
Metro McAllen	47	47	47	47	49	49	49	49	59	59
Bridge	41	42	41	41	42	42	45	45	45	45
Anzalduas Bridge	13	13	13	14	14	15	12	9	9	9
Fleet Services	26	26	26	26	26	26	26	26	26	26
Employee benefits	5	6	6	6	6	6	6	6	6	6
Risk Management	7				8	8	11	11	12	13
Total	1,812	1,833	1,848	1,878	1,830	1,937	1,961	1,992	2,002	2,052

Source: City's Budget Document

# OPERATING INDICATORS BY FUNCTION/PROGRAM Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program Public Safety										
Police										
Number of employees-commissioned	285	285	289	289	298	298	300	316	316	302
Number of service calls	152,303	144,761	140,632	143,598	138,777	132,367	142,149	136,948	141,694	245,514
Fire										
Number of firemen	167	167	167	174	176	180	180	180	182	182
Total number of alarm responses	6,674	6,696	7,344	7,814	8,238	4,447	4,594	4,686	6,349	6,491
Code enforcement										
Number of employees	22	12	18	18	18	33	31	23	45	45
Number of building permits	1,559	1,551	1,548	1,512	1,662	2,197	2,463	2,743	2,122	2,230
Development services										
Street Resurfacing (linear miles)	42	33	36	11	12	12	8	10	9	10
Sidewalk Construction (linear feet)	29,304	3,368	5,887	2,746	1,242	3,653	7,207	10,402	3,580	20,290
Cultural and recreational										
Parks and recreation										
Participants in special event programs	360,000	360,000	367,900	301,000	302,197	359,671	25,000	361,000	370,000	307,793
Participants in athletic programs	518	10,860	13,819	11,860	8,340	5,448	1,223	6,512	9,950	7,766
Participants in after school programs	827	1,195	1,313	1,206	1,218	781	373	1,098	1,157	1,981
Library-main										
Volumes in collection	324,932	323,822	336,396	333,600	337,046	325,037	300,295	334,491	328,654	328,074
Water and Wastewater system										
Number of water customers	45,830	46,201	46,780	47,399	47,950	48,415	49,331	50,357	50,975	51,714
Number of Wastewater customers	40,996	40,912	41,660	42,286	42,804	43,218	43,914	44,614	45,259	45,859
Average daily water consumption (gallons)	21,000,000	22,303,830	20,302,000	26,300,000	24,000,000	25,011,602	20,848,000	21,670,000	21,376,650	21,347,642
Maximum storage capacity (gallons) South										
Plant	7,900,000	7,750,000	7,750,000	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	4,250,000	4,250,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
			4,250,000 10.62	4,000,000	4,000,000			4,000,000		4,000,000 27.45
Rainfall (inches)	21.22	17.80	10.62	31.52	16.91	35.26	30.00	17.59	21.88	27.45
Sanitation										
Refuse collected (tons)	138,149	143,225	137,834	141,659	144,117	141,569	152,702	152,753	149,506	151,407
Bulky/brush pickups (tons)	30,410	34,586	26,131	32,625	33,132	43,203	47,542	33,197	39,248	30,460
Recyclables collected (tons)	4,323	5,200	5,503	4,644	5,858	5,469	6,827	6,379	7,580	8,958
Golf course										
Total number of rounds	40,447	42,484	35,569	44,346	43,285	45,638	51,442	51,442	59,978	65,608

Source: City Departments

# CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	7	2	6	2	5	6	7	7	7	7
Fire stations	7	7	7	7	7	7	7	7	7	7
Fire hydrants	4,200	4,769	4,900	5,250	5,046	5,471	5,132	5,281	5,264	6,400
Development Services										
City area:										
Square miles	54.5	57.9	63.4	62.5	62.8	74.3	63.1	63.0	63.1	65.6
Acres	34,864	37,064	39,910	40,148	40,205	40,200	40,360	40,410	40,441	41,837
Streets- paved (miles)	540	1,061	1,040	1,384	1,387	1,387	1,395	1,401	1,406	1,414
Cultural and Recreational										
Developed parks (acres)	615	662	687	708	708	708	714	719	737	737
Parks (acres)-undeveloped	382	654	310	308	308	146	140	140	131	136
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	26	26	36	36	36	36	36	36	38	38
Lighted baseball diamonds/athletic fields	12	16	41	68	68	66	66	66	84	84
Municipal golf (18-hole course)	1	1	1	1	1	1	1	1	1	1
Water and Wastewater										
Water mains (miles)	738	722	727	730	734	737	744	747	794	810
Sanitary wastewater (miles)	535	540	546	550	554	558	566	570	691	715
Storm (miles)	315	239	239	243	239	241	245	269	273	275

