

City of Amarillo, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OCTOBER 1, 2021- SEPTEMBER 30, 2022



CITY OF AMARILLO, TEXAS

Annual Comprehensive Financial Report

Fiscal Year Ended
September 30, 2022



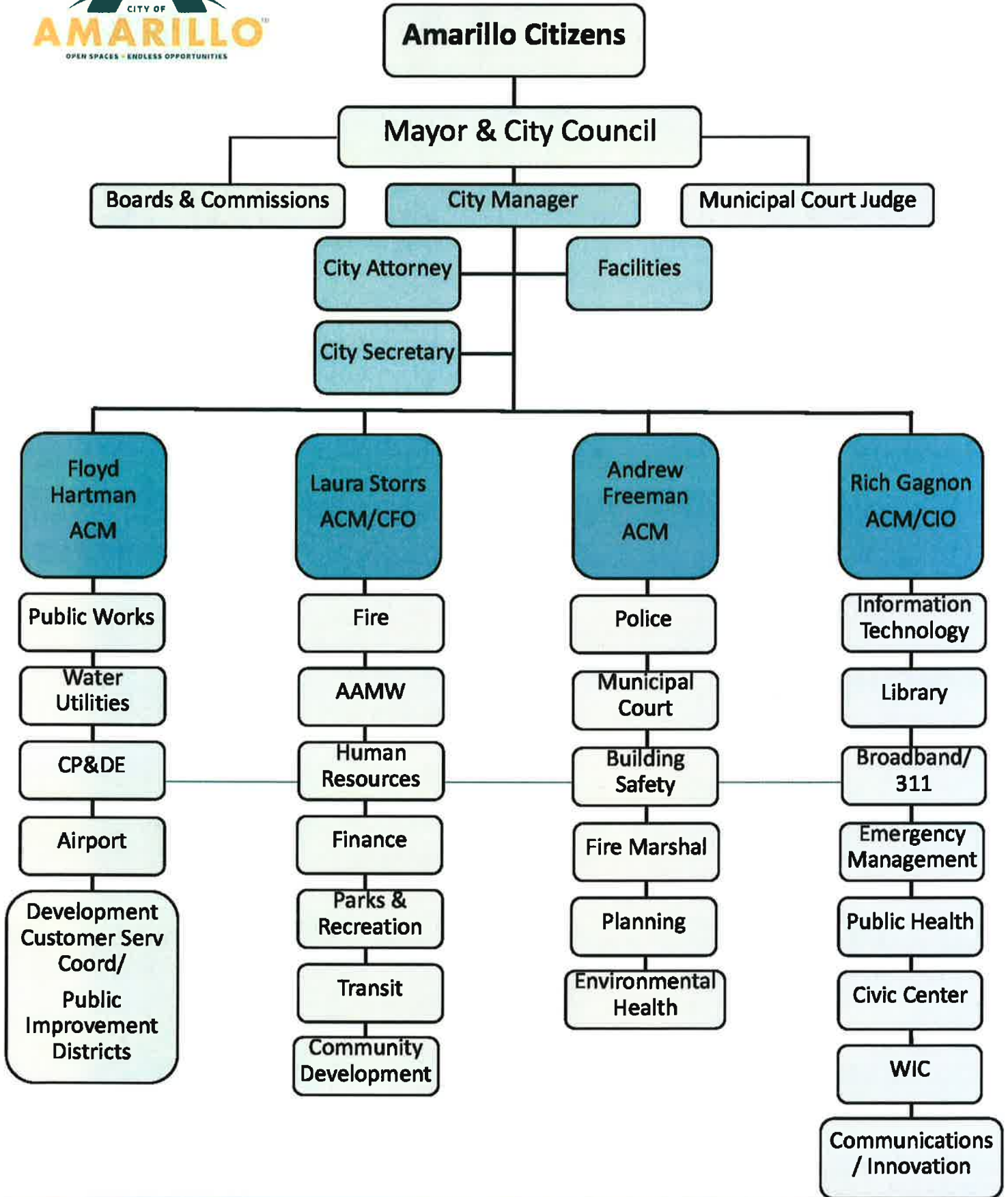
Prepared by:
Finance Department

Laura Storrs
Assistant City Manager



CITY OF AMARILLO, TEXAS

Organization Chart



**CITY OF AMARILLO, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2022**

GOVERNING BODY:

Ginger Nelson
Cole Stanley
Freda Powell
Eddy Sauer
Howard Smith

Mayor
Councilmember Place 1
Councilmember Place 2
Councilmember Place 3
Councilmember Place 4

OTHER PRINCIPAL OFFICIALS:

Jared Miller
Floyd Hartman
Laura Storrs
Andrew Freeman
Rich Gagnon
Bryan McWilliams
Stephanie Coggins
Matthew Poston
Donny Hooper
John Collins
Martin Birkenfeld
Michael Kashuba
Jason Mays
Nicole Jameson

City Manager
Assistant City Manager
Assistant City Manager/CFO
Assistant City Manager
Assistant City Manager/CIO
City Attorney
City Secretary
Director of Finance
Director of Public Works
Director of Utilities
Police Chief
Director of Parks and Recreation
Fire Chief
City Auditor



Government Finance Officers Association

Certificate of
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Presented to

**City of Amarillo
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

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February 21, 2023

To the Honorable Mayor and City Council,
City of Amarillo,
Amarillo, Texas

Ladies and Gentlemen:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Amarillo (the City) for the year ended September 30, 2022, in compliance with Article III, Section 27 of the City Charter. The purpose of the report is to provide the Mayor, City Council, City Staff, citizens, bond holders, and other interested parties with useful information concerning the City's operations and financial position. The City is responsible for the accuracy, completeness, and fairness of the data presented in this report.

To the best of our knowledge, the following report is accurate in all material respects. It has been prepared in accordance with standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA) and other rule-making bodies. We believe the report contains all disclosures necessary for the reader to understand the City's financial affairs.

The City Manager, through his appointee, the Assistant City Manager/Chief Financial Officer, is responsible for establishing and maintaining an internal control structure to ensure that the assets of the government are protected from loss, theft or misuse, as well as to ensure that adequate and reliable accounting data are compiled to allow for the preparation of accurate financial statements in conformity with accounting principles generally accepted in the United States of America. This internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met, and it is continually modified to accommodate new technology and other changing conditions. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. In our opinion, the City employs sound accounting and control policies that fulfill these responsibilities.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. In our opinion, the City employs an appropriate level of control and review procedures to ensure compliance with all applicable requirements.

We believe that this report is accurately and fairly presented, and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Independent audits are an essential element of financial control and accountability. The City Charter requires an annual audit to be made of the financial records of the City by a Certified Public Accountant selected by the City Council. The City has complied with this requirement and the auditors' opinion has been included in this report. The auditors performed their examination in accordance with generally accepted auditing standards and stated that, in their opinion, the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

The City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Compliance Supplement and the State of Texas Uniform Grant Management Standards. Information related to the City's single audits, including the Schedule of Expenditures of Federal Awards and the auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in separate federal and state "single audit" reports.

Following the report of the independent auditors is Management's Discussion and Analysis (MD&A). The objective of the MD&A is to provide an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. The Statement specifies the topics that must be included in the MD&A, and we believe that our presentation is in conformity with this standard.

Profile of the City of Amarillo

The City of Amarillo is geographically located within the boundaries of both Potter and Randall Counties in the center of the Panhandle of Texas and now contains an area of 1,042.46 square miles. Located on Interstate Highway 40 at the crossroads of a number of other highways and railroad lines, the City is the trade, banking, transportation, medical services, and marketing center of the entire Panhandle, as well as for portions of New Mexico, Oklahoma, Colorado, and Kansas. The 2020 Census reported the City of Amarillo population as 200,393. The estimated population at the end of fiscal year 2022 is 202,363.

In accordance with its current Charter, adopted in 1913, the City of Amarillo operates under a council-manager form of government. As the legislative body, the City Council is responsible for enacting all ordinances, resolutions, and regulations governing the City, as well as for appointing the members of the various statutory and ordinance boards and for appointing the City Manager. As chief administrator, the City Manager is responsible for enforcement of the laws and ordinances, as well as for supervising all offices and departments created by the City Council.

The City provides the full range of municipal services normally associated with a municipality, including police and fire protection, street paving and maintenance, traffic engineering, enforcement of building and sanitary codes, a civic center complex, parks, golf courses, swimming pools and other recreational facilities, and five public libraries. The City provides solid waste collection and disposal services and operates a transit system, for which operations are accounted for as general governmental functions. The City maintains the water and sewer systems, an international airport, and a drainage utility system, the operations of which are all accounted for as enterprise funds.

Overview of the Financial Reporting Entity

In accordance with governmental accounting standards, various governmental entities with which we have relationships were evaluated to determine whether they should be reported in the City's combined financial statements as a part of its reporting entity. Based on standards established by the GASB, an entity should be considered to be part of the City's reporting entity if it is concluded that the nature and significance of the relationship between the City and the entity is such that exclusion would cause the City's financial statements to be misleading or incomplete.

Based on the accounting standards, the financial affairs of the Amarillo Hospital District, Amarillo Economic Development Corporation, Amarillo-Potter Events Venue District, Amarillo Local Government Corporation, Amarillo Convention and Visitors Bureau, Amarillo Housing Finance Corporation, and the Amarillo Health Facility Corporation are reported as component units in the City's financial statements.

The Amarillo Hospital District is a separate political subdivision of the state of Texas but is considered part of the City's financial reporting entity because the City Council appoints the District's Board of Managers and has final authority over its budget. Similarly, the Amarillo Economic Development Corporation is organized as a nonprofit corporation under the laws of the state of Texas but is included in the financial statements because of the City Council's authority to select its Board of Directors and approve its budget. The Amarillo-Potter Events Venue District, approved by the voters on January 17, 1998, is considered part of the City's financial reporting entity because the City's Mayor appoints four of the seven members of the District's Board of Directors. Moreover, through a facility lease agreement, the City has financial responsibility with respect to the Venue District's debt service payment(s) if the related tax revenues were not sufficient to make the payment(s). The Amarillo Local Government Corporation was created in FY 2011/12. The Amarillo Local Government Corporation's purpose is to assist with the redevelopment of the downtown area and other beneficial projects including the construction and operation of a downtown parking garage and leasing land from the City for the downtown convention hotel. The City appoints the Amarillo Local Government Corporation Board, but

the Boards are not substantially the same. The Amarillo Convention and Visitors Bureau is organized as a nonprofit corporation under the laws of the state of Texas but is included in the financial statements because the City Council's authority to select its Board of Directors. Only summarized information regarding these entities is presented in the City's financial statements. Complete financial statements are available in separately issued reports for each of these entities.

The affairs of the Amarillo Housing Finance Corporation are included in the City's financial reporting entity because of the City Council's appointment of its Board of Directors. The activities of this corporation are limited to issuance of housing bonds under provisions of the Texas Housing Finance Corporation Act, and its bonds are not general obligations of either the corporation or the City. It does not publish separate financial statements. The Amarillo Health Facility Corporation Board of Directors is also appointed by the City Council. The purpose of the corporation is to authorize the issuance of bonds to providers of health care services in order to finance the acquisition, construction, and improvement of facilities. These bonds are not general obligations of either the corporation or the City.

Since none of the component unit operations are integral to the operations of the City, their affairs are segregated from the financial presentation of the primary government. As provided by the new accounting model, the aggregate component unit information is reflected "discretely" in the city-wide financial statements.

The City reports two Tax Increment Reinvestment Zones (TIRZ) as blended Component Units – TIRZ #1 and TIRZ #2. TIRZ #1 and #2 each have a ten-member board. The City of Amarillo appoints three board members, Potter County appoints three board members and Amarillo College, Amarillo Independent School District, Amarillo Hospital District, and the Panhandle Groundwater District each appoint one board member. While TIRZ #1 and #2 revenues can be pledged to support debt, only the City can issue the debt and pledge the TIRZ #1 and #2 revenue. Moreover, the City Council created TIRZ #1 and #2 and has final approval authority on the budget and all TIRZ #1 and #2 projects.

Operating and Capital Budgets

Budgetary controls serve two main purposes. First, the annual appropriated budget approved by the City Council satisfies our legal obligation to review and adopt an annual budget. Second, budgetary controls provide management with an effective means of managing the financial activities of a particular function or department. Activities of the general fund, debt service funds, and major grants in existence at the beginning of the fiscal year, internal service funds, enterprise funds, and other special revenue funds are included in the annual budget. The General Fund, Debt Service Fund, Compensated Absences, Public Health Fund, Law Enforcement Officers Standards and Education Training (LEOSE), Local Seized Property Fund, Court Technology Fund, Court Security Fund, and the Public Improvement Districts budgets are legally adopted and represent appropriation of funds. The internal service fund budgets and enterprise fund budgets are for management purposes only and do not represent appropriations. Grants included in the budget are estimates included for presentation purposes only to give the budget reader a better understanding of the financial scope of the entire organization. Budgets are adopted for grant funds at the time formal acceptance of the grants is made by the City Council, such budgets generally being adopted for the time period covered by each grant.

The City prioritizes the funding of capital projects on the basis of five-year capital improvement plans. A capital improvement is any expenditure for the purchase, construction, replacement, expansion, or major renovation of the physical assets of the City when the project is relatively expensive (more than \$25,000), long-term, and permanent. Some common examples are streets, libraries, traffic signal systems, fire stations, specialized equipment, and water and sewer lines. Capital needs of less than \$25,000 (minor replacement items) are provided for in the department's annual budget. The first year of the five-year plan is the City's annual capital budget, which is approved by the City Council, along with the annual operating budget. Capital Improvement expenditures are controlled by means of individual project appropriations, and all funds needed to complete a project are reserved no later than the inception of the project.

As an enhancement of budgetary controls over expenditures, the City also maintains an encumbrance accounting system, which assures that adequate funds are set aside as commitments are made in the form of purchase orders. Open encumbrances for both purchase orders and construction contracts are reported as reservations of fund balances at year-end.

Budget and Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Amarillo for its annual comprehensive financial report for the fiscal year ended September 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy 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 GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. Our latest budget has been submitted for review, and we expect that our budget will earn the GFOA's Distinguished Budget Presentation Award.

One of the City's most significant financial achievements this year is affirmation by Standard & Poor's of a AAA rating, with stable outlook, for the City's General Obligation Bonds. The AAA rating is Standard & Poor's highest debt rating. The City also has AA+/Stable rating from Standard & Poor's on its Water & Sewer Revenue Bonds and Drainage Utility System Revenue bonds. The City also has an A+/Stable rating from Standard & Poor's on its Hotel Occupancy Tax revenue bonds.

Cash Management and Investments

State statutes govern the City's investment policies as well as the City's own written investment policy and strategy. In accordance with state law and the City Investment Policy, the City's investment objectives are to preserve capital, to provide liquidity, and to optimize earnings within the constraints of capital preservation and liquidity. City funds are deposited in an FDIC-insured bank located within the City. Permissible investments include the following:

1. Interest-bearing accounts and bank money market accounts at the City's authorized depository. Certificates of deposit including CDARS (Certificate of Deposit Accounts Registry Service).
2. Obligations of the United States or its agencies and instrumentalities. The investment in agencies and instrumentalities is limited to 75% of the portfolio.
3. No-load money market mutual funds that are continuously rated AAA or AAAM by at least one nationally recognized rating agency; is regulated by the Securities and Exchange Commission; complies with the requirements of a money market mutual fund; has an average weighted maturity of less than two years; has either a duration of: (a) one year or more and is invested exclusively in obligations approved under the Public Funds Investment Act; or (b) less than one year and the investment portfolio is limited to investment grade securities, excluding asset-back securities; and includes in its investment objectives the maintenance of a stable net asset value of \$1.00 for each share.
4. Taxable municipal securities rated not less than AA- or its equivalent by a nationally recognized rating agency. The total investment in taxable municipal securities is limited to 10% of the portfolio. To the extent that the investment in taxable municipal securities is not fully utilized in the portfolio, the unused portion can be invested in agencies' securities in addition to the 75% limit.

The City will not employ any investment strategy that is inherently risky and will not invest in any securities that are inherently risky. Prohibited securities include mortgage-backed securities that pay only interest, mortgage-backed securities that pay only principal, obligations where the interest rate is determined by an index that adjusts opposite to changes in a market index, obligations related to foreign currency or foreign market interest rates or indices, and obligations with maturities greater than five years.

The City's demand deposits, time deposits, and certificates of deposit balances that exceed FDIC insurance are collateralized by securities held by the Federal Reserve. The City uses third-party safekeeping for its investment securities.

Long-term Financial Planning

As mentioned above, in conjunction with our annual operating budget, the City develops five-year capital improvements estimate. When feasible, the City uses pay-as-you-go financing for capital. When debt is needed to finance capital assets, the City strives to schedule bond issues so that level payments are made over no more than the useful life of the assets. Historically, the excess of revenues over expenditures are earmarked for future capital needs, and the available resources of the general fund are transferred to capital projects funds during the budgetary process.

Debt Issuances

While the City historically uses available funds from the excess of revenues over expenditures to provide for its major capital improvement needs, our capital needs exceeded our ability to generate internal funds for capital. The note on Long-term Obligations in the financial statements, along with the Schedules of Outstanding Debt Issuances in the Supplemental Schedules, give details related to the outstanding debt issuances for the City. The MD&A also gives additional information regarding the debt issuances utilized during FY 2021/22.

Subsequent to the year ending September 30, 2022, the City Council approved three additional debt issuances that are outlined in the subsequent events note in the financial statements.

Local Economy

Amarillo is also a regional trade center for a very large five-state region. Thus, retail sales, banking, and medical services are significant activities in Amarillo. Moreover, because of Amarillo's central location in the United States and being traversed by I-40, I-27, and State Highway 287, traffic and transportation and travel and tourism are important industries to Amarillo.

Natural gas and petroleum are major industries in the City of Amarillo and the Panhandle. According to the Amarillo Economic Analysis, prepared by Amarillo National Bank, at September 2022 oil was up 22% at \$85.08 per barrel compared to September 2021 at \$69.72 per barrel⁽¹⁾. Natural gas prices increased 68% compared to last year. Natural gas was at \$4.93 per MMBtu last year compared to \$8.27 per MMBtu at September 2022⁽¹⁾. Since Amarillo is both a producer and a consumer of natural gas, part of the economy benefits from lower gas prices while it is detrimental to another part of the economy. Increases in natural gas prices mean higher royalty payments to landowners, but it also means higher energy costs for area farmers that use natural gas for irrigation and other industries that rely in natural gas in their processes.

Changes in oil and gas prices also have a direct impact on drilling activity in the Panhandle. In September 2022⁽¹⁾, there were 8 active drilling rigs compared to 9 in 2016⁽¹⁾, 13 in 2017⁽¹⁾, 25 in 2018⁽¹⁾, 8 in 2019⁽¹⁾, 1 in 2020⁽¹⁾, and 8 in 2021⁽¹⁾.

According to the Texas Cattle Feeders Association, the Amarillo area produces about 6,000,000 fed cattle annually, which is about 15% of the nation's beef. Fed cattle prices increased slightly from last year at \$142.00 per hundredweight compared to \$124.00 at September 2021⁽¹⁾.

Dairies have become major industries in the Panhandle and continue to remain profitable. September 2022 milk prices were up to \$20.25 per hundredweight compared to \$16.50 at September 2021⁽¹⁾.

The major crops grown in the Panhandle are corn, wheat, and cotton. Corn prices went up to \$6.78⁽¹⁾ per bushel at September 2022 compared to \$5.32⁽¹⁾ last year. Wheat prices were up 43% from prior year, at \$9.05 per bushel at September 2022. Wheat was at \$3.77 per bushel at September 2017⁽¹⁾, \$5.40 per bushel at September 2018⁽¹⁾, \$3.89 per bushel at September 2019⁽¹⁾, \$4.93 per bushel at September 2020⁽¹⁾, and \$7.09 at September 2021⁽¹⁾. Cotton was at \$91.30⁽¹⁾ cents per pound at September 2022 compared to \$73.00 cents per pound at September 2021⁽¹⁾, \$60.40⁽¹⁾ cents per pound at September 2020⁽¹⁾, \$74.00⁽¹⁾ cents per pound at September 2019, \$74.10⁽¹⁾ cents per pound at September 2018, and \$71.40⁽¹⁾ cents per pound at September 2017. Historically, cotton has been grown south of Amarillo however, new hybrids can be grown in the area. The majority of area crops must be grown with the use of irrigation. Natural gas is the main fuel used for the irrigation systems.

Amarillo Economic Development Corporation

The Amarillo Economic Development Corporation (Amarillo EDC) was created to foster economic development in the City of Amarillo and to manage the revenues from the 0.5% City sales tax increase that Amarillo voters approved in 1989. The mission of Amarillo EDC is to attract businesses to Amarillo which offer highly skilled, highly paid positions; to expand and retain existing local primary businesses in Amarillo; and to create a business environment conducive to entrepreneurship. The Amarillo EDC targets companies whose primary function is to produce goods or services that are then sold outside of the immediate trade area, thereby introducing new monies into the local economy. Economic development strategies are met by implementing aggressive business recruitment programs, local business retention and expansion programs, and promoting the Amarillo EDC and Amarillo, Texas, brands worldwide. The corporation consists of a five-member board appointed by the City Council. Amarillo EDC Operating Fund expenses consist of all administrative, promotional, and marketing costs associated with operating the organization. The Amarillo EDC's Project Fund invests in capital projects, issues job creation grants, loans, and other incentives to local and outside industry to create primary jobs and capital investment in the Amarillo community. The Amarillo EDC has been instrumental in bringing new business and industry to Amarillo and assisting existing companies via a variety of incentive programs that provide grants and loans.

In FY2022, Amarillo EDC approved a location incentive agreement which included a job creation incentive of up to \$1,000,000 with Caviness Beef Packers, LTD. for the expansion of up to 100 full-time employees. Amarillo EDC also approved a \$20 million location incentive agreement with CVMR (Texas) Inc. to locate in Amarillo which includes land conveyance and a job creation incentive on up to 1,000 full-time jobs. CVMR (Texas) Inc. will have a projected capital investment of \$1,500,000,000 under this agreement to build and equip the rare earth element extraction facility. Amarillo EDC approved an \$8 million location incentive agreement with Producer Owned Beef, LLC to locate a beef harvesting facility in Amarillo. This agreement includes land conveyance, a job creation incentive on up to 1,600 jobs, and a projected client capital investment of \$800,000,000. Amarillo EDC also approved a total of \$3,000,000 for the Amarillo College Innovation Outpost workforce facility designed to assist community residents with career and technical education programs. Amarillo EDC approved a total of \$150,000 for matching funds to access the Texas Workforce Commission High Demand Job Training grant program designed to assist area school districts with Career and Technical education programs. Amarillo EDC also approved a location incentive agreement of \$58,000,000 with Albers Aerospace to locate in Amarillo which includes the client leasing a newly constructed facility for 30 years and a job creation incentive on up to 400 full-time jobs. Albers Aerospace is projected to have a \$15,000,000 capital investment to equip the aerospace engineering and manufacturing facility. Amarillo EDC approved a \$650,000 location incentive agreement with A-7 Austin, LLC dba Austin Hose to expand their hose and fittings operations in Amarillo. This agreement includes land conveyance, a job creation incentive on up to 65 full-time jobs, and a projected client capital investment of \$20,000,000.

The Amarillo EDC continued its partnership with West Texas A&M University through the EnterPrize Challenge, a local business plan competition funded by Amarillo EDC and facilitated by the WT Enterprise Center. The FY2022 Amarillo EnterPrize Challenge awarded four forgivable loans totaling \$399,000 to local primary businesses expected to create more than 23 new jobs and make substantial investments in the regional economy.

By contractual agreement, Texas Panhandle Regional Development Corporation (TPRDC) acts as the small business financing arm of Amarillo EDC. TPRDC provides small business financing for owner-occupied commercial real estate. This Certified Development Company approved three Small Business Administration 504 loans totaling over \$7.5 million, which leveraged \$9.6 million in bank financing and \$5.3 million in owner equity. For the year, this program was responsible for the creation of 22 new jobs and retaining 54 jobs. TPRDC also funded two loans in FY2022 totaling \$4.484 million.

Major Industries and Employers

The Amarillo Chamber of Commerce lists 25 employers with 400 or more employees in Amarillo. This is a very diverse group of employers consisting of governmental entities, manufacturing, defense, industry, food processing, healthcare, general retail, traffic and transportation, energy companies, public utilities, higher education, financial services, retirement services, the travel industry, and computer services⁽³⁾.

Two of the largest employers are in the defense industry: Bell Helicopter and CNS Pantex. The Pantex Plant, located 17 miles northeast of Amarillo, in Carson County, is charged with maintaining the safety, security and reliability of the nation's nuclear weapons stockpile. The Pantex Plant is managed and operated by CNS Pantex for the U.S. Department of Energy/National Nuclear Security Administration (NNSA). The Pantex mission is Securing America as the NNSA's production integrator and provider of the nuclear deterrent to the Department of Defense (DoD); serving the Nuclear Security Enterprise through the area's highly reliable people, processes, infrastructure, and business systems. Pantex Engineering has provided technology solutions for the manufacturing, evaluation, and testing of nuclear explosives, joint test beds, and other special nuclear materials. As the nation's primary site for assembly and disassembly of nuclear weapons, Pantex also provides major support through the External Mission Center to the DoD and the United Kingdom (UK) Ministry of Defense⁽²⁾. Approximately 3,844 people are employed at Pantex⁽³⁾.

In 1998, Bell Textron announced its decision to locate its V-22 Tiltrotor Assembly Center in Amarillo, Texas. The initial capital investment by the AEDC was \$30,000,000 for the construction of a world-class facility. Over the past 23 years, the invested amount in the Bell Textron Amarillo Assembly Center by the AEDC on behalf of the Amarillo community has surpassed \$120,000,000, resulting in a campus of more than 1.5 million square feet under roof. The company has diversified its product offerings out of the Amarillo Assembly Center due to the significant level of support the community has provided. Bell Textron's Amarillo Assembly Center builds the revolutionary V-22 Osprey, the UH-1 Huey, and the formidable AH-1 Cobra. The AEDC has issued a series of bonds to finance the project. Under the terms of the lease, Bell's lease payment is abated so long as they meet local compensation and spending requirements. Amarillo is very proud of Bell Textron and the continued success their company has created for the region.

Bell continues to expand in Amarillo by offering new product lines for its customers around the world. In 2013, Bell constructed the first company-owned facility at the Amarillo Assembly Center. This 275,000-square foot, state-of-the-art building houses the 525 Relentless program. The 525 Relentless is a five-blade commercial helicopter primarily used for offshore oil and gas exploration, firefighting and emergency medical evacuations, paramilitary operations, and VIP logistics. To assist Bell with the 525 Relentless project, City officials approved a \$4.2 million AEDC investment in the new facility. Textron, Bell's parent company, provided the remaining \$24.8 million for the facility.

Other manufacturing operations in Amarillo include Owens Corning Fiberglass, Amarillo Gear, and International Paper Company. Owens Corning Fiberglass employs about 650⁽³⁾ people. Owens Corning produces fiberglass for building products. Amarillo Gear is a Marmon Walter/Berkshire Hathaway Company⁽⁹⁾ and employs 175⁽³⁾ people. Amarillo Gear has been in continual operation in Amarillo since 1917 and manufactures the largest range of spiral bevel right-angle gear drives in the world since 1934. International Paper Company produces containerboard packaging in Amarillo and employs 116⁽³⁾ people.

Food distribution is also an important industry to Amarillo. Affiliated Foods employs 1,250⁽³⁾ workers, Ben E. Keith, a distributor of food service products, employs 250⁽³⁾ workers and Tyson Foods, one of the City's largest single employers, employs 4,300⁽³⁾ workers.

Both ranching and cattle feeding are important to the Amarillo area. There are several advantages to cattle feeding operations in the Amarillo area. The area's central location reduces transportation costs. There are locally grown feed grains and volume shipments from the Midwest which ensure a plentiful supply of feed. Relatively mild winters and good summer weather have helped the three-state area earn its reputation as "Cattle Feeding Country." Local lenders in the area understand the industry and are willing partners. According to the Texas Cattle Feeders Association, 30% of the nation's beef is produced in the Texas Panhandle. Both Cactus Feeders and Friona Industries are headquartered in Amarillo. Cactus Feeders has ten large-scale cattle feed yards across the Texas high plains and southwest Kansas. Since its founding in 1975, Cactus Feeders has grown into a \$750 million company that employs approximately 800 people across six states. Cactus Feeders is the world's largest privately owned cattle feeding operation⁽⁴⁾. Founded in 1962, Friona Industries owns eight state-of-the-art feed yards in northwestern Texas with a feeding capacity that ranks them as the second largest cattle feeder in the United States⁽⁵⁾.

Amarillo is a regional medical center for a five-state geographic region and the health care industry is another one of the largest employers in Amarillo. The Harrington Regional Medical Center in Amarillo was the first specifically designated city hospital district in Texas. From the beginning, the Medical Center was planned to include health care, the training of doctors and nurses, and medical research programs. The Harrington Regional Medical Center had a 410-acre campus and was supported by the Don and Sybil Harrington Regional Medical Center at Amarillo. The Medical Center's affiliated members include resident (on-campus) and non-resident (off-campus) patient care, patient service research, and education facilities. Each of these members provides vital services to the Amarillo area⁽⁸⁾.

The Medical Center complex is home to several major employers: Baptist St. Anthony's Health Care System (BSA) with 3,200⁽³⁾ employees and Northwest Texas Healthcare System (NWTHS) with 1,880⁽³⁾ employees. Both BSA and NWTHS offer integrated acute care hospitals. BSA offers a full range of medical and surgical services at their acute care patient facility⁽¹¹⁾ located within the Harrington Regional Medical Center. BSA is also a partner in Physicians Surgical Hospitals, LLP, which offers two additional acute care hospital facilities near the Medical Center⁽¹¹⁾. BSA is one of the City's largest taxpayers.

NWTHS is a designated tertiary care and teaching institution, academically affiliated with Texas Tech University, licensed for 495 acute beds, including 106 mental health beds, and 4 at the Northwest Texas Surgery Center. The emergency department is certified as an Advanced (Level-III) Trauma Center, treating approximately 57,000 patients per year. Comprised of the main hospital, children's hospital, heart hospital, and an affiliated free-standing surgical hospital, NWTHS also serves as a regional treatment center, providing emergent life flight services to patients within the Texas Panhandle. NWTHS is one of the City's largest taxpayers⁽¹²⁾.

Amarillo's VA Medical Center employs approximately 1,215⁽³⁾ people. The Amarillo VA Health Care System, a division of the Southwest VA Health Care Network, provides primary specialty and extended care of the highest quality to veterans throughout the Texas and Oklahoma panhandles, eastern New Mexico, and southern Kansas. Approximately 25,000 patients are treated annually. The health care system maintains 55 acute care inpatient beds for general medical, surgical, and intensive care. Geriatric and extended care is provided in the 120-bed skilled nursing home care unit. A modern ambulatory care center and medical arts building facilitates the delivery of primary care, specialty care, and preventive health services. The Amarillo VA Health Care System also ensures health care is accessible to those veterans residing in rural areas through three community-based outpatient clinics located in Lubbock, Childress, and Dalhart, Texas, as well as Clovis, New Mexico⁽⁶⁾. The VA offers a wide array of mental health services, including substance use treatment and programs for the homeless. The VA also boasts an intensive mental health case management program.

Other large medical employers include the Texas Panhandle Centers Behavioral & Developmental with 330⁽³⁾ employees, Panhandle Eye Group with 186⁽³⁾ employees, Family Medicine Centers with 204⁽³⁾ employees, Amarillo Heart Group with 183⁽³⁾ employees, Regence Health Network with 165⁽³⁾ employees and Physicians Surgical Hospitals with 123⁽³⁾ employees.

Mild weather, excellent medical facilities, and low living costs make Amarillo an excellent location for retirement living. There are several large retirement communities in Baptist Community Services/Park Central with 400⁽³⁾ employees, Ussery-Roan Texas State Veterans Home with 100⁽³⁾ employees, the Craig Senior Living with 120⁽³⁾ employees, Heritage, and Vibra Acute Medical Rehabilitation Hospitals with 200⁽³⁾.

For over 30 years, Insurance Management Services (IMS) has been a leader in Health Benefit Administration for employer groups of all sizes. IMS is locally owned and operated exclusively out of Amarillo⁽¹⁰⁾ and employs 146⁽³⁾ workers. IMS started as a small business with manual claims administration and has evolved into a full-service, third-party administrator with 45,000 covered lives⁽¹⁰⁾.

Major retail stores draw customers from a wide region to shop within the City. Amarillo is currently home to four Wal-Mart supercenters, two Wal-Mart Neighborhood Markets and two Sam's Club. Wal-Mart employs a total of 400⁽³⁾ people and Sam's Club employs 150⁽³⁾. United Supermarkets is a large employer and employs a total of 900⁽³⁾ in their seven stores in Amarillo. Toot'n Totum has several convenience stores in Amarillo and employs 743⁽³⁾ workers.

Customer support and back-office operations are also large employers. Maxor National Pharmacy Services Corporation is a pharmacy benefit management company headquartered in Amarillo and has 860⁽³⁾ employees. The American Quarter Horse Association is also headquartered in Amarillo and employs 196⁽³⁾ employees. The Atmos Energy customer support center located in Amarillo employs 333⁽³⁾ employees.

Amarillo also serves as a regional banking center. Bank of America, Citibank, Chase, and Wells Fargo have branches in Amarillo, along with regional banks and local banks. The banking industry is very important to Amarillo and banks are some of the City's larger employers. Amarillo National Bank is on the list of top ten taxpayers and employs 568⁽³⁾ employees. Happy State Bank employs 897⁽³⁾. Herring Bank employs 130⁽³⁾ and Bank of America employs 105⁽³⁾.

The Texas Department of Criminal Justice has two prison units in Amarillo and is a major employer. The two prisons provide 850⁽³⁾ jobs.

Higher education is a major employer in the Amarillo area. Amarillo College offers both vocational training and associate degree programs and has 625⁽³⁾ employees. Texas Tech University has a large presence in our community. The Texas Tech Health Science Center in Amarillo has both a medical school and pharmacy school in Amarillo and employs 621⁽³⁾ employees. Texas Tech University provides training in our community for medical doctors earning specialty accreditation in family medicine. West Texas A&M University in nearby Canyon, which is a part of the Texas A&M University System, employs 856 full-time employees⁽³⁾. West Texas A&M University also has a campus in Amarillo.

As mentioned earlier, the oil and gas industry are important in the Panhandle and energy companies are also major employers such as Davidson Oil Company who employs 108⁽³⁾.

The traffic and transportation industry has been important to Amarillo from its beginning in 1887. Amarillo was founded near a bend in the Fort Worth and Denver (FW&D) Railroad tracks, which were under construction. The Burlington Northern Santa Fe Railroad is still one of our major employers with 805⁽³⁾ employees. Trucking is also important to Amarillo. Baldwin Express, Inc, and Plains Transportation, Inc. are also in the trucking industry. Support for the trucking industry is a larger employer in Amarillo and includes companies like Amarillo Truck Center, Summit Truck Group, and Bruckner's.

A few more of the larger employers are engineering firms and construction companies. J. Lee Milligan, Inc., a construction company, employs 225⁽³⁾ and L. A. Fuller & Sons Construction Inc. employs 115⁽³⁾ people.

Amarillo's Rick Husband International Airport is a great asset to the area and, as of today, has the third longest commercial runway in the world. There are numerous direct daily flights from Amarillo to major hub airports having direct flights to foreign countries. You can get to Dallas-Ft. Worth Regional Airport in one hour; Houston Intercontinental in about an hour and a half, Denver International in an hour, Las Vegas in two hours, and LAX in four hours.

Amarillo is a hub for major highways that connect to the rest of the region: I-40 to Oklahoma City and Albuquerque, U.S. 287 to Dallas and Fort Worth, and U.S. 87 to Denver⁽⁷⁾. Because of Amarillo's location on Interstate 40, Interstate 27, and State Highway 287, along with attractions in and nearby Amarillo, hospitality and tourism are significant industries. Approximately 9.5 million people travel through Amarillo annually, dining in almost 500 local restaurants. The Amarillo hotel industry has over 90 hotels with over 7,600 rooms to rent.

Amarillo has an amusement park and an art museum. Wonderland Amusement Park is located in north Amarillo and the American Quarter Horse Museum is located on Interstate 40. The Panhandle Plains State Historical Museum is in nearby Canyon, Texas, Palo Duro Canyon, and the Alibates Flint Quarry are also nearby.

In summary, Amarillo's local economy is broadly diversified. While Amarillo has several large industries and employers, no single industry or employer dominates the Amarillo economy.

Current Economic Climate and Trends:

Amarillo has rebounded well from the recent pandemic. The strength of the economy was affirmed by the recent AAA bond ratings by Standard & Poor's for the City's outstanding General Obligation bonded debt and AA+ for Revenue bonded debt.

Sales tax is the largest General Fund revenue source. Sales tax for 2021/22 came in at \$74.5 million, which is approximately \$7.0 million, or 10% more than 2020/21 sales tax of \$67.5 million. Sales tax receipts remain very strong, with record receipts recorded for the first quarter of the 2022/23 fiscal year.

Hotel occupancy tax revenue has also rebounded well. Fiscal year 2020/21 saw a large decrease in hotel occupancy tax revenue due to the pandemic. Hotel occupancy tax revenue for Fiscal year 2021/22 came in 16% more than fiscal year 2020/21 and 26% more than budgeted. Hotel occupancy tax receipts for the first quarter of fiscal year 2022/23 continue to be strong.

The property tax base continues to grow in Amarillo. As of January 2022, the City had \$15.0 billion in value compared to approximately \$14.5 billion the previous year. The increased values along with the adopted rate increase generated \$7.5 million more in property taxes levied than the previous year. In 2021/22, the City had \$159 million in new taxable property values compared to \$133 million in 2020/21.

Building for new construction increased for the 2021/22 fiscal year. The number of residential permits for new construction increased from 605 in 2020/21 to 681 in 2021/22. The number of commercial permits for new construction decreased from 83 in 2020/21 to 77 in 2021/22 with a decrease in value of \$387.0 million. The number of permits for additions and repairs decreased from 6,607 to 5,441 but had an increase in value of \$76.5 million.

For 2021/22, the property tax rate increased \$0.04653 to \$0.44334 per \$100 of taxable values. The increase is associated with the interest and sinking portion of the tax rate from the general obligation bonds approved by voters in the November 2016 bond election for final street projects and for Parks funding for various projects to improve parks throughout the City. History of the property tax rate is as follows: the property tax rate increased by \$0.00563 to \$0.35072 in 2015/16, remained flat in 2016/17, increased by \$0.01292 to \$0.36364 for 2017/18, increased by \$0.00474 to \$0.36838 for 2018/19, increased by \$0.02013 to \$0.38851 for 2019/20, and by 0.00830 to 0.39681 for 2020/21. For the 2022/23 budget, the property tax rate decreased \$0.03706 to \$0.40628. The decrease in the tax rate is related to strong assessed value growth in Amarillo that set the voter approval tax rate at a lower rate than the prior year. The voter approval tax rate is the highest tax rate a governing body can approve without going to an election and sets the maximum amount of property tax revenue allowed to be collected year over year for general operations at 3.5%.

Water metered sales for 2021/22 increased over the prior year by \$8.4 million or 15%. Water revenues can be significantly affected by the amount and timing of local rainfall. Calendar year 2020 was the 8th driest year on record (12.58 inches of precipitation), which resulted in increased consumption as compared to calendar year 2021 which was the 20th driest year (15.03 inches of precipitation) and 2022

which was the 31st driest year (16.43 inches of precipitation). Precipitation history records show calendar year 2015 was the 4th wettest year in recorded history, 2017 was the 13th wettest year in recorded history, and 2019 was the 15th wettest year in recorded history. In contrast, the Texas Panhandle received much less precipitation during 2016, 2018 and 2020. Water rates were increased by 3% for 2016/17, 2017/18, 2019/20 and 2020/21 to support a five-year capital improvement plan and increased by 5% in 2021/22, 3% for the final year of this same capital improvement plan and 2% for increased costs of maintenance and operations. In 2018/19, rates were increased by 7% to support an automated metering infrastructure project and to cover general operations and maintenance. The Water and Sewer Fund netted \$27.4 million in 2017/18, \$7.0 million in 2018/19, \$24.8 million in 2019/20, \$23.5 million in 2020/21, and \$19.9 million in 2021/22.

Employment remains stable, but very low. Amarillo's unemployment rate is 3.00% compared to 3.70% last year and 4.2% the year before⁽¹⁾. Amarillo's unemployment was lower than the state of Texas at 4.0%, and national unemployment at 3.5%⁽¹³⁾.

Amarillo continues to enjoy strong sales tax receipts and increasing property values. Amarillo has a very good quality of life and a lot of opportunity. Amarillo has a strong diversified economy with plenty of jobs. The City has major employers and industries for professionals, skilled craftsman, and laborers. Amarillo has the best-funded Economic Development Corporation in the state and a Chamber of Commerce and Convention and Visitors Bureau to help attract and retain industry and support tourism. Amarillo has great public education and higher education. Amarillo has excellent medical facilities and very nice retirement facilities. The City is well represented by national, regional, and local banks. Retail availability is diverse and strong in Amarillo; anything you need and most everything you want can be found in Amarillo. The City has amusement parks, regional parks, and neighborhood parks. The City also has sports teams, including a new AA baseball team, museums, area lakes, and other attractions. In short, Amarillo is a great place to live and work.

We wish to thank the Mayor and members of the City Council for their responsible manner of conducting the financial operations of the City.

Yours very truly,



Laura Storrs
Assistant City Manager – Chief Financial Officer
City of Amarillo, Texas



Jared Miller
City Manager
City of Amarillo, Texas

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Sources:

- (1) Amarillo Economic Analysis, courtesy of Amarillo National Bank
- (2) CNS Pantex
- (3) Amarillo Chamber of Commerce includes only full-time employees
- (4) Cactus Feeders
- (5) Friona Industries
- (6) Amarillo VA Health Care System
- (7) Amarillo Economic Development Corporation
- (8) Harrington Regional Medical Center
- (9) Amarillo Gear
- (10) Insurance Management Services
- (11) Baptist St. Anthony's Hospital
- (12) Northwest Texas Hospital
- (13) U.S. Bureau of Labor Statistics

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FINANCIAL SECTION

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Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Amarillo, Texas

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, GASB No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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.



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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 generally accepted auditing standards 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 generally accepted auditing standards 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, Budgetary Comparison Schedule - General Fund, the Schedule of Changes in Net Pension Liability and Related Ratios - Texas Municipal Retirement System, the Schedule of Contributions - Texas Municipal Retirement System, Notes to Required Supplementary Information - Texas Municipal Retirement System, the Schedule of Changes in Net Pension Liability and Related Ratios - Firemen's Relief and Retirement Fund, the Schedule of Contributions Firemen's Relief and Retirement Fund, Notes to Required Supplementary Information - Firemen's Relief and Retirement Fund, the Schedule of Net OPEB Liability and Related Ratios, Schedule of Changes to Net OPEB Liability and Related Ratios, Schedule of Contributions and Related Ratios OPEB, and Notes to Schedule of Required Supplemental Information OPEB on pages 5 through 21, and pages 126 through 137 be presented to supplement the basic financial statements. Such information, is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not 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 and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's 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.

CMMS CPAS & ADVISORS PLLC

Amarillo, Texas
February 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Amarillo's (City) Annual Comprehensive Financial Report (ACFR) presents an overview, through Management's Discussion and Analysis (MD&A), of the City's financial activities and performance during the fiscal year ended September 30, 2022. As the management of the City of Amarillo, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022.

Financial Highlights:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,176.2 million (net position). Of this amount, \$966.1 million is invested in capital assets and infrastructure net of related debt and \$59.4 million is restricted for debt service and other purposes. The remaining \$150.7 million is unrestricted net position.
- The City's total net position increased by \$125.1 million. Of this amount, a \$87.0 million increase is attributable to governmental activities, and an increase of \$38.1 million is attributable to net operating revenues of the business-type activities, which revenues are attributable to rates/fees established to fund both current operating needs and future development.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$237.8 million. The General Fund's fund balance increased by \$9.2 million. The General Construction fund had an increase in fund balance of \$66.2 million. This increase was a result of issuing the bonds for improvements to a new City Hall and for athletic field lighting along with transfers from COVID-19 Relief funding for capital projects and from the General Fund created from excess reserves. Changes in fund balance for the COVID-19 Relief fund and the other governmental funds, which include many grants, special revenue funds, and other capital project funds, were an increase of \$197 thousand and a decrease of \$5.8 million, respectively.
- At the end of the current fiscal year, the fund balance for the General Fund was \$78.7 million, or 33.8% of total general fund expenditures. Expenditures and transfers out of the General Fund were \$233.1 million, which amounts included transfers of general revenues to capital outlay, internal service funds, grant funds, compensated absences fund, and other funds which carry out general governmental operations. The General Fund remains in good financial condition with unassigned fund balance of \$74.9 million.
- Net position for the Water and Sewer Fund increased by \$31.7 million. Fiscal year 2022 included a 5% rate increase in water and sewer rates and experienced similar consumption in 2022 compared to 2021. Calendar 2021 was the 20th driest year on record compared to 2022 being the 31st driest year. On-going litigation was partially settled during fiscal year 2022 producing proceeds of \$11.7 million.
- Net position for the Drainage Utility Fund increased by \$2.5 million. Fiscal year 2022 included a 4% rate increase.
- Net position for the Airport Fund increased by \$4.8 million. Federal grant money continued to be received to help Airport operations with loss of revenue due to the COVID-19 pandemic.
- The City issued \$23.9 million in new combination tax and revenue notes for construction and improvements to a new City Hall. Half of the debt service will be funded from property taxes and the other half from water and sewer revenues.
- The City issued \$6.8 million in new certificate of obligation debt. The certificates of obligation were issued to address lighting at local parks.
- The City issued \$7.3 million in new tax notes to purchase enterprise resource planning (ERP) software and to construct and improve fuel islands for the fleet services department.
- The City issued \$52.6 million in new water and sewer revenue bonds. The bond proceeds will be used for improvements and expansion of the water and sewer system.

Overview of the Financial Statements:

Effective October 1, 2001, the City adopted the provisions of Statement No. 34 issued by GASB. The financial presentation promulgated by that statement is very different from the governmental financial presentation that was generally accepted before the issuance of Statement No. 34. This discussion is intended to serve as an introduction to the City's basic financial statements presented in conformity with this accounting standard.

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information, other supplementary information, and statistical information in addition to the basic financial statements themselves.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the finances of the City in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes).

Both government-wide financial statements distinguish *governmental activities* – functions of the City that are principally supported by taxes and intergovernmental revenues – from *business-type activities* – functions of the City that are intended to recover all or a significant portion of their costs through user fees and charges. The *governmental activities* of the City include public safety, streets and traffic, culture and recreation, solid waste, transit, urban redevelopment, and tourism, as well as general government and staff services. The *business-type activities* of the City include a water and sewer system, drainage utility, and an international airport.

In addition to the financial statements of the City, the government-wide financial statements include information concerning six legally separate entities that are part of the City's financial reporting entity because of the City's oversight responsibility for their affairs. These entities include Amarillo Hospital District, Amarillo Economic Development Corporation, Amarillo-Potter Events Venue District, Amarillo Housing Finance Corporation, Amarillo Health Facilities Corporation, Amarillo Convention and Visitors Bureau, Inc., and Amarillo Local Government Corporation. This information is presented separately from that of the primary government (the City of Amarillo) because such component units are not legally or functionally an integral part of the City.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: government funds, proprietary funds, and fiduciary funds.

Government funds: *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Accordingly, these statements do not reflect capital assets or long-term debt, and they report capital outlay as opposed to depreciation and report proceeds and principal reductions of long-term debt as sources and expenditures which increase or decrease fund balance. Such statements are useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In addition to a general fund, the City maintains several special revenue funds, two debt service funds, ten capital projects funds, and one permanent fund. These funds have been categorized as either *major or non-major* based on the significance of their financial position or operations. For the current fiscal year, management has determined that the General Fund, General Construction Fund, and COVID-19 Relief Fund met the criteria for major fund classification.

The City adopts annual appropriated budgets for most funds, other than funds controlled by the five-year capital improvement program or funds controlled by project-length grant budgets.

Proprietary funds: The City maintains three different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer system, the drainage utility system, and for its international airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among a governmental entity's various functions. The City uses internal service funds to account for its fleet of vehicles, its management information systems, and its general and employee health self-insured programs. Because over 80% of these services benefit governmental functions as opposed to business-type functions, their net position and unallocated (investment) earnings have been included with governmental activities in the government-wide financial statements.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund statements can be found in the Basic Financial Statement section of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information: As the budgetary comparison schedules of the major governmental funds are not a part of the basic financial statements, this information is presented after the footnotes as *required supplementary information*. This section also presents *required supplementary information* concerning the City's net pension liability and required contributions to its firefighters through the Firemen's Retirement and Relief Fund and its other employees through the Texas Municipal Retirement System. Information on the City's net other post-employment benefits (OPEB) liability, changes in the net OPEB liability and required contributions are also reported.

Government-Wide Financial Analysis: Changes in assets over time may serve as a useful indicator of a government's financial position. Prior to the effective date of Statement No. 34 issued by the Governmental Accounting Standards Board, capital assets used in governmental fund activities were accounted for in a "general fixed assets group of accounts" and were not depreciated. Effective with its adoption of Statement No. 34 as of October 1, 2001, the City computed the accumulated depreciation on all governmental activity capital assets, including infrastructure. Therefore, changes in assets of both governmental and business-type activities, including capital assets as well as current assets, provide meaningful information to the reader. The table below reflects the City's net position as of September 30, 2022, compared to the prior year (in thousands):

City of Amarillo, Texas - Net Assets
(in thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		<i>Percent</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>
Current assets	\$ 259,764	\$ 217,847	\$ 113,800	\$ 95,419	\$ 373,564	\$ 313,266	19.07%
Noncurrent assets	143,448	78,986	154,868	117,269	298,316	196,255	15.23%
Capital assets	546,333	535,725	741,132	712,057	1,287,465	1,247,782	65.70%
Total assets	\$ 949,545	\$ 832,558	\$ 1,009,800	\$ 924,745	\$ 1,959,345	\$ 1,757,303	100.00%
Deferred outflows of resources	\$ 26,635	\$ 23,822	\$ 4,515	\$ 6,460	\$ 31,150	\$ 30,282	0.00%
Current liabilities	\$ 55,489	\$ 59,705	\$ 52,826	\$ 51,824	\$ 108,315	\$ 111,529	15.60%
Noncurrent liabilities	295,236	293,614	290,869	264,608	586,105	558,222	84.40%
Total liabilities	\$ 350,725	\$ 353,319	\$ 343,695	\$ 316,432	\$ 694,420	\$ 669,751	100.00%
Deferred inflows of resources	\$ 94,199	\$ 58,182	\$ 25,678	\$ 7,963	\$ 119,877	\$ 66,145	0.00%
Net position:							
Net investment in capital assets	\$ 394,218	\$ 402,317	\$ 571,863	\$ 545,702	\$ 966,081	\$ 948,019	82.14%
Reserved/restricted	45,124	28,548	14,270	11,497	59,394	40,045	5.05%
Unrestricted (deficit)	91,915	14,014	58,809	49,611	150,724	63,625	12.81%
Total net position	\$ 531,257	\$ 444,879	\$ 644,942	\$ 606,810	\$ 1,176,199	\$ 1,051,689	100.00%

The net position of the Governmental Activities was \$531.3 million. Of this amount, approximately \$394.2 million is net investment in capital assets. Restricted net position of approximately \$14.4 million, \$4.0 million, and \$26.7 million is restricted for debt service, tax increment financing, and other purposes, respectively. This leaves an unrestricted net position for Governmental Activities of \$91.9 million. Net position of the Business-type Activities, which are comprised of the Water and Sewer Fund, Drainage Utility Fund, and the Airport Fund, totaled \$644.9 million. The unrestricted net position of the Business-type Activities was \$58.8 million and is used to provide working capital and fund capital projects.

The City's overall net position increased by \$125.1 million during the current fiscal year. The following table reflects the elements of this change:

City of Amarillo, Texas - Changes in Net Position
(in thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		<i>Percent</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>
Revenues							
Program revenues							
Charges for services	\$ 59,738	\$ 54,874	\$ 113,213	\$ 101,378	\$ 172,951	\$ 156,252	38.33%
Operating grants and contributions	60,932	33,872	6,357	6,181	67,289	40,053	14.91%
Capital grants and contributions	15,987	13,044	10,314	6,822	26,301	19,866	5.83%
General revenues:							
Property taxes	66,701	58,014	-	-	66,701	58,014	14.78%
Other taxes	105,473	95,405	-	-	105,473	95,405	23.37%
Insurance recover/cost	-	-	11,725	-	11,725	-	2.60%
Investment earnings, etc.	445	449	393	89	838	538	0.19%
Total revenues	309,276	255,658	142,002	114,470	451,278	370,128	100.00%
Expenses:							
General/staff services	18,790	18,955	-	-	18,790	18,955	5.76%
Public safety	96,807	100,945	-	-	96,807	100,945	29.68%
Streets/traffic	24,903	23,095	-	-	24,903	23,095	7.63%
Culture and recreation	29,743	27,077	-	-	29,743	27,077	9.12%
Solid waste	18,035	17,344	-	-	18,035	17,344	5.53%
Transit	5,389	5,918	-	-	5,389	5,918	1.65%
Tourism/economic/urban development	19,237	17,644	-	-	19,237	17,644	5.90%
Information technology	4,892	4,817	-	-	4,892	4,817	1.50%
Interest on long-term debt	8,018	6,712	-	-	8,018	6,712	2.46%
Water and sewer	-	-	79,053	65,381	79,053	65,381	24.24%
Drainage utility	-	-	4,909	4,254	4,909	4,254	1.51%
Airport	-	-	16,401	16,637	16,401	16,637	5.03%
Total expenses	225,814	222,507	100,363	86,272	326,177	308,779	100.00%
Excess (deficiency) before transfers	83,462	33,151	41,639	28,198	125,101	61,349	
Transfers	3,507	292	(3,507)	(292)	-	-	
Change in net position	86,969	33,443	38,132	27,906	125,101	61,349	
Net position, beginning	444,879	411,436	606,810	578,904	1,051,689	990,340	
Prior period adjustment	(591)	-	-	-	(591)	-	
Net position, ending	\$ 531,257	\$ 444,879	\$ 644,942	\$ 606,810	\$ 1,176,199	\$ 1,051,689	

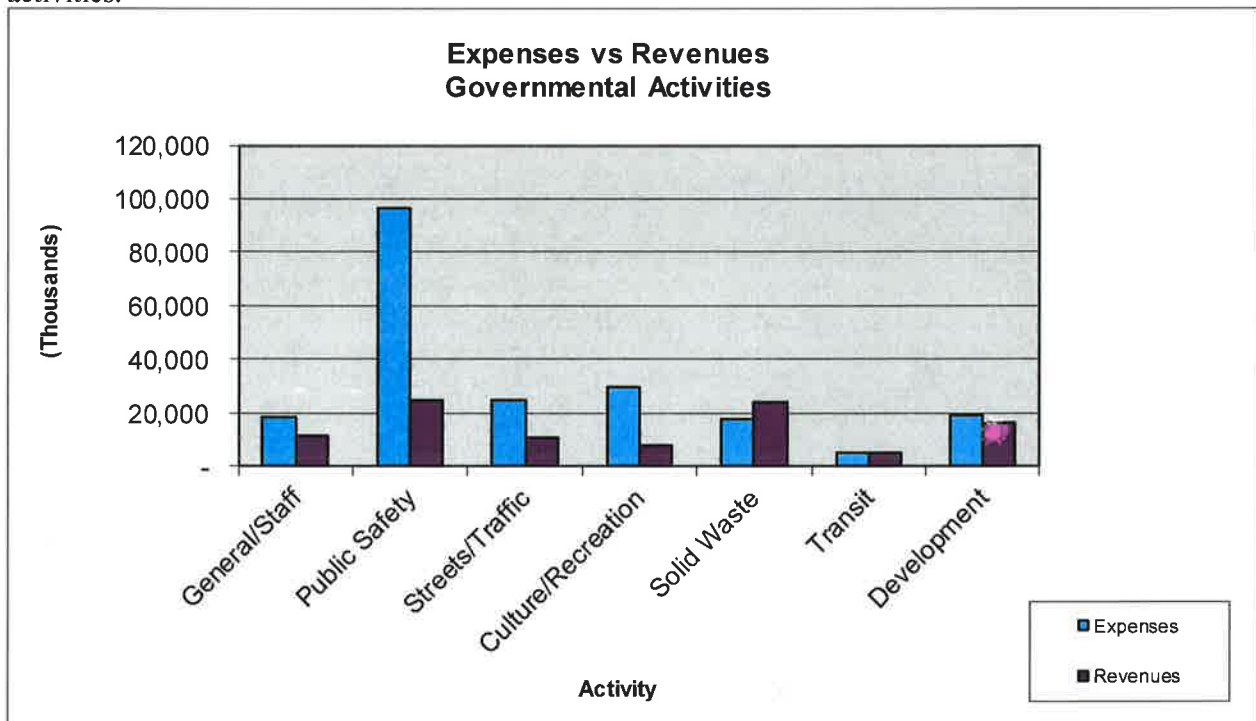
Governmental activities: At September 30, 2022, the net position for the Governmental Activities increased \$531.3 million. Expenses increased over the prior year \$3.3 million, program revenues increased over the prior year \$34.8 million and general revenues increased over the prior year \$18.7 million. Throughout the fiscal year the City continued to see economic recovery from the COVID-19 pandemic while continuing to receive COVID-19 funding assistance from grants.

The overall net increase in expenses over the prior year of \$3.3 million are a result of conservative spending in all operations and many staffing vacancies due to the ongoing impacts of the COVID-19 pandemic offset by a total 3% pay increase for personnel and rising fuel and inflationary costs.

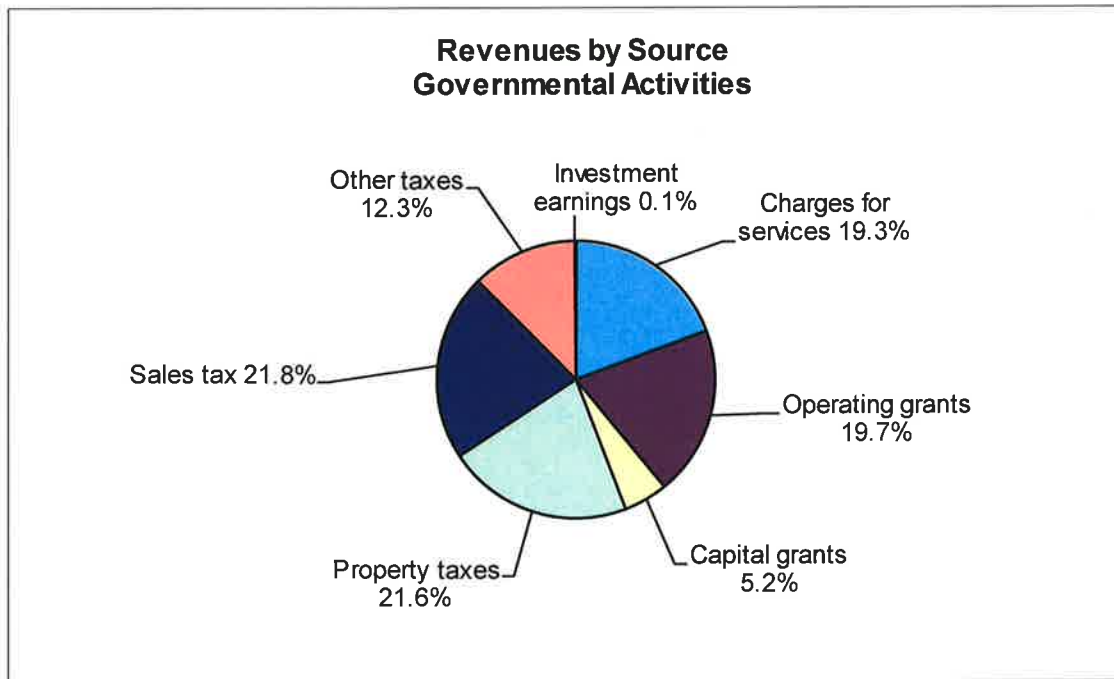
Program revenues increased \$34.8 million over the prior year. These revenues include charges for services, operating and capital grants, and various contributions. Charges for services include fees of the solid waste disposal utility and transit system, revenues of the auditorium-coliseum complex and parks department, along with permits, licenses, and fines. The main reason for the increase was additional grant money received due to the COVID-19 pandemic during fiscal year 2022 that was not received in fiscal year 2021. \$27.7 million in American Rescue Plan Act funding was recognized during 2022.

General revenues increased \$41.2 million over the prior year. Property tax revenues increased \$3.8 million due to increases in taxable values and a \$0.04653 increase in the tax rate for voter approved debt service and additional funding for parks and recreation. Sales tax increased \$7.0 million and continues to exceed pre-COVID collections. Hotel Occupancy increased \$1.0 million and continues to rebound well from the impacts of COVID. Gross receipts business taxes increased \$2.0 million and unrestricted investment earnings remained flat.

The chart below titled *Expenses vs. Revenues – Governmental Activities* – shows the expenses and revenues by activity. The chart reflects the extent to which each of the major governmental functions of the City is supported by revenues designated for that purpose. The revenues include charges for services, intergovernmental revenues, and citizen participations and contributions. Charges for services include fees of the solid waste disposal utility and transit system, revenues of the auditorium-coliseum complex and parks department, and permits, licenses, and fines. For most activities, expenses exceed revenues. General revenues such as sales tax and property taxes are used to fund most of the governmental activities.



The accompanying pie chart entitled *General Fund Revenues by Source – Governmental Activities –* reflects the major components of both revenues as described above of \$242.3 million including transfers of \$26.3 million.



Business-type activities: Business-type activities, which include the Water and Sewer Fund, Drainage Utility Fund, and the Airport Fund, increased the City's net position by \$38.1 million. Net position for the Water and Sewer Fund increased by \$31.7million. The increase was primarily due to water sales due to consumption remaining strong, a 5% rate increase, and litigation proceeds, \$8.4 million more than the previous year.

Net position for the Drainage Utility Fund increased by \$2.5 million. The Drainage Utility Fund was approved in late fiscal year 2011/12 and had assessment income starting October 1, 2012. The Drainage Utility Fund had net operating income of \$2.6 million for 2021/22.

Net position for the Airport Fund increased by \$4.8 million, \$1.4 million more than the previous year. Airport operating revenues were impacted by the COVID-19 pandemic but have now fully recovered to pre-COVID-19 levels. Federal grant money continued to be received to help Airport operations with loss of revenue. Grants-in-aid received in 2021/2022 was \$6.4 million as compared to \$6.2 million in 2020/2021. Airport operating expenses were back to a more normal level as travel activity continued to rebound from the pandemic; however the Airport saw staffing shortages along with most of the organization.

89% of the City's net position for the business-type activities is net investment in capital assets (land, buildings, pipelines, streets, and runways, etc.). Management reviews the use of these assets on an ongoing basis and determines whether any should be disposed of. All of these assets are either being used in current City operations or, as in the case of underground water rights, are being held for planned future use.

\$14.3 million of the net position represents resources that are subject to external restrictions on how they may be used. These restrictions primarily represent accounts established in accordance with bond covenants. Other restrictions include amounts to be spent in accordance with grant agreements. The balance of net position, \$58.8 million, is available to meet the City's ongoing obligations to citizens and creditors and to hold in reserves.

Water and Sewer System: Overall Utility sales and service revenues increased \$9.0 million. Fiscal year 2022 included a 5% rate increase in water and sewer rates in order to issue debt for improvements and expansion of the water and sewer system and to fund increased operating and maintenance costs. Water metered sales were \$8.4 million more than the prior year due to the 5% rate increase along with 2022 receiving similar amounts of rain compared to 2021. Calendar 2020 was the eight driest year on record compared to 2021 being the twentieth driest year and 2022 being the thirty-first driest year, while 2019 was the 15th wettest year in recorded history. Water revenues can be significantly affected by the amount and timing of local rainfall.

The chart below reflects the fluctuation in precipitation that the area has received over the past nine years:

<u>Year</u>	<u>Precipitation**</u>	<u>Records*</u>
2014	19.40"	63 rd driest (near normal**)
2015	34.63"	4 th wettest on record
2016	17.20"	36 th driest on record
2017	26.48"	13 th wettest on record
2018	13.60"	12 th driest on record
2019	25.88"	15 th wettest on record
2020	12.58"	8 th driest on record
2021	15.03"	20 th driest on record
2022	16.43"	31 st driest on record

* Records go back to 1892.

** Normal precipitation is 20.36".

Drainage Utility: The Drainage Utility Fund completed the tenth year of operation and recorded operating revenues of \$6.9 million with \$4.3 million in operating expenses resulting in net operating income of \$2.6 million. Drainage utility assessment revenue was approximately \$407 thousand more than the prior year due to a 4% rate increase. The rate increase is part of an overall Community Investment Program and addresses much needed drainage improvements throughout the City. Some projects are funded with cash, as available, and others have been funded by Drainage Revenue Bonds, which are paid back through debt service payments over the term of the bonds. Drainage Revenue Bonds were issued in 2012/13, 2013/14, 2019/20 and again in 2020/21. The total outstanding debt at year-end for the Drainage Utility Fund was \$24.4 million.

Airport: The Airport has been in the process of improving facilities, and the Federal Aviation Administration (FAA) funds a significant part of the cost of these improvements. The Airport generally attempts to operate on a break-even basis. Fiscal year 2022 started to see recovery from the effects of the COVID-19 pandemic. Federal grant money was received for loss in revenues due to the pandemic and helped the Airport end the fiscal year with an increase in net position of \$4.8 million. As compared to the prior year, operating revenues were up by \$2.1 million and non-operating revenues, which include grant funding, were up by \$1.5 million. Operating revenues are derived from airlines, fees and commissions, and other building rentals.

Financial Analysis of the City's Funds:

Government funds: The focus of the financial statements of *governmental* funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirement. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As management has long adhered to a policy of financing construction out of unreserved fund balances available after all current needs have been met, these balances also serve as an indication of the amounts available for expansion or replacement of infrastructure and other capital improvements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$237.8 million, an increase of approximately \$69.8 million from the prior year. Of the total fund balances, over half is non-spendable, restricted as to use or committed/assigned by management for specific purposes, which are accounted for in governmental funds established to control the expenditure of the funds for the specific purpose. These funds consist primarily of the Capital Projects funds and the grant funds. The remaining unassigned fund balance is available to fund current expenditures or to fund future capital improvements or operating needs along with maintaining reserve requirements. All of the unassigned fund balance is accounted for in the General Fund, which is the primary operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$78.7 million, of which \$74.9 million was unassigned.

The fund balance of the General Fund at year end was \$78.7 million, an increase of \$9.2 million. As discussed above in the Government Wide Financial Analysis – Governmental Activities section, throughout the fiscal year the City continued to operate with the ongoing impacts of the COVID-19 pandemic impacting various aspects of operations. The City has restored most operations to full service levels. The revenue areas that brought about the increase in the fund balance were increases in property tax revenues due to increased values and tax rate, sales tax revenues setting new records, and hotel occupancy tax remaining above normal levels. Conservative spending and many staffing vacancies also contributed to the increase in fund balance.

The fund balance of the General Construction Fund at year end was \$77.9 million, an increase of \$66.2 million. This increase includes bond proceeds to be used on a new City Hall, lighting at local parks, and for ERP software. The General Construction Fund had assigned fund balance of \$77.9 million at September 30, 2022. These funds are assigned for construction projects in progress and for projects currently in the planning stages and in the City's five-year capital plan.

The COVID-19 Relief Fund was formed in fiscal year 2020 to account for spending in direct response to the pandemic and the grant money the City received from the American Rescue Plan Act (ARPA). The ARPA money is reported as an unearned revenue liability until actual spending takes place. The COVID-19 Relief Fund has a restricted fund balance at year-end of \$207 thousand.

All Other Governmental Funds had as total fund balance at year-end of \$89.9 million, a decrease of \$5.8 million from the prior year. The Other Governmental Funds include all other Capital Project funds, the Housing and Urban Development (HUD) Grants fund, Other Grants funds, Public Improvement Districts, Seizure Funds, Other funds, Bonded Debt Service Fund, Compensated Absence Fund, and a Permanent Fund. The HUD Grants Fund accounts for funds administered by the City for the U.S. Department of Housing and Urban Development, including block grants, housing assistance, and various smaller low-income programs. Most of the grants awarded to the City are expenditure driven; thus, for most programs, revenues equal expenditures.

Proprietary funds: The financial statements of the Proprietary Funds provide information for the two types of funds – the Business-type (Enterprise) Funds and the Internal Service Funds. The Business-type funds activities were discussed above in the Government Wide Financial Analysis section. The accounting principles applied to the Business-type funds are like that of the private sector. Consequently, with the exception of the allocation of Internal Service Fund losses to business-type activities, the net position and changes in net position of the Business-type (Enterprise) Funds in these financial statements is identical with the net position and changes in net position in the Government-wide financial presentation.

The Internal Service Fund financial statements reflect a net position of \$61.5 million. The purpose of Internal Service Funds is to provide services within a government on a break-even basis. Funds classified as Internal Service are Fleet Services, Information Services, Risk Management and Employee Insurance. The net income or loss from these Internal Service Funds has been allocated back to the user departments or funds for the Government-wide financial statements. The unrestricted net position of the Internal Service Funds, \$37.1 million at year end, is generally used to replace capital assets.

The net position of the Internal Service Funds increased in fiscal year 2022 by \$4.6 million. The increase was largely due to additional transfers of \$7.1 million from excess General Fund reserves and from COVID-19 grant funding. The transfers were to the Risk Management fund in the amount of \$3.5 million to help replenish reserves from large COVID-19 workers comp claims incurred in the prior year and to the Information Services Fund in the amount of \$3.5 million to fund various capital projects.

Capital Assets and Debt Administration:

Capital assets: The City's investment in capital assets as of September 30, 2022, was \$1.3 billion, net of accumulated depreciation. The following tabulation summarizes the City's capital assets at September 30, 2022:

City of Amarillo, Texas - Capital Assets
(in thousands - net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land, easements and water rights	\$ 56,112	\$ 52,723	\$ 83,348	\$ 80,490	\$ 139,460	\$ 133,213
Infrastructure	162,528	162,407	-	-	162,528	162,407
Library resources	4,383	4,460	-	-	4,383	4,460
Water and sewer other	-	-	517,876	455,093	517,876	455,093
Airport facilities	-	-	60,018	65,036	60,018	65,036
Drainage improvements	-	-	16,115	15,862	16,115	15,862
Buildings and other improvements	233,168	218,055	-	-	233,168	218,055
Equipment and vehicles	41,569	43,475	3,608	4,000	45,177	47,475
Capital lease asset	4,924	4,129	-	-	4,924	4,129
Construction in progress	43,649	50,478	60,166	91,756	103,815	142,234
Total capital assets	\$ 546,333	\$ 535,727	\$ 741,131	\$ 712,237	\$ 1,287,464	\$ 1,247,964

For this purpose, the vehicles, management information systems, and other assets of the Internal Service Funds are classified as assets used in government activities. Refer to Note 7 in the Notes to Basic Financial Statements for additional information related to capital assets.

The City of Amarillo attempts to fund its capital needs on a pay-as-you-go basis to the extent possible. However, the City has recently borrowed funds in order to complete significant infrastructure projects. The City attempts to take advantage of favorable interest rates and use debt only when conditions are favorable. Note 12 to the financial statements discloses in detail the debt activities of the City. In addition, a Combined Schedule of Outstanding Debt Issuances is provided in the supplemental section of the ACFR. The City's total outstanding debt as of September 30, 2022 was \$503.5 million. The following table shows the City's total principal amounts outstanding under bond agreements as of September 30, 2022:

City of Amarillo, Texas - Outstanding Debt
(in thousands)

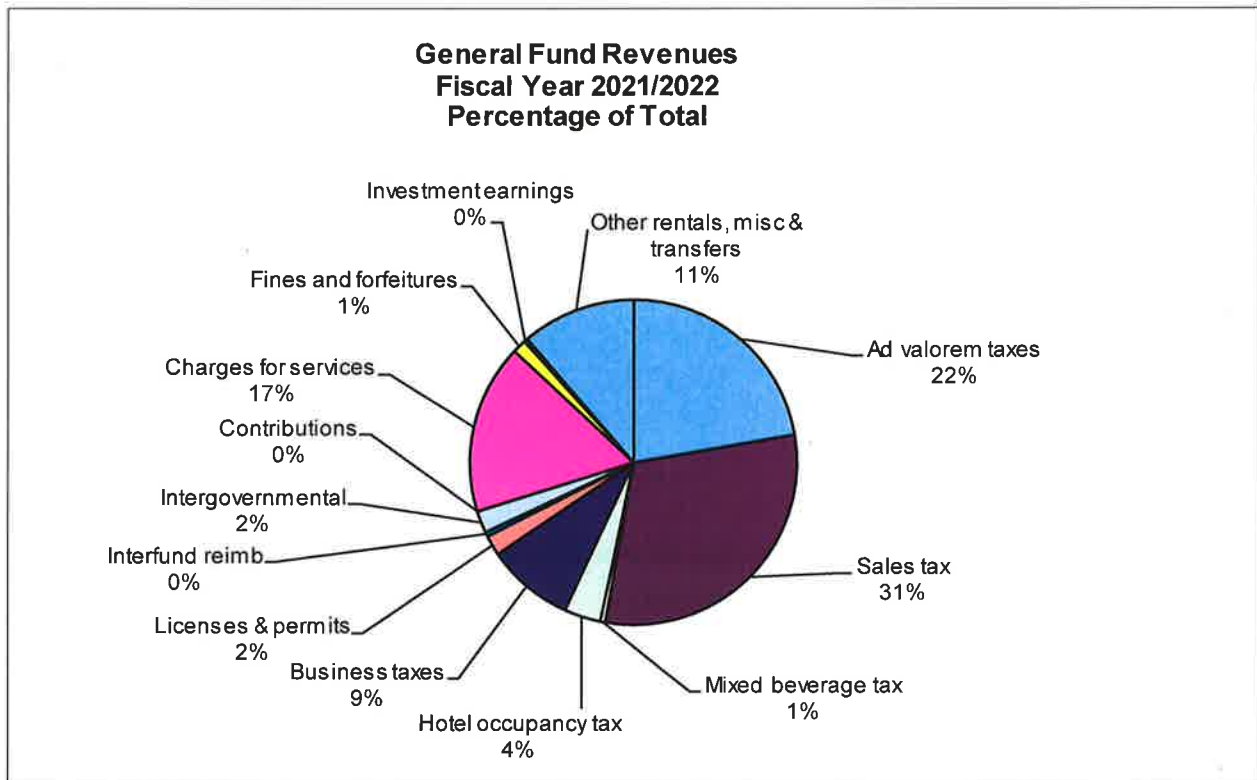
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 107,000	\$ 111,758	\$ -	\$ -	\$ 107,000	\$ 111,758
Certificates of obligation	19,776	12,980	-	-	19,776	12,980
Tax notes	30,130	3,065	-	-	30,130	3,065
Special assessment and other debt	13,535	10,555	-	-	13,535	10,555
Hotel occupancy tax debt	47,910	49,065	-	-	47,910	49,065
Water and sewer revenue bonds	-	-	229,180	191,180	229,180	191,180
Water authority debt	-	-	31,554	37,868	31,554	37,868
Drainage utility revenue bonds	-	-	24,365	25,525	24,365	25,525
Total outstanding debt	\$ 218,351	\$ 187,423	\$ 285,099	\$ 254,573	\$ 503,450	\$ 441,996

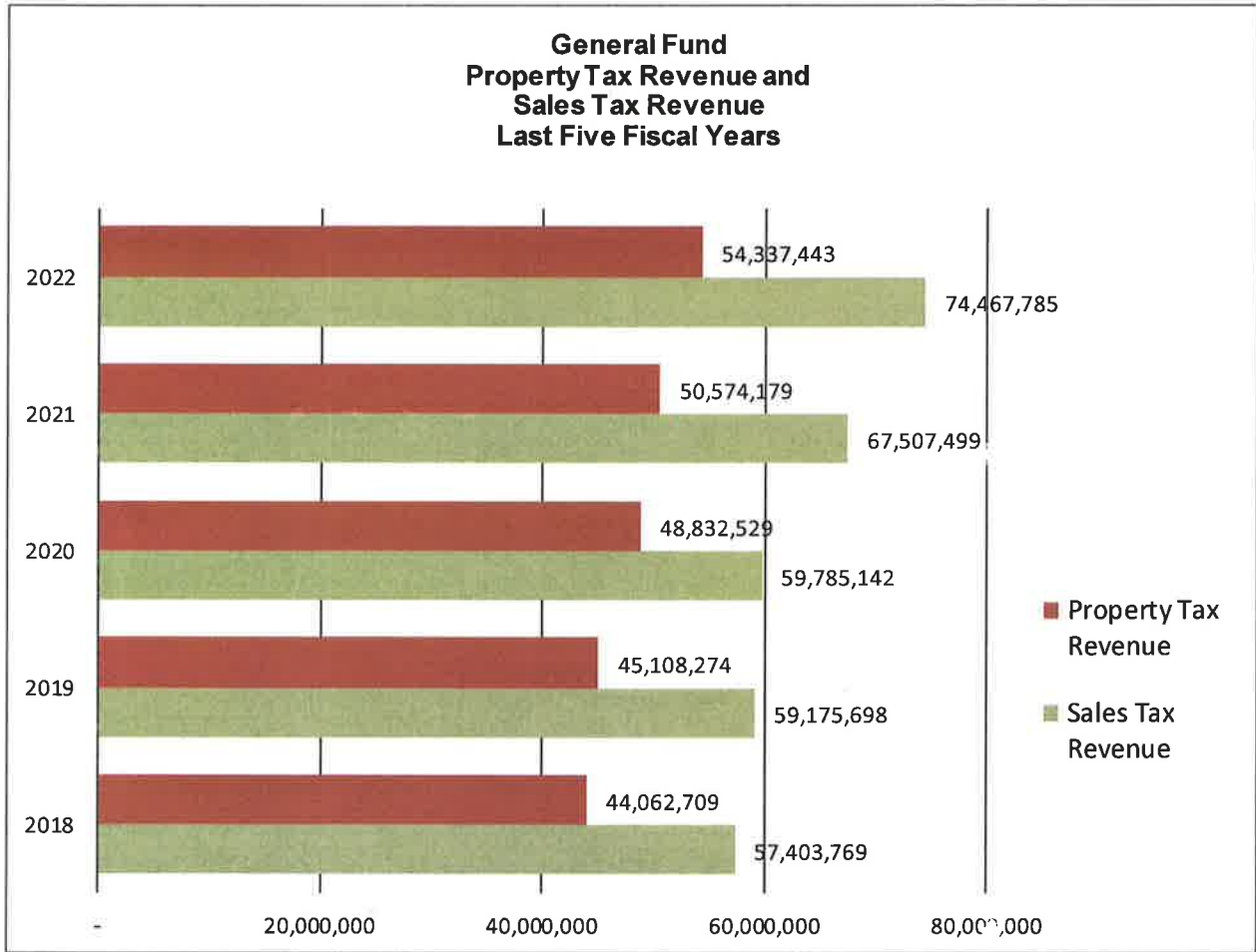
Refer to Notes 11 and 12 in the Notes to Basic Financial Statements for additional information related to long-term debt and other commitments.

