

City of Amarillo, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OCTOBER 1, 2022- SEPTEMBER 30, 2023



CITY OF AMARILLO, TEXAS

Annual Comprehensive Financial Report

Fiscal Year Ended
September 30, 2023

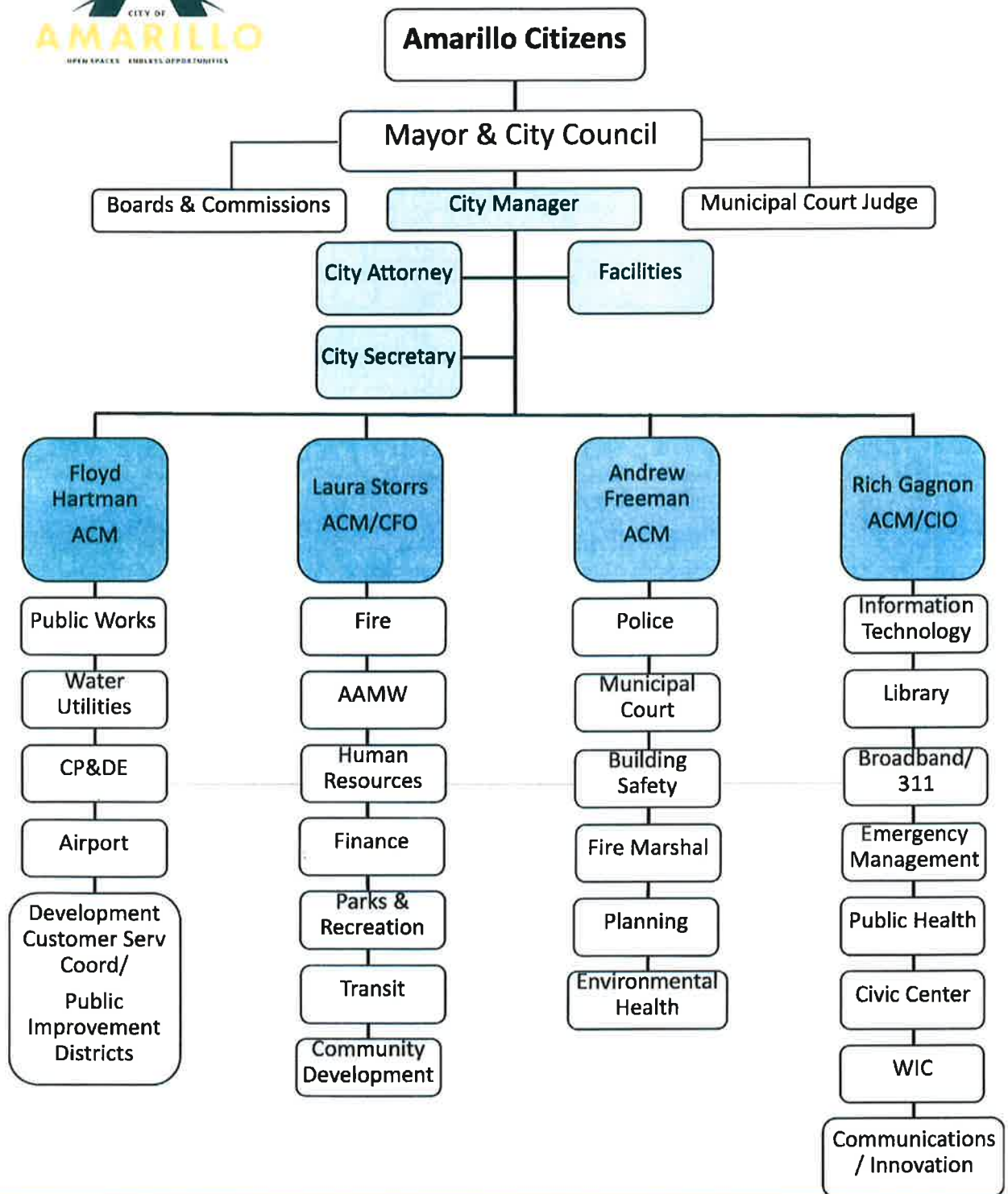


Prepared by:
Finance Department

Laura Storrs
Interim Deputy City Manager/CFO



CITY OF AMARILLO, TEXAS Organization Chart



**CITY OF AMARILLO, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2023**

GOVERNING BODY:

Cole Stanley
Josh Craft
Don Tipps
Tom Scherlen
Les Simpson

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

OTHER PRINCIPAL OFFICIALS:

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

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



Government Finance Officers Association

Certificate of
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**City of Amarillo
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

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February 27, 2024

To the Honorable Mayor, City Council and Citizens
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, 2023, 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 2023 is 203,463.

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 three Tax Increment Reinvestment Zones (TIRZ) as blended Component Units – TIRZ #1, TIRZ #2, and TIRZ #3. Each one has a ten-member board. The City of Amarillo appoints three board members, Potter/Randall County appoints three board members and Amarillo College, Amarillo Independent School District, Amarillo Hospital District, and the Panhandle Groundwater District (for TIRZ #1 and #2 only) each appoint one board member. TIRZ #3 has one ex officio board member because the water district did not participate in this TIRZ. While each TIRZ's revenues can be pledged to support debt, only the City can issue the debt and pledge the TIRZ's revenue. Moreover, the City Council created each TIRZ and has final approval authority on the budget and all TIRZ 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, 2022. 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 2022/23.

Subsequent to the year ending September 30, 2023, the City Council approved one additional debt issuance and a resolution authorizing the advertisement for two additional debt issuances, all of which 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 2023 oil was up 6% at \$89.93 per barrel compared to September 2022 at \$85.08 per barrel⁽¹⁾. Natural gas prices decreased 67% compared to last year. Natural gas was at \$8.27 per MMBtu last year compared to \$2.76 per MMBtu at September 2023⁽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 2023⁽¹⁾, there were 3 active drilling rigs compared to 13 in 2017⁽¹⁾, 25 in 2018⁽¹⁾, 8 in 2019⁽¹⁾, 1 in 2020⁽¹⁾, 8 in 2021, and 8 in 2022⁽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 \$187.87 per hundredweight compared to \$142.00 at September 2022⁽¹⁾.

Dairies have become major industries in the Panhandle and continue to remain profitable. September 2023 milk prices were up to \$17.75 per hundredweight compared to \$20.25 at September 2022⁽¹⁾.

The major crops grown in the Panhandle are corn, wheat, and cotton. Corn prices went up to \$4.63⁽¹⁾ per bushel at September 2023 compared to \$6.78⁽¹⁾ last year. Wheat prices were down 25% from prior year, at \$6.81 per bushel at September 2023. Wheat was at \$5.40 per bushel at September 2018⁽¹⁾, \$3.89 per bushel at September 2019⁽¹⁾, \$4.93 per bushel at September 2020⁽¹⁾, \$7.09 at September 2021⁽¹⁾, and \$9.05 at September 2021⁽¹⁾. Cotton was at \$73.30⁽¹⁾ cents per pound at September 2023 compared to \$91.30 cents per pound at September 2022⁽¹⁾, \$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, and \$74.10⁽¹⁾ cents per pound at September 2018. 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 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. The 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, offers job creation incentives, loans, and other investments 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 programs that provide incentives and loans.

In FY2023, Amarillo EDC approved a location incentive agreement which includes land conveyance, a rail spur allowance of up to \$1,000,000, and a job creation incentive of up to \$720,000 with Coast Packing Company – South, LLC for the location of up to 60 full-time employees. Amarillo EDC also approved a location incentive agreement with Jax Transport, LLC to expand in Amarillo which includes construction reimbursement of up to \$300,000 and a job creation incentive of up to \$3 million on up to 200 additional full-time jobs. Jax Transport, LLC will have a minimum capital investment of \$2,000,000 under this agreement to build and equip the facility. Amarillo EDC approved the sale of a 23.388 acre site near CenterPort Blvd. in the amount of \$877,600 to Amazon.com Services LLC for the future site of a distribution project. Amarillo EDC approved a location incentive agreement with Plant-AS-DNPS-003-2 LLC to locate a controlled environment agriculture distributed network production site in Amarillo. This agreement includes land conveyance, a job creation incentive of up to \$3.75 million on up to 750 jobs, and a minimum client capital investment of \$250,000,000. Amarillo EDC also approved a location incentive agreement with Affiliated Foods, Inc. to expand in Amarillo which includes a job creation incentive of up to \$500,000 on up to 50 additional full-time jobs. Amarillo EDC approved the sale of a 20 acre site near Axiom Dr. and Folsom Rd. in the amount of \$1,100,000 to Johnson-Knight Development, LLC for the future site of a distribution project. Amarillo EDC also approved the sale of a 257.767 acre site near Folsom Road and Airport Blvd. in the amount of \$6,440,100 to International Paper Company for the future site of an industrial project.

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 FY2023 Amarillo EnterPrize Challenge awarded five forgivable loans totaling \$500,000 to local primary businesses expected to create more than 38 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 \$3.9 million, which leveraged \$1.9 million in bank financing and \$500 thousand in owner equity. For the year, this program was responsible for the creation of 25 new jobs. TPRDC also funded four loans in FY2023 totaling \$2.433 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 2022/23 came in at \$75.5 million, which is approximately \$1.0 million, or 1.29% more than 2021/22 sales tax of \$74.5 million. Sales tax receipts remain very strong, with record receipts recorded for the first quarter of the 2023/24 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 2022/23 decreased by 4% compared to fiscal year 2021/22 and 9% less than budgeted. Hotel occupancy tax receipts for the first quarter of fiscal year 2023/24 continue to be strong.

The property tax base continues to grow in Amarillo. As of January 2023, the City had \$17.8 billion in value compared to approximately \$15.0 billion the previous year. The increased values along with the adopted rate decrease generated \$2.8 million more in property taxes levied than the previous year. In 2022/23, the City had \$182 million in new taxable property values compared to \$159 million in 2021/21.

Building for new construction decreased for the 2022/23 fiscal year. The number of residential permits for new construction decreased from 681 in 2021/22 to 520 in 2022/23. The number of commercial permits for new construction increased from 77 in 2021/22 to 103 in 2022/23 with an increase in value of \$7.2 million. The number of permits for additions and repairs decreased from 5,441 to 5,336 and had an decrease in value of \$93.8 million.

For 2022/23, the property tax rate decreased \$0.44334 to \$0.40628 per \$100 of taxable values. The decrease is associated with state law restrictions in a rising assessed value environment. History of the property tax rate is as follows: the property tax rate 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, increased by 0.00830 to 0.39681 for 2020/21 and by \$0.04653 to \$0.44334 for 2021/22. For the 2023/24 budget, the property tax rate decreased again \$0.01433 to \$0.39195. The decrease in the tax rate is related to continued 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 2022/23 decreased from the prior year by \$0.8 million or 1%. Water revenues can be significantly affected by the amount and timing of local rainfall. Fiscal year 2023 saw near normal precipitation of 18.5 inches; however, large amounts of precipitation were received during late May and early June causing local flooding and less water usage through the early and middle of summer. Fiscal year 2022 was the 15th driest year on record (13.8 inches of precipitation), which resulted in increased consumption as compared to fiscal year 2023. The Management Discussion and Analysis section of the financials gives a ten-year history of precipitation that shows the varying amounts received from one year to the next. 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. Water rates increased by 10% to fund additional capital projects and for increased operation costs in 2022/23. The Water and Sewer Fund netted \$7.0 million in 2018/19, \$24.8 million in 2019/20, \$23.5 million in 2020/21, \$19.9 million in 2021/22, and \$25.6 million in 2022/23.

Employment remains stable, but very low. Amarillo's unemployment rate is 4.3% compared to 3.0% last year and 3.7% the year before⁽¹⁾. Amarillo's unemployment was lower than the state of Texas at 4.1%, and national unemployment at 3.8%⁽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 Stone
Assistant City Manager – Chief Financial Officer
City of Amarillo, Texas



Andrew Freeman
Interim 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, 2023, 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, 2023, 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 2023, the City adopted new accounting guidance, GASB No. 96, Subscription-Based Information Technology Arrangement. 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 27, 2024 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 CPAG & Advisors PLLC

Amarillo, Texas
February 27, 2024

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, 2023. 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, 2023.

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 \$1,252.2 million (net position). Of this amount, \$1,030.6 million is invested in capital assets and infrastructure net of related debt and \$54.0 million is restricted for debt service and other purposes. The remaining \$167.6 million is unrestricted net position.
- The City's total net position increased by \$71.9 million. Of this amount, a \$41.4 million increase is attributable to governmental activities, and an increase of \$30.5 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 \$225.8 million. The General Fund's fund balance decreased by \$5.3 million. This decrease was intentional as the excess reserves from prior years were budgeted to be spent down. The General Construction fund had a decrease in fund balance of \$12.3 million. This decrease was a result of spending previously issued bonds for improvements to a new City Hall and for athletic field lighting along with funding transferred in previously 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 \$0.4 thousand and an increase of \$5.1 million, respectively.
- At the end of the current fiscal year, the fund balance for the General Fund was \$73.4 million, or 31.0% of total general fund expenditures. Expenditures and transfers out of the General Fund were \$237.6 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 \$69.6 million.
- Net position for the Water and Sewer Fund increased by \$25.5 million. Fiscal year 2023 included a 10% rate increase in water and sewer rates, but experienced lower consumption in 2023 compared to 2022. Fiscal year 2023 was a near normal year for precipitation but the area experienced flooding during late May and early June, while most of the rest of the fiscal year was dry. On-going litigation was partially settled during fiscal year 2023 producing proceeds of \$5.0 million.
- Net position for the Drainage Utility Fund increased by \$4.5 million. Fiscal year 2023 included a 6% rate increase.
- Net position for the Airport Fund decreased by \$1.1 million. Federal grant money continued to be received to help Airport capital projects on a matching basis.
- The City issued \$5.8 million in new combination tax and revenue certificates of obligation for construction and improvements to the landfill. The debt service will be funded from a rate increase applied to all Solid Waste customers.
- The City issued another \$4.0 million in new combination tax and revenue certificates of obligation debt. The certificates of obligation were issued to pay for local park amenities in the Greenways Public Improvement District (PID) and the Heritage Hills PID. Assessments in each PID will pay for the annual debt service.

- The City issued \$42.9 million in new water and sewer revenue bonds. The bond proceeds will be used for improvements and expansion of the water and sewer system and the annual debt service will be funded by a 10% rate increase that went into effect on October 1, 2022.
- The City issued \$4.7 million in new drainage revenue bonds. The bond proceeds will be used for improvements and expansion of the drainage utility system and the annual debt service will be funded by a 6% rate increase that went into effect October 1, 2022.
- The City issued \$4.6 million in hotel occupancy tax revenue bonds. The bond proceeds will be used for renovations at the MPEV required by Major League Baseball and the annual debt service will be funded by a portion of the annual MPEV Capital Improvement and Maintenance Reserve Fund while the remaining will come from the City's hotel occupancy tax.

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, 2023, compared to the prior year (in thousands):

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

	Governmental Activities		Business-type Activities		Total		Percent 2023
	2023	2022	2023	2022	2023	2022	
Current assets	\$ 261,848	\$ 259,764	\$ 104,360	\$ 113,800	\$ 366,208	\$ 373,564	18.10%
Noncurrent assets	103,490	143,448	192,028	154,868	295,518	298,316	14.61%
Capital assets	588,260	546,333	773,056	741,132	1,361,316	1,287,465	67.28%
Total assets	\$ 953,598	\$ 949,545	\$ 1,069,444	\$ 1,009,800	\$ 2,023,042	\$ 1,959,345	100.00%
Deferred outflows of resources	\$ 70,205	\$ 26,635	\$ 11,854	\$ 4,515	\$ 82,059	\$ 31,150	0.00%
Current liabilities	\$ 59,661	\$ 55,489	\$ 55,051	\$ 52,826	\$ 114,712	\$ 108,315	14.02%
Noncurrent liabilities	376,624	295,236	326,807	290,869	703,431	586,105	85.98%
Total liabilities	\$ 436,285	\$ 350,725	\$ 381,858	\$ 343,695	\$ 818,143	\$ 694,420	100.00%
Deferred inflows of resources	\$ 14,156	\$ 94,199	\$ 20,595	\$ 25,678	\$ 34,751	\$ 119,877	0.00%
Net position:							
Net investment in capital assets	\$ 428,814	\$ 394,218	\$ 601,792	\$ 571,863	\$ 1,030,606	\$ 966,081	82.30%
Reserved/restricted	40,097	45,124	13,930	14,270	54,027	59,394	4.31%
Unrestricted (deficit)	104,451	91,915	63,123	58,809	167,574	150,724	13.38%
Total net position	\$ 573,362	\$ 531,257	\$ 678,845	\$ 644,942	\$ 1,252,207	\$ 1,176,199	100.00%

The net position of the Governmental Activities was \$573.4 million. Of this amount, approximately \$428.9 million is net investment in capital assets. Restricted net position of approximately \$20.0 million, \$5.2 million, and \$14.5 million is restricted for debt service, tax increment financing, and other purposes, respectively. This leaves an unrestricted net position for Governmental Activities of \$104.5 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 \$678.9 million. The unrestricted net position of the Business-type Activities was \$63.1 million and is used to provide working capital and fund capital projects.