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 26, 2022 to all classes of customers is as follows:

Inside City	Commodity
Minimum rate	Rate
\$12.45	(1)

(1) Per 1,000 gallons or any part thereof as follows: Residential-\$1.65/1,000 gallons for the first 4,999 gallons; plus \$1.95/1,000 for consumption between 5,000 and 9,999 gallons; plus \$2.15 for consumption between 10,000 gallons to 14,999; and \$2.25 per 1,000 thereafter.

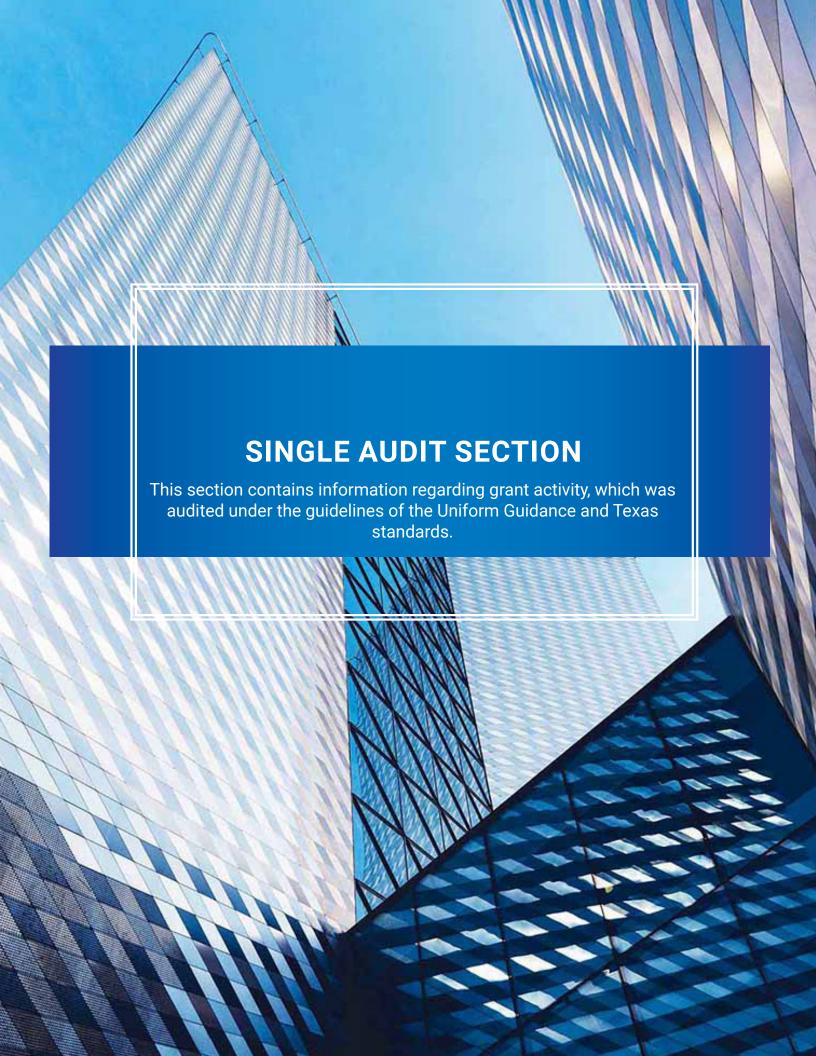
Commercial, Multi-family, and Industrial-\$1.65/1,000 gallons for the first 12-month average base consumption; plus \$2.15/1,000 for consumption over the 12-month average base consumption.

Sprinkler-\$2.15/1,000 gallons

### Section II - Estimated unaccounted gallons of water

	Class of customers		Usage (gallons)		
	Residential Commercial Industrial	43,381 8,179 154	4,344,020,686 3,177,715,300 270,153,500		
Number of gallons shown to h and #3 during the period	8,310,624,000				
Number of gallons billed			(7,791,889,486)		
Estimated water used in fire h	(29,503,981)				
Estimated number of gallons	unaccounted due to breaks, leaks, etc.		489,230,533		







1601 South MoPac Expressway, Suite D250 Austin, Texas 78746 512-609-1900

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, 2024, 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 24, 2025.