General Fund Budgetary Highlights:

The primary purpose of the General Fund is to account for general revenues such as property taxes, sales taxes, and other taxes and expenditures related to essential City functions and programs. The General Fund is comprised of multiple departments that carry out many of the City's essential functions from street repair and maintenance, traffic, fire and police protection, sanitation collection and disposal, and other administrative functions just to name a few. Budget verses actual schedules for the General Fund are reported beginning on page 175.

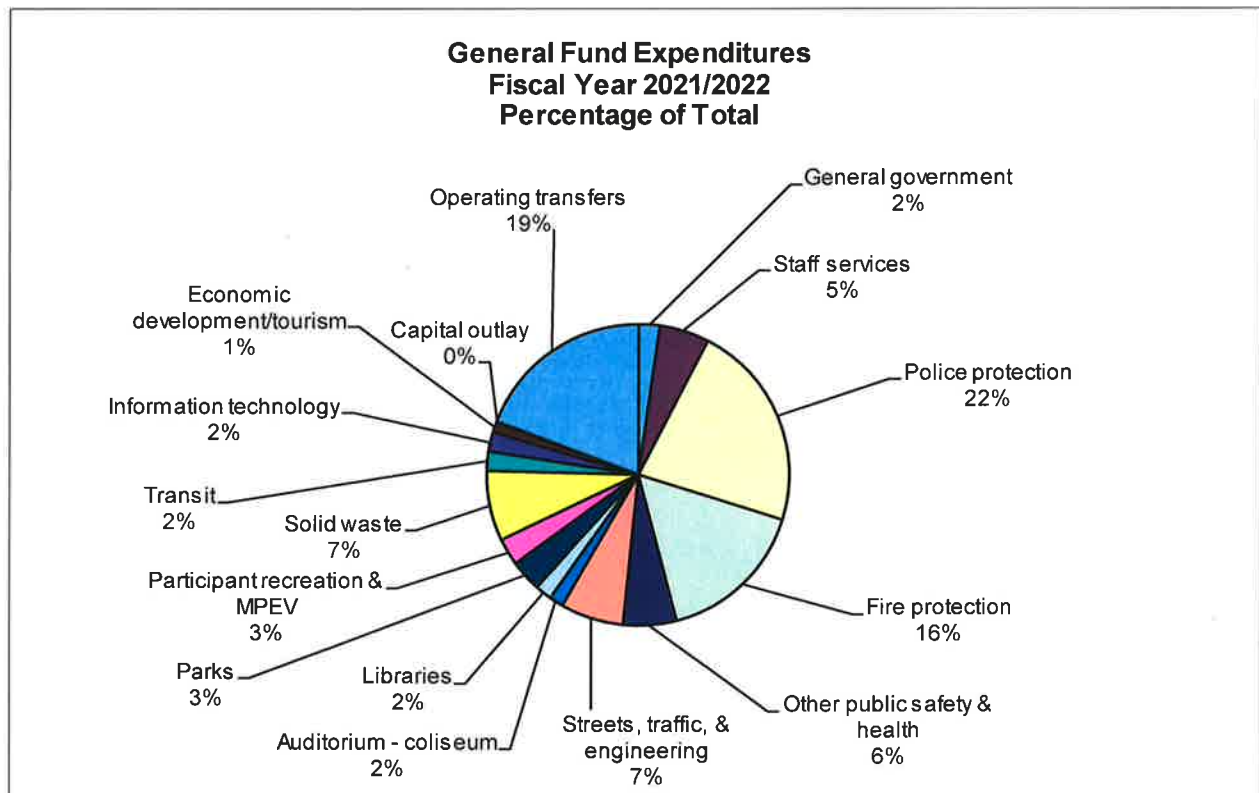
General Fund Revenues: The total General Fund revenues budgeted for fiscal year 2021/22 were \$201.2 million and actual revenues came in at \$216.0 million, \$14.8 million more than budgeted. Actual sales tax revenue accounts for 31% of General Fund total revenue. Sales tax revenues were budgeted for \$61.0 million. Actual sales tax revenues for 2021/22 were \$74.5 million. Sales tax revenues were \$13.5 million more than budgeted for the fiscal year. The City budgeted conservatively for sale tax not knowing the ongoing impact from the pandemic. Sales tax receipts recovered very well and continue to exceed budget and exceed record numbers into the first quarter of the new fiscal year. Another major component of General Fund revenue is ad valorem property taxes. General Fund ad valorem tax collections were budgeted at \$54.4 million and actual ad valorem taxes were \$54.3 million, \$0.1 million less than budgeted. The ad valorem tax collection rate was slightly less than anticipated. Charges for services is 17% of General Fund total revenue and continued to recover from the pandemic coming in \$1.3 million under budget. The two areas impacted most in charges for services was Parks and Recreation and the Landfill. Hotel Occupancy Tax revenue was also budgeted conservatively and came in better than budget by \$1.7 million. Other General Fund revenues are comprised of business taxes, fines and forfeitures, investment earnings, and miscellaneous revenues. The chart below shows the major sources of total General Fund revenues:





In the above graph you can see the growth rate of the General Fund property tax revenue (ad valorem tax collections) in contrast with the growth rate of sales tax revenue. The sales tax revenue has fared well and has a healthy, positive trend line. The City management keeps a watchful eye on the monthly sales tax to spot any flattening trends that might develop. Ad valorem tax revenues show an increase mainly due to increased property values. The tax rate in effect for the year ending September 30, 2022, was \$0.44334 per \$100 of taxable value, which is greater than the prior year's rate of \$0.39681. The increase was \$0.04653 for the final voter approved debt service for capital projects and for additional funding for parks and recreation. Voters approved the issuance of general obligation bonds in November 2016 to address streets and public safety needs. The total value of properties on the tax roll for fiscal year 2022 was \$15.0 billion, an increase of \$0.5 billion over the prior year.

General Fund Expenditures: The total General Fund operating expenditure budget, excluding fund transfers, for fiscal year 2021/22 was \$193.5 million. Total actual expenditures and appropriations against the operating budget for 2021/22 were \$187.8 million. This resulted in underspending the budget by \$5.7 million. Many staffing vacancies throughout the fiscal year account for the underspending. Police and Fire protection account for approximately 45% of the General Fund expenditure budget, excluding transfers. Operating transfers to Capital Projects Funds and other funds were budgeted for \$210.0 million and actual General Fund transfers during the year were \$206.3 million, a budget variance of \$3.7 million more. The City had excess reserves during fiscal year 2022 related to sales tax collections coming in higher than anticipated and from grant money received to cover revenue loss incurred during the COVID-19 pandemic; the excess was approved by City Council to be used for several major capital projects. This accounts for the budget variance in General Fund transfers to other funds. The following chart shows the breakdown by functional area of the General Fund actual expenditures for 2021/22:



Capital Improvement Program (CIP): The City's primary source of funding the annual General Fund CIP program has been through reallocation of excess revenues and unspent monies from the preceding fiscal year. The goal was to maintain an adequate level of fund balance or reserves within the General Fund for contingencies and operations and to allocate any excess funds to the capital improvement program. On November 8, 2016, the citizens of Amarillo voted in a bond election that included seven propositions totaling \$340 million which would allow the City to implement a five-year general capital program. The anticipated tax increase for the bond election was \$0.20 with the issuance of the bonds over a five-year period. Two of the seven propositions were approved by voters with a total capital funding of \$109.6 million to fund street improvements and public safety capital needs. The City Council has also approved a \$52.6 million in debt for the final year of a planned five-year capital improvement plan for water and sewer. A 5% rate increase was implemented to support the debt service associated with the revenue bonds along with increased operating and maintenance costs. A final 4% rate increase in Drainage was also implemented during the year to support two existing debt issuances to fund a five-year capital improvement plan. The City Council also approved combination tax and revenue notes to fund improvements to a new City Hall, certificates of obligation to fund lighting in local parks, and tax notes to fund the purchase of new ERP software and to construct new fuel islands at the fleet services department. All other CIP needs will be met through reallocation of excess revenues and unspent monies from the preceding fiscal year.

Economic Factors and Next Year's Budget and Rates

The fiscal year 2023 Budget totals approximately \$490.8 million, with \$308.1 million approved for operation and maintenance functions, \$114.4 million in capital, and \$68.3 million for required debt service payments. The annual Budget is the most important policy document for consideration by the Council. It identifies required funding to deliver more than 250 programs and services to the citizens of Amarillo.

The 2022/2023 Annual Operating Budget is presented to Council as a program-based budget, i.e., the various programs offered by City departments are presented with program descriptions and performance measures to define the level and quality of services delivered to Amarillo citizens. The Budget represents maintenance of current service levels for the more than 250 programs funded by the City. All programs have a demonstrated connection to the BluePrint for Amarillo and supporting Council pillars.

The City has rebounded well from the COVID-19 pandemic in most areas; however, rising costs in several vital areas including commodities, materials, supplies, construction, and attracting and retaining personnel have placed challenges on the budget process. Key areas of focus in the 2022/2023 Budget include addressing aging infrastructure throughout City operations, attracting and retaining a skilled labor force, and rising costs in most operational areas.

The Budget reflects revenues in line with pre-COVID-19 numbers, with slight increases, and rate increases in certain areas to support the rising costs of doing business and aging infrastructure. On the expenditure side, the Budget includes enhancements that focus on funding for critical capital projects, pay enhancements for personnel to help in attracting and retaining employees, and amounts to cover increased costs of doing business. Details of the consolidated budget are as follows.

CONSOLIDATED BUDGET

Our 2022/2023 Budget is \$490.8 million, which is an increase of 17.0%, or \$71.3 million, as compared to our 2021/2022 Budget of \$419.5 million.

The areas of specific increase/decrease in the Budget are:

	<u>FY 2021/2022</u>	<u>FY 2022/2023</u>	<u>% Change</u>
General Fund Operating	\$ 209,291,084	\$239,300,951	14.3%
Water & Sewer Operating	54,970,455	58,614,367	6.6%
Capital Improvement Projects	95,670,179	114,352,664	19.5%
Special Revenue Operating	32,796,287	39,875,546	21.6%
Fleet Services Operating	11,530,069	12,530,989	8.7%
Insurance Operating	39,378,618	39,801,333	1.1%
Debt Service	47,821,067	68,298,159	42.8%
Airport Operating	12,751,670	14,188,377	11.3%
Drainage Utility Operating	3,807,218	3,940,026	3.5%
Information Technology Operating	7,479,721	9,046,519	20.9%
Capital Transfers	3,214,718	3,216,767	0.1%
Less: Interfund Transfers	(99,181,032)	(112,335,250)	13.3%
Total Budget	<u>\$ 419,530,054</u>	<u>\$490,830,448</u>	<u>17.0%</u>

Municipal government is a service business and the predominant expense category in the Budget is always personnel and the associated salary and benefit expenses. Personnel costs comprise 33%, or \$198.6 million, of the 2022/2023 net Budget. Personnel costs in the Budget are 10.2% more than the prior year budget due to salary increases and reclassifications described below. The increase in personnel costs accounts for most of the increase in each operating budget noted above. The Budget also reflects a 10% increase in medical insurance costs related to increasing claims and insurance costs.

The second largest category in the Budget is Capital Improvement Projects at \$114.4 million, or 23.2% of the Budget. Capital Improvement Projects reflect a 16.6% increase from the prior year and include major street and traffic administration projects, funding for a new fire station, funding for landfill cell development, funding for parks and Recreation assets and facilities, water and sewer system projects, drainage utility system projects, airport projects that are eligible for additional federal funding, and more. The Capital Improvement Program section provided in the budget document provides more details of the proposed projects.

Debt Service accounts for just over 13.6%, or \$68.3 million, of the net Budget. Debt service expenditures include all funds with outstanding debt. The Debt Service category includes a 42.8% increase which is due to the debt service related to bonds issued in FY2022 for the City Hall renovation, athletic field lighting, a planned additional bond issue in the Water and Sewer fund for water rights and system expansion and repairs, a small bond issue for the landfill cell development, and additional bonds for drainage system improvements.

Special Revenue operating costs have increased 66.4% due to additional grant/relief funding availability from the CARES Act and American Rescue Plan to help address costs and revenue loss associated with COVID-19.

Property and Sales Taxes

Taxable property values remain strong with an over 17% increase for the 2022 tax year, when comparing 2022 certified values to the 2021 certified values. The total 2022/2023 approved tax rate is \$0.40628 per \$100 taxable value versus the 2021/2022 rate of \$0.44334. A historical review of the rate reflects that the City Council increased the property tax rate by \$0.01 to \$0.32009 for the 2011/2012 and 2012/2013 fiscal years after three years with the same property tax rate, by \$0.02 in the 2013/2014 fiscal year, by \$0.005 in the 2014/2015 fiscal year, and by \$0.00563 to \$0.35072 for the 2015/2016 and 2016/2017 fiscal years. The rate increases associated with 2017/2018 and 2018/2019 were directly related to the debt service portion of the tax rate. City Council increased the operations and maintenance portion of the tax rate in 2019/2020 by \$0.01750 in addition to increasing the debt service portion of the tax rate. In 2020/2021, the debt service portion of the tax rate was the only portion of the tax rate increased. In 2021/2022, City Council increased the property tax rate by \$0.047 to \$0.44334.

Sales tax is the City's largest revenue source. Amarillo has long enjoyed a history of steadily increasing sales tax, which has offset the City's low property tax rate. The City's sales tax rebounded well from the effects of COVID-19. The Budget includes sales tax at an increase of \$7.0 million over the current year original budget of \$61.0 million. The sales tax revenue budget for next year has been normalized to sales tax collection experience for the past two years since COVID.

Sales tax and property tax revenues make up the largest percentage of funding for General Fund operations. However, each revenue source alone, property tax or sales tax, is not sufficient to fund the budgets for Public Safety. Therefore, the City must rely on multiple revenue sources to support General Fund operations.

Franchise Fees, User Fees and Charges

During 2016, the City initiated a \$140 million five-year Community Investment Program with corresponding rate increases for water and sewer and drainage. For water and sewer rates, there was a 3% rate increase in 2016/2017, 2017/2018, and 2018/2019 to fund the first three years of the program. The 2019/2020 Budget included a 7% water and sewer rate increase, which funded the addition of automated metering infrastructure (4%) and provided for an increase in operating and maintenance (3%). The 2020/2021 Budget included the fourth year of the planned 3% rate increases. The 2021/2022 Budget included the final year of the original five-year Community Investment Program with a 3% rate increase for water and sewer infrastructure and a 2% rate increase for maintenance and operations to cover increases in operational costs. The 2022/2023 budget includes a 10% water and sewer rate increase to cover inflation and additional debt issuances described above. The water rate structure is designed so that customers who only use water for domestic purposes still have very reasonable rates. A residential 10,000-gallon water user will have a monthly water and sewer bill of approximately \$93.25, an increase of \$8.48, which is low compared to other Texas cities. For drainage rates, there have been 4% rate increases for the past five years for the capital costs related to the five-year Community Investment Program. The 2022/2023 budget includes a 6% drainage fee increase to cover inflation and the additional debt issuance described above. The drainage fee increase will increase the average monthly residential charge by \$0.18.

The Budget also includes an increase in the Solid Waste rates of 14%. Residential customers will see a slight increase in their monthly bill, which for the average customer will be \$2.82. The additional funding will be used to cover increased operational costs related to the solid waste program and debt service related to the landfill cell development project noted above.

Other areas with fee increases include Parks and Recreation, Civic Center, Building Safety, Environmental Health, Fire Marshal, and Golf. The fee increases in each area are needed to adjust for increases in the Consumer Price Index (CPI) to cover the related cost of providing goods or services.

Employee Staffing

The 2022/2023 Budget consists of 2,302 permanent and 355 part-time employee positions. Permanent positions have increased by 29 positions over the current year and part-time positions have increased by 1. Several of the changes are reclassifications of current positions to better meet departmental needs. New positions include Building Safety employees to enhance customer service and to address the increased construction in our area, 15 fire fighter positions in preparation for a new fire station staffing needs, 4 police officer positions for additional operations support, and a few other positions in various departments to support operations. Below is a summary of the staffing changes for permanent positions for the 2022/23 Budget:

Position Title	Department	Full Time
AIRPORT LAND & BUSINESS DEVELOPMENT COORD	AIRPORT OPERATIONS	1
ANIMAL MANAGEMENT & WELFARE VETERINARIAN	ANIMAL MANAGEMENT & WELFARE	-1
RESCUE MANAGER	ANIMAL MANAGEMENT & WELFARE	1
RESCUE SPECIALIST	ANIMAL MANAGEMENT & WELFARE	1
COMMUNITY SAFETY INSPECTOR	BUILDING SAFETY	3
PROJECT REPRESENTATIVE II	CAPITAL PROJECTS & DEVELOPMENT	0.4
PROJECT REPRESENTATIVE II	CAPITAL PROJECTS & DEVELOPMENT	0.6
PROJECT MANAGER	CITY MANAGER	1
PRODUCTION TECH	CIVIC CENTER OPERATIONS	1
ASSISTANT PROPERTY & EVIDENCE MGR	CIVILIAN PERSONNEL	1
HEALTH SPECIALIST I	ENVIRONMENTAL HEALTH	1
FIRE INVESTIGATOR I	FIRE MARSHAL	1
FIRE INVESTIGATOR II	FIRE MARSHAL	-1
PLANS EXAMINER	FIRE MARSHAL	1
FIREFIGHTER	FIRE OPERATIONS	15
DISTRICT FIRE CHIEF – EMS	FIRE OPERATIONS	1
ADMINISTRATIVE ASST. II	FLEET SERVICES OPERATIONS	1
PAINT & BODY REPAIRER	FLEET SERVICES OPERATIONS	-1
CASE WORKER	HSS - Social Services	0.5
HR GENERALIST	HUMAN RESOURCES	1
311 CUSTOMER SERVICE REP II	IT TELECOM	-1
311 CUSTOMER SERVICE SUPERV	IT TELECOM	-2
CASE WORKER	LIBRARY	0.5
DEPUTY COURT CLERK II	MUNICIPAL COURT	-1
INNOVATION COORDINATOR	OFFICE OF PUBLIC COMMUNICATION	1
POLICE OFFICER	POLICE	4
UTILITY WORKER	SOLID WASTE COLLECTION	-2
UTILITY WORKER	SOLID WASTE DISPOSAL	-3
UTILITY WORKER	STREET DEPARTMENT	-1
PLANNER I	TRANSIT ADMINISTRATION	1
311 CUSTOMER SERVICE REP II	UTILITIES OFFICE	2
311 CUSTOMER SERVICE SUPERV	UTILITIES OFFICE	1
ASSISTANT PROGRAM COORDINATOR	WARFORD ACTIVITY CENTER	2
CUSTODIAN I	WARFORD ACTIVITY CENTER	-1
		<u>29</u>

Employee Compensation

- 1) 5% pay increase for civilian employees as pay-for-performance
- 2) 5% pay increase for Police and Fire employees
- 3) an annual leave buy back option for eligible tenured employees

The total cost of the pay plan improvements noted above and related benefits, along with funding to address specific positions throughout the organization, is what makes up the 10.4% overall increase in the costs associated with personnel. The budget also includes funding for discretionary retention pay, given to employees based on longevity during the holiday season, and a 10% increase in medical insurance costs to cover increasing claims and other insurance costs.

Capital Improvement Program

The 2022/2023 capital improvement program budget is \$114.4 million - \$33.0 million in general government capital projects, \$59.2 million in water and sewer system projects, \$6.3 million in airport projects, \$8.9 million in drainage system projects, and \$7.0 million in fleet services projects. The general government projects are funded from excess operational funds, property taxes, and solid waste collection fees related to the landfill cell development project. The water and sewer and drainage system projects are funded through the rate increases and excess operational funds planned for capital improvements. The airport projects are funded with excess operational funds planned for capital projects and grant money received from the FAA. The fleet services projects are funded with excess operational funds planned for capital.

Future Priorities

The 2022/2023 Budget has prioritized enhancements to compensation to employees, funding of capital projects including rising construction costs, and increased costs of commodities, materials, and supplies. Going forward, the City will need to identify additional budget dollars to address the maintenance of aging city facilities and aging infrastructure throughout the City, including streets.

Request for information:

This financial report is designed to provide a general overview of the City of Amarillo's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105-1971.

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BASIC FINANCIAL STATEMENTS

These statements present an overview of the financial position and transactions of the entire reporting entity. The Statement of Net Position and Statement of Activities report information on all of the nonfiduciary resources and activities of the primary government and its component units. These statements, as well as the Statement of Net Position and Statement of Activities of the component units, are presented on a basis of accounting promulgated by the Governmental Accounting Standards Board, which is similar to the generally accepted accounting principles applicable to commercial enterprises. The financial statements of the governmental funds, proprietary funds, and the fiduciary funds are presented in accordance with generally accepted governmental accounting principles to the types of funds presented.

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CITY OF AMARILLO, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 106,692,986	\$ 38,612,891	\$ 145,305,877	\$ 26,730,976
Investments	91,179,223	68,053,491	159,232,714	152,406,779
Receivables, net	28,935,595	18,141,406	47,077,001	31,073,656
Internal balances	27,606,089	(27,606,089)	-	-
Inventories and prepaid expenses	5,294,020	1,604,012	6,898,032	721,436
Other current assets	-	-	-	711,471
Total current assets	<u>259,707,913</u>	<u>98,805,711</u>	<u>358,513,624</u>	<u>211,644,318</u>
NONCURRENT ASSETS				
Restricted cash and cash equivalents	106,680,806	154,480,050	261,160,856	8,307,962
Restricted investments	500,000	-	500,000	-
Receivables, net	3,052,170	14,993,629	18,045,799	40,301,073
Net Pension Asset	33,270,120	344,924	33,615,044	2,029,068
Other noncurrent assets	-	43,507	43,507	-
Land and building held for future incentives	-	-	-	20,563,008
Capital assets:				
Land	17,300,387	3,798,431	21,098,818	-
Contributed right of way easements	38,811,907	3,575,729	42,387,636	-
Water rights and contracts, net of amortization	-	99,612,619	99,612,619	-
Infrastructure, net of depreciation	162,527,618	16,114,740	178,642,358	-
Buildings and improvements, net of depreciation	233,168,361	554,255,811	787,424,172	65,784,282
Equipment and vehicles, net of depreciation	41,568,604	3,608,443	45,177,047	762,160
Right-to-use lease asset, net of amortization	4,923,595	-	4,923,595	-
Library resources, net of depreciation	4,383,487	-	4,383,487	-
Construction in progress	43,649,100	60,165,929	103,815,029	7,364
Total noncurrent assets	<u>689,836,155</u>	<u>910,993,812</u>	<u>1,600,829,967</u>	<u>137,754,917</u>
TOTAL ASSETS	<u>\$ 949,544,068</u>	<u>\$ 1,009,799,523</u>	<u>\$ 1,959,343,591</u>	<u>\$ 349,399,235</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows	\$ 26,634,846	\$ 4,515,236	\$ 31,150,082	\$ 555,635
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 26,634,846</u>	<u>\$ 4,515,236</u>	<u>\$ 31,150,082</u>	<u>\$ 555,635</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 20,037,081	\$ 27,734,017	\$ 47,771,098	\$ 2,257,699
Unearned revenue	12,283,115	1,316,379	13,599,494	-
Current portion of long-term obligations	12,548,000	6,303,593	18,851,593	8,983,059
Estimated liability for self-insured losses, current portion	6,841,652	-	6,841,652	-
Bonded debt current maturity	-	17,305,000	17,305,000	-
Current portion of right-to-use lease liability	1,879,702	-	1,879,702	-
Current portion of compensated absences	1,899,101	167,561	2,066,662	-
Total current liabilities	<u>55,488,651</u>	<u>52,826,550</u>	<u>108,315,201</u>	<u>11,240,758</u>
NONCURRENT LIABILITIES				
Liabilities payable from restricted assets	-	-	-	118,917
Noncurrent portion of long-term obligations	214,883,003	280,746,374	495,629,377	42,140,195
Other accrued expenses	-	2,520,032	2,520,032	-
Right-to-use lease liability	2,905,801	-	2,905,801	-
Estimated liabilities for:				
Compensated absences, net	23,305,875	1,204,919	24,510,794	260,958
Self-insured losses, net of current portion	14,560,662	-	14,560,662	-
Landfill closure and postclosure care	5,194,715	-	5,194,715	-
Net OPEB liability	34,190,974	6,396,603	40,587,577	64,389
Net pension liability	194,740	756	195,496	-
Total noncurrent liabilities	<u>295,235,770</u>	<u>290,868,684</u>	<u>586,104,454</u>	<u>42,584,459</u>
TOTAL LIABILITIES	<u>\$ 350,724,421</u>	<u>\$ 343,695,234</u>	<u>\$ 694,419,655</u>	<u>\$ 53,825,217</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows	\$ 94,198,801	\$ 25,677,648	\$ 119,876,449	\$ 11,936,563
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 94,198,801</u>	<u>\$ 25,677,648</u>	<u>\$ 119,876,449</u>	<u>\$ 11,936,563</u>
NET POSITION				
Net investment in capital assets	\$ 394,218,122	\$ 571,862,729	\$ 966,080,851	\$ 55,728,211
Restricted for:				
Expendable				
Debt service	14,376,876	14,270,338	28,647,214	6,551,408
Tax increment financing	4,030,881	-	4,030,881	-
Other purposes	26,715,825	-	26,715,825	21,880,646
Unrestricted	91,913,988	58,808,810	150,722,798	200,032,825
TOTAL NET POSITION	<u>\$ 531,255,692</u>	<u>\$ 644,941,877</u>	<u>\$ 1,176,197,569</u>	<u>\$ 284,193,090</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 4,722,783	\$ 5,137,530	\$ 344,887	\$ 2,107,714
Staff services	14,069,112	6,151,183	-	62,116
Public safety and health				
Police protection	48,537,881	3,382,709	396,230	-
Fire protection	22,974,175	2,255,539	33,291	354,116
Other	25,294,451	7,775,034	40,792,444	557,115
Streets, traffic and engineering	24,903,326	752,820	142,668	8,911,454
Culture and recreation				
Auditorium/coliseum	8,017,277	2,463,294	398,004	3,614,486
Libraries	4,088,506	107,885	34,530	-
Parks	9,806,989	2,391,165	5,619	-
Participant recreation	7,758,122	4,698,672	3,487	-
MPEV	71,601	-	-	-
Solid waste	18,035,318	23,986,223	-	-
Transit	5,388,811	542,663	3,749,894	218,901
Information technology	4,891,648	-	-	-
Economic development/Tourism	3,892,806	-	-	79,500
Urban redevelopment/housing	15,344,470	93,365	15,030,862	82,016
Interest on long-term debt	8,018,883	-	-	-
Total governmental activities	<u>225,816,159</u>	<u>59,738,082</u>	<u>60,931,916</u>	<u>15,987,418</u>
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	79,053,860	94,605,546	-	6,562,863
Drainage Utility	4,908,747	6,902,531	-	710,674
Airport	16,400,520	11,704,906	6,357,409	3,040,205
Total business-type activities	<u>100,363,127</u>	<u>113,212,983</u>	<u>6,357,409</u>	<u>10,313,742</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 326,179,286</u>	<u>\$ 172,951,065</u>	<u>\$ 67,289,325</u>	<u>\$ 26,301,160</u>
COMPONENT UNITS				
Amarillo Hospital District	\$ 50,198,823	\$ 20,087,912	\$ 391,191	\$ -
Amarillo Economic Development Corporation	17,740,755	3,253,683	-	-
Amarillo-Potter Events District	4,572,140	127,931	-	-
Amarillo Convention & Visitors Bureau	1,711,350	-	50	-
Amarillo Housing Finance Corporation	-	-	-	-
Amarillo Health Facilities Corporation	-	-	-	-
Amarillo Local Government Corporation	2,079,476	-	361,734	-
TOTAL COMPONENT UNITS	<u>\$ 76,302,544</u>	<u>\$ 23,469,526</u>	<u>\$ 752,975</u>	<u>\$ -</u>

GENERAL REVENUES

Property taxes, levied for general purposes
Property taxes, levied for debt services
Sales taxes
Mixed beverage taxes
Hotel occupancy taxes
Gross receipts business taxes
Unrestricted investment earnings
Settlement proceeds

TRANSFERS

Total general revenues and transfers

CHANGE IN NET POSITION

NET POSITION, BEGINNING OF YEAR

PRIOR PERIOD ADJUSTMENT (NOTE 1)

NET POSITION, BEGINNING OF YEAR, RESTATED

NET POSITION, END OF YEAR

The accompanying notes are an integral part of the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ 2,867,348	\$ -	\$ 2,867,348	\$ -
(7,855,813)	-	(7,855,813)	-
(44,758,942)	-	(44,758,942)	-
(20,331,229)	-	(20,331,229)	-
23,830,142	-	23,830,142	-
(15,096,384)	-	(15,096,384)	-
(1,541,493)	-	(1,541,493)	-
(3,946,091)	-	(3,946,091)	-
(7,410,205)	-	(7,410,205)	-
(3,055,963)	-	(3,055,963)	-
(71,601)	-	(71,601)	-
5,950,905	-	5,950,905	-
(877,353)	-	(877,353)	-
(4,891,648)	-	(4,891,648)	-
(3,813,306)	-	(3,813,306)	-
(138,227)	-	(138,227)	-
(8,018,883)	-	(8,018,883)	-
<u>(89,158,743)</u>	<u>-</u>	<u>(89,158,743)</u>	<u>-</u>
-	22,114,549	22,114,549	-
-	2,704,458	2,704,458	-
-	4,702,000	4,702,000	-
-	<u>29,521,007</u>	<u>29,521,007</u>	-
<u>(89,158,743)</u>	<u>29,521,007</u>	<u>(59,637,736)</u>	-
-	-	-	(29,719,720)
-	-	-	(14,487,072)
-	-	-	(4,444,209)
-	-	-	(1,711,300)
-	-	-	-
-	-	-	-
-	-	-	(1,717,742)
-	-	-	<u>(52,080,043)</u>
55,888,416	-	55,888,416	-
10,812,992	-	10,812,992	-
74,467,785	-	74,467,785	28,644,987
1,124,346	-	1,124,346	-
8,832,427	-	8,832,427	-
21,047,981	-	21,047,981	1,384,780
444,582	392,691	837,273	(18,960,537)
-	11,725,000	11,725,000	-
3,507,403	(3,507,403)	-	-
<u>176,125,932</u>	<u>8,610,288</u>	<u>184,736,220</u>	<u>11,069,230</u>
<u>86,967,189</u>	<u>38,131,295</u>	<u>125,098,484</u>	<u>(41,010,813)</u>
<u>444,879,052</u>	<u>606,810,582</u>	<u>1,051,689,634</u>	<u>325,160,985</u>
(590,549)	-	(590,549)	42,918
<u>444,288,503</u>	<u>606,810,582</u>	<u>1,051,099,085</u>	<u>325,203,903</u>
<u>\$ 531,255,692</u>	<u>\$ 644,941,877</u>	<u>\$ 1,176,197,569</u>	<u>\$ 284,193,090</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>General Constuction Fund</u>	<u>COVID-19 Relief</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 3,031,843	\$ 24,495,517	\$ 329	\$ 34,567,456	\$ 62,095,145
Restricted cash and cash equivalents	5,253,339	47,035,786	10,846,227	43,470,111	106,605,463
Investments, at fair values	62,045,063	7,000,000	-	6,250,000	75,295,063
Restricted investments	-	-	-	500,000	500,000
Receivables, net of allowances for uncollectibles					
Property taxes	288,279	-	-	36,370	324,649
Accounts	4,291,593	211,317	-	228,591	4,731,501
Accrued interest	253,525	29,191	-	14,184	296,900
Other accrued revenue	2,011,823	-	-	-	2,011,823
Due from other funds unrestricted	2,214,136	-	-	71,095	2,285,231
Due from other governments	7,180,391	-	1,555,406	4,695,309	13,431,106
Inventory of supplies	1,754,385	-	-	-	1,754,385
Prepaid items	36,767	-	-	57,553	94,320
Advances to other funds	557,333	-	-	-	557,333
TOTAL ASSETS	\$ 88,918,477	\$ 78,771,811	\$ 12,401,962	\$ 89,890,669	\$ 269,982,919
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 1,969,955	\$ 644,947	\$ 15,653	\$ 2,274,943	\$ 4,905,498
Accounts payable	3,760,390	154,459	-	1,691,151	5,606,000
Accrued expenditures	3,328,520	68,909	-	76,827	3,474,256
Deposits	22,841	-	-	1,338,120	1,360,961
Due to other funds - unrestricted	2	-	193,000	2,080,369	2,273,371
Due to other governments	904,197	-	-	22,203	926,400
Unearned revenues - other	49,076	-	11,985,884	248,155	12,283,115
Advances from other funds	-	-	-	1,114,669	1,114,669
Total liabilities	<u>10,034,981</u>	<u>868,315</u>	<u>12,194,537</u>	<u>8,846,437</u>	<u>31,944,270</u>
Deferred inflows of resources					
Unavailable property taxes	211,017	-	-	23,502	234,519
Total deferred inflows of resources	<u>211,017</u>	<u>-</u>	<u>-</u>	<u>23,502</u>	<u>234,519</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	36,767	-	-	51,482	88,249
Inventory	1,754,385	-	-	-	1,754,385
Property taxes	77,261	-	-	12,868	90,129
Advances to other funds	557,333	-	-	-	557,333
Corpus or principal	-	-	-	17,693	17,693
Restricted for:					
Debt service	-	-	-	3,226,979	3,226,979
Capital projects	-	-	-	5,587,448	5,587,448
Special purposes	1,323,782	-	207,425	19,836,744	21,367,951
Committed for:					
Compensated absences	-	-	-	32,483	32,483
Assigned for:					
Capital projects	-	77,903,496	-	52,255,033	130,158,529
Unassigned	74,922,951	-	-	-	74,922,951
Total fund balances	<u>78,672,479</u>	<u>77,903,496</u>	<u>207,425</u>	<u>81,020,730</u>	<u>237,804,130</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 88,918,477	\$ 78,771,811	\$ 12,401,962	\$ 89,890,669	\$ 269,982,919

The accompanying notes are an integral part of the basic financial statements.

CITY OF AMARILLO, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 237,804,130

The City uses internal service funds to charge the costs of fleet services, information services, risk management and employee health services to other departments of the City on a cost-reimbursement basis. The assets and liabilities, excluding capital assets, of the internal service funds are included in the governmental activities in the statement of net position. 37,150,058

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the balances for capital assets (net of depreciation) in the governmental activities is to increase net position. 546,333,059

Capital assets, net October 1, 2021,(restated)	\$ 535,406,809
Net current year additions	53,382,688
Net current year deletions	<u>(42,456,438)</u>
Capital assets, net September 30, 2022	<u>\$ 546,333,059</u>

(261,932,025)

Long-term liabilities, including bonds payable and compensated absence liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. In addition, long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as reductions in long-term debt in the government-wide financial statements. The net effect of including the long-term liabilities and the debt principal payments is to decrease net position. Those liabilities consist of:

Long-term debt	\$ 227,431,003
Compensated absence	24,520,804
Right-to-use- lease liability	4,785,503
Landfill closure and postclosure	<u>5,194,715</u>
	<u>\$ 261,932,025</u>

Included in the items related to debt is the recognition of the City's net pension liability required by GASB 68 in the amount of \$25,594,452, a deferred resource outflow in the amount of \$17,014,913, and a deferred resource inflow in the amount of \$48,379,536. (27,059,749)

Included in the items related to debt is the recognition of the City's net other postemployment benefits (OPEB) liability required by GASB 75 in the amount of \$31,349,326, a deferred resource outflow in the amount of \$5,166,476, and a deferred resource inflow in the amount of \$7,330,382. (30,952,956)

29,913,175

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unearned revenue as revenue, eliminating interfund transactions, and recognizing the receivable from the business-type activities for services provided by the internal service funds. The net effect of these reclassifications and recognitions is to increase net position.

Accrued interest payable	\$ (1,188,882)
Internal balances	27,606,089
Intra-entity receivables	2,439,521
Lease receivable	452,920
Prepaid insurance	<u>603,527</u>
	<u>\$ 29,913,175</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 531,255,692

The accompanying notes are an integral part of the basic financial statements.

CITY OF AMARILLO, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022

	General Fund	General Construction Fund	COVID-19 Relief	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Ad valorem taxes	\$ 54,337,443	\$ -	\$ -	\$ 10,812,992	\$ 65,150,435
Sales taxes	74,467,785	-	-	-	74,467,785
Mixed beverage taxes	1,124,346	-	-	-	1,124,346
Hotel occupancy taxes	8,832,427	-	-	-	8,832,427
Gross receipts business taxes	21,047,981	-	-	-	21,047,981
License and permits	4,902,238	-	-	-	4,902,238
Interfund revenues	1,064,426	-	-	-	1,064,426
Intergovernmental revenues	5,263,033	1,295,008	27,690,433	28,102,005	62,350,479
Grants-in-aid	-	-	-	1,578,994	1,578,994
Citizen contributions	68,909	-	-	511,713	580,622
Construction participation	-	198,500	-	8,028,401	8,226,901
Revenue from participating taxing entities	-	-	-	1,807,900	1,807,900
Other entity participations	-	-	-	226,250	226,250
Charges for services	41,256,670	-	-	3,274,666	44,531,336
Fines and forfeitures	3,271,818	-	-	2,981,229	6,253,047
Investment earnings	(846,012)	286,411	-	567,755	8,154
Other rentals and commissions	902,947	24,000	-	354,116	1,281,063
Miscellaneous	296,601	6,000	196,918	77,699	577,218
Total revenues	<u>215,990,612</u>	<u>1,809,919</u>	<u>27,887,351</u>	<u>58,323,720</u>	<u>304,011,602</u>
EXPENDITURES					
Current					
General government	5,243,246	-	-	19,756	5,263,002
Staff services	12,355,042	-	-	281,027	12,636,069
Public safety and health					
Police protection	51,939,166	408,652	-	642,705	52,990,523
Fire protection	37,528,924	-	-	139,167	37,668,091
Other	13,152,056	-	106,209	12,788,884	26,047,149
Streets, traffic and engineering	15,664,510	-	-	-	15,664,510
Culture and recreation					
Auditorium - coliseum	3,651,004	-	-	236,591	3,887,595
Libraries	4,089,094	-	-	43	4,089,137
Parks	7,851,508	-	-	988,568	8,840,076
Participant recreation	6,788,732	-	-	37,467	6,826,199
MPEV	71,601	-	-	-	71,601
Solid waste	17,456,797	-	-	-	17,456,797
Transit system	4,807,545	-	-	-	4,807,545
Urban redevelopment and housing	-	-	-	15,548,139	15,548,139
Information technology	4,891,648	-	-	-	4,891,648
Economic development/tourism	2,695,994	15,828	-	1,328,835	4,040,657
Capital outlay	112,608	7,234,102	-	25,569,258	32,915,968
Debt service					
Principal retirement	-	-	-	7,132,000	7,132,000
Interest and fiscal charges	-	-	-	6,821,391	6,821,391
Bond issuance costs	-	244,187	-	-	244,187
Termination vacation and sick leave pay	-	-	-	1,903,692	1,903,692
Total expenditures	<u>188,299,475</u>	<u>7,902,769</u>	<u>106,209</u>	<u>73,437,523</u>	<u>269,745,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,691,137</u>	<u>(6,092,850)</u>	<u>27,781,142</u>	<u>(15,113,803)</u>	<u>34,265,626</u>
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	26,305,660	33,984,342	-	15,113,081	75,403,083
Transfers to other funds	(44,795,539)	(785,545)	(27,584,224)	(5,781,750)	(78,947,058)
Issuance of long-term debt	-	38,060,000	-	-	38,060,000
Bond premium	-	999,203	-	-	999,203
Total other financing sources (uses)	<u>(18,489,879)</u>	<u>72,258,000</u>	<u>(27,584,224)</u>	<u>9,331,331</u>	<u>35,515,228</u>
Net change in fund balances	<u>9,201,258</u>	<u>66,165,150</u>	<u>196,918</u>	<u>(5,782,472)</u>	<u>69,780,854</u>
FUND BALANCES, BEGINNING OF YEAR	<u>69,471,221</u>	<u>11,738,346</u>	<u>10,507</u>	<u>86,803,202</u>	<u>168,023,276</u>
FUND BALANCES, END OF YEAR	<u>\$ 78,672,479</u>	<u>\$ 77,903,496</u>	<u>\$ 207,425</u>	<u>\$ 81,020,730</u>	<u>\$ 237,804,130</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		<u>\$ 69,780,854</u>																														
The City uses an internal service fund to charge the costs of fleet services, information services, risk management and employee health services to other departments of the City. The net income (loss) of the internal service fund is included in the governmental activities in the Statement of Activities, except for net income (loss) allocated to the business-type activities for services provided by the internal service funds to those activities. The net effect of this consolidation is to increase net position.		4,574,937																														
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. Issuance of long-term debt provides current financial resources to the governmental funds; however, it should be shown as an increase in long-term liabilities in the government-wide financial statements. The net effect of including the 2021 capital outlays, issuance of long-term debt, and debt principal payments is to decrease net position.		4,775,723																														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Capital outlay</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 60%; text-align: right;">32,915,968</td> </tr> <tr> <td>Residual value of assets disposed of</td> <td></td> <td style="text-align: right;">35,636</td> </tr> <tr> <td>Library books additions</td> <td></td> <td style="text-align: right;">362,146</td> </tr> <tr> <td>Contributed capital</td> <td></td> <td style="text-align: right;">3,389,176</td> </tr> <tr> <td>Issuance of long-term debt</td> <td></td> <td style="text-align: right;">(38,060,000)</td> </tr> <tr> <td>Premium on bonds</td> <td></td> <td style="text-align: right;">(999,203)</td> </tr> <tr> <td>Long-term debt principal payments</td> <td></td> <td style="text-align: right;">7,132,000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>\$ 4,775,723</u></td> </tr> </table>	Capital outlay	\$	32,915,968	Residual value of assets disposed of		35,636	Library books additions		362,146	Contributed capital		3,389,176	Issuance of long-term debt		(38,060,000)	Premium on bonds		(999,203)	Long-term debt principal payments		7,132,000			<u>\$ 4,775,723</u>								
Capital outlay	\$	32,915,968																														
Residual value of assets disposed of		35,636																														
Library books additions		362,146																														
Contributed capital		3,389,176																														
Issuance of long-term debt		(38,060,000)																														
Premium on bonds		(999,203)																														
Long-term debt principal payments		7,132,000																														
		<u>\$ 4,775,723</u>																														
Depreciation is not recognized as an expense in the governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(25,462,398)																														
GASB 68 requires that certain expenditures be derecognized and recorded instead as deferred outflows of resources. Of these previously deferred outflows, (\$9,525,124) were recognized in the current year as expenditures, decreasing the change in net position. Contributions made after the measurement date of December 31, 2021 caused the change in the ending net position to increase by \$10,086,934. The City's differences in expected and actual experience and changes in assumptions were (\$31,574,651), and the decrease in expense of \$53,515,904 was recognized due to the current year changes in net pension liability. The impact of all these adjustments is to decrease the change in net position by \$22,503,063.		22,503,063																														
GASB 75 requires that certain expenditures be derecognized and recorded instead as deferred outflows of resources. Of these previously deferred outflows, (\$1,555,920) were recognized in the current year as expenditures, decreasing the change in net position. Contributions made after the measurement date of December 31, 2021 caused the change in the ending net position to increase by \$1,724,219. The City's changes in assumptions were \$(3,545,351) and the increase in expense of \$1,153,205 was recognized due to the current year changes in net OPEB liability. The impact of all these adjustments is to increase the change in net position by \$2,560,276.		2,560,276																														
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unearned revenue as revenue, eliminating interfund transactions and the net loss on services provided to the business-type activities by the internal service funds. The net effect of these reclassifications and recognitions is to increase (decrease) net position.		8,234,734																														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Compensated absences</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 60%; text-align: right;">(977,314)</td> </tr> <tr> <td>Unearned revenue</td> <td></td> <td style="text-align: right;">1,550,973</td> </tr> <tr> <td>Net loss of internal service funds</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">allocated to business-type activities</td> <td></td> <td style="text-align: right;">803,452</td> </tr> <tr> <td>Landfill closure and post-closure care</td> <td></td> <td style="text-align: right;">(284,742)</td> </tr> <tr> <td>Deferred inflows related to lease</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">receivable</td> <td></td> <td style="text-align: right;">7,823,288</td> </tr> <tr> <td>Accrued interest payable</td> <td></td> <td style="text-align: right;">(1,188,882)</td> </tr> <tr> <td>Deferred amount for premium</td> <td></td> <td style="text-align: right;">507,959</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>\$ 8,234,734</u></td> </tr> </table>	Compensated absences	\$	(977,314)	Unearned revenue		1,550,973	Net loss of internal service funds			allocated to business-type activities		803,452	Landfill closure and post-closure care		(284,742)	Deferred inflows related to lease			receivable		7,823,288	Accrued interest payable		(1,188,882)	Deferred amount for premium		507,959			<u>\$ 8,234,734</u>		
Compensated absences	\$	(977,314)																														
Unearned revenue		1,550,973																														
Net loss of internal service funds																																
allocated to business-type activities		803,452																														
Landfill closure and post-closure care		(284,742)																														
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Deferred amount for premium		507,959																														
		<u>\$ 8,234,734</u>																														
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 86,967,189</u>																														

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 20,608,211	\$ 3,576,776	\$ 14,427,904	\$ 38,612,891	\$ 44,597,841
Investments, at fair values	60,123,561	750,000	7,179,930	68,053,491	15,884,160
Accounts receivable, net	8,585,108	927,274	46,228	9,558,610	1,387,436
Leases receivable	110,241	-	1,778,555	1,888,796	1,730
Accrued interest receivable	219,898	-	53,671	273,569	26,748
Other accrued revenue	4,767,934	-	193,013	4,960,947	-
Due from other funds	33,789	-	-	33,789	187,961
Due from other governments	-	-	1,425,695	1,425,695	-
Inventory of supplies	-	-	-	-	407,396
Prepaid expenses	1,604,012	-	-	1,604,012	2,434,118
Total current assets	<u>96,052,754</u>	<u>5,254,050</u>	<u>25,104,996</u>	<u>126,411,800</u>	<u>64,927,390</u>
NONCURRENT ASSETS					
Restricted cash and cash equivalents	133,593,550	20,572,928	313,572	154,480,050	75,343
Net pension asset	-	131,796	213,128	344,924	283,438
Other noncurrent assets	43,507	-	-	43,507	-
Leases receivable - non current	112,675	-	14,880,954	14,993,629	55,316
Capital assets					
Land	2,040,262	87,744	1,670,425	3,798,431	-
Contributed right of way easements	2,073,851	1,501,878	-	3,575,729	-
Underground water rights	87,306,598	-	-	87,306,598	-
Accumulated depletion - underground water rights	(11,332,384)	-	-	(11,332,384)	-
Water supply contract	50,336,389	-	-	50,336,389	-
Accumulated amortization - water supply contract	(26,697,984)	-	-	(26,697,984)	-
Pipelines and plant	771,636,071	-	-	771,636,071	-
Accumulated depreciation - pipelines and plant	(277,398,593)	-	-	(277,398,593)	-
Runways, buildings and improvements	-	-	179,563,436	179,563,436	-
Accumulated depreciation - runways, buildings and improvements	-	-	(119,545,103)	(119,545,103)	-
Improvements	-	17,714,020	-	17,714,020	6,714,619
Accumulated depreciation - improvements	-	(1,599,280)	-	(1,599,280)	(5,630,413)
Equipment and vehicles	4,467,724	67,307	8,422,076	12,957,107	86,080,880
Accumulated depreciation - equipment and vehicles	(3,655,801)	(36,918)	(5,655,945)	(9,348,664)	(63,235,473)
Right-to-use lease asset	-	-	-	-	5,670,768
Accumulated amortization	-	-	-	-	(1,641,063)
Construction in progress	36,090,686	12,405,162	11,670,081	60,165,929	241,139
Total capital assets, net of accumulated depreciation	<u>634,866,819</u>	<u>30,139,913</u>	<u>76,124,970</u>	<u>741,131,702</u>	<u>28,200,457</u>
Total noncurrent assets	<u>768,616,551</u>	<u>50,844,637</u>	<u>91,532,624</u>	<u>910,993,812</u>	<u>28,614,554</u>
TOTAL ASSETS	<u>\$ 864,669,305</u>	<u>\$ 56,098,687</u>	<u>\$ 116,637,620</u>	<u>\$ 1,037,405,612</u>	<u>\$ 93,541,944</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows	\$ 3,727,092	\$ 184,385	\$ 603,759	\$ 4,515,236	\$ 1,347,759
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,727,092</u>	<u>\$ 184,385</u>	<u>\$ 603,759</u>	<u>\$ 4,515,236</u>	<u>\$ 1,347,759</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF AMARILLO, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION, CONTINUED
 SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water and Sewer	Drainage Utility	Airport	Total	
LIABILITIES					
CURRENT LIABILITIES					
Vouchers payable	\$ 3,661,517	\$ 714,842	\$ 423,125	\$ 4,799,484	\$ 2,111,926
Accounts payable	1,493,283	482,961	501,013	2,477,257	296,145
Accrued expenses	13,383,700	113,264	255,443	13,752,407	126,293
Accrued interest payable	-	-	-	-	6,571
Deferred revenue	-	-	1,316,379	1,316,379	-
Deposits	1,038,738	-	27,796	1,066,534	-
Consumer security deposits	5,638,335	-	-	5,638,335	-
Share of Water Authority debt - current	6,303,593	-	-	6,303,593	-
Due to other funds - unrestricted	-	-	-	-	233,608
Estimated liability for incurred losses	-	-	-	-	6,841,652
Bonded debt current maturity	16,015,000	1,290,000	-	17,305,000	-
Current portion of right-to-use lease liability	-	-	-	-	1,651,085
Current portion of compensated absences	140,376	4,227	22,958	167,561	68,311
Total current liabilities	47,674,542	2,605,294	2,546,714	52,826,550	11,335,591
NONCURRENT LIABILITIES					
Bonded debt, net of current	225,406,975	24,914,731	-	250,321,706	-
Water Authority debt, net of current	30,424,668	-	-	30,424,668	-
Provision for compensated absences, net	764,112	84,019	356,788	1,204,919	615,861
Other accrued expenses	2,520,032	-	-	2,520,032	-
Estimated liabilities for incurred loss, net	-	-	-	-	14,560,662
Right-to-use lease liability	-	-	-	-	2,244,933
Net OPEB liability	4,874,568	478,934	1,043,101	6,396,603	1,688,443
Net pension liability	756	-	-	756	194,740
Total noncurrent liabilities	263,991,111	25,477,684	1,399,889	290,868,684	19,304,639
TOTAL LIABILITIES	\$ 311,665,653	\$ 28,082,978	\$ 3,946,603	\$ 343,695,234	\$ 30,640,230
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows	\$ 7,330,910	\$ 441,851	\$ 17,904,887	\$ 25,677,648	\$ 2,794,976
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 7,330,910	\$ 441,851	\$ 17,904,887	\$ 25,677,648	\$ 2,794,976
NET POSITION					
Net investment in capital assets	\$ 473,642,540	\$ 22,977,284	\$ 75,242,905	\$ 571,862,729	\$ 24,304,439
Restricted for debt service	13,617,583	339,183	313,572	14,270,338	75,343
Unrestricted	62,139,711	4,441,776	19,833,412	86,414,899	37,074,715
TOTAL NET POSITION	\$ 549,399,834	\$ 27,758,243	\$ 95,389,889	672,547,966	\$ 61,454,497
Amounts due governmental activities for allocable share of net expenses of certain internal service funds				(27,606,089)	
TOTAL NET POSITION OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET POSITION				\$ 644,941,877	

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 YEAR ENDED SEPTEMBER 30, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental Activities Internal Service Funds
	Water and Sewer	Drainage Utility	Airport	Total	
OPERATING REVENUES					
Airfield fees and commissions	\$ -	\$ -	\$ 989,524	\$ 989,524	\$ -
Charges for services	-	-	-	-	2,491,930
Employees' benefit plan contributions	-	-	-	-	5,664,227
Internal charges	-	-	-	-	53,941,291
Miscellaneous revenues	-	-	-	-	89,958
Other building and ground rentals	-	-	1,938,142	1,938,142	-
Rents and miscellaneous	433,073	-	-	433,073	2,271
Tap fees and frontage charges	533,932	-	-	533,932	-
Terminal building area rental	-	-	8,348,933	8,348,933	-
Utility sales and service	92,868,326	-	-	92,868,326	-
Drainage utility assessments	-	6,901,991	-	6,901,991	-
Total operating revenues	<u>93,835,331</u>	<u>6,901,991</u>	<u>11,276,599</u>	<u>112,013,921</u>	<u>62,189,677</u>
OPERATING EXPENSES					
Salaries, wages and fringe benefits	12,365,349	819,810	3,646,676	16,831,835	5,301,373
Supplies	4,945,058	1,078,920	797,415	6,821,393	5,049,605
Fuel and oil	-	-	-	-	3,324,145
Fuel and power	5,287,272	-	706,281	5,993,553	-
Contractual services	15,125,482	877,971	2,759,347	18,762,800	6,569,279
Water Authority charges	6,273,564	-	-	6,273,564	-
Other charges	14,795,055	1,116,022	3,437,402	19,348,479	6,814,584
Claim and loss adjustments	-	-	-	-	29,479,734
Depreciation	15,620,102	371,901	6,698,759	22,690,762	8,431,123
Total operating expenses	<u>74,411,882</u>	<u>4,264,624</u>	<u>18,045,880</u>	<u>96,722,386</u>	<u>64,969,843</u>
Operating income (loss)	<u>19,423,449</u>	<u>2,637,367</u>	<u>(6,769,281)</u>	<u>15,291,535</u>	<u>(2,780,166)</u>
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) in disposal of property	32,694	-	1,645,360	1,678,054	121,653
Settlement proceeds	11,725,000	-	-	11,725,000	-
Grants-in-aid	-	-	6,357,409	6,357,409	-
Intergovernmental revenue	737,521	540	-	738,061	-
Passenger facility charge	-	-	1,327,703	1,327,703	-
Interest earnings	(169,904)	163,170	400,545	393,811	301,947
Change in value of investments	-	-	(1,119)	(1,119)	(34,645)
Other miscellaneous revenues	-	-	(899,396)	(899,396)	-
Interest expense and fiscal charges	(3,838,525)	(644,123)	-	(4,482,648)	(85,508)
Total nonoperating revenues (expenses)	<u>8,486,786</u>	<u>(480,413)</u>	<u>8,830,502</u>	<u>16,836,875</u>	<u>303,447</u>
Income (loss) before contributions and transfers	27,910,235	2,156,954	2,061,221	32,128,410	(2,476,719)

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION, CONTINUED
 YEAR ENDED SEPTEMBER 30, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
AFTER NONOPERATING REVENUES (EXPENSES)					
Capital contributions	\$ 6,562,863	\$ 710,674	\$ 3,040,205	\$ 10,313,742	\$ -
Transfers from other funds	180,000	7,400	-	187,400	7,053,102
Transfers to other funds	<u>(2,996,983)</u>	<u>(369,622)</u>	<u>(328,198)</u>	<u>(3,694,803)</u>	<u>(1,446)</u>
Change in net position	31,656,115	2,505,406	4,773,228	38,934,749	4,574,937
NET POSITION, BEGINNING OF YEAR	<u>517,743,719</u>	<u>25,252,837</u>	<u>90,616,661</u>	<u>633,613,217</u>	<u>57,470,109</u>
PRIOR PERIOD ADJUSTMENT	-	-	-	-	(590,549)
NET POSITION, BEGINNING OF YEAR, RESTATED	<u>517,743,719</u>	<u>25,252,837</u>	<u>90,616,661</u>	<u>633,613,217</u>	<u>56,879,560</u>
NET POSITION, END OF YEAR	<u>\$ 549,399,834</u>	<u>\$ 27,758,243</u>	<u>\$ 95,389,889</u>	<u>\$ 672,547,966</u>	<u>\$ 61,454,497</u>
Allocation of net expenses of certain internal service funds to business-type activities				<u>(27,606,089)</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET POSITION				<u>\$ 644,941,877</u>	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Net Position of Proprietary Funds to the Statement of Activities					
Total net change in fund balances - proprietary funds				\$ 38,934,749	
Internal service fund allocation for proprietary funds				<u>(803,454)</u>	
Change in net position for primary government business-type activities				<u>\$ 38,131,295</u>	

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water and Sewer	Drainage Utility	Airport	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from third parties	\$ 94,506,318	\$ 6,876,356	\$ 11,377,354	\$ 112,760,028	\$ -
Cash received from City departments	-	-	-	-	63,368,859
Cash payments to suppliers for goods and services	(45,508,199)	(2,062,254)	(10,205,692)	(57,776,145)	(21,932,020)
Cash payments to employees	(14,887,245)	(989,564)	(4,081,664)	(19,958,473)	(6,544,820)
Cash payments for claims and loss adjustments	-	-	-	-	(29,071,589)
Net cash provided (used) by operating activities	<u>34,110,874</u>	<u>3,824,538</u>	<u>(2,910,002)</u>	<u>35,025,410</u>	<u>5,820,430</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Settlement proceeds	11,725,000	-	-	11,725,000	-
Transfers to other funds	(2,996,983)	(369,622)	(328,198)	(3,694,803)	(1,446)
Transfers from other funds	180,000	7,400	-	187,400	7,053,102
Sales to other departments	-	540	-	540	-
Amounts borrowed/repaid from other funds	31,470	-	-	31,470	47,497
Amounts loaned to other funds	737,521	-	-	737,521	(1,850)
Cash payments received for passenger facility charge	-	-	1,327,703	1,327,703	-
Net cash provided (used) by noncapital financing activities	<u>9,677,008</u>	<u>(361,682)</u>	<u>999,505</u>	<u>10,314,831</u>	<u>7,097,303</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(41,536,457)	(6,369,948)	(4,585,341)	(52,491,746)	(4,652,144)
Capital grants received	6,468,079	-	11,861,202	18,329,281	-
Issuance of bonds	57,192,872	-	-	57,192,872	-
Principal paid on bond maturities	(14,590,000)	(1,160,000)	-	(15,750,000)	-
Principal paid on proportionate share of Water Authority debt	(6,068,063)	-	-	(6,068,063)	-
Principal paid on capital lease	-	-	-	-	(2,185,313)
Interest expense	(5,593,158)	(820,371)	-	(6,413,529)	(83,581)
Proceeds from sale of capital assets	32,694	-	1,645,360	1,678,054	202,307
Net cash provided (used) by capital and related financing activities	<u>(4,094,033)</u>	<u>(7,747,566)</u>	<u>8,921,221</u>	<u>(2,920,378)</u>	<u>(6,718,731)</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water and Sewer	Drainage Utility	Airport	Total	
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investment securities	\$ 16,310,000	\$ 750,000	\$ 2,750,000	\$ 19,810,000	\$ 25,500,000
Purchase of investment securities	(67,395,874)	(750,000)	(7,694,500)	(75,840,374)	(28,155,420)
Interest and gains on investments	1,206,750	161,985	354,997	1,723,732	323,672
Net cash provided (used) by investing activities	(49,879,124)	161,985	(4,589,503)	(54,306,642)	(2,331,748)
Net increase (decrease) in cash and cash equivalents	(10,185,275)	(4,122,725)	2,421,221	(11,886,779)	3,867,254
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>164,387,036</u>	<u>28,272,429</u>	<u>12,320,255</u>	<u>204,979,720</u>	<u>40,805,930</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 154,201,761</u>	<u>\$ 24,149,704</u>	<u>\$ 14,741,476</u>	<u>\$ 193,092,941</u>	<u>\$ 44,673,184</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 19,423,449	\$ 2,637,367	\$ (6,769,281)	\$ 15,291,535	\$ (2,780,166)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	15,620,102	371,901	6,698,759	22,690,762	8,431,123
(Increase) decrease in accounts receivable	(1,762,974)	(25,635)	(16,452,670)	(18,241,279)	1,179,182
(Increase) decrease in deferred outflows	457,599	22,288	119,252	599,139	292,897
(Increase) decrease in other accrued revenue	1,607,341	-	-	1,607,341	-
(Increase) decrease in prepaid expenses	16,065	-	-	16,065	(649,111)
(Increase) decrease in inventories	-	-	-	-	(204,300)
Increase (decrease) in vouchers payable	160,267	693,660	(1,285,869)	(431,942)	1,069,660
Increase (decrease) in accounts payable	471,720	316,999	222,918	1,011,637	(390,656)
Increase (decrease) in accrued operating expenses	(99,659)	(41,541)	(1,442,296)	(1,583,496)	(270,786)
Increase (decrease) in deferred inflows	1,206,393	66,244	16,791,208	18,063,845	574,284
Increase (decrease) in customer deposits	599,597	-	-	599,597	-
Increase (decrease) in provision for compensated absences	24,649	35,587	66,289	126,525	(14,360)
Increase (decrease) in net OPEB liability	172,952	16,993	37,010	226,955	59,906
Increase (decrease) in net pension liability	(3,748,708)	(269,325)	(895,322)	(4,913,355)	(1,885,388)
Increase (decrease) in IBNR accrual	-	-	-	-	330,526
Increase (decrease) in other accrued expenses	(37,919)	-	-	(37,919)	-
Increase (decrease) in estimated claims liabilities	-	-	-	-	77,619
Net cash provided (used) by operating activities	<u>\$ 34,110,874</u>	<u>\$ 3,824,538</u>	<u>\$ (2,910,002)</u>	<u>\$ 35,025,410</u>	<u>\$ 5,820,430</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Amortization of bond premiums	\$ (585,886)	\$ -	\$ -	\$ (585,886)	\$ -
Decreases (increases) in fair values of investments	1,245,539	-	-	1,245,539	34,645
Capital contributions to/from other funds	-	-	-	-	-
Investment premium/discount amortization	286,794	-	-	286,794	-

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022**

	<u>Private- Purpose Trust Funds</u>	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Custodial Fund Civic Center Operations</u>
ASSETS			
Cash and cash equivalents	\$ 32,113	\$ 8,988,236	\$ 1,267,248
Accrued interest receivable	-	467,137	-
Investments, at fair values	-	286,915,835	-
TOTAL ASSETS	<u><u>\$ 32,113</u></u>	<u><u>\$ 296,371,208</u></u>	<u><u>\$ 1,267,248</u></u>
LIABILITIES			
Accounts payable	\$ -	\$ 50,467	\$ 36,881
Members payable	-	192,931	-
TOTAL LIABILITIES	<u><u>\$ -</u></u>	<u><u>\$ 243,398</u></u>	<u><u>\$ 36,881</u></u>
NET POSITION			
Held for other governments, individuals, entities	\$ 32,113	\$ -	\$ 1,230,367
Net position restricted for pension benefits	-	-	-
Net position restricted for OPEB	-	296,127,810	-
TOTAL NET POSITION	<u><u>\$ 32,113</u></u>	<u><u>\$ 296,127,810</u></u>	<u><u>\$ 1,230,367</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF AMARILLO, TEXAS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Private- Purpose Trust Funds</u>	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Custodial Fund Civic Center Operations</u>
ADDITIONS			
Contributions:			
Employer	\$ -	\$ 11,626,165	\$ -
Plan members	-	2,975,216	-
Other	-	45	-
Total contributions	<u>-</u>	<u>14,601,426</u>	<u>-</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	-	43,168,447	-
Interest, dividends, and other investment income	157	4,163,834	-
Total investment income	<u>157</u>	<u>47,332,281</u>	<u>-</u>
Less investment expense	-	878,142	-
Net investment income	<u>157</u>	<u>46,454,139</u>	<u>-</u>
Event income	-	-	4,379,182
Total additions	<u>157</u>	<u>61,055,565</u>	<u>4,379,182</u>
DEDUCTIONS			
Benefits paid	-	17,764,288	-
Administrative	-	67,671	-
Other	-	1,628	-
Event Expense	-	-	4,398,647
Total deductions	<u>-</u>	<u>17,833,587</u>	<u>4,398,647</u>
Change in net position	<u>157</u>	<u>43,221,978</u>	<u>(19,465)</u>
NET POSITION, BEGINNING OF YEAR	<u>31,956</u>	<u>252,905,832</u>	<u>1,249,832</u>
NET POSITION, END OF YEAR	<u>\$ 32,113</u>	<u>\$ 296,127,810</u>	<u>\$ 1,230,367</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF AMARILLO, TEXAS
STATEMENT OF NET POSITION - COMPONENT UNITS
SEPTEMBER 30, 2022

	Amarillo Hospital District	Amarillo Economic Development Corporation	Amarillo- Potter Events Venue District	Amarillo Convention & Visitors Bureau	Amarillo Housing Finance Corporation	Amarillo Health Facilities Corporation	Amarillo Local Government Corporation	Total
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ 3,571,446	\$ 18,523,351	\$ 3,684,869	\$ 362,192	\$ 139,895	\$ 1,385	\$ 447,838	\$ 26,730,976
Investments	124,704,537	25,918,925	1,750,000	-	-	33,317	-	152,406,779
Receivables, net	20,110,618	10,342,827	619,239	972	-	-	-	31,073,656
Inventories and prepaid expenses	641,680	-	79,629	127	-	-	-	721,436
Other current assets	689,971	21,500	-	-	-	-	-	711,471
Total current assets	<u>149,718,252</u>	<u>54,806,603</u>	<u>6,133,737</u>	<u>363,291</u>	<u>139,895</u>	<u>34,702</u>	<u>447,838</u>	<u>211,644,318</u>
NONCURRENT ASSETS								
Restricted cash and cash equivalents	1,637,637	5,990,920	679,405	-	-	-	-	8,307,962
Receivables, net	159,506	35,448,082	-	-	-	-	4,693,485	40,301,073
Net Pension Asset	2,022,501	6,567	-	-	-	-	-	2,029,068
Land and building held for future incentives	16,800	20,546,208	-	-	-	-	-	20,563,008
Capital assets:								
Buildings and improvements, net of depreciation	-	8,422,550	8,168,020	-	-	-	48,952,911	65,543,481
Equipment and vehicles, net of depreciation	-	68,347	2,661	26,367	-	-	143,426	240,801
Right-to-use lease assets, net of amortization	-	709,943	-	52,217	-	-	-	762,160
Construction in process	-	7,364	-	-	-	-	-	7,364
Total noncurrent assets	<u>3,836,444</u>	<u>71,199,981</u>	<u>8,850,086</u>	<u>78,584</u>	<u>-</u>	<u>-</u>	<u>53,789,822</u>	<u>137,754,917</u>
TOTAL ASSETS	<u>\$ 153,554,696</u>	<u>\$ 126,006,584</u>	<u>\$ 14,983,823</u>	<u>\$ 441,875</u>	<u>\$ 139,895</u>	<u>\$ 34,702</u>	<u>\$ 54,237,660</u>	<u>\$ 349,399,235</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred charge on refunding	\$ -	\$ -	\$ 427,834	\$ -	\$ -	\$ -	\$ -	\$ 427,834
Deferred outflows on net OPEB liability	-	31,586	-	-	-	-	-	31,586
Deferred outflows on net pension liability	-	96,215	-	-	-	-	-	96,215
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ 127,801</u>	<u>\$ 427,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555,635</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF AMARILLO, TEXAS
STATEMENT OF NET POSITION - COMPONENT UNITS, CONTINUED
SEPTEMBER 30, 2022

	Amarillo Hospital District	Amarillo Economic Development Corporation	Amarillo- Potter Events Venue District	Amarillo Convention & Visitors Bureau	Amarillo Housing Finance Corporation	Amarillo Health Facilities Corporation	Amarillo Local Government Corporation	Total
LIABILITIES AND NET POSITION								
CURRENT LIABILITIES								
Accounts payable and accrued expenses	\$ 456,934	\$ 1,240,526	\$ 350,419	\$ 144,362	\$ -	\$ -	\$ 65,458	\$ 2,257,699
Current portion of long-term obligations	274	8,410,000	550,000	22,785	-	-	-	8,983,059
Total current liabilities	<u>457,208</u>	<u>9,650,526</u>	<u>900,419</u>	<u>167,147</u>	<u>-</u>	<u>-</u>	<u>65,458</u>	<u>11,240,758</u>
NONCURRENT LIABILITIES								
Liabilities payable from restricted assets - accrued interest	-	118,917	-	-	-	-	-	118,917
Noncurrent portion of long-term obligations	-	31,874,403	7,796,557	29,714	-	-	2,439,521	42,140,195
Net OPEB liability	-	64,389	-	-	-	-	-	64,389
Estimated liabilities								
Compensated absences	-	260,958	-	-	-	-	-	260,958
Total noncurrent liabilities	<u>-</u>	<u>32,318,667</u>	<u>7,796,557</u>	<u>29,714</u>	<u>-</u>	<u>-</u>	<u>2,439,521</u>	<u>42,584,459</u>
TOTAL LIABILITIES	<u>457,208</u>	<u>41,969,193</u>	<u>8,696,976</u>	<u>196,861</u>	<u>-</u>	<u>-</u>	<u>2,504,979</u>	<u>53,825,217</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflow	3,051,341	4,207,706	-	-	-	-	4,677,516	11,936,563
Total deferred inflows of resources	<u>3,051,341</u>	<u>4,207,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,677,516</u>	<u>11,936,563</u>
NET POSITION								
Net investment in capital assets	16,800	8,490,897	251,958	78,584	-	-	46,889,972	55,728,211
Restricted for:								
Debt service	-	5,872,003	679,405	-	-	-	-	6,551,408
Other purposes	21,714,216	-	-	166,430	-	-	-	21,880,646
Unrestricted	128,315,131	65,594,586	5,783,318	-	139,895	34,702	165,193	200,032,825
TOTAL NET POSITION	<u>\$ 150,046,147</u>	<u>\$ 79,957,486</u>	<u>\$ 6,714,681</u>	<u>\$ 245,014</u>	<u>\$ 139,895</u>	<u>\$ 34,702</u>	<u>\$ 47,055,165</u>	<u>\$ 284,193,090</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF AMARILLO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - COMPONENT UNITS
YEAR ENDED SEPTEMBER 30, 2022

	Amarillo Hospital District	Amarillo Economic Development Corporation	Amarillo- Potter Events Venue District	Amarillo Convention & Visitors Bureau	Amarillo Housing Finance Corporation	Amarillo Health Facilities Corporation	Amarillo Local Government Corporation	Total
EXPENSES								
Functions/Programs:								
Public health	\$ 50,198,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,198,823
Economic development/industrial	-	16,708,344	-	-	-	-	2,079,476	18,787,820
Economic development/Tourism	-	-	4,357,589	1,711,350	-	-	-	6,068,939
Interest on long-term debt	-	1,032,411	214,551	-	-	-	-	1,246,962
Total program expenses	<u>50,198,823</u>	<u>17,740,755</u>	<u>4,572,140</u>	<u>1,711,350</u>	<u>-</u>	<u>-</u>	<u>2,079,476</u>	<u>76,302,544</u>
PROGRAM REVENUES								
Intergovernmental revenues - operating	391,191	-	-	-	-	-	361,734	752,925
Charges for services / Local Provider Participation	20,087,912	3,159,830	-	-	-	-	-	23,247,742
Gain (loss) on disposal of property	-	(6,255)	-	-	-	-	-	(6,255)
Miscellaneous	-	100,108	127,931	50	-	-	-	228,089
Total program revenues	<u>20,479,103</u>	<u>3,253,683</u>	<u>127,931</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>361,734</u>	<u>24,222,501</u>
Net (expense) revenue	<u>(29,719,720)</u>	<u>(14,487,072)</u>	<u>(4,444,209)</u>	<u>(1,711,300)</u>	<u>-</u>	<u>-</u>	<u>(1,717,742)</u>	<u>(52,080,043)</u>
GENERAL REVENUES								
Sales taxes	-	24,829,610	3,815,377	-	-	-	-	28,644,987
Gross receipts business taxes	-	-	-	1,384,780	-	-	-	1,384,780
Investment earnings (loss)	<u>(18,883,476)</u>	<u>92,912</u>	<u>44,366</u>	<u>(375)</u>	<u>665</u>	<u>89</u>	<u>(214,718)</u>	<u>(18,960,537)</u>
Total general revenues	<u>(18,883,476)</u>	<u>24,922,522</u>	<u>3,859,743</u>	<u>1,384,405</u>	<u>665</u>	<u>89</u>	<u>(214,718)</u>	<u>11,069,230</u>
Change in net position	<u>(48,603,196)</u>	<u>10,435,450</u>	<u>(584,466)</u>	<u>(326,895)</u>	<u>665</u>	<u>89</u>	<u>(1,932,460)</u>	<u>(41,010,813)</u>
NET POSITION, BEGINNING OF YEAR	<u>198,649,343</u>	<u>69,547,158</u>	<u>7,299,147</u>	<u>572,089</u>	<u>139,230</u>	<u>34,613</u>	<u>48,919,405</u>	<u>325,160,985</u>
PRIOR PERIOD ADJUSTMENT		<u>(25,122)</u>		<u>(180)</u>			<u>68,220</u>	<u>42,918</u>
NET POSITION, BEGINNING OF YEAR, RESTATED	<u>198,649,343</u>	<u>69,522,036</u>	<u>7,299,147</u>	<u>571,909</u>	<u>139,230</u>	<u>34,613</u>	<u>48,987,625</u>	<u>325,203,903</u>
NET POSITION, END OF YEAR	<u>\$ 150,046,147</u>	<u>\$ 79,957,486</u>	<u>\$ 6,714,681</u>	<u>\$ 245,014</u>	<u>\$ 139,895</u>	<u>\$ 34,702</u>	<u>\$ 47,055,165</u>	<u>\$ 284,193,090</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition and Scope of Reporting Entity

The City of Amarillo (the City) was chartered in 1913, as authorized by a statute enacted by the Texas Legislature that year, as the first city in Texas and fifth city in the United States to adopt the commission form of government. The principal services accounted for as general governmental functions include public safety and health, streets, solid waste, culture and recreation, planning and zoning, a transit system and general administrative service. In addition, the City maintains the water and sewer system, drainage utilities, and the airport, the operations of which are accounted for as enterprise funds.

The Governmental Accounting Standards Board (GASB) established standards for defining the financial reporting entity. Under such standards, the following entities have been determined to be component units of the City for financial reporting purposes because of their operational or financial benefit or burden relationships with the City. Based on these standards, the City has the following component units:

Discretely Presented Component Units

Amarillo Hospital District

The Amarillo Hospital District (the District), the first city hospital district in Texas, was established on March 24, 1959, by an amendment to the Constitution of the State of Texas. Its area is co-extensive with the incorporated limits of the City of Amarillo. The facilities built by the District constitute a regional center, serving the populace of an area that extends far beyond the boundaries of the City and county, across the entire Panhandle of the State of Texas and even surrounding states. Because of economic changes in the healthcare industry, in May 1996 the physical plant of the District was sold to a for-profit hospital entity, Northwest Texas Healthcare System, which, as one of the conditions of the sale, assumed responsibility for medical care of indigent citizens of the District to 2021 in exchange for inflation-adjusted, annual payments in the range of (in 1996 dollars) \$6 million to \$8 million. The inflation adjustment ceased in 2006 and the payment was fixed for the balance of the contract, which was for an additional 10 years unless the provider opted to extend the contract an additional 15 years. The quarterly payment to the provider was fixed at \$1,735,385 per quarter or \$6,941,540 annually. Certain public health services, which had been provided by the District, were assumed by the City. The District has no employees, but continues to exist as a governmental entity. Effective October 1, 1996, the City assumed responsibility for serving the District as its fiscal agent for purposes of maintaining its financial records. However, since the sale of the hospital, the District has not had to levy an ad valorem tax. The earnings from the sales proceeds together with the funds on hand at the time of the sale have been sufficient to fund indigent care payments and other expenses of the District.