The City's overall net position increased by \$71.9 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)

	Governmental Activities		Business-type Activities		Total		Percent 2023
	2023	2022	2023	2022	2023	2022	
Revenues							
Program revenues							
Charges for services	\$ 61,264	\$ 59,738	\$ 116,879	\$ 113,213	\$ 178,143	\$ 172,951	39.45%
Operating grants and contributions	37,182	60,932	545	6,357	37,727	67,289	8.35%
Capital grants and contributions	21,491	15,987	8,819	10,314	30,310	26,301	6.71%
General revenues:							
Property taxes	69,754	66,701	-	-	69,754	66,701	15.45%
Other taxes	107,896	105,473	-	-	107,896	105,473	23.89%
Insurance recover/cost	-	-	5,000	11,725	5,000	11,725	1.11%
Investment earnings, etc.	13,421	445	9,377	393	22,798	838	5.05%
Total revenues	311,008	309,276	140,620	142,002	451,628	451,278	100.00%
Expenses:							
General/staff services	22,129	18,790	-	-	22,129	18,790	5.83%
Public safety	124,430	96,807	-	-	124,430	96,807	32.77%
Streets/traffic	28,782	24,903	-	-	28,782	24,903	7.58%
Culture and recreation	33,379	29,743	-	-	33,379	29,743	8.79%
Solid waste	21,775	18,035	-	-	21,775	18,035	5.73%
Transit	6,023	5,389	-	-	6,023	5,389	1.59%
Tourism/ economic/urban development	22,120	19,237	-	-	22,120	19,237	5.83%
Information technology	6,081	4,892	-	-	6,081	4,892	1.60%
Interest on long-term debt	8,261	8,018	-	-	8,261	8,018	2.18%
Water and sewer	-	-	82,764	79,053	82,764	79,053	21.80%
Drainage utility	-	-	5,218	4,909	5,218	4,909	1.37%
Airport	-	-	18,774	16,401	18,774	16,401	4.94%
Total expenses	272,980	225,814	106,756	100,363	379,736	326,177	100.00%
Excess (deficiency) before transfers	38,028	83,462	33,864	41,639	71,892	125,101	
Transfers	3,345	3,507	(3,345)	(3,507)	-	-	
Change in net position	41,373	86,969	30,519	38,132	71,892	125,101	
Net position, beginning	531,257	444,879	644,942	606,810	1,176,199	1,051,689	
Prior period adjustment	732	(591)	3,384	-	4,116	(591)	
Net position, ending	\$ 573,362	\$ 531,257	\$ 678,845	\$ 644,942	\$ 1,252,207	\$ 1,176,199	

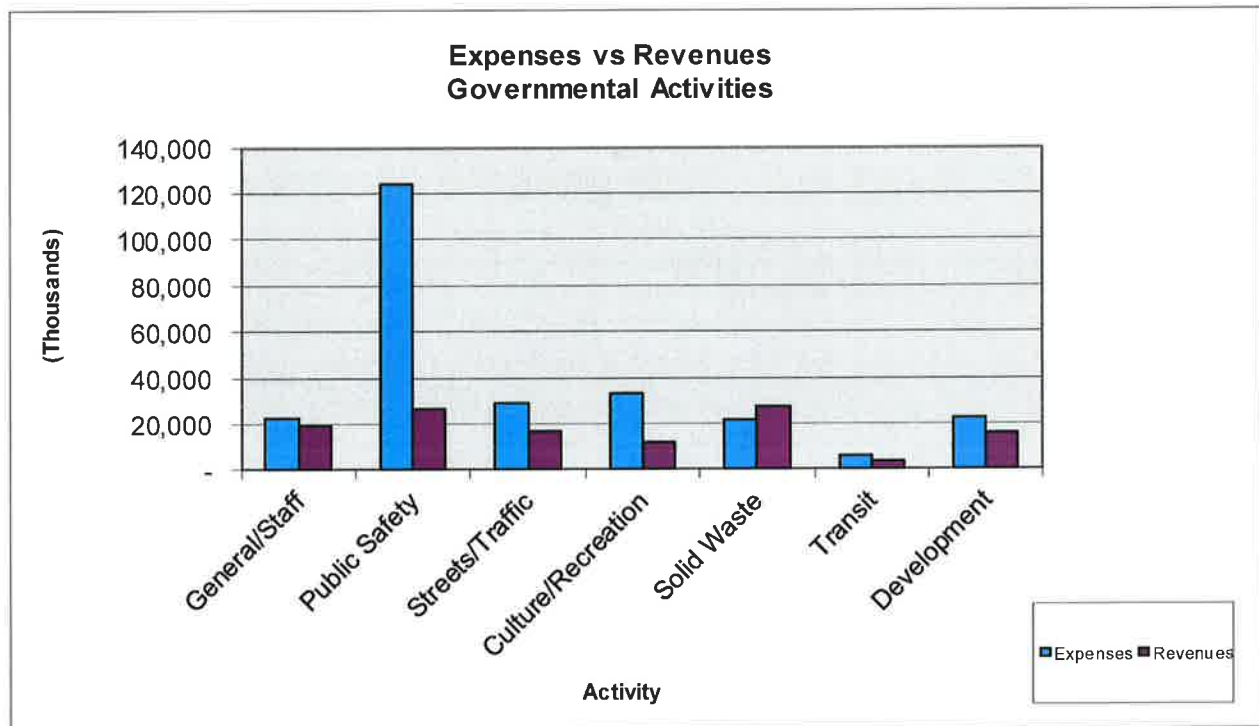
Governmental activities: At September 30, 2023, the net position for the Governmental Activities increased \$41.4 million. Expenses increased over the prior year \$47.1 million, program revenues decreased over the prior year \$16.8 million and general revenues increased over the prior year \$18.5 million. Throughout the fiscal year the City continued to see economic growth in sales tax while tapering off the amount of COVID-19 funding assistance received from grants.

The overall net increase in expenses over the prior year of \$47.1 million are a result of many staffing vacancies being filled along with a 5% pay increase for personnel and rising fuel and inflationary costs.

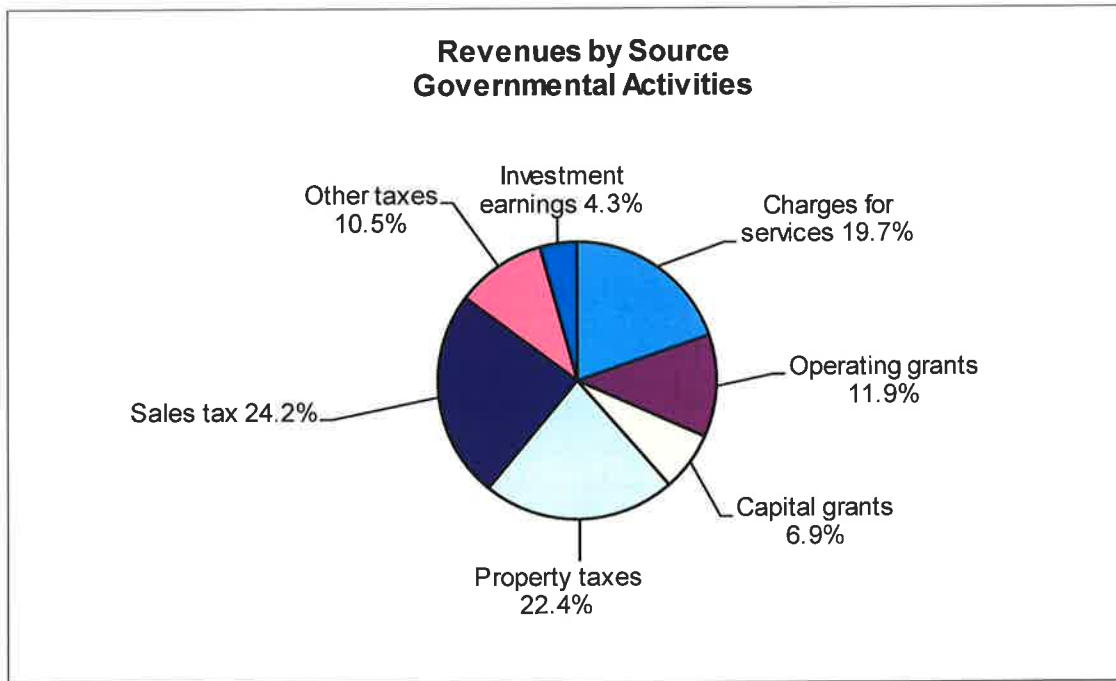
Program revenues decreased \$16.8 million over the prior year. These revenues include charges for services, operating and capital grants, and various contributions. Charges for services include fees of the solid waste disposal utility and transit system, revenues of the auditorium-coliseum complex and parks department, along with permits, licenses, and fines. The main reason for the decrease was additional grant money received due to the COVID-19 pandemic during fiscal year 2022 that was received in fiscal year 2023.

General revenues increased \$18.5 million over the prior year. Property tax revenues increased \$3.1 million due to increases in taxable values while the overall property tax rate decreased by \$0.03706. Sales tax increased \$0.9 million and continues to see growth into the new fiscal year. Hotel Occupancy Taxes decreased \$0.4 million and has begun to flatten mainly due to a decrease in the average daily rate. Gross receipts business taxes increased \$1.9 million as fuel prices remained high and unrestricted investment earnings increased \$13.0 million due to the rise in interest rates.

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 *Revenues by Source – Governmental Activities* – reflects the major components of revenues as described above of \$311.0 million excluding transfers of \$3.3 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 \$30.5 million.

Net position for the Water and Sewer Fund increased by \$25.5 million. The increase was primarily due to water sales due to consumption remaining strong, a 10% rate increase, and litigation proceeds of \$5 million.

Net position for the Drainage Utility Fund increased by \$4.5 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 \$3.2 million for 2022/23.

Net position for the Airport Fund decreased by \$1.1 million. 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 with capital funding but was no longer received for operations from the loss of revenue. Grants-in-aid received for operations in 2021/2022 was \$6.4 million as compared to \$0.5 million in 2022/2023. Airport operating expenses were back to a more normal level as travel activity continued to rebound from the pandemic; however, the Airport did see some improvement in staffing shortages as well as the 5% increase for all personnel.

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.

\$13.9 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, \$63.1 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 \$0.4 million. Fiscal year 2023 included a 10% 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 \$0.8 million less than the prior year due to 2023 receiving larger amounts of rain compared to 2022. In total, fiscal year 2022/23 saw more normal amounts of rainfall except unprecedented flooding occurred during late May and early June, while the rest of the fiscal year experienced lower amounts of precipitation. 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 ten years:

<u>Year</u>	<u>Precipitation**</u>	<u>Records*</u>
2013/14	18.9"	55 th driest
2014/15	30.4"	7 th wettest on record
2015/16	21.5"	44 th wettest on record (near normal**)
2016/17	25.8"	18 th wettest on record
2017/18	10.9"	4 th driest on record
2018/19	23.0"	32 nd wettest on record
2019/20	18.2"	47 th driest on record
2020/21	16.5"	33 rd driest on record
2021/22	13.8"	15 th driest on record
2022/23	18.5"	50 th driest on record (near normal**)

* Records go back to 1900

** Normal precipitation is 20.0"

Drainage Utility: The Drainage Utility Fund completed the eleventh year of operation and recorded operating revenues of \$7.6 million with \$4.4 million in operating expenses resulting in net operating income of \$3.2 million. Drainage utility assessment revenue was approximately \$722 thousand more than the prior year due to a 6% rate increase. The rate increase helped fund the Drainage Revenue Bonds Series 2023 for capital improvements to the drainage system along with increased costs associated with rising costs. 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, 2020/21 and as mentioned in 2022/23. The total outstanding debt at year-end for the Drainage Utility Fund was \$29.7 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 2023 was a more normal year. Federal grant money received for loss in revenues due to the pandemic came to an end and the Airport ended the fiscal year with a decrease in net position of \$1.1 million. As compared to the prior year, operating revenues were up by \$1.8 million while non-operating revenues, which include grant funding, were down by \$8.8 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 \$225.8 million, a decrease of approximately \$12.0 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 \$73.4 million, of which \$69.6 million was unassigned.

The fund balance of the General Fund at year end was \$73.4 million, a decrease of \$5.3 million. As discussed above in the Government Wide Financial Analysis – Governmental Activities section, the decrease in fund balance was budgeted as the City spent down excess reserves from the prior year. These budgeted projects included one-time spending on a new fire station, street resurfacing, and many improvements to City facilities. The City has continued to see increases in property tax revenues due to increased values, sales tax revenues setting new records, but saw a decreased in hotel occupancy tax returning to a new normal level.

The fund balance of the General Construction Fund at year end was \$65.6 million, a decrease of \$12.3 million. This decrease includes the spending of bond proceeds on a new City Hall, lighting at local parks, and for ERP software. The General Construction Fund had assigned fund balance of \$65.6 million at September 30, 2023. 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 \$654 thousand.

All Other Governmental Funds had as total fund balance at year-end of \$86.1 million, an increase of \$5.1 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 \$75.7 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, \$40.7 million at year end, is generally used to replace capital assets and maintain minimum operating reserves.

The net position of the Internal Service Funds increased in fiscal year 2023 by \$13.5 million. The increase was largely due to investment earnings, favorable healthcare claims experience, and a transfer of bond proceeds to the fleet services fund for the construction of new fueling stations.