### Report on 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 or significant deficiencies may exist that were not identified..

### **Report on 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 financial statements. 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.

Weaver and Tidwell, L.L.P.

CPAs AND ADVISORS | WEAVER.COM

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.S.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas March 24, 2025



1601 South MoPac Expressway, Suite D250 Austin, Texas 78746 512-609-1900

# Independent Auditor's Report on Compliance for Each Major Federal and State 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, 2024. 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 September 30, 2024.

### 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.

Weaver and Tidwell, L.L.P.

CPAs AND ADVISORS | WEAVER.COM

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

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.

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 and TxGMS. Accordingly, this report is not suitable for any other purpose.

### Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and TxGMS

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 as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated March 24, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal and State awards are presented for purposes of additional analysis as required by the Uniform Guidance and TxGMS and is 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 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 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.

Weaver and Siduell, L.S.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas April 30, 2025

### City of McAllen Schedule of Federal and State Expenditures As of September 30, 2024

Federal Grantor/ Passed-Through Grantor/Program or Cluster Title	Assistance Listing Number	Passed-Through Grantor's Number	Passed Through To Subrecipients	Disbursements/ Expenditures
II S. Department of Hausing and Huban Davidenment				
U.S. Department of Housing and Urban Development Direct Program:				
Community Development Block Grant:				
43rd Year Entitlement Grant	14.218	B17MC480506	_	68,508
44th Year Entitlement Grant	14.218	B18MC480506	_	298,874
45th Year Entitlement Grant	14.218	B19MC480506	_	127,332
46th Year Entitlement Grant	14.218	B20MC480506	_	61,716
47th Year Entitlement Grant	14.218	B21MC480506	-	305,876
48th Year Entitlement Grant	14.218	B22MC480506	-	1,197,603
49th Year Entitlement Grant	14.218	B23MC480506	-	399,447
COVID-19 - Entitlement Grant	14.218	B20MW480506		134,799
Total Assistance Listing Number 14.218			-	2,594,155
ESG	14.231	E22MC480506	_	134,615
ESG	14.231	E23MC480506	_	12,775
ESG	14.231	E24MC480506	_	1,943
Total Assistance Listing Number 14.231	14.201	E24W040000		149,332
•				
Home Investment Partnerships Programs	14.239	M21MC480506	-	41,342
Home Investment Partnerships Programs	14.239	M22MC480506	-	6,132
Home Investment Partnerships Programs	14.239	M21MP480506		18,116
Total Assistance Listing Number 14.239			-	65,590
Total U.S. Department of Housing and Urban Developmen	t Program			2,809,078
U.S. Department of Transportation				
Direct Program:				
Airport Improvement Program	20.106	3-48-0144-51	-	1,287,689
Airport Improvement Program	20.106	3-48-0144-55	-	4,253,512
Airport Improvement Program	20.106	3-48-0144-56	-	35,527
Airport Improvement Program	20.106	3-48-0144-59	-	158,668
Airport Improvement Program	20.106	3-48-0144-60		1,881,000
Total Airport Improvement Program			-	7,616,396
Federal Transit Formula Grant	20.507	TX-90-X778-00	-	34,580
Federal Transit Formula Grant	20.507	TX-90-X937-00	-	437,299
Federal Transit Formula Grant	20.507	TX-2017-080-00	-	492,436
Federal Transit Formula Grant	20.507	TX-2019-103-00	-	735,174
Federal Transit Formula Grant	20.507	TX-2021-033-00	-	1,106,358
Federal Transit Formula Grant	20.507	TX-2022-075-00	-	1,444,473
Federal Transit Formula Grant	20.507	TX-2024-075-00	-	1,520,089
Federal Transit Formula Grant	20.507	TX-2024-048-00		35,105
Total Federal Transit Formula Grant Cluster			-	5,805,514
Federal Highway Administration				
Passed through Texas Department of Transportation				
State and Community Highway Safety	20.600	2024-McAllenPD-S-1YG-00024	-	69,862
State and Community Highway Safety	20.600	2024-McAllenPD-S-CMV-00009	-	52,000
State and Community Highway Safety	20.600	2024-McAllenPD-OPSLOW-00039		34,942
Total Assistance Listing Number 20.600			-	156,804
National Priority Safety Programs	20.616	2024-McAllenPD-IDM-00009	-	30,898
National Priority Safety Programs	20.616	2024-McAllenPD-CIOT-00042		34,942
Total Assistance Listing Number 20.616			-	65,840
Highway Planning and Construction	20.205	CSJ #0921-02-431	_	803,803
Highway Planning and Construction	20.205	CSJ #0921-02-390	-	120,000
Total Assistance Listing Number 20.205	_00	2 - 2 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2	-	923,803
Total II C. Donortmont of Transportation				14 500 057
Total U.S. Department of Transportation				14,568,357