The District currently collaborates with Northwest Texas Healthcare System to ensure both parties best allocate their resources for the provision of care to the low income and needy residents in their community. As part of this collaboration, Northwest has proposed that the District fund payments to Northwest under the Medicaid program ("Medicaid"). Accordingly, the District suspended the "Indigent Care Agreement," which was part of the sales agreement and replaced it with an almost identical agreement called the "Health Care Services Agreement." With the suspension of the "Indigent Care Agreement," the District was no longer obligated to make indigent care payments. However, the District funded Northwest Texas Hospital's Medicaid program. The "Indigent Care Agreement" was amended to extend the suspension through May 8, 2021. The District is prepaid through May 8, 2020 and has provided \$76.2 million in funding to the Medicaid program versus \$93.7 million in indigent care payments that would have been due under the contract. On May 17, 2016, Northwest Texas Healthcare System exercised an option to extend the term of the "Indigent Care Agreement" until May 7, 2036. The "Indigent Care Agreement" indicated that if the extension occurred then the contractual consideration

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition and Scope of Reporting Entity (Continued)

would be periodically adjusted by a consumer price index (CPI) factor. On May 6, 2020, both parties agreed to an amount to satisfy all CPI adjustments prior to May 8, 2020 and the quarterly amount the District would begin paying on May 8, 2020. The CPI increases were in effect from May 8, 2020 through May 8, 2021. The payment is fixed at the May 8, 2021 rate through the end of the contract.

On August 8, 2017 the Amarillo Hospital District held a public hearing and created a Local Provider Participation Fund (LPPF). The District set the mandatory payment rate for the 2022 fiscal year at 2.27% of net patient revenue. The mandatory payments are deposited into the LPPF. The funds may be used to support the nonfederal share of payments described in Section 295A.103(c)(1) of the Health and Safety Code. The LPPF is broad based as it applies to all nonpublic hospitals located in Amarillo Hospital District that provide inpatient hospital services. The formula for calculating the mandatory payments is the same for each hospital. No hospitals are held harmless or exempt from paying the mandatory payments.

The District is considered to be a part of the City's financial reporting entity because its Board of Managers is appointed by the City Council and, additionally, the City Council has final authority over any tax levy and the total amount of the annual budget. The Boards are not substantially the same, nor does the District provide services to the City.

Amarillo Economic Development Corporation

The Amarillo Economic Development Corporation (AEDC) is a nonprofit corporation that was formed in 1990 for the purpose of increasing employment opportunities, primarily through assisting qualifying enterprises with funds provided by a portion of the local sales tax. Assistance may be in the form of incentive grants, loans, or leases which call for either discounted rates or rebates based on job development and or local spending. The City serves as fiscal agent for AEDC's funds as well as its accounting records. AEDC is considered to be a part of the City's financial reporting entity, because the City Council appoints its Board of Directors and approves its budgets. The Boards are not substantially the same, nor does AEDC provide services to the City.

Amarillo-Potter Events Venue District

The Amarillo-Potter Events Venue District (Venue District) was established in January 1998, upon the approval of the voters of the City of Amarillo and Potter County to create a vehicle for financing a livestock arena and expansion of the Civic Center. Starting in December 1998, the District issued bonds to finance the first phase of this construction, consisting of the livestock arena, and in December 2000 bonds were issued to fund the Civic Center expansion. Subsequent to the initial debt issuances, the District has undertaken debt refundings to reduce debt service payments. Debt service is provided by a 2% hotel occupancy tax and a 5% short-term motor vehicle rental tax, which became effective April 1, 1998. Should such tax revenues be insufficient, a rental payment from the City for use of the expanded Civic Center facilities is required. The City's rental obligation is the greater of any \$10 per month or any shortfall in the debt service fund due to insufficient Venue District tax receipts. The City serves as a fiscal agent for Venue District funds as well as the accounting records. The Venue District is considered to be a part of the City's financial reporting entity, because the City's mayor appoints four of the seven members of the Venue District's Board of Directors. However, the Boards are not substantially the same.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition and Scope of Reporting Entity (Continued)

Amarillo Housing Finance Corporation

Amarillo Housing Finance Corporation (AHFC) was established to provide funding for home purchases by low to moderate-income persons and families. Under the current program, mortgage loans are restricted to first-time homebuyers in targeted areas of the City. Beginning in April 1996, AHFC has issued single-family mortgage revenue bonds in the principal amounts of \$15,700,000, and \$10,000,000 in 2003. The bonds are purchased by Freddie Mac, loans are made by local lending institutions, and the funding of the mortgages with the bond proceeds is handled by the trust department of a financial institution. The City serves as fiscal agent for AHFC. AHFC is considered to be a part of the City's financial reporting entity, because the City Council appoints its Board of Directors and has discretion over their terms of office as well as the programs and activities of the Corporation. The Boards are not substantially the same, nor does AHFC provide services to the City.

Amarillo Local Government Corporation

Amarillo Local Government Corporation (LGC) is a nonprofit corporation that was formed March 2011 for the purpose of aiding and assisting the City to promote the development of the geographical area of the City. The City serves as fiscal agent for LGC funds as well as its accounting records. LGC is considered to be a part of the City's financial reporting entity, because the City Council appoints its Board of Directors, however the Boards are not substantially the same.

Amarillo Health Facilities Corporation

The Amarillo Health Facility Corporation (the Corporation) was established to assist the public health function. This Corporation can provide for the acquisition, improvement, renovation, furnishing or equipment of a project that is determined by the Board of Directors, who are appointed by the City Council, to be required, necessary or convenient for health care, research, and education within the State of Texas to assist the maintenance of public health. Assistance may be in the form of the issuance of bonds and loaning money to these providers of health care services. The City serves as fiscal agent for the Corporation funds as well as its accounting records. The Corporation is considered to be a part of the City's financial reporting entity, because the City Council appoints the Board of Directors and has the authority to approve the budget.

Amarillo Convention And Visitors Bureau, Inc.

Amarillo Convention and Visitors Bureau (the Bureau) is a nonprofit corporation that was formed October 1, 2020 for the purpose of soliciting, acquiring, and staging conventions, the promotion of tourism and the hotel industries and the attraction and entertainment of visitors to and from the City and the surrounding area thereby promoting the economic development and social welfare of the City. The City serves as fiscal agent for the Bureau as well as its accounting records. The Bureau is considered to be a part of the City's financial reporting entity, because the City Council appoints its Board of Directors, however the Boards are not substantially the same.

While the above-named entities are considered part of the City's overall reporting entity, they are discretely presented in a separate column of the City's combined financial statements to emphasize that they are legally separate from the City.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units

Tax Increment Reinvestment Zone #1

The Tax Increment Reinvestment Zone Number One (TIRZ #1) was created by the City Council in FY 2007 pursuant to the Texas Tax Increment Financing Act, Tax Code, Chapter 311. The purpose of the zone is to promote the development of or redevelopment of certain contiguous geographic areas in the City. The operations of TIRZ #1 benefit the City's redevelopment of downtown. The City Council has final approval authority on the budget and all TIRZ #1 projects and issues debt on behalf of TIRZ #1. TIRZ #1 revenues are pledged toward repayment of the debt. The operations of TIRZ #1 are included in the governmental activities of the government-wide financial statements as a separate special revenue fund.

Tax Increment Reinvestment Zone #2

The Tax Increment Reinvestment Zone Number Two (TIRZ #2) was created by the City Council in FY 2017 pursuant to the Texas Tax Increment Financing Act, Tax Code, Chapter 311. The purpose of the zone is to promote the development of or redevelopment of certain contiguous geographic areas in the City. The City Council has final approval authority on the budget and all TIRZ #2 projects. The operations of TIRZ #2 is included in the governmental activities of the government-wide financial statements as a separate special revenue fund.

The component units separately issued financial statements may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds on the basis of accounting applicable to funds-based financial statements. A separate financial statement is also provided for fiduciary funds, which with respect to the City comprise only cash and investments which are handled by the City in the capacity of a trust or custodial fund. These assets are excluded from the Statement of Net Position because they do not represent resources of the City.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on the balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including employee termination payments made by the Compensated Absences Fund, are recorded only when payments are due.

Sales taxes are considered "measurable" when in the hands of the State Comptroller and are recognized as revenue at that time. Other major revenues that are determined to be susceptible to accrual include property taxes, utility franchise taxes, interest, rentals, charges for services, and intercity charges. Waste collection fees are recorded as revenue when billed, which is on a cycle billing basis. Intergovernmental grants or revenues based on the "reimbursements of expenditures" concept are recorded as revenues when the related expenditures are made. Other intergovernmental revenues are reflected as revenues at the time of receipt or earlier if the availability criterion is met.

The City reports the following major governmental funds:

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

The *General Construction Fund* accounts for construction projects that are financed primarily by general revenues, as well as accounts for the resources designated for replacement of existing buildings, improvements and equipment and for similar projects.

The *COVID-19 Fund* accounts for the grant funding received on an advanced basis for future expenditures.

All proprietary funds are accounted for on a cost of services or "flow of economic resources" measurement focus. This means that all assets and all liabilities (including capital assets and long-term debt) associated with their activities are included on their balance sheets. Costs of providing goods and services during the period include depreciation on capital assets. All proprietary funds follow generally accepted accounting principles prescribed by GASB.

Consequently, their affairs are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the provision of water and sewer services to residents and commercial enterprises of the City and proximate area.

The *Drainage Utility Fund* provides for a dedicated funding source for the operations and maintenance of the existing storm-water system.

The *Airport Fund* accounts for the operation of the City's international airport, which provides runway and passenger services as well as leases of former U. S. Air Force facilities to commercial tenants.

Additionally, the City reports the following fund types:

Four *internal service funds* account for fleet services, information services, risk management, and employee health services provided to the other departments of the City on a cost-reimbursement basis.

Fiduciary funds account for assets held by the City in a trustee and custodial capacity on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

The trust funds manage the Amarillo Relief and Retirement trust fund (AFRRF), the Amarillo Post Employment Benefits trust fund and private purpose trust funds. The AFRRF was established for members of the City of Amarillo fire department and accounts for contributions to the plan by the City and Fire Fighters. See Note 9 for more information.

The Post Employment Benefits Trust Fund was established by the City effective January 2013 to account for funds to finance other post employment benefits paid by the City and the payment of these benefits as they come due. The fund presently is accounting for the payment of retiree's benefits on a "pay as you go basis. See Note 10 for more information.

The private purpose trust funds account for activities that are not City programs, but are programs sponsored by individuals, private organizations, or other governments. Although the City serves as fiscal agent, the funds received and held under the Centennial Parkway fund, the Indigent Dog Bite Victim fund and the Amarillo Industrial Development Corporation are not available to support the City activities and programs, but are received and held for individuals, private organizations or other governments.

The custodial fund accounts for the Civic Center Operations fund is used to account for assets that the City holds for others in a custodial capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administrative service charges and payments in lieu of taxes between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as 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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and investment revenues.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund, the Drainage Utility Fund and the Airport Fund are charges to customers for sales and services, including tap fees intended to recover the cost of connecting new customers to the water and sewer system. The principal operating revenues of the internal service funds are charges to other funds for services and allocations of self-insurance costs. Operating expenses for these funds include the direct costs of personnel, supplies, and similar items needed to render the sales and services, including depreciation on capital assets, as well as administrative expenses. All revenues and expenses not meeting this definition, such as investment earnings and passenger facility charges, are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

Estimates Inherent in Financial Statements

Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimated liabilities related to self-insurance costs, net pension liability and net OPEB liability are material estimates that are particularly susceptible to significant changes in the near term.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

Deposits and Investments

With the exception of certain restricted and special funds, the City pools the resources of the various funds in order to facilitate the management of cash. Records are maintained that reflect each fund's equity in the pooled account.

For financial reporting purposes a portion of the investment portfolio is classified as equivalent to cash. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less, which present an insignificant risk of changes in value because of changes in interest rates.

Debt securities held by the City's various operating and reserve funds are valued at fair value.

Interfund Receivable and Payables

Activities between funds generally represent payment of charges to various departments for services rendered by other departments, reimbursements for allocated shares of expenditures, transfers of the City's unrestricted resources to supplement the inter-governmental grants and similar restricted resources of special revenue funds, and transfers of resources set aside to fund the long-term capital plan.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Interfund Receivable and, Payables (Continued)

Outstanding balances of these activities are reported as "due to/from other funds" and "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" and "advances to/from other funds."

Other Receivables

Receivables of both governmental and proprietary funds are reported in the government-wide financial statements on the accrual basis of accounting. In the governmental fund financial statements, receivables are comprised of those amounts that are considered to be both measurable and available as defined under the modified accrual basis of accounting. As a city ordinance prohibits the appropriation of property taxes until collected, the entire amount of such taxes considered measurable and available has been reserved. Taxes receivable other than property taxes are reflected as accounts receivable (gross receipts business taxes) or due from other governments (sales taxes collected and disbursed by the State). Solid waste disposal fees are recorded when billed on a cycle billing basis. Most intergovernmental grants provide for reimbursement of actual costs, and the related revenues are recognized in the fiscal period of the underlying expenditures. Because payments on paving notes and assessments are uncertain and often long deferred, they are reflected as revenues when collected.

Receivables of proprietary funds are recorded when earned. Unbilled water and sewer revenues are estimated and accrued at year-end.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories, Prepaid and Unearned Revenue

Inventories of supplies are reflected at cost, determined on an average-cost basis. Inventories of motor fuel and oil are maintained by Fleet Services (an *internal service fund*), while all other inventories of materials and supplies, including water and sewer pipeline and related stores and automotive parts, are maintained by the General Fund, being recorded under the "consumption method" as inventory acquisition (current assets) at the time the inventory items are purchased, and charged to the various funds and departments of the City on the basis of requisitions.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Such items include payments of the housing assistance program which must be disbursed before fiscal year-end in order to be received by the vendors on October 1, but are obligations of the fiscal year beginning on that date.

Unearned revenues reported in the governmental fund financial statements generally represent delinquent taxes in excess of amounts currently available and advance rentals collected by the City's auditorium-coliseum complex. Unearned revenues reported in the statement of Net Position represent grant awards received for future grant expenditures.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Inventories, Prepaid and Unearned Revenue (Continued)

Provision is made in the Risk Management and Employee Insurance funds (*internal service funds*) for the estimated amounts of liabilities related to incurred claims, including provisions for future settlement payments of both known and unknown loss events.

Restricted Assets

Certain resources of the TIRZ #1 Fund, GO Bond Construction Fund, Civic Center Improvement Fund, Fleet Services Fund, Water and Sewer Fund, Drainage Utility Fund and Airport Fund are set aside for the construction and purchase of capital assets as well as repayment of its revenue bonds under applicable bond covenants. Such resources and the related liabilities payable out of those resources are reported in the financial statements as noncurrent assets and liabilities.

Capital Assets

Capital assets consist of property, plant, equipment, and infrastructure assets (streets, alleys, overpasses, curbs and gutters and drainage systems), as well as the cost of construction projects in process. Items having a value of more than \$5,000 are capitalized. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their lives are not capitalized.

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets of the proprietary funds are also reported in the applicable financial statements, but capital assets are not included in the governmental fund financial statements.

Capital assets are stated at historical cost or at acquisition value at date received, if donated, net of applicable depreciation. Material interest costs incurred during capital construction performed by proprietary type funds are capitalized. Interest expense incurred by the governmental funds is not capitalized.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Depreciation of capital assets used in governmental fund activities is reported only in the government-wide financial statements.

Property, plant, equipment and infrastructure are depreciated or depleted over the estimated useful lives using the straight-line method. The estimated useful lives are generally within the following ranges:

Buildings and improvements	30-40 years	Sewer pipelines	75 years
Streets and related infrastructure	50 years	Runways and related improvements	10-30 years
Traffic signals	30 years	Motor buses	7 years
Landfill improvements	40 years	Automobiles, vans	3-7 years
Water supply contract	85 years	Data processing equipment	5 years
Water rights	20-100 years	Machinery and other equipment	7-30 years
Water pipelines	50 years	Office equipment	5-10 years
		Library books	15 years

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Intangible Assets

Intangible assets consist of right-of-way easements. The right-of-way easements have an indefinite life and, accordingly, are not subject to amortization. Details relating to the City's intangible assets are provided at Note 7.

Leases

Effective October 1, 2021, the City implemented GASB No. 87, *Leases*. As the lessee, the City determines whether a contract is, or contains a lease at inception. Lease agreements with a maximum lease term of twelve months or less, including options to extend, are accounted for as a short-term lease. Lease agreements that transfer ownership of the underlying asset to the City at the end of the contract are recorded as a finance purchase with a related lease liability. Lease agreements not classified as a short-term lease, or a finance purchase are accounted for as an intangible right to use lease asset. An Intangible right to use lease asset represents the City's right to use an underlying asset during the lease term and the lease liability represents the City's obligation to make lease payments arising from the lease. Intangible right to use lease assets and lease liabilities are recognized at lease commencement based upon the estimate present value of unpaid lease payments over the lease term. The City uses its incremental borrowing rate based on information available at lease commencement in determining the present value of unpaid lease payments. As the lessor, the City applies the same criteria but recognizes a lease receivable and a deferred inflow of resources equal to the present value of the lease payments. Details relating to the City's leases are provided at Note 8.

Compensated Absence

City employees are entitled to paid vacation and sick leave, based on length of service, which accumulate and partially vest. The City's vested obligations under this policy are accrued and are reflected as liabilities in the government-wide and proprietary fund financial statements.

Employees eligible for time-and-a-half overtime can accumulate paid time off in lieu of overtime pay. In addition to amounts for accumulated paid vacation and sick leave, comp time in lieu of overtime is also reflected as a liability in the government-wide and proprietary fund financial statements.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary fund financial statements. Bonds payable are reported net of related discounts which are amortized over the terms of the related debts.

In the fund financial statements, governmental fund types report the proceeds of debt issuances, net of discounts, during the current period as other financing sources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Amarillo Firemen's Relief and Retirement Fund (FRRF) and additions to/deductions from FRRF's Fiduciary Net Position have been determined on the same basis as they are reported by FRRF. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Post Employment Health Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes 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. At September 30, 2022, the City has three items that qualify for reporting in this category—a deferred charge on refunding of bonds, a deferred outflow related to the City's net pension liability and the net OPEB liability.

Deferred Outflows of Resources

Deferred charge on refunding	\$ 585,033
Deferred outflow related to the net pension liability	
TMRS	8,849,915
FRRF	12,174,518
Deferred outflow related to the OPEB liability	<u>9,540,616</u>
Total Deferred Outflows of Resources	<u>\$ 31,150,082</u>

In addition to liabilities, the statement of net position includes 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 September 30, 2022, the City had five items which qualify for reporting in this category—deferred inflow related to the City's deferred gain on refunding, net pension liability, the net OPEB liability, unavailable property taxes and right-to-use lease receivable.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Deferred Inflows of Resources	
Deferred gain on refunding	\$ 1,333,261
Deferred inflow related to the net pension liability	
TMRS	37,494,964
FRRF	48,298,782
Deferred inflow related to the net OPEB liability	8,291,780
Deferred inflow related to the right-to-use lease receivable	24,223,143
Unavailable property taxes	<u>234,519</u>
Total Deferred Inflows of Resources	<u>\$ 119,876,449</u>

Net Position

In the government-wide financial statements, the difference between the City's total assets, deferred outflows of resources and liabilities and deferred inflows of resources represents net position. Net position displays the following three components:

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position." It represents the amount available for future operations.

Fund Balances

In the governmental funds financial statements, fund balances are classified as follows:

Nonspendable fund balance – Includes amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted fund balance – Includes amounts that are restricted to specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

Committed fund balance – Includes amounts that can only be used for specific purposes as pursuant to official action by the City Council prior to the end of the reporting period. Commitments are made and can be rescinded only via resolution by the City Council.

Assigned fund balance – Comprises amounts the City intends to use for a specific purpose but is neither restricted nor committed. The formal budget as approved by the City Council authorizes the City Manager to assign fund balance.

Unassigned fund balance – Represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When restricted and other fund balance resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

Change in Accounting Principles and Prior Period Adjustments

GASB Statement No. 87, *Leases*, was effective for financial statements for periods beginning after June 15, 2021. The adoption of GASB 87 required a prior period adjustment to report the effect of GASB 87 retroactively. The adjustment to net position at September 30, 2021, to retroactively apply this change, resulted in the following adjustment:

	Governmental Activities	Business-type Activities	Component Units
Net position at September 30, 2021 as previously reported	\$ 444,879,052	\$ 606,810,582	\$ 325,160,985
Change in reporting for Leases	(590,549)	-	42,918
Net position at September 30, 2021, as restated	<u>\$ 444,288,503</u>	<u>\$ 606,810,582</u>	<u>\$ 325,203,903</u>

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

As provided by state law, the City follows these procedures in establishing the annual budgetary data reflected in the financial statements.

At least 30 days prior to the time when the City Council makes its tax levy for the commencing fiscal year beginning October 1, the City Manager, as budget officer, files a proposed operating budget, including proposed expenditures and the means of financing them. Such budget is available for the inspection of any taxpayer, and public hearings are conducted subsequent to the time of filing. Prior to October 1, the budget is legally enacted through passage of an ordinance. Under the City's budget ordinance, the City Council has authority to make such changes in the budget as it deems warranted. Additionally, the City Manager is authorized to transfer budgeted amounts among departments and among expenditure codes within any department or fund. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each fund is the fund's total expenditure budget. Accordingly, revisions that increase the total expenditures of a fund must be approved by the City Council. Except for the employment of encumbrance accounting, budgets are adopted consistent with generally accepted accounting principles. Unencumbered appropriations lapse at year-end.

The annual formal appropriated budget as described above is employed as a management-control device during the year for the General Fund, the debt service funds, and special revenue funds and those grant funds which are necessarily budgeted on a contract-period basis differing from the City's fiscal year.

Expenditures for the public improvement districts are being controlled by long-term service plans allocated in relation to available, property-owner assessments. The service plan is the approved budget for the individual Public Improvement District. The following funds with legally adopted budgets have a budgetary comparison presented: the General Fund, Debt Service Fund, Compensated Absence Fund and certain non-major special revenue funds. The non-major special revenue funds with legally adopted budgets are as follows: Court Technology and Court Security Fund, Public Health Fund, LEOSE Training Fund, Local Seized Property Fund and the Public Improvement Districts. Budgeted amounts reflected therein are as originally adopted or, if applicable, as last amended by the City Council.

Grant funds not included in the annual appropriated budget are subject to management control by means of project-length budgets authorized by the City Council in the grant application processes. Cumulative expenditures through September 30, 2022, were within the limits prescribed by such budgets.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

Capital outlay is controlled through formal, job cost accounting, in which available monies are allotted among the planned construction and capital acquisition undertakings, and costs are accumulated subject to such allotments. Unencumbered appropriations do not lapse at year-end for Capital Projects Funds. The City adopts five-year, capital outlay plans to budget such projects.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances, since they do not constitute expenditures or liabilities. Total encumbrances outstanding as of September 30, 2022, for General Fund are \$1,411,237, for Special Revenue Funds are \$416,302, for Capital Project Funds are \$1,581,211 for Water and Sewer Fund are \$1,060,146, for Airport Fund are \$3,246,210, for Drainage Fund are \$120,278, for Fleet Services Fund are \$17,538,232, for Information Services Fund are \$551,690, for Risk Management Fund are \$115.

Deficit Fund Equity

During the fiscal year ended September 30, 2022, the Court Security Fund had a fund deficit of \$7, the Justice Assistance Grant Fund had a fund deficit of \$2, and the Selective Traffic Enforcement Program Fund had a fund deficit of \$1.

NOTE 3 - DEPOSITS AND INVESTMENTS

All of the City's demand deposit and time accounts are held in a local banking institution under terms of a written depository contract. All of the City's demand and time accounts are insured or registered or held by the City or its agent in the City's name.

Under the Revised Statutes of the State of Texas, all deposits, to the extent not insured by the Federal Deposit Insurance Corporation (FDIC), must be collateralized by securities or insured by a bond. At September 30, 2022, demand deposit and time deposits held by the depository institution, before reduction for checks issued and not presented, were in the total amount of \$45,154,284. The accounts are collateralized by pledged securities of \$51,000,000. The City has a secondary depository institution with demand deposits of \$260,564. These amounts are secured by FDIC insurance.

Time certificates of deposit with original maturities of more than three months are classified as investments for financial reporting purposes.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the area of investment practices, management reports and establishment of appropriate policies. With the exception of the assets of the deferred compensation plan and pension assets, all investments are administered by City management under terms of an investment policy and strategy that is updated to conform to the Texas Public Funds Investment Act (the Act) as last amended. The preservation of capital is the City's most important investment objective. Other objectives include providing liquidity and maximizing earnings within the constraints of the other objectives. The City is in substantial compliance with the requirements of the Act and with local policies.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Under the City's policies, the maximum dollar weighted-average maturity of the investment portfolio may not exceed one year, and 80% of the portfolio must be in investments with maturities of two years or less. At September 30, 2022, the weighted-average maturity of the City's total investment securities was 0.41 years.

The City will only invest in the following types of securities:

- Bank money market funds and other interest-bearing accounts at the City's authorized depository.
- Direct obligations of the United States government.
- Obligations of agencies and instrumentalities of the United States, limited to 75% of the portfolio.
- Highly rated investment pools and no-load money market mutual funds (AAA or AAAM).
- Taxable municipal bonds, limited to 10% of the portfolio.
- Certificates of deposit including CDARS (Certificate of Deposit Accounts Registry Service).
- For bond proceeds only, fully collateralized, flexible, repurchase agreements.

Investments are separately owned by the various funds. Under applicable bond ordinances, funds of the Waterworks and Sewer Revenue bond redemption and reserve accounts may be invested only in U.S. Government or agency obligations or in obligations guaranteed by the U.S. Government or by its agencies. Funds not so invested are to be maintained in the City's depository and secured as provided by law. The City's investment policy also sets forth specific, investment requirements and strategies for its various fund types. The City does not enter into reverse repurchase agreements. All securities are held by the City's agent in the City's name.

Interest Rate Risk: In accordance with the Investment Policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to less than twelve months and requiring that 80% of the portfolio must be in investments with maturities of two years or less.

Credit Risk: The City invests in direct obligations of the United States and obligations of agencies and instrumentalities of the United States. The Policy also allows for the investment in taxable municipal securities rated not less than AA- (or equivalent). The City does not have any commercial paper or taxable municipal security investments at this time. The City does invest in a treasury only and a government agency no-load money market mutual fund that is continuously rated AAA or AAAM (or equivalent).

Concentration of Credit Risk: As stated in the Investment Policy the City will diversify investments when purchasing agency securities or commercial paper to avoid a concentration in one agency or company.

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has tri-party agreements with both depositories and a third-party financial institution (Federal Reserve Bank) that holds pledged collateral in a separate custody account for the benefit of the City. All City deposits are fully collateralized by these pledged securities.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City contracts with an outside financial institution as custodian for all investment transactions and all investment transaction are made on a delivery versus payment method with the outside custodian. The securities are held in the City's name in a separate account. Access to this account is limited to the approved Investment Officers.

A summary of investment securities of the City at September 30, 2022, and the corresponding weighted average maturity is shown in Table 1 below:

	Fair Value		Total	Weighted Average Maturity (Years)
	Unrestricted Assets	Restricted Assets		
Investment Securities				
U.S. Treasury Obligations	\$ 8,776,018	\$ -	\$ 8,776,018	2.92
U.S. Government Sponsored Agencies	108,458,601	-	108,458,601	1.55
Total investment securities	117,234,619	-	117,234,619	1.64
No-load U.S. Treasury-only mutual funds	147,781,090	222,260,588	370,041,678	-
Total investments	265,015,709	222,260,588	487,276,297	0.42
Add: Time deposits with original maturities over three months	41,998,095	500,000	42,498,095	0.43
Total investments	307,013,804	222,760,588	529,774,392	0.42
Deduct: Cash equivalents	(147,781,090)	(222,260,588)	(370,041,678)	-
Net investments for financial reporting	\$ 159,232,714	\$ 500,000	\$ 159,732,714	1.40

Table 1 – Investment Securities and Corresponding Weighted Average Maturity

NOTE 4 - FAIR VALUE MEASUREMENTS

The City follows Governmental Accounting Standards Board's (GASB) Statement No. 72, *Fair Value Measurement and Application*. The standard established a three-level valuation hierarchy for disclosure based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). An asset's fair value measurement level within the hierarchy is based on the lowest level of input that is significant to the valuation.

The three levels are defined as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The City uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the City measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>September 30, 2022:</u>				
Certificates of Deposit	\$ 42,498,095	\$ -	\$ 42,498,095	\$ -
U.S. government and agency obligations	117,234,619	117,234,619	-	-
Mutual funds - money market	<u>370,041,678</u>	<u>-</u>	<u>370,041,678</u>	<u>-</u>
Total	<u>\$ 529,774,392</u>	<u>\$ 117,234,619</u>	<u>\$ 412,539,773</u>	<u>\$ -</u>

For the valuation of certain U.S. government and agency obligations and taxable municipal bonds at September 30, 2022, the City used quoted prices in principal active markets for identical assets as of the valuation date (Level 1).

For the valuation of CDARS, certificates of deposit, and money market mutual funds at September 30, 2022, the City used significant other observable inputs as of the valuation date, particularly dealer market price for comparable investments as of the valuation date (Level 2).

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented in the following table:

	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
OPEB Trust	\$ 33,717,990	Daily	None

The Trust OPEB Funding Program investment utilizes a growth strategy seeking both a reasonable level of income and long-term growth capital and income. The Program invests in eight index and mutual funds. The fair values of the underlying investments are used to determine NAV per share (or its equivalent) of the Trust OPEB Funding Program investment.

Assets Measured at Fair Value on a Nonrecurring Basis

There were no fair values of assets and liabilities measured on a nonrecurring basis at September 30, 2022.

NOTE 5 - TAXES

Property taxes attach as an enforceable lien on property as of January 1, are levied on October 1 of the same year, and unpaid taxes become delinquent after the following January 31.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 5 - TAXES (CONTINUED)

The City Charter provides for a maximum tax levy of \$1.80 per \$100 of assessed valuation, of which any in excess of \$1.30 is limited to debt service for waterworks bonds, and of which up to \$0.05 is pledged for Airport Maintenance to the extent Airport revenues may not be available.

The combined tax rate of the 2021 tax roll for the 2021/22 fiscal year was \$0.44334 per \$100 of assessed valuation, resulting in a tax levy in the amount of \$60,590,154 on taxable value of \$14,594,175,318.

Property taxes receivable at September 30, 2022, are reflected in Table 2 below:

<u>Year of Levy</u>	
2022	\$ 453,257
2021	176,402
2020	109,521
2019	93,694
2018	76,331
2017	56,913
2016	55,049
2015	48,362
2014	47,550
2013	41,981
2012	36,019
2011	33,610
2010	31,056
2009	22,395
2008	17,575
Prior	<u>61,194</u>
Total taxes receivable	1,360,909
Less: Allowance for estimated uncollectible portion	<u>(1,036,260)</u>
Net taxes receivable	324,649
Less: Provisions for collections deferred over 60 days	<u>(234,518)</u>
Amount available (reserved in accordance with City ordinances)	<u>\$ 90,129</u>

Table 2 – Taxes Receivable at September 30, 2022

Beginning July 1, 1996, Potter and Randall Counties assumed responsibility of tax collections for various taxing entities within their borders, including the City of Amarillo. The cost of this service is included in the General Fund. The Potter-Randall Appraisal District performs the appraisal function.

The total City sales tax rate is 2%, which includes a 1/2-cent sales tax collected by the AEDC limited to development purposes.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 6 - RESTRICTED ASSETS, LIABILITIES AND RESERVES

As required by bond indentures, the Water Sewer System, Drainage Utility, Airport, and Fleet Services maintain separate accounts for revenue bond debt service/retirement which are reported as noncurrent assets and related liabilities, and restricted net position, as reflected in Table 3:

	<u>Restricted Assets</u>	<u>Related Liabilities</u>	<u>Restricted Net Position</u>
<u>General Fund</u>			
Hotel occupancy tax account	\$ 5,253,339	\$ -	\$ 5,253,339
Total bond debt service/retirement	\$ 5,253,339	\$ -	\$ 5,253,339
<u>Bonded Debt Service Fund</u>			
Bond interest and redemption	\$ 3,229,724	\$ 2,744	\$ 3,226,980
Total bond debt service/retirement	\$ 3,229,724	\$ 2,744	\$ 3,226,980
<u>General Construction Fund</u>			
Bond proceed account	\$ 47,035,786	\$ 47,035,786	\$ -
Total bond debt service/retirement	\$ 47,035,786	\$ 47,035,786	\$ -
<u>Civic Center Improvement Fund</u>			
Bond proceed account	\$ 5,807,180	\$ 219,731	\$ 5,587,449
Total bond debt service/retirement	\$ 5,807,180	\$ 219,731	\$ 5,587,449
<u>GO Bond Construction 16/17 Fund</u>			
Bond proceed account	\$ 34,931,005	\$ 34,931,005	\$ -
Total bond debt service/retirement	\$ 34,931,005	\$ 34,931,005	\$ -
<u>Water Sewer System</u>			
Bond escrow and proceed accounts	\$ 119,975,969	\$ 119,975,969	\$ -
Revenue bond interest and redemption	11,186,632	-	11,186,632
Revenue bond reserve	2,430,949	-	2,430,949
Total bond debt service/retirement	\$ 133,593,550	\$ 119,975,969	\$ 13,617,581
<u>Airport</u>			
PFC funds	\$ 313,039	\$ -	\$ 313,042
Revenue bond interest and redemption	533	-	530
Total bond debt service/retirement	\$ 313,572	\$ -	\$ 313,572
<u>Drainage Utility</u>			
Bond interest and redemption	\$ 339,183	\$ -	\$ 339,183
Bond proceed account	20,233,745	20,233,745	-
Total bond debt service/retirement	\$ 20,572,928	\$ 20,233,745	\$ 339,183
<u>Fleet Services</u>			
Bond interest and redemption	\$ 75,343	\$ -	\$ 75,343
Total bond debt service/retirement	\$ 75,343	\$ -	\$ 75,343
<u>Greenways PID Fund</u>			
Bond interest and redemption	\$ 6,475	\$ 6,475	\$ -
Total bond debt service/retirement	\$ 6,475	\$ 6,475	\$ -

Table 3 – Restricted Funds/Reserved Retained Earnings

The Revenue bond reserve account reflects the amount required in the revenue bond covenants.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 7 - CAPITAL ASSETS

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

	Balances October 1, 2021	Additions	Deletions	Balances September 30, 2022
Capital assets used by governmental activities, at cost	(restated)			
Capital assets, not being depreciated				
Land	\$ 17,300,387	\$ -	\$ -	\$ 17,300,387
Contributed ROW easments	35,442,730	3,369,177	-	38,811,907
Capital projects in process	50,477,623	35,510,686	42,339,209	43,649,100
Total capital assets, not being depreciated	<u>103,220,740</u>	<u>38,879,863</u>	<u>42,339,209</u>	<u>99,761,394</u>
Capital assets, being depreciated				
Infrastructure	313,549,285	6,384,545	-	319,933,830
Building and other improvements	413,867,220	30,947,950	44,878	444,770,292
Equipment and vehicles	125,127,997	6,946,015	1,938,375	130,135,637
Right-to-use lease asset	2,959,867	3,735,691	-	6,695,558
Library collections	7,758,689	382,145	505,708	7,635,126
Total capital assets, being depreciated	<u>863,263,058</u>	<u>48,396,346</u>	<u>2,488,961</u>	<u>909,170,443</u>
Less accumulated depreciation for:				
Infrastructure	151,142,228	6,263,984	-	157,406,212
Buildings and other improvements	195,811,935	15,834,874	44,878	211,601,931
Equipment and vehicles	80,823,725	9,564,454	1,821,146	88,567,033
Right-to-use lease asset	-	1,771,963	-	1,771,963
Library collections	3,299,101	458,246	505,708	3,251,639
Total accumulated depreciation	<u>431,076,989</u>	<u>33,893,521</u>	<u>2,371,732</u>	<u>462,598,778</u>
Total capital assets, being depreciated, net	<u>432,186,069</u>	<u>14,502,825</u>	<u>117,229</u>	<u>446,571,665</u>
Net capital assets used by governmental activities	<u>535,406,809</u>	<u>53,382,688</u>	<u>42,456,438</u>	<u>546,333,059</u>
Capital assets used by business-type activities, at cost:				
Enterprise funds				
Water and sewer				
Land	2,040,262	-	-	2,040,262
Construction in progress	76,616,081	20,790,705	61,316,100	36,090,686
Contributed ROW Easements	1,979,067	94,784	-	2,073,851
Total capital assets, not being depreciated	<u>80,635,410</u>	<u>20,885,489</u>	<u>61,316,100</u>	<u>40,204,799</u>
Capital assets, being depreciated				
Water rights and contracts	108,669,072	28,973,915	-	137,642,987
Buildings and improvements	718,597,688	53,038,383	-	771,636,071
Equipment and vehicles	4,552,822	49,554	134,652	4,467,724
Total capital assets, being depreciated	<u>831,819,582</u>	<u>82,061,852</u>	<u>134,652</u>	<u>913,746,782</u>
Less accumulated depreciation for:				
Water rights and contracts	36,456,832	1,573,536	-	38,030,368
Buildings and improvements	263,505,527	13,893,066	-	277,398,593
Equipment and vehicles	3,634,356	153,499	132,054	3,655,801
Total accumulated depreciation	<u>303,596,715</u>	<u>15,620,101</u>	<u>132,054</u>	<u>319,084,762</u>
Total capital assets, being depreciated net	<u>528,222,867</u>	<u>66,441,751</u>	<u>2,598</u>	<u>594,662,020</u>
Net capital assets used by Water and Sewer	<u>608,858,277</u>	<u>87,327,240</u>	<u>61,318,698</u>	<u>634,866,819</u>
Drainage utility				
Land	87,744	-	-	87,744
Contributed ROW easements	1,393,957	107,921	-	1,501,878
Construction in progress	6,674,817	7,309,768	1,579,423	12,405,162
Total capital assets, not being depreciated	<u>8,156,518</u>	<u>7,417,689</u>	<u>1,579,423</u>	<u>13,994,784</u>
Capital assets, being depreciated				
Building and improvements	17,101,473	612,547	-	17,714,020
Equipment and vehicles	40,251	27,056	-	67,307
Total capital assets, being depreciated	<u>17,141,724</u>	<u>639,603</u>	<u>-</u>	<u>17,781,327</u>
Less accumulated depreciation for:				
Building and improvements	1,238,900	360,380	-	1,599,280
Equipment and vehicles	25,398	11,520	-	36,918
Total accumulated depreciation	<u>1,264,298</u>	<u>371,900</u>	<u>-</u>	<u>1,636,198</u>
Total capital assets, being depreciated net	<u>15,877,426</u>	<u>267,703</u>	<u>-</u>	<u>16,145,129</u>
Net capital assets used by Drainage utility	<u>24,033,944</u>	<u>7,685,392</u>	<u>1,579,423</u>	<u>30,139,913</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 7 - CAPITAL ASSETS (CONTINUED)

	Balances October 1, 2021	Additions	Deletions	Balances September 30, 2022
Airport	(restated)			
Land	2,777,341	-	1,106,916	1,670,425
Construction in progress	8,465,153	5,979,901	2,774,973	11,670,081
Total capital assets, not being depreciated	<u>11,242,494</u>	<u>5,979,901</u>	<u>3,881,889</u>	<u>13,340,506</u>
Capital assets, being depreciated				
Building and improvements	178,319,022	1,244,414	-	179,563,436
Equipment and vehicles	8,286,078	135,998	-	8,422,076
Total capital assets, being depreciated	<u>186,605,100</u>	<u>1,380,412</u>	<u>-</u>	<u>187,985,512</u>
Less accumulated depreciation for:				
Building and improvements	113,283,316	6,261,787	-	119,545,103
Equipment and vehicles	5,218,971	436,974	-	5,655,945
Total accumulated depreciation	<u>118,502,287</u>	<u>6,698,761</u>	<u>-</u>	<u>125,201,048</u>
Total capital assets, being depreciated net	<u>68,102,813</u>	<u>(5,318,349)</u>	<u>-</u>	<u>62,784,464</u>
Net capital assets used by Airport	79,345,307	661,552	3,881,889	76,124,970
Net capital assets used by business type activities	712,237,528	95,674,184	66,780,010	741,131,702
Government-wide net capital assets	<u>\$ 1,247,644,337</u>	<u>\$ 149,056,872</u>	<u>\$ 109,236,448</u>	<u>\$ 1,287,464,761</u>

Table 4 – Capital Asset Activity

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities	
General government	\$ 30,524
Staff services	2,227,320
Police protection	904,152
Fire protection	1,313,179
Other public safety and health	1,140,864
Streets, traffic and engineering	10,177,747
Culture and recreation	7,602,282
Solid waste services	1,045,309
Transit services	<u>1,021,021</u>
Total governmental fund departments	25,462,398
Internal service fund depreciation allocable to governmental activities based on predominant usage	<u>8,431,123</u>
Total governmental activities	<u>\$ 33,893,521</u>
Business-type activities	
Water and sewer system	\$ 15,620,101
Drainage utility	371,900
Airport	<u>6,698,761</u>
Total business-type activities	<u>\$ 22,690,762</u>

Water and Sewer System Capital Assets

The City of Amarillo is one of 11 cities that can receive surface water from a reservoir created by a dam on the Canadian River, which river arises from the headwaters of the Sangre de Cristo Mountains in New Mexico and crosses the Panhandle of Texas before merging into the Red River in eastern Oklahoma. The reservoir and related aqueduct system are operated by the Canadian River Municipal Water Authority (CRMWA), a subdivision of the State of Texas. The reservoir has experienced a serious decline in available water due to the drought conditions in the Texas Panhandle. Currently, the City of Amarillo

**CITY OF AMARILLO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended September 30, 2022**

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Water and Sewer System Capital Assets (Continued)

is not allocating water from this source. The related infrastructure recorded on the City's books for CRMWA assets at September 30, 2022, is \$50 million. The related amortized cost of these assets is \$27 million.

The City owns \$87 million of underground water rights in Roberts, Ochiltree, Hutchison, Potter, Randall, Carson, Hartley and Dallam counties with the majority in Roberts and Hutchison counties. Much of the water rights held in Potter, Randall and Carson counties have been developed and are currently being utilized. The City owns undeveloped water rights in Hartley and Dallam counties in the northwestern portion of the Texas Panhandle. Proceeds from the sale of past water rights are held in a separate interest-bearing account for future water right purchases. The related amortized cost of these assets is \$11 million.

Airport Capital Assets

Airport capital assets include runways, buildings, and related improvements constructed by the Federal government for use as an Air Force Base on land contributed by the City, which was returned to the City in 1967 and 1970 upon closing of the Base. Upon return of such assets to the City, the land was recorded on the books of the Airport at \$1,521,510, its original cost to the City, and improvements were recorded at \$14,356,480 representing construction cost less a provision for depreciation to date returned.

Certain lands and improvements not utilized by the City for airport purposes are leased to various commercial enterprises. A new terminal facility was completed prior to September 30, 2014 and total cost of \$52,499,341 was capitalized by the Airport. The Airport had various construction projects in process at September 30, 2022.

Drainage Capital Assets

The Drainage Utility Fund currently has \$12,398,210 in construction in progress as of September 30, 2022. It also had right of way easements of \$1,501,878, equipment and vehicles of \$67,306, infrastructural of \$17,714,020, and land of \$87,743.

NOTE 8 - LEASES

General Description of Leasing Arrangements

The City enters into a variety of lessor arrangements in both its governmental and proprietary funds. Governmental fund lessor transactions are for the lease of real property with lease terms ranging from 1 to 28 years, with discount rates ranging from 0.258% to 2.260%. At September 30, 2022, the City's governmental activities had a lease receivable of \$7,859,770 and a deferred inflow of resources of \$7,442,696. Proprietary fund lessor transactions are for the lease of real property with lease terms ranging from 1 to 31 years, with discount rates ranging from 0.258% to 2.278%. At September 30, 2022, the City's business-type activities has a lease receivable of \$16,882,425 and a corresponding deferred inflow of resources of \$16,780,447.

Inflow of Resources form Leases

Governmental Funds	\$ 352,120
Business - Type Funds	\$ 2,048,134
Discretely Presented Component Units	\$ 628,216

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 8 - LEASES (CONTINUED)

General Description of Leasing Arrangements (Continued)

Inflow of Resources Not Previously Recognized in Lease Receivable

During 2022, the City recognized inflows of resources of variable and other payments not previously included in the measurement of lease receivable as shown below:

Governmental Funds	\$ 106,930
Business - Type Funds	\$ 3,303,904

Included in the receivables reported in the financial statements are the following amounts of rental income received under noncancelable leases of land and buildings leased to outside parties.

Future Lease Income as of September 30:

Year	Primary Government						Discretely Presented Component Units		
	Governmental Activities			Proprietary Activities			Principal	Interest	Payments
	Principal	Interest	Total Future Min. Lease Payments	Principal	Interest	Total Future Min. Lease Payments			
2023	\$ 96,963	\$ 172,910	\$ 269,873	\$ 1,888,796	\$ 298,191	\$ 2,186,987	\$ 610,838	\$ 143,967	\$ 754,805
2024	285,625	171,886	457,511	1,878,471	282,261	2,160,732	625,843	137,047	762,890
2025	288,831	166,377	455,208	1,177,087	267,234	1,444,321	602,601	129,253	731,854
2026	249,975	160,854	410,829	968,760	254,288	1,223,048	589,959	121,848	711,807
2027	247,587	155,413	403,000	400,468	242,924	643,392	548,338	114,959	663,297
2028-2032	1,323,649	691,351	2,015,000	1,913,886	1,087,239	3,001,125	1,856,643	485,106	2,341,749
2033-2037	1,478,682	536,318	2,015,000	2,091,110	863,810	2,954,920	168,423	436,870	605,293
2038-2042	1,651,873	363,127	2,015,000	2,340,854	614,066	2,954,920	187,194	418,099	605,293
2043-2047	1,845,349	169,651	2,015,000	2,620,426	334,494	2,954,920	208,058	397,235	605,293
2048-2052	391,236	8,764	400,000	1,592,756	61,394	1,654,150	231,045	374,248	605,293
2053-2057	-	-	-	9,811	20	9,831	257,029	348,264	605,293
2058-2062	-	-	-	-	-	-	285,679	319,614	605,293
2063-2067	-	-	-	-	-	-	317,523	287,770	605,293
2068-2072	-	-	-	-	-	-	352,786	252,507	605,293
2073-2077	-	-	-	-	-	-	392,273	213,020	605,293
2078-2082	-	-	-	-	-	-	436,002	169,291	605,293
2083-2087	-	-	-	-	-	-	484,606	120,687	605,293
2088-2092	-	-	-	-	-	-	538,604	66,689	605,293
2093-2097	-	-	-	-	-	-	351,600	11,571	363,171
	<u>\$7,859,770</u>	<u>\$2,596,651</u>	<u>\$10,456,421</u>	<u>\$16,882,425</u>	<u>\$4,305,921</u>	<u>\$21,188,346</u>	<u>\$9,045,044</u>	<u>\$4,548,045</u>	<u>\$13,593,089</u>

The City enters into a variety of lessee arrangements in its governmental funds. Governmental fund lessee transactions are for the lease of equipment with lease terms ranging from 2 to 15 years, with discount rates ranging from 0.3900% to 5.495%.

The City has long-term variable lease with American Traffic Solutions based on the number of tickets. Lease term date is 60 months from the date of the last camera installed, currently June 30, 2023. The lease revenue not previously recognized in lease liability.

Included in the expenditures report in the financial statements are the following amounts of rent paid or due under lease liability:

Lease Expense (Including Interest)

General Fund	\$ 134,098
Internal Service Fund	1,700,630
Discretely Presented Component Units	109,595

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 8 - LEASES (CONTINUED)

Future Lease Payments as of September 30:

Year	Primary Government		Total Future Min. Lease Payments
	Governmental Activities		
	Principal	Interest	
2023	\$ 1,879,702	\$ 50,305	\$ 1,930,007
2024	1,172,489	20,887	1,193,376
2025	792,043	12,137	804,180
2026	764,445	6,120	770,565
2027	31,586	2,841	34,427
2028-2032	80,144	9,856	90,000
2033-2037	65,094	2,406	67,500
	\$4,785,503	\$ 104,552	\$ 4,890,055

NOTE 9 - DEFINED BENEFIT PENSION PLANS

The City participates in funding two retirement plans. TRMS is an agent, multiple-employer, public-employee retirement system which is a nontraditional, joint-contributory, hybrid defined benefit plan. The FRRF Plan is a single-employer, contributory defined benefit plan. Substantially all employees of the City are eligible to participate in one of these two plans. The components of the net pension liability of the City at September 30, 2022, were as follows:

	TMRS	FRRF	Total
Total pension liability	\$ 520,182,536	\$ 231,961,233	\$ 752,143,769
Fiduciary net position	523,334,547	262,228,770	785,563,317
City's net pension liability (asset)	\$ (3,152,011)	\$ (30,267,537)	\$ (33,419,548)
City's net pension liability (asset) as a percentage of total pension liability	(0.61)%	(13.05)%	(4.44)%
City's deferred outflows of resources	\$ 8,849,915	\$ 12,174,517	\$ 21,024,432
City's deferred inflow of resources	\$ 37,494,964	\$ 48,298,782	\$ 85,793,746
City's pension expense	\$ (17,032,298)	\$ (16,044,840)	\$ (33,077,138)

The City's total payroll for the fiscal year ended September 30, 2022, was \$117,043,907. Covered for the two plans was as follows:

TMRS	\$ 90,805,468
FRRF	22,038,637
Total covered payroll	\$ 112,844,105

Including current employees, annuitants and terminated employees entitled to future benefits, the City had 4,329 members of TMRS and 506 members of FRRF as of the dates of the latest actuarial valuations.

In addition to the two retirement plans funded by the City, employees may participate in a deferred compensation plan. Details of the various plans are as follows:

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the City. 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 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' 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 (ACFR) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

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. 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 choose to receive their retirement benefit in one of seven payments options. 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:

	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>
Employee deposit rate	7%	7%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating	100% repeating
Annuity increase (to retirees)	0% of CPI	0% of CPI

Upon joining the Plan, the City granted its employees monetary credits of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (currently 200% for City of Amarillo employees) of the employee's accumulated contributions. In addition, the City can grant as often as annually another type of monetary credit referred to as an updated service credit. The updated service credit is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest, if the current employee contribution rate and the City's matching percent had always been in existence, and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Employees Covered by Benefit Terms

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Texas Municipal Retirement System (TMRS)(Continued)

Benefits Provided (Continued)

Inactive employees or beneficiaries currently receiving benefits	1,299
Inactive employees entitled to but not yet receiving benefits	1,309
Active employees	<u>1,721</u>
Total employees	<u>4,329</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City-matching percentages 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 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 were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.32% and 11.85% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$11,657,184.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation
Investment rate of return	6.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. Mortality rates for disabled annuitants use the same mortality table and rates above with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2021, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018, first used in the December 31, 2019 valuation. Healthy post-retirement 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 EAN actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2021 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 by 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 long-term funding needs of TMRS.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Texas Municipal Retirement System (TMRS)(Continued)

Contributions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global equity	35%	7.55%
Core fixed income	6%	2.00%
Non-core fixed income	20%	5.68%
Real estate	12%	6.85%
Other public & private markets	12%	7.22%
Hedge funds	5%	5.35%
Private equity	10%	10.00%
Total	<u>100%</u>	

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 that employee 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 active and inactive employees. 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.

Changes in Net Pension Liability

The changes in net pension liability are summarized in the following table:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2020	\$ 507,529,903	\$ 474,286,690	\$ 33,243,213
Changes for the year:			
Service cost	13,123,514	-	13,123,514
Interest	33,967,236	-	33,967,236
Change of benefit terms	-	-	-
Difference between expected and actual experience	(4,150,451)	-	(4,150,451)
Changes of assumptions	-	-	-
Contributions - employer	-	11,073,188	(11,073,188)
Contributions - employee	-	6,291,377	(6,291,377)
Net investment income	-	62,257,538	(62,257,538)
Benefit payments, including refunds of employee contributions	(30,287,666)	(30,287,666)	-
Administrative expense	-	(288,556)	288,556
Other changes	-	1,976	(1,976)
Net changes	12,652,633	49,047,857	(36,395,224)
Balance at December 31, 2021	<u>\$ 520,182,536</u>	<u>\$ 523,334,547</u>	<u>\$ (3,152,011)</u>

Table 5 – TMRS Net Pension Liability

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Texas Municipal Retirement System (TMRS) (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
City's net pension liability	\$ 61,030,176	\$ (3,152,011)	\$ (56,602,817)

Pension Plan Fiduciary Net Position

The pension plan's Fiduciary Net Position has been determined on the same basis used by the pension plan, which is generally accepted accounting principles prescribed by GASB. Detailed information about the pension plan's basis of accounting and policies is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

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

For the year ended September 30, 2022, the City recognized pension expense of \$(17,032,298).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 5,763,960
Changes in actuarial assumptions	383,866	-
Net difference between projected and actual investment earnings	-	31,731,003
Contributions subsequent to the measurement date	<u>8,466,049</u>	<u>-</u>
Total	<u>\$ 8,849,915</u>	<u>\$ 37,494,964</u>

The \$8,466,049 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 year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,

2023	\$ (7,997,497)
2024	(15,784,301)
2025	(7,382,486)
2026	<u>(5,946,814)</u>
Total	<u>\$(37,111,098)</u>

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firemen's Relief and Retirement Fund (FRRF)

Plan Description

The City contributes to the FRRF, which is a single-employer, contributory defined benefit plan maintained for members of the City of Amarillo Fire Department. The benefit and contribution provisions of this plan are established under the authority of the Texas Local Fire Fighters Retirement Act (TLFFRA). The Board of Trustees of the Fund consists of three firefighters and two citizens elected by the members, together with the Mayor or the Mayor's designated representative and the Assistant City Manager/Chief Financial Officer. Within parameters established by TLFFRA, the plan may be amended upon approval by the Board and a vote of the membership.

Benefits Provided

The Plan's benefit provisions are established under the authority of the TLFFRA. Specific plan provisions are governed by a plan document and a trust agreement executed by the Board of Trustees. The following is a brief summary of the benefit provisions of the Plan.

Under the Plan, firefighters can retire at age 50 with 20 years of service and receive either (1) a monthly retirement benefit equal to 3.45% of the firefighter's highest average salary multiplied by the firefighter's total years of service, if hired prior to January 1, 2018 or (2) a monthly retirement benefit equal to the sum of (a) 3.25% of the firefighter's highest average salary multiplied by the firefighter's years of service up to a maximum of 20 years and (b) 2.50% of the firefighter's years of service in excess of 20 years, if hired on or after January 1, 2018. A firefighter's highest average salary is the greater of (1) the firefighter's highest five-year average salary for any period prior to retirement or (2) the firefighter's highest three-year average salary prior to January 1, 2018. In all retirement options, the Plan provides the firefighters with an annuity for life and can also provide a life annuity for their spouses. Firefighters who retire after completing 20 years of service, but who have not attained the age of 50, may elect to begin receiving benefits at age 45 or more in accordance with a lower scale of factors applied to the highest average salary. Firefighters age 53, with 23 years or more of service, may elect to participate in the Deferred Retirement Option Plan (DROP), under which a participant may convert his benefits accruing after the date of the election to a deferred retirement option payment (a form of lump sum distribution) to be paid in full within 36 months of retirement.

The standard benefit is payable in the form of a joint and 66-2/3% spouse annuity, but a firefighter may elect a joint and 100% spouse annuity, a 15-year certain and life thereafter annuity, a straight life annuity, or a pop-up option. Additionally, an option that provides an annually increasing retirement benefit in connection with any of the above annuity forms is available.

A firefighter who becomes disabled as a result of his duties as a firefighter is eligible for the normal monthly retirement benefits if he has 20 or more years of service. A firefighter with less than 20 years of service is entitled to a benefit equal to either (1) 69% of his highest average salary, if hired prior to January 1, 2018 or (2) 65% of his highest average salary, if hired on or after January 1, 2018. Off-duty disability retirement benefits are provided for as a percentage of the on-duty disability benefits, with the percentage being on a graduated scale based on years of service.

The standard death benefit available to the spouse of a deceased firefighter who has met the eligibility requirements for DROP is two-thirds of the benefits the firefighter would have received had he retired on his date of death, plus any DROP payment to which the firefighter would have been entitled. Lesser monthly benefits are provided for a spouse of a firefighter who dies before meeting the qualifying criteria. If a firefighter has attained age 50 and has completed at least 20 years of service, he can elect to have his spouse receive a larger benefit in the event he dies prior to retiring from the fire department. An active firefighter must elect the optional death benefit on or before the date he attains age 60. If a firefighter dies while he is an active firefighter and after electing the optional joint and 100% survivor pre-retirement death benefit, the firefighter's spouse will receive a survivor's benefit equal to 100% of the amount the

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firemen's Relief and Retirement Fund (FRRF) (Continued)

Benefits Provided (Continued)

firefighter would have received if the firefighter had retired on his date of death. If this election is made, the firefighter who elects the higher pre-retirement death benefit will receive a slightly lower pension upon actual retirement. Each child of a deceased firefighter is entitled to a monthly benefit of \$335 (\$670 if there is no spouse receiving benefits) until age 18, or until age 25 while a full-time student.

The Plan has a \$7,500 lump sum death benefit provision.

A firefighter who terminates after completing at least 10 years of service, but who has not attained the age of 50, is entitled to receive a deferred vested retirement income commencing at the end of the month in which the firefighter would have both attained age 50 and completed 20 years of service.

Firefighters' salaries are not subject to the Federal Insurance Contributions Act and, consequently, Plan benefits are not integrated with Social Security benefits.

Employees Covered by Benefit Terms

As provided under TLFFRA, all firefighters must be less than 36 years of age upon entering service for the City as a firefighter and must become members of the Plan, which provides them with pension, death, and disability benefits. The Plan covers current and former firefighters as well as beneficiaries of current and former firefighters. The types of employees covered, as well as Plan membership as of December 31, 2021, the measurement date, are as follows:

Active:	
Vested	45
Nonvested	<u>228</u>
	<u>273</u>
Terminated:	
Nonvested	-
Retired:	
Vested	4
Pensioners:	
Service retirement	194
Disability retirement	4
Spouses/children	<u>31</u>
	<u>229</u>
Total participants	<u><u>506</u></u>

Contributions

The Plan's minimum required contribution provisions are established under the authority of TLFFRA. There are no contracts governing contributions to the Plan. Specific plan contribution rates are governed by a plan document. Changes in the members' contribution rate require a plan amendment. An actuarial valuation is performed every two years to be certain the plan benefits and plan contributions are in balance. There are no statutory reserve requirements for the Plan.

The City employer contribution rate was 18.83% of the firefighters' gross pay starting January 2014 and was increased to 19.57% starting January 2017, and was increased to 19.82% starting January 2020, and was increased to 20.32% starting January 1, 2021. The Plan is funded by a contribution by each firefighter. The firefighters' contribution rate is 13.00% of gross pay and was increased to 13.50% as of January 1, 2021. If a firefighter terminates service with the Fire Department of the City and he is not entitled to any of the benefits as described above, he will receive a lump sum payment of the

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firemen's Relief and Retirement Fund (FRRF) (Continued)

Contributions (Continued)

contributions he made without accumulated interest. A firefighter who has become eligible for benefits may also elect to receive a refund of his contributions, but will forfeit his right to any benefits which he might otherwise have been entitled to receive.

Net Pension Liability

The City's net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial report as of December 31, 2021.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions applied to all prior periods included in the measurement:

Inflation	2.50%
Salary increases	2.75%, plus promotion, step and longevity increases that vary by service
Investment rate	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighing the expected future net real rates of return by the target asset allocation percentage (currently resulting in 5.13%) and by adding expected inflation (2.50%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Equities		
Large/mid cap domestic	63.6%	6.2%
Small cap domestic	9.9%	6.5%
International cap	4.6%	7.0%
Fixed income and cash	21.9%	1.0%
Total	<u>100.0%</u>	
Weighted Average		5.13%

Change in Assumptions

Inflation decreased from 2.75% to 2.5% and salary increases changed form 2.5% to 2.75 in the December 31, 2021 actuarial valuation. In addition, the target allocation percentage increased from 5% to 5.13%.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firemen's Relief and Retirement Fund (FRRF) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. No projection of cash flows used to determine the discount rate because the December 31, 2021 actuarial valuation showed that expected contributions would pay the normal cost amortize the unfunded actuarial liability (UAAL) in 6 years.

Because of the 6-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 on pension plan investments of 7.50% was applied to all periods of projected benefit payments as the discount rate to determine total pension liability.

Changes in Net Pension Liability

The changes in net pension liability (asset) are summarized in the following table:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at December 31, 2020	\$ 223,999,876	\$ 225,282,878	\$ (1,283,002)
Changes for the year:			
Service cost	5,200,689	-	5,200,689
Interest	16,683,554	-	16,683,554
Change of benefit terms	-	-	-
Difference between expected and actual experience	(106,840)	-	(106,840)
Changes of assumptions	(309,621)	-	(309,621)
Contributions - employer	-	4,484,279	(4,484,279)
Contributions - employee	-	2,975,216	(2,975,216)
Net investment income	-	43,062,077	(43,062,077)
Gain or (Loss) due to difference in projected vs. actual earnings	-	-	-
Benefit payments, including refunds of employee contributions	(13,506,425)	(13,506,425)	-
Administrative expense	-	(69,299)	69,299
Other changes	-	44	(44)
Net changes	7,961,357	36,945,892	(28,984,535)
Balance at December 31, 2021	\$ 231,961,233	\$ 262,228,770	\$ (30,267,537)

Table 6 – FRRF Net Pension Liability

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

Changes in Net Pension Liability

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
City's net pension liability (asset)	<u>\$ (1,977,865)</u>	<u>\$ (30,267,537)</u>	<u>\$ (53,865,457)</u>

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firemen's Relief and Retirement Fund (FRRF) (Continued)

Pension Plan Fiduciary Net Position

The pension plan's Fiduciary Net Position has been determined on the same basis used by the pension plan, which is generally accepted accounting principles prescribed by GASB. Detailed information about the pension plan's basis of accounting and policies is available in a separately issued FRRF financial report. This report, and further details concerning the plan, is available by contacting the Board of Trustees, Firemen's Relief and Retirement Fund, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

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

For the year ended September 30, 2022, the City recognized pension expense of \$(16,044,840).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,501,082	\$ 5,648,262
Changes in actuarial assumptions	7,043,711	271,015
Net difference between projected and actual investment earnings	-	42,379,505
Contributions subsequent to the measurement date	<u>3,629,725</u>	<u>-</u>
Total	<u>\$ 12,174,518</u>	<u>\$ 48,298,782</u>

The \$3,629,725 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 year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,

2023	\$(11,030,980)
2024	(14,211,457)
2025	(9,178,972)
2026	(5,088,264)
2027	(35,486)
Thereafter	<u>(208,829)</u>
Total	<u>\$(39,753,988)</u>

Deferred Compensation Plan

In addition to the TMRS and FRRF plans, the City offers its full-time employees a choice of deferred compensation plans created in accordance with Internal Revenue Code (IRC) Section 457. The plans, available to all City employees, permit them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination of employment, retirement, death or unforeseeable emergency. The employee liability for the related Federal income taxes is deferred until the funds are paid to the participating employee or beneficiary under the terms of the agreement.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firemen's Relief and Retirement Fund (FRRF) (Continued)

Deferred Compensation Plan (Continued)

The laws governing deferred compensation plans require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Because the assets held under these plans are not the City's property and are not subject to City control, they are reported as a fiduciary pension benefit trust fund in the Fiduciary Fund Statements.

NOTE 10 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Administration

The City administers a multi-employer agent, defined benefit post-employment health plan (Plan). The Plan does not include the pension benefits discussed in Note 9. The Finance Director is responsible for administration of the plan with Council oversight. The plan is reported as a Trust Fund in the City's financial statements. The plan does not issue a publicly available financial report.

Plan Membership

As of December 31, 2021, the valuation date of the Plan, the plan membership data is as follows:

Active employees	1,458
Retirees	<u>703</u>
Total	<u>2,161</u>

Eligibility Requirements

Employees of the City who have 10 years of full-time service with the City or the AEDC who are eligible to retire under the TMRS or the FRRF may continue coverage in the City-sponsored group healthcare plan as a retiree.

To be eligible to retire under TMRS, participants must attain either 20 years of TMRS service, or five years of TMRS service and age 60. To be eligible to retire under the FRRF, participants must attain 20 years of FRRF service and age 45.

Employees who become disabled after attaining 10 years of full-time service with the City or the AEDC are also eligible to continue coverage in the City-sponsored group healthcare plan.

Employees may only obtain dependent coverage at retirement, only if the employee was receiving dependent coverage immediately prior to retirement. The applicable contribution rate is based on the employee's service at retirement.

A widow/widower of an employee who 1) met the requirements above to continue coverage in the City-sponsored group healthcare plan at the time of death, and 2) had spouse coverage at the time of death, is eligible to continue coverage in the City-sponsored group healthcare plan, at the applicable retiree rate, based on the employee's service at the time of death.

Prior to January 1, 2015, retirees and spouses who were eligible to continue coverage in the City-sponsored group healthcare plan at retirement may remain in the plan until age 65. Retirees who are Medicare eligible must apply for Medicare.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 10 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Eligibility Requirements (Continued)

On or after January 1, 2015, retirees and their legal spouse who are eligible to continue coverage in the City-sponsored group healthcare plan at retirement may remain in the plan until age 65.

Benefits Provided

The Plan provides for medical insurance of eligible retirees and their dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established and amended by the City Council.

Contributions

In January 2013, the City began prefunding a portion of its Other Postemployment Benefits (OPEB) liability via an irrevocable multi-employer agent OPEB trust (PEB Trust) in addition to pay-as-you-go costs. Assets in the PEB Trust can only be used to fund other postemployment benefits, such as medical costs for eligible retirees, and any eligible spouse or children. The increased prefunding contributions to 2.8% of payroll into the OPEB Trust (approximately \$2.7 million) and pay-as-you-go cost of approximately \$4.3 million for a total contribution at December 31, 2021 of approximately \$7 million. The City Council has the authority to increase or decrease prefunding contribution rates.

Effective January 1, 2015, all inactive participants age 65 or older must drop medical coverage and receive a stipend of \$150 per month to be used toward their cost of medical coverage. The \$150 stipend is not expected by the City to increase.

The following table summarizes the range of monthly retirees' health and basic life premiums based on years of service and date of retirement.

**Range of Monthly Retiree Health Premiums
Retiree Health Premium
Fiscal Year 2022**

Retiree Range of Monthly Health Premium Rates

Plan 1 retiree	\$ 182.78 – \$ 533.73
Plan 1 retiree and spouse	\$ 365.55 – \$ 1,067.42
Plan 2 retiree	\$ 201.06 – \$ 587.10
Plan 2 retiree and spouse	\$ 438.66 – \$ 1,280.90

Summary of Significant Accounting Policies

Basis of Accounting

The Post Employment Benefit Trust Fund's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 10 -DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Investments

Investment Policy

The Trustees may invest funds held in the OPEB Trust Fund at their discretion in including, certificates of deposit; mutual funds, and other forms of security investments.

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on investments, net of investment expense, was (12.23)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30, 2022, were as follows:

Total OPEB Liability	\$ 74,441,419
OPEB Plan Fiduciary Net Position	<u>33,853,842</u>
Net OPEB Liability	<u>\$ 40,587,577</u>
Plan Fiduciary Net Position as a percentage of The Total OPEB Liability	45.48%

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Bank Insured Deposit/Cash	0.53%
Equities	49.89%
Mutual Funds	<u>49.58%</u>
	<u>100.00%</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Additional Actuarial Methods and Assumptions:

Valuation date	December 31, 2021
Measurement date	December 31, 2021
Fiscal year end	September 30, 2022
Benefits valued	Medical and prescription drug benefits, and HRA benefits
Long-term rate of return	6.50%
Muni-Bond (unfunded) rate	2.06%
Payroll growth rate	2.75%
Discount rate	6.50%
Discount rate method	The method determines an ultimate discount rate based on a blend of a) the unfunded municipal bond index rate and b) the trust's assumed long-term rate of return. We have assumed the City continues making future Trust contributions equal to 2.8% of payroll (the estimated average contribution rate over the past 4

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 10 -DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

<p>General inflation rate Healthcare cost trend rate Actuarial cost method</p>	<p>years) and it continues paying retiree medical benefits from its general assets. Under these assumptions, we've projected the trust will remain sufficient to cover all future costs and thus the City's discount rate is equal to the trust's long-term rate of return. 2.50% 6.20%</p>						
<p>Actuarial value of assets City contributions Dental benefits</p>	<p>Entry Age Normal level percent of pay. Investment gains/losses are amortized over 5 years, liability gains/losses are amortized over Average Working Lifetime, and Plan changes are recognized immediately. Fair Value 2.80% of total payroll Premiums contributed by retirees, disabled participants and Dependents for dental coverage are assumed to equal or exceed their expected dental per capita claims costs. Therefore, dental coverage was not valued in their valuation.</p>						
<p>Withdrawal, Retirement, Disability, Mortality Rates and Salary Scale</p>	<p>Rates from the December 31, 2021 TMRS and FRRF actuarial reports</p>						
<p>Medical Plan Blending</p>	<p>Future retirees are assumed to elect medical coverage on each plan according to the following assumptions:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;"><u>Medical Plan</u></th> <th style="text-align: center;"><u>Percent Assumed to Elect</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Plan 1</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">Plan 2</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table>	<u>Medical Plan</u>	<u>Percent Assumed to Elect</u>	Plan 1	100%	Plan 2	0%
<u>Medical Plan</u>	<u>Percent Assumed to Elect</u>						
Plan 1	100%						
Plan 2	0%						

Dependent Status

- Spouse Age Differential
- Children

Husbands are assumed to be two years older than wives. Assume current and future retirees have no covered children.

Per Capita Claims and Administrative Costs

Per capita medical and prescription drug claims and administration costs (PCCC) were developed based on the following:

- Claims experience, stop loss fees and administration costs for actives and retirees from January 1, 2019 to December 31, 2021.
- Claims experience was adjusted for plan values, healthcare cost trend, and age-sex differences between active employees and retirees.

Healthcare Cost Trend Rates

Trend rates are used to project health insurance claims and administration costs and retiree premiums into the future. If healthcare inflation were to continue as its current rate, eventually 100% of the Gross National Product (GNP) would be allocated for healthcare services. Since this is unrealistic, healthcare cost trend rates are assumed to decrease in future years.

Changes in Assumptions and Methods since Prior Valuation

The following changes were made since the prior valuation:

- Medical trend was based on recently published trend model and trend surveys to better reflect future anticipated experience.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 10 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in Assumptions and Methods since Prior Valuation (Continued)

- Medical per capita claims tables were updated based on recent experience and demographics.
- The long-term rate of return on assets assumption was updated from 7.50% to 6.50% based on the OPEB trust's current target investments and long-term expected rate of return on those investments. The discount rate was updated from 7.50% to 6.50% to reflect this assumption change.
- Withdrawal, retirement, mortality, disability, and salary scale assumptions were updated to those included in the recently published TMRS General and FRRF actuarial valuations.
- Active employees currently waiving coverage are assumed to elect coverage at retirement with the same participation rates as those currently electing medical coverage. The prior valuation used reduced participation rates.
- Spouse participation was updated to 40% of future retirees assumed to elect spousal coverage at retirement based on recent participation.
- Spouse age assumption was updated to assume husbands are three years older than wives.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of September 30, 2021	\$ 66,736,902	\$ 27,589,391	\$ 39,147,511
Changes for the year:			
Service cost	1,723,641	-	1,723,641
Interest on the total OPEB liability	4,974,872	-	4,974,872
Changes of benefits	-	-	-
Difference between expected and actual experience	1,602,496	-	1,602,496
Changes in assumptions	3,661,371	-	3,661,371
Employer contributions	-	6,987,323	(6,987,323)
Plan member contributions	-	-	-
Net investment income	-	3,538,257	(3,538,257)
Benefit payments, including employee refunds	(4,257,863)	(4,257,863)	-
Administrative expense	-	-	-
Other changes	-	(3,266)	3,266
Net changes	7,704,517	6,264,451	1,440,066
Balances as of September 30, 2022	\$ 74,441,419	\$ 33,853,842	\$ 40,587,577

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower and 1-percentage-point higher than the current discount rate of 7.50%.

	<u>1% Increase</u>	<u>Current Discount Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$ 33,692,934	\$ 40,587,577	\$ 48,492,150

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rates of 7.50%.

	<u>1% Increase</u>	<u>Current Healthcare Discount Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$ 47,674,094	\$ 40,587,577	\$ 34,624,709

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 10 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021.

For the year ended September 30, 2022, the City recognized total OPEB expense of \$3,197,147.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 1,370,250	\$ 368,422
Changes in actuarial assumptions	6,017,245	5,248,008
Net differences between projected and actual investment earnings	<u>-</u>	<u>2,675,350</u>
Total as of measurement date	\$ 7,387,495	\$ 8,291,780
Contributions paid to subsequent to the measurement date	<u>2,153,121</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 9,540,616</u>	<u>\$ 8,291,780</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,

2023	\$	(393,097)
2024		(834,562)
2025		(370,595)
2026		(645,704)
2027		660,204
Thereafter		<u>679,469</u>
Total	\$	<u>(904,285)</u>

Payable to OPEB Plan

At September 30, 2022, the City reported no payable for the outstanding amount of contributions to the Plan required for the year ended September 30, 2022.

Financial Statements

The Plan does not publish separate financial statements. Further information regarding the Plan, including the most recent actuarial study, may be obtained from the Finance Director, City of Amarillo.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 11 – COMMITMENTS

The City has several ongoing commitments. One of the more significant commitments is the City's commitment to the Canadian River Municipal Water Authority (CRMWA). The City is obligated to pay its pro rata share of operating costs of the Canadian River Municipal Dam and Aqueduct System along with the City's portion of the CRMWA debt. These costs are included in the Water and Sewer system. In the event of the acquisition and financing of additional water rights, the City would be responsible for contract payments to CRMWA for its proportionate share of the debt service on the bonds issued.

Due to the increasing decline of Lake Meredith, CRMWA began acquiring additional water rights in Gray, Hutchinson, Roberts, and Wheeler Counties beginning in 2004. In the process of acquiring water rights, CRMWA is now one of the largest water rights owners in Texas.

The City leases facilities adjoining to the City's Civic Center from the Amarillo-Potter Events Venue District (the Venue District). Under the terms of the lease the City is obligated to pay the greater of \$10 per month or any shortfall in the District's required monthly deposit to the debt service account. The City has not had to pay more than \$120 in lease payments since the inception of the District in 1998.

Moreover, the Venue District's tax revenues currently can cover debt service payments approximately two times. Therefore, the City does not anticipate paying more than \$120 in lease payments in 2022-23.

However, the City has appropriated \$786,638 of its available Fund Balance in the City's 2022-23 budget for its potential commitment to the Venue District although City Management does not believe that any payment beyond \$120 will be necessary.

Most of the City's commitments are in capital projects. Many of these projects take more than a year to design, bid, and construct; therefore, the appropriation and commitment do not end at year-end. At September 30, 2022, the City had commitments with respect to completion of various capital projects, as reflected in Table 7. For this purpose, commitments are defined as the difference between the appropriation for the project and amounts paid or recognized as liabilities at year-end; additional funding from outside sources are shown as a reduction to the amounts reported as committed. Sufficient resources were either on hand in the City's accounts or authorized and available to complete all committed projects.

	Project Authorizations	Expected Outside Funding Sources	Outside Funding Received	Complete at September 30, 2022	City's Remaining Committed
Governmental activities					
Street improvements	\$ 12,414,394	\$ 12,923,953	\$ 999,677	\$ 37,177	\$ 452,941
General construction	97,598,536	107,277,995	93,491,604	10,996,901	72,815,244
Solid waste improvements	4,521,127	-	-	4,559	4,516,568
Civic Center improvements	8,479,816	1,578,994	1,578,994	3,042,066	5,437,750
GO Bond Construction	49,870,370	5,237,661	4,547,081	27,427,142	21,752,648
Total - governmental fund activities	<u>172,884,243</u>	<u>127,018,603</u>	<u>100,617,356</u>	<u>41,507,845</u>	<u>104,975,151</u>
Internal service fund projects					
Information services	9,771,132	11,373,965	7,270,852	-	5,668,019
Fleet Services	6,769,166	5,000,000	-	241,140	1,528,026
Total - all governmental-type activities	<u>189,424,541</u>	<u>143,392,568</u>	<u>107,888,208</u>	<u>41,748,985</u>	<u>112,171,196</u>
Business-type activities					
Water and sewer system improvements	229,324,943	25,554,143	18,789,911	97,399,131	125,161,580
Airport	27,113,212	13,568,156	10,455,883	14,258,435	9,742,504
Drainage utility	31,411,004	1,856,345	1,327,052	12,405,163	18,476,548
Total - all business-type activities	<u>287,849,159</u>	<u>40,978,644</u>	<u>30,572,846</u>	<u>124,062,729</u>	<u>153,380,632</u>
Total - all city project	<u>\$ 477,273,700</u>	<u>\$ 184,371,212</u>	<u>\$ 138,461,054</u>	<u>\$ 165,811,714</u>	<u>\$ 265,551,828</u>

Table 7 – Unfinished Construction Projects

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 11 - COMMITMENTS (CONTINUED)

The City currently has ten Public Improvement Districts (PIDs). Nine of the ten PIDs are located in residential areas of the City and the last PID is located in a business park. These PIDs were established to provide and maintain enhanced amenities beyond what the City would normally approve in a standard development. Most of these amenities take the form of linear parks with walkways, additional landscaping, special features such as bridges and clock towers and special lighting. Since the residents adjacent to these amenities benefit more than the general public, the residents adjacent to the enhanced areas pay special assessments each year for these enhanced amenities.