Capital Assets and Debt Administration:

Capital assets: The City's investment in capital assets as of September 30, 2023, was \$1.4 billion, net of accumulated depreciation. The following tabulation summarizes the City's capital assets at September 30, 2023:

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land, easments and water rights	\$ 57,930	\$ 56,112	\$ 110,247	\$ 83,348	\$ 168,177	\$ 139,460
Infrastructure	168,955	162,528	-	-	168,955	162,528
Library resources	4,208	4,383	-	-	4,208	4,383
Water and sewer other	-	-	483,916	517,876	483,916	517,876
Airport facilities	-	-	56,600	60,018	56,600	60,018
Drainage improvements	-	-	16,992	16,115	16,992	16,115
Buildings and other improvements	229,505	233,168	-	-	229,505	233,168
Equipment and vehicles	42,693	41,569	3,391	3,608	46,084	45,177
Capital lease asset	4,395	4,924	-	-	4,395	4,924
Construction in progress	80,574	43,649	101,910	60,166	182,484	103,815
Total capital assets	\$ 588,260	\$ 546,333	\$ 773,056	\$ 741,131	\$ 1,361,316	\$ 1,287,464

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 13 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, 2023 was \$528.9 million. The following table shows the City's total principal amounts outstanding under bond agreements as of September 30, 2023:

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

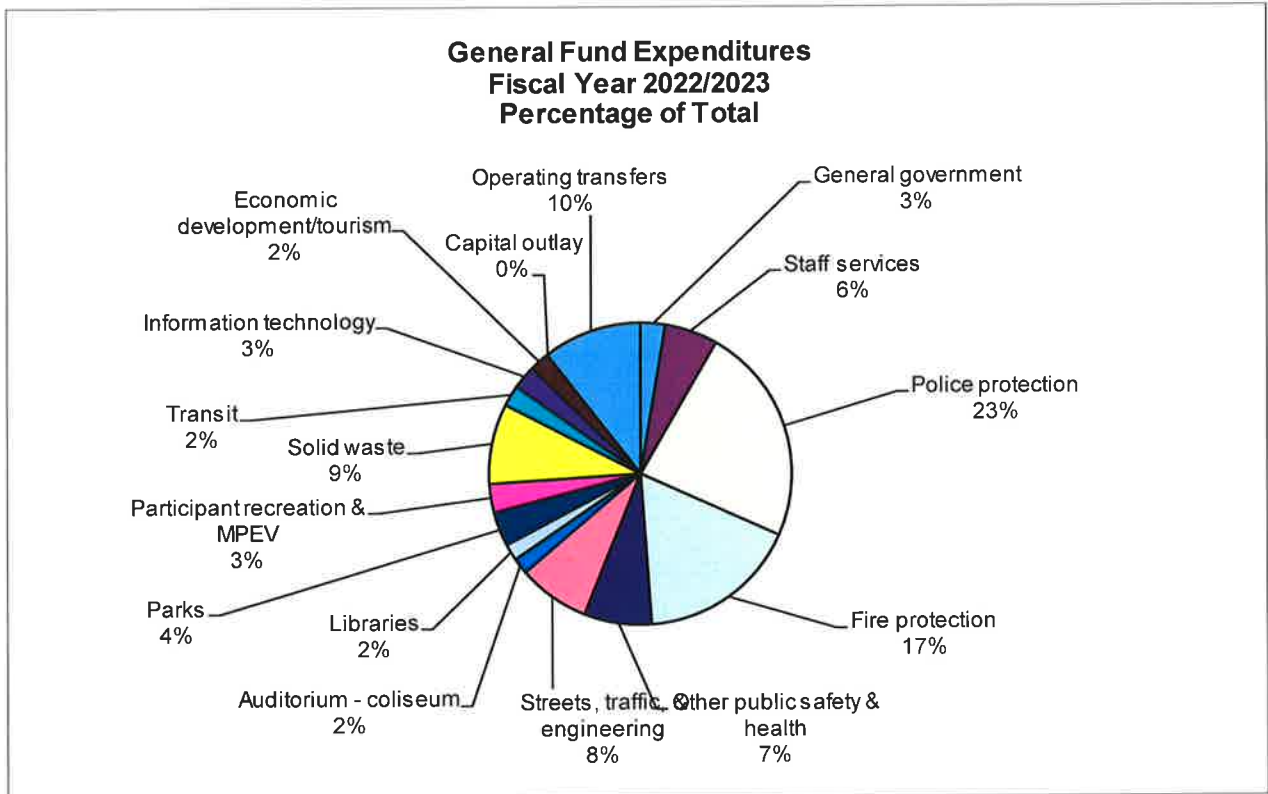
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 103,193	\$ 107,000	\$ -	\$ -	\$ 103,193	\$ 107,000
Certificates of obligation	18,450	19,776	-	-	18,450	19,776
Tax notes	28,335	30,130	-	-	28,335	30,130
Special assessment and other debt	18,930	13,535	-	-	18,930	13,535
Hotel occupancy tax debt	51,295	47,910	-	-	51,295	47,910
Water and sewer revenue bonds	-	-	256,085	229,180	256,085	229,180
Water authority debt	-	-	25,086	31,554	25,086	31,554
Drainage utility revenue bonds	-	-	27,555	24,365	27,555	24,365
Total outstanding debt	\$ 220,203	\$ 218,351	\$ 308,726	\$ 285,099	\$ 528,929	\$ 503,450

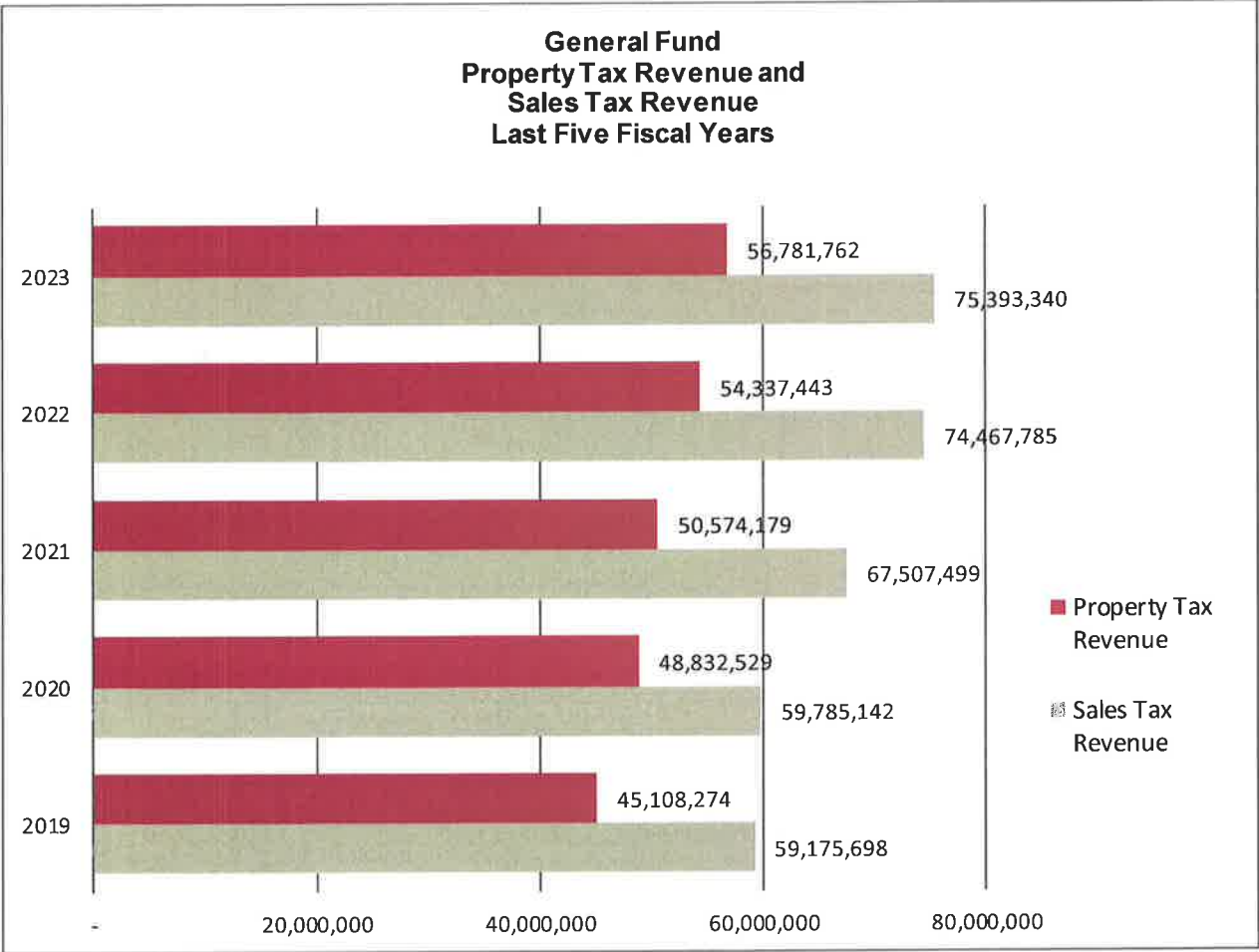
Refer to Notes 12 and 13 in the Notes to Basic Financial Statements for additional information related to long-term debt and other commitments.

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.

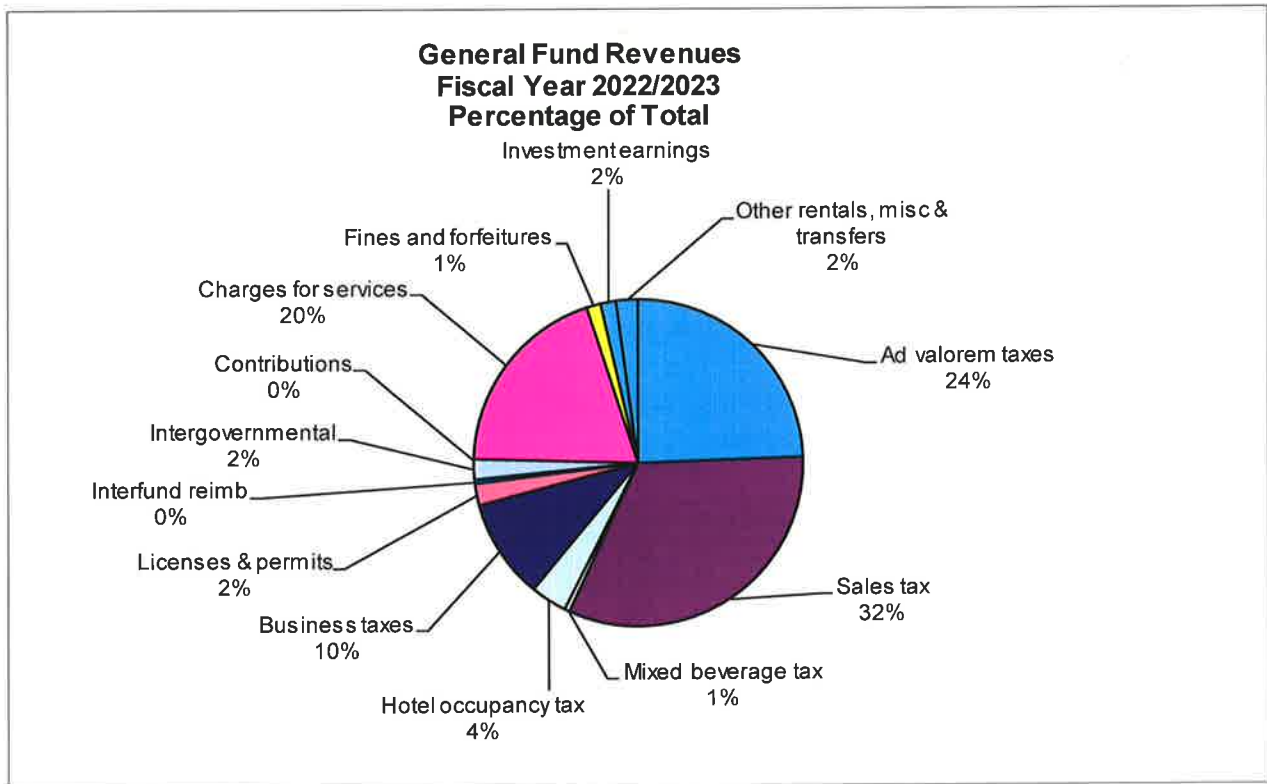
General Fund Revenues: The total General Fund revenues budgeted for fiscal year 2022/23 were \$218.8 million and actual revenues came in at \$228.8 million, \$10.0 million more than budgeted. Actual sales tax revenue accounts for 33% of General Fund total revenue. Sales tax revenues were budgeted for \$68.0 million. Actual sales tax revenues for 2022/23 were \$75.4 million. Sales tax revenues were \$7.4 million more than budgeted for the fiscal year. The City budgeted conservatively for sale tax not knowing the ongoing impact from the pandemic and inflation. 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 \$55.8 million and actual ad valorem taxes were \$56.8 million, \$1.0 million more than budgeted. The ad valorem tax collection rate was slightly higher than anticipated. Charges for services is 20% of General Fund total revenue and continued to remain strong at \$0.8 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 slightly lower than budget by 0.7 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, 2023, was \$0.40628 per \$100 of taxable value, which is less than the prior year's rate of \$0.44334. The decrease was \$0.03706 to accommodate the over 10% growth in values and the state law requirement that revenue cannot increase more than 3.5% over the prior year for operations and maintenance. The total value of properties on the tax roll for fiscal year 2023 was \$16.6 billion, an increase of \$2.0 billion over the prior year.

General Fund Expenditures: The total General Fund operating expenditure budget, excluding fund transfers, for fiscal year 2022/23 was \$217.8 million. Total actual expenditures and appropriations against the operating budget for 2022/23 were \$213.1 million. This resulted in underspending the budget by \$4.7 million. Many staffing vacancies throughout the fiscal year account for the underspending. Police and Fire protection account for approximately 41% of the General Fund expenditure budget, excluding transfers. Operating transfers to Capital Projects Funds and other funds were budgeted for \$23.7 million and actual General Fund transfers during the year were \$24.9 million, a budget variance of \$1.2 million more. The City had excess reserves during fiscal year 2022 related to sales tax collections coming in higher than anticipated; 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 2022/23:



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. The City Council approved \$5.9 million in debt for improvements at the landfill along with an associated 14% rate increase to Solid Waste customers to pay for the annual debt service and rising costs of the system. City Council also approved \$42.9 million in debt for extensions and improvements to the water and sewer utility; a 10% rate increase was implemented to support the debt service associated with the revenue bonds along with increased operating and maintenance costs. A 6% rate increase in Drainage was also implemented during the year to support the issuance of \$4.7 million in debt for extensions and improvements in the drainage utility along with increased operating and maintenance costs. The City Council approved combination tax and revenue certificates to purchase park amenities for the Colonies public improvement district (PID) and Heritage Hills PID; the debt service will be funded by assessments in each PID. City Council approved the issuance of \$4.6 million in hotel occupancy tax bonds to pay for renovations at the MPEV to meet major league baseball requirements, and the debt service will be paid partially from the annual funding for the MPEV Capital Improvement and Maintenance Reserve fund and from the City's hotel occupancy taxes. 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 2024 Budget totals approximately \$531.0 million, with \$336.4 million approved for operation and maintenance functions, \$135.5 million in capital, and \$59.2 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 2023/2024 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 City Council pillars.

The City has continued to experience economic growth in most areas; however, rising costs in several vital areas including commodities, materials, supplies, construction, and attracting and retaining personnel have placed continued challenges on the budget process. Key areas of focus in the 2023/2024 Budget include addressing increased funding for public safety, 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 post-pandemic trends, 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 public safety, 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 2023/2024 Budget is \$531.0 million, which is an increase of 8.2%, or \$40.2 million, as compared to our 2022/2023 Budget of \$490.8 million.

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

	<u>FY 2022/2023</u>	<u>FY 2023/2024</u>	<u>% Change</u>
General Fund Operating	\$239,300,951	\$250,646,088	4.7%
Water & Sewer Operating	58,614,367	69,664,081	18.9%
Capital Improvement Projects	114,352,664	135,490,421	18.5%
Special Revenue Operating	39,875,546	35,972,058	(9.8%)
Fleet Services Operating	12,530,989	14,003,290	11.7%
Insurance Operating	39,801,333	39,440,725	(0.9%)
Debt Service	68,298,159	59,194,165	(13.3%)
Airport Operating	14,188,377	15,804,323	11.4%
Drainage Utility Operating	3,940,026	3,932,325	(0.2%)
Information Technology Operating	9,046,519	9,416,730	4.1%
Capital Transfers	3,216,767	3,724,936	15.8%
Less: Interfund Transfers	<u>(112,335,250)</u>	<u>(106,245,847)</u>	<u>(5.4%)</u>
Total Budget	<u>\$490,830,448</u>	<u>\$531,043,295</u>	<u>8.2%</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 40.4%, or \$214.5 million, of the 2023/2024 net Budget. Personnel costs in the Budget are 8.0% 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 largest category in the Budget is Capital Improvement Projects at \$135.5 million, or 25.5% of the Budget. Capital Improvement Projects reflect an 18.5% increase from the prior year and include public safety projects, major street and traffic administration projects, funding for matching amounts on projects with large Federal/State assistance, a dedicated dumpster replacement program, 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 11.1%, or \$59.2 million, of the net Budget. Debt service expenditures include all funds with outstanding debt. The Debt Service category includes a (13.3%) decrease which is due to the debt rolling off.

Special Revenue operating costs have decreased (9.8%) due to additional grant/relief funding availability from the CARES Act and American Rescue Plan ending.

Property and Sales Taxes

Taxable property values remain strong with an estimated over 9% increase for the 2023 tax year, when comparing 2023 estimated values to the 2022 certified values. The total 2023/2024 proposed tax rate is \$0.39867 per \$100 taxable value versus the 2022/2023 rate of \$0.40628. 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 and then decreased it in 2022/2023 to \$0.40628 due to increased taxable values.

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 continues to remain strong. The Budget includes sales tax at an increase of \$7.9 million over the current year original budget of \$68.0 million. The sales tax revenue budget for next year has been normalized to sales tax collection experience for the past couple of years.