 $\label{thm:continuous} The \ Notes \ to \ Schedule \ of \ Federal \ and \ State \ Expenditures \ are \ an \ integral \ part \ of \ this \ statement.$ 

### City of McAllen Schedule of Federal and State Expenditures As of September 30, 2024

Number   Number   Number   Subrecipients   Expenditures
Economic Development Cluster:   Economic Adjustment Assistance - Title II, Section 209   11.307   08-79-05610   - 990.338     Economic Adjustment Assistance - Title II, Section 209   11.307   08-79-05511   - 1,773,377     Total Assistance Listing Number 11.307   - 2,763,715     Total Economic Development Cluster   - 2,763,715     Total U. S Department of Commerce   - 2,763,715     Total U. S Department of Commerce   - 2,763,715     Total U. S Department of Interior   - 2,763,715     Total Department of Interior   - 58,949     U.S. Environmental Protection Agency   - 74,676     Total U.S. Environmental Protection Agency   - 74,676     Total U.S. Environmental Protection Agency   - 74,676     Total U.S. Environmental Protection Agency   - 74,676     U.S. Department of Justice   - 304,191     Equitable Sharing Program   16,922   - 304,191     Equitable Sharing Program   16,710   15,720,522-GG-03484-UHPX   - 304,191     Edward Byrne Memorial Justice Assistance Grant Program   16,738   15PBJA-23-GG-03801-JAGX   - 14,357     Total U.S. Department of Justice   - 998,352     U.S. Department of Homeland Security   - 998,352     Passed through Texas Division of Emergency Management   Hazard Mittigation Grant Program   97,039   FEMA-4272-DR-TX-010   - 4,059     Passed through Office of the Governor
Total Assistance Listing Number 11.307
Total U. S. Department of Commerce
Department of Interior Reclamation States Emergency Drought Relief 15.514 R22AP00353-00 - 58,949  Total Department of Interior - 58,949  U.S. Environmental Protection Agency Drinking Water State Revolving Fund Cluster (2018B) 66.468 L1000746 - 74,676  Total U.S. Environmental Protection Agency  U.S. Department of Justice Direct Program: Equitable Sharing Program Public Safety Partnership and Community Policing Grants Edward Byrne Memorial Justice Assistance Grant Program 16.701 15JCOPS-22-GG-03484-UHPX 679,804 Edward Byrne Memorial Justice Direct Program: For Interior Program 16.738 15PBJA-23-GG-03801-JAGX 14,357  Total U.S. Department of Homeland Security Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program 97.039 FEMA-4272-DR-TX-010 - 4,059 Passed through Office of the Governor
Reclamation States Emergency Drought Relief 15.514 R22AP00353-00 - 58,949  Total Department of Interior - 58,949  U.S. Environmental Protection Agency Drinking Water State Revolving Fund Cluster (2018B) 66.468 L1000746 - 74,676  Total U.S. Environmental Protection Agency U.S. Department of Justice Direct Program: Equitable Sharing Program 16.922 Equitable Sharing Program 16.710 15JCOPS-22-GG-03484-UHPX - 679,804 Edward Byrne Memorial Justice Assistance Grant Program 16.738 15PBJA-23-GG-03801-JAGX - 14,357  Total U.S. Department of Homeland Security Passed through Texas Division of Emergency Management Hazard Mittigation Grant Program 97.039 FEMA-4272-DR-TX-010 - 4,059  Passed through Office of the Governor
U.S. Environmental Protection Agency Drinking Water State Revolving Fund Cluster (2018B) 66.468 L1000746 - 74,676  Total U.S. Environmental Protection Agency - 74,676  U.S. Department of Justice Direct Program: Equitable Sharing Program 16.922 - 304,191 Public Safety Partnership and Community Policing Grants 16.710 15JCOPS-22-GG-03484-UHPX - 679,804 Edward Byrne Memorial Justice Assistance Grant Program 16.738 15PBJA-23-GG-03801-JAGX - 14,357  Total U.S. Department of Justice - 998,352  U.S. Department of Homeland Security Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program 97.039 FEMA-4272-DR-TX-010 - 4,059  Passed through Office of the Governor