The PIDs are responsible for the maintenance and ongoing upkeep of these enhanced facilities along with the original cost of the improvements. The City has issued Certificates of Obligations to pay for improvements at the Greenways Public Improvement District. The first issue was for \$600,000 in 2001; the second issue was for \$620,000 in 2003 which have since been refunded, a third issue was for \$600,000 in 2008 which have since been refunded, and a fourth issue of \$725,000 in 2014, and fifth issue of \$975,000 in 2021. The special assessments paid by the residents are used to pay for the maintenance and upkeep of the special amenities and to service the debt on the Certificates of Obligation. At the end of fiscal year 2022, there were no amounts due the developer of the Greenways for unreimbursed improvements.

The City is obligated to issue additional debt and pay the developer when there are sufficient property owners to support the debt service payments. All of the enhanced amenities at the Greenways were originally estimated to be approximately \$2.5 million and there are no estimated expenditures for the 2022/2023 fiscal year. The Colonies Public Improvement District has approximately \$3.7 million of unreimbursed costs to the developer for enhanced amenities. The City issued Certificates of Obligations to reimburse the developer for enhancements. Pinnacle Public Improvement District also has \$622,482 in unreimbursed developer costs.

The bonds were issued during 2006 in the amount of \$585,000, which have since been refunded, \$1,500,000 during 2008, which have since been refunded \$1,535,000 in 2014, and \$3,000,000 in 2018. The special assessments paid by the residents will be used to pay the debt service associated with this issue. The City is obligated to issue debt when there are sufficient property owners to support the debt to pay the developer along with the ongoing maintenance and upkeep of the amenities. All of the enhanced amenities at the Colonies were originally estimated to be approximately \$4.6 million and estimated expenditures for the 2022/2023 fiscal year are approximately \$20 thousand. The Pinnacle PID has approximately \$1.8 million of unreimbursed costs to the developer for enhancements with another \$798 thousand estimated for 2022/2023. The other PIDs are fully developed and there is not an amount to be paid to the developer or are in process of being developed and no amounts are to be paid to the developer as of September 30, 2022.

The City has committed \$212,000 to Center City for downtown redevelopment. Center City works closely with the City, citizens, and the downtown developer to promote and improve the downtown area.

The City previously entered into a development agreement, which was assigned to the Amarillo Local Government Corporation (LGC) in 2011. The Corporation's charge was to work with a developer(s) on the following three downtown initiatives: a convention hotel, a parking garage, and a multi-purpose event venue (MPEV) that will also serve as a minor league ball park. On November 12, 2014, the LGC approved a Convention Center Hotel Agreement and a separate Convention Center Parking Garage Agreement. The developer of the convention hotel will operate the hotel and the LGC will operate the parking facility. The parking garage developer will operate the retail portion of the garage. The hotel agreement includes rebates of State sales and hotel occupancy taxes, rebate of local hotel occupancy taxes and a performance assurance of up to \$2 million to assure a minimum performance of the hotel. The assurance for minimum performance ended 12/31/2021 and the City did not pay any of the \$2 million. On December 22, 2014, the City Council approved Addendum #1 to the Interlocal Local Agreement between the City and LGC confirming that the City will provide public revenue, as necessary, to fund the downtown projects and to fund the hotel performance assurance.

In 2012, the City approved to refund Local HOT revenues not to exceed 20 years or \$15,251,258. The Embassy Suites became eligible for the refunds in 2017. Refund payments for September 30, 2022 and

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 11 - COMMITMENTS (CONTINUED)

2021, were \$753,112 and \$686,747, respectively. Refunds to date total \$3,338,447. The original developer of the Embassy Suites sold their investment to a new group and all existing incentives have been reassigned to the new group during fiscal year ending September 30, 2020.

The Convention Center Hotel opened on September 8, 2017. The performance assurance period began July 1, 2018 and will run for 42 months ending on December 31, 2021. During this period the City will assure a minimum performance of the hotel up to \$2 million, with no more than \$1 million drawn in any 12 month period. The performance assurance criteria were 65% occupancy rate and an average daily room rate (ADR) of \$130, prior to the opening of the MPEV. After the opening of the MPEV, the criteria changed to 63% occupancy and \$125 average daily rate. The City did not have to pay anything related to this assurance.

On August 11, 2015, the Amarillo City Council approved Resolution 08-11-15-3 regarding the implementation of the proposed Convention Hotel and Parking Garage projects as Downtown Catalyst projects. The proposed resolution: 1) amends and restates Resolution 08-23-11 as amended by Resolution 11-11-14-1 approved by the Amarillo City Council on August 23, 2011, and November 11, 2014, respectively, 2) provides for the updated financial, contractual, and business structure of the Convention Hotel and Parking Garage projects, and 3) accepts the general terms of the financing plan for the hotel, parking garage, and MPEV.

On February 17, 2016, the LGC approved the parking garage construction project in the amount of \$15.65 million. Funding for this project included bond proceeds, reserves from the Civic Center Improvement Fund, General Construction Fund, TIRZ #1, and an additional funding from Center City. On February 2, 2016, the City Council amended the loan agreement between the City and TIRZ #1 authorizing a loan of \$1.85 million. During April 2016, the City issued approximately \$12 million in hotel occupancy tax revenue bonds to fund the parking garage. The parking garage was opened on July 1, 2017.

The City entered into a rental lease agreement in September of 2017 as the lessor with Panhandle Baseball Club, Inc as the lessee of the multi-purpose event venue (MPEV). The agreement includes a \$45.54 million construction budget. The initial term runs through 2048 with the annual rent payments of \$400,000 beginning April 1, 2019 through 2038. The lessee, beginning April 1, 2019, shall pay annual rent of \$400,000. A portion of the annual rent (\$225,000) will be allocated into an MPEV Capital Improvements and Maintenance Reserve. On April 8, 2020, an amendment was signed for the lease to defer the installment payment of annual rent due on April 15, 2020 to be paid no later than May 15, 2020 and to defer the installment payment of annual rent due July 15, 2020 to be paid no later than December 31, 2020. On December 30, 2020, a second amendment was signed for the lease to allow half of the annual rent due on December 31, 2020 to be paid on July 15, 2021 and the other half to be paid on July 15, 2022. Prior to January 15, 2035 the City and the lessee will have the ability to negotiate a plan for renovation to the MPEV, the agreement anticipates renovation costs of \$15 million. Upon successful negotiation of the renovation milestones which includes the renovation plan, amendment and completion of the renovation improvements the City and the lessee will have the ability to negotiate a series of renovation term extension options totaling 15 years. The agreement identifies surface parking area as 1,000 parking spaces which are owned or controlled by the City and located no more than 1,600 feet from the MPEV. As detailed in the agreement the lessee shall have the exclusive use of the surface parking area for all events at the MPEV. During January 2018 the City entered into a Construction Manager at Risk agreement for the construction of the MPEV. The maximum guaranteed price of the MPEV was \$45.54 million. On March 20, 2018, the City issued the Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018 in the amount of \$38.8 million to construct and equip the MPEV. The additional funding for this project was from the Civic Center Improvement Fund reserves. The MPEV opened in April 2019.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 11 - COMMITMENTS (CONTINUED)

The City anticipates the use of hotel occupancy taxes to fund the two bond issues associated with the downtown parking garage and MPEV, specifically the Hotel Occupancy Tax Revenue Bonds Series 2016 and Series 2018. Currently, 3.5% of the 7% hotel tax revenues are used to pay outstanding debt and to offset the operating loss at the Civic Center Complex. Also 3% of the hotel tax is normally allocated to the Convention and Visitor's Bureau (CVB) to also pay outstanding debt and to promote tourism and conventions in the City. The remaining half percent is used to subsidize events. Generally, the 3.5% for the Civic Center Complex is more than enough to offset the loss, and the balance is transferred to the Civic Center Improvement Fund for future capital needs.

For the Civic Center, the net result of issuing the hotel tax revenue bonds will be fewer funds for future capital for a period of time. The hotel occupancy tax revenue will ultimately need to grow to make up for the projected reductions to the CVB. Fortunately, the City has started to see recovery from the decreased hotel occupancy tax (HOT) revenues during 2020/2021 and 2021/2022. HOT revenues were down 25% in 2019/2020 versus 2018/2019, but up 54% in 2020/2021 and up another 14% in 2021/2022. Average increases over the previous ten years have been over 6% even with the 25% decrease in 2019/2020 and a 3% decrease in 2016/2017. These are the only two years in this period that reflect a decrease.

NOTE 12 - LONG-TERM OBLIGATIONS

Tax Supported Debt

Recovery Zone Build America Bonds, Series 2010

On April 15, 2010, the City issued \$1,392,000 Recovery Zone Build America Bonds, Series 2010. These bonds were issued at 5.81% with a 45% interest subsidy from the United States Treasury. The maturities range thru 2030 with an average interest coupon of 3.196% (net of the subsidy). The proceeds are to fund the City's portion of the construction of a bridge at Grand and 3rd Street, as well as street and drainage improvements. The annual principal maturities range from \$73,000 to \$88,000.

General Obligation Refunding Bonds, Series 2017

On February 22, 2017, the City issued \$15,110,000 of General Obligation Refunding Bonds for the purpose of the refunding the Combination Tax and Revenue Certificates of Obligation Bonds, Series 2007. The refunding was undertaken to reduce total debt service payments over the next ten years by \$2.7 million and resulted in a present value benefit of \$2.4 million. Interest is payable in semi-annual installments which began May 15, 2017 at a 4.00% interest rate and the term bonds mature annually to May 15, 2027 in amounts ranging from \$1,505,000 to \$1,760,000. The bonds are not subject to optional redemption.

Certificates of Obligation, Series 2017

In conjunction with the General Obligation Refunding Bonds issued on February 22, 2017, the City issued \$6,940,000 of Combination Tax and Revenue Certificates of Obligation for the purpose of acquiring a two-way radio communications system for the public safety department. Interest is payable in semi-annual installments which will begin February 15, 2018, at rates ranging from 3.00% to 3.50%, and the term bonds mature annually to February 15, 2037 in amounts ranging from \$140,000 to \$620,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2028, on February 15, 2027, or any date thereafter.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Tax Supported Debt (Continued)

General Obligation Bonds, Series 2017

The City issued \$21,280,000 of General Obligation Bonds on May 11, 2017 to address public safety and street capital improvement projects approved by voters during a November 2016 bond election. Interest is payable in semi-annual installments which will begin February 15, 2018, at rates ranging from 3.00% to 5.00%, and the serial bonds mature annually to February 15, 2042 in amounts ranging from \$625,000 to \$1,270,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2028, on February 15, 2027, or any date thereafter.

General Obligation Bonds, Series 2018

On July 18, 2018, the City issued \$22,145,000 of General Obligation Bonds for the purpose of public safety and street capital improvement projects approved by voters during a November 2016 bond election. Interest is payable in semi-annual installments which will begin February 15, 2019, at rates ranging from 3.125% to 5.00%, and the serial bonds mature annually to February 15, 2028 in amounts ranging from \$620,000 to \$1,325,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

General Obligation Refunding Bonds, Series 2020

On May 1, 2020, the City issued the City of Amarillo, Texas General Obligation Refunding Bonds, Series 2020 (Refunding Series 2020 Bonds) in the total amount of \$50,450,000. The amount of the Refunding Series 2020 Bonds supported by tax revenue is \$960,000. The Bonds refunded \$52,080,783 of the City's existing debt. The refunding consisted of \$950,000 of tax supported debt, \$5,845,783 of special assessment and other revenue sources debt, and \$45,285,000 of water and sewer debt. The Refunding Series 2020 Bonds refunded \$950,000 of the 2009 General Obligation Refunding Bonds. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next three years by \$45,680 and resulted in an economic gain of \$38,348. The outstanding Refunding Series 2020 Bonds matured in 2022.

General Obligation Bonds, Series 2020

On May 1, 2020, the City issued the City of Amarillo, Texas General Obligation Bonds, Series 2020 (GO Series 2020) in the total amount of \$8,100,000 for the purpose of constructing and improving public safety facilities. Interest is payable in semi-annual installments which will begin February 15, 2021, at rates ranging from 2.00% to 5.00%. The serial bonds mature annually through 2045 in amounts ranging from \$130,000 to \$485,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2028, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2027, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Tax Supported Debt (Continued)

Certificates of Obligation, Series 2020

On May 1, 2020, the City issued the City of Amarillo, Texas Combination Tax and Revenue Certificates of Obligation, Series 2020 (CO Series 2020) in the total amount of \$8,000,000 for the purpose of constructing and improving park and recreation facilities. Interest is payable in semi-annual installments which will begin February 15, 2021, at rates ranging from 2.00% to 5.00%. The serial bonds mature annually through 2050 in amounts ranging from \$135,000 to \$400,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2028, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2027, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

Tax Notes, Series 2020

On May 1, 2020, the City issued the City of Amarillo, Texas Tax Notes, Series 2020 (Notes Series 2020) in the total amount of \$3,520,000 for the purpose of acquiring land for municipal facilities. Interest is payable in semi-annual installments which will begin February 15, 2021, at rates ranging from 2.00% to 3.00% ranging in amounts from \$490,000 to \$545,000. The notes mature annually through 2027. The notes will not be subject to optional redemption.

General Obligation Bonds, Series 2021

The City issued \$52,985,000 of General Obligation Bonds on January 15, 2021 to address street capital improvement projects approved by voters during a November 2016 bond election. Interest is payable in semi-annual installments which will begin February 15, 2022, at rates ranging from 2.00% to 4.00%, and the serial bonds mature annually to February 15, 2046 in amounts ranging from \$1,495,000 to \$2,775,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2031, on February 15, 2030, or any date thereafter.

On January 21, 2021, the City's General Obligation debt is rated AAA negative by Standards and Poor's.

Certificates of Obligation, Series 2022

On March 15, 2022, the City of Amarillo, Texas issued Combination Tax and Revenue Certificates of Obligation, Series 2022 (CO Series 2022) in the total amount of \$6,815,000 for the purpose of acquiring, constructing, improving and installing lighting for park and recreational facilities and for professional services rendered in connection therewith. Interest is payable in semi-annual installments which begin February 15, 2023, at rates ranging from 3.00% to 4.00%. The serial bonds mature annually through 2043 in amounts ranging from \$100,000 to \$505,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2033, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2032 or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Tax Notes, Series 2022

On January 1, 2022, the City issued the City of Amarillo, Texas Combination Tax and Revenue Notes, Series 2022 (Notes Series 2022) in the total amount of \$23,900,000 for the purpose of renovating, improving and equipping an existing City-owned building and for professional services rendered in connection therewith. Interest is payable and semi-annual installments which will begin January 10, 2023 at an interest rate of 2.00%, ranging in amounts from \$4,530,000 to \$4,990,000. The notes mature annually through 2027. The notes are subject to redemption prior to maturity at the option of the City, in whole or in part, in principal amounts of \$1,000 or any integral multiple thereof, on any date at the redemption price of par plus accrued interest to the date of the redemption.

Tax Notes, Series 2022B

On August 15, 2022 the City of Amarillo, Texas issued Tax Notes, Series 2022B (Notes 2022B) in the total amount of \$7,345,000 for the purpose of acquiring enterprise resource planning software and the construction and improvement of fuel islands for the fleet services department, as well as to pay the costs of issuing the Notes. Interest is payable in semi-annual instalments which begin February 15, 2023, at rates ranging from 3.00% to 5.00% and in amounts ranging from \$470,000 to \$1,290,000. The notes mature annually through 2029. The Notes will not be subject to optional redemption.

Special Assessment Debt

Certificates of Obligation, Series 2014

On April 1, 2014, the City issued \$2,260,000 of Combination Tax and Revenue Certificates of Obligation, Series 2014 for the purpose of financing enhancements of the park facilities in the Greenways Public Improvement District (\$725,000) and the Colonies Public Improvement District (\$1,535,000), respectively. Debt Service is to be funded out of special assessments on properties within each District. The principal and interest are payable in semi-annual installments at rates ranging from 2.25% to 3.625%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$105,000 to \$155,000. The final maturity is August 15, 2034.

Certificates of Obligation, Series 2018

In conjunction with the General Obligation Bonds issued on July 18, 2018, the City issued \$3,000,000 of Combination Tax and Revenue Certification of Obligation for the purpose of improving park facilities in the Colonies PID. Interest is payable in semi-annual installments which will begin February 15, 2019, at rates ranging from 3.00% to 4.00%, and the serial bonds mature annually to February 15, 2038 in amounts ranging from \$120,000 to \$205,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Special Assessment Debt (Continued)

Certificates of Obligation, Series 2021

On January 15, 2021, the City issued \$975,000 of Combination Tax and Revenue Certification of Obligation for the purpose of improving park facilities in the Greenways PID. Interest is payable in semi-annual installments which will begin February 15, 2022, at rates ranging from 1.00% to 3.00%, and the serial bonds mature annually to February 15, 2041 in amounts ranging from \$40,000 to \$60,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2031, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

General Obligation Refunding Bonds, Series 2020

As discussed above, the City issued the Refunding Series 2020 Bonds in the total amount of \$50,450,000. The amount of the Refunding Series 2020 Bonds supported by special assessment and other sources revenue is \$5,700,000. The Refunding Series 2020 Bonds refunded \$170,000 of the Series 2003 Certificates of Obligation, \$230,738 of the Series 2006 Certificates of Obligation, \$305,000 of the Series 2008A Certificates of Obligation, \$755,000 of the Series 2008B Certificates of Obligation, \$2,885,000 of the Series 2011A Certificates of Obligation, and \$1,500,000 of the Series 2011B Certificates of Obligation Bonds. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next eighteen years by \$1,497,571 and resulted in an economic gain of \$1,346,586. The outstanding Refunding Series 2020 Bonds mature annually thru 2037 with principal payments ranging from \$140,000 to \$170,000 and provide an interest rate of 2.00%. The City reserved the right to redeem the bonds with maturities on or after February 15, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016

On April 13, 2016, the City issued the Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016 (Series 2016) in the amount of \$11,995,000 to construct and equip the downtown Amarillo parking garage located in the vicinity of the City's convention center facilities. Debt service is to be funded by the Hotel Occupancy Tax. Principal and interest are payable annually at rates ranging from 2.93% to 4.25% and are subject to mandatory redemption in annual amounts ranging from \$345,000 to \$740,000. Final maturity is August 15, 2043.

Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018

On March 20, 2018, the City issued the Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018 (Series 2018) in the amount of \$38,835,000 to construct and equip a multiuse facility. Debt service is to be funded by the Hotel Occupancy Tax. Principal and interest are payable annually at rates ranging from 3.20% to 4.40% and are subject to mandatory redemption in annual amounts ranging from \$845,000 to \$2,305,000. Final maturity is August 15, 2033 with additional maturities of \$6,915,000 4.20% term bonds due August 15, 2038 and \$19,120,000 4.40% term bonds due August 15, 2048. The City reserved the right to redeem the bonds with maturities on or after August 15, 2027, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2026, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Special Assessment Debt (Continued)

Summary of changes in the governmental activities debt for the year ended September 30, 2022, is as follows:

	Tax Supported Debt	Special Assessment Debt and Other Revenue Sources	Total Government Activities Debt
Principal balances outstanding, October 1, 2021	\$ 127,803,000	\$ 59,620,000	\$ 187,423,000
New bond issue	34,365,000	3,695,000	38,060,000
Principal maturities	(5,262,000)	(1,870,000)	(7,132,000)
Balances September 30, 2022	156,906,000	61,445,000	218,351,000
Balance of unamortized discount/premium	8,676,515	403,488	9,080,003
Net balances, September 30, 2022	<u>\$ 165,582,515</u>	<u>\$ 61,848,488</u>	<u>\$ 227,431,003</u>

Water and Sewer Bonds

Certificates of Obligation, Series 2009

On December 29, 2009, the City issued Combination Tax and Revenue Certificates of Obligation Series 2009C in the amount of \$18,075,000. The Series 2009C bonds mature annually through 2031 with annual principal payment of \$905,000 and provide for 0% interest rate.

Water and Sewer Revenue Bonds, Series 2013

On July 10, 2013, the City issued the Waterworks and Sewer System New Series Revenue Bonds, Series 2013 in the amount of \$1,310,000. The Series bonds mature annually through 2023 in principal amounts of \$135,000 and provide for an interest rate of 0.85%. The proceeds will be used to fund the design of the Osage to Arden Road pipeline.

Water and Sewer Revenue Bonds, Series 2014

On January 22, 2014, the City issued the Waterworks and Sewer System New Series Revenue Bonds, Series 2014 in the amount of \$8,495,000. The Series 2014 bonds mature annually through 2033 in principal amounts ranging from \$410,000 to \$495,000 and provide for interest rates ranging from 1.52% to 2.62%. These funds will be used for the design and construction of Georgia Street Interceptor project. This project will eliminate a lift station and ensure proper operation of the collection system in the area. This bond issue will also fund the planning and design for the replacement of Lift Station 32. Included in this financing is an additional amount of \$441,131 of loan forgiveness for a total project of \$8.9 million.

Water and Sewer Revenue Bonds, Series 2015

On October 2, 2015, the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, Series 2015 in the amount of \$17,195,000. The Series 2015 bonds mature annually through 2035 in principal amounts ranging from \$825,000 to \$950,000 and provide for interest rates ranging from 0.65% to 1.59%. These funds will be used for the construction of the Arden Road transmission pipeline project from the Osage water treatment plant to the connection for the Arden Road pump station. This allows the City to move an additional 20 million gallons per day which allows the City to deliver the new water supply from the Potter County well field to the west side of town.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Water and Sewer Revenue Refunding Bonds, Series 2015A

On October 2, 2015, the City issued the City of Amarillo, Texas, Waterworks & Sewer System Refunding Bonds, New Series 2015A (Series 2015A Bonds) in the amount of \$21,145,000. The Series 2015A Bonds refunded the Series 2005, 2006 and 2006A Bonds. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next sixteen years by \$4,259,179 and resulted in an economic gain of \$3,494,212 and the present value benefit of \$2,623,562. The outstanding Series 2015A Bonds mature annually thru 2032 with principal payments ranging from \$375,000 to \$1,730,000 and provide for interest rates ranging from 2.25% to 4.00%.

Water and Sewer Revenue Bonds, Series 2017

On May 11, 2017 the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, New Series 2017 in the amount of \$31,005,000. The New Series 2017 bonds mature annually through 2037 in principal amounts ranging from \$1,360,000 to \$2,035,000 and provide for interest rates ranging from 3.00% to 5.00%. These funds will be used for the construction of the improvement and extension of the City's waterworks and sewer system as identified through a five-year community improvement plan.

Water and Sewer Revenue Bonds, Series 2018A

On July 19, 2018, the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, New Series 2018A in the amount of \$12,500,000. The New Series 2018A bonds mature annually through 2038 in principal amounts ranging from \$585,000 to \$705,000 and provide for interest rates ranging from 0.70% to 1.60%. These funds will be used for the construction of Lift Station 32. The City reserved the right to redeem the bonds with maturities on or after April 1, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on October 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

Water and Sewer Revenue Bonds, Series 2018B

On July 19, 2018, the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, New Series 2018B in the amount of \$14,610,000. The New Series 2018B bonds mature annually through 2034 in principal amounts ranging from \$580,000 to \$845,000 and provide for interest rates ranging from 4.00% to 5.00% with additional maturities of \$1,790,000 3.50% term bonds due April 1, 2036 and \$1,915,000 3.50% term bonds due April 1, 2038. These funds will be used for the improvement and extension of the City's waterworks and sewer system as identified through a five-year community improvement plan. The City reserved the right to redeem the bonds with maturities on or after April 1, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Water and Sewer Revenue Bonds, Series 2020

On July 14, 2020, the City issued the City of Amarillo, Texas, Waterworks and Sewer System Revenue Bonds, Series 2020 (Series 2020 Bonds) in the amount of \$28,500,000. The Series 2020 bonds mature annually through 2040 with principal payments of \$1,425,000 and bear no interest. The City reserved the right to redeem the bonds with maturities on or after April 1, 2031, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on October 1, 2030, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

Water and Sewer Revenue Refunding Bonds, Series 2020A

On May 1, 2020, the City issued the City of Amarillo, Texas, Waterworks and Sewer System Revenue Refunding Bonds, Series 2020A (Series 2020A Bonds) in the amount of \$9,775,000 with a premium of \$642,656. The Series 2020A Bonds refunded \$10,230,000 of the Water and Sewer Revenue Bonds, Series 2011. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next eleven years by \$1,485,127 and resulted in an economic gain of \$1,351,098. The outstanding Refunding Series 2020 Bonds mature annually thru 2031 with principal payments ranging from \$805,000 to \$1,040,000 and provide for interest rates ranging from 2.00% to 3.00%. The City reserved the right to redeem the bonds with maturities on or after April 1, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2028, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

General Obligation Refunding Bonds, Series 2020

As discussed above, the City issued the Refunding Series 2020 Bonds in the total amount of \$50,450,000. The amount of the Refunding Series 2020 Bonds supported by water and sewer revenue is \$43,880,000. The Refunding Series 2020 Bonds refunded \$16,480,000 of the Series 2009 Certificates of Obligation, \$27,140,000 of the Series 2009B Certificates of Obligation, and \$1,665,000 of the Series 2011 General Obligation Bonds. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next ten years by \$2,807,342 and resulted in an economic gain of \$2,492,547. The outstanding Refunding Series 2020 Bonds mature annually thru 2029 with principal payments ranging from \$570,000 to \$3,275,000 and provide for interest rates ranging from 2.00% to 3.00%. The City reserved the right to redeem the bonds with maturities on or after February 15, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

Water and Sewer Revenue Bonds, Series 2021

On February 1, 2021, the City issued the City of Amarillo, Texas, Waterworks and Sewer System Revenue Bonds, Series 2021 (Series 2021 Bonds) in the amount of \$25,900,000. The Series 2021 bonds mature annually through 2041 with principal payments of \$1,075,000 to \$1,565,000 and provide for interest rates ranging from 2.00% to 4.00%. These funds will be used for the improvement and extension of the City's waterworks and sewer system and to pay issuance costs on the Bonds. The City reserved the right to redeem the bonds with maturities on or after April 1, 2031, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Water and Sewer Revenue Bonds, Series 2022

On August 1, 2022, the City of Amarillo, Texas issued the Waterworks and Sewer System New Series Revenue Bonds, Series 2022 in the amount of \$52,590,000 for the purpose of the improvement and extension of the City’s waterworks and sewer system and to pay issuance costs on the Bonds. Interest is payable in semi-annual installments which begin April 1, 2023, at rates ranging from 4.00% to 5.00%. The serial bonds mature annually through 2042 in amounts ranging from \$450,000 to \$3,990,000. The City reserved the right to redeem the bonds with maturities on or after April 1, 2032, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2031 or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

A summary of changes in Water and Sewer System bonded debt for the year ended September 30, 2022, is as follows:

Principal outstanding, October 1, 2021	\$ 191,180,000
New Issues	52,590,000
Principal maturities	<u>(14,590,000)</u>
Principal outstanding, September 30, 2022	229,180,000
Unamortized redemption premium	<u>12,241,974</u>
Net balances, September 30, 2022	<u>\$ 241,421,974</u>

The net revenues of the Water and Sewer System are pledged to secure this debt. In accordance with bond covenants, the following special funds or accounts must be maintained:

- A revenue fund, to which all gross revenues are to be credited immediately upon receipt.
- An interest and redemption fund, to be funded by transfers from pledged revenues in approximately equal monthly installments, sufficient to pay the next succeeding interest and principal payments. The 2022/2023 obligation is \$5,870,870. At September 30, 2022, the amount available in this account was \$11,167,784.
- A reserve fund, to be funded monthly by transfers from pledged revenues in the amount equal to 1/60th of the average annual principal and interest requirements of the bonds until the fair value of the reserve fund is equal to the average annual debt service requirements of the then outstanding bonds. At September 30, 2022, the combined requirement amounted to \$2,808,821, and the amount available in this account was \$2,426,192.

The interest/redemption and reserve funds required by the bond covenants are reported in the financial statements as noncurrent assets and liabilities. The various revenue bond covenants require that the City carry insurance against risks, accidents or casualties to the extent usually carried by corporations operating like properties.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

The City is subject to arbitrage provisions under the Internal Revenue Code, which requires that excess earnings on invested proceeds from tax-exempt bond sales over interest expense paid to bond holders be remitted to the Internal Revenue Service. The City did not have an arbitrage liability at September 30, 2022. The City has maintained its tax-exempt status during 2022.

The City has the right to issue additional Waterworks and Sewer Revenue Bonds, subordinate to these issues. Moreover, the City can issue additional parity debt so long as the net Water and Sewer System revenues exceed the debt service on the prior bonds together with any additional borrowings by 1.25 times.

On August 4, 2022, Standard & Poor's Rating Services assigned a rating of AA+ and an outlook of stable on the City of Amarillo, Texas Waterworks and Sewer System Revenue Bonds Series 2022.

Water Authority Obligations

In 1968 the City, together with 10 other cities, entered into a contract with the Canadian River Municipal Water Authority (CRMWA) to reimburse it for the cost of constructing a dam and aqueduct system in exchange for the water to be provided from the reservoir. The dam is located approximately 35 miles northeast of the City.

CRMWA, 2014 Revenue Refunding Issuance

During 2006, the member cities of CRMWA agreed to participate in the 2006 CRMWA debt issue. The Contract Revenue Bonds, Series 2006 were issued in the amount of \$49,075,000. During 2015, the 2006 CRMWA issue was partially refunded with the 2014 refunding issue. At September 30, 2022, the City's proportionate share of the 2014 issue is \$5,560,338. The City's portion of the principal payments for the 2014 issue range from \$463,079 to \$1,368,251 with an interest rate of 5.00%.

CRMWA, 2017 Revenue Refunding Issuance

CRMWA issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 in the amount of \$11,465,000 with interest rates ranging from 3.00% - 5.00%. The proceeds were used to advance refund \$13,575,000 of outstanding Contract Revenue Bonds, Series 2009 which had interest rates ranging from 3.00% - 5.00%. The net proceeds of \$14,228,820 (including a \$1,317,090 premium, a debt service reserve contribution of \$1,684,400, less \$237,670 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The refunded portion of the Contract Revenue Bonds, Series 2009 is considered defeased and the liability for those bonds has been removed from the statement of net position. The City's proportionate share of Series 2017 bonds is \$3,015,601 at September 30, 2022. The City's portion of the principal payments for the 2017 issue range from \$341,216 to \$558,539.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

CRMWA, 2020 Revenue Refunding Issuance

During December 2011, CRMWA issued debt in the amount \$81,630,000 to fund the purchase of additional water rights in the Ogallala Aquifer. The City participated in this issue and the City's proportionate share of the bond issue was \$33,536,053. The bonds were issued at a premium and the City's proportionate share was \$3,091,199 with bond issuance cost of \$473,755. During 2021, the 2011 CRMWA issue was refunded with the 2020 refunding issue. At September 30, 2022, the City's proportionate share of the 2020 issue is \$15,533,482. The City's portion of the principal payments for the 2020 issue range from \$742,233 to \$2,193,147 with an interest rate ranging from 4.00% to 5.00%.

The City increased Water and Sewer rates by 6% beginning October 1, 2011, and by 5% effective October 1, 2012, to help pay for the purchase of the Ochiltree County water rights and the City's portion of the CRMWA debt. The City increased rates effective October 1, 2013, by 2% to help pay for the 2013 and 2014 Water and Sewer Revenue bonds.

CRMWA, 2021 Revenue Refunding Issuance

On January 22, 2013, CRMWA issued a Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 in the amount of \$39,505,000 for the advance refunding of the 2005 CRMWA Contract Revenue Series. The 2012 Refunding Bonds will reduce total debt service payments over the next thirteen years by \$5,063,754 with Amarillo's share at \$2,443,576. The refunding resulted in an economic gain of \$4,259,006 with Amarillo's share at \$2,044,083. During 2022, the 2012 CRMWA issue was refunded with the 2021 refunding issue. At September 30, 2022, the City's proportionate share of the 2021 issue is \$7,444,371. The City's portion of the principal payments for the 2021 issue range from \$1,364,693 to \$3,229,549 with an interest rate ranging from 1.75% to 5.00%.

A summary of changes in the City's CRMWA debt for the year ended September 30, 2022, is reflected in the following table:

Principal outstanding, October 1, 2021	\$ 37,867,938
New issues	7,444,371
Debt refunded	(7,690,454)
Principal maturities	<u>(6,068,063)</u>
Principal outstanding, September 30, 2022	31,553,792
Unamortized redemption discount/premium	<u>5,174,469</u>
Net balances, September 30, 2022	<u>\$ 36,728,261</u>

Drainage Utility Bonds

Certificates of Obligation, Series 2012A

On December 12, 2012, the City issued \$6,260,000 in Combination Tax and Drainage Utility Revenue Certificates of Obligations (COs). The 2012A issue is mainly for drainage improvements on Farmers Avenue. The 2012A bonds have a final maturity of August 15, 2032. The COs are subject to mandatory redemption in annual amounts ranging from \$260,000 to \$320,000 and provide for an interest rate of 2.00%. In addition to the tax pledge, the Drainage Utility COs have an unlimited net pledge of the Drainage Utility System of 1.25 times net revenue. The City intends to fund the debt entirely from the Drainage Utility and not levy a property tax for the COs. Thus, the debt is structured similar to the Water & Sewer revenue debt.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Drainage Utility Bonds (Continued)

Drainage Revenue Bonds, Series 2014

On April 1, 2014, the City issued \$6,080,000 in Drainage Utility Revenue Bonds. The 2014 issue is mainly for drainage improvements on Martin Road. The 2014 bonds have a final maturity of 2034. The bonds are subject to mandatory redemption in annual amounts ranging from \$280,000 to \$410,000 and provide for interest rates ranging from 3.00% to 3.75%. The bonds have an unlimited net pledge of the Drainage Utility System of 1.25 times net revenue.

Drainage Revenue Bonds, Series 2020

On July 1, 2020, the City issued the City of Amarillo, Texas, Drainage Utility System Revenue Bonds, Series 2020 (Series 2020 Bonds) in the amount of \$9,240,000. The Series 2020 Bonds mature annually thru 2040 with principal payments ranging from \$365,000 to \$550,000 and provide for interest rates ranging from 2.00% to 5.00%. The City reserved the right to redeem the bonds with maturities on or after August 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

Drainage Revenue Bonds, Series 2021

On February 1, 2021, the City issued the City of Amarillo, Texas, Drainage Utility System Revenue Bonds, Series 2021 (Series 2021 Bonds) in the amount of \$9,160,000. The Series 2021 Bonds mature annually thru 2041 with principal payments ranging from \$385,000 to \$540,000 and provide for interest rates ranging from 2.00% to 4.00%. The City reserved the right to redeem the bonds with maturities on or after August 15, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

A summary of changes in Drainage Utility bonded debt for the year ended September 30, 2022, is as follows:

Principal outstanding, October 1, 2021	\$ 25,525,000
New issue	-
Principal maturities	<u>(1,160,000)</u>
Principal outstanding, September 30, 2022	24,365,000
Unamortized redemption premium	<u>1,839,731</u>
Net balances, September 30, 2022	<u>\$ 26,204,731</u>

On January 28, 2021, Standard & Poor’s Rating Services affirmed its AAA rating and revised the outlook to negative from stable on the City of Amarillo, Texas Drainage Utility Revenue Bonds.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Summary Information - Long-Term Bonds and Contracts

Bond issues outstanding at September 30, 2022, are summarized in Table 8 below.

	Interest Rates	Final Maturity Date	Principal Amount Outstanding	Annual Principal Installments	
City of Amarillo indebtedness					
General Obligation debt					
Payable from tax revenues					
Recovery Zone Build America Bonds, Series 2010	5.81%	2030	\$ 641,000	\$ 73,000	\$ 88,000
General Obligation Refunding Bonds, Series 2017	4.00%	2027	8,145,000	1,505,000	1,760,000
Certificates of Obligation, Series 2017	3.00 - 3.50%	2037	4,530,000	140,000	620,000
General Obligation Bonds, Series 2017	3.00 - 5.00%	2042	18,755,000	625,000	1,270,000
General Obligation Bonds, Series 2018	3.125 - 5.00%	2043	20,015,000	620,000	1,325,000
General Obligation Bonds, Series 2020	2.00 - 5.00%	2045	7,900,000	130,000	485,000
Certificates of Obligation, Series 2020	2.00 - 5.00%	2050	7,790,000	135,000	400,000
Tax Notes, Series 2020	2.00 - 3.00%	2027	2,580,000	490,000	545,000
General Obligation Bonds, Series 2021	2.00 - 4.00%	2046	52,185,000	1,495,000	2,775,000
Certificates of Obligation, Series 2022	3.00 - 4.00%	2043	6,815,000	100,000	505,000
Tax Notes, Series 2022	2.00%	2027	23,900,000	4,530,000	4,990,000
Tax Notes, Series 2022B - Purpose 2	3.00 - 5.00%	2029	3,650,000	540,000	685,000
Payable from special assessments					
Combination tax/revenue certificates of obligation, Series 2014	2.25 - 3.625%	2034	1,520,000	105,000	155,000
Combination tax/revenue certificates of obligation, Series 2018	3.00 - 4.00%	2038	2,570,000	120,000	205,000
General Obligation Refunding Bonds, Series 2020	2.00%	2028	975,000	140,000	170,000
Combination tax/revenue certificates of obligation, Series 2021	1.00 - 3.00%	2041	945,000	40,000	60,000
Payable from other sources					
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2037	2,585,000	150,000	200,000
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2032	1,245,000	110,000	140,000
Tax Notes, Series 2022B - Purpose 1	3.00 - 5.00%	2029	3,695,000	470,000	605,000
Hotel occupancy tax revenue bonds, Series 2016	2.93 - 4.25%	2043	10,695,000	345,000	740,000
Hotel occupancy tax revenue bonds, Series 2018	3.20 - 4.40%	2048	37,215,000	845,000	2,305,000
Waterworks and Sewer Bonds					
2013 revenue issuance	0.85%	2023	135,000	135,000	135,000
2014 revenue issuance	0.36 - 2.62%	2033	4,975,000	410,000	495,000
2015 revenue issuance	0.50 - 1.59%	2035	11,405,000	825,000	950,000
2015A revenue refunding issuance	2.00 - 4.00%	2032	10,060,000	375,000	1,730,000
2017 revenue issuance	3.00 - 5.00%	2037	24,945,000	1,360,000	2,035,000
2018A revenue issuance	0.70 - 1.60%	2038	10,155,000	585,000	705,000
2018B revenue issuance	3.00 - 5.00%	2038	12,325,000	580,000	975,000
2020 revenue issuance	0.00%	2040	25,650,000	1,425,000	1,425,000
2020A revenue issuance	2.00 - 3.00%	2031	8,180,000	805,000	1,040,000
2021 revenue issuance	2.00 - 4.00%	2041	24,920,000	1,075,000	1,565,000
2022 revenue issuance	4.00 - 5.00%	2042	52,590,000	450,000	3,990,000
Combination tax/revenue certificates of obligation, Series 2009C	0.00%	2031	8,145,000	905,000	905,000
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2029	35,695,000	570,000	3,275,000
Drainage Bonds					
2014 revenue issuance	3.00 - 3.75%	2034	4,055,000	280,000	410,000
2020 revenue issuance	2.00 - 5.00%	2040	8,555,000	365,000	550,000
Combination tax/revenue certificates of obligation, Series 2012A	2.00%	2032	2,870,000	260,000	320,000
2021 revenue issuance	2.00 - 4.00%	2041	8,885,000	385,000	540,000
Total City of Amarillo issuances			471,896,000		
Canadian River Water Authority indebtedness					
2014 refunding issuance	5.00%	2027	5,560,338	463,079	1,368,251
2017 refunding issuance	3.00 - 5.00%	2029	3,015,601	341,216	558,539
2020 refunding issuance	4.00 - 5.00%	2031	15,533,482	742,233	2,193,147
2021 refunding issuance	1.75 - 5.00%	2025	7,444,371	1,364,693	3,229,549
Total City share of Water Authority indebtedness			31,553,792		
Total bond issues outstanding			\$ 503,449,792		

Table 8 – Description of Individual Bond Issues Outstanding

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Summary Information - Long-Term Bonds and Contracts (Continued)

The annual requirements to amortize all bonds outstanding, including interest, are shown in Table 9 below.

For the Year Ended September 30,	Tax-Supported Debt		Special Assessment and Other Supported Debt		Water & Sewer Debt		Water Authority Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 10,153,000	\$ 4,639,850	\$ 1,205,000	\$ 404,687	\$ 16,015,000	\$ 5,053,937	\$ 6,303,593	\$ 1,443,331
2024	11,190,000	4,179,078	1,180,000	383,156	15,315,000	5,751,003	6,592,953	1,129,263
2025	11,542,000	3,815,355	1,215,000	342,981	17,035,000	5,398,250	4,647,046	861,709
2026	11,923,000	3,432,996	1,245,000	298,957	17,400,000	4,948,364	3,705,984	661,165
2027	12,316,000	3,036,478	1,280,000	253,282	17,745,000	4,489,524	2,916,629	479,903
2028-2032	25,312,000	11,587,172	4,525,000	684,339	65,510,000	16,305,107	7,387,587	729,843
2033-2037	27,320,000	7,900,333	2,455,000	219,680	49,670,000	8,668,671	-	-
2038-2042	30,205,000	4,062,417	430,000	12,638	30,490,000	2,626,205	-	-
2043-2047	15,775,000	795,569	-	-	-	-	-	-
2048-2052	1,170,000	46,594	-	-	-	-	-	-
	<u>\$ 156,906,000</u>	<u>\$ 43,495,842</u>	<u>\$ 13,535,000</u>	<u>\$ 2,599,720</u>	<u>\$ 229,180,000</u>	<u>\$ 53,241,061</u>	<u>\$ 31,553,792</u>	<u>\$ 5,305,214</u>

For the Year Ended September 30,	Drainage Debt		Hotel Occupancy Tax Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,290,000	\$ 679,643	\$ 1,190,000	\$ 1,987,079	\$ 36,156,593	\$ 14,208,527
2024	1,325,000	643,743	1,225,000	1,949,930	36,827,953	14,036,173
2025	1,365,000	602,944	1,265,000	1,909,453	37,069,046	12,930,692
2026	1,410,000	560,694	1,310,000	1,865,823	36,993,984	11,767,999
2027	1,460,000	512,744	1,360,000	1,819,133	37,077,629	10,591,064
2028-2032	8,015,000	1,759,169	7,625,000	8,265,223	118,374,587	39,330,853
2033-2037	5,755,000	720,569	9,300,000	6,579,720	94,500,000	24,088,973
2038-2042	3,745,000	172,100	11,455,000	4,430,645	76,325,000	11,304,005
2043-2047	-	-	10,875,000	1,914,650	26,650,000	2,710,219
2048-2052	-	-	2,305,000	101,420	3,475,000	148,014
	<u>\$ 24,365,000</u>	<u>\$ 5,651,606</u>	<u>\$ 47,910,000</u>	<u>\$ 30,823,076</u>	<u>\$ 503,449,792</u>	<u>\$ 141,116,519</u>

Table 9 – Annual Debt Service Requirements, Including Interest

Provision for Compensated Absences

The City provides for its full-time employees annual leave of two to five weeks, depending upon years of service with the City. Civilian, full-time employees hired prior to October 1, 2007 and Fire Fighters and Police Officers may accumulate up to 65 days of annual leave to be paid in a lump sum upon termination of employment. Civilian, full-time employees hired after October 1, 2007 may accumulate 30 days of annual leave to be paid in a lump sum upon termination of employment.

The City also provides its full-time employees sick leave of twelve working days each year for Civilian employees and fifteen working days each year for Fire Fighters and Police Officers.

For full-time Civilian employees hired prior to October 1, 2007 sick leave may be accumulated without limit. Upon termination, if the employee has over ten years of continuous service, they will receive a lump sum payment of their sick leave not to exceed 90 days. Fire Fighters and Police Officers, regardless of years of service, shall be paid a lump sum payment not to exceed 90 days upon their termination of employment.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Provision for Compensated Absences (Continued)

Full-time Civilian employees hired prior to October 1, 2007 and Fire Fighters and Police Officers who are eligible to retire will be allowed to convert any available sick leave, above the 90 days sick leave paid at retirement, and annual leave, above the 65 days annual leave paid at retirement, into a Health Reimbursement Account (HRA). For this purpose, each 30 hours, for Civilian employees and Police Officers, or each 42 hours, for 12-hour Fire Fighters of accrued leave above the max paid out will be converted to the equivalent of one month of retiree-only health benefit coverage. The resulting dollar value will be deposited into the retiree's HRA.

Full-time Civilian employees hired after October 1, 2007 may accumulate 60 days of sick leave. This will be paid in a lump-sum upon termination if the employee has ten continuous years of service.

In certain cases, compensatory time, in lieu of cash payments for overtime, may be granted to non-exempt employees at the rate of 1.0 hours or 1.5 hours for each hour worked for which overtime is required. Civilian employees are limited to 80 hours of compensatory time while Fire Fighters and Police Officers may accrue up to 120 hours. Upon termination all non-exempt employees will be eligible to receive a lump sum payment for any accrued compensatory time which has not already been taken off as time off with pay.

The obligation of the City with respect to vested benefits at September 30, 2022, under the annual leave policy was \$11,657,798, compensated time policy was \$1,695,442, and under the sick leave policy was \$10,554,654, and under the individual health retirement account policy was \$2,669,561.

These obligations were recognized in the financial statements as summarized in the following tabulation:

	Governmental Funds	Proprietary Funds
Balances at October 1, 2021	\$ 24,242,022	\$ 1,245,955
Terminations paid	(1,903,692)	(272,183)
Leave accrued	<u>2,866,646</u>	<u>398,708</u>
Balances at September 30, 2022	<u>\$ 25,204,976</u>	<u>\$ 1,372,480</u>

Of the above obligations, \$1,899,101 in the Government Funds and \$167,561 in the Proprietary Funds are estimated to be current. In prior years, the General Fund has liquidated the compensated absences liability related to governmental funds.

In 1997 the City established a debt service fund to provide for the portion of the liability applicable to the General Fund and certain special revenue funds. The net position in the fund at September 30, 2022, was \$3; \$684,173 of the obligation is funded in separate internal service funds and is accrued as a liability of these funds.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Provision for Landfill Closure and Post-Closure Care Costs

The City owns a 662-acre rural site, which it operates for solid waste disposal purposes. Based on an amended permit issued by the Texas Commission on Environmental Quality dated August 22, 2007, the site has an estimated total capacity of 43,098,100 tons or 89,787,477 cubic yards. It is estimated that 31.9% of the revised capacity was filled at September 30, 2021, and that the landfill has a projected remaining life of approximately 84 years at the current rate of usage. State and federal laws and regulations require the City to place a final cover on the site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The construction as well as the cost of wells, which have been installed for monitoring the underlying water table for any impact on it of ongoing landfill activities, were funded by waste collection and disposal revenues of the City's General Fund, and are included in capital assets of the governmental activities.

Governmental accounting standards require that, for periods beginning after June 15, 1993, governmental entities recognize an accrued liability for the estimated cost of equipment, facilities, and services for closure, and post-closure care expected to result in disbursements near or after the date that the facility stops accepting solid waste. The amount of the liability is based on what it would cost to have all such closure and post-closure care performed in the current year, and is assigned to periods based on cumulative landfill use. The City engaged an independent engineer who estimated the cost of final cover at \$8,145,871 for a 100-acre, two-cell segment. The estimated cost of monitoring the entire 662 acres during the statutory 30-year period is an additional \$1,780,200. Both computations were made in accordance with regulations of the Environmental Protection Agency, which require that the estimates be based on the current cost of hiring third parties to perform the services. The actual cost of these functions, when performed in future years, may differ because of inflation, changes in technology, changes in environmental regulations, or performance of certain of the functions by City personnel and equipment. Considering the change in the Consumer Price Index (CPI) and the addition of the Transfer station, closure costs would be about \$11.8 million and post-closure costs would be about \$3.5 million for a total of \$15.4 million in today's dollars. During fiscal year 2019/2020, the City determined a change in accounting estimate needed to occur on the calculation of estimated accrued liability. Previously tonnage was used for the total capacity, the capacity used, and the remaining capacity. It was determined that cubic yards were a more accurate way to measure capacity for estimated liability purposes due to the compaction rate, which varies from year to year, being a factor in when tonnage is used. Based on the cumulative usage of 28,952,124 cubic yards at September 30, 2022, together with the estimated 89,787,477-cubic yard capacity of the landfill, the accrued liability consists of the following elements:

Provision for final cover costs	\$ 3,995,341
Cost of post-closure care and monitoring	<u>1,199,374</u>
Total estimated accrued liability	<u>\$ 5,194,715</u>

Under laws and regulations administered by the Texas Natural Resource Conservation Commission, owners and operators are required to provide financial assurances that the funds needed for the closure of landfills will be available when needed. The City has elected to meet this responsibility by demonstrating its compliance with the "local government financial test," which promulgates criteria regarding financial strength, public notice, and record-keeping and reporting. The City fulfilled the financial strength test by demonstrating a current Standard & Poor's rating of AAA, together with a ratio of total annual revenues to the gross estimated cost of environmental obligations in excess of 100/43, together with meeting certain general conditions. It fulfills the public notice component by disclosure in this footnote, and fulfills the record-keeping and reporting component by submission of reports to the Texas Commission on Environmental Quality.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Long-term liabilities activity for the year ended September 30, 2022, was as follows:

	Balance Sept. 30, 2021 (restated)	Amortization/ Accretion	Additions	Reductions	Balance Sept. 30, 2022	Due Within One Year
Bonds payable:						
Governmental activities						
General obligation bonds	\$ 122,030,000	\$ -	\$ 34,365,000	\$ (4,660,000)	\$ 151,735,000	\$ 9,530,000
Recovery Zone Build America bonds	713,000	-	-	(72,000)	641,000	73,000
Tax-supported certificates of obligation	5,060,000	-	-	(530,000)	4,530,000	550,000
Unamortized offering premium	8,449,446	(368,646)	999,203	-	9,080,003	-
Special assessment and other debt	59,620,000	-	3,695,000	(1,870,000)	61,445,000	2,395,000
Total governmental activities	<u>195,872,446</u>	<u>(368,646)</u>	<u>39,059,203</u>	<u>(7,132,000)</u>	<u>227,431,003</u>	<u>12,548,000</u>
Business-type activities						
Water & sewer bonds	191,180,000	-	52,590,000	(14,590,000)	229,180,000	16,015,000
Premium on Water & sewer bonds	8,224,988	(585,886)	4,602,872	-	12,241,974	-
Water authority obligations	37,867,938	-	7,444,371	(13,758,517)	31,553,792	6,303,593
Premium on Water authority obligations	7,364,040	(2,831,212)	641,641	-	5,174,469	-
Drainage Utility bonds	25,525,000	-	-	(1,160,000)	24,365,000	1,290,000
Premium on Drainage Utility bonds	1,908,484	(68,753)	-	-	1,839,731	-
Total business-type activities	<u>272,070,450</u>	<u>(3,485,851)</u>	<u>65,278,884</u>	<u>(29,508,517)</u>	<u>304,354,966</u>	<u>23,608,593</u>
Total	<u>467,942,896</u>	<u>(3,854,497)</u>	<u>104,338,087</u>	<u>(36,640,517)</u>	<u>531,785,969</u>	<u>36,156,593</u>
Other liabilities:						
Governmental activities						
Compensated absences	24,242,022	-	2,866,646	(1,903,692)	25,204,976	1,899,101
Self-insurance liability	20,994,169	-	408,145	-	21,402,314	6,841,652
Right-to-use lease liability	3,379,943	(2,330,131)	3,735,691	-	4,785,503	1,879,702
Provision for landfill and postclosure care costs	4,909,973	-	284,742	-	5,194,715	-
Net OPEB liability	32,977,863	-	8,729,918	(7,516,807)	34,190,974	-
Net pension liability (asset)	<u>28,674,026</u>	<u>-</u>	<u>58,715,256</u>	<u>(120,464,662)</u>	<u>(33,075,380)</u>	<u>-</u>
Total governmental activities	<u>115,177,996</u>	<u>(2,330,131)</u>	<u>74,740,398</u>	<u>(129,885,161)</u>	<u>57,703,102</u>	<u>10,620,455</u>
Business-type activities						
Compensated absences	1,245,955	-	398,707	(272,182)	1,372,480	167,561
Other accrued expenses	2,557,951	-	-	(37,919)	2,520,032	-
Net OPEB liability	6,169,648	-	1,633,232	(1,406,277)	6,396,603	-
Net pension liability (asset)	<u>4,569,187</u>	<u>-</u>	<u>5,835,629</u>	<u>(10,748,984)</u>	<u>(344,168)</u>	<u>-</u>
Total business-type activities	<u>14,542,741</u>	<u>-</u>	<u>7,867,568</u>	<u>(12,465,362)</u>	<u>9,944,947</u>	<u>167,561</u>
Total	<u>129,720,737</u>	<u>(2,330,131)</u>	<u>82,607,966</u>	<u>(142,350,523)</u>	<u>67,648,049</u>	<u>10,788,016</u>
Total long-term liabilities	<u>\$ 597,663,633</u>	<u>\$ (6,184,628)</u>	<u>\$ 186,946,053</u>	<u>\$ (178,991,040)</u>	<u>\$ 599,434,018</u>	<u>\$ 46,944,609</u>

For the governmental activities, compensated absences, postemployment benefits and net pension liability are generally liquidated by the General Fund.

NOTE 13 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following tabulation reflects the composition of interfund balances at September 30, 2022.

<u>Receivable Fund</u>		<u>Payable Funds</u>	
General Fund	\$ 2,214,136	Nonmajor Govt. Funds	\$ 1,962,235
		COVID-19 Fund	193,000
		Internal Service	58,901
	<u>\$ 2,214,136</u>		<u>\$ 2,214,136</u>
Nonmajor Govt. Funds	\$ 71,095	Nonmajor Govt. Funds	\$ 71,093
		General Fund	2
	<u>\$ 71,095</u>		<u>\$ 71,095</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 13 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Receivable Fund		Payable Funds	
Internal Service Funds	\$ 187,961	Internal Service	\$ 174,707
		Nonmajor Govt. Funds	13,254
	<u>\$ 187,961</u>		<u>\$ 187,961</u>
Proprietary Funds	\$ 33,789	Nonmajor Govt. Funds	\$ 33,789
	<u>\$ 33,789</u>		<u>\$ 33,789</u>

All transactions between funds represent "due to/from other funds" caused by cash from one fund paying for expenditures or expenses of another.

The following tabulations summarize interfund cash transfers made during the year:

Transfers Out Fund		Transfers In Fund	
General Fund	\$ 44,795,539	General Construction Fund	\$ 33,984,342
		Nonmajor Govt. Funds	5,419,602
		Proprietary Funds	180,000
		Internal Service	5,211,595
	<u>\$ 44,795,539</u>		<u>\$ 44,795,539</u>
Nonmajor Govt. Funds	\$ 3,840,941	General Fund	\$ 786,740
General Construction Fund	785,545	Nonmajor Govt. Funds	3,832,346
		Proprietary Funds	7,400
	<u>\$ 4,626,486</u>		<u>\$ 4,626,486</u>
Nonmajor Govt. Funds	\$ 1,940,809	Nonmajor Govt. Funds	\$ 2,316,317
COVID-19 Fund	27,584,224	General Fund	25,518,920
		Internal Service	1,689,796
	<u>\$ 29,525,033</u>		<u>\$ 29,525,033</u>
Proprietary Funds	\$ 3,694,803	Nonmajor Govt. Funds	\$ 3,544,538
		Internal Service	150,265
	<u>\$ 3,694,803</u>		<u>\$ 3,694,803</u>

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations. The due to/from balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

NOTE 14 - WATER SUPPLY CONTRACT

The City's water is supplied by a series of underground wells, together with water that is purchased from CRMWA.

CRMWA is a water district that was created in 1953 by the Texas legislature for the purpose of supplying water from the Canadian River to eleven cities that wished to participate in its activities. A board of nineteen individual board members, two of whom are selected by the City, governs the affairs of the District.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 14 - WATER SUPPLY CONTRACT (CONTINUED)

CRMWA was originally created for the purpose of operating a dam, which had been constructed on the Canadian River approximately 35 miles northeast of Amarillo, the related water reservoir known as Lake Meredith, and an aqueduct system for the purpose of transporting the surface water to the member cities. The construction was performed under the direction of the U.S. Bureau of Reclamation. Prior to construction, each of the member cities was allotted a portion of the water rights together with a proportionate share of the cost of the dam based on its contractual share of the water and a share of the aqueduct costs based on its water allocation and distance from the reservoir.

In 1996 CRMWA initiated a project to purchase and develop underground water rights in the northeastern portion of the Texas Panhandle to supplement CRMWA's available surface water. Water is transported from the well fields to be mixed with the lake water before entering the aqueduct system. Water deliveries of the well water to the member cities began in December 2001.

Each city is assessed for operating costs, which are accounted for by the City as an operating expense. Each member may sell part or all of its rights under the contract to other members of the aqueduct system. The last audited financial statements of CRMWA, as of September 30, 2022, and for its fiscal year then ended, reflect the following:

Assets	
Cash and cash equivalents	\$ 21,557,237
Investments	
Due from member cities and other receivable	14,075,101
Inventory	992,892
Debt Service Funds	
Restricted cash and cash equivalents	10,641,211
Due from cities	61,628,627
Land	5,667,835
Property, plant and equipment, net of accumulated depreciation	316,029,209
Liabilities and Deferred Revenues	
Current liabilities	(16,638,178)
Noncurrent liabilities	(80,716,479)
Deferred Inflows of Resources	
Deferred revenue from refunding	(4,767,806)
Net Position	<u>\$ 328,469,649</u>
Operating Revenues	
User assessments for operations	\$ 16,804,175
Operating Expenses	
Nonoperating Revenue (Expense)	
Net contributions from member cities	262,447
Nonoperating revenues (expenses)	<u>2,003,252</u>
	<u>2,265,699</u>
Net Increase (Decrease) in Net Position	<u>\$ 238,575</u>

CRMWA's debt service consists of approximately \$96 million related to the underground water project. The CRMWA's annual debt services requirements, including interest, range from \$5.5 million to \$16.9 million with final repayment in 2031. Because certain member cities elected to fund their proportionate shares of these costs on a separate basis, and the City's contractual share of the available lake water is 36.57% and 63.43% of well water. The City's share of this debt is approximately \$32 million. The City's contractual water rights and its proportionate shares of CRMWA's various debt obligations are accounted for as assets and liabilities of its Water and Sewer System.

Because the cities that are members of the aqueduct system have the right to elect members of the governing Board, this arrangement has one of the attributes of a joint venture. However, the City has not reported this contract as a joint venture for the following reasons:

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 14 - WATER SUPPLY CONTRACT (CONTINUED)

- CRMWA was created by the State of Texas and is a subdivision thereof, as opposed to having been created by the members of CRMWA.
- The City has no vested rights in the assets of CRMWA, nor responsibility for its liabilities other than its proportionate share of the contractual construction obligations.
- The affairs of CRMWA are accounted for on a "financial flow" measurement focus, which is not consistent with the measurement focus required for the water and sewer enterprise fund.

NOTE 15 - HARRINGTON LIBRARY CONSORTIUM

The City is a member, as well as the fiscal agent, of a library consortium comprised of itself together with the Amarillo Junior College District and Amarillo Independent School District. The Consortium's purpose is to maintain a computer-based, online automated system to enhance the delivery of library information services to the citizens of the Panhandle of Texas. It provides a bibliographic database, an online catalog system, intralibrary and interlibrary circulation systems, and similar services to citizens through their local libraries. The Consortium is governed by a six-member council comprised of the chief administrator of the library services for each member, the chair of two of its committees and a representative of the Harrington User Group.

The original funding for the Consortium was a grant from a local charitable organization, the Harrington Foundation. Continuing operations are financed through user fees from the members and from subscribing libraries in the region. During the year ended September 30, 2022, the Consortium served over 100 libraries. The condensed financial statements of the Consortium at September 30, 2022, and for the year then ended are summarized in the table below.

Balance Sheet

Cash and other assets, net	\$ 566,296
Current liabilities	<u>(31,157)</u>
Net position	<u>\$ 535,139</u>
Revenues	
Operating revenues	\$ 403,018
Nonoperating revenues (expense)	<u>457</u>
Total revenues	403,475
Expenses	
Operating expenses	<u>399,698</u>
Change in net position	<u>\$ 3,777</u>

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT

Self-Insurance and Risk Management

The City's insurance coverage consists of self-insured programs supplemented by certain commercial insurance policies maintained with various carriers. The City's insurance and self-insurance programs are administered by a risk-management committee comprised of selected City management personnel. Each type of potential claim is discussed below.

The City of Amarillo has a blanket all risk property insurance policy with a \$100,000,000 policy limit. The blanket feature allows this limit to be used for one occurrence. Thus, if a property's scheduled value was not sufficient to cover a loss, the entire blanket would be used to cover the loss. The schedule of values and the coverage have been increasing over the last three years as property is added to the schedule, and replacement values have increased with increases in construction costs. Settlements of insurance have not exceeded coverage in the past three years.

Health and Accident: The City self-insures medical benefits for employees, retirees, and their covered dependents. The City purchases stop-loss coverage for specific claims over \$750,000. There is no limit on this coverage.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

Property: Property insurance is maintained with commercial carriers, with a self-insured retention per occurrence of \$250,000 and wind/hail is 5% total value per occurrence. Total blanket coverage for all buildings and contents including terrorism coverage is \$100 million. The property insurance policy also includes \$50 million in flood and earth-quake coverage and has a Terrorism endorsement. The City has received \$-0- from the insurance carrier in the prior years. We received \$6.6 million for a 2017 claim on June 4, 2019.

The City has an endorsement to its property insurance coverage for Fire and Extended Coverage (explosion and damage). Insurance is maintained with commercial carriers to the extent of \$100,000,000 potential liability. The City has incurred no losses with respect to this risk.

Automobile Liability and Physical Damage: The City has elected to fully self-insure these risks. As of November 12, 2021, the City insures large value fire apparatus against physical damage with a \$10k deductible and a \$16,396,456 total limit.

Workers' Compensation: City employees are entitled to statutory workers' compensation benefits. The City has a self-insurance retention of \$1.5 million per occurrence with statutory limits. The Excess Workers' Compensation and Employers' Liability Indemnity Policy was purchased to cover a major accident. Historically, the City has had five claims that exceeded \$1 million self-insurance retention. The City had 1 claim that exceeded \$1.5 million in 2022.

General Liability: The City has elected to self-insure public official, professional, and general liability contingencies to the full extent of its statutory limits. The City carries medical professional insurance on the City Care and Public Health clinics for \$2 million each, \$5 million aggregate with a \$25,000 deductible. Additionally, no insurance is carried for crime or burglary losses or employee dishonesty, except for the minimal bonds required by law.

Law Enforcement Liability: The City has purchased Law Enforcement Liability Insurance with a \$100,000 deductible per occurrence and annual aggregate coverage of \$6 million. The City's largest claim has been a \$5 million Law Enforcement Liability Claim which was settled in FY 2004.

Unemployment Benefits: The City fully self-insures unemployment benefits, reimbursing the Texas Workforce Commission for claims on the basis of quarterly reports. Two internal service funds are used to account for the transactions associated with the various risks.

Employee Insurance Fund: Full-time employees are eligible to enroll in health and additional life insurance coverage for themselves and eligible dependents. A \$10,000 Basic Life Insurance policy is provided at no cost to full-time employees. Additional life insurance is purchased by the employee. Pre-65 retiree medical and dental benefits are available to eligible retirees and their dependents if they are enrolled in these benefit plans at time of retirement. Retirees can purchase a Basic Life Insurance policy of either \$5k or \$10k at time of retirement and if enrolled in the \$10k policy, the Spouse can be enrolled in a \$5k policy. While the City pays for the majority of the health insurance benefit, the employee and retiree do pay a portion of the overall healthcare premium. Health and life insurance plans are managed by third-party vendors for the City of Amarillo.

The City currently has specific stop loss coverage with a \$750,000 annual individual deductible but is self-insured for employee and retiree health coverage.

The Employee Insurance Fund is used to account for the collection of employer and employee contributions, and for payments of claims and insurance premiums. The City covers most of the cost of employee only coverage and contributes to spouse and family coverage. Retirees contribute based on their service with the City and retiree rates are also subsidized by the City. Liabilities are presented at the estimated amounts of incurred losses outstanding, without discounting. Effective January 1, 2016, Aetna Life Insurance Company began providing the plan administration for the medical and dental programs. This change has allowed the City to obtain more favorable discounts with medical providers. Employees have up to one year after services are rendered in which to present their claims for reimbursement. The

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

estimated current liability at September 30, 2022, related to incurred but not reported (IBNR) claims was \$2,025,060. The IBNR estimate was computed by management based on historical patterns and reference to previous actuarial estimates.

The following tabulation reflects changes in the estimated aggregate liabilities for incurred losses of the Employee Insurance Fund:

	<u>2022</u>	<u>2021</u>
Estimated liabilities at beginning of year	\$ 1,947,441	\$ 1,840,128
Claims during year and changes in estimates	25,584,530	29,241,056
Payments during year	<u>(25,506,911)</u>	<u>(29,133,743)</u>
Estimated liabilities at end of year	<u>\$ 2,025,060</u>	<u>\$ 1,947,441</u>

Risk Management Fund

The transactions related to risk areas other than employee health are accounted for in the Risk Management Fund, which is funded through assessments to City departments at rates developed by reference to the actuarial studies of the self-insurance fund together with estimates of the charges by private insurers for similar coverages. Risks considered included general and airport liability, boiler and machinery, police, auto, and excess liability; workers' compensation; unemployment; crime/fidelity/burglary; property insurance deductibles and various other risk groups.

Actuarial studies of the Fund are made at least biennially. The actuary's methodology includes review of the City's historical experience with respect to each type of risk, together with insurance industry patterns and any amendments to the state workers' compensation laws.

An actuarial study of the self-insurance liability was done as of September 30, 2021. Management's estimate of the liability by the City was within recommended funding ranges of that study. Management estimated the liability for incurred losses at September 30, 2022, to be \$19,377,254.

The City is self-insured for most exposures. The most significant risk assigned to third-party carriers is the property insurance coverage in excess of the \$250,000 retention. The City also carries Excess Workers' Compensation and Employers' Liability Indemnity insurance with self-insurance retention of \$1.5 million.

The following tabulation reflects changes in the estimated aggregate liabilities for incurred claims of the Risk Management Fund:

	<u>2022</u>	<u>2021</u>
Estimated liability at beginning of year	\$ 19,046,728	\$ 15,119,815
Claims during year and changes in estimates	3,895,204	6,988,298
Payments during year	<u>(3,564,678)</u>	<u>(3,061,385)</u>
Estimated liability at end of year	<u>\$ 19,377,254</u>	<u>\$ 19,046,728</u>

Litigation

The City has been named as defendant in a number of other lawsuits or complaints arising out of the ordinary course of conducting its operations. While several of these claims ask for the full amount allowed by state statute, it has been the City's experience that such actions, if pursued, result in losses of amounts substantially less than the claimed amounts. These complaints are similar to complaints resolved in prior years, which settlements comprise the City's historical experience that formed the basis for the actuarial determination of the estimated liability for presented and unrepresented claims payable at September 30, 2022.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

Pollution Remediation Obligation

Environmental Liabilities

The Hillside Terrace Estates Subdivision vitrified clay pipe (“VCP”) sewer main experienced collapse/breakage in several areas due to apparent deterioration and defects in the VCP and/or its design and installation.

In July 2018 the City notified the Texas Commission on Environmental Quality (“TCEQ”) of its intent to conduct an environmental health and safety compliance audit on a portion of the wastewater collection system located in Hillside Terrace Estates Subdivision, in accordance with the Texas Environmental, Health and Safety Audit Privilege Act, Texas Health and Safety Code (Chapter 1101) (“Audit Act”). The scope of the audit was to evaluate compliance with all applicable environmental, health, and safety regulations as well as other associated environmental permits, licenses, certificates, submissions, or registrations. The scope of the Audit was to investigate a limited portion of the pipe. Other potential environmental liability may exist with other areas of the pipe, and the City is still investigating to determine the scope and remediation necessary for such areas.

Environmental and engineering consultants retained by the City, in conducting the Audit discovered several violations which were reported to the TCEQ along with recommendations for corrective action. Specifically, at one or more locations the consultants identified subsurface soil/wastewater contamination which had escaped from the collapsed/broken VCP. Pursuant to the consultants’ recommendations, the City intends to undertake corrective action to remediate the contamination at one or more locations. Although the extent of remediation cannot be fully identified pending further investigation and obtaining bids from qualified contractors to accomplish the work, a preliminary estimate of remediation costs is in range of \$11 million. Final remediation costs are subject to vary depending upon a number of factors including conditions encountered by the contractor and further investigations.

As a result of the apparent defects in the manufacture of the VCP and the design and installation of the sewer main, the City filed a lawsuit against several parties to recover its monetary damages. During 2022 the City recovered \$11,725,000 in monetary damages.

Upon completion of the Hollywood Road Wastewater Treatment in the 1960s, the City of Amarillo began to discharge treated effluent into an on-site playa lake. This practice was in full conformance with all environmental regulations, was conducted under a lawfully issued State of Texas environmental discharge permit, and was subject to regular monitoring and reporting standards. Over time, a sub-surface plume of water developed under the playa lake and has since slowly migrated outward. This plume is comprised of water that contains a chloride level that is higher than the native groundwater in the area. The City ceased pumping treated effluent into the playa and the chloride content of the plume, both originally and currently, is below the federal and state limits for potable water.

As the plume migrated outward, it has seeped into some domestic water wells near the facility. Due to this, the City has historically conducted a voluntary monitoring program of the nearby domestic wells and continues to do so at this time. If this monitoring detects chloride content in a well that is higher than the native groundwater, the City then either re-works the existing well, replaces it with a new well constructed to current standards, or provides a reverse osmosis treatment system based on the homeowner's preference.

Management believes that GASB 49 does not apply in this instance since there has been no actual pollution by any legal definition of the term. However, the City intends to continue the practice of monitoring the plume, providing replacement wells and treatment systems and pursuing options for remediation in the future. The City has recorded a liability of \$2.6 million to continue the voluntary monitoring and well replacement program throughout this fiscal year. The estimated amount could change in the future as the City evaluates various alternatives.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

Federal and State Grant Programs

The City participates in numerous federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required.

NOTE 17 - CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued industrial revenue bonds to provide financial assistance in private-sector entities for the acquisition and construction of commercial and health facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayments of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

While the outstanding principal amount could not be determined, the original issues were as follows:

<u>Issues</u>	<u>Number of issues</u>	<u>Original issue amounts</u>
Amarillo Health Facilities Corporation	1	\$ 3,155,000
Amarillo Housing Finance Corporation	1	<u>10,000,000</u>
		<u>\$ 13,155,000</u>

NOTE 18 - TAX ABATEMENTS AND ECONOMIC INCENTIVES

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and hotel tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes, sales tax, and hotel tax, and also include incentive payments and reductions in fees that are not tied to taxes. The City’s economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and 312 (Property Redevelopment and Tax Abatement Act) and 351 (Municipal Hotel Occupancy Taxes) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has three categories of economic development agreements:

- Tax Abatements – Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer’s property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were \$623,017 in fiscal year 2022.
- General Economic Development – The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property, sales, or hotel tax received by the City, may result in fee reductions such as utility charges or building inspection fees, or make lump sum payments to

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 18 - TAX ABATEMENTS AND ECONOMIC INCENTIVES (CONTINUED)

offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. For fiscal year 2022, the City rebated \$753, in hotel taxes and \$21,046 in sales tax.

- Tax Increment Financing – The City has adopted two Tax Increment Financing zones (TIFs) under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are more fully described in Note 22. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. For fiscal year 2022, the City made \$583,885 in payments for TIF obligations, \$200,000 in incentive payments and \$547,426 in property tax rebates from general TIF resources.

NOTE 19 - AMARILLO HOSPITAL DISTRICT

Significant Accounting Policies

Financial Reporting Entity

The financial reporting entity represents a political subdivision of the State of Texas and a component unit of the City. Its fiscal year coincides with that of the City.

On May 7, 1996, the Amarillo Hospital District (District) sold its hospital facilities to a private hospital management company for approximately \$121,000,000 and discontinued assessing ad valorem taxes for hospital purposes. With the exception of continuing the operations of a pediatric-specialty, nonprofit entity until 2000, the functions of the District since the sale of the hospital facilities have consisted primarily of investing the sales proceeds for future hospital purposes and funding indigent care costs. The employee pension plan is held for payment of future benefits as former employees meet applicable retirement requirements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District follows the provision of Governmental Accounting Standards Board Statement No. 34. While it is no longer engaged in hospital operations, it continues to use the accounting principles applicable to enterprise funds.

The District follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investment Pools*, which provides that investments generally are reported at fair value, and changes in fair value are recognized as revenue.

Additionally, the District follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*.

The District has self-insured claims arising from professional malpractice.

Agreements with Respect to Hospital Sale

On May 7, 1996, the District sold its physical plant, patient receivables, and other operating assets to a for-profit, hospital-management company which assumed all of its hospital operations, as well as responsibility for healthcare services to indigent and needy persons within the District. The total sales proceeds were approximately \$121 million.

In return, the District will make indigent care payments to the buyer, payable in quarterly installments, for the next 25 years. The payments were \$8,000,000 per year through May 1999. Thereafter, through May

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Agreements with Respect to Hospital Sale (Continued)

2006, payments varied between \$6,000,000 to \$8,000,000 per year, adjusted for inflation. Subsequent to May 2006, the payments per year will generally be equal to the lesser of the payments per year made in 2005 or 2006. For the year ended September 30, 2022, the District recognized approximately \$7,700,000 in indigent care expenses relating to the agreement.

The District currently collaborates with Northwest Texas Healthcare System to ensure both parties best allocate their resources for the provision of care to the low income and needy residents in their community. As part of this collaboration, Northwest has proposed that the District fund payments to Northwest under the Medicaid program ("Medicaid"). On November 9, 2006, the District temporarily suspended the "Indigent Care Agreement," dated May 7, 1996, for the period from November 9, 2006 through November 8, 2008, and replaced it with an almost identical agreement called the Health Care Services Agreement (HCA). The District remitted approximately \$12,712,000 on November 20, 2006 to fund the Medicaid UPL program. The original agreement has been extended thirty-six times. The District has provided \$76.2 million in funding to the Medicaid program versus \$93.7 million in indigent care payments that would have been due under the contract.

On May 3, 2016, the District received written notice from UHS dated April 28, 2016, pursuant to Section 7(b) of the Indigent Care Agreement (the Agreement) between UHS and the District, UHS elected to exercise its Extension Option (as defined in the Agreement) extending the term of the Agreement until May 7, 2036.

Waiver under Section 1115 of the Social Security Act

The District agreed to participate in a waiver under Section 1115 of the Social Security Act that is designed to build on existing Texas health care reforms and to redesign health care delivery in the state administered through the Amarillo Department of Public Health. The waiver consists of two components: the Uncompensated Care (UC) program and the Delivery System Reform Incentive Payments (DSRIP) program, which is a five-year program. The only requirement in year one was to submit a plan, while subsequent years required process and outcome metrics. The District has made intergovernmental transfers on behalf of this program of \$9.9 million.

Deposits and Investments

The District's funds are required to be invested in accordance with the Public Funds Investment Act. Bank deposits are collateralized by FDIC insurance or by pledged collateral. Governmental accounting standards require the categorization of investments to give an indication of the level of risk assumed. Based on the applicable criteria, a summary of the District's investment securities at September 30, 2022, are as follows:

	Fair Value			Weighted Average Maturity (Years)
	Unrestricted Assets	Restricted Assets	Total	
Investment Securities				(excluding securities lending)
U.S. Treasury obligations	\$ 16,633,264	\$ -	\$ 16,633,264	0.56
U.S. Government and government-sponsored agencies	98,122,381	-	98,122,381	5.56
Municipal bonds	<u>9,948,892</u>	<u>-</u>	<u>9,948,892</u>	<u>0.63</u>
Total investment securities	124,704,537	-	124,704,537	<u>6.75</u>
No-load U.S. Treasury-only mutual funds	<u>2,754,067</u>	<u>1,605,064</u>	<u>4,359,131</u>	
Total investments	127,458,604	1,605,064	129,063,668	6.75
Deduct: Cash equivalents	<u>(2,754,067)</u>	<u>(1,605,064)</u>	<u>(4,359,131)</u>	
Net investments for financial reporting	<u>\$ 124,704,537</u>	<u>\$ -</u>	<u>\$ 124,704,537</u>	<u>6.75</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Tobacco Settlement

During 1998 the State of Texas settled litigation against certain tobacco manufacturers, which entitles political subdivisions with legal responsibility for providing indigent healthcare services to a portion of the settlement proceeds. As a result of the settlement, in 1998 the District received a distribution of approximately \$2.9 million based on a per capita calculation (1990 federal census). Subsequent distributions have been made based on each subdivision's total unreimbursed indigent healthcare expenditures for the calendar year immediately preceding the year of distribution. As the various calculations are not determinable by the District, these revenues are not accrued. In 2022, the District received approximately \$391,000, in tobacco settlement funds.

Employee Retirement Benefits

Substantially all full-time employees of the District were eligible for participation in the Retirement Plan for Employees of Northwest Texas Healthcare System (AHD Plan), a single-employer, noncontributory plan. Upon the sale of the Hospital in 1996, the AHD Plan was "frozen."

The District recorded a net pension asset of \$2,022,501. Significant actuarial assumptions used in the valuations include a rate of return on investments of 6.0%. GASB 68 also requires the District to disclose the sensitivity of the net pension liability to changes in the discount rate by disclosing what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.0%), \$238,961, or one percentage point higher (7.0%), \$(13,974,906). Compensation increases do not apply due to the plan being frozen.