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 included a 10% water and sewer rate increase to cover inflation and additional debt issuances described above. The 2023/2024 budget included a 6% water and sewer rate increase to cover inflation and the rising cost of attracting and retaining personnel. 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 \$83.33, an increase of \$4.32, which is low compared to other Texas cities. For drainage rates, there were 4% rate increases for the five years for the capital costs related to the five-year Community Investment Program. The 2022/2023 budget included a 6% drainage fee increase to cover inflation and an additional debt issuance, while the 2023/2024 budget includes a 47.1% drainage fee increase to cover continued inflation and increase operational costs. The drainage fee increase will increase the average monthly residential charge by \$1.08.

The Budget also includes an increase in the Solid Waste rates of 8%. Residential customers will see a slight increase in their monthly bill, which for the average customer will be \$1.07. The additional funding will be used to cover increased operational costs related to the solid waste program and a dedicated residential dumpster replacement program.

Other areas with fee increases include Civic Center, Building Safety, Environmental Health, City Marshal, Parks and Recreation, 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 2023/2024 Budget consists of 2,326 permanent and 355 part-time employee positions. Permanent positions have increased by 23 positions over the current year and part-time positions have decreased by 1. Several of the changes are reclassifications of current positions to better meet departmental needs. New positions include 3 district fire chief positions, 4 police officer positions and 5 police civilian positions for additional operations support, 4 Amarillo Emergency Communications Center (AECC) positions to offer additional support for the department, 2 additional Emergency Management positions, and a few other positions in various departments to support operations. Below is a summary of the staffing changes for permanent positions for the 2023/2024 Budget:

Position Title	Department	Full Time
Senior Telecommunications Supervisor	AECC	1
Telecomms Shift Supervisor	AECC	2
IT CAD Specialist	AECC/IT	1
Airport Landside/Fleet Mechanic III	Airport	1
Airport Technology Specialist	Airport/IT	1
Deputy	City Marshal	1
Operations Manager	Emergency Management	1
Technical Hazards Coordinator	Emergency Management	1
Environmental Technician	Environmental Health	1
Fire District Chief	Fire Operations	3
Application Specialist III	IT Enterprise Applications	1
Infrastructure Engineer	IT Infrastructure	2

IT Support Specialist I	IT Support	1
311 Customer Service Supervisor	IT Telecom	-1
Administrative Assistant I	Library	-2
Librarian I	Library	1
Police Officer	Police	4
Assistant Property & Evidence Manager	Police Civilian	1
Building Mechanic	Police Civilian	1
Crime Scene Tech	Police Civilian	1
Evidence Technician	Police Civilian	1
Forensic Video Tech	Police Civilian	1
Deputy Registrar	Vital Statistics	1
		25

Employee Compensation

- 1) 4% pay increase for civilian employees as pay-for-performance
- 2) 4% 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 8.0% 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.

Capital Improvement Program

The 2023/2024 capital improvement program budget is \$135.5 million - \$39.6 million in general government capital projects, \$32.5 million in water and sewer system projects, \$11.9 million in airport projects, \$46.0 million in drainage system projects, and \$5.0 million in fleet services projects, and \$0.5 million in IT projects. The general government projects are funded from excess operational funds, grant funds, and solid waste collection fees related to the dumpster replacement 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, grant money received from the FAA, and a proposed debt issuance. The fleet services and IT projects are funded with excess operational funds planned for capital.

Future Priorities

The 2023/2024 Budget has prioritized enhancements to public safety, 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, 2023**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 139,171,976	\$ 56,147,020	\$ 195,318,996	\$ 46,139,131
Investments	62,450,549	56,037,051	118,487,600	138,520,115
Receivables, net	26,441,595	18,170,016	44,611,611	31,225,798
Internal balances	26,080,842	(26,080,842)	-	-
Inventories and prepaid expenses	7,703,233	87,375	7,790,608	724,293
Other current assets	-	-	-	1,341,132
Total current assets	<u>261,848,195</u>	<u>104,360,620</u>	<u>366,208,815</u>	<u>217,950,469</u>
NONCURRENT ASSETS				
Restricted cash and cash equivalents	92,891,662	178,886,605	271,778,267	10,057,332
Restricted investments	500,000	-	500,000	-
Receivables, net	10,097,990	13,104,833	23,202,823	33,812,254
Other noncurrent assets	-	34,853	34,853	-
Land and building held for future incentives	-	-	-	16,896,425
Capital assets:				
Land	17,516,920	3,798,431	21,315,351	-
Contributed right of way easements	40,413,378	3,732,845	44,146,223	-
Water rights and contracts, net of amortization	-	102,715,511	102,715,511	-
Infrastructure, net of depreciation	168,955,185	16,992,668	185,947,853	-
Buildings and improvements, net of depreciation	229,504,692	540,516,598	770,021,290	62,475,786
Equipment and vehicles, net of depreciation	42,692,599	3,390,706	46,083,305	231,523
Right-to-use lease asset, net of amortization	3,145,918	-	3,145,918	675,880
Library resources, net of depreciation	4,207,621	-	4,207,621	-
Right-to-use software asset, net of amortization	1,249,397	-	1,249,397	-
Construction in progress	80,574,200	101,910,151	182,484,351	-
Total noncurrent assets	<u>691,749,562</u>	<u>965,083,201</u>	<u>1,656,832,763</u>	<u>124,149,200</u>
TOTAL ASSETS	<u>\$ 953,597,757</u>	<u>\$ 1,069,443,821</u>	<u>\$ 2,023,041,578</u>	<u>\$ 342,099,669</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows	\$ 70,205,232	\$ 11,854,180	\$ 82,059,412	\$ 2,160,032
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 70,205,232</u>	<u>\$ 11,854,180</u>	<u>\$ 82,059,412</u>	<u>\$ 2,160,032</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 28,247,909	\$ 30,271,997	\$ 58,519,906	\$ 2,189,728
Unearned revenue	9,339,202	1,263,641	10,602,843	-
Current portion of long-term obligations	13,755,000	6,563,747	20,318,747	9,193,217
Estimated liability for self-insured losses, current portion	4,829,575	-	4,829,575	-
Bonded debt current maturity	-	16,740,000	16,740,000	-
Current portion of right-to-use lease liability	1,172,489	-	1,172,489	-
Current portion of right-to-use software liability	255,806	-	255,806	-
Current portion of compensated absences	2,060,468	211,500	2,271,968	-
Total current liabilities	<u>59,660,449</u>	<u>55,050,885</u>	<u>114,711,334</u>	<u>11,382,945</u>
NONCURRENT LIABILITIES				
Liabilities payable from restricted assets	-	-	-	104,183
Noncurrent portion of long-term obligations	215,862,328	306,770,893	522,633,221	32,877,500
Other accrued expenses	-	2,503,071	2,503,071	-
Right-to-use lease liability	1,733,312	-	1,733,312	-
Right-to-use software liability	169,289	-	169,289	-
Estimated liabilities for:				
Compensated absences, net	21,638,069	1,325,118	22,963,187	260,958
Self-insured losses, net of current portion	13,632,041	-	13,632,041	-
Landfill closure and postclosure care	5,984,720	-	5,984,720	-
Net OPEB liability	39,102,670	7,315,504	46,418,174	78,704
Net pension liability	78,501,973	8,892,293	87,394,266	3,023,191
Total noncurrent liabilities	<u>376,624,402</u>	<u>326,806,879</u>	<u>703,431,281</u>	<u>36,344,536</u>
TOTAL LIABILITIES	<u>\$ 436,284,851</u>	<u>\$ 381,857,764</u>	<u>\$ 818,142,615</u>	<u>\$ 47,727,481</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows	\$ 14,155,885	\$ 20,594,649	\$ 34,750,534	\$ 8,360,035
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 14,155,885</u>	<u>\$ 20,594,649</u>	<u>\$ 34,750,534</u>	<u>\$ 8,360,035</u>
NET POSITION				
Net investment in capital assets	\$ 428,814,543	\$ 601,792,401	\$ 1,030,606,944	\$ 54,067,328
Restricted for:				
Debt service	19,987,909	13,930,498	33,918,407	5,780,766
Tax increment financing	5,172,900	-	5,172,900	-
Other purposes	14,933,544	-	14,933,544	24,256,388
Unrestricted	104,453,356	63,122,689	167,576,045	204,067,703
TOTAL NET POSITION	<u>\$ 573,362,252</u>	<u>\$ 678,845,588</u>	<u>\$ 1,252,207,840</u>	<u>\$ 288,172,185</u>

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

**CITY OF AMARILLO, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 6,564,990	\$ 4,838,446	\$ 2,535,475	\$ 6,363,275
Staff services	15,563,671	4,974,091	-	444,607
Public safety and health				
Police protection	57,098,375	1,949,057	479,090	-
Fire protection	36,930,186	2,378,538	147,979	-
Other	30,401,406	7,008,452	14,863,059	825,615
Streets, traffic and engineering	28,781,953	989,967	66,281	13,749,771
Culture and recreation				
Auditorium/coliseum	8,580,699	3,055,816	398,004	-
Libraries	4,410,409	113,778	35,217	-
Parks	11,434,870	2,452,514	45,158	-
Participant recreation	8,948,244	5,309,166	(43,589)	-
MPEV	4,936	-	-	-
Solid waste	21,775,831	27,267,118	-	-
Transit	6,023,480	696,338	3,023,790	7,472
Information technology	6,081,229	-	-	-
Economic development/Tourism	5,477,095	-	-	-
Urban redevelopment/housing	16,642,438	231,140	15,632,074	101,180
Interest on long-term debt	8,260,888	-	-	-
Total governmental activities	<u>272,980,701</u>	<u>61,264,421</u>	<u>37,182,538</u>	<u>21,491,920</u>
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	82,765,301	94,674,544	-	6,485,285
Drainage Utility	5,217,461	7,624,310	-	947,000
Airport	18,773,183	14,580,451	545,351	1,386,933
Total business-type activities	<u>106,755,945</u>	<u>116,879,305</u>	<u>545,351</u>	<u>8,819,218</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 379,736,646</u>	<u>\$ 178,143,726</u>	<u>\$ 37,727,889</u>	<u>\$ 30,311,138</u>
COMPONENT UNITS				
Amarillo Hospital District	\$ 50,489,783	\$ 39,943,657	\$ 375,238	\$ -
Amarillo Economic Development Corporation	27,423,469	12,084,883	-	(762,796)
Amarillo-Potter Events District	2,994,273	45,227	-	-
Amarillo Convention & Visitors Bureau	2,303,019	-	67,210	-
Amarillo Housing Finance Corporation	-	-	-	-
Amarillo Health Facilities Corporation	-	-	-	-
Amarillo Local Government Corporation	1,916,744	-	393,311	-
TOTAL COMPONENT UNITS	<u>\$ 85,127,288</u>	<u>\$ 52,073,767</u>	<u>\$ 835,759</u>	<u>\$ (762,796)</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
\$ 7,172,206	\$ -	\$ 7,172,206	\$ -
(10,144,973)	-	(10,144,973)	-
(54,670,228)	-	(54,670,228)	-
(34,403,669)	-	(34,403,669)	-
(7,704,280)	-	(7,704,280)	-
(13,975,934)	-	(13,975,934)	-
(5,126,879)	-	(5,126,879)	-
(4,261,414)	-	(4,261,414)	-
(8,937,198)	-	(8,937,198)	-
(3,682,667)	-	(3,682,667)	-
(4,936)	-	(4,936)	-
5,491,287	-	5,491,287	-
(2,295,880)	-	(2,295,880)	-
(6,081,229)	-	(6,081,229)	-
(5,477,095)	-	(5,477,095)	-
(678,044)	-	(678,044)	-
(8,260,888)	-	(8,260,888)	-
<u>(153,041,822)</u>	<u>-</u>	<u>(153,041,822)</u>	<u>-</u>
-	18,394,528	18,394,528	-
-	3,353,849	3,353,849	-
-	(2,260,448)	(2,260,448)	-
-	19,487,929	19,487,929	-
<u>(153,041,822)</u>	<u>19,487,929</u>	<u>(133,553,893)</u>	<u>-</u>
-	-	-	(10,170,888)
-	-	-	(16,101,382)
-	-	-	(2,949,046)
-	-	-	(2,235,809)
-	-	-	-
-	-	-	-
-	-	-	(1,523,433)
-	-	-	<u>(32,980,558)</u>
57,970,644	-	57,970,644	-
11,783,154	-	11,783,154	-
75,393,340	-	75,393,340	28,953,017
1,157,840	-	1,157,840	-
8,386,003	-	8,386,003	-
22,959,078	-	22,959,078	4,187,333
13,421,365	9,376,600	22,797,965	3,819,303
-	5,000,000	5,000,000	-
3,344,554	(3,344,554)	-	-
<u>194,415,978</u>	<u>11,032,046</u>	<u>205,448,024</u>	<u>36,959,653</u>
<u>41,374,155</u>	<u>30,519,975</u>	<u>71,894,130</u>	<u>3,979,095</u>
<u>531,255,692</u>	<u>644,941,877</u>	<u>1,176,197,569</u>	<u>284,193,090</u>
732,405	3,383,736	4,116,141	-
531,988,097	648,325,613	1,180,313,710	284,193,090
<u>\$ 573,362,252</u>	<u>\$ 678,845,588</u>	<u>\$ 1,252,207,840</u>	<u>\$ 288,172,185</u>

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

**CITY OF AMARILLO, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2023**

	<u>General Fund</u>	<u>General Construction Fund</u>	<u>COVID-19 Relief</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 23,438,435	\$ 36,631,302	\$ -	\$ 31,955,388	\$ 92,025,125
Restricted cash and cash equivalents	835,157	26,795,087	8,573,497	52,241,081	88,444,822
Investments, at fair values	40,450,549	6,000,000	-	4,750,000	51,200,549
Restricted investments	-	-	-	500,000	500,000
Receivables, net of allowances for uncollectibles					
Property taxes	319,535	-	-	57,342	376,877
Accounts	4,902,138	161,817	-	184,312	5,248,267
Accrued interest	243,882	48,219	-	28,035	320,136
Other accrued revenue	1,968,068	-	-	-	1,968,068
Due from other funds unrestricted	1,617,419	-	-	43,568	1,660,987
Due from other governments	10,158,805	-	1,498,958	6,015,596	17,673,359
Inventory of supplies	1,756,869	-	-	-	1,756,869
Prepaid items	38,526	-	-	18,838	57,364
Advances to other funds	522,343	-	-	-	522,343
TOTAL ASSETS	\$ 86,251,726	\$ 69,636,425	\$ 10,072,455	\$ 95,794,160	\$ 261,754,766
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 2,326,832	\$ 1,671,487	\$ 6,114	\$ 3,911,878	\$ 7,916,311
Accounts payable	5,097,551	812,602	12,218	1,135,163	7,057,534
Accrued expenditures	4,067,298	1,516,346	-	160,119	5,743,763
Deposits	25,249	-	-	1,831,634	1,856,883
Due to other funds - unrestricted	17,733	-	350,000	1,344,458	1,712,191
Due to other governments	1,039,155	-	-	22,209	1,061,364
Unearned revenues - other	114,292	-	9,049,851	175,059	9,339,202
Advances from other funds	-	-	-	1,044,687	1,044,687
Total liabilities	<u>12,688,110</u>	<u>4,000,435</u>	<u>9,418,183</u>	<u>9,625,207</u>	<u>35,731,935</u>
Deferred inflows of resources					
Unavailable property taxes	203,828	-	-	33,498	237,326
Total deferred inflows of resources.	<u>203,828</u>	<u>-</u>	<u>-</u>	<u>33,498</u>	<u>237,326</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	38,526	-	-	12,986	51,512
Inventory	1,756,869	-	-	-	1,756,869
Property taxes	115,707	-	-	23,844	139,551
Advances to other funds	522,343	-	-	-	522,343
Corpus or principal	-	-	-	17,693	17,693
Restricted for:					
Debt service	-	-	-	2,855,834	2,855,834
Capital projects	-	-	-	9,118,722	9,118,722
Special purposes	1,323,782	-	654,272	22,091,300	24,069,354
Committed for:					
Capital projects	-	-	-	-	-
Compensated absences	-	-	-	25,400	25,400
Encumbrances	-	-	-	-	-
Assigned for:					
Capital projects	-	65,635,990	-	51,989,676	117,625,666
Unassigned	69,602,561	-	-	-	69,602,561
Total fund balances	<u>73,359,788</u>	<u>65,635,990</u>	<u>654,272</u>	<u>86,135,455</u>	<u>225,785,505</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 86,251,726	\$ 69,636,425	\$ 10,072,455	\$ 95,794,160	\$ 261,754,766

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, 2023**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 225,785,505

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.