U.S. Environmental Protection Agency Drinking Water State Revolving Fund Cluster (2018B) 66.468 L1000746 - 74,676  Total U.S. Environmental Protection Agency - 74,676  U.S. Department of Justice Direct Program: Equitable Sharing Program 16.922 - 304,191 Public Safety Partnership and Community Policing Grants 16.710 15JCOPS-22-GG-03484-UHPX - 679,804 Edward Byrne Memorial Justice Assistance Grant Program 16.738 15PBJA-23-GG-03801-JAGX - 14,357  Total U.S. Department of Justice - 998,352  U.S. Department of Homeland Security Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program 97.039 FEMA-4272-DR-TX-010 - 4,059  Passed through Office of the Governor
Drinking Water State Revolving Fund Cluster (2018B) 66.468 L1000746 - 74,676  Total U.S. Environmental Protection Agency - 74,676  U.S. Department of Justice  Direct Program: Equitable Sharing Program 16.922 - 304,191 Public Safety Partnership and Community Policing Grants 16.710 15JCOPS-22-GG-03484-UHPX - 679,804 Edward Byrne Memorial Justice Assistance Grant Program 16.738 15PBJA-23-GG-03801-JAGX - 14,357  Total U.S. Department of Justice - 998,352  U.S. Department of Homeland Security Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program 97.039 FEMA-4272-DR-TX-010 - 4,059  Passed through Office of the Governor
U.S. Department of Justice  Direct Program:
Direct Program:  Equitable Sharing Program  Fublic Safety Partnership and Community Policing Grants Edward Byrne Memorial Justice Assistance Grant Program  Total U.S. Department of Justice  U.S. Department of Homeland Security  Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program  Passed through Office of the Governor
Public Safety Partnership and Community Policing Grants Edward Byrne Memorial Justice Assistance Grant Program  16.710 15JCOPS-22-GG-03484-UHPX - 679,804 15PBJA-23-GG-03801-JAGX - 14,357  Total U.S. Department of Justice  - 998,352  U.S. Department of Homeland Security Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program  97.039 FEMA-4272-DR-TX-010 - 4,059  Passed through Office of the Governor
Edward Byrne Memorial Justice Assistance Grant Program 16.738 15PBJA-23-GG-03801-JAGX - 14,357  Total U.S. Department of Justice - 998,352  U.S. Department of Homeland Security  Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program 97.039 FEMA-4272-DR-TX-010 - 4,059  Passed through Office of the Governor
Total U.S. Department of Justice  U.S. Department of Homeland Security Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program  97.039 FEMA-4272-DR-TX-010 - 4,059 Passed through Office of the Governor
U.S. Department of Homeland Security  Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program 97.039 FEMA-4272-DR-TX-010 - 4,059  Passed through Office of the Governor
Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program  97.039  FEMA-4272-DR-TX-010  - 4,059  Passed through Office of the Governor
Homeland Securify Grant Program 97.067 3299608 - 218,533
Homeland Security Grant Program 97.067 4848001 - 140,311
Total Assistance Listing Number 97.067 - 534,227
Assistance to Firefighter Grant 97.044 EMW-2022-FP-00152 - 10,400
Disaster Grants - Public Assistance 97.036 FEMA-4798-Hurricane Beryl (PA) - 15,068
Disaster Grants - Public Assistance 97.036 FEMA-4798-Hurricane Beryl (PA) <u>796</u>
Total Assistance Listing Number 97.036 - 15,864
Total U.S. Department Homeland Security - 564,550
U.S. Department of Treasury Passed through Wisconsin Republican National Convention
Coronavirus Relief Fund 21.019 2988-RSA-13223 - 111,672
Total U.S. Department of Treasury - 111,672
U.S. General Services Administration
Passed through Texas Facilities Commission Donation of Federal Surplus Personal Property 39.003 12750 - 290,315
Total U.S. General Services Administration - 290,315
National Endownment for Humanities Institute of Museum and Library Services 45.310 LSTA-LS-253655-OLS-23 - 12,009
Total National Endownment for Humanities - 12,009
Total Expenditures of Federal Awards \$ - \$ 22,251,673