Participants vested 100% upon completion of five years of service and vested participants are entitled to benefits upon retirement or upon termination of employment after 20 years of service. Upon sale of the Hospital, as described above, substantially all employees of the District were offered employment with the buyer or, with respect to certain public health functions, the Health Department of the City, both of which alternatives are considered to be a continuation of employment for purposes of defining retirement or termination.

It is anticipated that the plan's assets will be held intact to fund retirement benefits as determined under this plan when the vested participants separate from service with the successor employers. The District is responsible for the pension plan and intends to make annual contributions at least equal to the actuarially determined contribution requirements to the plan.

Commitments and Contingencies

Although the District sold the Hospital on May 7, 1996, it retained the responsibility for certain claims as of the date of sale. The District self-insures substantially all of the important risks.

In accordance with the limited liability provisions of the Texas Tort Claims Act, the District may be liable for settlement of malpractice claims up to a limit of \$100,000 per person. Claims have been made alleging malpractice arising out of the ordinary course of business, and such litigation is in various stages of progress. The District self-insures for claims arising from professional malpractice.

It is the opinion of management that estimated self-insurance costs, including known claims and reserves for incurred but not reported claims, are adequate to provide for potential claims.

Northwest Texas Healthcare System (Northwest) provides the tobacco prevention services and the pediatric sub-specialty care services in the community. Pediatric sub-specialty care is provided through Texas Tech. Northwest provides tobacco prevention and control services through a contract with the Harrington Cancer and Health Foundation. The District has approved a resolution to make monthly payments on behalf of NWTH to the Medicaid program of \$123,000 through September 30, 2022.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Financial Statements

The District's financial offices were closed upon the sale of the hospital, and its Board selected the City of Amarillo as its fiscal agent. Accordingly, the separately issued financial statements for this entity and for its pension trust may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION

Significant Accounting Policies

Operations

The Amarillo Economic Development Corporation (AEDC) was created by the City in 1990 under provisions of the Development Corporation Act of the State of Texas. Its operations are financed by the proceeds of a 1/2-percent economic-development, sales tax. It is governed by a five-member Board of Directors appointed by the City Council. The City serves as fiscal agent for AEDC, providing such services as accounting, investment, and management information services.

The mission of AEDC is to attract businesses to Amarillo which offer highly skilled, highly paid positions, to expand and retain existing local businesses in Amarillo, and to create a business environment conducive to entrepreneurship. The AEDC targets companies whose primary function is to produce goods or services that are then sold outside of the immediate trade area, thereby introducing new monies into the local economy. This strategy is met by implementing aggressive business recruitment programs, local business retention and expansion programs, and promoting AEDC and Amarillo, Texas, brands worldwide.

Projects involve construction of facilities which involve direct financing leases. Other projects have taken the form of grants or interest waivers on loans to industrial enterprises based on meeting targeted, job-creation levels, as well as grants and contracts supporting research and promotional activities.

Measurement Focus, Basis of Accounting, and Financial Statement Preparation

The AEDC's fiscal year coincides with that of the City. AEDC follows the provisions of Governmental Accounting Standards Board Statement No. 34. Accordingly, it presents government-wide financial statements using accounting principles similar to those used by commercial enterprises.

Investments are valued at fair value. Grants are generally recorded as expenses and liabilities at the time of the awards. Grants subject to significant performance criteria are recorded when the funds are disbursed or the criteria satisfied, whichever is earlier.

The maximum potential job creation credits available against loan interest are recognized as development expense in the period in which the loans are made. Development notes receivable are reported at their stated principal amounts, reduced by the estimated effect of the potential interest waivers as well as by an allowance for uncollectible amounts. Direct financing leases are reported at the lower of the Corporation's investment in the property or the present value of the future minimum lease payments to be received plus the estimated residual value of the leased property. Income from finance leases is credited to income based on a constant periodic rate of return on the net investment in the lease allowance for uncollectible amounts. Direct financing leases are reported at the lower of the Corporation's investment in the property or the present value of the future minimum lease payments to be received plus the estimated residual value of the leased property. Income from finance leases is credited to income based on a constant periodic rate of return on the net investment in the lease.

Property and equipment are recorded at cost, and donated property is recorded at fair value at date of receipt. Property and equipment consists primarily of hangars and related improvements located at the

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Preparation (Continued)

City's airport, as to which the estimated useful lives are 30 years. Depreciation is provided on the straight-line method. Assets restricted by interest and sinking fund indenture agreements are segregated, and are presented as restricted assets.

Deposits and Investments

The AEDC's cash and investments are managed by the City, which accounts for its liquid assets and its receipts and disbursements as one of its agency funds. The AEDC's uninvested cash is held in the City's depository in the City's name as agent for AEDC. All such cash is insured by the Federal Deposit Insurance Corporation and other insurers.

The AEDC's investments are administered by City management under terms of an investment policy and strategy that has been updated to conform to the latest amendments to the Texas Public Funds Investment Act.

A summary of the AEDC's investment securities at September 30, 2022, is as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Investments		
CDARs	\$ 16,250,000	.24
Money market mutual funds	21,564,029	-
U.S. Government and Agency	<u>9,668,925</u>	<u>.85</u>
Total investments at fair value	47,482,954	1.09
Deduct: Classified as cash equivalents for financial reporting	<u>(21,564,029)</u>	<u>-</u>
Net investments	<u>\$ 25,918,925</u>	<u>1.09</u>

Economic Development Loans

As one type of economic development project, the AEDC has made a number of loans to industrial enterprises under arrangements that waive up to 100% of the stated interest on such loans if job creation targets are met. These maximum allowances are recognized as development expenses in the period in which the loans are made. In addition to interest waivers, a provision has been made for uncollectible loans, including amounts related to the individual credits based on managements' analysis, as well as a provision for unidentified risks.

In August 1998, Bell Helicopter, the world's leading producer of helicopters, announced its selection of Amarillo as the site for its new tiltrotor helicopter plant, based partly on incentives offered by AEDC. The original incentive package included manufacturing facilities financed by AEDC sales-tax-backed bonds up to a total amount of \$34 million, as well as industrial revenue bonds up to a total amount of \$8 million, plus cash of up to \$5 million for site acquisition and employee training and relocation. Bell's obligations under the agreements are sufficient to service the construction debt, but if job creation goals are met, the resulting incentive credits could fully discharge Bell's payment obligations.

During 2019, all of the remaining Bell leases were converted to notes receivable. As with the leases, all payments can be waived if job credit requirements are met. As of September 30, 2022, the notes receivable consists of five notes for different projects:

- Phase 2 was for an expansion of the aircraft assembly building at an original cost of \$10,570,000. The original net investment of the note receivable on September 30, 2019 was \$2,548,944. The annual note payment is \$528,500 through 2025 and on September 30, 2022 there is \$1,412,687 payable.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022**

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Economic Development Loans (Continued)

- Phase 3 was an expansion to Bell’s facilities at a cost of \$14,234,368. The original net investment of the note receivable on September 30, 2019 was \$3,896,855. The annual note payment is \$711,718 through 2026 and on September 30, 2022 there is \$2,466,180 payable.
- Phase 4 was an expansion to Bell’s facilities at a cost of \$15,028,921. The original net investment of the note receivable on September 30, 2019 was \$4,114,374. The annual note payment is \$751,446 through 2026 and on September 30, 2022 there is \$2,603,840 payable.
- Phase 6 was an expansion to Bell’s facilities at a cost of \$22,242,454. The original net investment of the note receivable on September 30, 2019 was \$10,568,696. The annual note payment is \$1,366,249 through 2030 and on September 30, 2022 there is \$8,484,126 payable.
- Phase 7 was an expansion to Bell’s facilities at a cost of \$31,749,325. The original net investment of the note receivable on September 30, 2019 was \$15,725,318. The annual note payment is \$1,912,360 through 2031 and on September 30, 2022 there is \$13,007,287 payable.
- AEDC acquired another 48.7 acres of adjacent land for future expansion, at a total cost of \$273,779. In accordance with the terms of the incentive package, this land together with any improvements thereon will be subject to a purchase option at a nominal amount after redemption of any bonds issued for related construction.

The AEDC has other loans receivable in addition to the Bell loans receivable. At September 30, 2022, there were two loans outstanding to other enterprises of \$2,332,133, there were Enterprize program loans of \$670,175 and another note receivable of \$243,056 for the repayment of a prior grant.

In fiscal year 2015, approximately 48 acres of land in AEDC's Centerport complex was deeded to a wind tower manufacturer. The receivable for this project commences on November 15, 2021. The term for this project is seven years, beginning on the date that the receivable commences. The resulting annual note payment of \$274,286 could be fully or partially waived if job creation goals are met. At September 30, 2022, AEDC's balance outstanding was \$1,179,348.

In 2017, AEDC released constructed assets to the wind tower manufacturer. The lease for this portion of the project commences on November 15, 2021 with a term of seven years. The annual note payment of \$471,429 could be fully or partially waived if job creation goals are met. At September 30, 2022, AEDC’s balance outstanding was \$2,027,012.

An analysis of loans and the related valuations allowances at September 30, 2022, are as follows:

Principal balances	\$ 34,425,843
Allowance for uncollectible accounts	<u> -</u>
Loans, net of allowances	<u>\$ 34,425,843</u>

Interest accrued and receivable on loans is \$930,719 at September 30, 2022.

Direct Financing Leases

In fiscal year 2009, a project was completed for a tenant in which, subject to job creation targets, the tenant has the option to acquire the property in 2029, for \$1. The rental term for this project is 20 years beginning on the date the lease commenced. The resulting annual rentals in the amount of \$630,000 could be fully waived if job creation goals are met. At September 30, 2022, AEDC's net investment in this lease, less discount for jobs credits, was \$3,646,596.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Direct Financing Leases (Continued)

Year ending September 30

2023	\$ 630,000
2024	630,000
2025	630,000
2026	630,000
2027	630,000
Future years	<u>1,260,000</u>
	<u>\$ 4,410,000</u>

Capital Assets

As part of its economic development program, the AEDC has constructed a number of improvements on property leased from the City's airport for the purpose of subleasing to qualifying enterprises.

Additionally, it holds equipment needed for administrative purposes. At September 30, 2022, the AEDC's property, plant, and equipment were as follows:

Buildings and improvements	\$ 13,766,808
Equipment	119,759
Construction in progress	7,364
Accumulated depreciation and amortization	<u>(4,685,727)</u>
Total capital assets	<u>\$ 9,208,204</u>

Grants Payable

During 2020, Texas Tech University System (the University) met the requirements for payment of the first stages of a \$69 million commitment, making \$30 million of the commitment payable. As of September 30, 2022, AEDC has paid \$22 million of the commitment and has accrued the additional \$8 million to be paid over two years in installments of \$4,000,000 for 2023 and 2024.

Net Pension Asset

As of October 1, 2019, the AEDC discontinued their money purchase pension plan and began participating in the City's TMRS plan. AEDC has a net pension asset as of September 30, 2022 of \$6,567.

Long-Term Debt

In June 2017, AEDC issued its Taxable Sales Tax Revenue Refunding Bonds, Series 2017, dated June 20, 2017, in the face amount of \$2,010,000. The 2017 issue refunded the 2007 bond issue. The 2017 Series has annual principal amounts ranging from \$1,965,000 to \$2,305,000. Annual debt requirements range from approximately \$2,377,000 to \$2,382,000 through August 15, 2027. Interest rates on the outstanding bonds range from 2.453% to 3.183%. Scheduled principal payments are as follows: 2023, \$2,060,000; 2024, \$2,115,000; 2025, \$2,170,000; 2026, \$2,240,000 and 2027, \$2,305,000. The principal outstanding at September 30, 2022 was \$10,890,000.

At the time of refunding there was \$23,345,000 of outstanding Taxable Sales Tax Revenue Refunding and Improvement Bonds, Series 2007. The refunding was undertaken to reduce total debt service payments over the next ten years by approximately \$4,141,000 and resulted in an economic benefit of approximately \$3,557,000. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from AEDC's financial statements.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Long-Term Debt (Continued)

In June 2019, AEDC issued its Taxable Sales Tax Revenue Refunding Bonds, Series 2019, dated June 18, 2019, in the face amount of \$27,680,000. The 2019 issue refunded the 2009 bond issue. The 2019 Series has annual principal amounts ranging from \$2,290,000 to \$2,865,000. Annual debt requirements range from approximately \$2,956,000 to \$2,961,000 through August 15, 2030. Interest rates on the outstanding bonds range from 2.57% to 3.24%. Scheduled principal payments are as follows: 2023, \$2,350,000; 2024, \$2,410,000; 2025, \$2,470,000; 2026, \$2,540,000; 2027, \$2,615,000; and thereafter \$8,340,000. The principal outstanding at September 30, 2022 was \$20,725,000.

At the time of the refunding there was \$28,130,000 of outstanding Taxable Sales Tax Revenue Bonds, Series 2009. The refunding was undertaken to reduce total debt service payments over the next 12 years by approximately \$6,004,000 and resulted in an economic benefit of approximately \$5,114,000. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from AEDC's financial statements.

AEDC's bonds are rated "AA-" by Standard & Poor's Ratings Services.

Commitments

At September 30, 2022, AEDC had outstanding commitments to make grants or extend credit to qualifying enterprises, in the amount of approximately \$171 million.

AEDC has committed approximately \$39 million to a university. An additional \$6 million has been committed to Bell Helicopter for a delivery center. Additionally, they have committed to a local pharmaceutical group \$13 million to assist with job retention and creation. AEDC has paid approximately \$3.73 million, leaving a commitment of \$9.27 million. Another \$3.0 million has been committed to the expansion of the THRIVE scholarship program at a local college. The current commitment is approximately \$2.2 million. In 2019, additional commitments to businesses of approximately \$1.5 million were made. \$420,000 has been paid on these commitments. In 2020, commitments of approximately \$3.8 million have been made to local businesses. A business withdrew from an agreement with a \$1.3 million commitment and \$760,000 has been paid on another commitment; leaving a commitment balance related to 2020 of approximately \$1.74 million. Additionally, \$1.2 million was committed to the City for infrastructure development. In 2021, commitments of approximately \$12.8 million have been made with payments of \$300,000. In 2022, commitments of approximately \$99.3 million have been made with payment of approximately \$4.0 million. Other various commitments to local entities outstanding are approximately \$2.1 million.

Net OPEB Liability

For the fiscal year ended September 30, 2022, AEDC's net OPEB liability is \$64,389. Considering the annual expense less pay-as-you-go cost for retirees and trust contributions the result was a decrease in the net OPEB liability of \$64,389 for the year ended September 30, 2022.

Financial Statements

Separately issued financial statements for this entity may be obtained by contacting the AEDC at its offices, which are located at 600 S. Tyler Street, Suite 1600, Amarillo, Texas 79101.

NOTE 21 - AMARILLO-POTTER EVENTS VENUE DISTRICT

Significant Accounting Policies

The Venue District is a governmental entity created by enabling resolutions of the City and Potter County (the County) in September 1997. In January 1998, the voters of the City and the County approved the proposed project, which consists of constructing a livestock arena at the county fair grounds to be used for livestock shows, sporting events, agricultural expositions and other civic or charitable events, together with expansion of the City's Civic Center to provide additional exhibit hall space and meeting rooms.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 21 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)

The construction of the livestock arena has been financed by citizen contributions, together with bonds serviced by a 2% hotel occupancy tax and a 5% tax on short-term auto rentals, both of which taxes were approved by the voters on January 17, 1998. The City has agreed to pay lease rentals, if necessary, to cover any shortfall in the tax revenues available for the debt service.

The Venue District is governed by a seven-member Board of Directors, four of whom are appointed by the Mayor of the City and three of whom are appointed by the County Judge of the County. The budget is subject to approval by both the City Council and the County Commissioner's Court. The City serves as fiscal agent for the Venue District, performing various administrative services under a contract providing that it will be reimbursed for its cost of providing the services.

The Venue District is considered to be a component unit of the City's financial reporting entity because of its oversight responsibility with respect to management, as well as its financial accountability with respect to debt service.

Measurement Focus, Basis of Accounting, and Financial Statement Preparation

The Venue District's fiscal year coincides with that of the City. It follows the provisions of Governmental Accounting Standards Board Statement No. 34. Accordingly, it presents government-wide financial statements using accounting principles similar to those used by commercial enterprises.

Taxes collected by hotels and rental agencies are due to the Venue District by the tenth of the month following collection. Such taxes are recognized as revenues when collected by the remitters.

Depreciation is provided for on the straight-line method over the estimated useful lives of the facilities. The primary depreciable asset of the Venue District at September 30, 2022, was a livestock arena, and its estimated useful life is 40 years.

Physical Facilities

A livestock arena and special events center (the Center) has been constructed on fairground property owned by the County and has a total capacity of 10,000 persons. The total construction cost of the facility was approximately \$12.8 million. When completed as of June 1, 2000, the Center was leased on a rent-free basis to the local nonprofit fair association.

In January 2002 construction began on a 65,000 square foot addition to the City's Civic Center, together with additional paved parking. The total construction cost of this facility was \$9.6 million. Cost in excess of the funds provided by the Venue District's bonds and available revenues are to be paid by the City with proceeds of its hotel-motel taxes earmarked for this expansion.

Financing

In December 1998, the Venue District issued sales tax and lease revenue bonds in the face amount of \$10 million, secured by a pledge of the Venue District's tax revenues, as well as by a lease agreement from the City secured by its hotel occupancy taxes, to be applicable if there is a shortfall in the Venue District's revenues available for debt service. In November 2000, the Venue District issued additional bonds in the face amount of \$6,750,000. On November 10, 2005, the Venue District issued \$6,425,000 in Special Tax and Lease Revenue Refunding Bonds (Series 2005) for a refunding of \$6,340,000 of outstanding Special Tax and Lease Revenue Bonds, Series 2000. On September 20, 2016, the Venue District issued \$5,085,000 in Special Tax and Lease Revenue Refunding Bonds for a refunding of \$5,105,000 of the Series 2005 outstanding bonds. The refunding was undertaken to reduce debt service payments by approximately \$327,000 over the next 30 years. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Venue District's financial statements. The principal amount outstanding at September 30, 2022, on the 2016 bond issue was \$4,360,000 and the unamortized bond premium was \$221,386.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 21 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)

In May 2021, the Venue District issued \$3,945,000 in Special Tax and Lease Revenue Refunding Bonds for a refunding of outstanding Special Tax and Lease Revenue Refunding Bonds, Series 2009. The refunding was undertaken to reduce total debt service payments over the next 31 years by approximately \$317,000 and resulted in an economic gain of approximately \$357,000. The debt has been considered defeased and, therefore, removed as a liability from the Venue District's financial statements for reporting purposes. The principal amount outstanding at September 30, 2022 bond issue was \$3,525,000 and the unamortized bond premium was \$240,171.

Commitments

The District added an addendum to its agreement with Amarillo Tri-State Exposition, which provides that a monthly sum will be paid in consideration of management and operation of the Events Center. The monthly sum paid is subject to annual appropriation. On August 16, 2021, the District's Board approved an annual appropriation in the amount of \$560,000 for the year ending September 30, 2022, to Amarillo Tri-State Exposition. Additionally, the District's Board approved \$616,037 for the Amarillo Tri-State participation and \$250,000 for event development in its normal budgetary process.

The District has made a similar commitment to the City. In the lease addendum with the City, the District agreed to a monthly sum in consideration of management and operation of the District's addition to the Civic Center. The payment to the City is also subject to annual appropriation. On August 16, 2021, the District's Board approved an appropriation in the amount of \$398,004 through the year ending September 30, 2022, to the City in its normal budgetary process. Additionally, the District's Board approved \$2,075,000 for Civic Center improvements in its normal budgetary process.

Financial Statements

Separately issued financial statements for this entity may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

NOTE 22 - AMARILLO HOUSING FINANCE CORPORATION

In 1996 AHFC issued bonds in the amount of \$15,700,000 under authority of the Texas Housing Finance Corporation Act, and entered into a trustee investment arrangement in which the proceeds are to be invested in GNMA and FHLMC certificates secured by the mortgage loans originated under a lending program prescribed by the Act. On February 1, 1999 the AHFC refunded \$5,500,000 and called \$3,260,000 of this issue. The remaining bonds are payable solely from the Trust Estate, and are not general obligations of either the AHFC or the City. A similar issuance was made in a prior year in the amount of \$8,700,000.

On February 28, 2000 the AHFC issued \$15,000,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trustee investment arrangement in which proceeds are invested in GNMA and FNMA certificates. In 2003 the AHFC issued \$10,000,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trustee investment arrangement in which proceeds are invested in GNMA and FNMA certificates.

In December 2007, the Housing Finance Corporation converted its \$5.6 million mortgage bond allocation to \$4 million in Mortgage Credit Certificates (MCC). MCCs allow first-time homebuyers to take a tax credit of up to \$2,000 a year on their income tax return for a portion of the mortgage interest paid during the year and the taxpayer is still allowed to deduct the balance of the mortgage interest as an itemized deduction. Also, MCCs work in any interest-rate environment. The program ended in December 2009. In total, the City utilized \$2,730,817 of the \$4 million in MCCs available.

Financial Statements

This organization does not publish separate financial statements, but its non-trusted cash balance, used for miscellaneous operating expenses. Further information regarding this entity may be obtained from the Director of Finance, City of Amarillo.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 23 - TAX INCREMENT REINVESTMENT ZONE #1

The Tax Increment Reinvestment Zone Number One (TIRZ #1) was created in FY 2007 pursuant to the Texas Tax Increment Financing Act, Tax Code, Chapter 311. The purpose of the zone is to promote the development of or redevelopment of certain contiguous geographic areas in the City.

TIRZ #1 enters into economic development agreements designed to promote development and redevelopment within TIRZ #1, spur economic improvement, stimulate commercial activity, generate additional sales tax and hotel tax and enhance the property tax base and economic vitality of TIRZ #1. These programs abate or rebate property taxes, sales tax, and hotel tax, and also include incentive payments and reductions in fees that are not tied to taxes. TIRZ #1's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to TIRZ #1. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

TIRZ #1 has one category of economic development agreements:

- Tax Increment Financing – TIRZ #1 has adopted two Tax Increment Financing zones (TIFs) under Chapter 311 of the Texas Tax Code. TIRZ #1 enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. TIRZ #1 enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. For 2022, TIRZ #1 made \$547,426 in property tax rebates from general TIF resources.

At September 30, 2022, TIRZ #1 has the following commitments outstanding:

During 2022, the TIRZ #1 board approved no new community projects, had one project withdrawn for \$50,000, and approved an increase in commitment of \$125,000 for one community project. At September 30, 2022, a commitment of \$850,100 remains for community projects.

During 2022, the TIRZ #1 board approved one new Center City Main Street projects. At September 30, 2022, a commitment of \$50,000 remains for Center City Main Street Projects.

The TIRZ #1 Board approved approximately \$2.7 million for the streetscape improvements for the Amarillo Convention Hotel, parking structure, and multi-purpose event venue. On January 14, 2016, the TIRZ #1 Board voted to increase the participation in the downtown projects from \$2.7 million to \$4.387 million. The increase of \$1.687 million is in the form of a loan to the Amarillo Local Government Corporation (LGC) with the original commitment of \$2.7 million remaining as a grant. On the same date, the Board agreed to fund the retail portion of the parking garage construction and a portion of the streetscape and amended the TIRZ #1 Project and Financing Plan accordingly. As of September 30, 2022, TIRZ #1 has advanced \$1,687,000 to LGC and \$350,093 of accrued interest has been added to the outstanding principal balance, for a total outstanding balance of \$2,037,093. During FY 2017, the City loaned TIRZ #1 \$1,500,000 to assist TIRZ #1 with its obligation to fund \$3.45 million for the retail space associated with the parking garage project and approximately \$930,000 of streetscape improvements. As of September 30, 2022, the outstanding balance on this loan is \$1,182,245.

Financial Statements

Separately issued financial statements may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 24 - AMARILLO LOCAL GOVERNMENT CORPORATION

In March 2011, the Corporation was organized as a public nonprofit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the development of the geographic area of the City, including the vicinity of the downtown area, in furtherance of the promotions, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism and economic development in the City. The Corporation was created under the provisions of Subchapter D of Chapter 431, Texas Transportation Code and the Texas Nonprofit Corporation Law, Chapter 22, Business Organizations Code.

LGC is governed by a seven-member Board of Directors appointed by the City Council. LGC's annual operating budget, as well as projects undertaken by it, is subject to approval by the City Council.

The City leased land to the LGC to build a convention hotel and parking garage. The term of the ground lease is for eighty (80) years. The LGC entered into a lease and development agreement with Supreme Bright Amarillo II, LLC to construct a full-service convention center hotel with 225 rooms and approximately 17,000 square feet of configurable meeting space. Construction of the hotel by the developer was substantially completed and commencement of operations occurred on September 8, 2017.

Pursuant to the lease and development agreement, LGC owns the hotel during the lease term and leases the hotel to the developer for eighty (80) years. Upon expiration or termination of the lease, ownership of the hotel transfers from LGC to the City. At September 30, 2017, LGC recorded \$40,700,000 in contributed capital and capital assets for the hotel. During the lease term, the developer will receive all revenue from the hotel and will be responsible for all operating and maintenance costs. The agreement includes a performance assurance clause of up to \$2 million, to be funded, if necessary, to assure a minimum performance of the hotel for a limited time surrounding the opening of it. As of September 30, 2022, the City has not had to fund any amount of the \$2 million performance assurance clause. The LGC, the City, and TIRZ #1 have agreed not to incentivize another comparable hotel in the downtown area for five years.

July 1, 2017, LGC completed construction of a 750-space parking garage adjacent to the hotel. The cost of the parking garage was \$16,947,568. LGC owns the parking garage and will operate the parking facility and retain all parking fee revenue. At the end of the eighty year ground lease, ownership of the parking garage will transfer from LGC to the City. The hotel developer will have 150 reserved spaces in the garage and has agreed to pay \$120,000 a year in parking rent and an annual base rent of \$1,000, adjusted annually by CPI. LGC will operate the retail portion of the parking garage and will retain the revenue therefrom.

Financial Statements

Separately issued financial statements may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

NOTE 25 - TAX INCREMENT REINVESTMENT ZONE #2

The Tax Increment Reinvestment Zone Number Two (TIRZ #2) was created November 8, 2016, through an Ordinance of the City of Amarillo in accordance with the Tax Incentive Financing Act, codified at Chapter 311 of the Texas Tax Code. TIRZ #2 will terminate no later than November 8, 2046. The purpose of the zone is to promote the development of or redevelopment of certain contiguous geographic areas in the City. On November 17, 2020, through an Ordinance of the City of Amarillo, the contiguous geographic areas were expanded.

Financial Statements

Separately issued financial statements may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 26 - AMARILLO CONVENTION AND VISITORS BUREAU

On October 1, 2020, the Amarillo Convention and Visitors Bureau (the Bureau) was organized as a nonprofit corporation for the purpose of soliciting, acquiring, and staging of conventions, the promotion of tourism and the hotel industry and the attraction and entertaining of visitors to and for the City of Amarillo, Texas and the surrounding area thereby promoting the economic development and social welfare of the City. The Bureau was created under the provisions of Texas Nonprofit Corporation Law, Chapter 22, Business Organizations Code.

The Bureau is governed by a nine-member Board of Directors appointed by the City Council. The Bureau's annual operating budget is subject to approval by the City Council.

Financial Statements

Separately issued financial statements may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

NOTE 27 - NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several new pronouncements that the City has reviewed for application to their accounting and reporting.

GASB Statement No. 87, *Leases*, the objective of this statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The City implemented this statement during the current year.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required not disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 27 - NEW GASB PRONOUNCEMENTS (CONTINUED)

hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement achieves that objective by (1) establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions (2) requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 27 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are financially administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The City has implemented these two requirements in FY 20. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted. The City implemented this statement during the current year.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The City implemented this statement upon issuance.

GASB Statement No. 99, *OMNIBUS 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows: (1) Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument (2) Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives (3) Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset (4) Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. (5) Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt. (6) Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP) (7) Disclosures related to nonmonetary transactions. (8) Pledges of future revenues when resources are not received by the pledging government. (9) Clarification of provisions in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments*, as amended, related to the focus of the government-wide financial statements (10) Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (11) Terminology used in Statement No. 53 to refer to resource flows statements. The requirements of this Statement that are effective as follows: (1) The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. (2) The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (3) The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2022

NOTE 27 - NEW GASB PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*. The primary 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 requirements of the Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

NOTE 28 - SUBSEQUENT EVENTS

The City evaluated for inclusion as a subsequent event disclosure those events that occurred prior to February 21, 2023, the date the financial statements were issued. There were no events that require disclosure except as noted below.

With the anticipated spread of COVID-19 coronavirus, various economic uncertainties exist which are likely to negatively impact the City. Other financial impact could occur through such potential impact is unknown at this time.

On January 3, 2023, the City issued \$10,550,000 of the City of Amarillo, Texas Combination Tax and Revenue Certificates of Obligation, Series 2023, for the purpose of acquiring, constructing, improving and installing improvements to and for landfill facilities; acquiring, constructing, improving and installing lighting for park and recreational facilities and professional services rendered in connection therewith the certificates.

On January 10, 2023, the City issued \$42,920,000 of the City of Amarillo, Texas Waterworks and Sewer System Revenue Bonds, New Series 2023 for the purpose of improvement and extension of the City's W&S System and to pay issuance cost on the Bonds.

On January 10, 2023, the City issued \$4,675,000 of the City of Amarillo, Texas Drainage Utility System Revenue Bonds, Series 2023 for the purpose of acquiring, improving, and constructing municipal drainage facilities, including the purchase of land, right-of-way and equipment and to pay cost associated with issuance of Bonds.

This information is an integral part of the accompanying basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Certain information that is not a part of the basic financial statements but, nevertheless, is considered to be an important part of a governmental entity's financial report, must be presented immediately after the notes to the basic financial statements. This information includes the following:

Budgetary comparison schedules for the General Fund and each major special revenue fund that has a legally adopted annual budget: Under these criteria, the budgetary comparison schedule of the General Fund is presented in this section.

Pension trend data: The City's Net Pension Liability and Required Contributions for the Texas Municipal Retirement System, as well as the Firemen's Relief and Retirement Fund for City of Amarillo firefighters, is included in this section.

Postemployment trend data: The City's Net OPEB Liability and Required Contributions, is included in this section.

CITY OF AMARILLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
REVENUES						
Ad valorem taxes	\$ 54,420,182	\$ 54,396,134	\$ 54,337,443	\$ -	\$ 54,337,443	\$ (58,691)
Sales taxes	60,952,700	60,952,700	74,467,785	-	74,467,785	13,515,085
Mixed beverage taxes	900,000	900,000	1,124,346	-	1,124,346	224,346
Hotel occupancy taxes	6,986,021	6,986,021	8,832,427	-	8,832,427	1,846,406
Gross receipts bus. taxes	18,780,831	18,780,831	21,047,981	-	21,047,981	2,267,150
Licenses and permits	4,522,084	4,522,084	4,902,238	-	4,902,238	380,154
Interfund reimbursement	1,518,776	1,518,776	1,064,426	-	1,064,426	(454,350)
Intergovernmental revenue	5,909,602	5,909,602	5,263,033	-	5,263,033	(646,569)
Contributions from citizens	40,000	40,000	68,909	-	68,909	28,909
Charges for services	42,544,200	42,521,900	41,256,670	-	41,256,670	(1,265,230)
Fines and forfeitures	3,377,386	3,377,386	3,271,818	-	3,271,818	(105,568)
Investment earnings	290,000	290,000	(846,012)	-	(846,012)	(1,136,012)
Other rentals and commissions	830,373	830,373	902,947	-	902,947	72,574
Miscellaneous revenues	185,637	223,234	296,601	-	296,601	73,367
Total revenues	201,257,792	201,249,041	215,990,612	-	215,990,612	14,741,571
EXPENDITURES						
Auditorium/coliseum	4,211,166	4,211,164	3,722,605	12,426	3,735,031	476,133
Tourism	2,024,072	1,994,072	2,695,994	29,850	2,725,844	(731,772)
Fire protection	36,626,783	36,616,785	37,528,924	(353,614)	37,175,310	(558,525)
General government	5,746,085	5,673,485	5,243,246	(8,003)	5,235,243	438,242
Libraries	4,223,113	4,223,115	4,089,094	-	4,089,094	134,021
Public safety and health	14,848,759	14,923,298	13,152,056	(19,116)	13,132,940	1,790,358
Parks	7,445,669	7,906,293	7,901,008	(4,520)	7,896,488	9,805
Participant recreation	7,444,255	7,431,453	6,788,732	12,522	6,801,254	630,199
Police protection	51,297,843	51,249,383	51,993,055	107,218	52,100,273	(850,890)
Solid waste	19,010,257	19,009,030	17,462,121	(225,963)	17,236,158	1,772,872
Staff services	13,312,079	12,398,596	12,355,042	(44,952)	12,310,090	88,506
Information technology	4,891,649	4,891,648	4,891,648	-	4,891,648	-
Streets traffic and engineering	17,309,632	17,084,637	15,664,510	60,578	15,725,088	1,359,549
Transit	5,883,004	5,883,007	4,811,440	(20,252)	4,791,188	1,091,819
Total expenditures	194,274,366	193,495,966	188,299,475	(453,826)	187,845,649	5,650,317
Excess (deficiency) of revenues over (under) expenditures	6,983,426	7,753,075	27,691,137	453,826	28,144,963	20,391,888
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	22,240	540,348	26,305,660	-	26,305,660	25,765,312
Transfers to other funds	(16,535,494)	(39,575,818)	(44,795,539)	-	(44,795,539)	(5,219,721)
Total other financing sources (uses)	(16,513,254)	(39,035,470)	(18,489,879)	-	(18,489,879)	20,545,591
Net change in fund balances	(9,529,828)	(31,282,395)	9,201,258	453,826	9,655,084	40,937,479
FUND BALANCE, BEGINNING OF YEAR	69,070,481	69,070,481	69,471,221	(400,740)	69,070,481	-
FUND BALANCE, END OF YEAR	\$ 59,540,653	\$ 37,788,086	\$ 78,672,479	\$ 53,086	\$ 78,725,565	\$ 40,937,479

Note 1 - The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP), unrealized investment gain (loss) is recognized for GAAP basis only and interfund loan transactions treated as transfers for budget basis.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	<u>2021⁽¹⁾</u>	<u>2020⁽¹⁾</u>	<u>2019⁽¹⁾</u>	<u>2018⁽¹⁾</u>	<u>2017⁽¹⁾</u>	<u>2016⁽¹⁾</u>	<u>2015⁽¹⁾</u>	<u>2014⁽¹⁾</u>
Total Pension Liability								
Service cost	\$ 13,123,514	\$ 12,290,490	\$ 12,476,747	\$ 12,336,149	\$ 12,122,087	\$ 11,329,118	\$ 10,715,246	\$ 9,500,808
Interest (on the total pension liability)	33,967,236	31,845,252	32,015,252	31,164,809	30,060,764	29,137,163	28,509,723	27,566,183
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(4,150,451)	(4,525,660)	(2,973,382)	(2,072,564)	783,263	(1,733,915)	2,896,352	(425,198)
Change of assumptions	-	-	1,860,274	-	-	-	7,637,919	-
Benefit payments, including refunds of employee contributions	(30,287,666)	(28,693,720)	(29,654,024)	(28,145,055)	(25,288,785)	(25,602,958)	(25,769,544)	(21,770,206)
Net change in Total Pension Liability	<u>12,652,633</u>	<u>10,916,362</u>	<u>13,724,867</u>	<u>13,283,339</u>	<u>17,677,329</u>	<u>13,129,408</u>	<u>23,989,696</u>	<u>14,871,587</u>
Total Pension Liability - Beginning	<u>507,529,903</u>	<u>496,613,541</u>	<u>482,888,674</u>	<u>469,605,335</u>	<u>451,928,006</u>	<u>438,798,598</u>	<u>414,808,902</u>	<u>399,937,315</u>
Total Pension Liability - Ending (a)	<u>\$ 520,182,536</u>	<u>\$ 507,529,903</u>	<u>\$ 496,613,541</u>	<u>\$ 482,888,674</u>	<u>\$ 469,605,335</u>	<u>\$ 451,928,006</u>	<u>\$ 438,798,598</u>	<u>\$ 414,808,902</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 11,073,188	\$ 10,740,303	\$ 10,762,444	\$ 10,870,728	\$ 9,999,142	\$ 8,727,306	\$ 8,989,606	\$ 8,771,979
Contributions - employee	6,291,377	6,157,628	6,185,896	6,126,621	5,977,591	5,573,830	5,589,314	5,307,168
Net investment income	62,257,538	33,134,163	62,355,975	(12,811,240)	53,245,620	25,057,057	563,574	21,096,607
Benefit payments, including refunds of employee contributions	(30,287,666)	(28,693,720)	(29,654,024)	(28,145,055)	(25,288,785)	(25,602,958)	(25,769,544)	(21,770,206)
Administrative expense	(288,556)	(214,903)	(352,814)	(247,841)	(276,145)	(283,170)	(343,321)	(220,283)
Other	1,976	(8,386)	(10,599)	(12,949)	(13,995)	(15,257)	(16,957)	(18,110)
Net Change in Plan Fiduciary Net Position	<u>49,047,857</u>	<u>21,115,085</u>	<u>49,286,878</u>	<u>(24,219,736)</u>	<u>43,643,428</u>	<u>13,456,808</u>	<u>(10,987,328)</u>	<u>13,167,155</u>
Plan Fiduciary Net Position - Beginning	<u>474,286,690</u>	<u>453,171,605</u>	<u>403,884,727</u>	<u>428,104,463</u>	<u>384,461,035</u>	<u>371,004,227</u>	<u>381,991,555</u>	<u>368,824,400</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 523,334,547</u>	<u>\$ 474,286,690</u>	<u>\$ 453,171,605</u>	<u>\$ 403,884,727</u>	<u>\$ 428,104,463</u>	<u>\$ 384,461,035</u>	<u>\$ 371,004,227</u>	<u>\$ 381,991,555</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (3,152,011)</u>	<u>\$ 33,243,213</u>	<u>\$ 43,441,936</u>	<u>\$ 79,003,947</u>	<u>\$ 41,500,872</u>	<u>\$ 67,466,971</u>	<u>\$ 67,794,371</u>	<u>\$ 32,817,347</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	100.61%	93.45%	91.25%	83.64%	91.16%	85.07%	84.55%	92.09%
Covered Payroll	\$ 90,805,468	\$ 88,760,687	\$ 88,362,233	\$ 87,181,265	\$ 85,306,707	\$ 79,614,328	\$ 79,785,899	\$ 75,816,680
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-3.47%	37.45%	49.16%	90.62%	48.65%	84.74%	84.97%	43.29%

⁽¹⁾ Amounts are based on the Texas Municipal Retirement System Plan year end December 31
Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 11,692,682	\$ 11,064,970	\$ 10,802,270	\$ 10,835,851	\$ 10,572,971	\$ 8,973,486	\$ 8,571,738	\$ 8,723,824
Contributions in relation to the actuarially determined contribution	<u>11,692,682</u>	<u>11,064,970</u>	<u>10,802,270</u>	<u>10,835,851</u>	<u>10,572,971</u>	<u>8,888,138</u>	<u>8,545,939</u>	<u>8,723,824</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,348</u>	<u>\$ 25,799</u>	<u>\$ -</u>
Covered payroll	<u>\$ 97,696,549</u>	<u>\$ 90,047,982</u>	<u>\$ 88,362,233</u>	<u>\$ 88,422,191</u>	<u>\$ 86,398,268</u>	<u>\$ 84,792,191</u>	<u>\$ 77,629,583</u>	<u>\$ 76,977,081</u>
Contributions as a percentage of covered payroll	11.97%	12.29%	12.22%	12.25%	12.24%	10.48%	11.01%	11.33%

Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022**

NOTE 1 - VALUATION DATE

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

The following methods and assumptions are used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10 year smoothed fair value; 12% soft corridor
Inflation	2.5%
Individual salary increases	3.50% to 11.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experienced study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables based on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables with Public Safety table used for males and the General Employee Tables used for females. The rates are projected on a fully generational basis with scale UMP.

NOTE 3 - OTHER INFORMATION

There were no benefit changes during the year.

**CITY OF AMARILLO, TEXAS
FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2022**

	2021 ⁽¹⁾	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾
Total Pension Liability								
Service cost	\$ 5,200,689	\$ 5,049,213	\$ 5,556,209	\$ 5,368,316	\$ 4,945,627	\$ 4,755,411	\$ 3,983,821	\$ 3,830,597
Interest (on the total pension liability)	16,683,554	16,090,189	15,778,264	15,169,042	15,134,536	14,501,797	13,596,993	13,071,902
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(106,840)	-	(6,269,191)	-	(3,093,038)	-	4,740,472	-
Change of assumptions	(309,621)	-	2,646,016	-	7,650,803	-	4,770,803	-
Benefit payments, including refunds of employee contributions	(13,506,425)	(13,252,330)	(12,838,260)	(12,366,342)	(11,610,516)	(11,465,839)	(11,340,691)	(10,131,932)
Net change in Total Pension Liability	7,961,357	7,887,072	4,873,038	8,171,016	13,027,412	7,791,369	15,751,398	6,770,567
Total Pension Liability - Beginning	223,999,876	216,112,804	211,239,766	203,068,750	190,041,338	182,249,969	166,498,571	159,728,004
Total Pension Liability - Ending (a)	\$ 231,961,233	\$ 223,999,876	\$ 216,112,804	\$ 211,239,766	\$ 203,068,750	\$ 190,041,338	\$ 182,249,969	\$ 166,498,571
Plan Fiduciary Net Position								
Contributions - employer	\$ 4,484,279	\$ 4,140,635	\$ 3,933,863	\$ 3,969,255	\$ 3,879,330	\$ 3,635,605	\$ 3,559,287	\$ 3,311,865
Contributions - employee	2,975,216	2,715,854	2,613,196	2,636,704	2,576,969	2,509,970	2,456,814	2,286,471
Net investment income	43,062,077	38,234,115	37,111,511	(3,233,190)	24,077,154	13,708,943	12,177,834	6,499,411
Gain (loss) due to difference in projected vs. actual earnings	-	-	-	-	-	-	(12,274,477)	-
Benefit payments, including refunds of employee contributions	(13,506,425)	(13,252,330)	(12,838,260)	(12,366,342)	(11,610,516)	(11,465,839)	(11,340,691)	(10,131,932)
Administrative expense	(69,299)	(97,473)	(67,113)	(86,128)	(76,383)	(80,849)	(436,742)	(90,633)
Other	44	2,516	19,957	705	2,147	30,991	50,173	5,165
Net Change in Plan Fiduciary Net Position	36,945,892	31,743,317	30,773,154	(9,078,996)	18,848,701	8,338,821	(5,807,802)	1,880,347
Plan Fiduciary Net Position - Beginning	225,282,878	193,539,561	162,766,407	171,845,403	152,996,702	144,657,881	150,465,683	148,585,336
Plan Fiduciary Net Position - Ending (b)	\$ 262,228,770	\$ 225,282,878	\$ 193,539,561	\$ 162,766,407	\$ 171,845,403	\$ 152,996,702	\$ 144,657,881	\$ 150,465,683
City's Net Pension Liability (Asset) - Ending (a) - (b)	\$ (30,267,537)	\$ (1,283,002)	\$ 22,573,243	\$ 48,473,359	\$ 31,223,347	\$ 37,044,636	\$ 37,592,088	\$ 16,032,888
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	113.05%	100.57%	89.55%	77.05%	84.62%	80.51%	79.37%	90.37%
Covered Payroll	\$ 22,038,637	\$ 20,891,185	\$ 20,101,508	\$ 20,282,338	\$ 19,822,841	\$ 19,307,515	\$ 18,902,215	\$ 17,588,238
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-137.34%	-6.14%	112.30%	238.99%	157.51%	191.87%	198.88%	91.16%

⁽¹⁾ Amounts are based on the Firemen's Relief and Retirement Plan year end December 31
Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2022**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 4,371,139	\$ 4,146,702	\$ 3,980,186	\$ 3,913,039	\$ 3,827,547	\$ 3,576,216	\$ 3,432,058
Contributions in relation to the actuarially determined contribution	<u>4,371,139</u>	<u>4,146,702</u>	<u>3,980,186</u>	<u>3,913,039</u>	<u>3,827,547</u>	<u>3,576,216</u>	<u>3,432,058</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 20,891,185</u>	<u>\$ 20,798,929</u>	<u>\$ 20,311,090</u>	<u>\$ 20,057,182</u>	<u>\$ 19,892,208</u>	<u>\$ 18,890,426</u>	<u>\$ 18,288,556</u>
Contributions as a percentage of covered payroll	20.92%	19.94%	19.60%	19.51%	19.24%	18.91%	18.77%

Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
 FIREMEN'S RELIEF AND RETIREMENT FUND
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2022**

NOTE 1 - ACTUARIAL METHODS AND ASSUMPTIONS

The information presented in the required supplementary schedules was determined as part of the biennial actuarial valuations. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/21
Actuarial cost method	Individual entry age normal actuarial cost method
Amortization method	Level percent projected payroll
Remaining amortization	6 years
Asset calculation method	Smoothed fair value method

Actuarial assumptions:

Inflation	2.75%
Projected salary increases	3.00%, plus promotion step and longevity increases that vary by service
Contribution rate:	
City of Amarillo	20.32% in 2021 20.82% in 2022 and thereafter
Employees	13.50% in 2021
Mortality rate	PubS-2010 (public safety) total dataset for mortality improvement generationally using the projection scale MP-2019, separate rates for male and female

NOTE 2 - EMPLOYER CONTRIBUTIONS

Employer fiscal year contributions are actuarially determined in the current valuation. The range of recommended contributions was based on amortization of the actuarial accrued liability over a period ranging from 10 to 30 years. The amortization period as of December 31, 2021, was approximately 6 years, taking into account the contributions made between January 1, 2019, and December 31, 2020. The amortization method was the level dollar method and the amortization period is an open amortization period. The annual contributions for the Plan years ending December 31, 2021 and 2020 were approximately \$4,500,000 and \$4,100,000, respectively. Covered compensation was approximately \$22,000,000 and \$21,000,000 for calendar years 2021 and 2020, respectively. For 2021 and 2020, the member contribution rate was 13.50% and 13.00% of pay, respectively and the City's contribution rate was 20.32% and 19.82% of pay for calendar years 2021 and 2020, respectively.

NOTE 3 - CHANGES IN ACTUARIAL ASSUMPTIONS

Inflation decreased from 2.75% to 2.50% and salary increases changed from 2.5% to 2.75% in the December 31, 2021 actuarial valuation. In addition, the target asset allocation percentage increased from 5% to 5.13%.

**CITY OF AMARILLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT (OPEB)
SCHEDULE OF NET OPEB LIABILITY AND RELATED RATIOS (1)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability	\$ 74,441,419	\$ 66,736,901	\$ 71,489,073	\$ 64,305,284	\$ 61,979,142	\$ 59,119,728
Plan fiduciary net position	<u>33,853,842</u>	<u>27,589,392</u>	<u>21,366,171</u>	<u>15,237,541</u>	<u>13,621,113</u>	<u>9,478,461</u>
Net OPEB liability (asset)	\$ 40,587,577	\$ 39,147,509	\$ 50,122,902	\$ 49,067,743	\$ 48,358,029	\$ 49,641,267
Plan fiduciary net position as a percentage of the total OPEB liability	45.48%	41.34%	29.89%	23.70%	21.98%	16.03%
Covered payroll	\$ 93,980,000	\$ 92,000,000	\$ 88,500,000	\$ 100,300,000	\$ 97,400,000	\$ 99,700,000
Net OPEB liability (asset) as a percentage of covered payroll	43.19%	42.54%	56.64%	49.22%	49.65%	49.79%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT (OPEB)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (1)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Measurement Year Ended August 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 1,723,641	\$ 2,060,894	\$ 2,000,869	\$ 1,955,516	\$ 1,832,510
Interest	4,974,872	4,598,432	4,137,785	4,138,657	3,944,418
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	1,602,496	-	(724,960)	-	-
Changes of assumptions	3,661,371	(7,342,117)	5,679,902	(745,063)	-
Benefits payments	<u>(4,257,863)</u>	<u>(4,069,380)</u>	<u>(3,909,807)</u>	<u>(3,022,968)</u>	<u>(2,917,514)</u>
Net change in total OPEB liability	7,704,517	(4,752,171)	7,183,789	2,326,142	2,859,414
Total OPEB liability-beginning	<u>66,736,902</u>	<u>71,489,073</u>	<u>64,305,284</u>	<u>61,979,142</u>	<u>59,119,728</u>
Total OPEB liability-ending (a)	<u>\$ 74,441,419</u>	<u>\$ 66,736,902</u>	<u>\$ 71,489,073</u>	<u>\$ 64,305,284</u>	<u>\$ 61,979,142</u>
Plan fiduciary net position:					
Contributions-employer	\$ 6,987,323	\$ 6,721,291	\$ 2,635,573	\$ 2,700,901	\$ 2,647,545
Net investment income	3,538,257	3,573,328	3,493,057	(1,084,473)	1,495,107
Benefits payments	(4,257,863)	(4,069,380)	-	-	-
Administrative expense	-	-	-	-	-
Other	<u>(3,266)</u>	<u>(2,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	6,264,451	6,223,220	6,128,630	1,616,428	4,142,652
Plan fiduciary net position- beginning	<u>27,589,391</u>	<u>21,366,171</u>	<u>15,237,541</u>	<u>13,621,113</u>	<u>9,478,461</u>
Plan fiduciary net position- ending (b)	<u>\$ 33,853,842</u>	<u>\$ 27,589,391</u>	<u>\$ 21,366,171</u>	<u>\$ 15,237,541</u>	<u>\$ 13,621,113</u>
City's net OPEB liability- ending (a)-(b)	<u>\$ 40,587,577</u>	<u>\$ 39,147,511</u>	<u>\$ 50,122,902</u>	<u>\$ 49,067,743</u>	<u>\$ 48,358,029</u>
Plan fiduciary net position as a percentage of the total OPEB liability	45.48%	41.34%	29.88%	23.70%	21.98%
Covered payroll	\$ 93,980,000	\$ 92,000,000	\$ 88,500,000	\$ 100,300,000	\$ 97,400,000
Net OPEB liability as a percentage of covered payroll	43.19%	42.54%	56.64%	48.92%	49.65%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT (OPEB)
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS (1)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial determined contribution	\$ 2,729,460	\$ 2,652,911	\$ 2,635,573	\$ 2,700,901	\$ 2,647,545
Contributions in relation to the actuarially determined contribution	<u>2,729,460</u>	<u>2,652,911</u>	<u>2,635,573</u>	<u>2,700,901</u>	<u>2,647,545</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	93,980,000	92,000,000	88,500,000	100,300,000	97,400,000
Contributions as a percentage of covered-payroll	2.90%	2.88%	2.98%	2.69%	2.72%
Annual money weighted rate of return, net of investment expenses	12.23%	15.75%	21.09%	-7.24%	13.84%
Allocation					
Bank Insured Deposit / Cash	0.53%	0.97%	1.22%	0.66%	2.50%
Equities	49.89%	50.52%	50.21%	51.36%	50.37%
Mutual Funds	<u>49.58%</u>	<u>48.51%</u>	<u>48.57%</u>	<u>47.98%</u>	<u>47.13%</u>
Peb Trust of Texas	100.00%	100.00%	100.00%	100.00%	100.00%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022**

NOTE 1 - METHODS AND ASSUMPTIONS

The following methods and assumptions are used to determine contribution rates:

Valuation Date	December 31, 2021						
Measurement Date	December 31, 2021						
Benefits Valued	Medical and prescription drug benefits, and HRA benefits						
Long-Term Rate of Return	6.50%						
Muni-Bond (unfunded) rate	2.06%						
Discount Rate	6.50%						
Discount Rate Method	The method determines an ultimate discount rate based on a blend of a) the unfunded municipal bond index rate and b) the trust's long-term rate of return. We have assumed the City continues making future Trust contributions equal to 2.8% of payroll (the estimated average contribution rate over the past 4 years) and it continues paying retiree medical benefits from its general assets. Under these assumptions, we've projected the trust will remain sufficient to cover all future costs and thus the City's discount rate is equal to the trust's long-term rate of return.						
General Inflation Rate	2.50%						
Healthcare Cost Trend Rate	6.20%						
Withdrawal, Retirement, Disability, Mortality Rates and Salary Scale	Rates from the December 31, 2021 TMRS and FRRF actuarial reports.						
Medical Plan Blending	Future retirees are assumed to elect medical coverage on each plan according to the following assumptions: <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Medical Plan</u></th> <th style="text-align: left;"><u>Percent Assumed to Elect</u></th> </tr> </thead> <tbody> <tr> <td>Plan 1</td> <td>100%</td> </tr> <tr> <td>Plan 2</td> <td>0%</td> </tr> </tbody> </table>	<u>Medical Plan</u>	<u>Percent Assumed to Elect</u>	Plan 1	100%	Plan 2	0%
<u>Medical Plan</u>	<u>Percent Assumed to Elect</u>						
Plan 1	100%						
Plan 2	0%						
Post-Retirement Medical Plan Change	Effective January 1, 2015, all inactive participants age 65 or older must drop medical coverage and receive a stipend of \$150 per month to be used toward their cost of medical coverage. The \$150 stipend is not expected by the City to increase, and is a fixed variable in our model.						
Dependent Status							
<ul style="list-style-type: none"> • Spouse Age Differential • Children 	Husbands are assumed to be three years older than wives. Assume current and future retirees have no covered children.						

CITY OF AMARILLO, TEXAS
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
SEPTEMBER 30, 2022

NOTE 1 - METHODS AND ASSUMPTIONS (CONTINUED)

**Per Capita Claims and
Administrative Costs**

Per capita medical and prescription drug claims and administration costs (PCCC) were developed based on the following:

- Claims experience, stop loss fees and administration costs for actives and retirees from January 1, 2019 to December 31, 2021.
- Claims experience was adjusted for plan values, healthcare cost trend, and age-sex differences between active employees and retirees.

Healthcare Cost Trend Rates

Trend rates are used to project health insurance claims and administration costs and retiree premiums into the future. If healthcare inflation were to continue as its current rate, eventually 100% of the Gross National Product (GNP) would be allocated for healthcare services. Since this is unrealistic, healthcare cost trend rates are assumed to decrease in future years.

Actuarial Cost Methods

Entry Age Normal level percent of pay. Investment gains/losses are amortized over 5 years, liability gains/losses are amortized over Average Working Lifetime, and Plan changes are recognized immediately.

**Actuarial Value of Assets
City Contributions
Dental Benefits**

Fair Value

2.80% of total covered payroll

Premiums contributed by retirees, disabled participants and dependents for dental coverage are assumed to equal or exceed their expected dental per capita claims costs. Therefore, dental coverage was not valued in this valuation.

NOTE 2 - OTHER INFORMATION

There were no benefit changes during the year.

The following changes in assumptions and methods were made since the prior valuation:

- Medical trend was based on recently published trend model and trend surveys to better reflect future anticipated experience.
- Medical per capita claims tables were updated based on recent experience and demographics.
- The long-term rate of return on assets assumption was updated from 7.50% to 6.50% based on the OPEB trust's current target investments and long-term expected rate of return on those investments. The discount rate was updated from 7.50% to 6.50% to reflect this assumption change.
- Withdrawal, retirement, mortality, disability, and salary scale assumptions were updated to those included in the recently published TMRS General and FRRF actuarial valuations.
- Active employees currently waiving coverage are assumed to elect coverage at retirement with the same participation rates as those currently electing medical coverage. The prior valuation used reduced participation rates.
- Spouse participation was updated to 40% of future retirees assumed to elect spousal coverage at retirement based on recent participation.
- Spouse age assumption was updated to assume husbands are three years older than wives.

See Independent Auditor's Report

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. This category includes the following funds:

Grant funds: These funds are used to account for the receipt and expenditure of funds received under various federal and state assistance programs.

Public improvement districts: These funds are used to account for assessments levied against residential lots in various public improvement districts, the use of which is restricted for maintenance of beautification and recreational facilities.

Seizures funds: These funds are used, to account for crime seizure proceeds awarded to the City, the use of which is restricted to law enforcement purposes.

Other: These funds include:

Court Technology Fund: Fees collected by the Municipal Court under state laws which restrict the use of the proceeds to technological enhancements for the Court.

Court Security Fund: Fees collected by the Municipal Court under state laws which restrict the use of the proceeds to court security activities and cost for the Court.

LEOSE Training Program: Fees collected by the Municipal Court under state laws for the purpose of providing continuing education for law enforcement and fire officers.

Homeland Security Program: The homeland security programs provide the Emergency Management Department with professional services and equipment, which allows the City to be operationally equipped and trained to respond to emergencies through the purchase of equipment, training, and exercises with the goal of improving the preparedness of local responders.

Cable Capital Facilities Fund: Funds received and restricted for specific cable connectivity with Amarillo Independent School District.

Photo Enforcement: Fees collected from red-light traffic violations that are restricted by State law to be used only for traffic intersection improvements.

Public Library Bush Collection: Funds received and restricted for the purchase and maintenance of items in the William Henry Bush Collection.

Library Trust: Various funds received for the sole benefit of the Amarillo Public Library.

Flood Hazard: Fees collected for playa lake development.

General Donations: Funds donated for various items in the City.

Civic Amarillo: Funds accumulated and used by the Amarillo Civic Center for the in-house promotion of events.

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Other (Continued):

Zoo Trust: Funds received and restricted for operations and improvements at the Amarillo Zoo.

Centennial Celebration: Funds received and restricted for the City's centennial celebration.

Tax Increment Reinvestment Zone #1: Blended component unit created to promote the development of or redevelopment of certain contiguous geographic areas in the City.

Tax Increment Reinvestment Zone #2: Blended component unit created to promote the development of or redevelopment of certain contiguous geographic areas in the City.

Capital Project Fund

This fund is a combination of all capital outlay funds. Which accounts for construction projects that are financed primarily by general revenues, as well as accounts for the resources set aside to fund the City's capital plans with respect to projects including streets.

Bonded Debt Service Fund

This fund currently accounts for ad valorem taxes assessed for purposes of servicing the serial debt obligations of the 2001 general obligation bonds issued for library purposes, as well as special assessments made for servicing certificates of obligation issued for the Public Improvement District.

Compensated Absences Fund

This fund accounts for the ultimate payment of termination obligations to the employees of the City.

Permanent Fund

Pavillard Endowment: This fund accounts for a contribution to the City's Library, which was to be held to provide a lifetime income to the grantor and, thereafter, to use the income therefrom for purchases of children's books.

**CITY OF AMARILLO, TEXAS
COMBINING BALANCE SHEET OF
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
ASSETS					
Cash and cash equivalents	\$ 2,131,630	\$ 2,849,161	\$ 3,494,361	\$ 1,714,502	\$ 6,314,029
Investments, at fair values	-	2,750,000	-	-	2,500,000
Receivables, net of allowances for uncollectibles					
Property taxes	-	-	-	-	-
Accounts	217,008	4,028	7,555	-	-
Accrued Interest	-	-	-	-	2,008
Other accrued revenue	-	2,035	-	-	-
Due from other funds unrestricted	71,095	-	-	-	-
Due from other governments	777,013	3,868,019	-	-	50,277
Prepaid items	12,108	44,843	-	602	-
Restricted cash and cash equivalents	-	-	6,475	-	-
Restricted investments	-	-	-	-	-
TOTAL ASSETS	\$ 3,208,854	\$ 9,518,086	\$ 3,508,391	\$ 1,715,104	\$ 8,866,314
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 212,175	\$ 660,036	\$ 252	\$ 18,672	\$ 507,737
Accounts payable	33,631	318,642	53,996	-	324,029
Accrued expenditures	14,742	1,450	-	-	16,330
Deposits	-	-	-	-	1,268,954
Due to other funds - unrestricted	1,449,791	563,000	-	-	67,578
Due to other governments	100	-	-	22,103	-
Unearned revenues - other	68,155	180,000	-	-	-
Advance from other funds	-	-	-	-	1,114,669
Total liabilities	<u>1,778,594</u>	<u>1,723,128</u>	<u>54,248</u>	<u>40,775</u>	<u>3,299,297</u>
Deferred inflows of resources					
Unearned revenues - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable					
Prepaid items	6,061	44,819	-	602	-
Uncollected taxes	-	-	-	-	-
Corpus or Principal	-	-	-	-	-
Restricted for:					
Debt Service	-	-	-	-	-
Capital projects	-	-	-	-	-
Special purposes	1,391,718	7,750,139	3,454,143	1,673,727	5,567,017
Committed for:					
Capital projects	-	-	-	-	-
Compensated Absences	32,481	-	-	-	-
Total fund balances	<u>1,430,260</u>	<u>7,794,958</u>	<u>3,454,143</u>	<u>1,674,329</u>	<u>5,567,017</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,208,854	\$ 9,518,086	\$ 3,508,391	\$ 1,715,104	\$ 8,866,314

See Independent Auditor's Report.

<u>Capital Projects Funds</u>	<u>Bonded Debt Service Fund</u>	<u>Compensated Absences Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 18,046,080	\$ -	\$ -	\$ 17,693	\$ 34,567,456
1,000,000	-	-	-	6,250,000
-	36,370	-	-	36,370
-	-	-	-	228,591
10,141	-	-	-	12,149
-	-	-	-	2,035
-	-	-	-	71,095
-	-	-	-	4,695,309
-	-	-	-	57,553
40,233,912	3,229,724	-	-	43,470,111
500,000	-	-	-	500,000
<u>\$ 59,790,133</u>	<u>\$ 3,266,094</u>	<u>\$ -</u>	<u>\$ 17,693</u>	<u>\$ 89,890,669</u>
\$ 876,071	\$ -	\$ -	\$ -	\$ 2,274,943
958,110	2,745	(2)	-	1,691,151
44,305	-	-	-	76,827
69,166	-	-	-	1,338,120
-	-	-	-	2,080,369
-	-	-	-	22,203
-	-	-	-	248,155
-	-	-	-	1,114,669
<u>1,947,652</u>	<u>2,745</u>	<u>(2)</u>	<u>-</u>	<u>8,846,437</u>
-	23,502	-	-	23,502
-	23,502	-	-	23,502
-	-	-	-	51,482
-	12,868	-	-	12,868
-	-	-	17,693	17,693
-	3,226,979	-	-	3,226,979
5,587,448	-	-	-	5,587,448
-	-	-	-	19,836,744
52,255,033	-	-	-	52,255,033
-	-	2	-	32,483
<u>57,842,481</u>	<u>3,239,847</u>	<u>2</u>	<u>17,693</u>	<u>81,020,730</u>
<u>\$ 59,790,133</u>	<u>\$ 3,266,094</u>	<u>\$ -</u>	<u>\$ 17,693</u>	<u>\$ 89,890,669</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
REVENUES					
Ad valorem taxes - for debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	15,020,298	12,786,034	-	-	295,673
Citizen contributions	-	-	-	-	511,713
Construction participation	82,016	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	1,807,900
Other entity participations	-	-	-	-	-
Charges for services	50,223	105,889	2,481,814	-	374,413
Fines and forfeitures	-	-	-	1,671,749	1,309,480
Investment earnings	4,069	43,377	6,661	2,373	104,767
Miscellaneous	53,708	-	-	-	-
Total revenues	<u>15,210,314</u>	<u>12,935,300</u>	<u>2,488,475</u>	<u>1,674,122</u>	<u>4,403,946</u>
EXPENDITURES					
General government	-	-	-	-	19,756
Police protection	-	421,404	-	221,301	-
Other public safety and health	-	11,447,292	-	-	1,341,592
Staff services	-	258,212	-	-	-
Auditorium - coliseum	-	-	-	-	236,591
Library	-	-	-	-	43
Parks	-	-	988,568	-	-
Participation recreation	-	-	-	-	37,467
Urban redevelopment and housing	15,548,139	-	-	-	-
Capital outlay	-	1,700,072	574,940	67,144	474,364
Debt service principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Economic Development & Tourism	-	-	-	-	953,835
Termination vacation and sick leave pay	-	-	-	-	-
Total expenditures	<u>15,548,139</u>	<u>13,826,980</u>	<u>1,563,508</u>	<u>288,445</u>	<u>3,063,648</u>
Excess (deficiency) of revenues over (under) expenditures	(337,825)	(891,680)	924,967	1,385,677	1,340,298
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	197,962	128,276	-	-	81,378
Transfers to other funds	-	(994,894)	(658,665)	-	(287,250)
Net change in fund balances	(139,863)	(1,758,298)	266,302	1,385,677	1,134,426
FUND BALANCES, BEGINNING OF YEAR	<u>1,570,123</u>	<u>9,553,256</u>	<u>3,187,841</u>	<u>288,652</u>	<u>4,432,591</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,430,260</u>	<u>\$ 7,794,958</u>	<u>\$ 3,454,143</u>	<u>\$ 1,674,329</u>	<u>\$ 5,567,017</u>

See Independent Auditor's Report.

<u>Capital Projects Funds</u>	<u>Bonded Debt Service Fund</u>	<u>Compensated Absences Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 10,812,992	\$ -	\$ -	\$ 10,812,992
1,578,994	-	-	-	29,680,999
-	-	-	-	511,713
7,946,385	-	-	-	8,028,401
-	-	-	-	1,807,900
-	226,250	-	-	226,250
262,327	-	-	-	3,274,666
-	-	-	-	2,981,229
378,749	27,759	-	-	567,755
378,107	-	-	-	431,815
<u>10,544,562</u>	<u>11,067,001</u>	<u>-</u>	<u>-</u>	<u>58,323,720</u>
-	-	-	-	19,756
-	-	-	-	642,705
139,167	-	-	-	12,928,051
13,650	9,165	-	-	281,027
-	-	-	-	236,591
-	-	-	-	43
-	-	-	-	988,568
-	-	-	-	37,467
-	-	-	-	15,548,139
22,752,738	-	-	-	25,569,258
-	7,132,000	-	-	7,132,000
-	6,821,391	-	-	6,821,391
375,000	-	-	-	1,328,835
-	-	1,903,692	-	1,903,692
<u>23,280,555</u>	<u>13,962,556</u>	<u>1,903,692</u>	<u>-</u>	<u>73,437,523</u>
(12,735,993)	(2,895,555)	(1,903,692)	-	(15,113,803)
8,103,314	4,698,460	1,903,691	-	15,113,081
<u>(3,840,941)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,781,750)</u>
(8,473,620)	1,802,905	(1)	-	(5,782,472)
<u>66,316,101</u>	<u>1,436,942</u>	<u>3</u>	<u>17,693</u>	<u>86,803,202</u>
<u>\$ 57,842,481</u>	<u>\$ 3,239,847</u>	<u>\$ 2</u>	<u>\$ 17,693</u>	<u>\$ 81,020,730</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
OTHER GRANT FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2022**

	<u>Special Revenue Funds</u>			<u>Total Other Grant Funds</u>
	<u>Public Health Grants</u>	<u>Justice Grants</u>	<u>Miscellaneous Grants</u>	
ASSETS				
Cash and cash equivalents	\$ 2,844,042	\$ 1,657	\$ 3,462	\$ 2,849,161
Investments at fair value	2,750,000	-	-	2,750,000
Receivables, net of allowances for uncollectibles				
Accounts	4,028	-	-	4,028
Other accrued revenue	2,035	-	-	2,035
Due from other governments	3,664,116	122,872	81,031	3,868,019
Prepaid items	44,819	-	24	44,843
TOTAL ASSETS	<u>\$ 9,309,040</u>	<u>\$ 124,529</u>	<u>\$ 84,517</u>	<u>\$ 9,518,086</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers payable	\$ 658,936	\$ -	\$ 1,100	\$ 660,036
Accounts payable	310,235	3,532	4,875	318,642
Accrued expenditures	-	-	1,450	1,450
Deferred revenue	180,000	-	-	180,000
Due to other funds - unrestricted	365,000	121,000	77,000	563,000
Total liabilities	<u>1,514,171</u>	<u>124,532</u>	<u>84,425</u>	<u>1,723,128</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	44,819	-	-	44,819
Restricted:				
Special purposes	7,750,050	(3)	92	7,750,139
Total fund balances	<u>7,794,869</u>	<u>(3)</u>	<u>92</u>	<u>7,794,958</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,309,040</u>	<u>\$ 124,529</u>	<u>\$ 84,517</u>	<u>\$ 9,518,086</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
OTHER GRANT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Special Revenue Funds</u>			<u>Total Other Grants Funds</u>
	<u>Public Health Grants</u>	<u>Justice Grants</u>	<u>Miscellaneous Grants</u>	
REVENUES				
Intergovernmental revenues	\$ 11,953,803	\$ 396,230	\$ 436,001	\$ 12,786,034
Charges for services	105,889	-	-	105,889
Investment earnings	43,377	-	-	43,377
Miscellaneous	-	-	-	-
Total revenues	<u>12,103,069</u>	<u>396,230</u>	<u>436,001</u>	<u>12,935,300</u>
EXPENDITURES				
Other public safety and health	11,195,611	-	251,681	11,447,292
Staff services	-	-	258,212	258,212
Police protection	-	421,404	-	421,404
Capital outlay	1,700,072	-	-	1,700,072
Total expenditures	<u>12,895,683</u>	<u>421,404</u>	<u>509,893</u>	<u>13,826,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(792,614)</u>	<u>(25,174)</u>	<u>(73,892)</u>	<u>(891,680)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	54,382	73,894	128,276
Operating transfers to other funds	(965,687)	(29,207)	-	(994,894)
Net change in fund balances	(1,758,301)	1	2	(1,758,298)
FUND BALANCES, BEGINNING OF YEAR	<u>9,553,170</u>	<u>(4)</u>	<u>90</u>	<u>9,553,256</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,794,869</u>	<u>\$ (3)</u>	<u>\$ 92</u>	<u>\$ 7,794,958</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC IMPROVEMENT DISTRICTS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2022**

	<u>Greenways at Hillside</u>	<u>Heritage Hills</u>	<u>The Colonies</u>	<u>Tutbury</u>
ASSETS				
Cash and cash equivalents	\$ 274,515	\$ 403,966	\$ 1,381,685	\$ 44,502
Accounts receivable	-	-	-	-
Restricted Cash and cash equivalents	<u>6,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 280,990</u></u>	<u><u>\$ 403,966</u></u>	<u><u>\$ 1,381,685</u></u>	<u><u>\$ 44,502</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 53,992	\$ 3	\$ -
Vouchers payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>53,992</u>	<u>3</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Special purposes	<u>280,990</u>	<u>349,974</u>	<u>1,381,682</u>	<u>44,502</u>
Total fund balances	<u>280,990</u>	<u>349,974</u>	<u>1,381,682</u>	<u>44,502</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 280,990</u></u>	<u><u>\$ 403,966</u></u>	<u><u>\$ 1,381,685</u></u>	<u><u>\$ 44,502</u></u>

See Independent Auditor's Report.

<u>Point West</u>	<u>Quail Creek</u>	<u>Vineyards</u>	<u>Redstone</u>	<u>Townsquare</u>	<u>Pinnacle</u>	<u>Total</u>
\$ 292,454	\$ 10,913	\$ 19,241	\$ 548	899,046	\$ 167,491	\$ 3,494,361
2,705	2,100	2,750	-	-	-	7,555
-	-	-	-	-	-	6,475
<u>\$ 295,159</u>	<u>\$ 13,013</u>	<u>\$ 21,991</u>	<u>\$ 548</u>	<u>\$ 899,046</u>	<u>\$ 167,491</u>	<u>\$ 3,508,391</u>
\$ 3	\$ -	\$ -	\$ -	\$ (2)	\$ -	\$ 53,996
-	249	3	-	-	-	252
<u>3</u>	<u>249</u>	<u>3</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>54,248</u>
295,156	12,764	21,988	548	899,048	167,491	3,454,143
<u>295,156</u>	<u>12,764</u>	<u>21,988</u>	<u>548</u>	<u>899,048</u>	<u>167,491</u>	<u>3,454,143</u>
<u>\$ 295,159</u>	<u>\$ 13,013</u>	<u>\$ 21,991</u>	<u>\$ 548</u>	<u>\$ 899,046</u>	<u>\$ 167,491</u>	<u>\$ 3,508,391</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC IMPROVEMENT DISTRICTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Greenways at Hillside</u>	<u>Heritage Hills</u>	<u>The Colonies</u>	<u>Tutbury</u>
REVENUES				
Charges for services	\$ 676,359	\$ 423,597	\$ 1,036,161	\$ 16,296
Investment earnings	1,514	-	5,147	-
Total revenues	<u>677,873</u>	<u>423,597</u>	<u>1,041,308</u>	<u>16,296</u>
EXPENDITURES				
Parks	530,431	48,174	354,447	15,659
Bond issuance cost	-	-	-	-
Capital outlay	<u>35,000</u>	<u>539,940</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>565,431</u>	<u>588,114</u>	<u>354,447</u>	<u>15,659</u>
Excess (deficiency) of revenues over (under) expenditures	<u>112,442</u>	<u>(164,517)</u>	<u>686,861</u>	<u>637</u>
OTHER FINANCING SOURCES				
Issuance of long-term debt	-	-	-	-
Premium on bond	-	-	-	-
Transfer to other funds	<u>(200,602)</u>	<u>-</u>	<u>(458,063)</u>	<u>-</u>
Net change in fund balances	(88,160)	(164,517)	228,798	637
FUND BALANCES, BEGINNING OF YEAR	<u>369,150</u>	<u>514,491</u>	<u>1,152,884</u>	<u>43,865</u>
FUND BALANCES, END OF YEAR	<u>\$ 280,990</u>	<u>\$ 349,974</u>	<u>\$ 1,381,682</u>	<u>\$ 44,502</u>

See Independent Auditor's Report.

<u>Point West</u>	<u>Quail Creek</u>	<u>Vineyards</u>	<u>Redstone</u>	<u>Townsquare</u>	<u>Pinnacle</u>	<u>Total</u>
\$ 52,000	\$ 10,500	\$ 10,750	\$ -	\$ 170,067	\$ 86,084	\$ 2,481,814
-	-	-	-	-	-	6,661
<u>52,000</u>	<u>10,500</u>	<u>10,750</u>	<u>-</u>	<u>170,067</u>	<u>86,084</u>	<u>2,488,475</u>
15,910	9,877	8,751	-	1,652	3,667	988,568
-	-	-	-	-	-	-
-	-	-	-	-	-	574,940
<u>15,910</u>	<u>9,877</u>	<u>8,751</u>	<u>-</u>	<u>1,652</u>	<u>3,667</u>	<u>1,563,508</u>
36,090	623	1,999	-	168,415	82,417	924,967
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(658,665)
<u>36,090</u>	<u>623</u>	<u>1,999</u>	<u>-</u>	<u>168,415</u>	<u>82,417</u>	<u>266,302</u>
259,066	12,141	19,989	548	730,633	85,074	3,187,841
<u>\$ 295,156</u>	<u>\$ 12,764</u>	<u>\$ 21,988</u>	<u>\$ 548</u>	<u>\$ 899,048</u>	<u>\$ 167,491</u>	<u>\$ 3,454,143</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
SEIZURE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2022**

	<u>Federal APD Seized Property</u>	<u>Local Seized Property</u>	<u>Texas Narcotics Seized Property</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 1,440,085	\$ 254,147	\$ 20,270	\$ 1,714,502
Prepaid items	-	-	602	602
TOTAL ASSETS	<u>\$ 1,440,085</u>	<u>\$ 254,147</u>	<u>\$ 20,872</u>	<u>\$ 1,715,104</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other governments	\$ -	\$ 1,887	\$ 20,216	\$ 22,103
Vouchers payable	18,672	-	-	18,672
Total liabilities	<u>18,672</u>	<u>1,887</u>	<u>20,216</u>	<u>40,775</u>
FUND BALANCES				
Nonspendable				
Prepaid items	-	-	602	602
Restricted for:				
Special purposes	1,421,413	252,260	54	1,673,727
Total fund balances	<u>1,421,413</u>	<u>252,260</u>	<u>656</u>	<u>1,674,329</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,440,085</u>	<u>\$ 254,147</u>	<u>\$ 20,872</u>	<u>\$ 1,715,104</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
SEIZURE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	Federal APD Seized Property	Local Seized Property	Texas Narcotics Seized Property	Total
REVENUES				
Investment earnings	\$ 2,109	\$ 212	\$ 52	\$ 2,373
Seized property revenue	<u>1,397,578</u>	<u>274,171</u>	<u>-</u>	<u>1,671,749</u>
Total revenues	<u>1,399,687</u>	<u>274,383</u>	<u>52</u>	<u>1,674,122</u>
EXPENDITURES				
Police protection	128,570	92,729	2	221,301
Capital outlay	<u>67,144</u>	<u>-</u>	<u>-</u>	<u>67,144</u>
Total expenditures	<u>195,714</u>	<u>92,729</u>	<u>2</u>	<u>288,445</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,203,973</u>	<u>181,654</u>	<u>50</u>	<u>1,385,677</u>
Net change in fund balances	1,203,973	181,654	50	1,385,677
FUND BALANCES, BEGINNING OF YEAR	<u>217,440</u>	<u>70,606</u>	<u>606</u>	<u>288,652</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 1,421,413</u></u>	<u><u>\$ 252,260</u></u>	<u><u>\$ 656</u></u>	<u><u>\$ 1,674,329</u></u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
MISCELLANEOUS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2022**

	<u>Court Technology</u>	<u>Court Security</u>	<u>LEOSE Training Program</u>	<u>Homeland Security</u>	<u>Cable Capital Facilities</u>	<u>Photo Enforcement</u>	<u>Public Library Bush Collection</u>
ASSETS							
Cash and cash equivalents	\$ 7,184	\$ 4,449	\$ 31,561	\$ 153,086	\$ 19,673	\$ 1,711,562	\$ 51,527
Accrued interest receivable	-	-	-	-	-	-	-
Investments, at fair values	-	-	-	-	-	-	-
Due from other governments	-	-	-	50,277	-	-	-
TOTAL ASSETS	<u>\$ 7,184</u>	<u>\$ 4,449</u>	<u>\$ 31,561</u>	<u>\$ 203,363</u>	<u>\$ 19,673</u>	<u>\$ 1,711,562</u>	<u>\$ 51,527</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,785	\$ -
Accounts payable	-	4,456	-	12,479	-	307,094	-
Accrued expenditures	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Due to other funds - unrestricted	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>4,456</u>	<u>-</u>	<u>12,479</u>	<u>-</u>	<u>361,879</u>	<u>-</u>
FUND BALANCES							
Restricted:							
Special purposes	<u>7,184</u>	<u>(7)</u>	<u>31,561</u>	<u>190,884</u>	<u>19,673</u>	<u>1,349,683</u>	<u>51,527</u>
Total fund balances	<u>7,184</u>	<u>(7)</u>	<u>31,561</u>	<u>190,884</u>	<u>19,673</u>	<u>1,349,683</u>	<u>51,527</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,184</u>	<u>\$ 4,449</u>	<u>\$ 31,561</u>	<u>\$ 203,363</u>	<u>\$ 19,673</u>	<u>\$ 1,711,562</u>	<u>\$ 51,527</u>

See Independent Auditor's Report.