45,090,829

588,259,910

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.

Capital assets, net October 1, 2022	\$ 548,071,912
Net current year additions	66,323,678
Net current year deletions	<u>(26,135,680)</u>
Capital assets, net September 30, 2023	<u>\$ 588,259,910</u>

(261,943,696)

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	\$ 229,617,328
Compensated absence	23,010,752
Right-to-use lease liability	2,905,801
Right-to-use software liability	425,095
Landfill closure and postclosure	<u>5,984,720</u>
	<u>\$ 261,943,696</u>

(21,392,833)

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 \$75,046,609, a deferred resource outflow in the amount of \$54,700,965, and a deferred resource inflow in the amount of \$1,047,189.

(29,943,954)

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 \$37,171,675, a deferred resource outflow in the amount of \$11,236,115, and a deferred resource inflow in the amount of \$4,008,394.

27,506,491

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	\$ (979,970)
Claims and judgements	(1,335,595)
Internal balances	26,080,842
Intrafund transactions	34,990
Intra-entity receivables	2,322,667
Lease receivables	757,062
Prepaid insurance	<u>626,495</u>
	<u>\$ 27,506,491</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 573,362,252

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, 2023

	General Fund	General Construction Fund	COVID-19 Relief	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Ad valorem taxes	\$ 56,781,762	\$ -	\$ -	\$ 11,783,154	\$ 68,564,916
Sales taxes	75,393,340	-	-	-	75,393,340
Mixed beverage taxes	1,157,840	-	-	-	1,157,840
Hotel occupancy taxes	8,386,003	-	-	-	8,386,003
Gross receipts business taxes	22,959,078	-	-	-	22,959,078
License and permits	4,972,928	-	-	-	4,972,928
Interfund revenues	961,684	-	-	-	961,684
Intergovernmental revenues	4,622,791	5,794,833	2,936,033	26,177,878	39,531,535
Citizen contributions	7,912	-	-	162,449	170,361
Construction participation	-	70,000	-	13,045,108	13,115,108
Revenue from participating taxing entities	-	-	-	1,858,030	1,858,030
Other entity participations	-	-	-	2,047,172	2,047,172
Charges for services	45,354,506	-	-	4,032,310	49,386,816
Fines and forfeitures	3,219,040	-	-	299,743	3,518,783
Investment earnings	3,535,110	3,270,050	449,657	3,854,681	11,109,498
Other rentals and commissions	790,065	24,065	-	-	814,130
Miscellaneous	707,075	1,276,000	-	135,250	2,118,325
Total revenues	<u>228,849,134</u>	<u>10,434,948</u>	<u>3,385,690</u>	<u>63,395,775</u>	<u>306,065,547</u>
EXPENDITURES					
Current					
General government	6,248,392	-	-	85,910	6,334,302
Staff services	13,498,432	-	-	377,165	13,875,597
Public safety and health					
Police protection	55,570,916	899,290	-	757,412	57,227,618
Fire protection	40,846,479	-	-	1,421	40,847,900
Other	17,018,420	-	260,475	12,116,831	29,395,726
Streets, traffic and engineering	18,334,833	-	-	-	18,334,833
Culture and recreation					
Auditorium - coliseum	4,069,997	-	-	462,446	4,532,443
Libraries	4,168,971	-	-	-	4,168,971
Parks	8,790,783	-	-	1,430,130	10,220,913
Participant recreation	7,268,169	-	-	120,046	7,388,215
MPEV	4,936	-	-	-	4,936
Solid waste	20,387,201	-	-	-	20,387,201
Transit system	5,383,797	-	-	-	5,383,797
Urban redevelopment and housing	-	-	-	16,223,694	16,223,694
Information technology	6,081,229	-	-	-	6,081,229
Economic development/tourism	4,932,973	16,944	-	648,832	5,598,749
Capital outlay	95,777	28,678,308	383,714	33,277,894	62,435,693
Debt service					
Principal retirement	-	-	-	12,548,000	12,548,000
Interest and fiscal charges	-	-	-	7,222,354	7,222,354
Termination vacation and sick leave pay	-	-	-	1,963,702	1,963,702
Total expenditures	<u>212,701,305</u>	<u>29,594,542</u>	<u>644,189</u>	<u>87,235,837</u>	<u>330,175,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,147,829</u>	<u>(19,159,594)</u>	<u>2,741,501</u>	<u>(23,840,062)</u>	<u>(24,110,326)</u>
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	3,459,194	16,040,123	56,888	17,321,287	36,877,492
Transfers to other funds	(24,919,714)	(9,148,035)	(2,351,542)	(3,491,500)	(39,910,791)
Issuance of long-term debt	-	-	-	15,125,000	15,125,000
Total other financing sources (uses)	<u>(21,460,520)</u>	<u>6,892,088</u>	<u>(2,294,654)</u>	<u>28,954,787</u>	<u>12,091,701</u>
Net change in fund balances	<u>(5,312,691)</u>	<u>(12,267,506)</u>	<u>446,847</u>	<u>5,114,725</u>	<u>(12,018,625)</u>
FUND BALANCES, BEGINNING 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>
FUND BALANCES, END OF YEAR	<u>\$ 73,359,788</u>	<u>\$ 65,635,990</u>	<u>\$ 654,272</u>	<u>\$ 86,135,455</u>	<u>\$ 225,785,505</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, 2023**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (12,018,625)

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. 13,557,629

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 2023 capital outlays, issuance of long-term debt, and debt principal payments is to increase net position. 60,970,070

Capital outlay	\$ 62,435,693
Library books additions	322,018
Contributed capital	1,486,458
Issuance of long-term debt	(15,125,000)
Premium on bonds	(697,099)
Long-term debt principal payments	<u>12,548,000</u>
	<u>\$ 60,970,070</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. (26,939,354)

GASB 68 requires that certain expenditures be derecognized and recorded instead as deferred outflows of resources. Of these previously deferred outflows, (\$9,341,259) were recognized in the current year as expenditures, decreasing the change in net position. Contributions made after the measurement date of December 31, 2022 caused the change in the ending net position to increase by \$9,755,628. The City's differences in expected and actual experience and changes in assumptions were (\$16,732,848), and the decrease in expense of \$32,092,123 was recognized due to the current year changes in net pension liability. The impact of all these adjustments is to increase the change in net position by \$5,666,916. 5,666,916

GASB 75 requires that certain expenditures be derecognized and recorded instead as deferred outflows of resources. Of these previously deferred outflows, (\$1,517,645) were recognized in the current year as expenditures, decreasing the change in net position. Contributions made after the measurement date of December 31, 2022 caused the change in the ending net position to increase by \$1,555,920. The City's changes in assumptions were \$(6,561,911) and the decrease in expense of \$8,789,094 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 \$1,009,002. 1,009,002

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. (871,482)

Compensated absences	\$ 1,510,052
Unearned revenue	1,188,882
Claims and judgements	(1,335,595)
Net loss of internal service funds	
allocated to business-type activities	(1,525,247)
Landfill closure and post-closure care	(790,005)
Lease Activity	519,369
Accrued interest payable	(976,961)
Deferred amount for premium	538,023
	<u>\$ (871,482)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 41,374,155

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

**CITY OF AMARILLO, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water and Sewer	Drainage Utility	Airport	Total	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 32,769,911	\$ 10,512,211	\$ 12,864,898	\$ 56,147,020	\$ 47,146,851
Investments, at fair values	46,832,911	1,000,000	8,204,140	56,037,051	11,250,000
Accounts receivable, net	8,377,327	1,180,227	3,816	9,561,370	1,335,174
Lease Receivable	110,241	-	1,778,556	1,888,797	55,316
Accrued interest receivable	246,833	-	98,203	345,036	18,613
Other accrued revenue	6,125,156	-	193,013	6,318,169	-
Due from other funds	34,990	-	-	34,990	188,665
Due from other governments	-	-	21,654	21,654	-
Inventory of supplies	-	-	-	-	390,882
Prepaid expenses	87,375	-	-	87,375	4,909,103
Total current assets	94,584,744	12,692,438	23,164,280	130,441,462	65,294,604
NONCURRENT ASSETS					
Restricted cash and cash equivalents	165,093,963	13,789,344	3,298	178,886,605	4,446,840
Other noncurrent assets	34,853	-	-	34,853	3,793
Lease Receivable non-current	2,435	-	13,102,398	13,104,833	-
Capital assets					
Land	2,040,262	87,744	1,670,425	3,798,431	-
Contributed right of way easements	2,215,645	1,517,200	-	3,732,845	-
Underground water rights	87,306,598	-	-	87,306,598	-
Accumulated depletion - underground water rights	(12,478,068)	-	-	(12,478,068)	-
Water supply contract	50,336,389	-	-	50,336,389	-
Accumulated amortization - water supply contract	(22,449,408)	-	-	(22,449,408)	-
Pipelines and plant	777,864,979	-	-	777,864,979	-
Accumulated depreciation - pipelines and plant	(293,948,556)	-	-	(293,948,556)	-
Runways, buildings and improvements	-	-	180,771,377	180,771,377	-
Accumulated depreciation - runways, buildings and improvements	-	-	(124,171,202)	(124,171,202)	-
Improvements	-	18,970,197	-	18,970,197	7,265,244
Accumulated depreciation - improvements	-	(1,977,529)	-	(1,977,529)	(5,770,937)
Equipment and vehicles	4,355,639	67,307	8,550,713	12,973,659	93,426,923
Accumulated depreciation - equipment and vehicles	(3,587,734)	(42,636)	(5,952,583)	(9,582,953)	(67,522,252)
Right-to-use lease asset	-	-	-	-	5,453,274
Accumulated amortization	-	-	-	-	(2,971,994)
Right-to-use software asset	-	-	-	-	1,496,178
Accumulated amortization	-	-	-	-	(720,418)
Construction in progress	66,159,735	18,755,422	16,994,994	101,910,151	2,166,562
Total capital assets, net of accumulated depreciation	657,815,481	37,377,705	77,863,724	773,056,910	32,822,580
Total noncurrent assets	822,946,732	51,167,049	90,969,420	965,083,201	37,273,213
TOTAL ASSETS	\$ 917,531,476	\$ 63,859,487	\$ 114,133,700	\$ 1,095,524,663	\$ 102,567,817
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows	\$ 9,208,093	\$ 628,306	\$ 2,017,781	\$ 11,854,180	\$ 4,268,151
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 9,208,093	\$ 628,306	\$ 2,017,781	\$ 11,854,180	\$ 4,268,151

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, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water and Sewer	Drainage Utility	Airport	Total	
LIABILITIES					
CURRENT LIABILITIES					
Vouchers payable	\$ 3,846,574	\$ 399,115	\$ 418,030	\$ 4,663,719	\$ 1,267,284
Accounts payable	4,969,369	617,509	194,248	5,781,126	791,980
Accrued expenses	12,345,725	199,950	443,734	12,989,409	237,226
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	1,263,641	1,263,641	-
Deposits	1,038,738	-	27,796	1,066,534	-
Consumer security deposits	5,771,209	-	-	5,771,209	-
Share of Water Authority debt - current	6,563,747	-	-	6,563,747	-
Due to other funds - unrestricted	-	-	-	-	172,450
Due to other governments	-	-	-	-	-
Estimated liability for incurred losses	-	-	-	-	4,829,575
Bonded debt current maturity	15,315,000	1,425,000	-	16,740,000	-
Current portion of right-to-use lease liability	-	-	-	-	947,354
Current portion of software liability	-	-	-	-	92,795
Current portion of compensated absences	180,446	5,933	25,121	211,500	79,418
Total current liabilities	<u>50,030,808</u>	<u>2,647,507</u>	<u>2,372,570</u>	<u>55,050,885</u>	<u>8,418,082</u>
NONCURRENT LIABILITIES					
Bonded debt, net of current	256,066,421	28,283,517	-	284,349,938	-
Water Authority debt, net of current	22,420,955	-	-	22,420,955	-
Provision for compensated absences, net	831,133	89,199	404,786	1,325,118	608,367
Other accrued expenses	2,503,071	-	-	2,503,071	-
Estimated liabilities for incurred loss, net	-	-	-	-	13,632,041
Right-to-use lease liability	-	-	-	-	1,297,579
Net OPEB liability	5,574,823	547,734	1,192,947	7,315,504	1,930,995
Net pension liability	7,047,834	374,499	1,469,960	8,892,293	3,459,157
Total noncurrent liabilities	<u>294,444,237</u>	<u>29,294,949</u>	<u>3,067,693</u>	<u>326,806,879</u>	<u>20,928,139</u>
TOTAL LIABILITIES	<u>\$ 344,475,045</u>	<u>\$ 31,942,456</u>	<u>\$ 5,440,263</u>	<u>\$ 381,857,764</u>	<u>\$ 29,346,221</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows	<u>\$ 4,809,639</u>	<u>\$ 288,265</u>	<u>\$ 15,496,745</u>	<u>\$ 20,594,649</u>	<u>\$ 1,821,271</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 4,809,639</u>	<u>\$ 288,265</u>	<u>\$ 15,496,745</u>	<u>\$ 20,594,649</u>	<u>\$ 1,821,271</u>
NET POSITION					
Net investment in capital assets	\$ 504,366,426	\$ 19,909,530	\$ 77,516,445	\$ 601,792,401	\$ 30,484,855
Restricted for debt service	13,351,113	576,087	3,298	13,930,498	-
Restricted for other purposes	-	-	-	-	4,446,840
Unrestricted	59,737,346	11,771,455	17,694,730	89,203,531	40,736,781
TOTAL NET POSITION	<u>\$ 577,454,885</u>	<u>\$ 32,257,072</u>	<u>\$ 95,214,473</u>	<u>704,926,430</u>	<u>\$ 75,668,476</u>
Amounts due governmental activities for allocable share of net expenses of certain internal service funds				<u>(26,080,842)</u>	
TOTAL NET POSITION OF BUSINESS- TYPE ACTIVITIES IN STATEMENT OF NET POSITION				<u>\$ 678,845,588</u>	

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, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water and Sewer	Drainage Utility	Airport	Total	
OPERATING REVENUES					
Airfield fees and commissions	\$ -	\$ -	\$ 1,193,691	\$ 1,193,691	\$ -
Charges for services	-	-	-	-	2,268,781
Employees' benefit plan contributions	-	-	-	-	5,714,496
Internal charges	-	-	-	-	58,862,538
Miscellaneous revenues	-	-	-	-	75,013
Other building and ground rentals	-	-	2,105,853	2,105,853	-
Rents and miscellaneous	503,554	-	-	503,554	-
Tap fees and frontage charges	232,289	-	-	232,289	-
Terminal building area rental	-	-	9,772,296	9,772,296	-
Utility sales and service	93,225,821	-	-	93,225,821	-
Drainage utility assessments	-	7,624,310	-	7,624,310	-
Total operating revenues	<u>93,961,664</u>	<u>7,624,310</u>	<u>13,071,840</u>	<u>114,657,814</u>	<u>66,920,828</u>
OPERATING EXPENSES					
Salaries, wages and fringe benefits	16,656,970	1,407,778	4,965,676	23,030,424	6,213,702
Supplies	3,116,483	281,577	921,835	4,319,895	5,160,834
Fuel and oil	-	-	-	-	3,359,566
Fuel and power	6,791,582	-	771,453	7,563,035	-
Contractual services	11,360,971	1,099,122	2,626,188	15,086,281	6,710,192
Water Authority charges	7,216,296	-	-	7,216,296	-
Other charges	16,231,101	1,248,771	3,598,860	21,078,732	7,822,002
Claim and loss adjustments	-	-	-	-	24,375,077
Depreciation	16,123,392	384,897	5,889,171	22,397,460	9,109,835
Total operating expenses	<u>77,496,795</u>	<u>4,422,145</u>	<u>18,773,183</u>	<u>100,692,123</u>	<u>62,751,208</u>
Operating income (loss)	<u>16,464,869</u>	<u>3,202,165</u>	<u>(5,701,343)</u>	<u>13,965,691</u>	<u>4,169,620</u>
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) in disposal of property	61,258	-	-	61,258	534,655
Grants-in-aid	-	-	545,351	545,351	-
Intergovernmental revenue	651,622	-	-	651,622	-
Passenger facility charge	-	-	1,374,702	1,374,702	-
Settlement Proceeds	5,000,000	-	-	5,000,000	-
Interest earnings	6,922,797	1,198,980	1,254,823	9,376,600	2,487,298
Change in value of investments	-	-	-	-	26,359
Other miscellaneous revenues	-	-	133,909	133,909	14,562
Interest expense and fiscal charges	(6,793,753)	(795,316)	-	(7,589,069)	(52,724)
Total nonoperating revenues (expenses)	<u>5,841,924</u>	<u>403,664</u>	<u>3,308,785</u>	<u>9,554,373</u>	<u>3,010,150</u>
Income (loss) before contributions and transfers	22,306,793	3,605,829	(2,392,558)	23,520,064	7,179,770