 $\label{thm:continuous} The \ Notes \ to \ Schedule \ of \ Federal \ and \ State \ Expenditures \ are \ an \ integral \ part \ of \ this \ statement.$ 

### City of McAllen Schedule of Federal and State Expenditures As of September 30, 2024

Federal Grantor/ Passed-Through Grantor/Program or Cluster Title	Assistance Listing Number	Passed-Through Grantor's Number	Passed Through To Subrecipients	Disbursements/ Expenditures
Texas Agencies				
Texas Office of the Attorney General				
2024 Victim Coordinator and Liaison Grant		C-00868	_	45,282
2025 Victim Coordinator and Liaison Grant		C-01553	_	4.487
Texas Office of the Governor		0 0 .000		.,
CJD - Texas Anti-Gang Grant		3060508	_	3,697,354
CJD - Texas Anti-Gang Grant		3060509	-	1,721,691
CJD - Texas Anti-Gang Grant		3060510	_	23.558
Local Border Security Program		4110804	-	9.767
Rifle-Resistant Body Armor Grant Program		4761001	-	49.070
Texas Department of Transportation				-,-
Routine Airport Maintenance Program		M2421MCAL	_	100,000
Lower Rio Grande Valley Development Council		STATE-U-2022-LRGVDC-00155	_	281,960
Passed Through - City of Brownsville				
Auto Theft Prevention 2024		608-24-0310100	-	323,341
Auto Theft Prevention 2025		608-25-0310100	_	27,173
South Texas Auto Theft Task Force - Catalytic Converter 1	Theft	224-24-0310100	_	5,829
Texas Parks & Wildlife				
The McAllen Jr. Outdoor Adventures Program		52-2409	-	16,115
The Center for Urban Ecology at Quinta Mazatlan MOU			-	2,029,888
Equitable Sharing Program			-	81,866
Total Expenditures of State Awards				8,417,381
Total Expenditures of Federal and State awards			\$ -	\$ 30,669,054

 $\label{thm:continuous} The \ Notes \ to \ Schedule \ of \ Federal \ and \ State \ Expenditures \ are \ an \ integral \ part \ of \ this \ statement.$ 

### CITY OF McALLEN, TEXAS

#### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended September 30, 2024

#### 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, 2024. 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, 2024

### 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	X	No
Significant deficiencies identified that are not considered to be material weakness(es)?		_Yes	X	_None reported
Noncompliance material to financial statements noted?		_Yes	X	No
Federal Awards				
Internal control over major federal programs:				
Material weakness(es) identified?		_Yes	X	No
Significant deficiencies identified that are not considered to be material weakness(es)?		_Yes	X	_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	X	_No
Identification of major federal programs:				
<ul><li>14.218 - Community Development Block Grant (CDBG) Cluster</li><li>20.205 - Highway Planning and Construction</li><li>11.307 - Economic Development Cluster</li></ul>				
State Awards				
Internal control over major state programs:				
Material weakness(es) identified?		_Yes	X	No
Significant deficiencies identified that are not considered to be material weakness(es)?		_Yes	X	_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	X	_No
Identification of major state programs:				
CJD - Texas Anti-Gang grant The Center for Urban Ecology at Quinta Mazatlan (CUEQM)				
Dollar threshold used to distinguish between type A and type B programs?	Federal -		\$ 750,000	_
	State -		\$ 750,000	_
Auditee aualified as low-risk auditee?	Х	Yes		No

### City of McAllen, Texas

Schedule of Findings and Questioned Costs – Continued For the Fiscal Year Ended September 30, 2024

### Section 2. Financial Statement Findings

None

### Section 3. Federal Award Findings and Questioned Costs

None

### Section 4. State Award Findings and Questioned Costs

None

### Section 5. Prior Year Findings

#### 2023-001: Financial Close Process

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

#### Condition

During the audit of the City's financial statements, several misstatements were identified in various general ledger account balances. This resulted in numerous adjustments provided by the City during the audit and adjustments found by the auditors, specifically for accounts payable and fixed assets.

#### Status

Management has resolved the finding above. The City has revised their year-end close procedures in the current fiscal year to properly capture all significant balances.

#### 2023-002: Review of Employee Payroll

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

#### 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.

#### <u>Status</u>

The City has implemented new policies and resolved this internal control deficiency in the current fiscal year.