<u>Library Trust</u>	<u>Flood Hazard</u>	<u>General Donations</u>	<u>Civic Amarillo</u>	<u>Zoo Trust</u>	<u>Centennial Celebration</u>	<u>Tax Increment Reinvestment Zone #1</u>	<u>Tax Increment Reinvestment Zone #2</u>	<u>Total</u>
\$ 67,129	\$ 1,365,945	\$ 492,764	\$ 545,551	\$ 156,372	\$ 20,674	\$ 1,099,425	\$ 587,127	\$ 6,314,029
-	1,683	-	-	-	-	325	-	2,008
-	1,000,000	-	-	-	-	1,500,000	-	2,500,000
-	-	-	-	-	-	-	-	50,277
<u>\$ 67,129</u>	<u>\$ 2,367,628</u>	<u>\$ 492,764</u>	<u>\$ 545,551</u>	<u>\$ 156,372</u>	<u>\$ 20,674</u>	<u>\$ 2,599,750</u>	<u>\$ 587,127</u>	<u>\$ 8,866,314</u>
\$ -	\$ -	452,788	\$ 165	\$ -	\$ -	\$ -	\$ (1)	\$ 507,737
-	-	-	-	-	-	-	-	324,029
-	-	-	5,487	-	-	10,843	-	16,330
-	1,268,954	-	-	-	-	-	-	1,268,954
-	-	-	-	-	-	67,578	-	67,578
-	-	-	-	-	-	1,114,669	-	1,114,669
-	<u>1,268,954</u>	<u>452,788</u>	<u>5,652</u>	<u>-</u>	<u>-</u>	<u>1,193,090</u>	<u>(1)</u>	<u>3,299,297</u>
<u>67,129</u>	<u>1,098,674</u>	<u>39,976</u>	<u>539,899</u>	<u>156,372</u>	<u>20,674</u>	<u>1,406,660</u>	<u>587,128</u>	<u>5,567,017</u>
<u>67,129</u>	<u>1,098,674</u>	<u>39,976</u>	<u>539,899</u>	<u>156,372</u>	<u>20,674</u>	<u>1,406,660</u>	<u>587,128</u>	<u>5,567,017</u>
<u>\$ 67,129</u>	<u>\$ 2,367,628</u>	<u>\$ 492,764</u>	<u>\$ 545,551</u>	<u>\$ 156,372</u>	<u>\$ 20,674</u>	<u>\$ 2,599,750</u>	<u>\$ 587,127</u>	<u>\$ 8,866,314</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
MISCELLANEOUS SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Court Technology</u>	<u>Court Security</u>	<u>LEOSE Training Program</u>	<u>Homeland Security</u>	<u>Cable Capital Facilities</u>	<u>Photo Enforcement</u>
REVENUES						
Intergovernmental revenues - operating	\$ -	\$ -	\$ 18,271	\$ 277,402	\$ -	\$ -
Citizen contributions	-	-	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	-	-
Charges for services	78,271	-	-	-	-	-
Fines and forfeitures	-	92,883	-	-	-	1,216,597
Investment earnings	-	-	-	-	-	10,475
Miscellaneous revenues	-	-	-	-	-	-
Total revenues	<u>78,271</u>	<u>92,883</u>	<u>18,271</u>	<u>277,402</u>	<u>-</u>	<u>1,227,072</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Other public safety and health	97,218	174,264	32,643	87,402	-	950,065
Auditorium - Coliseum	-	-	-	-	-	-
Library	-	-	-	-	-	-
Participant recreation	-	-	-	-	-	-
Economic development/tourism	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>97,218</u>	<u>174,264</u>	<u>32,643</u>	<u>87,402</u>	<u>-</u>	<u>950,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,947)</u>	<u>(81,381)</u>	<u>(14,372)</u>	<u>190,000</u>	<u>-</u>	<u>277,007</u>
OTHER FINANCING SOURCES (USES)						
Transfers to other funds	-	-	-	-	-	(150,000)
Transfers from other funds	-	81,378	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>81,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balances	<u>(18,947)</u>	<u>(3)</u>	<u>(14,372)</u>	<u>190,000</u>	<u>-</u>	<u>127,007</u>
FUND BALANCES, BEGINNING OF YEAR	<u>26,131</u>	<u>(4)</u>	<u>45,933</u>	<u>884</u>	<u>19,673</u>	<u>1,222,676</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,184</u>	<u>\$ (7)</u>	<u>\$ 31,561</u>	<u>\$ 190,884</u>	<u>\$ 19,673</u>	<u>\$ 1,349,683</u>

See Independent Auditor's Report.

Public Library Bush Collection	Library Trust	Flood Hazard	General Donations	Civic Amarillo	Zoo Trust	Centennial Celebration	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,673
-	340	-	502,342	-	9,031	-	-	-	511,713
-	-	-	-	-	-	-	1,549,223	258,677	1,807,900
-	-	-	-	290,888	5,254	-	-	-	374,413
-	-	-	-	-	-	-	-	-	1,309,480
323	-	10,299	-	-	-	-	83,670	-	104,767
-	-	-	-	-	-	-	-	-	-
323	340	10,299	502,342	290,888	14,285	-	1,632,893	258,677	4,403,946
-	-	-	19,756	-	-	-	-	-	19,756
-	-	-	-	-	-	-	-	-	1,341,592
-	-	-	-	236,591	-	-	-	-	236,591
-	43	-	-	-	-	-	-	-	43
-	-	-	-	-	37,467	-	-	-	37,467
-	-	-	-	-	-	-	949,975	3,860	953,835
-	-	-	452,128	-	22,236	-	-	-	474,364
-	43	-	471,884	236,591	59,703	-	949,975	3,860	3,063,648
323	297	10,299	30,458	54,297	(45,418)	-	682,918	254,817	1,340,298
-	-	-	-	-	-	-	(137,250)	-	(287,250)
-	-	-	-	-	-	-	-	-	81,378
-	-	-	-	-	-	-	(137,250)	-	(205,872)
323	297	10,299	30,458	54,297	(45,418)	-	545,668	254,817	1,134,426
51,204	66,832	1,088,375	9,518	485,602	201,790	20,674	860,992	332,311	4,432,591
\$ 51,527	\$ 67,129	\$ 1,098,674	\$ 39,976	\$ 539,899	\$ 156,372	\$ 20,674	\$ 1,406,660	\$ 587,128	\$ 5,567,017

See Independent Auditor's Report.

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CAPITAL PROJECTS FUND

Street Assessments – To account for the construction of streets and alleys which are financed primarily by property owner participation.

Street Improvement Fund – To account for improvements being made to major thoroughfares and the storm sewer system of the City financed by general revenues, augmented in some instances by property owner participation.

Golf Course Improvement Fund – To account for the portion of green fees designated for improvements to the public golf courses.

Solid Waste Disposal Improvement Fund – To account for costs of improvements to the City's solid waste disposal facilities, which in recent years have been financed primarily by general revenues.

T-Anchor-Bivins Improvement Fund – To account for sales of City land, the proceeds of which are designated for future betterments to the historic Bivins home, which is owned and rented by the City to the Amarillo Chamber of Commerce and other community service organizations.

Civic Center Improvement Fund – To account for improvements to Civic Center Convention Annex facilities, financed by motel tax receipts.

Animal Shelter Improvement Fund - To account for improvements to the Animal Shelter facilities.

Park Improvement Fund – To account for various Parks projects funded by the General Fund and other contributions and revenues.

GO Bond Construction Fund – To account for the construction of street and public safety improvement projects as approved by voters in the November 2016 bond election.

**CITY OF AMARILLO, TEXAS
CAPITAL PROJECTS FUND
SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
SEPTEMBER 30, 2022**

	<u>Street Assessments Fund</u>	<u>Street Improvement Fund</u>	<u>Golf Course Improvement Fund</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 528,036	\$ 3,104,786	\$ 133,620
Restricted cash and cash equivalents	-	-	-
Investments, at fair values	-	-	-
Restricted investments	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Construction in progress	-	-	-
Accounts receivable	-	-	-
Accrued interest receivable	-	-	-
	<u>528,036</u>	<u>3,104,786</u>	<u>133,620</u>
TOTAL ASSETS	<u>\$ 528,036</u>	<u>\$ 3,104,786</u>	<u>\$ 133,620</u>
 LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Vouchers payable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Accrued expenditures	-	-	-
Refundable security deposit	69,166	-	-
Due to other funds - unrestricted	-	-	-
	<u>69,166</u>	<u>-</u>	<u>-</u>
Total liabilities	69,166	-	-
 FUND BALANCES			
Restricted for:			
Capital projects	-	-	-
Assigned for:			
Capital projects	458,870	3,104,786	133,620
	<u>458,870</u>	<u>3,104,786</u>	<u>133,620</u>
Total fund balances	458,870	3,104,786	133,620
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 528,036</u>	<u>\$ 3,104,786</u>	<u>\$ 133,620</u>

See Independent Auditor's Report.

<u>Solid Waste Disposal Improvement Fund</u>	<u>T-Anchor Bivins Improvement Fund</u>	<u>Civic Center Improvement Fund</u>	<u>Animal Shelter Improvement Fund</u>	<u>Park Improvement Fund</u>	<u>GO Bond Const Fund</u>	<u>Total</u>
\$ 4,171,008	\$ 235,840	\$ -	\$ 3,207	\$ 708,845	\$ 9,160,738	\$ 18,046,080
-	-	5,302,907	-	-	34,931,005	40,233,912
1,000,000	-	-	-	-	-	1,000,000
-	-	500,000	-	-	-	500,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,867	-	4,274	-	-	-	10,141
<u>\$ 5,176,875</u>	<u>\$ 235,840</u>	<u>\$ 5,807,181</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 44,091,743</u>	<u>\$ 59,790,133</u>
\$ -	\$ -	\$ 98,885	\$ -	\$ -	\$ 777,186	\$ 876,071
-	1	81,102	-	-	877,007	958,110
4,559	-	39,746	-	-	-	44,305
-	-	-	-	-	-	69,166
-	-	-	-	-	-	-
<u>4,559</u>	<u>1</u>	<u>219,733</u>	<u>-</u>	<u>-</u>	<u>1,654,193</u>	<u>1,947,652</u>
-	-	5,587,448	-	-	-	5,587,448
<u>5,172,316</u>	<u>235,839</u>	<u>-</u>	<u>3,207</u>	<u>708,845</u>	<u>42,437,550</u>	<u>52,255,033</u>
<u>5,172,316</u>	<u>235,839</u>	<u>5,587,448</u>	<u>3,207</u>	<u>708,845</u>	<u>42,437,550</u>	<u>57,842,481</u>
<u>\$ 5,176,875</u>	<u>\$ 235,840</u>	<u>\$ 5,807,181</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 44,091,743</u>	<u>\$ 59,790,133</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
CAPITAL PROJECTS FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	Street Assessments Fund	Street Improvement Fund	Golf Course Improvement Fund
REVENUES			
Grants-in-aid	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-
Charges for services	-	-	262,327
Construction participations	5,910,893	-	-
Miscellaneous	-	-	-
Gain on sale of assets	-	-	-
Investment earnings	651	4,920	-
Total revenues	<u>5,911,544</u>	<u>4,920</u>	<u>262,327</u>
EXPENDITURES			
Public Safety	-	-	-
Fire protection	-	-	-
Solid waste	-	-	-
Staff services	13,650	-	-
Economic development/tourism	-	-	-
Capital outlay	4,795,568	-	-
Bond issuance costs	-	-	-
Total expenditures	<u>4,809,218</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,102,326</u>	<u>4,920</u>	<u>262,327</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(306)	(4,920)	(201,544)
Transfers from other funds	-	2,337,306	-
Proceeds from issuance of long-term debt	-	-	-
Premium on bonds	-	-	-
Total other financing sources and uses	<u>(306)</u>	<u>2,332,386</u>	<u>(201,544)</u>
Net change in fund balances	1,102,020	2,337,306	60,783
FUND BALANCES, BEGINNING OF YEAR	<u>(643,150)</u>	<u>767,480</u>	<u>72,837</u>
FUND BALANCES, END OF YEAR	<u>\$ 458,870</u>	<u>\$ 3,104,786</u>	<u>\$ 133,620</u>

See Independent Auditor's Report.

<u>Solid Waste Disposal Improvement Fund</u>	<u>T-Anchor Bivins Improvement Fund</u>	<u>Civic Center Improvement Fund</u>	<u>Animal Shelter Improvement Fund</u>	<u>Park Improvement Fund</u>	<u>GO Bond Const Fund</u>	<u>Total</u>
\$ -	\$ -	1,578,994	\$ -	\$ -	\$ -	\$ 1,578,994
-	-	-	-	-	-	-
-	-	-	-	-	-	262,327
-	-	2,035,492	-	-	-	7,946,385
23,991	-	-	-	-	-	23,991
-	-	-	-	-	354,116	354,116
<u>31,134</u>	<u>1,022</u>	<u>38,621</u>	-	<u>3,676</u>	<u>298,725</u>	<u>378,749</u>
<u>55,125</u>	<u>1,022</u>	<u>3,653,107</u>	-	<u>3,676</u>	<u>652,841</u>	<u>10,544,562</u>
-	-	-	-	-	-	-
-	-	-	-	-	139,167	139,167
-	-	-	-	-	-	-
-	-	-	-	-	-	13,650
-	-	-	-	-	375,000	375,000
36,298	-	4,222,797	-	-	13,698,075	22,752,738
-	-	-	-	-	-	-
<u>36,298</u>	-	<u>4,222,797</u>	-	-	<u>14,212,242</u>	<u>23,280,555</u>
-	-	-	-	-	-	-
<u>18,827</u>	<u>1,022</u>	<u>(569,690)</u>	-	<u>3,676</u>	<u>(13,559,401)</u>	<u>(12,735,993)</u>
-	-	(3,526,000)	-	(3,676)	(104,495)	(3,840,941)
-	-	4,660,567	-	-	1,105,441	8,103,314
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	<u>1,134,567</u>	-	<u>(3,676)</u>	<u>1,000,946</u>	<u>4,262,373</u>
18,827	1,022	564,877	-	-	(12,558,455)	(8,473,620)
<u>5,153,489</u>	<u>234,817</u>	<u>5,022,571</u>	<u>3,207</u>	<u>708,845</u>	<u>54,996,005</u>	<u>66,316,101</u>
<u>\$ 5,172,316</u>	<u>\$ 235,839</u>	<u>\$ 5,587,448</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 42,437,550</u>	<u>\$ 57,842,481</u>

See Independent Auditor's Report.

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INTERNAL SERVICE FUNDS

Fleet Services Fund – To account for the revenues and cost of operations of a central motor pool which includes all City-owned vehicles except fire trucks and buses. Vehicles are rented to using departments at estimated cost of usage. The original equipment was contributed to Fleet Services upon its organization on October 1, 1973. Effective with the 1994/95 year, the City adopted a policy of financing additions, as well as replacements, out of Fleet Services' net earnings from user charges.

Information Services Fund – To account for the revenues and costs of operations of the City's data processing system. Charges to using departments are based on estimated cost of providing the service, including depreciation on equipment. This fund was established October 1, 1979, upon transfer of the necessary equipment from the general fixed assets of the City.

Risk Management Fund – To account for funds accumulated from operating transfers and from assessments of the various City departments for the purpose of self-insuring liability, workmen's compensation, unemployment claims, and miscellaneous other risks.

Employee Insurance Funds – To account for self-insured medical and dental benefits together with life insurance for employees, retirees and covered dependents. Additionally, employee contributions to the flexible benefits plan and related expenditures are accounted for within these funds.

**CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 18,467,932	\$ 5,990,741	\$ 11,655,164	\$ 8,484,004	\$ 44,597,841
Investments at fair value	2,500,000	2,250,000	11,134,160	-	15,884,160
Receivables (net of allowances for uncollectibles)					
Accounts	28	94	380,851	1,006,463	1,387,436
Accrued interest	7,591	2,434	16,723	-	26,748
Leases	-	1,730	-	-	1,730
Other accrued revenue					
Due from other funds	2,503	11,750	1,258	172,450	187,961
Inventory of supplies at cost	400,483	6,913	-	-	407,396
Prepaid expenses	-	-	2,434,118	-	2,434,118
Total current assets	<u>21,378,537</u>	<u>8,263,662</u>	<u>25,622,274</u>	<u>9,662,917</u>	<u>64,927,390</u>
NONCURRENT ASSETS					
Restricted cash and cash equivalents	75,343	-	-	-	75,343
Leases receivable - non current	-	55,316	-	-	55,316
Net pension asset	-	177,018	106,420	-	283,438
Capital assets					
Improvements	768,005	5,946,614	-	-	6,714,619
Accumulated depreciation	(335,004)	(5,295,409)	-	-	(5,630,413)
Equipment	333,404	6,204,768	9,623	1,647	6,549,442
Accumulated depreciation	(306,261)	(3,744,229)	(9,623)	(944)	(4,061,057)
Vehicles	79,531,438	-	-	-	79,531,438
Accumulated depreciation	(59,174,416)	-	-	-	(59,174,416)
Capital lease asset	4,142,899	1,527,869	-	-	5,670,768
Accumulated amortization	(1,125,076)	(515,987)	-	-	(1,641,063)
Construction in progress	241,139	-	-	-	241,139
Total capital assets, net of accum. depreciation and amortization	<u>24,076,128</u>	<u>4,123,626</u>	<u>-</u>	<u>703</u>	<u>28,200,457</u>
Total noncurrent assets	<u>24,151,471</u>	<u>4,355,960</u>	<u>106,420</u>	<u>703</u>	<u>28,614,554</u>
TOTAL ASSETS	<u>\$ 45,530,008</u>	<u>\$ 12,619,622</u>	<u>\$ 25,728,694</u>	<u>\$ 9,663,620</u>	<u>\$ 93,541,944</u>
DEFERRED OUTFLOWS	<u>\$ 641,213</u>	<u>\$ 615,343</u>	<u>\$ (26,084)</u>	<u>\$ 117,287</u>	<u>\$ 1,347,759</u>
LIABILITIES					
CURRENT LIABILITIES					
Vouchers payable	\$ 1,207,147	\$ 236,037	\$ 362,948	\$ 305,794	\$ 2,111,926
Accounts payable	(18,089)	-	-	314,234	296,145
Accrued interest payable	-	6,571	-	-	6,571
Accrued expenses	61,843	80,226	8,916	(24,692)	126,293
Due to other funds	-	50,000	-	183,608	233,608
Estimated liability for incurred losses	-	-	4,816,592	2,025,060	6,841,652
Current portion of right-to-use lease liability	1,047,288	603,797	-	-	1,651,085
Current portion of compensated absences	29,626	34,043	565	4,077	68,311
Total current liabilities	<u>2,327,815</u>	<u>1,010,674</u>	<u>5,189,021</u>	<u>2,808,081</u>	<u>11,335,591</u>
NONCURRENT LIABILITIES					
Provision for compensated absences, net	239,104	318,956	42,248	15,553	615,861
Estimated liability for incurred losses, net of current portion	-	-	14,560,662	-	14,560,662
Right-to-use lease liability	1,970,930	274,003	-	-	2,244,933
Net OPEB liability	848,280	730,576	20,294	89,293	1,688,443
Net pension liability	159,891	-	-	34,849	194,740
Total noncurrent liabilities	<u>3,218,205</u>	<u>1,323,535</u>	<u>14,623,204</u>	<u>139,695</u>	<u>19,304,639</u>
TOTAL LIABILITIES	<u>\$ 5,546,020</u>	<u>\$ 2,334,209</u>	<u>\$ 19,812,225</u>	<u>\$ 2,947,776</u>	<u>\$ 30,640,230</u>
DEFERRED INFLOWS	<u>\$ 1,012,800</u>	<u>\$ 1,506,700</u>	<u>\$ 72,779</u>	<u>\$ 202,697</u>	<u>\$ 2,794,976</u>
NET POSITION					
Net investment in capital assets	\$ 21,057,910	\$ 3,245,826	\$ -	\$ 703	\$ 24,304,439
Restricted for debt service	75,343	-	-	-	75,343
Unrestricted	18,479,148	6,148,230	5,817,606	6,629,731	37,074,715
TOTAL NET POSITION	<u>\$ 39,612,401</u>	<u>\$ 9,394,056</u>	<u>\$ 5,817,606</u>	<u>\$ 6,630,434</u>	<u>\$ 61,454,497</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 2,491,930	\$ 2,491,930
Internal charges	18,172,663	7,279,963	8,513,841	19,974,824	53,941,291
Employee contributions	-	-	-	5,664,227	5,664,227
Lease revenue	-	2,271	-	-	2,271
Miscellaneous	-	88,363	-	1,595	89,958
Total operating revenues	<u>18,172,663</u>	<u>7,370,597</u>	<u>8,513,841</u>	<u>28,132,576</u>	<u>62,189,677</u>
OPERATING EXPENSES					
Salaries, wages, fringes	1,921,054	2,947,225	275,256	157,838	5,301,373
Supplies	3,886,100	818,815	315,097	29,593	5,049,605
Fuel and oil	3,324,145	-	-	-	3,324,145
Contractual services	606,574	3,507,073	625,021	1,830,611	6,569,279
Claims, net of settlements	-	-	3,895,204	25,584,530	29,479,734
Other charges	1,302,691	303,542	3,900,026	1,308,325	6,814,584
Depreciation	7,316,036	1,115,021	-	66	8,431,123
Total operating expenses	<u>18,356,600</u>	<u>8,691,676</u>	<u>9,010,604</u>	<u>28,910,963</u>	<u>64,969,843</u>
Operating income (loss)	<u>(183,937)</u>	<u>(1,321,079)</u>	<u>(496,763)</u>	<u>(778,387)</u>	<u>(2,780,166)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	102,119	54,266	111,287	34,275	301,947
Changes in value of investments	(1,371)	-	(32,304)	(970)	(34,645)
Interest and fiscal charges	(40,193)	(45,315)	-	-	(85,508)
Gain (loss) on property sales	120,753	900	-	-	121,653
Miscellaneous revenues	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>181,308</u>	<u>9,851</u>	<u>78,983</u>	<u>33,305</u>	<u>303,447</u>
Income (loss) before contributions and transfers	<u>(2,629)</u>	<u>(1,311,228)</u>	<u>(417,780)</u>	<u>(745,082)</u>	<u>(2,476,719)</u>
TRANSFERS					
TO MUNICIPALITY - CASH	-	-	(1,446)	-	(1,446)
FROM MUNICIPALITY - CASH	84,754	3,468,348	3,500,000	-	7,053,102
Change in net position	<u>82,125</u>	<u>2,157,120</u>	<u>3,080,774</u>	<u>(745,082)</u>	<u>4,574,937</u>
NET POSITION AT BEGINNING OF YEAR					
	<u>39,587,044</u>	<u>7,770,717</u>	<u>2,736,832</u>	<u>7,375,516</u>	<u>57,470,109</u>
PRIOR PERIOD ADJUSTMENT					
	<u>(56,768)</u>	<u>(533,781)</u>	<u>-</u>	<u>-</u>	<u>(590,549)</u>
TOTAL NET POSITION AT BEGINNING OF YEAR, RESTATED					
	<u>39,530,276</u>	<u>7,236,936</u>	<u>2,736,832</u>	<u>7,375,516</u>	<u>56,879,560</u>
NET POSITION AT END OF YEAR					
	<u>\$ 39,612,401</u>	<u>\$ 9,394,056</u>	<u>\$ 5,817,606</u>	<u>\$ 6,630,434</u>	<u>\$ 61,454,497</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals</u>
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Cash received from City departments	\$ 18,172,663	\$ 7,313,574	\$ 8,838,795	\$ 29,043,827	\$ 63,368,859
Cash payments to suppliers for goods and services	(9,461,759)	(4,457,403)	(5,153,305)	(2,859,553)	(21,932,020)
Cash payments to employees	(2,363,089)	(3,550,011)	(309,487)	(322,233)	(6,544,820)
Cash payments for claims and loss adjustments	-	-	(3,564,678)	(25,506,911)	(29,071,589)
Net cash provided (used) by operating activities	<u>6,347,815</u>	<u>(693,840)</u>	<u>(188,675)</u>	<u>355,130</u>	<u>5,820,430</u>
CASH FLOWS FROM NONCAPITAL					
FINANCING ACTIVITIES					
Transfers from other funds	84,754	3,468,348	3,500,000	-	7,053,102
Transfers to other funds	-	-	(1,446)	-	(1,446)
Amounts borrowed/repaid from other funds	(2,503)	50,000	-	-	47,497
Amounts loaned to other funds	-	(11,484)	(1,258)	10,892	(1,850)
Net cash provided (used) by noncapital financing activities	<u>82,251</u>	<u>3,506,864</u>	<u>3,497,296</u>	<u>10,892</u>	<u>7,097,303</u>
CASH FLOWS FROM CAPITAL					
FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,971,801)	(1,680,343)	-	-	(4,652,144)
Principal paid on right-to-use lease	(1,115,169)	(1,070,144)	-	-	(2,185,313)
Interest expense	(38,266)	(45,315)	-	-	(83,581)
Insurance proceeds	-	-	-	-	-
Proceeds from sale of equipment	201,407	900	-	-	202,307
Net cash provided (used) by capital financing activities	<u>(3,923,829)</u>	<u>(2,794,902)</u>	<u>-</u>	<u>-</u>	<u>(6,718,731)</u>
CASH FLOWS FROM INVESTING					
ACTIVITIES					
Proceeds from sales and maturities of investment securities	5,250,000	3,250,000	16,000,000	1,000,000	25,500,000
Purchase of investment securities	(4,750,000)	(4,250,000)	(19,155,420)	-	(28,155,420)
Interest and gains (losses) on investments	114,452	51,912	103,252	54,056	323,672
Net cash provided (used) by investing activities	<u>614,452</u>	<u>(948,088)</u>	<u>(3,052,168)</u>	<u>1,054,056</u>	<u>(2,331,748)</u>
Net increase (decrease) in cash and cash equivalents	3,120,689	(929,966)	256,453	1,420,078	3,867,254
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>15,422,586</u>	<u>6,920,707</u>	<u>11,398,711</u>	<u>7,063,926</u>	<u>40,805,930</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 18,543,275</u>	<u>\$ 5,990,741</u>	<u>\$ 11,655,164</u>	<u>\$ 8,484,004</u>	<u>\$ 44,673,184</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (183,937)	\$ (1,321,079)	\$ (496,763)	\$ (778,387)	\$ (2,780,166)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	7,316,036	1,115,021	-	66	8,431,123
(Increase) decrease in accounts receivable	-	(57,023)	324,954	911,251	1,179,182
(Increase) decrease in deferred outflows	81,097	174,968	10,835	25,997	292,897
(Increase) decrease in inventories	(202,260)	(2,040)	-	-	(204,300)
(Increase) decrease in prepaid expenses	-	-	(649,111)	-	(649,111)
Increase (decrease) in vouchers payable	245,036	196,380	335,950	292,294	1,069,660
Increase (decrease) in accounts payable	(385,025)	(22,313)	-	16,682	(390,656)
Increase (decrease) in accrued expenses	(75,415)	(115,723)	(8,206)	(71,442)	(270,786)
Increase (decrease) in deferred inflows	172,369	344,797	15,885	41,233	574,284
Increase (decrease) in provision for compensated absences	8,570	(6,404)	1,244	(17,770)	(14,360)
Increase (decrease) in estimated claims liabilities	-	-	-	77,619	77,619
Increase (decrease) in net OPEB liability	30,097	25,921	720	3,168	59,906
Increase (decrease) in net pension liability	(658,753)	(1,026,345)	(54,709)	(145,581)	(1,885,388)
Increase (decrease) in IBNR accrual	-	-	330,526	-	330,526
Net cash provided (used) by operating activities	<u>\$ 6,347,815</u>	<u>\$ (693,840)</u>	<u>\$ (188,675)</u>	<u>\$ 355,130</u>	<u>\$ 5,820,430</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Decreases (increases) in fair values of investments	\$ 1,371	\$ -	\$ 32,304	\$ 970	\$ 34,645

See Independent Auditor's Report.

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GENERAL FUND

The General Fund accounts for all unrestricted resources except those required to be accounted for in another fund. The revenues and expenditures of the Transit System, Solid Waste Department and the Auditorium-Coliseum are accounted for in this fund.

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**CITY OF AMARILLO, TEXAS
GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2022**

ASSETS

Cash and cash equivalents	\$ 3,031,843
Restricted cash and cash equivalents	5,253,339
Investments at fair value	62,045,063
Receivables (net of allowances for uncollectibles)	
Property taxes	288,279
Solid waste and other	4,291,593
Accrued interest	253,525
Other accrued revenue	2,011,823
Due from other funds	2,214,136
Due from other governments	7,180,391
Inventory of supplies	1,754,385
Prepaid items	36,767
Advances to other funds	557,333
TOTAL ASSETS	<u><u>\$ 88,918,477</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Vouchers payable	\$ 1,969,955
Accounts payable	3,760,390
Accrued expenditures	3,328,520
Deposits	22,841
Due to other funds - unrestricted	2
Due to other governments	904,197
Unearned revenues - other	49,076
Total liabilities	<u>10,034,981</u>

Deferred inflows of resources

Unavailable property taxes	211,017
Total deferred inflows of resources	<u>211,017</u>

FUND BALANCE

Nonspendable:	
Inventory	1,754,385
Prepaid items	36,767
Property taxes	77,261
Restricted for:	
Special purpose	1,323,782
Committed for:	
Advances to other funds	557,333
Unassigned	74,922,951
Total fund balance	<u>78,672,479</u>

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 88,918,477</u></u>
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See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2022**

REVENUES	
Taxes	\$ 159,809,982
License and permits	4,902,238
Interfund revenues	1,064,426
Intergovernmental revenues	5,263,033
Contributions - citizens	68,909
Charges for services	41,256,670
Fines and forfeitures	3,271,818
Investment earnings	(846,012)
Other rentals and commissions	902,947
Miscellaneous	296,601
	<hr/>
Total revenues	215,990,612
EXPENDITURES	
Current	
General government	5,243,246
Staff services	12,355,042
Public safety and health	
Police protection	51,939,166
Fire protection	37,528,924
Other	13,152,056
Streets, traffic and engineering	15,664,510
Culture and recreation	
Auditorium-coliseum	3,651,004
Libraries	4,089,094
Parks	7,851,508
Participant recreation	6,788,732
MPEV	71,601
Solid waste	17,456,797
Transit system	4,807,545
Information technology	4,891,648
Economic development/tourism	2,695,994
Capital outlay	112,608
	<hr/>
Total expenditures	188,299,475
EXCESS OF REVENUES OVER EXPENDITURES	<hr/> 27,691,137
OTHER FINANCING SOURCES (USES)	
Transfers from other funds	26,305,660
Transfers to other funds	(44,795,539)
	<hr/>
Net change in fund balance	9,201,258
FUND BALANCE, BEGINNING OF YEAR	<hr/> 69,471,221
FUND BALANCE, END OF YEAR	<hr/> <hr/> \$ 78,672,479

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
TAXES			
General property taxes			
Ad valorem tax collections	\$ 49,060,216	\$ 49,305,398	\$ (245,182)
Penalty and interest on delinquent taxes	453,680	333,000	120,680
Water & sewer utility	4,823,547	4,757,736	65,811
General sales tax	74,467,785	60,952,700	13,515,085
Mixed beverage tax	1,124,346	900,000	224,346
Hotel occupancy tax	9,585,539	7,849,461	1,736,078
Hotel occupancy tax rebate	(753,112)	(863,440)	110,328
Gross receipts business taxes:			
Electric utility	10,261,180	8,388,732	1,872,448
Telephone utility	705,481	690,177	15,304
Gas utility	4,292,852	3,619,564	673,288
Cable television	1,305,318	1,566,383	(261,065)
Water & Sewer utility	4,483,150	4,515,975	(32,825)
Total taxes	<u>159,809,982</u>	<u>142,015,686</u>	<u>17,794,296</u>
LICENSES AND PERMITS			
Food and beverage establishments			
Liquor, beer and wine licenses	93,743	105,000	(11,257)
Restaurant permits	942,655	865,683	76,972
Food handler permits	79,697	70,616	9,081
Miscellaneous occupational			
Occupational and business	141,624	156,105	(14,481)
Group care	7,188	9,000	(1,812)
Transient bus licenses	1,099	928	171
Solicitation permits	573	5,144	(4,571)
Building and structures			
Building permits	2,606,975	2,310,717	296,258
Electrical permits	78,215	113,282	(35,067)
Plumbing and gas permits	379,674	398,593	(18,919)
Heating and air permits	177,553	150,125	27,428
Sewage disposal permits	378,261	297,500	80,761
Mobile home parks	14,981	39,391	(24,410)
Total licenses and permits	<u>4,902,238</u>	<u>4,522,084</u>	<u>380,154</u>
INTERFUND REVENUES			
Airport animal control	20,004	18,000	2,004
Sales to other funds	466,191	870,500	(404,309)
Other interfund reimbursements	578,231	630,276	(52,045)
Total interfund revenue	<u>1,064,426</u>	<u>1,518,776</u>	<u>(454,350)</u>
INTERGOVERNMENTAL REVENUES			
General government			
Auditorium operating assistance	398,004	398,004	-
Public safety and health			
Emergency management participations	294,437	313,335	(18,898)
Other	86,758	65,000	21,758
Solid waste	257,784	160,000	97,784
State shared revenues	49,702	51,000	(1,298)
Transit			
Federal/state operating assistance	4,176,348	4,922,263	(745,915)
Total intergovernmental revenues	<u>5,263,033</u>	<u>5,909,602</u>	<u>(646,569)</u>
CONTRIBUTIONS FROM CITIZENS			
Donations unrestricted	68,909	40,000	28,909

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED
YEAR ENDED SEPTEMBER 30, 2022**

	Actual revenue	Budget	Variance with final budget positive (negative)
CHARGES FOR SERVICES			
General government			
Zoning, planning application fees	25,578	86,600	(61,022)
Sale of city publications	-	100	(100)
Construction and development fees	262,254	158,600	103,654
Staff services			
Indirect cost reimbursement	2,805,832	2,815,909	(10,077)
Business type fund administrative fees			
Water & sewer administrative	1,851,075	1,851,075	-
Airport	144,784	144,784	-
Other administrative fees			
Weed mowing contract	190,221	425,000	(234,779)
Weed bad debt adjustment	(123,842)	(411,338)	287,496
Wrecker service contract	45,027	53,000	(7,973)
Fiscal agent fees	124,149	161,376	(37,227)
Technology fees	(263,349)	190,000	(453,349)
Public safety and health			
Police liason officer	1,475,368	1,317,698	157,670
AECC participations	1,055,670	1,144,252	(88,582)
EMS support	79,237	79,200	37
Warrant fees	274,540	385,000	(110,460)
Traffic accident reports	8,651	30,000	(21,349)
Airport fire service fee	2,112,423	2,112,423	-
Fire inspections	57,156	105,600	(48,444)
Animal shelter fees	139,680	134,500	5,180
Vital statistics fee	263,009	285,000	(21,991)
Miscellaneous health department fees	288	750	(462)
Culture & recreation			
Auditorium rentals	1,407,422	1,494,175	(86,753)
Auditorium concessions	448,438	348,221	100,217
Auditorium advertising	1,834	-	1,834
Auditorium box office	295,213	334,500	(39,287)
Library late fees	51,580	60,000	(8,420)
Library copy charges	24,082	30,000	(5,918)
Nonresident library fees	11,104	12,000	(896)
Baseball field rentals	102,144	96,830	5,314
Golf green fees	1,140,388	1,085,300	55,088
Golf membership fees	275,778	271,000	4,778
Golf other	2,260,377	1,977,000	283,377
Swimming pool fees	231,389	585,474	(354,085)
Tennis center fees	59,642	37,260	22,382
Warford Center	71,426	50,700	20,726
Zoo admission fees	238,854	175,580	63,274
Rifle range fees	47,609	83,540	(35,931)
Entry and tournament fees	131,152	323,635	(192,483)
Admission fees	33,569	17,300	16,269
Solid waste			
Collection & disposal fees	20,084,475	20,151,471	(66,996)
Landfill charges	3,307,057	3,662,858	(355,801)
Recyclable materials	92,119	71,800	20,319
Forfeited discounts	299,810	405,000	(105,190)
Transit			
Passenger revenue	64	70,318	(70,254)
Demand response	-	13,795	(13,795)
Miscellaneous transit revenue	113,393	94,614	18,779
Total charges for services	<u>41,256,670</u>	<u>42,521,900</u>	<u>(1,265,230)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
FINES AND FORFEITURES			
Traffic fines	2,300,427	2,384,192	(83,765)
Misdemeanor fees	233,521	246,126	(12,605)
Parking fines	175,529	128,650	46,879
Court Fees	1,850	2,534	(684)
Other court revenue	132,334	81,391	50,943
Miscellaneous fines	92,309	143,463	(51,154)
State court costs	335,848	391,030	(55,182)
Total fines and forfeitures	<u>3,271,818</u>	<u>3,377,386</u>	<u>(105,568)</u>
INVESTMENT EARNINGS			
Interest earnings	(846,012)	290,000	(1,136,012)
Total investment earnings	<u>(846,012)</u>	<u>290,000</u>	<u>(1,136,012)</u>
OTHER RENTALS AND COMMISSIONS			
Amusement park commissions	106,930	85,000	21,930
Municipal building rents	80,915	120,964	(40,049)
MPEV rents	466,667	400,000	66,667
Surface land rents	41,064	34,200	6,864
Miscellaneous concessions	207,371	190,209	17,162
Total rental/commissions	<u>902,947</u>	<u>830,373</u>	<u>72,574</u>
MISCELLANEOUS			
Use of money and property:			
Miscellaneous revenues	284,022	191,984	92,038
Sales to outside utilities	7,880	13,000	(5,120)
Discounts earned	9,705	4,000	5,705
Sale of property and gains	12,068	14,250	(2,182)
Bad debt/exp recovery	(17,074)	-	(17,074)
Total miscellaneous	<u>296,601</u>	<u>223,234</u>	<u>73,367</u>
TOTAL REVENUES	<u>\$ 215,990,612</u>	<u>\$ 201,249,041</u>	<u>\$ 14,741,571</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS)
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Salaries, wages and fringe benefits</u>	<u>Supplies</u>	<u>Contractual services</u>
GENERAL GOVERNMENT			
Mayor and council	\$ 981	\$ 6,806	\$ 16,612
City manager	1,555,102	43,965	199,982
Office of public communication	480,539	54,164	35,216
City secretary	267,739	94,636	6,310
Municipal court	978,455	31,268	47,932
Judicial	411,703	12,287	42,230
Office of Civic Hearing	4,867	-	43,646
Planning and zoning	660,208	13,112	70,448
Total general government	<u>4,359,594</u>	<u>256,238</u>	<u>462,376</u>
STAFF SERVICES			
Financial administration			
Director of finance	687,603	30,022	750,846
Accounting	1,066,396	29,916	220,877
Benefits	270,648	282	-
Purchasing	573,020	16,430	32,807
Central stores	343,484	2,485	18,788
Information technology	-	-	-
Legal	896,045	71,642	954,714
Personnel			
Human resources	765,892	207,536	201,544
Safety and training	267,267	27,613	9,179
Radio communications	-	35	865
Occupancy			
Custodial operations	1,174,815	107,881	14,940
Building maintenance	2,109,008	552,530	519,291
Total staff services	<u>8,154,178</u>	<u>1,046,372</u>	<u>2,723,851</u>
PUBLIC SAFETY AND HEALTH			
Police			
Police	41,136,874	1,497,068	3,385,839
Civilian personnel	3,322,489	2,762	1,869,656
Total police protection	<u>44,459,363</u>	<u>1,499,830</u>	<u>5,255,495</u>
Fire protection			
Fire operations	32,603,220	1,609,345	1,354,910
Civilian personnel	1,568,183	38,916	42,504
Total fire protection	<u>34,171,403</u>	<u>1,648,261</u>	<u>1,397,414</u>
Other			
Building safety	2,455,446	45,779	354,389
Animal management and welfare	2,220,793	486,053	361,301
Emergency services	324,714	31,402	61,418
AECC	4,082,151	46,869	279,066
Environmental health	1,438,255	52,004	173,722
Vital statistics	60,975	21,858	67,162
Total other	<u>10,582,334</u>	<u>683,965</u>	<u>1,297,058</u>
Total public safety and health	<u>89,213,100</u>	<u>3,832,056</u>	<u>7,949,967</u>

See Independent Auditor's Report.

<u>Other charges</u>	<u>Total</u>	<u>Capital outlay</u>	<u>Total (GAAP) basis</u>
\$ 32,943	\$ 57,342	\$ -	\$ 57,342
31,662	1,830,711	-	1,830,711
28,346	598,265	-	598,265
22,923	391,608	-	391,608
16,905	1,074,560	-	1,074,560
5,710	471,930	-	471,930
1,695	50,208	-	50,208
24,854	768,622	-	768,622
<u>165,038</u>	<u>5,243,246</u>	<u>-</u>	<u>5,243,246</u>
7,102	1,475,573	-	1,475,573
10,448	1,327,637	-	1,327,637
4,536	275,466	-	275,466
5,085	627,342	-	627,342
(5,988)	358,769	-	358,769
4,891,648	4,891,648	-	4,891,648
11,332	1,933,733	-	1,933,733
10,786	1,185,758	-	1,185,758
4,931	308,990	-	308,990
-	900	-	900
14,689	1,312,325	-	1,312,325
367,720	3,548,549	-	3,548,549
<u>5,322,289</u>	<u>17,246,690</u>	<u>-</u>	<u>17,246,690</u>
648,458	46,668,239	53,889	46,722,128
76,020	5,270,927	-	5,270,927
<u>724,478</u>	<u>51,939,166</u>	<u>53,889</u>	<u>51,993,055</u>
287,926	35,855,401	-	35,855,401
23,920	1,673,523	-	1,673,523
<u>311,846</u>	<u>37,528,924</u>	<u>-</u>	<u>37,528,924</u>
173,168	3,028,782	-	3,028,782
39,320	3,107,467	-	3,107,467
95,598	513,132	-	513,132
264,780	4,672,866	-	4,672,866
15,259	1,679,240	-	1,679,240
574	150,569	-	150,569
<u>588,699</u>	<u>13,152,056</u>	<u>-</u>	<u>13,152,056</u>
<u>1,625,023</u>	<u>102,620,146</u>	<u>53,889</u>	<u>102,674,035</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS), CONTINUED
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Salaries, wages and fringe benefits</u>	<u>Supplies</u>	<u>Contractual services</u>
STREETS, TRAFFIC & ENGINEERING			
Street maintenance	3,907,560	288,869	4,552,425
Traffic engineering	1,456,704	2,495,939	737,975
Public works	507,022	13,212	477
Capital projects and development	1,393,917	24,526	67,277
Total streets, traffic, engineering	<u>7,265,203</u>	<u>2,822,546</u>	<u>5,358,154</u>
CULTURE & RECREATION			
Auditorium - coliseum			
Civic Center operations	794,572	624,074	410,423
Civic Center administration	364,890	15,011	43,923
Box office operations	213,028	4,084	34,266
Civic Center sports	76,309	216,237	54,201
Globe News Center	84,983	136,577	18,743
MPEV	-	53,200	18,401
Library operations	3,179,916	549,979	166,557
Parks			
Parks administration	655,537	42,974	36,299
Park maintenance	2,330,921	553,003	4,042,215
Senior services	26,290	1,274	10,321
Participant recreation			
Golf Operations	1,686,538	1,520,244	995,983
Warford Center	189,675	105,485	41,517
Zoo	426,395	149,013	40,944
Swimming pools	471,715	176,975	35,379
Tennis center	53,621	40,763	139,299
Parks and recreation programs	482,858	93,295	16,120
Total culture and recreation	<u>11,037,248</u>	<u>4,282,188</u>	<u>6,104,591</u>
SOLID WASTE			
Solid waste collection	5,383,719	554,471	6,268,716
Solid waste disposal	1,535,163	260,557	2,500,099
Total solid waste	<u>6,918,882</u>	<u>815,028</u>	<u>8,768,815</u>
TRANSIT			
Fixed route	1,852,492	340,826	8,072
Demand response	658,986	232,988	36,537
Transit Administration	460,358	23,040	12,491
Transit maintenance	519,014	223,604	3,146
Total transit	<u>3,490,850</u>	<u>820,458</u>	<u>60,246</u>
ECONOMIC DEVELOPMENT			
Tourism support	-	-	2,695,994
Total economic development	<u>-</u>	<u>-</u>	<u>2,695,994</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 130,439,055</u>	<u>\$ 13,874,886</u>	<u>\$ 34,123,994</u>

See Independent Auditor's Report.

<u>Other charges</u>	<u>Total</u>	<u>Capital outlay</u>	<u>Total (GAAP) basis</u>
51,527	8,800,381	-	8,800,381
81,576	4,772,194	-	4,772,194
6,936	527,647	-	527,647
78,568	1,564,288	-	1,564,288
218,607	15,664,510	-	15,664,510
348,551	2,177,620	-	2,177,620
48,399	472,223	-	472,223
41,546	292,924	-	292,924
3,245	349,992	-	349,992
117,942	358,245	-	358,245
-	71,601	-	71,601
192,642	4,089,094	-	4,089,094
14,003	748,813	-	748,813
138,106	7,064,245	49,500	7,113,745
565	38,450	-	38,450
46,582	4,249,347	-	4,249,347
16,398	353,075	-	353,075
15,029	631,381	-	631,381
9,272	693,341	-	693,341
3,985	237,668	-	237,668
31,647	623,920	-	623,920
1,027,912	22,451,939	49,500	22,501,439
462,193	12,669,099	5,324	12,674,423
491,879	4,787,698	-	4,787,698
954,072	17,456,797	5,324	17,462,121
225,736	2,427,126	-	2,427,126
92,546	1,021,057	-	1,021,057
73,991	569,880	-	569,880
43,718	789,482	3,895	793,377
435,991	4,807,545	3,895	4,811,440
-	2,695,994	-	2,695,994
-	2,695,994	-	2,695,994
\$ 9,748,932	\$ 188,186,867	\$ 112,608	\$ 188,299,475

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>
GENERAL GOVERNMENT				
Mayor and council	\$ 57,342	\$ -	\$ 57,342	\$ -
City manager	1,830,711	-	1,830,711	1,790
Office of public communication	598,265	-	598,265	2,417
City secretary	391,608	-	391,608	-
Municipal court	1,074,560	-	1,074,560	840
Judicial	471,930	-	471,930	2,956
Office of Civil Hearing	50,208	-	50,208	-
Planning and zoning	768,622	-	768,622	-
Total general government	<u>5,243,246</u>	<u>-</u>	<u>5,243,246</u>	<u>8,003</u>
STAFF SERVICES				
Financial administration				
Director of finance	1,475,573	-	1,475,573	41,980
Accounting	1,327,637	-	1,327,637	-
Benefits	275,466	-	275,466	-
Purchasing	627,342	-	627,342	-
Central stores	358,769	-	358,769	-
Information technology	4,891,648	-	4,891,648	-
Legal	1,933,733	-	1,933,733	-
Personnel				
Human resources	1,185,758	-	1,185,758	15,069
Safety and training	308,990	-	308,990	17,714
Radio communications	900	-	900	-
Occupancy				
Custodial operations	1,312,325	-	1,312,325	-
Building maintenance	3,548,549	-	3,548,549	2,916
Total staff services	<u>17,246,690</u>	<u>-</u>	<u>17,246,690</u>	<u>77,679</u>
PUBLIC SAFETY AND HEALTH				
Police				
Police	46,668,239	53,889	46,722,128	177,305
Civilian personnel	5,270,927	-	5,270,927	52
Total police protection	<u>51,939,166</u>	<u>53,889</u>	<u>51,993,055</u>	<u>177,357</u>
Fire Protection				
Fire operations	35,855,401	-	35,855,401	394,732
Civilian personnel	1,673,523	-	1,673,523	-
Total fire protection	<u>37,528,924</u>	<u>-</u>	<u>37,528,924</u>	<u>394,732</u>
Other				
Building safety	3,028,782	-	3,028,782	16,430
Animal management and welfare	3,107,467	-	3,107,467	17,986
Emergency services	513,132	-	513,132	-
AECC	4,672,866	-	4,672,866	3,007
Environmental health	1,679,240	-	1,679,240	-
Vital statistics	150,569	-	150,569	-
Total other	<u>13,152,056</u>	<u>-</u>	<u>13,152,056</u>	<u>37,423</u>
Total public safety and health	<u>102,620,146</u>	<u>53,889</u>	<u>102,674,035</u>	<u>609,512</u>

See Independent Auditor's Report.

Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
\$ -	\$ 57,342	\$ 83,536	\$ 83,537	\$ 26,195
-	1,828,921	1,627,160	1,627,160	(201,761)
-	595,848	600,248	600,248	4,400
-	391,608	431,158	431,158	39,550
-	1,073,720	1,416,446	1,343,846	270,126
-	468,974	536,456	536,455	67,481
-	50,208	119,659	119,658	69,450
-	768,622	931,422	931,423	162,801
-	5,235,243	5,746,085	5,673,485	438,242
17,512	1,451,105	1,571,667	1,571,621	120,516
-	1,327,637	1,322,632	1,322,632	(5,005)
-	275,466	289,458	289,458	13,992
-	627,342	644,664	634,665	7,323
-	358,769	377,274	377,274	18,505
-	4,891,648	4,891,649	4,891,648	-
-	1,933,733	1,372,677	1,372,678	(561,055)
12,000	1,182,689	1,092,618	1,092,619	(90,070)
-	291,276	361,269	361,269	69,993
-	900	903,443	-	(900)
-	1,312,325	1,517,511	1,517,512	205,187
3,215	3,548,848	3,858,866	3,858,868	310,020
32,727	17,201,738	18,203,728	17,290,244	88,506
284,575	46,829,398	45,516,371	45,467,911	(1,361,487)
-	5,270,875	5,781,472	5,781,472	510,597
284,575	52,100,273	51,297,843	51,249,383	(850,890)
39,520	35,500,189	34,920,670	34,910,674	(589,515)
1,598	1,675,121	1,706,113	1,706,111	30,990
41,118	37,175,310	36,626,783	36,616,785	(558,525)
-	3,012,352	3,589,720	3,589,370	577,018
-	3,089,481	3,749,962	3,679,076	589,595
16,235	529,367	544,465	562,114	32,747
2,072	4,671,931	5,162,056	5,162,057	490,126
-	1,679,240	1,679,530	1,807,657	128,417
-	150,569	123,026	123,024	(27,545)
18,307	13,132,940	14,848,759	14,923,298	1,790,358
344,000	102,408,523	102,773,385	102,789,466	380,943

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>
STREETS, TRAFFIC & ENGINEERING				
Street maintenance	8,800,381	-	8,800,381	65,365
Traffic engineering	4,772,194	-	4,772,194	-
Public works	527,647	-	527,647	-
Capital projects and development	1,564,288	-	1,564,288	1,810
Total streets, traffic, engineering	<u>15,664,510</u>	<u>-</u>	<u>15,664,510</u>	<u>67,175</u>
CULTURE & RECREATION				
Auditorium - coliseum				
Civic Center operations	2,177,620	-	2,177,620	-
Civic Center administration	472,223	-	472,223	50
Box office operations	292,924	-	292,924	-
Civic Center sports	349,992	-	349,992	-
Globe News Center	358,245	-	358,245	-
MPEV	71,601	-	71,601	-
Library operations	4,089,094	-	4,089,094	-
Parks				
Parks administration	748,813	-	748,813	1,021
Park maintenance	7,064,245	49,500	7,113,745	16,647
Senior services	38,450	-	38,450	-
Participant Recreation				
Golf Operations	4,249,347	-	4,249,347	17,010
Warford Center	353,075	-	353,075	47,830
Zoo	631,381	-	631,381	1,641
Swimming pools	693,341	-	693,341	-
Tennis center	237,668	-	237,668	-
Parks and recreation programs	623,920	-	623,920	4,326
Total culture and recreation	<u>22,451,939</u>	<u>49,500</u>	<u>22,501,439</u>	<u>88,525</u>
SOLID WASTE				
Solid waste collection	12,669,099	5,324	12,674,423	359
Solid waste disposal	4,787,698	-	4,787,698	265,166
Total solid waste	<u>17,456,797</u>	<u>5,324</u>	<u>17,462,121</u>	<u>265,525</u>
TRANSIT				
Fixed route	2,427,126	-	2,427,126	13,060
Demand response	1,021,057	-	1,021,057	-
Transit Administration	569,880	-	569,880	-
Transit maintenance	789,482	3,895	793,377	7,924
Total transit	<u>4,807,545</u>	<u>3,895</u>	<u>4,811,440</u>	<u>20,984</u>
ECONOMIC DEVELOPMENT				
Tourism support	2,695,994	-	2,695,994	27,000
Total economic development	<u>2,695,994</u>	<u>-</u>	<u>2,695,994</u>	<u>27,000</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 188,186,867</u>	<u>\$ 112,608</u>	<u>\$ 188,299,475</u>	<u>\$ 1,164,403</u>
OPERATING TRANSFERS:				
Operating Transfers to Other Funds	\$ 44,795,539	\$ -	\$ 44,795,539	\$ -
Operating Transfers from Other Funds	(26,305,660)	-	(26,305,660)	-
TOTALS INCLUDING TRANSFERS	<u>\$ 206,676,746</u>	<u>\$ 112,608</u>	<u>\$ 206,789,354</u>	<u>\$ 1,164,403</u>

See Independent Auditor's Report.

<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
88,819	8,823,835	10,108,810	9,883,812	1,059,977
36,380	4,808,574	4,892,282	4,892,284	83,710
-	527,647	587,929	587,929	60,282
2,554	1,565,032	1,720,611	1,720,612	155,580
<u>127,753</u>	<u>15,725,088</u>	<u>17,309,632</u>	<u>17,084,637</u>	<u>1,359,549</u>
-	2,177,620	2,178,997	2,178,997	1,377
4,926	477,099	615,619	615,619	138,520
-	292,924	397,800	397,799	104,875
7,550	357,542	372,425	372,425	14,883
-	358,245	421,325	421,324	63,079
-	71,601	225,000	225,000	153,399
-	4,089,094	4,223,113	4,223,115	134,021
1,667	749,459	774,406	769,356	19,897
11,481	7,108,579	6,582,527	7,098,487	(10,092)
-	38,450	88,736	38,450	-
35,359	4,267,696	4,252,860	4,252,861	(14,835)
47,830	353,075	472,149	473,949	120,874
-	629,740	624,477	626,277	(3,463)
-	693,341	983,860	985,659	292,318
-	237,668	258,647	258,646	20,978
140	619,734	852,262	834,061	214,327
<u>108,953</u>	<u>22,521,867</u>	<u>23,324,203</u>	<u>23,772,025</u>	<u>1,250,158</u>
1,114	12,675,178	13,803,536	13,803,296	1,128,118
38,448	4,560,980	5,206,721	5,205,734	644,754
<u>39,562</u>	<u>17,236,158</u>	<u>19,010,257</u>	<u>19,009,030</u>	<u>1,772,872</u>
-	2,414,066	2,700,215	2,700,215	286,149
-	1,021,057	1,282,677	1,282,678	261,621
732	570,612	692,827	692,827	122,215
-	785,453	1,207,285	1,207,287	421,834
<u>732</u>	<u>4,791,188</u>	<u>5,883,004</u>	<u>5,883,007</u>	<u>1,091,819</u>
56,850	2,725,844	2,024,072	1,994,072	(731,772)
56,850	2,725,844	2,024,072	1,994,072	(731,772)
<u>\$ 710,577</u>	<u>\$ 187,845,649</u>	<u>\$ 194,274,366</u>	<u>\$ 193,495,966</u>	<u>\$ 5,650,317</u>
\$ -	\$ 44,795,539	\$ 16,535,494	\$ 39,575,818	\$ (5,219,721)
-	(26,305,660)	(22,240)	(540,348)	25,765,312
<u>\$ 710,577</u>	<u>\$ 206,335,528</u>	<u>\$ 210,787,620</u>	<u>\$ 232,531,436</u>	<u>\$ 26,195,908</u>

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STATEMENTS OF WATER AND SEWER FUND

This fund accounts for the provision of water and sewer services to residents and commercial enterprises of the City and proximate area. Water is obtained from a number of city-owned well fields, as well as from an allocation of surface water from the Canadian River and underground water from the northeast sector of the Panhandle, both provided by the Canadian River Municipal Water Authority.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 20,608,211
Investments, at fair values	60,123,561
Accounts receivable, net of allowances	8,585,108
Leases receivable	110,241
Accrued interest receivable	219,898
Other accrued revenue	4,767,934
Due from other funds	33,789
Prepaid expenses	1,604,012
Total current assets	96,052,754
NONCURRENT ASSETS	
Restricted cash and cash equivalents	133,593,550
Other noncurrent asset	43,507
Leases receivable - non current	112,675
Capital assets	
Land	2,040,262
Contributed right of way easements	2,073,851
Underground water rights	87,306,598
Accumulated depletion - underground water rights	(11,332,384)
Water supply contract	50,336,389
Accumulated amortization - water supply contract	(26,697,984)
Pipelines and plant	771,636,071
Accumulated depreciation - pipelines and plant	(277,398,593)
Equipment and vehicles	4,467,724
Accumulated depreciation - equipment and vehicles	(3,655,801)
Construction in progress	36,090,686
Total capital assets net of accumulated depreciation	634,866,819
Total noncurrent assets	768,616,551
TOTAL ASSETS	\$ 864,669,305
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	\$ 3,727,092
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 3,727,092
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	\$ 3,661,517
Accounts payable	1,493,283
Accrued expenses	13,383,700
Due to Other Funds	-
Deposits	1,038,738
Consumer security deposits	5,638,335
Share of water authority debt, current	6,303,593
Bonded debt current maturity	16,015,000
Current portion of provision for compensated absences	140,376
Total current liabilities	47,674,542
NONCURRENT LIABILITIES	
Bonded debt, net of current	225,406,975
Water authority debt, net of current	30,424,668
Other accrued expenses	2,520,032
Provision for compensated absences, net	764,112
Net OPEB liability	4,874,568
Net pension liability	756
Total noncurrent liabilities	263,991,111
TOTAL LIABILITIES	\$ 311,665,653
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	\$ 7,330,910
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 7,330,910
NET POSITION	
Net investment in capital assets	\$ 473,642,540
Restricted for debt service	13,617,583
Unrestricted	62,139,711
TOTAL NET POSITION	\$ 549,399,834

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022**

OPERATING REVENUES	
Utility sales and service	\$ 92,868,326
Tap fees and frontage charges	533,932
Rents and miscellaneous	433,073
Total operating revenues	93,835,331
OPERATING EXPENSES	
Salaries, wages and fringe benefits	12,365,349
Supplies	4,945,058
Fuel and power	5,287,272
Contractual services	15,125,482
Water authority charges	6,273,564
Other charges	14,795,055
Depreciation	15,620,102
Total operating expenses	74,411,882
Operating income	19,423,449
NONOPERATING REVENUES (EXPENSES)	
Gain (loss) on disposal of property	32,694
Settlement proceeds	11,725,000
Intergovernmental revenue	737,521
Interest earnings	(169,904)
Interest and fiscal charges	(3,838,525)
Total nonoperating revenue (expenses)	8,486,786
Income before contributions and transfers	27,910,235
Capital contributions	6,562,863
Transfers from other funds	180,000
Transfers to other funds	(2,996,983)
Change in net position	31,656,115
TOTAL NET POSITION, BEGINNING OF YEAR	517,743,719
TOTAL NET POSITION, END OF YEAR	\$ 549,399,834

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 94,506,318
Cash payments to suppliers for goods and services	(45,508,199)
Cash payments to employees	(14,887,245)
Net cash provided (used) by operating activities	<u>34,110,874</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	180,000
Amounts loaned to or repaid from other funds	31,470
Settlement proceeds	11,725,000
Interfund reimbursements	737,521
Transfers to other funds	(2,996,983)
Net cash provided (used) by noncapital financing activities	<u>9,677,008</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(41,536,457)
Capital grants received	6,468,079
Principal paid on bond maturities	(14,590,000)
Principal paid on proportionate share of Water Authority debt	(6,068,063)
Proceeds from issuance of bonds	57,192,872
Interest expense	(5,593,158)
Proceeds from sale of equipment	32,694
Net cash provided (used) by capital and related financing activities	<u>(4,094,033)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	16,310,000
Purchase of investment securities	(67,395,874)
Interest and gains on investments	1,206,750
Net cash provided (used) by investing activities	<u>(49,879,124)</u>
Net increase in cash and cash equivalents	(10,185,275)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>164,387,036</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 154,201,761</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 19,423,449
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	15,620,102
(Increase) decrease in accounts receivable	(1,762,974)
(Increase) decrease in deferred outflows	457,599
(Increase) decrease in other accrued revenue	1,607,341
(Increase) decrease in prepaid expenses	16,065
Increase (decrease) in vouchers payable	160,267
Increase (decrease) in accounts payable	471,720
Increase (decrease) in accrued operating expenses	(99,659)
Increase (decrease) in deferred inflows	1,206,393
Increase (decrease) in customer deposits	599,597
Increase (decrease) in provision for compensated absences	24,649
Increase (decrease) in net OPEB liability	172,952
Increase (decrease) in net pension liability	(3,748,708)
Increase (decrease) in other accrued expenses	(37,919)
Net cash provided (used) by operating activities	<u>\$ 34,110,874</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Amortization of bond premiums	\$ (585,886)
Increases in fair values of investments	1,245,539
Investment premium/discount amortization	286,794

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
SCHEDULE OF OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 2022**

UTILITY SALES AND SERVICE	
Water metered sales	\$ 63,382,534
Sewer charges	27,652,251
Industrial waste charges	281,104
Forfeited discounts	827,234
Sale of reclaimed water	612,496
Water service charges	1,290,809
Net loss on bad debts	(1,428,532)
Lab fees	98,700
Liquid waste disposal	151,730
Total utility sales and service	92,868,326
TAP FEES AND FRONTAGE CHARGES	
Water tap fees	272,483
Sewer tap fees	128,726
Water frontage charges	7,480
Sewer frontage charges	14,723
Grease trap fees	110,520
Total tap fees and frontage charges	533,932
RENTS AND MISCELLANEOUS	
Rents and miscellaneous	433,073
Total rents and miscellaneous	433,073
TOTAL OPERATING REVENUE	\$ 93,835,331

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
YEAR ENDED SEPTEMBER 30, 2022**

WATER AND SEWER SYSTEM FUND DEPARTMENT	Salaries, Wages & Fringe Benefits	Supplies	Fuel and Power
Water production	\$ 669,811	\$ 37,981	\$ 1,580,147
Water transmission	469,319	67,615	1,714,906
Surface water treatment	1,533,498	762,232	636,335
Water distribution	1,791,147	2,604,579	1,211
Water - general	-	-	-
Wastewater collection	1,402,514	404,327	206,666
Wastewater treatment	2,142,503	736,527	1,119,842
Environmental laboratory	902,470	215,451	28,165
Sewer - general	-	-	-
Utility billing	2,389,892	72,676	-
Director of utilities - administration	386,706	21,298	-
Capital projects development and engineering	677,489	22,372	-
Total operating expenses	\$ 12,365,349	\$ 4,945,058	\$ 5,287,272

See Independent Auditor's Report.

<u>Water Authority Charges</u>	<u>Contractual Services</u>	<u>Other Charges</u>	<u>Depreciation/ Amortization</u>	<u>Total Current Year</u>
\$ -	\$ 1,082,052	\$ 406,725	\$ 3,822,057	\$ 7,598,773
-	188,865	50,792	3,158,121	5,649,618
6,273,564	732,435	555,701	909,613	11,403,378
-	3,220,277	49,470	2,769,456	10,436,140
-	185,200	7,917,025	-	8,102,225
-	5,814,302	60,108	2,447,424	10,335,341
-	1,765,440	610,244	2,179,839	8,554,395
-	213,605	97,889	199,334	1,656,914
-	-	4,056,509	-	4,056,509
-	1,462,928	911,807	33,354	4,870,657
-	403,646	16,970	100,904	929,524
-	56,732	61,815	-	818,408
<u>\$ 6,273,564</u>	<u>\$ 15,125,482</u>	<u>\$ 14,795,055</u>	<u>\$ 15,620,102</u>	<u>\$ 74,411,882</u>

See Independent Auditor's Report.

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STATEMENTS OF DRAINAGE UTILITY FUND

The Drainage Utility Fund provides for a dedicated funding source for the operations and maintenance of the existing storm-water system.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY FUND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 3,576,776
Investments, at fair values	750,000
Accounts receivable	927,274
Total current assets	5,254,050
NONCURRENT ASSETS	
Restricted cash and cash equivalents	20,572,928
Restricted Investments at fair values	
Net pension asset	131,796
Capital assets	
Land	87,744
Contributed right of way easements	1,501,878
Infrastructure	17,714,020
Accumulated depreciation - infrastructure	(1,599,280)
Equipment and vehicles	67,307
Accumulated depreciation - equipment and vehicles	(36,918)
Construction in progress	12,405,162
Total capital assets net of accumulated depreciation	30,139,913
Total noncurrent assets	50,844,637
TOTAL ASSETS	\$ 56,098,687
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	\$ 184,385
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 184,385
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	714,842
Accounts payable	482,961
Accrued expenses	26,462
Accrued interest	86,802
Bonded debt current maturity	1,290,000
Current portion of provision for compensated absences	4,227
Total current liabilities	2,605,294
NONCURRENT LIABILITIES	
Bonded debt net of current	24,914,731
Provision for compensated absences, net	84,019
Net OPEB liability	478,934
Net pension liability	0
Total noncurrent liabilities	25,477,684
TOTAL LIABILITIES	\$ 28,082,978
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	441,851
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 441,851
NET POSITION	
Net investment in capital assets	\$ 22,977,284
Restricted for debt service	339,183
Unrestricted	4,441,776
See Independent Auditor's Report.	
TOTAL NET POSITION	\$ 27,758,243

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022**

OPERATING REVENUES	
Drainage utility assessments	\$ 6,836,305
Forfeited discounts	65,686
Total operating revenues	6,901,991
OPERATING EXPENSES	
Salaries, wages and fringe benefits	819,810
Supplies	1,078,920
Contractual services	877,971
Other charges	1,116,022
Depreciation	371,901
Total operating expenses	4,264,624
Operating income (loss)	2,637,367
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	163,170
Sales to other departments	540
Interest and fiscal charges	(644,123)
Total nonoperating revenue (expenses)	(480,413)
Income before contributions and transfers	2,156,954
Capital contributions	710,674
Transfers to other funds	(369,622)
Change in net position	2,505,406
TOTAL NET POSITION, BEGINNING OF YEAR	25,252,837
TOTAL NET POSITION, END OF YEAR	\$ 27,758,243

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 6,876,356
Cash payments to suppliers for goods and services	(2,062,254)
Cash payments to employees	<u>(989,564)</u>
Net cash provided (used) by operating activities	<u>3,824,538</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Grant-in-aid	-
Transfers from other funds	7,400
Sales to other departments	540
Transfers to other funds	<u>(369,622)</u>
Net cash provided (used) by noncapital financing activities	<u>(361,682)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(6,369,948)
Principal paid on bond maturities	(1,160,000)
Interest expense	(820,371)
Capital contributions	<u>602,753</u>
Net cash provided (used) by capital and related financing activities	<u>(7,747,566)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	750,000
Purchase of investment securities	(750,000)
Interest and gains on investments	<u>161,985</u>
Net cash provided (used) by investing activities	<u>161,985</u>
Net increase (decrease) in cash and cash equivalents	(4,122,725)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>28,272,429</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 24,149,704</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 2,637,367
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	371,901
(Increase) decrease in accounts receivable	(25,635)
(Increase) decrease in deferred outflows	22,288
Increase (decrease) in vouchers payable	693,660
Increase (decrease) in accounts payable	316,999
Increase (decrease) in accrued operating expenses	(41,541)
Increase (decrease) in deferred inflows	66,244
Increase (decrease) in provision for compensated absences	35,587
Increase (decrease) in net OPEB liability	16,993
Increase (decrease) in net pension liability	<u>(269,325)</u>
Net cash provided (used) by operating activities	<u>\$ 3,824,538</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Amortization of bond premiums	\$ -
Investment premium/discount amortization	-

See Independent Auditor's Report.

AIRPORT FUND

This fund accounts for the operation of the Amarillo International Airport. In addition to providing runways, a passenger terminal and related facilities, the Airport includes improvements built by the federal government for an air force base on land which was returned to the City in 1967 and 1970. These facilities, together with later additions, are leased to commercial tenants for warehousing, manufacturing, and aircraft-related activities.

**CITY OF AMARILLO, TEXAS
AIRPORT FUND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 14,427,904
Investments at fair value	7,179,930
Receivables (net of allowances for uncollectibles)	
Accounts	46,228
Accrued interest	53,671
Leases	1,778,555
Other accrued revenue	193,013
Due from other governments	1,425,695
Total current assets	<u>25,104,996</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	313,572
Net pension asset	213,128
Leases receivable - non current	14,880,954
Capital assets	
Land	1,670,425
Runways, buildings and improvements	179,563,436
Accumulated depreciation - runways, buildings and improvements	(119,545,103)
Equipment and vehicles	8,422,076
Accumulated depreciation - equipment and vehicles	(5,655,945)
Construction in progress	11,670,081
Total capital assets, net of accumulated depreciation	<u>76,124,970</u>
Total noncurrent assets	<u>91,532,624</u>
TOTAL ASSETS	<u>\$ 116,637,620</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	\$ 603,759
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 603,759</u>
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	\$ 423,125
Accounts payable	501,013
Accrued expenses	255,443
Unearned revenue	1,316,379
Deposits	27,796
Total current liabilities	<u>2,546,714</u>
NONCURRENT LIABILITIES	
Provision for compensated absences, net	356,788
Net OPEB liability	1,043,101
Total noncurrent liabilities	<u>1,399,889</u>
TOTAL LIABILITIES	<u>\$ 3,946,603</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	\$ 17,904,887
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 17,904,887</u>
NET POSITION	
Net investment in capital assets	\$ 75,242,905
Restricted for debt service	313,572
Unrestricted	19,833,412
TOTAL NET POSITION	<u>\$ 95,389,889</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
AIRPORT FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022**

OPERATING REVENUES	
Airfield fees and commissions	\$ 989,524
Terminal building revenue	8,348,933
Other building revenue	1,938,142
	<u>11,276,599</u>
Total operating revenues	<u>11,276,599</u>
OPERATING EXPENSES	
Salaries, wages and fringes	3,646,676
Supplies	797,415
Fuel and power	706,281
Contractual services	2,759,347
Other charges	3,437,402
Depreciation	6,698,759
	<u>18,045,880</u>
Total operating expenses	<u>18,045,880</u>
Operating loss	<u>(6,769,281)</u>
NONOPERATING REVENUES (EXPENSES)	
Passenger facility charge	1,327,703
Interest earnings	400,545
Capital grants	6,357,409
Change in value of investments	(1,119)
Other miscellaneous revenue	(899,396)
	<u>8,830,502</u>
Net nonoperating revenues (expenses)	<u>8,830,502</u>
Net income before contributions	2,061,221
CAPITAL CONTRIBUTIONS	3,040,205
TRANSFERS TO OTHER FUNDS	<u>(328,198)</u>
Change in net position	4,773,228
NET POSITION AT BEGINNING OF YEAR	<u>90,616,661</u>
NET POSITION AT END OF YEAR	<u>\$ 95,389,889</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
AIRPORT FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 11,377,354
Cash payments to suppliers for goods and services	(10,205,692)
Cash payments to employees	<u>(4,081,664)</u>
Net cash provided (used) by operating activities	<u>(2,910,002)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash payments received for passenger facility charge	1,327,703
Transfers to other funds	<u>(328,198)</u>
Net cash provided (used) by noncapital financing activities	<u>999,505</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(4,585,341)
Capital grants received	11,861,202
Proceeds from sale of equipment	<u>1,645,360</u>
Net cash provided (used) by capital and related financing activities	<u>8,921,221</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	2,750,000
Purchase of investment securities	(7,694,500)
Interest and gains on investments	<u>354,997</u>
Net cash provided (used) by investing activities	<u>(4,589,503)</u>
Net increase (decrease) in cash and cash equivalents	2,421,221
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>12,320,255</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 14,741,476</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (6,769,281)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	6,698,759
(Increase) decrease in accounts receivable	(16,452,670)
(Increase) decrease in deferred outflows	119,252
Increase (decrease) in vouchers payable	(1,285,869)
Increase (decrease) in accounts payable	222,918
Increase (decrease) in accrued operating expenses	(1,442,296)
(Increase) decrease in deferred inflows	16,791,208
Increase (decrease) in provision for compensated absences	66,289
Increase (decrease) in net OPEB obligation	37,010
Increase (decrease) in net pension obligation	<u>(895,322)</u>
Net cash provided (used) by operating activities	<u>\$ (2,910,002)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
AIRPORT FUND
SCHEDULE OF OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 2022**

AIRFIELD FEES AND COMMISSIONS	
Landing fees	\$ 861,045
Military fuel flowage commission	128,479
	<hr/>
Total airfield fees and commissions	989,524
	<hr/>
TERMINAL BUILDING REVENUES	
Airline rentals	2,854,184
Restaurant commissions	210,955
Other terminal building rentals	111,660
Car rental agencies	1,868,230
Auto parking concession	3,303,904
	<hr/>
Total terminal building revenues	8,348,933
	<hr/>
OTHER BUILDING REVENUES	
Lease rentals	
Bell Helicopter	521,779
Krams, Inc.	329,859
Leading Edge	499,240
Fixed base operator	76,336
Other building rentals	475,091
Ground rentals	18,337
	<hr/>
Total other building revenues	1,938,142
	<hr/>
TOTAL OPERATING REVENUES	\$ 11,276,599
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See Independent Auditor's Report.

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COMBINING SCHEDULES

Grant Programs

The City participates in the following types of federal, federal-pass-through and state financial assistance programs, many of which benefit the entire 26-county region known as the Panhandle of Texas:

HUD Programs: These grants, funded by the U. S. Department of Housing and Urban Development, include both block grants and housing and emergency shelter assistance grants for the benefit of low and moderate-income persons.

Public Health: These funds account for grants received for public health purposes within the city-bi-county public health district, received primarily through the U.S. Department of Agriculture, U.S. Department of Health and Human Services, and Texas Department of State Health Services.

Justice: These grants are received from the U.S. Department of Justice for assistance in both local and Panhandle area crime control, as well as from the Department of Transportation for traffic safety purposes.

Other: The City's transportation planning department administers grants from the U.S. Department of Transportation for general transportation planning. The City's emergency management department administers grants from the U.S. Department of Energy for planning with respect to the Pantex plant east of the City. The City occasionally receives assistance from various outside sources to offset the cost on the City to respond to disasters. The City's parks department administers a summer lunch program for low-income children funded by the U.S. Department of Agriculture.

**CITY OF AMARILLO, TEXAS
HOUSING AND URBAN DEVELOPMENT GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
SEPTEMBER 30, 2022**

	Community Development Block Grant	Housing Assistance Payments Program	Home Investment Partnership Program	Housing Stability
ASSETS				
Cash and cash equivalents	\$ 567,054	\$ 1,425,459	\$ 83,936	\$ 575
Accounts receivable	23,807	-	68,155	11,425
Due from other funds	9,073	20,591	-	-
Due from other governments	385,688	910	67,910	-
Prepaid items	361	-	361	-
TOTAL ASSETS	\$ 985,983	\$ 1,446,960	\$ 220,362	\$ 12,000
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 15,397	\$ 15,331	\$ 738	\$ (1)
Accrued expenditures	-	-	-	-
Due to other funds - unrestricted	778,837	54,198	96,756	12,000
Due to other governments	100	-	-	-
Unearned revenue	-	-	68,155	-
Vouchers payable	127,531	22,220	54,711	-
Total liabilities	921,865	91,749	220,360	\$ 11,999
FUND BALANCES				
Nonspendable:				
Prepaid items	361	-	361	-
Restricted for:				
Special purposes	63,757	1,322,730	(359)	1
Committed for:				
Compensated absences	-	32,481	-	-
Total fund balances	64,118	1,355,211	2	1
TOTAL LIABILITIES AND FUND BALANCES	\$ 985,983	\$ 1,446,960	\$ 220,362	\$ 12,000

See Independent Auditor's Report.