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, 2023**

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental Activities Internal Service Funds
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
AFTER NONOPERATING REVENUES (EXPENSES)					
Capital contributions	\$ 6,485,285	\$ 947,000	\$ 1,386,933	\$ 8,819,218	\$ -
Transfers from other funds	-	-	-	-	6,998,887
Transfers to other funds	<u>(3,242,554)</u>	<u>(54,000)</u>	<u>(48,000)</u>	<u>(3,344,554)</u>	<u>(621,035)</u>
Change in net position	25,549,524	4,498,829	(1,053,625)	28,994,728	13,557,622
NET POSITION, BEGINNING 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>
PRIOR PERIOD ADJUSTMENT	2,505,527	-	878,209	3,383,736	656,357
NET POSITION, BEGINNING OF YEAR, RESTATED	<u>551,905,361</u>	<u>27,758,243</u>	<u>96,268,098</u>	<u>675,931,702</u>	<u>62,110,854</u>
NET POSITION, END OF YEAR	<u>\$ 577,454,885</u>	<u>\$ 32,257,072</u>	<u>\$ 95,214,473</u>	<u>\$ 704,926,430</u>	<u>\$ 75,668,476</u>
Allocation of net expenses of certain internal service funds to business-type activities				<u>(26,080,842)</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET POSITION				<u>\$ 678,845,588</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				\$ 28,994,728	
Internal service fund allocation for proprietary funds				<u>1,525,247</u>	
Change in net position for primary government business-type activities				<u>\$ 30,519,975</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, 2023**

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental Activities Internal Service Funds
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from third parties	\$ 92,892,176	\$ 7,372,615	\$ 12,987,965	\$ 113,252,756	\$ -
Cash received from City departments	-	-	-	-	66,974,820
Cash payments to suppliers for goods and services	(40,560,076)	(2,810,649)	(8,041,905)	(51,412,630)	(24,344,132)
Cash payments to employees	(16,708,293)	(1,357,858)	(4,999,903)	(23,066,054)	(6,206,165)
Cash payments for claims and loss adjustments	-	-	-	-	(27,303,484)
Net cash provided (used) by operating activities	<u>35,623,807</u>	<u>3,204,108</u>	<u>(53,843)</u>	<u>38,774,072</u>	<u>9,121,039</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(3,242,554)	(54,000)	(48,000)	(3,344,554)	1,172,281
Transfers from other funds	-	-	-	-	5,809,637
Amounts borrowed/repaid from other funds	34,990	-	-	34,990	(47,497)
Settlement proceeds	5,000,000	-	-	5,000,000	-
Amounts loaned to other funds	650,421	-	-	650,421	(618,431)
Cash payments received for passenger facility charge	-	-	1,374,702	1,374,702	-
Net cash provided (used) by noncapital financing activities	<u>2,442,857</u>	<u>(54,000)</u>	<u>1,326,702</u>	<u>3,715,559</u>	<u>6,315,990</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(37,756,248)	(7,621,759)	(6,750,646)	(52,128,653)	(12,291,509)
Capital grants received	6,485,285	-	3,417,498	9,902,783	-
Issuance of bonds	42,920,000	4,675,000	-	47,595,000	-
Bond premium less issuance costs	3,476,236	329,540	-	3,805,776	-
Principal paid on bond maturities	(16,015,000)	(1,485,000)	-	(17,500,000)	-
Principal paid on proportionate share of Water Authority debt	(6,296,941)	-	-	(6,296,941)	-
Principal paid on right-to-use lease liability	-	-	-	-	(1,143,496)
Principal paid on right-to use software liability	-	-	-	-	(1,097,473)
Interest expense	(8,655,375)	(790,760)	-	(9,446,135)	(49,110)
Capital contributions	-	947,000	-	947,000	-
Proceeds from insurance	-	-	-	-	2,271
Proceeds from sale of capital assets	1,250,980	-	-	1,250,980	(1,202,124)
Net cash provided (used) by capital and related financing activities	<u>(14,591,063)</u>	<u>(3,945,979)</u>	<u>(3,333,148)</u>	<u>(21,870,190)</u>	<u>(15,781,441)</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, 2023**

	<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>	
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investment securities	\$ 31,870,000	\$ 750,000	\$ 4,750,000	\$ 37,370,000	\$ 30,500,000
Purchase of investment securities	(18,500,000)	(1,000,000)	(5,750,000)	(25,250,000)	(25,750,000)
Interest and gains on investments	6,816,512	1,197,722	1,187,009	9,201,243	2,514,919
Net cash provided (used) by investing activities	20,186,512	947,722	187,009	21,321,243	7,264,919
Net increase (decrease) in cash and cash equivalents	43,662,113	151,851	(1,873,280)	41,940,684	6,920,507
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	154,201,761	24,149,704	14,741,476	193,092,941	44,673,184
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 197,863,874</u>	<u>\$ 24,301,555</u>	<u>\$ 12,868,196</u>	<u>\$ 235,033,625</u>	<u>\$ 51,593,691</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 16,464,869	\$ 3,202,165	\$ (5,701,343)	\$ 13,965,691	\$ 4,169,620
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	16,123,392	384,897	5,889,171	22,397,460	9,109,835
(Increase) decrease in accounts receivable	283,031	(251,695)	1,820,967	1,852,303	66,283
(Increase) decrease in deferred outflows	(5,977,505)	(443,921)	(1,414,022)	(7,835,448)	(2,920,392)
(Increase) decrease in other accrued revenue	(1,357,222)	-	-	(1,357,222)	-
(Increase) decrease in prepaid expenses	(9,382)	-	-	(9,382)	(954,127)
(Increase) decrease in inventories	-	-	-	-	16,514
Increase (decrease) in vouchers payable	185,057	(315,727)	(5,095)	(135,765)	(844,760)
Increase (decrease) in accounts payable	3,476,084	134,548	(306,765)	3,303,867	495,835
Increase (decrease) in accrued operating expenses	(16,961)	65,446	188,291	236,776	106,289
Increase (decrease) in deferred inflows	(2,154,300)	(153,586)	(2,408,142)	(4,716,028)	(973,705)
Increase (decrease) in customer deposits	132,874	-	-	132,874	-
Increase (decrease) in provision for compensated absences	107,091	6,886	50,161	164,138	3,613
Increase (decrease) in net OPEB liability	700,255	68,800	149,846	918,901	242,552
Increase (decrease) in net pension liability	7,047,078	506,295	1,683,088	9,236,461	3,544,180
Increase (decrease) in IBNR accrual	-	-	-	-	(2,690,389)
Increase (decrease) in other accrued expenses	619,446	-	-	619,446	-
Increase (decrease) in estimated claims liabilities	-	-	-	-	(250,309)
Net cash provided (used) by operating activities	<u>\$ 35,623,807</u>	<u>\$ 3,204,108</u>	<u>\$ (53,843)</u>	<u>\$ 38,774,072</u>	<u>\$ 9,121,039</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Amortization of bond premiums	\$ (1,492,762)	\$ 97,753	\$ -	\$ (1,395,009)	\$ -
Decreases (increases) in fair values of investments	(210,876)	-	-	(210,876)	(26,359)
Investment premium/discount amortization	131,526	-	-	131,526	-

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, 2023

	Private- Purpose Trust Funds	Pension and Other Employee Benefit Trust Funds	Custodial Fund Civic Center Operations
ASSETS			
Cash and cash equivalents	\$ 34,896	\$ 9,920,933	\$ 650,136
Accounts receivable	-	3,833,727	-
Accrued interest receivable	-	523,515	-
Investments, at fair values	-	239,470,454	-
TOTAL ASSETS	\$ 34,896	\$ 253,748,629	\$ 650,136
LIABILITIES			
Accounts payable	\$ -	\$ 4,007,877	\$ 12,189
Members payable	-	348,281	-
TOTAL LIABILITIES	\$ -	\$ 4,356,158	\$ 12,189
NET POSITION			
Held for other governments, individuals, entities	\$ 34,896	\$ -	\$ 637,947
Net position restricted for pension benefits	-	218,341,194	-
Net position restricted for OPEB	-	31,051,277	-
TOTAL NET POSITION	\$ 34,896	\$ 249,392,471	\$ 637,947

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, 2023**

	<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	\$ -	\$ 12,106,097	\$ -
Plan members	-	3,269,398	-
Other	-	310,969	-
Total contributions	<u>-</u>	<u>15,686,464</u>	<u>-</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	-	(48,639,727)	-
Interest, dividends, and other investment income	2,783	5,414,584	-
Total investment income	<u>2,783</u>	<u>(43,225,143)</u>	<u>-</u>
Less investment expense	-	857,461	-
Net investment income	<u>2,783</u>	<u>(44,082,604)</u>	<u>-</u>
Event income	-	-	4,946,100
Total additions	<u>2,783</u>	<u>(28,396,140)</u>	<u>4,946,100</u>
DEDUCTIONS			
Benefits paid	-	18,194,592	-
Administrative	-	141,565	-
Other	-	3,042	-
Event Expense	-	-	5,538,520
Total deductions	<u>-</u>	<u>18,339,199</u>	<u>5,538,520</u>
Change in net position	<u>2,783</u>	<u>(46,735,339)</u>	<u>(592,420)</u>
NET POSITION, BEGINNING OF YEAR	<u>32,113</u>	<u>296,127,810</u>	<u>1,230,367</u>
NET POSITION, END OF YEAR	<u>\$ 34,896</u>	<u>\$ 249,392,471</u>	<u>\$ 637,947</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, 2023

	<u>Amarillo Hospital District</u>	<u>Amarillo Economic Development Corporation</u>	<u>Amarillo- Potter Events Venue District</u>	<u>Amarillo Convention & Visitors Bureau</u>	<u>Amarillo Housing Finance Corporation</u>	<u>Amarillo Health Facilities Corporation</u>	<u>Amarillo Local Government Corporation</u>	<u>Total</u>
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ 1,259,396	\$ 36,877,741	\$ 5,227,601	\$ 2,289,781	\$ 144,627	\$ 35,154	\$ 304,831	\$ 46,139,131
Investments	115,526,260	21,242,910	1,750,000	-	-	945	-	138,520,115
Receivables, net	20,101,501	10,688,340	320,271	-	-	-	115,686	31,225,798
Inventories and prepaid expenses	641,680	-	82,613	-	-	-	-	724,293
Other current assets	793,009	548,123	-	-	-	-	-	1,341,132
Total current assets	<u>138,321,846</u>	<u>69,357,114</u>	<u>7,380,485</u>	<u>2,289,781</u>	<u>144,627</u>	<u>36,099</u>	<u>420,517</u>	<u>217,950,469</u>
NONCURRENT ASSETS								
Restricted cash and cash equivalents	4,172,383	5,227,557	657,392	-	-	-	-	10,057,332
Receivables, net	136,160	29,085,940	-	-	-	-	4,590,154	33,812,254
Net Pension Asset	-	-	-	-	-	-	-	-
Land and building held for future incentives	16,800	16,879,625	-	-	-	-	-	16,896,425
Capital assets:								
Buildings and improvements, net of depreciation	103,271	7,566,232	7,548,600	-	-	-	47,257,683	62,475,786
Equipment and vehicles, net of depreciation	-	117,569	736	-	-	-	113,218	231,523
Right-to-use lease asset, net of amortization	-	646,424	-	29,456	-	-	-	675,880
Construction in process	-	-	-	-	-	-	-	-
Total noncurrent assets	<u>4,428,614</u>	<u>59,523,347</u>	<u>8,206,728</u>	<u>29,456</u>	<u>-</u>	<u>-</u>	<u>51,961,055</u>	<u>124,149,200</u>
TOTAL ASSETS	<u>\$ 142,750,460</u>	<u>\$ 128,880,461</u>	<u>\$ 15,587,213</u>	<u>\$ 2,319,237</u>	<u>\$ 144,627</u>	<u>\$ 36,099</u>	<u>\$ 52,381,572</u>	<u>\$ 342,099,669</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred charge on refunding	\$ -	\$ -	\$ 415,725	\$ -	\$ -	\$ -	\$ -	\$ 415,725
Deferred outflows on net OPEB liability	-	36,279	-	-	-	-	-	36,279
Deferred outflows on net pension liability	1,487,624	220,404	-	-	-	-	-	1,708,028
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,487,624</u>	<u>\$ 256,683</u>	<u>\$ 415,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,160,032</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, 2023

	<u>Amarillo Hospital District</u>	<u>Amarillo Economic Development Corporation</u>	<u>Amarillo- Potter Events Venue District</u>	<u>Amarillo Convention & Visitors Bureau</u>	<u>Amarillo Housing Finance Corporation</u>	<u>Amarillo Health Facilities Corporation</u>	<u>Amarillo Local Government Corporation</u>	<u>Total</u>
LIABILITIES AND NET POSITION								
CURRENT LIABILITIES								
Accounts payable and accrued expenses	\$ 967,162	\$ 782,405	\$ 380,580	\$ 52,197	\$ -	\$ -	\$ 7,384	\$ 2,189,728
Current portion of long-term obligations	-	8,612,758	565,000	15,459	-	-	-	9,193,217
Total current liabilities	<u>967,162</u>	<u>9,395,163</u>	<u>945,580</u>	<u>67,656</u>	<u>-</u>	<u>-</u>	<u>7,384</u>	<u>11,382,945</u>
NONCURRENT LIABILITIES								
Liabilities payable from restricted assets - accrued interest	-	104,183	-	-	-	-	-	104,183
Noncurrent portion of long-term obligations	-	23,344,585	7,195,993	14,255	-	-	2,322,667	32,877,500
Net pension liability	2,891,812	131,379	-	-	-	-	-	3,023,191
Net OPEB liability	-	78,704	-	-	-	-	-	78,704
Estimated liabilities								
Compensated absences	-	260,958	-	-	-	-	-	260,958
Total noncurrent liabilities	<u>2,891,812</u>	<u>23,919,809</u>	<u>7,195,993</u>	<u>14,255</u>	<u>-</u>	<u>-</u>	<u>2,322,667</u>	<u>36,344,536</u>
TOTAL LIABILITIES	<u>3,858,974</u>	<u>33,314,972</u>	<u>8,141,573</u>	<u>81,911</u>	<u>-</u>	<u>-</u>	<u>2,330,051</u>	<u>47,727,481</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflow	155,717	3,650,681	-	-	-	-	4,553,637	8,360,035
Total deferred inflows of resources	<u>155,717</u>	<u>3,650,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,553,637</u>	<u>8,360,035</u>
NET POSITION								
Net investment in capital assets	120,071	8,694,955	204,068	-	-	-	45,048,234	54,067,328
Restricted for:								
Debt service	-	5,123,374	657,392	-	-	-	-	5,780,766
Other purposes	24,256,388	-	-	-	-	-	-	24,256,388
Unrestricted	<u>115,846,934</u>	<u>78,353,162</u>	<u>6,999,905</u>	<u>2,237,326</u>	<u>144,627</u>	<u>36,099</u>	<u>449,650</u>	<u>204,067,703</u>
TOTAL NET POSITION	<u>\$ 140,223,393</u>	<u>\$ 92,171,491</u>	<u>\$ 7,861,365</u>	<u>\$ 2,237,326</u>	<u>\$ 144,627</u>	<u>\$ 36,099</u>	<u>\$ 45,497,884</u>	<u>\$ 288,172,185</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, 2023