Shelter Plus Care/ Permanent Housing	Supportive/ Transitional Housing	Supported Housing	Emergency Shelter	HMIS	Total
\$ 4,739	\$ 347	\$ 6,463	\$ 38,149	\$ 4,908	\$ 2,131,630
-	-	113,621	-	-	217,008
-	-	41,431	-	-	71,095
25,262	1,580	-	218,740	76,923	777,013
-	1,072	4,975	-	5,339	12,108
<u>\$ 30,001</u>	<u>\$ 2,999</u>	<u>\$ 166,490</u>	<u>\$ 256,889</u>	<u>\$ 87,170</u>	<u>\$ 3,208,854</u>
\$ 1	\$ (1)	\$ -	\$ -	\$ 2,166	\$ 33,631
-	-	13,487	1,255	-	14,742
30,000	3,000	140,000	250,000	85,000	1,449,791
-	-	-	-	-	100
-	-	-	-	-	68,155
-	-	2,079	5,634	-	212,175
<u>30,001</u>	<u>2,999</u>	<u>155,566</u>	<u>256,889</u>	<u>87,166</u>	<u>1,778,594</u>
-	-	-	-	5,339	6,061
-	-	10,924	-	(5,335)	1,391,718
-	-	-	-	-	32,481
-	-	10,924	-	4	1,430,260
<u>\$ 30,001</u>	<u>\$ 2,999</u>	<u>\$ 166,490</u>	<u>\$ 256,889</u>	<u>\$ 87,170</u>	<u>\$ 3,208,854</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
HOUSING AND URBAN DEVELOPMENT GRANTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Community Development Block Grant</u>	<u>Housing Assistance Payments Program</u>	<u>Home Investment Partnership Program</u>	<u>Housing Stability</u>
REVENUES				
Grants-in-aid - capital	\$ 2,353,969	\$ 11,094,008	\$ 274,714	\$ 27,050
Charges for services	30,396	-	19,827	-
Construction participations	82,016	-	-	-
Investment earnings	-	4,069	-	-
Miscellaneous revenues	-	39,779	-	-
Total revenues	<u>2,466,381</u>	<u>11,137,856</u>	<u>294,541</u>	<u>27,050</u>
EXPENDITURES				
Urban redevelopment/housing	<u>2,443,984</u>	<u>11,311,041</u>	<u>324,277</u>	<u>27,049</u>
Total expenditures	<u>2,443,984</u>	<u>11,311,041</u>	<u>324,277</u>	<u>27,049</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,397</u>	<u>(173,185)</u>	<u>(29,736)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer from other fund	<u>-</u>	<u>-</u>	<u>29,738</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>29,738</u>	<u>-</u>
Net change in fund balances	22,397	(173,185)	2	1
FUND BALANCES, BEGINNING OF YEAR	<u>41,721</u>	<u>1,528,396</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 64,118</u>	<u>\$ 1,355,211</u>	<u>\$ 2</u>	<u>\$ 1</u>

See Independent Auditor's Report.

<u>Shelter Plus Care/ Permanent Housing</u>	<u>Supportive/ Transitional Housing</u>	<u>Coming Home</u>	<u>Emergency Shelter</u>	<u>HMIS</u>	<u>Total</u>
\$ 57,764	\$ 14,243	\$ 219,282	\$ 818,692	\$ 160,576	\$ 15,020,298
-	-	-	-	-	50,223
-	-	-	-	-	82,016
-	-	-	-	-	4,069
-	-	13,929	-	-	53,708
<u>57,764</u>	<u>14,243</u>	<u>233,211</u>	<u>818,692</u>	<u>160,576</u>	<u>15,210,314</u>
<u>57,764</u>	<u>14,243</u>	<u>390,508</u>	<u>818,694</u>	<u>160,579</u>	<u>15,548,139</u>
<u>57,764</u>	<u>14,243</u>	<u>390,508</u>	<u>818,694</u>	<u>160,579</u>	<u>15,548,139</u>
-	-	(157,297)	(2)	(3)	(337,825)
-	-	168,224	-	-	197,962
-	-	168,224	-	-	197,962
-	-	10,927	(2)	(3)	(139,863)
-	-	(3)	2	7	1,570,123
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,924</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 1,430,260</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC HEALTH GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SEPTEMBER 30, 2022**

	Public Health	Women, Infants & Children	Total
ASSETS			
Cash and cash equivalents	\$ 2,841,189	\$ 2,853	\$ 2,844,042
Investments	2,750,000	-	2,750,000
Accounts receivable	4,028	-	4,028
Other accrued revenue	2,035	-	2,035
Other prepaid expenses	46,333	(1,514)	44,819
Due from other funds - unrestricted	-	-	-
Due from other governments	3,125,404	538,712	3,664,116
TOTAL ASSETS	\$ 8,768,989	\$ 540,051	\$ 9,309,040
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 147,486	\$ 162,749	\$ 310,235
Due to other funds - unrestricted	-	365,000	365,000
Accrued Expenses	-	-	-
Deferred Revenue	180,000	-	180,000
Vouchers payable	655,203	3,733	658,936
Total liabilities	982,689	531,482	1,514,171
FUND BALANCES			
Nonspendable:			
Prepaid items	46,333	(1,514)	44,819
Restricted:			
Special purposes	7,739,967	10,083	7,750,050
Total fund balances	7,786,300	8,569	7,794,869
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,768,989	\$ 540,051	\$ 9,309,040

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC HEALTH GRANTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	Public Health	Women, Infants & Children	Total
REVENUES			
Intergovernmental revenues	\$ 9,385,644	\$ 2,568,159	\$ 11,953,803
Charges for services	105,889	-	105,889
Investment earnings	43,377	-	43,377
Miscellaneous revenues	-	-	-
Total revenues	9,534,910	2,568,159	12,103,069
EXPENDITURES			
Other public safety and health	9,593,140	1,602,471	11,195,611
Capital outlay	1,700,072	-	1,700,072
Total expenditures	11,293,212	1,602,471	12,895,683
Excess (deficiency) of revenues over (under) expenditures	(1,758,302)	965,688	(792,614)
OTHER FINANCING SOURCES (USES)			
Operating transfers to other fund	-	(965,687)	(965,687)
Total other financing sources and uses	-	(965,687)	(965,687)
Net change in fund balances	(1,758,302)	1	(1,758,301)
FUND BALANCES, AT BEGINNING OF YEAR	9,544,602	8,568	9,553,170
FUND BALANCES, AT END OF YEAR	\$ 7,786,300	\$ 8,569	\$ 7,794,869

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
JUSTICE GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SEPTEMBER 30, 2022**

	<u>Justice Assistant Grant</u>	<u>Selective Traffic Enforcement Program</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,105	\$ 552	\$ 1,657
Due from other governments	<u>75,425</u>	<u>47,447</u>	<u>122,872</u>
TOTAL ASSETS	<u>\$ 76,530</u>	<u>\$ 47,999</u>	<u>\$ 124,529</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,532	\$ -	\$ 3,532
Due to other funds - unrestricted	<u>73,000</u>	<u>48,000</u>	<u>121,000</u>
Total liabilities	<u>76,532</u>	<u>48,000</u>	<u>124,532</u>
FUND BALANCES			
Restricted:			
Special purposes	<u>(2)</u>	<u>(1)</u>	<u>(3)</u>
Total fund balances	<u>(2)</u>	<u>(1)</u>	<u>(3)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 76,530</u>	<u>\$ 47,999</u>	<u>\$ 124,529</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
JUSTICE GRANTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Justice Assistance Grant</u>	<u>Selective Traffic Enforcement Program</u>	<u>Total</u>
REVENUES			
Intergovernmental revenues	<u>\$ 199,429</u>	<u>\$ 196,801</u>	<u>\$ 396,230</u>
Total revenues	<u>199,429</u>	<u>196,801</u>	<u>396,230</u>
EXPENDITURES			
Police protection	<u>170,882</u>	<u>250,522</u>	<u>421,404</u>
Total expenditures	<u>170,882</u>	<u>250,522</u>	<u>421,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,547</u>	<u>(53,721)</u>	<u>(25,174)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers to other fund	(29,207)	-	(29,207)
Transfers from other fund	<u>660</u>	<u>53,722</u>	<u>54,382</u>
Total other financing sources and uses	<u>(28,547)</u>	<u>53,722</u>	<u>25,175</u>
Net change in fund balances	-	1	1
FUND BALANCES, AT BEGINNING OF YEAR	<u>(2)</u>	<u>(2)</u>	<u>(4)</u>
FUND BALANCES, AT END OF YEAR	<u>\$ (2)</u>	<u>\$ (1)</u>	<u>\$ (3)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
MISCELLANEOUS GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
SEPTEMBER 30, 2022**

	<u>Urban Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>
ASSETS		
Cash and cash equivalents	\$ 444	\$ 467
Prepaid expense	24	-
Due from other governments	<u>44,498</u>	<u>36,533</u>
TOTAL ASSETS	<u><u>\$ 44,966</u></u>	<u><u>\$ 37,000</u></u>
LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 4,875	\$ -
Due to other funds - unrestricted	40,000	37,000
Accrued expenditures	-	-
Vouchers payable	<u>-</u>	<u>-</u>
Total liabilities	<u>44,875</u>	<u>37,000</u>
FUND BALANCES		
Restricted:		
Special purposes	<u>91</u>	<u>-</u>
Total fund balances	<u>91</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 44,966</u></u>	<u><u>\$ 37,000</u></u>

See Independent Auditor's Report.

<u>PREP Program</u>	<u>Total</u>
\$ 2,551	\$ 3,462
-	24
<u>-</u>	<u>81,031</u>
<u>\$ 2,551</u>	<u>\$ 84,517</u>

\$ -	\$ 4,875
-	77,000
1,450	1,450
<u>1,100</u>	<u>1,100</u>
<u>2,550</u>	<u>84,425</u>

<u>1</u>	<u>92</u>
<u>1</u>	<u>92</u>
<u>\$ 2,551</u>	<u>\$ 84,517</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
MISCELLANEOUS GRANTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Urban Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>
REVENUES		
Intergovernmental revenues	\$ 258,213	\$ 177,788
Total revenues	<u>258,213</u>	<u>177,788</u>
EXPENDITURES		
Other public safety and health	-	177,788
Staff services	258,212	-
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>258,212</u>	<u>177,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)		
Transfers to other fund	-	-
Operating transfers from other fund	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>
Net change in fund balances	1	-
FUND BALANCES, AT BEGINNING OF YEAR	<u>90</u>	<u>-</u>
FUND BALANCES, AT END OF YEAR	<u>\$ 91</u>	<u>\$ -</u>

See Independent Auditor's Report.

<u>PREP Program</u>	<u>Total</u>
\$ -	\$ 436,001
<u>-</u>	<u>436,001</u>
73,893	251,681
-	258,212
<u>-</u>	<u>-</u>
<u>73,893</u>	<u>509,893</u>
<u>(73,893)</u>	<u>(73,892)</u>
-	-
<u>73,894</u>	<u>73,894</u>
<u>73,894</u>	<u>73,894</u>
1	2
<u>-</u>	<u>90</u>
<u>\$ 1</u>	<u>\$ 92</u>

See Independent Auditor's Report.

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COMBINING SCHEDULES

Fiduciary Funds

The City accounts for the assets of the following other parties:

Pension and Other Employee Benefit Trust Funds

Post-Employment Benefits Trust Fund: To account for the resources accumulated for the City of Amarillo's postemployment healthcare for City employees.

Amarillo Firemen's Relief and Retirement Fund: To account for the resources accumulated for the City of Amarillo's Firemen's Relief and Retirement Fund.

Private-Purpose Trust Funds

Centennial Parkway: Donations for trees and landscaping along Airport Boulevard.

Indigent Dog Bite Victim: Donations for health-related services for qualifying indigent dog bite victims.

Amarillo Industrial Development Corporation: Promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare.

Custodial Fund

Civic Center Operations: Accounts for individual events at the City of Amarillo Civic Center. Funds are held in these accounts until events occur and are balanced and closed out.

**CITY OF AMARILLO, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
 SEPTEMBER 30, 2022**

	<u>Centennial Parkway</u>	<u>Indigent Dog Bite Victim</u>	<u>Amarillo Industrial Development Corporation</u>	<u>Total Private-Purpose Trust Funds</u>
ASSETS				
Cash and cash equivalents	\$ 2,472	\$ 5,008	\$ 24,633	\$ 32,113
TOTAL ASSETS	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,633</u>	<u>\$ 32,113</u>
NET POSITION				
Held in trust for private purposes	\$ 2,472	\$ 5,008	\$ 24,633	\$ 32,113
TOTAL NET POSITION	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,633</u>	<u>\$ 32,113</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUNDS
 FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Centennial Parkway</u>	<u>Indigent Dog Bite Victim</u>	<u>Amarillo Industrial Development Corporation</u>	<u>Total Private-Purpose Trust Funds</u>
ADDITIONS:				
Employer contributions	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	157	157
Total additions	-	-	157	157
DEDUCTIONS:				
Benefits payments	-	-	-	-
Total deductions	-	-	-	-
Change in net assets	-	-	157	157
NET POSITION, BEGINNING OF YEAR	<u>2,472</u>	<u>5,008</u>	<u>24,476</u>	<u>31,956</u>
NET POSITION, END OF YEAR	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,633</u>	<u>\$ 32,113</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
SEPTEMBER 30, 2022

	Post Employment Benefits Trust Fund	Amarillo Firemen's Relief and Retirement Fund	Total Pension and Other Employee Benefit Trust
ASSETS			
Cash and cash equivalents	\$ 181,050	\$ 8,807,186	\$ 8,988,236
Accrued interest receivable	-	467,137	467,137
Investments, at fair values	33,717,990	253,197,845	286,915,835
TOTAL ASSETS	\$ 33,899,040	\$ 262,472,168	\$ 296,371,208
LIABILITIES			
Accounts Payable	\$ -	\$ 50,467	\$ 50,467
Members Payable	-	192,931	192,931
TOTAL LIABILITIES	\$ -	\$ 243,398	\$ 243,398
NET POSITION			
Net position restricted for Pension Benefits	\$ -	\$ 262,228,770	\$ 262,228,770
Net position restricted for OPEB	33,899,040	-	33,899,040
TOTAL NET POSITION	\$ 33,899,040	\$ 262,228,770	\$ 296,127,810

CITY OF AMARILLO, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Post Employment Benefits Trust Fund	Amarillo Firemen's Relief and Retirement Fund	Total Pension and Other Employee Benefit Trust
ADDITIONS			
Contributions:			
Employer	\$ 7,141,886	\$ 4,484,279	\$ 11,626,165
Plan Members	-	2,975,216	2,975,216
Other	-	45	45
Total Contributions	<u>7,141,886</u>	<u>7,459,540</u>	<u>14,601,426</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	2,694,074	40,474,373	43,168,447
Interest, Dividends, and Other Investment Income	848,907	3,314,927	4,163,834
Total Investment Income	<u>3,542,981</u>	<u>43,789,300</u>	<u>47,332,281</u>
Less Investment Expenses	<u>150,919</u>	<u>727,223</u>	<u>878,142</u>
Net Investment Income	<u>3,392,062</u>	<u>43,062,077</u>	<u>46,454,139</u>
Total additions	<u>10,533,948</u>	<u>50,521,617</u>	<u>61,055,565</u>
DEDUCTIONS			
Benefits paid	4,257,863	13,506,425	17,764,288
Administrative and other	-	67,671	67,671
Other	-	1,628	1,628
Total deductions	<u>4,257,863</u>	<u>13,575,724</u>	<u>17,833,587</u>
Change in net position	<u>6,276,085</u>	<u>36,945,893</u>	<u>43,221,978</u>
NET POSITION, BEGINNING OF YEAR	<u>27,622,955</u>	<u>225,282,877</u>	<u>252,905,832</u>
NET POSITION, END OF YEAR	<u>\$ 33,899,040</u>	<u>\$ 262,228,770</u>	<u>\$ 296,127,810</u>

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SUPPLEMENTARY INFORMATION

The following schedules are presented for the purpose of additional analysis and are not a required part of comprehensive annual financial report. The following types of information are included:

- Schedule of investments by funds
- Schedules concerning ad valorem taxes
- Schedules of outstanding debt issuances
- Schedules for Waterworks and Sewer System
- Schedule for Drainage Utility
- Schedule of insurance coverage - all funds
- Non-Major Special Revenue Budgets

CITY OF AMARILLO, TEXAS
SCHEDULE OF INVESTMENTS - BY FUNDS
SEPTEMBER 30, 2022

	No-Load Mutual Funds	Taxable Municipal Bonds			U.S. Treasury Obligations		
		Amortized Cost	Par Value	Fair Values	Amortized Cost	Par Value	Fair Values
GOVERNMENTAL FUNDS							
Unrestricted:							
General Fund	\$ 1,104,215	\$ -	\$ -	\$ -	\$ 4,942,257	\$ 5,000,000	\$ 4,898,830
Housing and Urban Development Grants Funds	2,202	-	-	-	-	-	-
Seizure Funds	1,007,596	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	24,840	-	-	-	-	-	-
Tax Increment Reinvestment Zone #2	250,000	-	-	-	-	-	-
Public Improvement Districts	2,294,725	-	-	-	-	-	-
Capital Projects Funds (major and nonmajor)	35,669,697	-	-	-	-	-	-
Miscellaneous special revenue	14,154,617	-	-	-	-	-	-
Total Unrestricted	54,507,892	-	-	-	4,942,257	5,000,000	4,898,830
Restricted:							
General Obligation Debt	1,627,470	-	-	-	-	-	-
General Construction Fund	47,035,786	-	-	-	-	-	-
Civic Center Improvement Fund	4,733,035	-	-	-	-	-	-
GO Bond Construction Fund	34,931,005	-	-	-	-	-	-
Total Restricted	88,327,296	-	-	-	-	-	-
Total Governmental Funds	142,835,188	-	-	-	4,942,257	5,000,000	4,898,830
PROPRIETARY FUNDS							
ENTERPRISE FUNDS							
Unrestricted:							
Water and Sewer Fund	18,865,514	-	-	-	3,952,192	4,000,000	3,877,188
Airport Fund	13,889,690	-	-	-	-	-	-
Drainage Utility	23,643,152	-	-	-	-	-	-
Total Unrestricted	56,398,356	-	-	-	3,952,192	4,000,000	3,877,188
Restricted:							
Water and Sewer Fund	133,593,575	-	-	-	-	-	-
Airport Fund	534	-	-	-	-	-	-
Drainage Utility	339,183	-	-	-	-	-	-
Total Restricted	133,933,292	-	-	-	-	-	-
Total Enterprise Funds	190,331,648	-	-	-	3,952,192	4,000,000	3,877,188
INTERNAL SERVICE FUNDS							
Unrestricted:							
Fleet Services	17,016,818	-	-	-	-	-	-
Information Services	4,401,433	-	-	-	-	-	-
Risk Management	9,831,476	-	-	-	-	-	-
Employee Insurance	5,549,772	-	-	-	-	-	-
Total Unrestricted	36,799,499	-	-	-	-	-	-
Restricted:							
Fleet Services	75,343	-	-	-	-	-	-
Total Internal Service Funds	36,874,842	-	-	-	-	-	-
TOTALS - ALL FUNDS	\$ 370,041,678	\$ -	\$ -	\$ -	\$ 8,894,449	\$ 9,000,000	\$ 8,776,018

See Independent Auditor's Report.

U.S. Government and Government-Sponsored Agencies		Total Investments at Fair Values	Add Time Deposits	Less Cash Equivalents	Total Investments
Interest Bearing Obligations Par Values	Fair Values				
\$ 53,315,000	\$ 51,898,138	\$ 57,901,183	\$ 5,248,095	\$ (1,104,215)	\$ 62,045,063
-	-	2,202	-	(2,202)	-
-	-	1,007,596	-	(1,007,596)	-
-	-	24,840	1,500,000	(24,840)	1,500,000
-	-	250,000	-	(250,000)	-
-	-	2,294,725	-	(2,294,725)	-
-	-	35,669,697	8,000,000	(35,669,697)	8,000,000
-	-	14,154,617	3,750,000	(14,154,617)	3,750,000
<u>53,315,000</u>	<u>51,898,138</u>	<u>111,304,860</u>	<u>18,498,095</u>	<u>(54,507,892)</u>	<u>75,295,063</u>
-	-	1,627,470	-	(1,627,470)	-
-	-	47,035,786	-	(47,035,786)	-
-	-	4,733,035	500,000	(4,733,035)	500,000
-	-	34,931,005	-	(34,931,005)	-
-	-	88,327,296	500,000	(88,327,296)	500,000
<u>53,315,000</u>	<u>51,898,138</u>	<u>199,632,156</u>	<u>18,998,095</u>	<u>(142,835,188)</u>	<u>75,795,063</u>
47,745,000	46,746,373	69,489,075	9,500,000	(18,865,514)	60,123,561
5,000,000	4,929,930	18,819,620	2,250,000	(13,889,690)	7,179,930
-	-	23,643,152	750,000	(23,643,152)	750,000
<u>52,745,000</u>	<u>51,676,303</u>	<u>111,951,847</u>	<u>12,500,000</u>	<u>(56,398,356)</u>	<u>68,053,491</u>
-	-	133,593,575	-	(133,593,575)	-
-	-	534	-	(534)	-
-	-	339,183	-	(339,183)	-
-	-	133,933,292	-	(133,933,292)	-
<u>52,745,000</u>	<u>51,676,303</u>	<u>245,885,139</u>	<u>12,500,000</u>	<u>(190,331,648)</u>	<u>68,053,491</u>
-	-	17,016,818	2,500,000	(17,016,818)	2,500,000
-	-	4,401,433	2,250,000	(4,401,433)	2,250,000
5,000,000	4,884,160	14,715,636	6,250,000	(9,831,476)	11,134,160
-	-	5,549,772	-	(5,549,772)	-
<u>5,000,000</u>	<u>4,884,160</u>	<u>41,683,659</u>	<u>11,000,000</u>	<u>(36,799,499)</u>	<u>15,884,160</u>
-	-	75,343	-	(75,343)	-
<u>5,000,000</u>	<u>4,884,160</u>	<u>41,759,002</u>	<u>11,000,000</u>	<u>(36,874,842)</u>	<u>15,884,160</u>
<u>\$ 111,060,000</u>	<u>\$ 108,458,601</u>	<u>\$ 487,276,297</u>	<u>\$ 42,498,095</u>	<u>\$ (370,041,678)</u>	<u>\$ 159,732,714</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
AD VALOREM TAXES RECEIVABLE BY ROLL YEAR
SEPTEMBER 30, 2022

<u>Roll Year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
2022	\$ 372,377	\$ 80,880	\$ 453,257
2021	153,139	23,263	176,402
2020	95,078	14,443	109,521
2019	83,076	10,618	93,694
2018	67,753	8,578	76,331
2017	51,175	5,738	56,913
2016	51,115	3,934	55,049
2015	44,727	3,635	48,362
2014	43,811	3,739	47,550
2013	38,397	3,584	41,981
2012	32,892	3,127	36,019
2011	30,504	3,106	33,610
2010	28,186	2,870	31,056
2009	20,325	2,070	22,395
2008 & Prior	77,188	1,581	78,769
Total taxes receivable	1,189,743	171,166	1,360,909
Allowance for uncollectible taxes	901,464	134,798	1,036,262
Net taxes receivable	288,279	36,368	324,647
Provision for deferred collections	211,018	23,500	234,518
Net taxes available for current expenditure	\$ 77,261	\$ 12,868	\$ 90,129

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
SCHEDULE OF CHANGES IN TAXES AVAILABLE
YEAR ENDED SEPTEMBER 30, 2022**

TAXES AVAILABLE, BEGINNING, Net	<u>\$ 75,731</u>
REVENUES	
Taxes levied	60,590,154
Adjustments	<u>12,195</u>
Tax levy net of adjustments	60,602,349
Increase in allowance for uncollectible taxes	(37,243)
Decrease in provision for deferred collections	<u>16,818</u>
Net revenues	60,581,924
COLLECTIONS	<u>(60,567,526)</u>
Net increase (decrease) in taxes available	<u>14,398</u>
TAXES AVAILABLE, ENDING, Net	<u>\$ 90,129</u>
TOTAL AD VALOREM TAXES:	
Ad valorem taxes - property tax rolls	\$ 49,060,216
Penalty and interest	453,680
Payment in lieu of property tax	<u>4,823,547</u>
Total General Fund tax revenues	54,337,443
Debt Service	<u>10,812,992</u>
TOTAL TAX REVENUES	<u>\$ 65,150,435</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
COMBINED SCHEDULE OF OUTSTANDING DEBT ISSUANCES
SEPTEMBER 30, 2022**

GENERAL OBLIGATION DEBT:	Issue Date	Final Maturity Date	Interest Rates on Outstanding Maturities
<i>Serviced by Tax Revenues:</i>			
Recovery Zone Build America Bonds, Series 2010	04/15/10	08/15/30	5.81%
General Obligation Refunding Bonds, Series 2017	02/22/17	05/15/27	4.00%
Certificates of Obligation, Series 2017	02/22/17	02/15/37	3.00 - 3.50%
General Obligation Bonds, Series 2017	05/11/17	02/15/42	3.00 - 5.00%
General Obligation Bonds, Series 2018	07/18/18	02/15/43	3.125 - 5.00%
General Obligation Bonds, Series 2020	05/12/20	02/15/45	2.00 - 5.00%
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/22	2.00%
Certificates of Obligation, Series 2020	05/12/20	02/15/50	2.00 - 5.00%
Tax Notes, Series 2020	05/12/20	02/15/27	2.00 - 3.00%
General Obligation Bonds, Series 2021	01/15/21	02/15/46	2.00 - 4.00%
Combination Tax and Revenue Notes, Series 2022	01/11/22	01/10/27	2.00%
Certificates of Obligation, Series 2022	03/22/22	02/15/43	3.00 - 4.00%
Tax Notes, Series 2022B (Purpose 2)	08/15/22	02/15/29	3.00 - 5.00%
<i>Serviced by special assessments and other revenue sources:</i>			
<i>Public Improvement Districts:</i>			
Combination Tax and Revenues Certificates of Obligation Series 2014 (\$520,000 Greenways, \$1,105,000 Colonies)	04/01/14	08/15/34	2.25 - 3.625%
Series 2018 Colonies	07/18/18	05/15/38	3.00 - 4.00%
General Obligation Refunding Bonds, Series 2020 (\$355,000 Greenways, \$830,000 Colonies)	05/12/20	02/15/28	2.00%
Combination Tax and Revenues Certificates of Obligation, Series 2021 Greenways	01/15/21	02/15/41	1.25 - 3.00%
<i>Golf Course Supported:</i>			
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/37	2.00 - 2.50%
<i>Tax Increment Reinvestment Zone #1 Supported:</i>			
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/32	2.00 - 3.00%
Tax Notes, Series 2022B (Purpose 1)	08/15/22	02/15/29	3.00 - 5.00%
Total debt serviced by property taxes, including special assessment and other revenue sources			
REVENUE OBLIGATION DEBT:			
<i>Serviced by Water and Sewer Revenues:</i>			
Waterworks and Sewer Revenue, 2013	07/10/13	04/01/23	0.25 - 0.85%
Waterworks and Sewer Revenue, 2014	01/22/14	04/01/33	0.36 - 2.62%
Waterworks and Sewer Revenue, 2015	10/02/15	04/01/35	0.50 - 1.59%
Waterworks and Sewer Revenue, 2015A	10/02/15	04/01/32	2.00 - 4.00%
Waterworks and Sewer Revenue, 2017	05/11/17	04/01/37	3.00 - 5.00%
Waterworks and Sewer Revenue, 2018A	07/19/18	04/01/38	0.36 - 1.60%
Waterworks and Sewer Revenue, 2018B	07/19/18	04/01/38	3.00 - 5.00%
Waterworks and Sewer Revenue, 2020	07/14/20	04/01/40	0.00%
Waterworks and Sewer Revenue, 2020A	05/12/20	04/01/31	2.00 - 3.00%
Waterworks and Sewer Revenue, 2021	02/01/21	04/01/41	2.00 - 4.00%
Waterworks and Sewer Revenue, 2022	08/01/22	04/01/36	4.00 - 5.00%
<i>Combination Tax and Revenues Certificates of Obligation</i>			
Waterworks and Sewer Tax and Revenue 2009C	02/02/10	05/15/31	0.00%
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/29	2.00 - 3.00%
Total bonds serviced by Water and Sewer revenues			
<i>Serviced by Drainage Fund Revenue:</i>			
Combination Tax and Revenue Certificates of Obligation, 2012A	12/12/12	08/15/32	2.00%
Drainage Revenue, 2014	04/01/14	08/15/34	3.00 - 3.75%
Drainage Revenue, 2020	07/14/20	08/15/40	2.00 - 5.00%
Drainage Revenue, 2021	02/01/21	08/15/41	2.00 - 4.00%
Total debt serviced by Drainage Fund revenue			
<i>Serviced by Hotel Occupancy Tax:</i>			
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016	04/13/16	08/15/43	1.85 - 4.25%
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018	03/20/18	08/15/48	2.80 - 4.15%
Total debt serviced by Hotel Occupancy Tax			
Total bonds payable*			

* Does not include the City's proportionate share of the Canadian River Water Authority indebtedness.

** Total interest of \$41,427 less 45% (\$18,641) offset subsidy from the United States Treasury.

The debt schedule required by Section 140.08 of the Texas Local Government Code is located at <http://www.amarillo.gov/home/showdocument?id=4093>

See Independent Auditor's Report.

Bond Issuances				2022-23 Maturities		
Authorized	Issued	Retired	Outstanding	Principal	Interest	Total
1,392,000	1,392,000	751,000	641,000	73,000	21,438 **	94,438
15,110,000	15,110,000	6,965,000	8,145,000	1,505,000	325,800	1,830,800
6,940,000	6,940,000	2,410,000	4,530,000	550,000	131,150	681,150
21,280,000	21,280,000	2,525,000	18,755,000	625,000	663,944	1,288,944
22,145,000	22,145,000	2,130,000	20,015,000	620,000	730,694	1,350,694
8,100,000	8,100,000	200,000	7,900,000	130,000	211,168	341,168
960,000	960,000	960,000	-	-	-	-
8,000,000	8,000,000	210,000	7,790,000	135,000	212,719	347,719
3,520,000	3,520,000	940,000	2,580,000	490,000	62,600	552,600
52,985,000	52,985,000	800,000	52,185,000	1,495,000	1,310,350	2,805,350
23,900,000	23,900,000	-	23,900,000	4,530,000	500,666	5,030,666
6,815,000	6,815,000	-	6,815,000	-	306,950	306,950
3,650,000	3,650,000	-	3,650,000	-	163,326	620,281
2,260,000	2,260,000	740,000	1,520,000	105,000	50,006	155,006
3,000,000	3,000,000	430,000	2,570,000	120,000	87,431	207,431
1,380,000	1,380,000	405,000	975,000	210,000	17,400	227,400
975,000	975,000	30,000	945,000	40,000	20,925	60,925
2,860,000	2,860,000	275,000	2,585,000	150,000	53,593	203,593
1,460,000	1,460,000	215,000	1,245,000	110,000	25,050	135,050
3,695,000	3,695,000	-	3,695,000	470,000	150,280	620,281
190,427,000	190,427,000	19,986,000	170,441,000	11,358,000	5,045,490	16,860,446
1,310,000	1,310,000	1,175,000	135,000	135,000	1,148	136,148
8,495,000	8,495,000	3,520,000	4,975,000	410,000	107,380	517,380
17,195,000	17,195,000	5,790,000	11,405,000	825,000	139,642	964,642
21,145,000	21,145,000	11,085,000	10,060,000	1,490,000	350,456	1,840,456
31,005,000	31,005,000	6,060,000	24,945,000	1,360,000	942,794	2,302,794
12,500,000	12,500,000	2,345,000	10,155,000	585,000	130,394	715,394
14,610,000	14,610,000	2,285,000	12,325,000	580,000	509,024	1,089,024
28,500,000	28,500,000	2,850,000	25,650,000	1,425,000	-	1,425,000
9,775,000	9,775,000	1,595,000	8,180,000	805,000	218,750	1,023,750
25,900,000	25,900,000	980,000	24,920,000	1,075,000	652,150	1,727,150
52,590,000	52,590,000	-	52,590,000	1,050,000	1,309,248	2,359,248
18,075,000	18,075,000	9,930,000	8,145,000	905,000	-	905,000
43,880,000	43,880,000	8,185,000	35,695,000	5,370,000	692,951	6,062,951
284,980,000	284,980,000	55,800,000	229,180,000	16,015,000	5,053,937	21,068,937
6,260,000	6,260,000	3,390,000	2,870,000	260,000	57,400	317,400
6,080,000	6,080,000	2,025,000	4,055,000	280,000	133,493	413,493
9,240,000	9,240,000	685,000	8,555,000	365,000	265,800	630,800
9,160,000	9,160,000	275,000	8,885,000	385,000	222,950	607,950
30,740,000	30,740,000	6,375,000	24,365,000	1,290,000	679,643	1,969,643
11,995,000	11,995,000	1,300,000	10,695,000	345,000	428,356	773,356
38,835,000	38,835,000	1,620,000	37,215,000	845,000	1,558,723	2,403,723
50,830,000	50,830,000	2,920,000	47,910,000	1,190,000	1,987,079	3,177,079
\$ 556,977,000	\$ 556,977,000	\$ 85,081,000	\$ 471,896,000	\$ 29,853,000	\$ 12,766,149	\$ 43,076,105

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
SEPTEMBER 30, 2022

	General Obligation Bonds and Tax Revenues Certificates of Obligations (Serviced by Tax Revenues)			Tax and Revenues Certificates of Obligation (Serviced by Special Assessments)			Water and Sewer Revenue Bonds (Debt Serviced by Water and Sewer Revenues)			
	Principal	Interest	Treasury Subsidy	Total	Principal	Interest	Total	Principal	Interest	Total
2022-2023	\$ 10,153,000	\$ 4,656,609	\$ (16,759)	\$ 14,792,850	\$ 1,205,000	\$ 404,687	\$ 1,609,687	\$ 16,015,000	\$ 5,053,937	\$ 21,068,937
2023-2024	11,190,000	4,193,928	(14,850)	15,369,078	1,180,000	383,157	1,563,157	15,315,000	5,751,003	21,066,003
2024-2025	11,542,000	3,828,245	(12,890)	15,357,355	1,215,000	342,982	1,557,982	17,035,000	5,398,250	22,433,250
2025-2026	11,923,000	3,443,872	(10,876)	15,355,996	1,245,000	298,957	1,543,957	17,400,000	4,948,364	22,348,364
2026-2027	12,316,000	3,045,315	(8,837)	15,352,478	1,280,000	253,282	1,533,282	17,745,000	4,489,524	22,234,524
2027-2028	5,148,000	2,696,233	(6,720)	7,837,513	1,330,000	205,807	1,535,807	16,815,000	4,017,415	20,832,415
2028-2029	5,366,000	2,482,260	(4,550)	7,843,710	1,225,000	156,950	1,381,950	14,680,000	3,591,807	18,271,807
2029-2030	4,838,000	2,293,213	(2,301)	7,128,912	635,000	124,263	759,263	11,735,000	3,211,986	14,946,986
2030-2031	4,910,000	2,133,001	-	7,043,001	660,000	107,550	767,550	11,975,000	2,890,178	14,865,178
2031-2032	5,050,000	1,996,035	-	7,046,035	675,000	89,769	764,769	10,305,000	2,593,720	12,898,720
2032-2033	5,170,000	1,863,910	-	7,033,910	555,000	73,119	628,119	10,150,000	2,306,050	12,456,050
2033-2034	5,320,000	1,726,185	-	7,046,185	575,000	57,684	632,684	9,935,000	2,018,458	11,953,458
2034-2035	5,460,000	1,584,626	-	7,044,626	430,000	41,228	471,228	10,220,000	1,732,292	11,952,292
2035-2036	5,610,000	1,438,682	-	7,048,682	440,000	29,813	469,813	9,555,000	1,436,428	10,991,428
2036-2037	5,760,000	1,286,929	-	7,046,929	455,000	17,835	472,835	9,810,000	1,175,444	10,985,444
2037-2038	5,720,000	1,133,826	-	6,853,826	260,000	7,537	267,537	7,985,000	905,505	8,890,505
2038-2039	5,875,000	978,604	-	6,853,604	55,000	2,850	57,850	6,470,000	694,300	7,164,300
2039-2040	6,035,000	817,735	-	6,852,735	60,000	1,700	61,700	6,645,000	522,500	7,167,500
2040-2041	6,200,000	651,995	-	6,851,995	55,000	550	55,550	5,400,000	344,300	5,744,300
2041-2042	6,375,000	480,257	-	6,855,257	-	-	-	3,990,000	159,600	4,149,600
2042-2043	5,235,000	324,525	-	5,559,525	-	-	-	-	-	-
2043-2044	3,480,000	219,041	-	3,699,041	-	-	-	-	-	-
2044-2045	3,555,000	143,534	-	3,698,534	-	-	-	-	-	-
2045-2046	3,135,000	72,900	-	3,207,900	-	-	-	-	-	-
2046-2047	370,000	35,569	-	405,569	-	-	-	-	-	-
2047-2048	380,000	25,725	-	405,725	-	-	-	-	-	-
2048-2049	390,000	15,619	-	405,619	-	-	-	-	-	-
2049-2050	400,000	5,250	-	405,250	-	-	-	-	-	-
2050-2051	-	-	-	-	-	-	-	-	-	-
Totals	\$ 156,906,000	\$ 43,573,623	\$ (77,783)	\$ 200,401,840	\$ 13,535,000	\$ 2,599,720	\$ 16,134,720	\$ 229,180,000	\$ 53,241,061	\$ 282,421,061

Note: Does not include the City's proportionate share of the Canadian River Water Authority indebtedness.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY, CONTINUED
SEPTEMBER 30, 2022

	Drainage Utility Bonds (Debt Serviced by Drainage Revenues)			Hotel Occupancy Tax (Revenue Bonds)		
	Principal	Interest	Total	Principal	Interest	Total
2022-2023	\$ 1,290,000	\$ 679,643	\$ 1,969,643	\$ 1,190,000	\$ 1,987,079	\$ 3,177,079
2023-2024	1,325,000	643,744	1,968,744	1,225,000	1,949,931	3,174,931
2024-2025	1,365,000	602,944	1,967,944	1,265,000	1,909,453	3,174,453
2025-2026	1,410,000	560,694	1,970,694	1,310,000	1,865,823	3,175,823
2026-2027	1,460,000	512,744	1,972,744	1,360,000	1,819,133	3,179,133
2027-2028	1,520,000	462,994	1,982,994	1,410,000	1,767,782	3,177,782
2028-2029	1,570,000	406,231	1,976,231	1,465,000	1,713,538	3,178,538
2029-2030	1,630,000	347,031	1,977,031	1,520,000	1,656,131	3,176,131
2030-2031	1,620,000	295,119	1,915,119	1,585,000	1,596,028	3,181,028
2031-2032	1,675,000	247,794	1,922,794	1,645,000	1,531,744	3,176,744
2032-2033	1,345,000	203,594	1,548,594	1,710,000	1,464,440	3,174,440
2033-2034	1,380,000	170,274	1,550,274	1,780,000	1,393,867	3,173,867
2034-2035	990,000	135,500	1,125,500	1,855,000	1,319,770	3,174,770
2035-2036	1,010,000	115,700	1,125,700	1,935,000	1,241,595	3,176,595
2036-2037	1,030,000	95,500	1,125,500	2,020,000	1,160,048	3,180,048
2037-2038	1,050,000	74,900	1,124,900	2,100,000	1,074,917	3,174,917
2038-2039	1,070,000	53,900	1,123,900	2,195,000	986,417	3,181,417
2039-2040	1,085,000	32,500	1,117,500	2,285,000	890,782	3,175,782
2040-2041	540,000	10,800	550,800	2,385,000	791,225	3,176,225
2041-2042	-	-	-	2,490,000	687,303	3,177,303
2042-2043	-	-	-	2,595,000	578,810	3,173,810
2043-2044	-	-	-	1,940,000	465,740	2,405,740
2044-2045	-	-	-	2,025,000	380,380	2,405,380
2045-2046	-	-	-	2,110,000	291,280	2,401,280
2046-2047	-	-	-	2,205,000	198,440	2,403,440
2047-2048	-	-	-	2,305,000	101,420	2,406,420
2048-2049	-	-	-	-	-	-
2049-2050	-	-	-	-	-	-
2050-2051	-	-	-	-	-	-
Totals	\$ 24,365,000	\$ 5,651,606	\$ 30,016,606	\$ 47,910,000	\$ 30,823,076	\$ 78,733,076

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
BOND PRINCIPAL REPAYMENT SCHEDULE
SEPTEMBER 30, 2022**

<u>Fiscal Year Ending 09/30</u>	<u>Principal Repayment Schedule</u>	<u>Bonds Remaining Unpaid at End of Year</u>	<u>Percent of Principal Retired</u>
2023	16,015,000	213,165,000	6.99%
2024	15,315,000	197,850,000	13.67%
2025	17,035,000	180,815,000	21.10%
2026	17,400,000	163,415,000	28.70%
2027	17,745,000	145,670,000	36.44%
2028	16,815,000	128,855,000	43.78%
2029	14,680,000	114,175,000	50.18%
2030	11,735,000	102,440,000	55.30%
2031	11,975,000	90,465,000	60.53%
2032	10,305,000	80,160,000	65.02%
2033	10,150,000	70,010,000	69.45%
2034	9,935,000	60,075,000	73.79%
2035	10,220,000	49,855,000	78.25%
2036	9,555,000	40,300,000	82.42%
2037	9,810,000	30,490,000	86.70%
2038	7,985,000	22,505,000	90.18%
2039	6,470,000	16,035,000	93.00%
2040	6,645,000	9,390,000	95.90%
2041	5,400,000	3,990,000	98.26%
2042	3,990,000	-	100.00%
	<u>\$ 229,180,000</u>		

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL FINANCIAL DATA
OPERATING STATEMENTS**

	Fiscal Years Ended September 30,						
	2022	2021	2020	2019	2018	2017	2016
OPERATING REVENUES	\$ 93,835,331	\$ 83,856,717	\$ 83,320,670	\$ 75,031,911	\$ 82,295,583	\$ 73,938,069	\$ 72,825,637
OPERATING EXPENSES ⁽¹⁾							
Personal services	12,365,349	12,786,077	14,123,864	15,180,072	13,920,177	14,467,892	12,388,873
Supplies	4,945,058	1,846,864	1,687,910	1,644,628	1,513,845	1,350,992	1,440,246
Contractual & other services	41,481,373	30,589,632	26,897,279	36,112,876	27,151,239	26,742,886	25,349,012
Total expenses	<u>58,791,780</u>	<u>45,222,573</u>	<u>42,709,053</u>	<u>52,937,576</u>	<u>42,585,261</u>	<u>42,561,770</u>	<u>39,178,131</u>
NONOPERATING REVENUES (EXPENSES) ⁽²⁾	<u>630,832</u>	<u>1,377,342</u>	<u>809,494</u>	<u>1,926,334</u>	<u>1,483,214</u>	<u>(894,801)</u>	<u>(1,660,100)</u>
NET AVAILABLE FOR DEBT SERVICE	<u>\$ 35,674,383</u>	<u>\$ 40,011,486</u>	<u>\$ 41,421,111</u>	<u>\$ 24,020,669</u>	<u>\$ 41,193,536</u>	<u>\$ 30,481,498</u>	<u>\$ 31,987,406</u>
ANNUAL DEBT SERVICE							
Principal	\$ 16,015,000	\$ 14,590,000	\$ 13,290,000	\$ 11,770,000	\$ 11,750,000	\$ 10,440,000	\$ 9,100,000
Interest	5,053,937	4,120,240	3,784,301	4,249,146	4,224,902	3,727,268	2,744,260
TOTAL DEBT SERVICE	<u>\$ 21,068,937</u>	<u>\$ 18,710,240</u>	<u>\$ 17,074,301</u>	<u>\$ 16,019,146</u>	<u>\$ 15,974,902</u>	<u>\$ 14,167,268</u>	<u>\$ 11,844,260</u>
Coverage	1.69x	2.14x	2.43x	1.50x	2.58x	2.15x	2.70x

(1) Excludes depreciation

(2) Includes CRMWA interest expense, but excludes bond interest expense

**NET POSITION
(As of SEPTEMBER 30, 2022)**

Net Investment in Capital Assets	\$ 473,642,540
Restricted for Revenue Bond Debt Retirement	13,617,583
Unrestricted	<u>62,139,711</u>
Total Net Position	<u>\$ 549,399,834</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL FINANCIAL DATA
CITY'S EQUITY IN SYSTEM**

Fiscal Years Ended September 30,

	2022	2021	2020	2019	2018	2017	2016
Waterworks and sewer system in service	\$ 917,860,895	\$ 835,838,912	\$ 821,898,476	\$ 800,729,996	\$ 774,822,377	\$ 762,431,484	\$ 732,454,402
Reserve for depreciation	(319,084,762)	(303,596,715)	(288,930,365)	(274,262,400)	(260,392,682)	(246,260,152)	(231,801,728)
Net plant in service	598,776,133	532,242,197	532,968,111	526,467,596	514,429,695	516,171,332	500,652,674
Plus construction in progress	<u>36,090,686</u>	<u>76,616,081</u>	<u>67,985,407</u>	<u>66,204,539</u>	<u>61,608,812</u>	<u>42,055,348</u>	<u>39,321,320</u>
Net plant in service and coming on line	634,866,819	608,858,278	600,953,518	592,672,135	576,038,507	558,226,680	539,973,994
Plus restricted assets and other noncurrent assets and deferred items	130,033,239	95,683,204	77,235,746	59,039,458	79,831,178	55,466,473	45,871,105
Plus working capital	<u>64,393,212</u>	<u>63,516,802</u>	<u>62,121,728</u>	<u>56,556,672</u>	<u>60,376,904</u>	<u>66,173,794</u>	<u>59,024,455</u>
Total assets	<u>829,293,270</u>	<u>768,058,284</u>	<u>740,310,992</u>	<u>708,268,265</u>	<u>716,246,589</u>	<u>679,866,947</u>	<u>644,869,554</u>
Other noncurrent liabilities	263,991,111	235,724,564	232,825,996	227,062,178	242,066,602	228,699,627	212,855,741
Plus liabilities payable from restricted assets	<u>16,015,000</u>	<u>14,590,000</u>	<u>13,290,000</u>	<u>11,770,000</u>	<u>11,750,000</u>	<u>10,440,000</u>	<u>9,100,000</u>
Total obligations	<u>280,006,111</u>	<u>250,314,564</u>	<u>246,115,996</u>	<u>238,832,178</u>	<u>253,816,602</u>	<u>239,139,627</u>	<u>221,955,741</u>
City's equity in system	<u>\$ 549,287,159</u>	<u>\$ 517,743,720</u>	<u>\$ 494,194,996</u>	<u>\$ 469,436,087</u>	<u>\$ 462,429,987</u>	<u>\$ 440,727,320</u>	<u>\$ 422,913,813</u>

COVERAGE OF DEBT SERVICE REQUIREMENT

Net System Income Available for Debt Service for Fiscal Year Ended 9/30/2022	35,674,383
Average Annual Principal and Interest Requirements (2023-2041)	14,121,053
Coverage of Average Annual Requirements by 2022 Net Revenues	2.53 x
Maximum Principal and Interest Requirements, 2023	22,433,250
Coverage of Maximum Requirements by 2022 Net Revenues	1.59 x

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEMS
HISTORICAL FINANCIAL DATA
WATER AND SEWER FUND OPERATIONS**

	Fiscal Years Ended September 30,						
	2022	2021	2020	2019	2018	2017	2016
OPERATING REVENUES							
Water sales	\$ 63,382,534	\$ 54,937,272	\$ 56,701,641	\$ 48,906,889	\$ 55,209,141	\$ 48,620,594	\$ 48,676,840
Sewer charges	27,652,251	25,528,454	24,928,246	23,765,730	23,629,503	21,570,449	20,860,554
Industrial surcharges	432,834	507,594	380,204	299,876	223,978	280,702	250,874
Forfeited discounts - water	827,234	1,283,633	1,161,657	1,333,844	1,310,310	1,241,421	1,300,605
Sale of reclaimed water	612,496	693,094	356,420	499,316	433,467	512,347	529,786
Water service charges	1,290,809	1,310,474	634,740	713,819	1,370,966	1,373,862	1,270,238
Water tap fees	272,483	165,448	157,322	232,827	212,343	218,965	206,829
Sewer tap fees	128,726	81,235	66,438	93,201	54,418	88,051	72,057
Grease tap fees	110,520	94,426	95,175	91,375	-	-	-
Water frontage charges	7,480	23,683	12,704	10,550	1,210	-	6,283
Sewer frontage charges	14,723	-	-	3,013	3,432	3,437	2,726
Net loss on bad debts	(1,428,532)	(1,322,614)	(985,117)	(948,984)	(392,544)	(203,659)	(535,164)
Lab fees	98,700	104,930	102,539	114,374	111,643	149,495	148,173
Miscellaneous	433,073	449,088	(291,299)	(83,919)	127,716	82,405	35,836
Total operating revenues	93,835,331	83,856,717	83,320,670	75,031,911	82,295,583	73,938,069	72,825,637
OPERATING EXPENSES							
Salaries, wages and fringe benefits	12,365,349	12,786,077	14,123,864	15,180,072	13,920,177	14,467,892	12,388,873
Supplies	4,945,058	1,846,864	1,687,910	1,644,628	1,513,845	1,350,992	1,440,246
Fuel and power	5,287,272	4,102,560	3,573,897	3,955,978	4,582,045	4,618,493	4,174,521
Surface water	6,273,564	4,358,958	4,348,316	5,269,514	5,896,428	6,974,102	6,624,214
Other contractual charges	15,125,482	8,390,402	6,666,801	15,245,320	5,881,144	5,063,458	4,900,080
Other charges	14,795,055	13,737,712	12,308,265	11,642,064	10,791,622	10,086,833	9,650,197
Depreciation	15,620,102	14,970,724	14,782,725	14,246,222	14,196,462	14,550,803	14,154,802
Less: interfund reimbursements	(737,521)	(796,180)	(802,336)	(1,073,237)	(1,414,897)	(1,182,621)	(668,881)
Total operating expenses	73,674,361	59,397,117	56,689,442	66,110,561	55,366,826	55,929,952	52,664,052
Operating income	20,160,970	24,459,600	26,631,228	8,921,350	26,928,757	18,008,117	20,161,585
NONOPERATING REVENUES (EXPENSES)							
Capital contributions	6,562,863	2,667,471	3,629,687	2,098,738	4,027,924	5,226,486	2,616,854
Interest earnings	(169,904)	70,222	1,651,675	3,124,262	1,590,073	394,951	420,213
Settlement proceeds	11,725,000	-	-	-	-	-	-
Disposition of property	32,694	(64,738)	24,344	(29,745)	829,031	24,654	12,669
Interest expense & fiscal charges	(3,838,525)	(3,294,692)	(6,757,027)	(6,470,440)	(5,376,745)	(4,918,141)	(5,661,205)
Total nonoperating revenues (expenses)	14,312,128	(621,737)	(1,451,321)	(1,277,185)	1,070,283	727,950	(2,611,469)
Total income before transfers	34,473,098	23,837,863	25,179,907	7,644,165	27,999,040	18,736,067	17,550,116
TRANSFERS FROM (TO) OTHER FUNDS	(2,816,983)	(289,139)	(420,998)	(670,665)	(553,859)	(922,560)	(1,101,230)
NET INCOME	\$ 31,656,115	\$ 23,548,724	\$ 24,758,909	\$ 6,973,500	\$ 27,445,181	\$ 17,813,507	\$ 16,448,886

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL FINANCIAL DATA
WATER AND SEWER FUND NET POSITION**

	Fiscal Years Ended September 30,						
	2022	2021	2020	2019	2018	2017	2016
ASSETS							
CURRENT ASSETS							
Cash	\$ 20,608,211	\$ 67,816,637	\$ 52,620,864	\$ 35,164,365	\$ 14,805,768	\$ 15,498,647	\$ 15,496,358
Investments - at fair value	60,123,561	10,570,020	21,560,042	32,886,057	48,987,054	57,098,741	50,749,952
Receivables (net of allowance for uncollectibles):							
Accounts	8,585,108	7,077,680	7,514,058	7,577,503	7,497,259	5,638,133	5,498,742
Lease receivable	110,241	-	-	-	-	-	-
Accrued interest	219,898	64,219	167,550	224,453	237,301	174,472	132,048
Other accrued revenue	4,767,934	6,375,275	5,793,239	5,073,586	5,395,636	3,354,388	3,642,645
Due from other funds	33,789	32,629	31,509	1,030,428	29,355	34,957	-
Prepaid expenses	1,604,012	1,933,324	1,443,774	1,603,474	1,309,727	1,434,753	1,472,893
Total current assets	<u>96,052,754</u>	<u>93,869,784</u>	<u>89,131,036</u>	<u>83,559,866</u>	<u>78,262,100</u>	<u>83,234,091</u>	<u>76,992,638</u>
NONCURRENT ASSETS							
Restricted cash	133,593,550	96,570,399	76,864,466	55,086,751	78,824,148	50,391,049	40,771,986
Other noncurrent receivable	-	-	-	-	-	-	(1)
Other noncurrent asset	43,507	56,328	59,815	67,494	75,632	83,414	90,854
Lease receivable non-current	112,675	-	-	-	-	-	-
Interfund advance receivable	-	-	-	-	-	715,043	-
Capital assets							
Land, easements and water rights	91,420,711	62,352,012	62,177,120	62,086,461	61,912,385	61,585,830	60,954,487
Accumulated depletion water rights	(11,332,384)	(10,522,863)	(9,745,094)	(9,404,381)	(8,626,612)	(7,848,843)	(7,071,535)
Supply contract	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389
Accumulated amortization	(26,697,984)	(25,933,969)	(25,169,954)	(24,403,846)	(23,639,832)	(22,875,817)	(22,111,802)
Pipelines and other improvements	771,636,071	718,597,688	704,603,117	683,446,448	658,274,445	646,180,868	616,942,368
Accumulated depreciation	(277,398,593)	(263,505,527)	(250,279,114)	(236,811,478)	(224,523,751)	(212,025,705)	(199,183,126)
Equipment	4,467,724	4,552,823	4,781,850	4,860,698	4,299,158	4,328,397	4,221,158
Accumulated depreciation	(3,655,801)	(3,634,356)	(3,736,203)	(3,642,695)	(3,602,487)	(3,509,787)	(3,435,265)
Construction in progress	36,090,686	76,616,081	67,985,407	66,204,539	61,608,812	42,055,348	39,321,320
Total capital assets, net	<u>634,866,819</u>	<u>608,858,278</u>	<u>600,953,518</u>	<u>592,672,135</u>	<u>576,038,507</u>	<u>558,226,680</u>	<u>539,973,994</u>
Total noncurrent assets	<u>768,616,551</u>	<u>705,485,005</u>	<u>677,877,799</u>	<u>647,826,380</u>	<u>654,938,287</u>	<u>609,416,186</u>	<u>580,836,833</u>
TOTAL ASSETS	<u>\$ 864,669,305</u>	<u>\$ 799,354,789</u>	<u>\$ 767,008,835</u>	<u>\$ 731,386,246</u>	<u>\$ 733,200,387</u>	<u>\$ 692,650,277</u>	<u>\$ 657,829,471</u>
DEFERRED OUTFLOW OF RESOURCES							
Deferred outflow of resources	\$ 3,727,092	\$ 5,530,555	\$ 7,059,112	\$ 8,278,493	\$ 5,898,163	\$ 4,425,767	\$ 5,032,417
TOTAL DEFERRED OUTFLOWS	<u>\$ 3,727,092</u>	<u>\$ 5,530,555</u>	<u>\$ 7,059,112</u>	<u>\$ 8,278,493</u>	<u>\$ 5,898,163</u>	<u>\$ 4,425,767</u>	<u>\$ 5,032,417</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL FINANCIAL DATA
WATER AND SEWER FUND NET POSITION, CONTINUED**

	Fiscal Years Ended September 30,						
	2022	2021	2020	2019	2018	2017	2016
LIABILITIES							
CURRENT LIABILITIES							
Vouchers payable	\$ 3,661,517	\$ 3,501,250	\$ 3,038,775	\$ 2,713,696	\$ 2,770,935	\$ 2,805,349	\$ 2,990,501
Accounts payable	1,493,283	1,021,565	731,241	1,492,979	1,713,233	1,651,160	1,090,247
Accrued expenses	13,383,700	13,541,419	11,559,527	11,920,231	3,988,170	2,507,563	3,337,958
Deposits	1,038,738	1,038,738	1,038,738	38,738	46,045	42,014	41,075
Consumer security deposits	5,638,335	5,038,738	4,444,518	4,005,303	3,900,681	3,778,466	3,670,027
Compensated absences, current	140,376	143,208	134,210	194,987	179,111	213,205	220,629
Proportionate share of water authority indebtedness - current installments	6,303,593	6,068,064	6,061,019	5,837,260	5,287,021	6,062,540	5,467,746
Due to other funds	-	-	1,280	800,000	-	-	1,150,000
Revenue bonds - current maturities	16,015,000	14,590,000	13,290,000	11,770,000	11,750,000	10,440,000	9,100,000
Total current liabilities	<u>47,674,542</u>	<u>44,942,982</u>	<u>40,299,308</u>	<u>38,773,194</u>	<u>29,635,196</u>	<u>27,500,297</u>	<u>27,068,183</u>
NONCURRENT LIABILITIES							
Revenue bonds - less current maturities and unamortized issuance costs	225,406,975	184,814,988	171,311,031	155,583,382	167,576,703	151,406,891	128,872,057
Proportionate share of water authority indebtedness - less current installments	30,424,668	39,163,914	47,349,397	53,880,681	60,630,219	66,586,546	73,178,176
Other accrued expenses	2,520,032	2,557,951	2,567,106	2,578,684	2,606,671	2,628,280	2,615,459
Provision for accrued sick and annual leave	764,112	736,631	778,770	663,576	845,207	803,399	881,816
Net OPEB liability	4,874,568	4,701,616	6,019,760	5,893,036	5,807,799	-	-
Net pension liability	756	3,749,464	4,799,932	8,462,819	4,600,003	7,274,511	7,308,233
Total noncurrent liabilities	<u>263,991,111</u>	<u>235,724,564</u>	<u>232,825,996</u>	<u>227,062,178</u>	<u>242,066,602</u>	<u>228,699,627</u>	<u>212,855,741</u>
TOTAL LIABILITIES	<u>\$ 311,665,653</u>	<u>\$ 280,667,546</u>	<u>\$ 273,125,304</u>	<u>\$ 265,835,372</u>	<u>\$ 271,701,798</u>	<u>\$ 256,199,924</u>	<u>\$ 239,923,924</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflow of resources	\$ 7,330,910	\$ 6,474,078	\$ 6,747,647	\$ 4,393,280	\$ 4,966,765	\$ 148,800	\$ 24,151
TOTAL DEFERRED INFLOWS	<u>\$ 7,330,910</u>	<u>\$ 6,474,078</u>	<u>\$ 6,747,647</u>	<u>\$ 4,393,280</u>	<u>\$ 4,966,765</u>	<u>\$ 148,800</u>	<u>\$ 24,151</u>
NET POSITION							
Net investment in capital assets	\$ 473,642,540	\$ 449,652,302	\$ 433,810,572	\$ 412,568,214	\$ 402,151,812	\$ 367,784,175	\$ 358,232,452
Restricted for debt service	13,617,583	11,139,409	5,995,965	8,119,349	7,466,900	6,337,577	5,895,549
Unrestricted	62,139,711	56,952,009	54,388,459	48,748,524	52,811,275	66,605,568	58,785,812
TOTAL NET POSITION	<u>\$ 549,399,834</u>	<u>\$ 517,743,720</u>	<u>\$ 494,194,996</u>	<u>\$ 469,436,087</u>	<u>\$ 462,429,987</u>	<u>\$ 440,727,320</u>	<u>\$ 422,913,813</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY
CONDENSED SCHEDULE OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
OPERATING REVENUES	\$ 6,901,991	\$ 6,528,963	\$ 6,339,811	\$ 5,582,179	\$ 5,548,081	\$ 5,540,485	\$ 5,524,655
OPERATING EXPENSES							
Personal services	819,810	1,067,784	1,124,934	1,295,842	1,274,096	1,309,766	801,198
Contractual & other services	877,971	892,409	880,851	882,488	905,611	957,723	1,001,318
Other supplies and expenses	1,078,920	157,088	741,311	144,769	145,645	185,836	141,555
Other charges	1,116,022	1,127,052	1,204,980	475,056	487,240	436,002	422,951
Depreciation	371,901	319,530	313,533	165,056	143,798	117,147	98,921
Total expenses	4,264,624	3,563,863	4,265,609	2,963,211	2,956,390	3,006,474	2,465,943
NONOPERATING REVENUES (EXPENSES) (1)	163,710	9,334	135,699	214,067	112,399	55,918	88,416
NET AVAILABLE FOR DEBT SERVICE	\$ 2,801,077	\$ 2,974,434	\$ 2,209,901	\$ 2,833,035	\$ 2,704,090	\$ 2,589,929	\$ 3,147,128
NUMBER OF CUSTOMERS	74,624	75,079	73,544	71,952	72,118	67,742	69,315

(1) Nonoperating revenues (expenses) exclude bond interest expense, capital contributions and transfers.

COVERAGE OF DEBT SERVICE REQUIREMENT

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net System Income Available for Debt Service	\$ 2,801,077	\$ 2,974,434	\$ 2,209,901	\$ 2,833,035	\$ 2,704,090	\$ 2,589,929	\$ 3,147,128
Average Annual Principal and Interest Requirements (2022-2040)	1,579,821	1,599,632	1,083,738	695,559	699,158	702,334	715,957
Coverage of Average Annual Requirements	1.77x	1.86x	2.04x	4.07x	3.87x	3.69x	4.40x
Maximum Principal and Interest Requirements, 2028	1,982,994	1,982,994	1,373,444	749,394	753,144	753,144	947,544
Coverage of Maximum Requirements	1.41x	1.50x	1.61x	3.78x	3.59x	3.44x	3.32x

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
SCHEDULE OF INSURANCE COVERAGE-ALL FUNDS
SEPTEMBER 30, 2022**

<u>Property Covered</u>	<u>Type of Coverage</u>	<u>Self-Insured Retention</u>	<u>Limits of Liability</u>
General Fund Departments: Buildings & Contents	Fire and extended coverage	\$250,000	* \$100,000,000
Water and Sewer Utility: Buildings & Contents	Fire and extended coverage	\$250,000	* \$100,000,000
Airport: Buildings & Contents	Fire and extended coverage	\$250,000	* \$100,000,000
Amarillo Hospital District Buildings & Contents	Fire and extended coverage	\$250,000	* \$100,000,000
Polygraph Examiners	Bond	\$ -	\$5,000
Law Enforcement Liability Insurance	Law Enforcement Coverage	\$100,000	\$6,000,000
City Council, City Manager, City Attorney, and Selected Division Directors & Department Heads	24 hour accident protection for business travel	\$ -	\$250,000/\$1,250,000
Fire and extended coverage	Explosion and damage	\$250,000	\$100,000,000
Professional liability	Med Mal and Gen Liability Public Health and Clinic	\$25,000	\$2,000,000/\$5,000,000
Cyber Security	Cyber Security Failure/Privacy Event Management	\$50,000	\$3,000,000
Worker's Compensation All City Employees	Injury to City Workers	\$1,500,000	Statutory
Individual Stop Loss Health Plan Participants	Health Insurance	\$750,000	Unlimited

SURETY BONDS OF PRINCIPAL OFFICIALS

BONDS REQUIRED BY CITY CHARTER:

<u>Official</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Jared Miller	City Manager	\$ - \$50,000

OTHER

Excess of \$50,000 under the City of Amarillo Self-Insurance Plan. Statutory limits of liability

*Wind and Hail Deductible is 5% minimum - \$1,000,000.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC HEALTH FUND
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Public Health	\$ 9,534,910	\$ -	\$ 9,534,910	\$ -	\$ -	\$ 9,534,910	\$ 7,269,950	\$ 7,269,950	\$ 2,264,960
	<u>\$ 9,534,910</u>	<u>\$ -</u>	<u>\$ 9,534,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,534,910</u>	<u>\$ 7,269,950</u>	<u>\$ 7,269,950</u>	<u>\$ 2,264,960</u>
Expenditures:									
Public Health	\$ 9,593,140	\$ 1,700,072	\$ 11,293,212	\$ 3,959	\$ 2,857	\$ 11,292,110	\$ 7,101,258	\$ 11,301,258	\$ 9,148
	<u>\$ 9,593,140</u>	<u>\$ 1,700,072</u>	<u>\$ 11,293,212</u>	<u>\$ 3,959</u>	<u>\$ 2,857</u>	<u>\$ 11,292,110</u>	<u>\$ 7,101,258</u>	<u>\$ 11,301,258</u>	<u>\$ 9,148</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
LAW ENFORCEMENT OFFICERS STANDARDS AND EDUCATION (LEOSE) TRAINING FUND
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2022

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
LEOSE Training	\$ 18,271	\$ -	\$ 18,271	\$ -	\$ -	\$ 18,271	\$ 26,310	\$ 26,310	\$ (8,039)
	<u>\$ 18,271</u>	<u>\$ -</u>	<u>\$ 18,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,271</u>	<u>\$ 26,310</u>	<u>\$ 26,310</u>	<u>\$ (8,039)</u>
Expenditures:									
LEOSE Training	\$ 32,643	\$ -	\$ 32,643	\$ -	\$ -	\$ 32,643	\$ 22,630	\$ 33,622	\$ 979
	<u>\$ 32,643</u>	<u>\$ -</u>	<u>\$ 32,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,643</u>	<u>\$ 22,630</u>	<u>\$ 33,622</u>	<u>\$ 979</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
LOCAL SEIZED PROPERTY FUND
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Local Seized Property	\$ 274,383	\$ -	\$ 274,383	\$ -	\$ -	\$ 274,383	\$ -	\$ -	\$ 274,383
	<u>\$ 274,383</u>	<u>\$ -</u>	<u>\$ 274,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,383</u>
Expenditures:									
Local Seized Property	\$ 92,729	\$ -	\$ 92,729	\$ 52,053	\$ 144,140	\$ 184,816	\$ 90,350	\$ 185,350	\$ 534
	<u>\$ 92,729</u>	<u>\$ -</u>	<u>\$ 92,729</u>	<u>\$ 52,053</u>	<u>\$ 144,140</u>	<u>\$ 184,816</u>	<u>\$ 90,350</u>	<u>\$ 185,350</u>	<u>\$ 534</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
 COMPENSATED ABSENCES FUND
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
 YEAR ENDED SEPTEMBER 30, 2022**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Compensated Absences	\$ 1,903,691	\$ -	\$ 1,903,691	\$ -	\$ -	\$ 1,903,691	\$ 1,250,000	\$ 1,250,000	\$ 653,691
	<u>\$ 1,903,691</u>	<u>\$ -</u>	<u>\$ 1,903,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,903,691</u>	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>	<u>\$ 653,691</u>
Expenditures:									
Compensated Absences	\$ 1,903,692	\$ -	\$ 1,903,692	\$ -	\$ -	\$ 1,903,692	\$ 1,326,645	\$ 1,926,645	\$ 22,953
	<u>\$ 1,903,692</u>	<u>\$ -</u>	<u>\$ 1,903,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,903,692</u>	<u>\$ 1,326,645</u>	<u>\$ 1,926,645</u>	<u>\$ 22,953</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COURT TECHNOLOGY AND COURT SECURITY FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2022

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Court Technology	\$ 78,271	\$ -	\$ 78,271	\$ -	\$ -	\$ 78,271	\$ 90,006	\$ 90,006	\$ (11,735)
Court Security	174,261	-	174,261	-	-	174,261	181,745	181,745	(7,484)
	<u>\$ 252,532</u>	<u>\$ -</u>	<u>\$ 252,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,532</u>	<u>\$ 271,751</u>	<u>\$ 271,751</u>	<u>\$ (19,219)</u>
Expenditures:									
Court Technology	\$ 97,218	\$ -	\$ 97,218	\$ -	\$ -	\$ 97,218	\$ 103,800	\$ 103,800	\$ 6,582
Court Security	174,264	-	174,264	-	-	174,264	181,745	181,745	7,481
	<u>\$ 271,482</u>	<u>\$ -</u>	<u>\$ 271,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,482</u>	<u>\$ 285,545</u>	<u>\$ 285,545</u>	<u>\$ 14,063</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC IMPROVEMENT DISTRICTS
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Greenways at Hillside	\$ 677,873	\$ -	\$ 677,873	\$ -	\$ -	\$ 677,873	\$ 671,339	\$ 671,339	\$ 6,534
Heritage Hills	423,597	-	423,597	-	-	423,597	427,364	427,364	(3,767)
The Colonies	1,041,308	-	1,041,308	-	-	1,041,308	1,029,895	1,029,895	11,413
Tutbury	16,296	-	16,296	-	-	16,296	16,296	16,296	-
Point West	52,000	-	52,000	-	-	52,000	52,000	52,000	-
Quail Creek	10,500	-	10,500	-	-	10,500	10,150	10,150	350
Vineyards	10,750	-	10,750	-	-	10,750	10,450	10,450	300
Redstone	-	-	-	-	-	-	-	-	-
Townsquare	170,067	-	170,067	-	-	170,067	166,164	166,164	3,903
Pinnacle	86,084	-	86,084	-	-	86,084	85,823	85,823	261
	<u>\$ 2,488,475</u>	<u>\$ -</u>	<u>\$ 2,488,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,488,475</u>	<u>\$ 2,469,481</u>	<u>\$ 2,469,481</u>	<u>\$ 18,994</u>
Expenditures:									
Greenways at Hillside	\$ 731,033	\$ 35,000	\$ 766,033	\$ 7,165	\$ 7,165	\$ 766,033	\$ 761,074	\$ 766,074	\$ 41
Heritage Hills	48,174	539,940	588,114	-	-	588,114	540,248	590,248	2,134
The Colonies	812,510	-	812,510	-	-	812,510	1,096,531	1,096,531	284,021
Tutbury	15,659	-	15,659	-	-	15,659	20,543	20,543	4,884
Point West	15,910	-	15,910	-	-	15,910	53,208	53,208	37,298
Quail Creek	9,877	-	9,877	-	-	9,877	10,856	10,856	979
Vineyards	8,751	-	8,751	-	-	8,751	10,389	10,389	1,638
Townsquare	1,652	-	1,652	-	-	1,652	89,494	89,494	87,842
Pinnacle	3,667	-	3,667	-	-	3,667	54,799	54,799	51,132
	<u>\$ 1,647,233</u>	<u>\$ 574,940</u>	<u>\$ 2,222,173</u>	<u>\$ 7,165</u>	<u>\$ 7,165</u>	<u>\$ 2,222,173</u>	<u>\$ 2,637,142</u>	<u>\$ 2,692,142</u>	<u>\$ 469,969</u>

See Independent Auditor's Report

CITY OF AMARILLO, TEXAS
BONDED DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2022

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Bonded Debt Service	\$ 15,765,461	\$ -	\$ 15,765,461	\$ -	\$ -	\$ 15,765,461	\$ 13,983,210	\$ 13,983,210	\$ 1,782,251
	<u>\$ 15,765,461</u>	<u>\$ -</u>	<u>\$ 15,765,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,765,461</u>	<u>\$ 13,983,210</u>	<u>\$ 13,983,210</u>	<u>\$ 1,782,251</u>
Expenditures:									
Bonded Debt Service	\$ 13,962,556	\$ -	\$ 13,962,556	\$ -	\$ -	\$ 13,962,556	\$ 13,978,471	\$ 13,978,471	\$ 15,915
	<u>\$ 13,962,556</u>	<u>\$ -</u>	<u>\$ 13,962,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,962,556</u>	<u>\$ 13,978,471</u>	<u>\$ 13,978,471</u>	<u>\$ 15,915</u>

See Independent Auditor's Report.