	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	\$ 50,489,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,489,783
Economic development/industrial	-	26,500,111	-	-	-	-	1,916,744	28,416,855
Economic development/Tourism	-	-	2,796,233	2,303,019	-	-	-	5,099,252
Interest on long-term debt	-	923,358	198,040	-	-	-	-	1,121,398
Issuance of long-term debt	-	-	-	-	-	-	-	-
Total program expenses	<u>50,489,783</u>	<u>27,423,469</u>	<u>2,994,273</u>	<u>2,303,019</u>	<u>-</u>	<u>-</u>	<u>1,916,744</u>	<u>85,127,288</u>
PROGRAM REVENUES								
Intergovernmental revenues - operating	375,238	-	-	-	-	-	393,311	768,549
Charges for services / Local Provider Participation	39,943,657	2,329,064	-	-	-	-	-	42,272,721
Gain (loss) on disposal of property	-	9,123,713	-	-	-	-	-	9,123,713
Miscellaneous	-	632,106	45,227	67,210	-	-	-	744,543
Total program revenues	<u>40,318,895</u>	<u>12,084,883</u>	<u>45,227</u>	<u>67,210</u>	<u>-</u>	<u>-</u>	<u>393,311</u>	<u>52,909,526</u>
Net (expense) revenue	<u>(10,170,888)</u>	<u>(15,338,586)</u>	<u>(2,949,046)</u>	<u>(2,235,809)</u>	<u>-</u>	<u>-</u>	<u>(1,523,433)</u>	<u>(32,217,762)</u>
GENERAL REVENUES								
Sales taxes	-	25,149,623	3,803,394	-	-	-	-	28,953,017
Gross receipts business taxes	-	-	-	4,187,333	-	-	-	4,187,333
Investment earnings (loss)	348,134	3,165,764	292,336	40,788	4,732	1,397	(33,848)	3,819,303
Total general revenues	<u>348,134</u>	<u>28,315,387</u>	<u>4,095,730</u>	<u>4,228,121</u>	<u>4,732</u>	<u>1,397</u>	<u>(33,848)</u>	<u>36,959,653</u>
CONTRIBUTED CAPITAL								
Change in net position	<u>(9,822,754)</u>	<u>12,214,005</u>	<u>1,146,684</u>	<u>1,992,312</u>	<u>4,732</u>	<u>1,397</u>	<u>(1,557,281)</u>	<u>3,979,095</u>
NET POSITION, BEGINNING 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>
NET POSITION, END OF YEAR	<u>\$ 140,223,393</u>	<u>\$ 92,171,491</u>	<u>\$ 7,861,365</u>	<u>\$ 2,237,326</u>	<u>\$ 144,627</u>	<u>\$ 36,099</u>	<u>\$ 45,497,884</u>	<u>\$ 288,172,185</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, 2023

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, 2023

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 2023 fiscal year at 4.17% 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, 2023

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, 2023

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.

Tax Increment Reinvestment Zone #3

The Tax Increment Reinvestment Zone Number Three (TIRZ #3) was created by the City Council in FY 2023 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 #3 projects. The operations of TIRZ #3 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, 2023

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, 2023

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 10 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, 2023

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. 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."

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

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)

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.

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

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)

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

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

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)

Subscription Based Information Technology Arrangement

Effective October 1, 2022, the City implemented GASB No. 96, *Subscription - Based Information Technology Arrangements (SBITAs)*. As the end user of technology arrangements, the City determines whether an arrangement contains a SBITA, which results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. SBITAs, that at the commencement of the subscription term, has a maximum possible term of 12 months (or less), including any options to extend are classified as short-term. Intangible right-to-use SBITA assets and liabilities are recognized at the commencement based upon the expected payments to be made during subscription term discounted using the interest rate the SBITA vendor charges which may be the interest rate implicit in the agreement. If the interest rate cannot be readily determined the City's estimated incremental borrowing rate is used. Details relating to the City's SBITAs all provided at Note 9.

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.

Claims and Judgements

Claims and judgements are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgements that mature or become due are recorded during the year as expenditures in the governmental funds. If they have not matured, no liability is recognized in the governmental fund statements. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The City's governmental activities and business-type activities reported an arbitrage liability as of September 30, 2023 of \$443,468 and \$2,418,625, respectively.

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

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)

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 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, 2023, 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	\$ 78,474
Deferred outflow related to the net pension liability	
TMRS	43,553,514
FRRF	25,912,800
Deferred outflow related to the OPEB liability	12,514,624
Total Deferred Outflows of Resources	\$ 82,059,412

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, 2023, 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, 2023

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	\$ 935,352
Deferred inflow related to the net pension liability	
TMRS	2,755,804
FRRF	4,803,358
Deferred inflow related to the net OPEB liability	4,174,492
Deferred inflow related to the right-to-use lease receivable	21,844,202
Unavailable property taxes	<u>237,326</u>
Total Deferred Inflows of Resources	<u>\$ 34,750,534</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, 2023

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 No. 96, Subscription-Based Information Technology Arrangement (SBITAs), was effective for financial statements for periods beginning after June 15, 2021. The adoption of GASB 96 required a prior period adjustment of \$732,405 to report the effect of GASB 96 retroactively. The City's fixed asset subledger over depreciated fixed assets in resulting a prior period adjustment of \$3,383,736. The prior period adjustments to net position at September 30, 2022, is as follows:

	Governmental Activities	Business-type Activities
Net position at September 30, 2022 as previously reported	\$ 531,255,692	\$ 644,941,877
Change in reporting for (SBITAs)	732,405	-
Accumulated depreciation correction	-	3,383,736
Net position at September 30, 2022, as restated	\$ 531,988,097	\$ 648,325,613

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, 2023, were within the limits prescribed by such budgets.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

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, 2023, for General Fund are \$2,363,717, for Special Revenue Funds are \$504,222, for Capital Project Funds are \$2,962,016 for Water and Sewer Fund are \$1,711,553, for Airport Fund are \$3,943,677, for Drainage Fund are \$355,909, for Fleet Services Fund are \$11,356,105, for Information Services Fund are \$702,653, for Risk Management Fund are \$3,660.

Deficit Fund Equity

During the fiscal year ended September 30, 2023, the Urban Transportation Planning Fund had a fund deficit of \$46,892.

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, 2023, demand deposits and time deposits held by one depository institution, before reduction for checks issued and not presented, were in the total amount of \$1,974,669 and collateralized by pledged securities of \$25,500,034. Demand deposits and time deposits held by a second depository institution, before reduction for checks issued and not presented, were in the total amounts of \$24,273,330 and collateralized by pledged securities of \$29,297,603. The City has a third depository institution with demand deposits of \$1,836,937 collateralized by pledged securities of \$2,797,274.

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, 2023

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, 2023, the weighted-average maturity of the City's total investment securities was .98 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, 2023

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, 2023, and the corresponding weighted average maturity is shown in Table 1 below:

	Fair Value			Weighted Average Maturity (Years)
	Unrestricted Assets	Restricted Assets	Total	
Investment Securities				
U.S. Treasury Obligations	\$ 8,712,423	\$ -	\$ 8,712,423	1.92
U.S. Government Sponsored Agencies	67,741,361	-	67,741,361	1.20
Total investment securities	76,453,784	-	76,453,784	1.28
No-load U.S. Treasury-only mutual funds	157,986,620	291,535,829	449,522,449	-
Total investments	234,440,404	291,535,829	525,976,233	0.19
Add: Time deposits with original maturities over three months	42,033,816	500,000	42,533,816	0.43
Total investments	276,474,220	292,035,829	568,510,049	0.21
Deduct: Cash equivalents	(157,986,620)	(291,535,829)	(449,522,449)	-
Net investments for financial reporting	\$ 118,487,600	\$ 500,000	\$ 118,987,600	0.98

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, 2023**

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, 2023:</u>				
Certificates of Deposit	\$ 42,533,816	\$ -	\$ 42,533,816	\$ -
U.S. government and agency obligations	76,453,784	76,453,784	-	-
Mutual funds - money market	<u>449,522,449</u>	<u>-</u>	<u>449,522,449</u>	<u>-</u>
Total	<u>\$ 568,510,049</u>	<u>\$ 76,453,784</u>	<u>\$ 492,056,265</u>	<u>\$ -</u>

For the valuation of certain U.S. government and agency obligations and taxable municipal bonds at September 30, 2023, 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, 2023, 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	\$ 30,862,161	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, 2023.

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, 2023

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 2022 tax roll for the 2022/23 fiscal year was \$0.40628 per \$100 of assessed valuation, resulting in a tax levy in the amount of \$63,372,302 on taxable value of \$15,130,197,759.

Property taxes receivable at September 30, 2023, are reflected in Table 2 below:

<u>Year of Levy</u>	
2023	\$ 619,732
2022	209,630
2021	112,759
2020	85,150
2019	78,735
2018	67,043
2017	49,392
2016	49,598
2015	44,353
2014	43,462
2013	31,151
2012	29,692
2011	30,235
2010	26,203
2009 & Prior	<u>73,115</u>
Total taxes receivable	1,550,249
Less: Allowance for estimated uncollectible portion	<u>1,173,372</u>
Net taxes receivable	376,877
Less: Provisions for collections deferred over 60 days	<u>237,326</u>
Amount available (reserved in accordance with City ordinances)	<u>\$ 139,551</u>

Table 2 – Taxes Receivable at September 30, 2023

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, 2023

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	\$ 835,157	\$ -	\$ 835,157
Total bond debt service/retirement	\$ 835,157	\$ -	\$ 835,157
<u>Bonded Debt Service Fund</u>			
Bond interest and redemption	\$ 2,858,576	\$ 2,742	\$ 2,855,834
Total bond debt service/retirement	\$ 2,858,576	\$ 2,742	\$ 2,855,834
<u>General Construction Fund</u>			
Bond proceed account	\$ 26,795,087	\$ 26,795,087	\$ -
Total bond debt service/retirement	\$ 26,795,087	\$ 26,795,087	\$ -
<u>COVID-19 Fund</u>			
ARPA funds	\$ 8,573,497	\$ 7,919,225	\$ 654,272
Total bond debt service/retirement	\$ 8,573,497	\$ 7,919,225	\$ 654,272
<u>Solid Waste Disposal Improvement Fund</u>			
Bond proceed account	\$ 5,919,268	\$ 5,919,268	\$ -
Total bond debt service/retirement	\$ 5,919,268	\$ 5,919,268	\$ -
<u>Civic Center Improvement Fund</u>			
Hotel occupancy tax account	\$ 5,196,692	\$ 165,863	\$ 5,030,829
Bond proceed account	4,087,893	-	4,087,893
Total bond debt service/retirement	\$ 9,284,585	\$ 165,863	\$ 9,118,722
<u>GO Bond Construction 16/17 Fund</u>			
Bond proceed account	\$ 34,120,072	\$ 34,120,072	\$ -
Total bond debt service/retirement	\$ 34,120,072	\$ 34,120,072	\$ -
<u>Water Sewer System</u>			
Bond escrow and proceed accounts	\$ 151,742,850	\$ 151,742,850	\$ -
Revenue bond interest and redemption	9,978,050	-	9,978,050
Revenue bond reserve	3,373,063	-	3,373,063
Total bond debt service/retirement	\$ 165,093,963	\$ 151,742,850	\$ 13,351,113
<u>Airport</u>			
PFC funds	\$ 2,741	\$ -	\$ 2,741
Revenue bond interest and redemption	557	-	557
Total bond debt service/retirement	\$ 3,298	\$ -	\$ 3,298
<u>Drainage Utility</u>			
Bond interest and redemption	\$ 576,087	\$ -	\$ 576,087
Bond proceed account	13,213,256	13,213,256	-
Total bond debt service/retirement	\$ 13,789,344	\$ 13,213,256	\$ 576,087
<u>Fleet Services</u>			
Bond interest and redemption	\$ 487,350	\$ -	\$ 487,350
Bond proceed account	3,959,490	3,959,490	-
Total bond debt service/retirement	\$ 4,446,840	\$ 3,959,490	\$ 487,350
<u>Greenways PID Fund</u>			
Bond interest and redemption	\$ 6,770	\$ 6,770	\$ -
Total bond debt service/retirement	\$ 6,770	\$ 6,770	\$ -
<u>Colonies PID Fund</u>			
Bond interest and redemption	\$ 44	\$ 44	\$ -
Total bond debt service/retirement	\$ 44	\$ 44	\$ -
<u>Heritage Hills PID Fund</u>			
Bond proceed account	\$ 551,766	\$ 551,766	\$ -
Total bond debt service/retirement	\$ 551,766	\$ 551,766	\$ -

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, 2023

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Balances October 1, 2022 (restated)	Additions	Deletions	Balances September 30, 2023
Capital assets used by governmental activities, at cost				
Capital assets, not being depreciated				
Land	\$ 17,300,387	\$ 216,533	\$ -	\$ 17,516,920
Contributed ROW easments	38,811,907	1,601,471	-	40,413,378
Capital projects in process	43,649,100	61,117,148	24,192,048	80,574,200
Total capital assets, not being depreciated	<u>99,761,394</u>	<u>62,935,152</u>	<u>24,192,048</u>	<u>138,504,498</u>
Capital assets, being depreciated				
Infrastructure	319,933,830	12,944,379	-	332,878,209
Building and other improvements	444,770,292	12,961,806	5,000	457,727,098
Equipment and vehicles	130,135,637	12,777,670	8,701,627	134,211,680
Right-to-use lease asset	6,695,558	-	217,494	6,478,064
Subscription Based Information Technology Arrangements	1,738,853	431,842	-	2,170,695
Library collections	7,635,126	322,018	488,254	7,468,890
Total capital assets, being depreciated	<u>910,909,296</u>	<u>39,437,715</u>	<u>9,412,375</u>	<u>940,934,636</u>
Less accumulated depreciation for:				
Infrastructure	157,406,212	6,516,812	-	163,923,024
Buildings and other improvements	211,601,931	16,625,085	4,610	228,222,406
Equipment and vehicles	88,567,033	9,761,727	6,809,679	91,519,081
Right-to-use lease asset	1,771,963	1,777,677	217,494	3,332,146
Subscription Based Information Technology Arrangements	-	921,298	-	921,298
Library collections	3,251,639	446,590	436,960	3,261,269
Total accumulated depreciation	<u>462,598,778</u>	<u>36,049,189</u>	<u>7,468,743</u>	<u>491,179,224</u>
Total capital assets, being depreciated, net	<u>448,310,518</u>	<u>3,388,526</u>	<u>1,943,632</u>	<u>449,755,412</u>
Net capital assets used by governmental activities	<u>548,071,912</u>	<u>66,323,678</u>	<u>26,135,680</u>	<u>588,259,910</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	36,090,686	37,882,970	7,813,921	66,159,735
Contributed ROW Easements	2,073,851	141,794	-	2,215,645
Total capital assets, not being depreciated	<u>40,204,799</u>	<u>38,024,764</u>	<u>7,813,921</u>	<u>70,415,642</u>
Capital assets, being depreciated				
Water rights and contracts	137,642,987	-	-	137,642,987
Buildings and improvements	771,636,071	7,436,849	1,207,941	777,864,979
Equipment and vehicles	4,467,724	108,556	220,641	4,355,639
Total capital assets, being depreciated	<u>913,746,782</u>	<u>7,545,405</u>	<u>1,428,582</u>	<u>919,863,605</u>
Less accumulated depreciation for:				
Water rights and contracts	32,849,638	2,077,838	-	34,927,476
Buildings and improvements	280,073,797	13,898,912	24,153	293,948,556
Equipment and vehicles	3,655,801	146,642	214,709	3,587,734
Total accumulated depreciation	<u>316,579,236</u>	<u>16,123,392</u>	<u>238,862</u>	<u>332,463,766</u>
Total capital assets, being depreciated net	<u>597,167,546</u>	<u>(8,577,987)</u>	<u>1,189,720</u>	<u>587,399,839</u>
Net capital assets used by Water and Sewer	<u>637,372,345</u>	<u>29,446,777</u>	<u>9,003,641</u>	<u>657,815,481</u>
Drainage utility				
Land	87,744	-	-	87,744
Contributed ROW easements	1,501,878	15,322	-	1,517,200
Construction in progress	12,405,162	7,699,375	1,349,115	18,755,422
Total capital assets, not being depreciated	<u>13,994,784</u>	<u>7,714,697</u>	<u>1,349,115</u>	<u>20,360,366</u>
Capital assets, being depreciated				
Building and improvements	17,714,020	1,256,177	-	18,970,197
Equipment and vehicles	67,307	-	-	67,307
Total capital assets, being depreciated	<u>17,781,327</u>	<u>1,256,177</u>	<u>-</u>	<u>19,037,504</u>
Less accumulated depreciation for:				
Building and improvements	1,599,280	378,249	-	1,977,529
Equipment and vehicles	36,918	6,648	930	42,636
Total accumulated depreciation	<u>1,636,198</u>	<u>384,897</u>	<u>930</u>	<u>2,020,165</u>
Total capital assets, being depreciated net	<u>16,145,129</u>	<u>871,280</u>	<u>(930)</u>	<u>17,017,339</u>
Net capital assets used by Drainage utility	<u>30,139,913</u>	<u>8,585,977</u>	<u>1,348,185</u>	<u>37,377,705</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 7 - CAPITAL ASSETS (CONTINUED)