STATISTICAL SECTION

This part of the City'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 City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial information and well-being have changed over time.	251-256
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	257-263
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	264-268
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time.	269-270
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	271-275
Waterworks and Sewer System Information These schedules contain information about how the City's Waterworks and Sewer System financial information relates to services and activities provided.	276-279
Drainage Utility Information These schedules contain information about how the City's Drainage Utility financial information relates to services and activities provided.	280
Hotel Occupancy Tax Information These schedules contains information about how the City's Hotel Occupancy Tax financial information relates to services and activities provided.	281-283

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

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CITY OF AMARILLO, TEXAS
NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities										
Net investment in capital assets	\$ 394,218,122	\$ 402,316,847	\$ 389,564,377	\$ 432,567,629	\$ 386,319,847	\$ 369,427,169	\$ 366,307,710	\$ 359,487,691	\$ 330,139,447	\$ 329,550,783
Restricted for										
Debt service	14,376,876	1,208,088	2,000,474	3,621,710	1,993,391	5,538,062	3,782,207	526,239	340,688	2,364,008
Tax increment financing	4,030,881	3,156,856	2,252,955	1,650,395	1,650,395	1,623,164	2,515,936	2,544,254	-	-
Capital outlay	-	-	-	-	2,252,955	-	1,650,695	-	-	-
Other purposes	26,715,825	24,182,805	22,570,735	29,378,545	26,918,100	8,398,866	5,484,949	7,497,255	8,519,242	6,673,794
Unrestricted	91,913,988	14,014,456	(4,952,392)	(70,244,908)	(20,715,856)	(47,062,287)	(28,863,242)	(3,248,802)	22,331,048	16,714,594
Total governmental activities net position	<u>\$ 531,255,692</u>	<u>\$ 444,879,052</u>	<u>\$ 411,436,149</u>	<u>\$ 396,973,371</u>	<u>\$ 398,418,832</u>	<u>\$ 337,924,974</u>	<u>\$ 350,878,255</u>	<u>\$ 366,806,637</u>	<u>\$ 361,330,425</u>	<u>\$ 355,303,179</u>
Business-type Activities										
Net investment in capital assets	\$ 571,862,729	\$ 545,702,261	\$ 525,232,133	\$ 502,604,330	\$ 483,457,427	\$ 444,384,784	\$ 433,391,146	\$ 411,804,458	\$ 387,227,804	\$ 371,302,208
Restricted for										
Debt service	14,270,338	11,497,033	6,163,507	8,233,447	7,652,378	6,588,837	6,084,330	6,768,270	6,931,523	5,879,001
Capital outlay	-	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	58,808,810	49,611,288	47,508,063	38,003,417	42,064,112	58,053,615	49,991,605	53,143,232	64,018,501	57,194,184
Total business-type activities net position	<u>\$ 644,941,877</u>	<u>\$ 606,810,582</u>	<u>\$ 578,903,703</u>	<u>\$ 548,841,194</u>	<u>\$ 533,173,917</u>	<u>\$ 509,027,236</u>	<u>\$ 489,467,081</u>	<u>\$ 471,715,960</u>	<u>\$ 458,177,828</u>	<u>\$ 434,375,393</u>
Primary Government										
Net investment in capital assets	\$ 966,080,851	\$ 948,019,108	\$ 914,796,510	\$ 935,171,959	\$ 869,777,274	\$ 813,811,953	\$ 799,698,856	\$ 771,292,149	\$ 717,367,251	\$ 700,852,991
Restricted for										
Debt service	28,647,214	12,705,121	8,163,981	11,855,157	9,645,769	12,126,899	9,866,537	7,294,509	7,272,211	8,243,009
Tax increment financing	4,030,881	3,156,856	2,252,955	1,650,395	1,650,395	1,623,164	2,515,936	2,544,254	-	-
Capital outlay	-	-	-	-	2,252,955	-	1,650,695	-	-	-
Other purposes	26,715,825	24,182,805	22,570,735	29,378,545	26,918,100	8,398,866	5,484,949	7,497,255	8,519,242	6,673,794
Unrestricted	150,722,798	63,625,744	42,555,671	(32,241,491)	21,348,256	10,991,328	21,128,363	49,894,430	86,349,549	73,908,778
Total primary government net assets	<u>\$ 1,176,197,569</u>	<u>\$ 1,051,689,634</u>	<u>\$ 990,339,852</u>	<u>\$ 945,814,565</u>	<u>\$ 931,592,749</u>	<u>\$ 846,952,210</u>	<u>\$ 840,345,336</u>	<u>\$ 838,522,597</u>	<u>\$ 819,508,253</u>	<u>\$ 789,678,572</u>
Component Units										
Net investment in capital assets	\$ 55,728,211	\$ 57,746,644	\$ 59,343,536	\$ 61,735,665	\$ 64,798,720	\$ 67,407,683	\$ 12,468,562	\$ 13,044,463	\$ 13,283,298	\$ 21,800,738
Restricted for:										
Debt service	6,551,408	6,294,095	6,334,261	7,071,045	5,485,866	979,053	12,119,902	1,017,858	979,502	1,097,604
Other purposes	21,880,646	39,765,432	9,756,251	11,997,330	51,942,802	3,950,662	3,643,106	3,389,316	3,389,240	3,542,472
Unrestricted	200,032,825	221,354,814	222,354,076	243,354,340	238,880,978	241,347,724	258,011,431	252,763,455	284,447,722	270,147,996
Total component units activities net position	<u>\$ 284,193,090</u>	<u>\$ 325,160,985</u>	<u>\$ 297,788,124</u>	<u>\$ 324,158,380</u>	<u>\$ 361,108,366</u>	<u>\$ 313,685,122</u>	<u>\$ 286,243,001</u>	<u>\$ 270,215,092</u>	<u>\$ 302,099,762</u>	<u>\$ 296,588,810</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Expenses	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
General government and administration	\$ 23,683,543	\$ 23,772,181	\$ 21,973,506	\$ 23,184,118	\$ 20,001,400	\$ 21,064,801	\$ 20,851,218	\$ 18,757,862	\$ 17,893,464	\$ 19,044,399
Public safety and health	96,806,507	100,945,075	111,473,412	113,380,917	106,934,135	109,098,944	104,181,567	93,806,629	92,148,544	93,496,408
Streets, traffic and engineering	24,903,326	23,095,095	23,312,421	24,640,143	23,373,741	23,588,460	21,874,716	20,553,851	20,235,525	20,897,358
Culture and recreation	29,742,495	27,076,651	26,641,837	29,712,341	29,070,736	27,387,507	26,367,544	24,954,457	25,225,798	26,495,404
Solid waste	18,035,318	17,343,743	18,472,117	15,402,955	17,489,426	15,390,078	13,834,793	13,746,125	13,812,405	13,950,138
Transit	5,388,811	5,918,092	5,771,823	6,042,060	5,665,669	5,446,446	5,567,243	5,312,266	5,073,359	5,614,558
Economic development	3,892,806	2,058,637	3,150,026	3,237,465	3,841,058	6,558,819	12,211,918	3,314,067	3,006,491	3,083,969
Urban redevelopment/housing	15,344,470	15,585,015	14,813,413	12,675,458	11,312,847	12,969,762	11,168,871	10,716,405	11,294,368	12,504,610
Interest on long-term debt	8,018,883	6,712,130	5,726,472	5,735,225	5,363,761	3,146,654	2,371,915	2,045,175	2,045,764	2,138,731
Total governmental activities expenses	225,816,159	222,506,619	231,335,027	234,010,682	223,052,773	224,651,471	218,429,785	193,206,837	190,735,718	197,225,575
Business-type activities										
Water and Sewer	79,053,860	65,380,727	63,675,508	73,215,660	62,223,013	61,909,502	59,713,515	58,079,668	56,986,587	60,199,606
Drainage Utility	4,908,747	4,253,932	4,602,834	3,202,944	2,958,630	3,042,378	2,563,644	2,403,313	2,384,447	1,745,262
Airport	16,400,520	16,636,611	14,662,163	14,617,231	14,581,119	13,593,479	12,824,993	11,165,622	11,196,882	10,563,835
Total business-type activities expenses	100,363,127	86,271,270	82,940,505	91,035,835	79,762,762	78,545,359	75,102,152	71,648,603	70,567,916	72,508,703
Total primary government expenses	\$ 326,179,286	\$ 308,777,889	\$ 314,275,532	\$ 325,046,517	\$ 302,815,535	\$ 303,196,830	\$ 293,531,937	\$ 264,855,440	\$ 261,303,634	\$ 269,734,278
Component units										
Amarillo Hospital District	\$ 50,198,823	\$ 30,851,175	\$ 30,108,105	\$ 59,547,140	\$ 22,809,856	\$ 10,991,668	\$ 8,482,393	\$ 9,731,182	\$ 8,350,267	\$ 8,739,162
Amarillo Economic Development Corporation	17,740,755	15,107,444	43,053,405	24,173,802	17,164,756	30,773,567	21,490,466	28,156,467	19,201,869	24,134,763
Amarillo-Potter Events District	4,572,140	2,720,621	2,314,374	3,228,142	3,136,507	2,210,341	2,875,830	2,792,003	2,358,525	3,268,540
Amarillo Convention & Visitors Bureau	1,711,350	852,658	-	-	-	-	-	-	-	-
Amarillo Housing Finance Corporation	-	-	-	-	-	-	-	-	-	-
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	-	-	-	-	270	-	-	-	-	-
Amarillo Local Government Corporation	2,079,476	2,333,666	2,224,775	2,042,521	2,022,550	311,006	64,084	125,610	34,253	16,353
Total component units activities expenses	\$ 76,302,544	\$ 51,865,564	\$ 77,700,659	\$ 88,991,605	\$ 45,133,939	\$ 44,286,582	\$ 32,912,773	\$ 40,805,262	\$ 29,944,914	\$ 36,158,818
Program Revenues										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	\$ 11,288,713	\$ 10,122,152	\$ 9,623,873	\$ 9,875,597	\$ 9,686,712	\$ 9,866,838	\$ 9,086,805	\$ 10,277,354	\$ 9,632,962	\$ 10,071,778
Public safety and health	13,413,282	11,778,400	10,422,108	10,808,393	10,216,819	9,675,793	8,920,524	9,033,256	9,589,994	8,880,952
Streets, traffic and engineering	752,820	821,742	971,425	1,686,805	1,149,616	1,316,207	882,924	972,519	921,593	737,912
Culture and recreation	9,661,016	7,562,228	7,030,732	8,820,423	10,330,913	7,006,781	6,707,749	6,823,312	6,661,622	6,639,290
Solid waste	23,986,223	23,918,544	23,361,603	20,971,891	20,522,012	20,011,490	19,468,069	20,078,845	20,562,446	19,638,691
Transit	542,663	514,323	511,227	356,401	202,330	193,226	188,419	194,725	211,575	207,492
Economic development	-	-	-	-	-	-	-	-	30,076	20,500
Urban redevelopment/housing	93,365	157,007	284,546	66,632	100,229	233,577	73,079	174,352	119,859	119,742
Operating grants and contributions	60,931,916	33,871,780	40,412,852	22,853,120	23,646,610	26,127,954	20,392,663	21,744,742	20,748,100	20,149,589
Capital grants and contributions	15,987,418	13,043,805	12,677,070	12,033,363	12,970,962	13,245,080	10,481,151	27,847,438	8,032,159	9,572,638
Total governmental activities program revenues	136,657,416	101,789,981	105,295,436	87,472,625	88,826,203	87,676,946	76,201,383	97,146,543	76,510,386	76,038,584

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED
(accrual basis of accounting)
(Unaudited)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities										
Water and Sewer	94,605,546	84,588,159	84,147,350	76,075,403	84,539,511	75,145,344	73,507,187	68,528,437	76,728,328	71,518,531
Drainage Utility	6,902,531	6,528,963	6,357,689	5,594,762	5,548,081	5,540,635	5,581,158	5,553,357	5,556,487	5,073,594
Airport	11,704,906	10,261,116	9,518,458	12,193,581	11,424,284	10,764,718	9,790,456	9,890,031	9,532,883	9,115,320
Operating grants and contributions	6,357,409	6,180,912	6,706,126	2,713,821	588,563	25,692	-	-	-	-
Capital grants and contributions	10,313,742	6,822,070	4,765,754	6,422,346	7,245,540	7,328,325	4,907,514	5,765,171	6,406,495	2,745,466
Total business-type activities program revenues	129,884,134	114,381,220	111,495,377	102,999,913	109,345,979	98,804,714	93,786,315	89,736,996	98,224,193	88,452,911
Total primary government revenues	\$ 266,541,550	\$ 216,171,201	\$ 216,790,813	\$ 190,472,538	\$ 198,172,182	\$ 186,481,660	\$ 169,987,698	\$ 186,883,539	\$ 174,734,579	\$ 164,491,495
Component units										
Amarillo Hospital District	\$ 20,087,912	\$ 49,544,970	\$ 17,853,204	\$ 11,935,272	\$ 65,045,092	\$ 33,311	\$ -	\$ -	\$ -	\$ -
Amarillo Economic Development Corporation	3,253,683	3,598,652	4,287,496	3,834,920	5,339,886	5,547,126	10,865,721	4,616,898	5,819,504	6,222,671
Amarillo-Potter Events District	127,931	150,581	-	106,359	107,267	71,947	56,342	67,366	86,937	82,982
Amarillo Convention & Visitors Bureau	50	-	-	-	-	-	-	-	-	-
Amarillo Housing Finance Corporation	-	-	92	123	5,527	190	267	-	207	299
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	79	-
Tax Increment Reinvestment Zone #1	-	-	-	-	-	-	-	-	-	-
Amarillo Local Government Corporation	361,734	413,412	314,877	442,852	388,524	4,607,037	10,621,715	466,461	-	-
Operating grants and contributions	391,191	367,171	327,141	355,752	356,636	277,338	193,111	206,218	228,068	208,998
Capital grants and contributions	-	(451,504)	(117,626)	-	-	40,700,000	39,736	97,087	268,755	362,109
Total component units revenue	\$ 24,222,501	\$ 53,623,282	\$ 22,665,184	\$ 16,675,278	\$ 71,242,932	\$ 51,236,949	\$ 21,776,892	\$ 5,454,030	\$ 6,403,550	\$ 6,877,059
Net (Expense) Revenue										
Governmental activities	\$ (89,158,743)	\$ (120,716,638)	\$ (126,039,591)	\$ (146,538,057)	\$ (134,226,570)	\$ (136,974,525)	\$ (142,228,402)	\$ (96,060,294)	\$ (114,225,332)	\$ (121,186,991)
Business-type activities	29,521,007	28,109,950	28,554,872	11,964,078	29,583,217	20,259,355	18,684,163	18,088,393	27,656,277	15,944,208
Total primary government net expense	\$ (59,637,736)	\$ (92,606,688)	\$ (97,484,719)	\$ (134,573,979)	\$ (104,643,353)	\$ (116,715,170)	\$ (123,544,239)	\$ (77,971,901)	\$ (86,569,055)	\$ (105,242,783)
Component units										
Amarillo Hospital District	\$ (29,719,720)	\$ 19,060,966	\$ (11,927,760)	\$ (47,256,116)	\$ 42,591,872	\$ (10,681,019)	\$ (8,249,546)	\$ (9,489,516)	\$ (8,093,155)	\$ (8,497,101)
Amarillo Economic Development Corporation	(14,487,072)	(12,504,024)	(38,765,909)	(20,338,882)	(11,824,870)	(25,226,441)	(10,624,745)	(23,477,930)	(13,142,654)	(17,583,046)
Amarillo-Potter Events District	(4,444,209)	(2,570,040)	(2,314,374)	(3,121,783)	(3,029,240)	(2,138,394)	(2,819,488)	(2,724,637)	(2,271,588)	(3,185,558)
Amarillo Convention & Visitors Bureau	(1,711,300)	(306,320)	-	-	-	-	-	-	-	-
Amarillo Housing Finance Corporation	-	-	92	123	5,527	190	267	-	207	299
Amarillo Health Facilities Corporation	-	-	-	-	(270)	-	-	-	79	-
Tax Increment Reinvestment Zone #1	-	-	-	-	-	-	-	-	-	-
Amarillo Local Government Corporation	(1,717,742)	(1,920,254)	(2,027,524)	(1,599,669)	(1,634,026)	44,996,031	10,557,631	340,851	(34,253)	(16,353)
Total component units net expense	\$ (52,080,043)	\$ 1,760,328	\$ (55,035,475)	\$ (72,316,327)	\$ 26,108,993	\$ 6,950,367	\$ (11,135,881)	\$ (35,351,232)	\$ (23,541,364)	\$ (29,281,759)
General Revenues										
and Other Changes in Net Assets										
Governmental activities:										
Property taxes, levied for general purposes	\$ 55,888,416	\$ 50,992,631	\$ 49,633,223	\$ 45,893,341	\$ 44,631,498	\$ 42,547,617	\$ 40,480,567	\$ 38,126,812	\$ 36,463,697	\$ 33,548,566
Property taxes, levied for debt services	10,812,992	7,021,065	5,726,974	5,218,010	4,504,109	2,789,543	2,822,783	2,812,468	2,865,530	2,875,654
Sales taxes	74,467,785	67,507,499	59,785,142	59,175,698	57,403,769	55,544,448	56,093,996	55,482,697	54,413,835	52,126,017
Mixed beverage taxes	1,124,346	950,948	727,691	954,629	893,587	816,149	810,426	805,136	751,825	595,016

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED
(accrual basis of accounting)
(Unaudited)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities (continued):										
Hotel occupancy taxes	8,832,427	7,858,566	4,879,165	6,458,248	6,355,676	6,591,586	6,777,185	6,341,559	5,937,402	5,691,118
Gross receipts business taxes	21,047,981	19,087,424	16,961,374	17,350,836	18,208,762	17,962,785	16,778,557	18,226,564	18,284,594	16,712,223
Unrestricted investment earnings	444,582	449,188	2,347,563	4,655,471	2,650,804	1,268,229	843,358	775,685	674,798	567,298
Income (expense) from use and disposition of property	-	-	-	-	-	-	-	-	-	-
Other	3,507,403	292,220	441,237	7,171,591	(292,622)	1,197,273	42,453	3,469,385	1,383,230	672,355
Total governmental activities	176,125,932	154,159,541	140,502,369	146,877,824	134,355,583	128,717,630	124,649,325	126,040,306	120,774,911	112,788,247
Business-type activities										
Unrestricted investment earnings	392,691	89,149	1,928,874	3,510,746	1,806,398	498,073	487,381	402,780	304,150	238,073
Income (expense) from use and disposition of property	-	-	-	-	-	-	-	-	-	-
Other	8,217,597	(292,220)	(421,237)	(558,955)	292,622	(1,197,273)	(1,420,423)	(2,283,911)	(740,430)	25,427
Total business-type activities	8,610,288	(203,071)	1,507,637	2,951,791	2,099,020	(699,200)	(933,042)	(1,881,131)	(436,280)	263,500
Total primary government	\$ 184,736,220	\$ 153,956,470	\$ 142,010,006	\$ 149,829,615	\$ 136,454,603	\$ 128,018,430	\$ 123,716,283	\$ 124,159,175	\$ 120,338,631	\$ 113,051,747
Component Units										
Property taxes, levied for general purposes	-	-	-	-	-	-	-	-	71,400	76,810
Property taxes, levied for debt services	-	-	-	-	-	-	-	-	-	-
Sales taxes	28,644,987	22,502,499	19,943,667	19,725,232	19,134,590	18,514,816	18,697,999	18,494,232	18,137,944	17,375,339
Gross receipts business taxes	1,384,780	4,295,894	2,343,334	3,120,780	2,970,579	2,840,646	2,917,154	2,758,826	2,650,714	2,589,164
Unrestricted investment earnings	(18,960,537)	(1,185,860)	7,972,852	12,520,329	(772,223)	(340,235)	5,548,637	7,667,923	6,864,063	(5,992,233)
Total component units activities	\$ 11,069,230	\$ 25,612,533	\$ 30,259,853	\$ 35,366,341	\$ 21,332,946	\$ 21,015,227	\$ 27,163,790	\$ 28,920,981	\$ 27,724,121	\$ 14,049,080
Change in Net Position										
Governmental activities	86,967,189	33,442,903	14,462,778	339,767	129,013	(8,256,895)	(17,579,077)	29,980,012	6,549,579	(8,398,744)
Business-type activities	38,131,295	27,906,879	30,062,509	14,915,869	31,682,237	19,560,155	17,751,121	16,207,262	27,219,997	16,207,708
Total primary government	\$ 125,098,484	\$ 61,349,782	\$ 44,525,287	\$ 15,255,636	\$ 31,811,250	\$ 11,303,260	\$ 172,044	\$ 46,187,274	\$ 33,769,576	\$ 7,808,964
Total component units	\$ (41,010,813)	\$ 27,372,861	\$ (24,775,622)	\$ (36,949,986)	\$ 47,441,939	\$ 27,965,594	\$ 16,027,909	\$ (6,430,251)	\$ 4,182,757	\$ (15,232,679)

Source: Comprehensive Annual Financial Reports

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Nonspendable:										
Prepaid items	\$ 36,767	\$ 292,177	\$ 303,478	\$ 10,608	\$ 34,874	\$ 31,933	\$ 21,203	\$ 7,727	\$ 7,742	\$ 7,742
Inventory	1,754,385	1,469,279	1,390,445	1,160,490	1,398,034	1,178,590	1,681,954	1,902,433	1,402,375	1,553,581
Uncollected taxes	77,261	66,995	116,360	69,530	74,195	75,466	45,820	55,145	80,686	94,493
Advances to other funds	557,333	591,122	623,752	655,261	685,689	715,043	-	-	-	-
Restricted for:										
Special purposes	1,323,782	1,323,782	-	-	-	-	-	-	-	-
Committed for:										
Encumbrances	-	-	-	-	-	-	-	-	-	-
Unreserved/unassigned	<u>74,922,951</u>	<u>65,727,866</u>	<u>60,304,707</u>	<u>41,751,499</u>	<u>45,894,428</u>	<u>43,661,641</u>	<u>46,330,873</u>	<u>49,338,042</u>	<u>54,441,526</u>	<u>50,057,344</u>
Total general fund	<u>\$ 78,672,479</u>	<u>\$ 69,471,221</u>	<u>\$ 62,738,742</u>	<u>\$ 43,647,388</u>	<u>\$ 48,087,220</u>	<u>\$ 45,662,673</u>	<u>\$ 48,079,850</u>	<u>\$ 51,303,347</u>	<u>\$ 55,932,329</u>	<u>\$ 51,713,160</u>
All Other Governmental Funds										
Nonexpendable:										
Prepaid items	\$ 51,482	\$ 40,649	\$ 51,945	\$ 8,558	\$ 4,538	\$ 7,248	\$ 10,769	\$ 7,332	\$ 29,855	\$ 628,029
Uncollected taxes	12,868	8,736	13,461	6,895	5,508	5,648	3,818	4,784	7,087	12,727
Corpus or principal	17,693	17,693	17,693	17,693	17,693	-	-	-	-	-
Restricted for:										
Debt service fund	3,226,979	1,428,207	1,912,160	3,041,911	1,340,072	1,090,928	904,204	796,880	691,778	534,276
Capital projects	5,587,448	5,022,571	5,627,302	10,626,612	-	5,587,448	5,587,448	-	-	-
Special purposes	20,044,169	18,976,636	17,424,556	14,162,853	13,286,529	10,016,563	8,624,696	10,160,588	7,827,464	6,673,794
Committed for:										
Compensated absences	32,483	25,688	398,599	708,629	1,412,287	3,550,232	4,915,277	6,728,693	8,670,659	10,003,888
Assigned for:										
Capital projects	<u>130,158,529</u>	<u>73,031,876</u>	<u>34,234,134</u>	<u>39,639,612</u>	<u>90,534,266</u>	<u>62,308,575</u>	<u>44,245,744</u>	<u>42,456,749</u>	<u>38,633,437</u>	<u>32,781,310</u>
Total all other governmental funds	<u>\$ 159,131,651</u>	<u>\$ 98,552,056</u>	<u>\$ 59,679,850</u>	<u>\$ 68,212,763</u>	<u>\$ 106,600,893</u>	<u>\$ 82,566,642</u>	<u>\$ 64,291,956</u>	<u>\$ 60,155,026</u>	<u>\$ 55,860,280</u>	<u>\$ 50,634,024</u>

Source: Information obtained from the City's Comprehensive Annual Financial Reports.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GOVERNMENTAL FUNDS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 170,622,974	\$ 152,999,681	\$ 136,912,875	\$ 134,265,695	\$ 131,428,612	\$ 125,707,610	\$ 123,284,814	\$ 121,355,081	\$ 118,344,966	\$ 111,212,385
License and permits	4,902,238	4,827,057	3,875,490	3,534,174	3,300,746	3,379,143	3,234,237	2,975,922	3,799,014	3,514,170
Interfund revenues	1,064,426	1,007,600	1,284,850	1,879,045	1,297,732	1,362,765	919,710	1,069,410	943,522	1,675,119
Intergovernmental revenues	62,350,479	34,014,848	42,181,833	23,691,837	24,773,874	29,116,583	21,872,713	26,222,168	19,960,514	21,945,515
Grants-in-aid	1,578,994	26,731	-	-	-	-	-	-	-	-
Citizen contributions	580,622	97,233	525,609	87,099	49,768	187,497	24,864	125,848	208,255	45,638
Construction participation	8,226,901	6,011,366	4,823,934	7,297,396	9,564,048	8,743,879	5,077,744	11,689,007	2,698,222	3,976,610
Revenue from participating taxing entities	1,807,900	1,685,152	1,497,439	1,076,355	746,065	640,129	655,852	600,778	622,483	594,974
Other entity participations	226,250	226,250	226,250	-	-	-	100,000	175,000	797,009	820,676
Charges for services	44,531,336	41,478,871	40,023,318	39,506,191	38,909,157	36,274,459	34,678,170	35,331,237	35,168,838	34,034,663
Fines and forfeitures	6,253,047	4,756,490	4,679,114	6,019,094	6,549,307	6,487,419	5,699,964	6,252,407	6,484,937	5,937,467
Investment earnings	8,154	384,044	1,712,667	3,704,551	2,159,031	1,042,999	682,885	626,119	560,545	448,256
Other rentals and commissions	1,281,063	1,279,081	1,502,691	609,697	482,908	479,190	491,669	426,880	421,119	418,222
Miscellaneous	577,218	825,093	502,729	395,576	1,806,518	477,337	487,816	1,273,997	820,390	671,097
Total revenues	304,011,602	249,619,497	239,748,799	222,066,710	221,067,766	213,899,010	197,210,438	208,123,854	190,829,814	185,294,792
Expenditures										
General government and administration	22,790,719	22,243,351	20,085,727	20,472,736	18,623,409	18,851,886	19,367,655	17,162,756	16,573,732	16,107,002
Public safety and health	132,370,273	124,545,186	121,433,000	116,451,569	112,510,824	112,018,659	106,379,423	101,486,353	98,724,098	92,887,532
Culture and recreation	23,714,608	21,014,927	19,737,669	23,529,989	23,393,846	21,952,536	20,776,190	19,644,639	19,823,954	19,333,878
Solid waste	17,456,797	16,975,730	16,433,111	16,561,807	15,293,540	14,132,745	13,019,526	13,043,407	12,258,612	11,311,765
Transit system	4,807,545	4,902,209	4,847,793	5,380,196	5,038,578	4,716,811	4,633,595	4,520,534	4,402,888	4,267,016
Urban redevelopment and housing	15,548,139	15,683,494	14,842,540	12,665,085	11,661,271	13,078,306	11,107,518	10,816,542	11,635,914	12,261,800
Economic development/tourism	4,040,657	2,194,806	3,282,392	3,366,915	3,975,529	6,558,819	12,211,918	3,314,067	3,006,491	3,083,969
Capital outlay	32,915,968	37,973,359	38,028,965	60,439,644	52,636,028	28,575,975	18,251,480	31,873,059	12,663,897	20,736,329
Debt service										
Principal retirement	7,132,000	5,960,000	4,291,913	4,110,037	2,841,509	2,399,051	2,080,659	1,968,331	1,841,067	1,763,860
Interest and fiscal charges	6,821,391	5,137,259	4,803,026	5,043,070	3,475,426	1,758,596	1,513,688	1,612,507	1,600,512	1,673,168
Bond issuance cost	244,187	213,171	192,557	-	1,660,652	-	-	-	-	-
Termination vacation and sick leave pay	1,903,692	2,076,369	1,512,308	2,126,448	2,108,950	1,374,058	1,857,067	1,964,440	1,363,313	1,552,850
Total expenditures	269,745,976	258,919,861	249,491,001	270,147,496	253,219,562	225,417,442	211,198,719	207,406,635	183,894,478	184,979,169
Excess of revenues over (under) expenditures	34,265,626	(9,300,364)	(9,742,202)	(48,080,786)	(32,151,796)	(11,518,432)	(13,988,281)	717,219	6,935,336	315,623
Other financing sources (uses):										
Transfers from other funds	75,403,083	20,495,736	7,615,889	18,567,746	10,780,666	12,532,337	12,826,493	17,830,716	13,954,164	11,308,054
Transfers to other funds	(78,947,058)	(25,294,281)	(7,521,191)	(18,343,103)	(11,490,194)	(12,349,445)	(13,728,025)	(20,067,648)	(14,271,713)	(12,065,339)
Other	-	-	-	-	-	(1,769,719)	(1,377,970)	1,185,474	622,640	-
Payment to refunded bond escrow agent	-	-	20,000	6,612,636	-	(17,265,000)	-	-	-	-
Bond premium	999,203	4,419,813	441,415	-	927,566	2,897,768	(401,232)	-	(55,000)	-
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	38,060,000	53,960,000	26,280,000	-	63,980,000	43,330,000	11,995,000	-	2,260,000	-
Total other financing sources (uses)	35,515,228	53,581,268	26,836,113	6,837,279	64,198,038	27,375,941	9,314,266	(1,051,458)	2,510,091	(757,285)
Net change in fund balances	\$ 69,780,854	44,280,904	17,093,911	(41,243,507)	32,046,242	\$ 15,857,509	\$ (4,674,015)	\$ (334,239)	\$ 9,445,427	\$ (441,662)
Debt service as a percentage of noncapital expenditures	5.892%	5.023%	4.301%	4.365%	3.149%	2.112%	1.863%	2.040%	2.010%	2.093%

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)**

<u>Fiscal Year</u>	<u>Property Taxes*</u>		<u>Sales Taxes</u>	<u>Mixed Beverage Taxes</u>	<u>Hotel Occupancy Taxes</u>	<u>Gross Receipts Business Taxes</u>	<u>Total Taxes</u>
	<u>General Fund</u>	<u>Debt Service</u>					
2013	33,212,357	2,875,654	52,126,017	595,016	5,691,118	16,712,223	111,212,385
2014	36,091,780	2,865,530	54,413,835	751,825	5,937,402	18,284,594	118,344,966
2015	37,686,657	2,812,468	55,482,697	805,136	6,341,559	18,226,564	121,355,081
2016	40,001,867	2,822,783	56,093,996	810,426	6,777,185	16,778,557	123,284,814
2017	42,003,099	2,789,543	55,544,448	816,149	6,610,423 (1)	17,962,785	125,726,447
2018	44,062,709	4,504,109	57,403,769	893,587	6,932,936 (2)	18,208,762	132,005,872
2019	45,108,274	5,218,010	59,175,698	954,629	7,208,732 (3)	17,350,836	135,016,179
2020	48,832,529	5,726,974	59,785,142	727,691	5,431,173 (4)	16,961,374	137,464,883
2021	50,574,179	7,021,065	67,507,499	950,948	8,545,313 (5)	19,087,424	153,686,428
2022	54,337,443	10,812,992	74,467,785	1,124,346	9,585,539 (6)	21,047,981	171,376,086
<u>Change</u>							
2013-2022	63.61%	276.02%	42.86%	88.96%	68.43%	25.94%	54.10%

Notes:

* The City was able to keep its property tax rates fairly stable because of substantial growth in property tax values (See Exhibit A-6.)

- (6) \$753,112 was rebated during the year ended September 30, 2022.
- (5) \$686,797 was rebated during the year ended September 30, 2021.
- (4) \$552,008 was rebated during the year ended September 30, 2020.
- (3) \$750,484 was rebated during the year ended September 30, 2019.
- (2) \$577,260 was rebated during the year ended September 30, 2018.
- (1) \$18,837 was rebated during the year ended September 30, 2017.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY, LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Real Estate	Business Personal	Total Assessed Value	Less: Tax-Exempt Property	Taxable Value	Total Direct Tax Rate
2013	10,941,419,006	1,417,493,921	12,358,912,927	1,902,510,338	10,456,402,589	0.32009
2014	11,063,215,720	1,510,766,292	12,573,982,012	1,813,527,841	10,760,454,171	0.34009
2015	11,489,089,001	1,579,344,589	13,068,433,590	1,968,378,872	11,100,054,718	0.34509
2016	11,896,261,823	1,650,461,901	13,546,723,724	2,004,664,460	11,542,059,264	0.35072
2017	12,372,427,053	1,767,776,977	14,140,204,030	2,074,738,931	12,065,465,099	0.35072
2018	13,069,862,666	1,820,657,962	14,890,520,628	2,102,746,587	12,787,774,041	0.36364
2019	13,472,051,057	1,842,147,371	15,314,198,428	2,165,143,672	13,149,054,756	0.36838
2020	14,010,925,947	1,873,109,857	15,884,035,804	2,267,402,353	13,616,633,451	0.38851
2021	14,572,117,253	2,000,001,931	16,572,119,184	2,473,445,863	14,098,673,321	0.39681
2022	15,002,010,347	2,063,554,910	17,065,565,257	2,471,389,939	14,594,175,318	0.44334

Source: Potter and Randall Counties

Notes: Property in Potter County and Randall County is reassessed annually. The counties assess property at approximately 100% of actual value for business personal property and 100% for real estate property. Tax rates are per \$100 of taxable value.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES, LAST TEN FISCAL YEARS
(rate per \$100 of assessed value)
(unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates							
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Amarillo Independent School District and County Education District 20	Amarillo College District	Canyon Independent School District	River Road Independent School District	Potter County	Randall County	Highland Park Independent School District	Bushland Independent School District
2013	0.29276	0.02733	0.32009	1.17000	0.19950	1.26500	1.35000	0.62707	0.38430	1.16744	1.26960
2014	0.31335	0.02674	0.34009	1.18900	0.19950	1.22800	1.35000	0.63402	0.39241	1.16750	1.29440
2015	0.31915	0.02594	0.34509	1.18900	0.20750	1.21500	1.35000	0.63402	0.39914	1.16190	1.29000
2016	0.32566	0.02506	0.35072	1.18900	0.20750	1.26000	1.35000	0.66402	0.40605	1.16190	1.26804
2017	0.32698	0.02374	0.35072	1.18900	0.20750	1.26500	1.35000	0.67000	0.41473	1.16190	1.23777
2018	0.32698	0.03666	0.36364	1.23900	0.20750	1.26500	1.35000	0.68500	0.43126	1.18590	1.23371
2019	0.32698	0.04140	0.36838	1.16900	0.22790	1.23000	1.27650	0.70100	0.44126	1.10330	1.16371
2020	0.34448	0.04403	0.38851	1.15540	0.22790	1.28000	1.00280	0.69015	0.44421	1.09740	1.16010
2021	0.34448	0.05233	0.39681	1.14960	0.22790	1.23300	1.00280	0.70595	0.44421	1.08480	1.15665
2022	0.36423	0.07911	0.44334	1.08470	0.22323	1.14000	1.16200	0.64725	0.41713	0.98670	1.34055

The maximum tax rate provided by City charter is \$1.80, of which \$1.30 may be levied for general purposes; the remaining \$0.50 may be used only for waterworks purposes.

Taxes are assessed by the Potter-Randall Appraisal District. The City of Amarillo collected its own taxes until July 1, 1996, when Potter and Randall Counties assumed collection responsibilities for all entities within their boundaries. Taxes are due October 1, and become delinquent February 1. Delinquent taxes are subject to 12% to 18% per annum interest plus a penalty of 5% to 10% in accordance with statutes.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Taxpayer	2022			2013		
	Taxable Value	Rank	Percent of Total City Taxable Value	Taxable Value	Rank	Percent of Total City Taxable Value
Bell Helicopter Textron	258,521,133	1	1.771%	\$ -		0.000%
Southwestern Public Service	221,833,535	2	1.520%	88,286,959	1	0.844%
BSA Hospital LLC	129,421,024	3	0.887%	-		0.000%
Atmos Energy	97,767,890	4	0.670%	40,968,167	8	0.392%
BNSF Railway Company	94,468,852	5	0.647%	62,822,320	5	0.601%
Northwest Texas Healthcare/UHS of Amarillo	89,973,986	6	0.617%	84,728,956	3	0.810%
Amarillo National Bank	46,732,903	7	0.320%	37,584,412	9	0.359%
Walmart	43,553,093	8	0.298%	85,932,637	2	0.822%
Toot N Totum Inc	35,091,315	9	0.240%	-		0.000%
CF KL Assets 2019-1 LLC	31,032,214	10	0.213%	-		0.000%
Amarillo Mall LLC	-		0.000%	63,925,834	4	0.611%
Ben E. Keith	-		0.000%	48,876,507	6	0.467%
Amarillo Economic Development Corporation*	-		0.000%	41,925,797	7	0.401%
Case Newport LP	-		0.000%	36,883,145.00	10	0.353%
Total taxable value of ten largest taxpayers	1,048,395,945		7.184%	511,934,734		5.661%
Total taxable value of other taxpayers	13,545,779,373		92.816%	9,864,467,855		94.339%
Total taxable value of all taxpayers	\$ 14,594,175,318		100.000%	\$ 10,456,402,589		100.000%

Source: Potter Randall Appraisal District

*Amarillo Economic Development Corporation owns and leases property to Bell Helicopter.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS, LAST TEN FISCAL YEARS
(unaudited)

<u>Fiscal Year Ended September 30,</u>	<u>Tax Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2013	32,832,489	32,397,075	98.67	393,433	32,790,508	99.87
2014	35,664,675	35,179,859	98.64	437,266	35,617,125	99.87
2015	37,270,434	36,762,612	98.64	459,460	37,222,072	99.87
2016	39,236,666	38,751,501	98.76	430,116	39,181,617	99.86
2017	40,948,124	40,559,556	99.05	331,655	40,891,211	99.86
2018	44,623,248	44,198,870	99.05	348,047	44,546,917	99.83
2019	46,446,992	45,951,750	98.93	401,548	46,353,298	99.80
2020	50,290,705	49,969,323	99.36	212,861	50,182,184	99.78
2021	53,091,686	52,689,367	99.24	225,916	52,915,283	99.67
2022	60,590,154	60,143,235	99.26	-	60,143,235	99.26

Sources: Potter and Randall County Tax Offices

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
TAXABLE SALES BY CATEGORY, LAST TEN CALENDAR YEARS
(in \$1,000s)
(unaudited)

	Calendar Year									
	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013
Agriculture/Forestry/Fishing/Hunting	*	\$ 419	\$ 469	\$ 464	\$ 6,159	\$ 2,789	\$ 2,743	\$ 2,419	\$ 1,367	\$ 1,476
Mining/Quarrying/Oil and Gas	*	6,048	3,987	1,064	1,327	5,144	4,350	9,000	11,988	8,200
Utilities	*	167,446	143,037	170,924	159,126	156,533	134,454	149,903	156,120	150,770
Construction	*	113,634	98,484	112,086	111,987	116,092	101,647	122,327	110,173	89,718
Manufacturing	*	76,646	74,980	78,090	82,002	81,103	77,042	90,534	82,295	77,664
Wholesale Trade	*	232,678	230,928	245,218	199,242	193,212	194,437	188,942	208,636	236,453
Retail Trade	*	2,066,366	1,749,541	1,697,514	1,680,577	1,653,926	1,688,710	1,696,032	1,671,704	1,638,624
Transportation/Warehousing	*	2,465	2,122	2,073	1,886	2,401	1,742	1,869	2,172	2,515
Information	*	90,608	117,661	157,112	155,029	132,821	130,722	120,784	114,629	90,646
Finance/Insurance	*	40,183	19,329	16,354	12,360	16,611	20,451	18,717	11,743	12,400
Real Estate/Rental Leasing	*	49,548	42,802	43,987	41,613	38,724	48,556	45,984	49,989	46,176
Professional/Scientific/Technical Services	*	30,982	33,895	38,991	37,380	42,581	46,168	50,199	52,731	43,229
Management of Companies/Enterprises	*	547	602	471	416	87	67	63	55	87
Admin/Support/Waste Mgmt/Remediation	*	123,378	110,444	92,605	69,873	69,586	71,048	75,056	75,386	70,433
Educational Services	*	2,835	2,462	3,447	3,857	4,266	4,591	5,066	5,215	5,718
Health Care/Social Assistance	*	9,803	12,922	11,050	13,311	11,676	10,002	12,071	14,855	16,032
Arts/Entertainment/Recreation	*	45,794	29,011	42,154	32,405	28,180	25,334	25,915	24,343	22,781
Accommodation/Food Services	*	590,414	468,278	490,568	470,498	451,961	443,427	427,280	407,862	391,312
Other Services	*	116,902	100,209	106,131	100,053	95,247	95,625	101,633	103,099	101,357
Public Administration	*	3,733	385	543	302	Not reported	Not reported	Not reported	Not reported	Not reported
Other	*	-	-	-	-	Not reported	Not reported	Not reported	Not reported	Not reported
All Industries **	*	\$ 3,770,429	\$ 3,241,548	\$ 3,310,846	\$ 3,179,403	\$ 3,102,940	\$ 3,101,116	\$ 3,144,331	\$ 3,104,918	\$ 2,811,806
City direct sales tax rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

*Note: State taxable sales information is not available for the 2022 Calendar Year

** All Industries is a total of all industries reported and not reported.

Note: Reported sales tax includes only amounts subject to state sales tax

Source: State of Texas <https://ourcpa.cpa.state.tx.us/allocation/HistSales.jsp>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES, LAST TEN FISCAL YEARS
(unaudited)**

<u>Fiscal Year</u>	<u>City* Direct Rate</u>	<u>State</u>
2013	2.0	6.25
2014	2.0	6.25
2015	2.0	6.25
2016	2.0	6.25
2017	2.0	6.25
2018	2.0	6.25
2019	2.0	6.25
2020	2.0	6.25
2021	2.0	6.25
2022	2.0	6.25

Sources: City Budget Office and Department of Finance

Note: The City sales tax rate may be changed only with the approval of the state legislature.

* The Amarillo Economic Development Corporation is funded with 1/2 percent sales tax.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT, AS OF SEPTEMBER 30, 2021
(unaudited)

	<u>Net Debt Outstanding</u>	<u>Percent Applicable</u>	<u>Applicable Debt Outstanding</u>
Amarillo Independent School District	\$ 225,314,410	98.83%	\$ 222,678,231
Amarillo College District	60,287,601	100.00%	60,287,601
Amarillo Hospital District	-	100.00%	-
Canyon Independent School District	233,685,000	38.68%	90,389,358
River Road Independent School District	7,820,097	25.16%	1,967,536
Potter County	67,311,827	76.11%	51,231,032
Randall County	6,330,177	63.96%	4,048,781
Highland Park Independent School District	16,270,000	45.82%	7,454,914
Bushland Independent School District	6,843,022	25.33%	<u>1,733,337</u>
Total overlapping debt			439,790,791
City of Amarillo*			<u>227,431,003</u>
Total direct and overlapping debt			<u>\$ 667,221,794</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Municipal Advisory Council, October 2017.
 Debt outstanding data provided by each governmental unit.

Notes: 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 residents and businesses of the City of Amarillo. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

* City of Amarillo outstanding debt includes all governmental activities debt.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE, LAST TEN FISCAL YEARS
 (unaudited)

Fiscal Year	Governmental Activities					Business-type Activities							
	Tax-Supported Debt	Special Assessment/ Other Debt	Percentage of Actual Taxable Value of Property	Per Capita	Hotel Occupancy Debt	Fleet Services Debt	Water & Sewer Revenue Debt	Water Authority Debt	Airport Debt	Drainage Utility Debt	Total Primary Government	Percentage of Personal Income	Per Capita
2013	25,863,061	8,225,620	0.33%	173.62	-	2,358,459	136,269,108	93,853,737	11,870,892	5,819,993	284,260,870	2.75%	1,447.83
2014	24,689,792	10,394,472	0.33%	176.83	-	4,139,636	138,579,582	91,653,457	10,520,217	11,595,596	291,572,752	2.71%	1,469.61
2015	23,117,340	9,962,182	0.27%	165.61	-	3,236,856	130,575,609	84,395,267	8,967,258	10,969,250	271,223,762	2.42%	1,357.86
2016	21,477,662	9,482,840	0.24%	153.70	11,995,000	2,323,931	137,972,057	78,645,922	7,338,808	10,287,436	279,523,656	2.44%	1,387.70
2017	49,212,399	9,041,972	0.44%	287.25	11,995,000	1,400,862	168,468,919	72,649,086	5,634,868	9,595,524	327,998,630	2.85%	1,617.35
2018	69,642,292	11,680,564	0.64%	397.03	50,830,000	462,565	179,326,703	65,917,240	3,850,044	9,090,681	390,800,089	3.31%	1,907.94
2019	66,211,938	11,113,430	0.59%	373.78	50,515,000	-	167,353,382	59,717,941	1,973,552	8,575,740	365,460,983	2.86%	1,766.57
2020	82,899,430	10,642,569	0.69%	447.69	50,195,000	-	184,601,031	53,410,416	-	18,235,283	399,983,729	3.02%	1,914.30
2021	135,805,113	11,002,333	1.04%	728.89	49,065,000	-	199,404,988	45,231,978	-	27,433,484	467,942,896	3.40%	2,323.32
2022	165,582,515	13,938,488	1.23%	891.32	47,910,000	-	241,421,975	36,728,261	-	26,204,731	531,785,970	3.87%	2,640.30

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

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN, LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General bonded debt outstanding*										
Tax supported debt	\$ 165,582,515	\$ 82,899,430	\$ 66,211,938	\$ 69,642,292	\$ 49,212,399	\$ 21,477,662	\$ 23,117,340	\$ 24,689,792	\$ 25,863,061	\$ 27,295,528
Special assessment/other debt	61,848,488	60,837,569	61,628,430	62,510,564	21,036,972	21,477,840	9,962,182	10,394,472	8,225,620	8,561,848
Water & Sewer bonds	241,421,975	184,601,031	167,353,382	179,326,703	161,846,891	137,972,057	130,575,609	138,579,582	136,269,108	141,119,981
Airport Bonds	-	-	1,973,552	3,850,044	5,634,868	7,338,808	8,967,258	10,520,217	11,870,892	13,288,789
Drainage Utility Bonds	26,204,731	18,235,283	8,575,740	9,090,681	9,595,524	10,287,436	10,969,250	11,595,596	5,819,993	-
Fleet Services Bonds	-	-	-	462,565	1,400,862	2,323,931	3,236,856	4,139,636	2,358,459	-
Total	\$ 495,057,709	\$ 346,573,313	\$ 305,743,042	\$ 324,882,849	\$ 248,727,516	\$ 200,877,734	\$ 186,828,495	\$ 199,919,295	\$ 190,407,133	\$ 190,266,146
Percentage of estimated actual property value	3.39%	2.55%	2.33%	2.54%	2.06%	1.74%	1.68%	1.86%	1.82%	1.85%
Per capita	\$ 2,457.95	\$ 1,658.68	\$ 1,477.93	\$ 1,586.13	\$ 1,226.47	\$ 997.26	\$ 935.34	\$ 1,007.65	\$ 969.80	\$ 978.86
Less: Amounts set aside to repay general debt	3,239,847	1,925,621	3,048,806	1,345,580	1,096,576	908,022	801,664	698,865	547,003	381,665
Total net debt applicable to debt limit	491,817,862	344,647,692	302,694,236	323,537,269	247,630,940	199,969,712	186,026,831	199,220,430	189,860,130	189,884,481
Legal debt limit	1,706,556,526	1,588,403,580	1,531,419,843	1,489,052,063	1,414,020,403	1,354,672,372	1,306,843,359	1,257,398,201	1,235,891,293	1,211,673,220
Legal debt margin	\$ 1,214,738,664	\$ 1,243,755,888	\$ 1,228,725,607	\$ 1,165,514,794	\$ 1,166,389,463	\$ 1,154,702,660	\$ 1,120,816,528	\$ 1,058,177,771	\$ 1,046,031,163	\$ 1,021,788,739
Debt service as a percentage of noncapital expenditures	7.29%	5.38%	5.68%	4.42%	2.89%	2.91%	3.26%	2.89%	3.13%	3.10%

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

* Excludes Water Authority Debt, includes unamortized bond premium

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
LEGAL DEBT MARGIN INFORMATION, LAST TEN FISCAL YEARS
(Unaudited)

	<u>9/30/2021</u> <u>(2020 Tax Roll)</u>	<u>9/30/2020</u> <u>(20189 Tax Roll)</u>	<u>9/30/2019</u> <u>(2018 Tax Roll)</u>	<u>9/30/2018</u> <u>(2017 Tax Roll)</u>	<u>9/30/2017</u> <u>(2016 Tax Roll)</u>	<u>9/30/2016</u> <u>(2015 Tax Roll)</u>	<u>9/30/2015</u> <u>(2014 Tax Roll)</u>	<u>9/30/2014</u> <u>(2013 Tax Roll)</u>	<u>9/30/2013</u> <u>(2012 Tax Roll)</u>	<u>9/30/2012</u> <u>(2011 Tax Roll)</u>
Assessed value, tax roll	\$ 17,065,565,257	\$ 15,884,035,804	\$ 15,314,198,428	\$ 14,890,520,628	\$ 14,140,204,030	\$ 13,546,723,724	\$ 13,068,433,590	\$ 12,573,982,012	\$ 12,358,912,927	\$ 12,116,732,199
Debt limit -10% of assessed roll	\$ 1,706,556,526	\$ 1,588,403,580	\$ 1,531,419,843	\$ 1,489,052,063	\$ 1,414,020,403	\$ 1,354,672,372	\$ 1,306,843,359	\$ 1,257,398,201	\$ 1,235,891,293	\$ 1,211,673,220
Amount of debt applicable to debt limit:										
Total bonded debt	495,057,709	346,573,313	305,743,042	324,882,849	248,727,516	200,877,734	186,828,495	197,890,283	190,906,350	190,770,210
Less: Assets in Debt Service Funds (net)	3,239,847	1,925,621	3,048,806	1,345,580	1,096,576	908,022	801,664	698,865	547,003	381,665
Waterworks revenue bonds	107,830,000	122,605,000	102,685,000	106,525,000	84,415,000	57,120,000	45,145,000	47,750,000	41,900,000	42,565,000
	<u>111,069,847</u>	<u>124,530,621</u>	<u>105,733,806</u>	<u>107,870,580</u>	<u>85,511,576</u>	<u>58,028,022</u>	<u>45,946,664</u>	<u>48,448,865</u>	<u>42,447,003</u>	<u>42,946,665</u>
Total amount of debt applicable to debt limit	<u>383,987,862</u>	<u>222,042,692</u>	<u>200,009,236</u>	<u>217,012,269</u>	<u>163,215,940</u>	<u>142,849,712</u>	<u>140,881,831</u>	<u>149,441,418</u>	<u>148,459,347</u>	<u>147,823,545</u>
Pro forma legal debt margin	<u>\$ 1,322,568,664</u>	<u>\$ 1,366,360,888</u>	<u>\$ 1,331,410,607</u>	<u>\$ 1,272,039,794</u>	<u>\$ 1,250,804,463</u>	<u>\$ 1,211,822,660</u>	<u>\$ 1,165,961,528</u>	<u>\$ 1,107,956,783</u>	<u>\$ 1,087,431,946</u>	<u>\$ 1,063,849,675</u>

Note: Article 835p of the State of Texas Civil Statutes, effective March 17, 1967, provides that this limitation applies only to cities having a population of 600,000 or more according to the then last preceding Federal Census.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
PLEDGED-REVENUE COVERAGE, LAST TEN FISCAL YEARS
(unaudited)

Water Revenue Bonds							
Fiscal Year	Total Revenue	Less: Operating Expenses	Less: CRMWA Interest	Net Available Revenue	Principal	Debt Service Interest	Coverage
2013	71,728,432	35,135,236	4,320,267	32,272,929	7,490,000	3,157,712	3.03
2014	76,988,269	36,842,249	3,462,630	36,683,390	7,490,000	3,186,396	3.44
2015	68,884,711	36,415,609	3,034,233	29,434,869	8,065,000	3,077,633	2.64
2016	73,927,400	39,178,131	2,761,863	31,987,406	9,100,000	2,744,260	2.70
2017	75,540,295	42,561,770	2,497,027	30,481,498	10,440,000	3,727,269	2.15
2018	86,129,584	42,585,261	2,350,787	41,193,536	11,750,000	4,224,902	2.58
2019	79,199,665	52,937,576	2,241,420	24,020,669	11,750,000	4,249,148	1.50
2020	85,799,025	42,709,053	1,668,861	41,421,111	13,290,000	3,784,301	2.43
2021	8,658,381	45,222,573	(575,678)	40,011,486	14,590,000	4,120,240	2.14
2022	94,435,642	58,791,780	(30,521)	35,674,383	16,015,000	5,053,937	1.69

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN CALENDAR YEARS
(unaudited)

Calendar Year	Population (1)	Personal Income (2) (in \$1,000s)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2013	193,616	10,522,802	40,691	33.5	33,419	4.8%
2014	194,600	11,141,029	42,760	33.4	33,591	3.9%
2015	195,588	11,324,431	43,296	33.5	33,695	3.1%
2016	196,582	11,376,011	43,025	33.4	33,615	3.3%
2017	197,580	11,791,320	44,111	33.7	33,141	3.1%
2018	198,584	12,261,607	46,131	33.7	32,722	2.8%
2019	199,593	12,739,902	47,769	33.9	32,498	2.7%
2020	200,393	13,232,936	49,893	34.7	32,436	4.1%
2021	201,411	13,745,051	51,161	*	31,388	3.6%
2022	202,434	15,170,292	56,248	39.0	34,582	3.0%

Sources:

1. Population estimates prepared by City of Amarillo Planning Department on 2010 and 2020 Census Data. (Amarillo grows by an average of .51% annually.)
2. Personal income and per capita income figures obtained from U.S. Department of Commerce's Bureau of Economic Analysis, MSA Income Summary. The latest data is 2019. Planning staff estimated 2020 and 2021 based on the average annual growth rate of 3.87% between 2010 and 2019.
3. Median age obtained from 2010 Census and American Community Survey 1-Year (2020) and 5-Year (2011-2019) estimates.
4. School enrollment was provided by the Texas Education agency accessed at tea.texas.gov.
5. Unemployment rates obtained from Local Area Unemployment Statistics (LAUS) Report from Texas Labor Market Information (texaslmi.com) for August each year shown.

* Median age was not available for these years.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PRINCIPAL EMPLOYERS, CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Employer	2022			2013		
	Employees	Rank	Percent of Total City MSA* Employment	Employees	Rank	Percent of Total City MSA Employment
Amarillo Independent School District	4,500	1	3.499%	-		-
Tyson Foods Inc.	4,300	2	3.344%	3,700	1	2.964%
CNS Pantex	3,844	3	2.989%	-		0.000%
BSA Health Systems	3,100	4	2.411%	2,900	2	2.323%
Northwest Texas Healthcare System	2,150	5	1.672%	1,359	3	-
City of Amarillo	1,953	6	1.519%	-		0.000%
Xcel Energy	1,431	7	1.113%	1,000	7	-
Affiliated Foods	1,250	8	0.972%	1,110	5	-
Canyon ISD	1,168	9	0.908%	-		-
Amarillo VA Health Care System	984	10	0.765%	-		0.000%
Bell Helicopter, Inc.	-		-	1,068	4	0.855%
Walmart Supercenters	-		-	1,359	6	1.089%
Western National Life Insurance	-		-	890	8	0.713%
Burlington Northern Santa Fe	-		-	700	9	0.561%
Toot'n Totum	-		-	560	10	0.449%
Total employees of the principal employers	24,680		19.191%	14,646		11.731%
Total employees of other employers	103,919		80.809%	110,199		88.269%
Total Amarillo MSA* employment	128,599		100.000%	124,845		100.000%

Sources: The ten principal employers information was provided by the Amarillo Chamber of Commerce.

* Amarillo Metropolitan Statistical Area (MSA) employment figure obtained from the U.S. Bureau of Labor Statistics (Local Area Unemployment Stats) at September 2022.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
CITY GOVERNMENT BUDGETED POSITIONS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS
(unaudited)**

Function/Program	Budgeted Positions as of September 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL GOVERNMENT										
Mayor and council	5	5	5	5	5	5	5	5	5	5
City manager	9	8	7	6	6	9	7	6	6	6
City secretary	3	2	2	2	2	2	5	4	4	3
Judicial	4	4	4	4	5	5	5	4	4	4
Municipal court and office of civil hearings	27	27	27	28	26	26	26	26	25	25
Planning and zoning	9	9	10	10	11	9	8	7	7	7
Public Communications	6	4	4	4	3	-	-	-	-	-
STAFF SERVICES										
Financial administration										
Director of Finance	8	9	7	7	6	6	5	5	5	5
Accounting	17	15	15	15	16	16	18	18	16	16
Payroll	-	-	-	-	-	-	-	-	3	3
Health Plan Administration	4	4	4	4	4	4	4	5	5	5
Purchasing	9	9	9	9	9	9	9	9	9	9
Central stores	7	7	7	7	7	7	8	8	8	7
Municipal office services	-	-	-	-	-	-	-	-	-	-
Legal	10	10	10	10	10	10	10	9	9	9
Human Resources and Risk Management	13	14	13	13	13	13	13	14	12	12
Emergency Management and Communications	5	9	9	9	9	9	9	9	9	13
Occupancy										
Custodial operations	30	27	27	26	26	26	27	28	27	27
Building maintenance	31	31	31	31	31	30	27	26	26	25
PUBLIC SAFETY AND HEALTH										
Police										
Police	372	373	371	370	365	375	375	365	358	345
Civilian personnel	75	70	71	71	69	62	60	58	57	57
Fire Protection										
Fire	279	279	279	269	264	263	263	259	259	251
Civilian personnel	20	19	19	19	19	18	18	18	18	18
Other										
Building safety	39	36	35	34	33	34	35	34	34	34
Animal management	48	45	46	43	37	37	39	38	33	26
Emergency services					-	-	-	-	-	-
Amarillo Emergency Comm. Center	64	69	69	69	69	66	67	70	71	71
Environmental health	20	18	18	18	15	16	14	14	14	14
Vital statistics	1	1	1	1	1	1	1	1	1	1
STREETS, TRAFFIC & ENGINEERING										
Street maintenance	95	95	95	97	97	97	100	101	99	99
Traffic engineering	44	46	46	47	47	44	45	46	46	46
Traffic field operations	23	22	22	22	22	22	23	22	22	22
Public works	5	5	5	4	4	4	3	-	-	-
Capital projects and development engineering	18	18	19	20	20	19	19	23	23	21
CULTURE & RECREATION										
Auditorium Coliseum										
Civic Center operations	22	22	22	22	22	22	23	23	23	23

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
CITY GOVERNMENT BUDGETED POSITIONS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS
(unaudited)**

Function/Program	Budgeted Positions as of September 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Civic Center promotions	5	5	5	5	5	5	5	5	5	4
Box office operations	12	12	12	12	12	12	12	12	12	12
Civic Center Sports	2	2	2	2	2	2	2	2	2	2
Globe News Center	3	3	3	3	3	3	3	3	3	3
Library operations	77	77	77	77	77	77	77	78	78	78
Parks and Recreation	240	290	277	287	287	290	271	268	267	268
Golf	91	91	91	93	93	51	51	56	56	56
SOLID WASTE										
Solid waste collection	117	111	112	105	105	104	110	110	110	110
Solid waste disposal	43	45	45	44	44	42	35	35	37	37
TRANSIT										
Transit	68	68	65	65	67	67	67	66	65	63
Total General Fund	1,980	2,016	1,998	1,989	1,968	1,919	1,904	1,890	1,873	1,842
WATER & SEWER SYSTEM										
Water Production	15	15	15	15	9	9	9	9	9	9
Water Transmission	8	8	8	8	8	8	9	9	9	9
Surface Water Treatment	30	30	31	31	31	30	29	29	29	29
Water Distribution	65	65	65	65	65	65	65	63	59	59
Wastewater Collection	38	38	38	38	38	38	38	38	38	36
Wastewater Treatment	47	47	47	47	53	54	55	54	54	54
Environmental Laboratory	21	21	21	21	22	19	19	20	20	20
Utility Billing	65	40	40	40	40	34	34	32	32	31
Director of Utilities	5	5	5	5	5	4	3	21	21	20
Capital projects and development engineering	17	17	18	19	19	20	20	-	-	-
Total Water & Sewer System	311	286	288	289	290	281	281	275	271	267
AIRPORT	63	58	59	54	57	57	57	57	59	58
DRAINAGE UTILITY	32	32	32	32	31	29	28	26	22	17
INFORMATION SERVICES	44	38	34	34	33	42	41	40	40	34
FLEET SERVICES	45	45	45	45	45	45	50	53	53	53
SELF INSURANCE	4	3	1	1	1	1	2	-	-	-
CITY CARE CLINIC	5	5	5	5	5	6	7	8	8	8
SPECIAL REVENUE										
Library	-	-	-	-	-	-	-	-	-	-
Police Grant	1	1	-	-	-	-	-	-	-	-
Urban Planning/Traffic Grants	-	6	6	6	5	8	7	7	7	7
Health Grants	95	87	83	83	83	83	83	81	79	81
Court Security Fund	5	3	3	3	3	3	3	3	-	-
Community Development and Housing	42	33	22	21	17	17	17	18	21	20
Emergency Management	-	1	1	1	1	3	3	3	3	4
Total Special Revenue	143	131	115	114	109	114	113	112	110	112
Total	2,627	2,614	2,577	2,563	2,539	2,494	2,483	2,461	2,436	2,391

Source: City Annual Budgets

Notes: Budgeted positions are made up of both full-time and part-time positions.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS
(unaudited)**

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Staff services:										
Annual number of purchase orders	2,432	2,381	1,987	2,293	2,217	2,319	2,516	2,487	2,315	2,300
Public safety and health:										
Annual calls for police services	97,427	95,995	95,261	101,221	106,701	104,920	126,628	125,747	126,888	128,704
Annual calls for fire services	22,343	22,038	22,163	22,892	22,340	20,544	18,516	17,905	19,820	18,182
Permits:										
Residential - new	681	605	518	445	549	533	639	423	494	611
Residential - additions & repairs	4,671	5,534	1,265	1,174	1,212	1,248	1,341	3,874	11,121	15,033
Commercial - new	77	83	65	59	74	64	81	68	59	51
Commercial - additions & repairs	770	1,073	436	397	430	524	351	370	484	367
Mobile homes	29	47	35	40	45	68	99	37	45	45
Roof	1,825	2,298	3,684	4,321	2,909	3,599	2,049	2,390	9,367	13,594
Value of construction:										
Residential - new	*	*	112,154,209	75,984,672	150,148,301	137,369,554	161,251,256	115,421,577	125,256,568	147,498,017
Residential - additions & repairs	*	7,293,147	5,722,028	15,581,819	19,471,785	19,890,333	20,323,224	45,172,631	132,112,253	150,002,607
Commercial - new	171,996,668	558,981,435	187,694,948	97,094,708	138,924,022	138,613,396	192,613,720	171,237,650	112,400,600	66,384,691
Commercial - additions & repairs	369,785,923	293,276,777	217,448,628	161,109,012	86,983,319	102,244,992	65,319,537	56,305,643	98,010,940	54,900,626
Mobile homes	*	*	231,000	1,769,500	2,475,700	3,938,988	4,465,117	2,005,600	1,917,724	1,078,432
Roof	24,104,169	33,977,346	47,337,679	40,279,466	51,632,414	40,442,631	33,572,908	25,457,433	112,455,900	132,120,404
Culture and recreation:										
Civic Center event days	1,407	1,074	1,030	1,534	1,406	1,493	1,582	1,640	1,626	1,665
Civic Center annual attendance	412,107	300,549	331,219	609,311	637,979	583,474	607,909	572,382	603,276	656,239
Library volumes loaned annually	602,770	864,123	1,511,726	1,652,490	1,643,675	1,565,059	1,582,208	1,507,588	1,376,801	1,577,915
Annual swimming pool attendance	48,129	23,274	1,705	43,519	53,623	51,200	55,506	54,388	41,321	53,450
Tennis Center attendance	10,889	12,359	22,002	24,793	23,358	28,900	33,305	31,086	31,086	28,546
Rounds of golf played annually (2 courses)	83,000	82,609	70,740	66,604	72,762	85,318	88,316	90,329	90,122	97,153
Rifle range attendance	3,667	2,660	4,250	5,190	8,254	8,744	9,505	7,541	7,802	9,000
Solid Waste:										
Tons of waste collected	157,716	157,716	152,576	161,815	152,594	154,964	156,197	161,190	158,402	158,500
Tons of waste landfill	281,096	281,096	281,324	266,655	253,322	238,360	234,989	243,339	262,678	258,000
Transit:										
Fixed transit route--in miles	444,225	453,016	533,982	646,784	624,309	578,614	541,121	586,212	688,498	675,549
Passengers served--fixed route services	204,674	176,444	194,545	266,361	286,610	306,018	302,010	332,206	371,656	372,533
Demand response passengers	47,998	40,433	36,224	52,529	54,020	50,840	47,403	35,317	39,606	39,737
Water and Sewer:										
Active water accounts	72,213	71,559	71,892	70,277	73,136	72,348	72,272	71,029	70,441	70,161
Average daily production--gallons	49,241,678	43,299,000	44,166,293	39,877,924	46,161,550	43,407,570	43,058,000	37,627,170	43,702,583	44,174,721
Plant capacity--gallons:										
Bonham:										
Pumping	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
24th Street:										
Pumping	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
34th Street:										
Pumping	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Storage	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Arden Road:										
Pumping	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Storage	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	2,500,000	2,500,000	2,500,000	2,500,000

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS
(unaudited)

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Purification Plant:										
Pumping	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Overhead Storage	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Surface water allocation--gallons	2,415,080,000	2,415,080,000	2,415,080,000	2,415,080,000	2,415,080,000	2,415,080,000	-	-	-	-
Roberts County (CRMWA) Allocation	9,131,110,000	9,131,110,000	9,131,110,000	9,131,110,000	9,131,110,000	9,131,110,000	9,133,110,000	9,133,110,000	8,603,656,000	8,603,656,000
Active sewer accounts	71,183	70,672	70,464	69,446	70,661	70,071	69,999	69,166	69,039	68,111
Plant capacity--gallons:										
North treatment--per day	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Southeast treatment--per day	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Daily average of sewage treated--gallons	16,317,750	16,958,153	16,888,565	16,564,000	16,978,082	16,885,581	16,149,175	15,464,118	16,340,652	16,349,951
Daily average of reclaimed water sold to industry--gallons	5,199,000,000	3,436,046,000	8,801,000	8,801,000	8,139,726	8,992,127	9,671,427	9,872,674	9,065,214	9,763,656
Airport:										
Major airlines	3	3	3	3	4	3	3	3	3	3
Scheduled daily flights	17	16	24	36	35	32	32	37	37	42
Airline passengers enplaned	356,381	260,169	223,414	367,628	358,819	373,885	341,359	334,635	375,268	401,200
Airplanes cleared daily--average	113	109	117	157	172	177	169	148	165	172
Total tower operations (24 hours FAA Control Tower)	41,456	39,785	43,031	57,610	62,896	64,540	54,271	60,099	62,784	70,642

Source: Various City departments

* Information was not available for these years.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS
(unaudited)**

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety and Health:										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	13	13	13	13	13	13	13	13	13	13
Number of fire hydrants	4,594	4,978	4,271	4,255	4,228	4,102	4,102	4,024	3,940	3,864
Number of outdoor warning sirens	77	76	92	92	90	89	89	88	88	90
Streets, traffic and engineering:										
Streets - paved (miles)	980.73	967.03	959.33	957.00	954.02	939.87	939.87	936.22	930.40	923.50
Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13
Alleys (miles)	510.39	507.87	516.33	514.79	512.71	496.18	496.18	493.08	488.66	483.90
Miles of storm sewers	162.97	161.57	160.16	159.16	157.47	189.50	130.85	129.95	125.39	124.86
Number of street lights	10,894	10,888	10,888	10,726	10,655	10,627	10,624	10,594	10,578	10,547
Number of signalized locations	274	273	272	271	271	271	269	268	267	265
Number of traffic signs installed	39,634	39,326	38,742	38,243	37,920	37,597	37,257	36,826	36,199	35,850
Culture and recreation:										
Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000
Number of libraries	5	5	5	5	5	5	5	5	5	5
Total library holdings	413,250	412,428	428,973	453,658	407,112	397,313	414,840	499,738	463,918	467,149
Number of parks and playgrounds	55	55	65	64	64	64	64	64	64	64
Parks—number of acres	2,403	2,403	2,218	2,936	2,936	2,936	2,936	2,936	2,936	2,935
Number of swimming pools	4	4	3	3	4	3	3	3	3	3
Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2
Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2
Other recreational facilities:										
Soccer fields	15	15	15	44	44	44	44	44	44	44
Jogging trails (miles)	18.20	18.20	22.20	39.14	39.14	39.14	39.14	39.14	39.14	39.14
Baseball and softball fields	25	25	25	26	26	26	26	26	32	32
Tennis courts	28	28	28	32	32	32	32	32	32	32
Solid waste:										
Number of solid waste customers, residential	65,140	63,502	63,683	63,493	63,303	60,683	63,016	63,016	62,715	62,351
Number of solid waste customers, commercial	3,506	4,938	4,259	5,214	6,484	6,547	3,861	3,861	3,730	3,716
Landfill acreage	662	662	662	662	662	662	662	662	662	662
Transit:										
Number of buses in service	17	20	20	20	16	17	17	17	17	17
Number of vans in service	11	11	11	11	14	14	11	11	13	13
Water and Sewer:										
Miles of water mains:										
Transmission, well collection, and transfer	200.00	200.00	195.80	195.80	195.80	181.41	181.41	181.41	178.94	178.40
Distribution	1,208.89	1,197.00	1,187.82	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31
Number of water wells	129	129	141	141	135	126	126	126	126	122
Miles of sanitary sewers	1,193.81	1,034.88	1,014.87	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00
Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments
* Information was not available for these years.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
 WATERWORKS AND SEWER SYSTEM
 HISTORICAL INFORMATION
 HISTORICAL SUMMARY OF TOTAL CUSTOMERS
 (Unaudited)**

<u>Fiscal Year Ended September 30</u>	<u>Number of Customers</u>	
	<u>Water</u>	<u>Sewer</u>
2013	70,161	68,111
2014	70,441	69,039
2015	71,029	69,166
2016	72,272	69,999
2017	72,348	70,071
2018	73,136	70,661
2019	70,277	69,446
2020	71,892	70,464
2021	71,559	70,672
2022	72,213	71,183

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL INFORMATION
AVERAGE DAILY WATER CONSUMPTION AND SYSTEM INFORMATION
(Unaudited)**

Fiscal Year Ended September 30	Average Daily Water Consumption (Gallons)	Maximum Daily Water Consumption (Gallons)	Miles of Mains		Number of Hydrants
			Water	Sewer	
2013	44,131,039	84,500,000	1,120	955	3,864
2014	43,702,583	80,400,000	1,130	963	3,940
2015	37,590,000	65,970,000	1,136	968	4,024
2016	39,826,296	80,123,000	1,166	985	4,102
2017	44,748,000	75,980,000	1,166	985	4,102
2018	49,077,500	77,970,000	1,177	998	4,228
2019	39,929,737	72,561,390	1,183	1,003	4,255
2020	44,166,293	81,502,800	1,188	1,026	4,271
2021	43,299,000	68,076,300	1,197	1,035	4,978
2022	49,241,678	89,056,628	1,209	1,194	4,594

Maximum Water Production Capacity (from Water Plant and Wells)	128.0 million gallons per day
Maximum or Peak Usage to Date	93.6 million gallons
Overhead Storage Capacity	8.5 million gallons
Ground Storage Capacity	74.3 million gallons

TEN LARGEST WATER CUSTOMERS AND AVERAGE MONTHLY USE (thousand gallons)

1. Xcel Energy	560,541
2. Tyson Fresh Meats	145,850
3. Owens Corning	31,190
4. City of Canyon	21,676
5. Texas Department of Corrections	21,515
6. Asarco	7,355
7. Plains Dairy	6,947
8. BSA Hospital	5,028
9. The Colonies PID	3,341
10. Quick Quack	3,178

CAPACITY OF SEWER TREATMENT PLANTS

(Two plants combined)	28.00 million gallons per day
Average daily sewage treated	16.32 million gallons per day

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
WATER RATES
SEPTEMBER 30, 2022
(Unaudited)**

**Minimum Monthly Billing for
First 3,000 Gallons Consumed:**

Meter Size	Rates Per Month	
	Inside City	Outside City
5/8"	\$ 16.58	\$ 24.88
1"	22.26	33.38
1-1/2"	28.52	42.78
2"	44.31	66.47
3"	162.99	244.49
4"	206.84	310.27
6"	309.26	463.90
8" and larger	426.37	639.56

**Additional Charge by Volume
(per 1,000 Gallons):**

	Inside City	Outside City
<i>Residential</i>		
3,001-10,000	2.97	4.45
Over 10,000	3.88	5.81
Over 30,000	5.74	8.60
Over 50,000	6.51	9.78
<i>Commercial</i>		
Over 3,000	3.39	5.08

Source: City of Amarillo Ordinance Number 7924 effective October 1, 2022.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
SEWER RATES
SEPTEMBER 30, 2022
(Unaudited)**

<u>Base Amount</u>	<u>Rates Per Month</u>
Meter Size	
5/8"	\$ 18.78
1"	19.40
1-1/2"	19.91
2"	21.61
3"	24.44
4"	35.71
6"	52.56
8" and larger	69.46

Additional Charge by Volume

Commercial accounts are charged on total water used with a rate of \$2.43 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons. Residential accounts are charged based on the average water consumed in December, January and February, but in no event shall residential customers be charged for more than 20,000 gallons of sewage. The volume charge for sewer accounts is \$2.24 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons.

Source: City of Amarillo Ordinance Number 7924 effective October 1, 2022.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY
Top Ten Drainage Customers
(unaudited)**

<u>Customer Name</u>	<u>2022</u>		
	<u>Total ERUs</u>	<u>Rank</u>	<u>Monthly Drainage Fee</u>
Burlington Northern	21,364	1	\$ 70,629
Amarillo ISD	3,046	2	10,355
City of Amarillo	3,289	3	11,003
Wal Mart	1,401	4	4,691
Milligan Real Estate LLC	738	5	2,520
BSA Hospital LLC	703	6	2,437
Westgate Mall Realty LLC	601	7	1,849
Xcel	559	8	1,963
Gavilon Grain LLC	446	9	1,170
Lowes Home Center Inc.	444	10	1,453
Total	<u>32,591</u>		<u>108,070</u>

Residential Rates

Residential Rates are based on statistical evaluation of land parcel impervious area for single-family properties. The equivalent residential unit (ERU) rate is \$3.17 per ERU per month.

<u>Classification</u>	<u>Equivalent Residential Units</u>	<u>Monthly Fee</u>
Tier 1 Less than 2,072 square feet impervious area	.068 ERU	2.16
Tier 2 2,072 - 3,236 square feet impervious area	1.00 ERU	3.17
Tier 3 Greater than 3,236 square feet impervious area	1.51 ERU	4.79

Commerical Rates

Total ERUs for commercial property is based on the impervious area for each parcel divided by 2,800 square feet with a minimum of ERU. The monthly Drainage Utility charge for commercial property is calculated by multiplying the total number of ERUs for parcel by the ERU monthly billing rate.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
HOTEL OCCUPANCY TAX
(unaudited)**

HISTORICAL TAX COLLECTIONS

<u>Fiscal Year</u>	<u>Total 7%</u>
2013	5,691,118
2014	5,937,402
2015	6,341,559
2016	6,777,185
2017	6,610,423 *
2018	6,932,936 **
2019	7,208,732 ***
2020	5,431,173 ****
2021	8,545,313 *****
2022	9,585,539 *****

CONDENSED STATEMENT OF OPERATIONS OF HOTEL OCCUPANCY TAX FUND

	<u>Fiscal Year Ended September 30,</u>						
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:							
Pledged Hotel Taxes	\$ 9,585,539	\$ 8,545,313	\$ 5,431,173	\$ 7,208,732	\$ 6,932,936	\$ 6,610,423	\$ 6,777,185
Number of Rooms	7298	7,298	6,772	6,851	7,050	6,715	6,690
Maximum Annual Debt Service (2039)	\$ 3,181,417	\$ 3,181,417	\$ 3,181,417	\$ 3,181,417	\$ 3,181,417	\$ 775,288	\$ 775,288
Debt Service Coverage (x)	3.01 x	2.69 x	1.71 x	2.27 x	2.18 x	8.53 x	8.74 x

***** \$753,112 was rebated during fiscal year September 30, 2022

***** \$677,040 was rebated during fiscal year September 30, 2021

**** \$552,008 was rebated during fiscal year September 30, 2020.

*** \$750,484 was rebated during fiscal year September 30, 2019.

** \$577,260 was rebated during fiscal year September 30, 2018.

* \$18,837 was rebated during fiscal year September 30, 2017.

CITY OF AMARILLO, TEXAS
HOTEL TAXPAYERS
(unaudited)

NAME OF TAXPAYER	TOTAL 2022 COLLECTIONS	CAPACITY	% OF TOTAL COLLECTIONS
I HOTEL	45,964	185	0.004797
AMARILLO MOTEL	4,823	31	0.000503
AMARILLO VALUE INN	10,230	62	0.001068
AMERICA'S BEST VALUE INN & SUITES	38,499	100	0.004018
ASHMORE INN	79,302	138	0.008277
ASTRO MOTEL	4,411	20	0.000460
ATREA INN	99,568	100	0.010392
BARFIELD	396,137	112	0.041344
BAYMONT INN & SUITES	106,347	84	0.011099
BEST WESTERN PLUS	162,098	80	0.016918
BEST WESTERN PLUS EAST	30,152	84	0.003147
BEST WESTERN - SANTA FE INN	113,426	54	0.011838
BIG TEXAN INN	47,021	54	0.004908
BUDGET INN & SUITES	1,281	68	0.000134
CAMELOT INN	42,600	68	0.004446
CANDLEWOOD SUITES	106,262	96	0.011090
COMFORT INN & SUITES EAST	186,733	70	0.019489
COMFORT INN & SUITES WEST	163,185	74	0.017031
COMFORT SUITES WESTERN PLAZA	111,890	71	0.011678
COMFORT SUITES SOUTH	102,353	70	0.010682
COUNTRY INN & SUITES	195,088	70	0.020361
COURTYARD AMARILLO WEST MEDICAL CENTER	107,530	92	0.011223
COURTYARD MARRIOTT AMARILLO DOWNTOWN	311,333	111	0.032494
COWBOY MOTEL	6,019	19	0.000628
DAYS INN MEDICAL CENTER	45,596	50	0.004759
DAYS INN EAST	82,181	119	0.008577
DELUXE INN	675	20	0.000070
DRURY INN AND SUITES	397,922	196	0.041531
ECONOMY INN	2,642	20	0.000276
EMBASSY SUITES AMARILLO	597,959	234	0.062408
ESTESS MOTEL	3,251	12	0.000339
EXECUTIVE INN	49,624	111	0.005179
EXPRESS INN	3,153	16	0.000329
EXTEND-A-SUITES	45,296	96	0.004727
EXTENDED STAY AMERICA	30,672	95	0.003201
FAIRFIELD INN AND SUITES WEST	98,744	74	0.010306
FAIRFIELD INN AND SUITES AIRPORT	153,593	79	0.016030
FIESTA MOTEL	2,384	20	0.000249
FIFTH SEASONS	79,944	113	0.008344
FOUR POINTS BY SHERATON	364,208	128	0.038012
HAPPY JEM LLC	84,434	54	0.008812
HAMPTON INN & SUITES WEST	330,946	120	0.034540
HAMPTON INN & SUITES EAST	222,399	64	0.023212
HILLCREST MOTEL	2,357	16	0.000246
HILTON GARDEN INN	199,972	90	0.020871
HOLIDAY INN EXPRESS & SUITES EAST	184,860	68	0.019294
HOLIDAY INN EXPRESS & SUITES SOUTH	108,045	49	0.011277
HOLIDAY INN EXPRESS & SUITES WEST	313,643	128	0.032735
HOLIDAY INN EXPRESS & SUITES WOLFIN	171,765	156	0.017927
HOLIDAY INN	80,860	122	0.008439
HOLIDAY INN MEDICAL CENTER	274,996	156	0.028701
HOME2 SUITES WEST	222,352	92	0.023207
HOME2 SUITES EAST	178,129	92	0.018591
HOMWOOD SUITES	205,042	92	0.021400
HYATT PLACE AMARILLO WEST	206,742	94	0.021577
INTERSTATE MOTEL	6,597	20	0.000688
LA QUINTA INN	84,535	130	0.008823

See Independent Auditor's Report

CITY OF AMARILLO, TEXAS
HOTEL TAXPAYERS
(unaudited)

<u>NAME OF TAXPAYER</u>	<u>TOTAL 2022 COLLECTIONS</u>	<u>CAPACITY</u>	<u>% OF TOTAL COLLECTIONS</u>
LA QUINTA	85,027	128	0.008874
LA QUINTA MOTOR INN EAST	229,683	130	0.023972
MICROTEL INN AND SUITE	47,378	45	0.004945
MOTEL 6 CANYON DRIVE	42,565	118	0.004442
MOTEL 6	103,243	63	0.010775
MOTEL 6 WEST	64,940	107	0.006778
MY PLACE HOTEL	84,902	63	0.008861
OASIS RV RESORT	7,400	147	0.000772
OYO HOTEL	16,159	90	0.001687
PALO DURO MOTEL	3,550	10	0.000370
QUALITY INN EAST	63,554	89	0.006633
QUALITY INN & SUITES	15,812	106	0.001650
QUALITY INN WEST MEDICAL CENTER	64,361	103	0.006717
RAMA MOTEL	1,183	32	0.000123
RED ROOF INN EAST	8,689	103	0.000907
RED ROOF INN WEST	89,718	122	0.009364
REDWOOD MOTEL	2,277	18	0.000238
RELAX INN	41,745	90	0.004357
RESIDENCE INN AMARILLO	121,422	78	0.012673
ROUTE 66 INN	13,689	36	0.001429
ROYAL INN	874	16	0.000091
SILVER SPUR MOTEL	2,164	21	0.000226
SLEEP INN AIRPORT	44,216	55	0.004615
SLEEP IN AND SUITES WEST MEDICAL CENTER	79,780	63	0.008327
SPRINGHILL SUITES AMARILLO	184,228	102	0.019228
STAR LODGE	2,347	16	0.000245
STAYBRIDGE SUITES	145,081	97	0.015142
SUNDOWN MOTEL	2,008	24	0.000210
SUPER 8 CENTRAL	30,214	72	0.003153
SUPER 8 WEST	43,793	60	0.004571
SUPER 8 AIRPORT	74,497	56	0.007775
TOWNHOUSE MOTEL	3,579	24	0.000374
TOWNPLACE SUITES	221,524	110	0.023120
TRU BY HILTON AMARILLO WEST	194,788	90	0.020330
VALUE PLACE	39,130	109	0.004084
WAGON WHEEL MOTEL	1,578	21	0.000165
WOODSPRING SUITES	18,424	105	0.001923
ALL OTHERS INCLUDING SHORT TERM RENTAL	78,094	55	0.008151
	<u>9,581,381</u>	<u>7,428</u>	