	Balances October 1, 2022	Additions	Deletions	Balances September 30, 2023
Airport	(restated)			
Land	1,670,425	-	-	1,670,425
Construction in progress	11,670,081	5,543,699	218,786	16,994,994
Total capital assets, not being depreciated	<u>13,340,506</u>	<u>5,543,699</u>	<u>218,786</u>	<u>18,665,419</u>
Capital assets, being depreciated				
Building and improvements	179,563,436	1,207,941	-	180,771,377
Equipment and vehicles	8,422,076	217,792	89,155	8,550,713
Total capital assets, being depreciated	<u>187,985,512</u>	<u>1,425,733</u>	<u>89,155</u>	<u>189,322,090</u>
Less accumulated depreciation for:				
Building and improvements	118,666,894	5,504,308	-	124,171,202
Equipment and vehicles	5,655,945	384,863	88,225	5,952,583
Total accumulated depreciation	<u>124,322,839</u>	<u>5,889,171</u>	<u>88,225</u>	<u>130,123,785</u>
Total capital assets, being depreciated net	<u>63,662,673</u>	<u>(4,463,438)</u>	<u>930</u>	<u>59,198,305</u>
Net capital assets used by Airport	77,003,179	1,080,261	219,716	77,863,724
Net capital assets used by business type activities	744,515,437	39,113,015	10,571,542	773,056,910
Government-wide net capital assets	<u>\$ 1,292,587,349</u>	<u>\$ 105,436,693</u>	<u>\$ 36,707,222</u>	<u>\$ 1,361,316,820</u>

Table 4 – Capital Asset Activity

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

Governmental activities	
General government	\$ 40,995
Staff services	2,242,321
Police protection	990,901
Fire protection	1,508,782
Other public safety and health	1,227,466
Streets, traffic and engineering	10,974,313
Culture and recreation	7,987,503
Solid waste services	1,017,566
Transit services	949,507
Total governmental fund departments	<u>26,939,354</u>
Internal service fund depreciation allocable to governmental activities based on predominant usage	<u>9,109,835</u>
Total governmental activities	<u>\$ 36,049,189</u>
Business-type activities	
Water and sewer system	\$ 16,123,392
Drainage utility	384,897
Airport	5,889,171
Total business-type activities	<u>\$ 22,397,460</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, 2023**

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, 2023, is \$50 million. The related amortized cost of these assets is \$22 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 \$12 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, 2023.

Drainage Capital Assets

The Drainage Utility Fund currently has \$18,755,422 in construction in progress as of September 30, 2023. It also had right of way easements of \$1,517,200, equipment and vehicles of \$67,307, infrastructural of \$18,970,197, and land of \$87,744.

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, 2023, the City's governmental activities had a lease receivable of \$7,762,806 and a deferred inflow of resources of \$7,096,768. 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, 2023, the City's business-type activities has a lease receivable of \$14,993,629 and a corresponding deferred inflow of resources of \$14,747,434.

During 2023, the City recognized amortization of deferred outflows as follows:

Inflow of Resources form Leases

Governmental Funds	\$ 345,928
Business - Type Funds	\$ 2,029,642
Discretely Presented Component Units	\$ 652,341

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 8 - LEASES (CONTINUED)

General Description of Leasing Arrangements (Continued)

Inflow of Resources Not Previously Recognized in Lease Receivable

During 2023, 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	\$ 95,564
Business - Type Funds	\$ 4,078,787

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								
	Governmental Activities			Proprietary Activities			Discretely Presented Component Units		
	Principal	Interest	Total Future Min. Lease Payments	Principal	Interest	Total Future Min. Lease Payments	Principal	Interest	Total Future Min. Lease Payments
2024	\$ 285,625	\$ 171,886	\$ 457,511	\$ 1,888,797	\$ 282,261	\$ 2,171,058	\$ 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	253,133	149,867	403,000	395,832	234,366	630,198	555,553	108,659	664,212
2029-2033	1,353,297	661,703	2,015,000	1,917,619	1,044,292	2,961,911	1,333,412	465,183	1,798,595
2034-2038	1,511,802	503,198	2,015,000	2,138,831	816,089	2,954,920	172,020	433,273	605,293
2039-2043	1,688,873	326,127	2,015,000	2,394,274	560,646	2,954,920	191,192	414,101	605,293
2044-2048	1,883,683	128,317	2,012,000	2,680,226	274,694	2,954,920	212,288	393,005	605,293
2049-2053	-	-	-	1,031,735	30,936	1,062,671	236,192	369,101	605,293
2054-2058	-	-	-	-	-	-	262,518	342,775	605,293
2059-2063	-	-	-	-	-	-	291,780	313,513	605,293
2064-2068	-	-	-	-	-	-	324,155	281,138	605,293
2069-2073	-	-	-	-	-	-	360,467	244,826	605,293
2074-2078	-	-	-	-	-	-	400,650	204,643	605,293
2079-2083	-	-	-	-	-	-	445,312	159,981	605,293
2084-2088	-	-	-	-	-	-	494,904	110,389	605,293
2089-2093	-	-	-	-	-	-	550,155	55,138	605,293
2094-2098	-	-	-	-	-	-	236,867	5,246	242,113
	<u>\$7,762,806</u>	<u>\$2,423,742</u>	<u>\$10,186,548</u>	<u>\$14,993,629</u>	<u>\$4,007,730</u>	<u>\$19,001,359</u>	<u>\$8,434,206</u>	<u>\$4,404,078</u>	<u>\$12,838,284</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%.

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

Fund Type

General Fund	\$ 233,861
Internal Service Fund	1,696,145
Discretely Presented Component Units	103,560
Lease Expense (Including Interest)	<u>\$ 2,033,566</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 8 - LEASES (CONTINUED)

Future Lease Payments as of September 30:

Year	<u>Primary Government</u>			<u>Discretely Presented Component Units</u>		
	<u>Governmental Activities</u>					
	<u>Principal</u>	<u>Interest</u>	<u>Total Future Min. Lease Payments</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Future Min. Lease Payments</u>
2024	\$ 1,172,489	\$ 20,887	\$ 1,193,376	\$ 87,129	\$ 10,209	\$ 97,338
2025	792,043	12,137	804,180	88,293	8,981	97,274
2026	764,445	6,120	770,565	76,441	7,770	84,211
2027	31,586	2,841	34,427	78,914	6,564	85,478
2028	15,449	2,551	18,000	379,408	13,560	392,968
2029-2033	81,620	8,380	90,000	-	-	-
2034-2038	48,169	1,331	49,500	-	-	-
	<u>\$ 2,905,801</u>	<u>\$ 54,247</u>	<u>\$ 2,960,048</u>	<u>\$ 710,185</u>	<u>\$ 47,084</u>	<u>\$ 757,269</u>

NOTE 9 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

General Description

The City has several existing arrangements and some new arrangements subject to the requirements of GASB 96. These agreements can be described in groups based on the business unit of the user. The City makes annual payments and the agreements are for varying terms. The SBITA liability is the present value of these payments using the City's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA Asset is measured as the SBITA Liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement. The City Council set a materiality threshold on SBITA arrangements at \$5,000. There was one arrangement below this level with an aggregate annual expenditure of \$40.

The Total Amount of the Subscription Assets and Accumulated Amortization:

	<u>Term in Months</u>	<u>Total Asset Amounts</u>	<u>Total Accumulated Amortization</u>
Governmental Funds:			
General government	13-24	\$ 674,517	\$ 200,880
Internal Service Funds:			
Information Technology	19-24	1,312,715	656,357
Risk Management	34	<u>183,463</u>	<u>64,061</u>
Total Government Activities:		<u>\$ 2,170,695</u>	<u>\$ 921,298</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 9 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
(CONTINUED)

Outflows of Resources:

There was an additional payment for one contract that crossed multiple funds; the General Fund, an Internal Service Fund - Information Technology, a special revenue fund and the Water Sewer Fund for an increase in the number of users and the business unit of the users during this reporting period. The additional expenditures were in approximately \$30,000. This was unknown when the arrangements were made but were known to occur with additional users. These payments were not included in calculating the SBITA liability.

There were no other outflows of resources paid for these SBITA arrangements.

The SBITA Liabilities and associated Principal and Interest Requirements:

	<u>Interest Rate</u>	<u>Beginning Liability</u>	<u>Term in Months</u>	<u>Ending Balance</u>
Governmental Funds:				
General government	2.310% - 3.305%	\$ 166,627	12-60	\$ 332,300
Internal Service Funds:				
Information Technology	3.207% - 3.207%	656,357	19-24	-
Risk Management	3.238%	183,463	34	<u>92,795</u>
Total Government Activities:				<u>\$ 425,095</u>

The future principal and interest SBITA arrangement payments as of fiscal year-end are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Funds:			
<u>Year Ended September 30</u>			
2024	\$ 255,806	\$ 11,498	\$ 267,304
2025	53,785	3,911	57,696
2026	56,387	2,668	59,055
2027	<u>59,117</u>	<u>1,365</u>	<u>60,482</u>
Total Governmental Funds	<u>\$ 425,095</u>	<u>\$ 19,442</u>	<u>\$ 444,537</u>
Governmental Funds:			
<u>Year Ended September 30</u>			
2024	\$ 255,806	\$ 11,498	\$ 267,304

Commitments and Impairments:

There were no additional commitments made before the commencement of the SBITA term(s). There were also no impairments or modifications to be reported during this fiscal year.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 10 - 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, 2023, were as follows:

	<u>TMRS</u>	<u>FRRF</u>	<u>Total</u>
Total pension liability	\$ 536,400,760	\$ 240,469,242	\$ 776,870,002
Fiduciary net position	<u>471,134,542</u>	<u>218,341,194</u>	<u>689,475,736</u>
City's net pension liability (asset)	<u>\$ 65,266,218</u>	<u>\$ 22,128,048</u>	<u>\$ 87,394,266</u>
City's net pension liability (asset) as a percentage of total pension liability	<u>12.17%</u>	<u>90.8%</u>	<u>11.25%</u>
City's deferred outflows of resources	<u>\$ 43,553,514</u>	<u>\$ 25,912,800</u>	<u>\$ 69,466,314</u>
City's deferred inflow of resources	<u>\$ 2,755,804</u>	<u>\$ 4,803,358</u>	<u>\$ 7,559,162</u>
City's pension expense	<u>\$ (1,019,177)</u>	<u>\$ (4,838,120)</u>	<u>\$ (5,857,297)</u>

The City's total payroll for the fiscal year ended September 30, 2023, was \$129,161,817. Covered for the two plans was as follows:

TMRS	\$ 96,396,887
FRRF	<u>23,352,843</u>
Total covered payroll	<u>\$ 119,749,730</u>

Including current employees, annuitants and terminated employees entitled to future benefits, the City had 4,480 members of TMRS and 509 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:

Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 909 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 2023</u>	<u>Plan Year 2022</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, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,358
Inactive employees entitled to but not yet receiving benefits	1,381
Active employees	<u>1,741</u>
Total employees	<u>4,480</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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Texas Municipal Retirement System (TMRS)(Continued)

Contributions (Continued)

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 11.85% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$12,478,297.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2022, 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, 2022, 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, 2022, 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, 2023

NOTE 10 - 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%	7.7%
Core fixed income	6%	4.9%
Non-core fixed income	20%	8.7%
Real estate	12%	8.1%
Other public & private markets	12%	5.8%
Hedge funds	5%	6.9%
Private equity	<u>10%</u>	11.8%
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:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at December 31, 2021	\$ 520,182,536	\$ 523,334,547	\$ (3,152,011)
Changes for the year:			
Service cost	13,767,430	-	13,767,430
Interest	34,433,404	-	34,433,404
Change of benefit terms	-	-	-
Difference between expected and actual experience	208,076	-	208,076
Changes of assumptions	-	-	-
Contributions - employer	-	11,298,569	(11,298,569)
Contributions - employee	-	6,676,964	(6,676,964)
Net investment income	-	(38,048,640)	38,048,640
Benefit payments, including refunds of employee contributions	(32,190,686)	(32,190,686)	-
Administrative expense	-	(329,993)	329,993
Other changes	-	393,781	(393,781)
Net changes	<u>16,218,224</u>	<u>(52,200,005)</u>	<u>68,418,229</u>
Balance at December 31, 2022	<u>\$ 536,400,760</u>	<u>\$ 471,134,542</u>	<u>\$ 65,266,218</u>

Table 5 – TMRS Net Pension Liability

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023**

NOTE 10 - 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:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
City's net pension liability	\$ 131,605,993	\$ 65,266,218	\$ 10,058,326

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, 2023, the City recognized pension expense of \$(1,019,177).

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 147,177	\$ 2,755,804
Changes in actuarial assumptions	-	-
Net difference between projected and actual investment earnings	32,411,382	-
Contributions subsequent to the measurement date	<u>10,994,955</u>	<u>-</u>
Total	<u>\$ 43,553,514</u>	<u>\$ 2,755,804</u>

The \$10,994,955 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, 2024. 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,

2024	\$ (1,030,681)
2025	7,371,134
2026	8,770,011
2027	<u>14,692,291</u>
Total	<u>\$ 29,802,756</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 10 - 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, 2023**

NOTE 10 - 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, 2022, the measurement date, are as follows:

Active:	
Vested	50
Nonvested	<u>223</u>
	<u>273</u>
Terminated:	
Nonvested	-
Retired:	
Vested	4
Pensioners:	
Service retirement	195
Disability retirement	6
Spouses/children	<u>31</u>
	<u>232</u>
Total participants	<u><u>509</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%, 20.32%, and 20.82% starting January 1, 2020, 2021 and 2022 respectively. 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

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Contributions (Continued)

January 1, 2021 and 14% as of January 1, 2022. 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 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, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial report as of December 31, 2022.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2022, 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%

Changes in Assumptions

There were no changes in Actuarial Assumptions.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 10 - 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, 2022 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, 2021	\$ 231,961,233	\$ 262,228,770	\$ (30,267,537)
Changes for the year:			
Service cost	5,252,913	-	5,252,913
Interest	17,265,665	-	17,265,665
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	4,862,719	(4,862,719)
Contributions - employee	-	3,269,398	(3,269,398)
Net investment income	-	(38,175,486)	38,175,486
Gain or (Loss) due to difference in projected vs. actual earnings	-	-	-
Benefit payments, including refunds of employee contributions	(14,010,569)	(14,010,569)	-
Administrative expense	-	(144,607)	144,607
Other changes	-	310,969	(310,969)
Net changes	8,508,009	(43,887,576)	52,395,585
Balance at December 31, 2022	\$ 240,469,242	\$ 218,341,194	\$ 22,128,048

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>\$ 51,461,334</u>	<u>\$ 22,128,048</u>	<u>\$(2,348,679)</u>

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023**

NOTE 10 - 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, 2023, the City recognized pension expense of \$(4,838,120).

At September 30, 2023, 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	\$ 1,038,312	\$ 4,570,949
Changes in actuarial assumptions	5,497,548	232,409
Net difference between projected and actual investment earnings	15,389,138	-
Contributions subsequent to the measurement date	<u>3,987,802</u>	<u>-</u>
Total	<u>\$ 25,912,800</u>	<u>\$ 4,803,358</u>

The \$3,987,802 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,

2024	\$ (2,750,295)
2025	2,282,190
2026	6,372,898
2027	11,425,676
2028	(155,864)
Thereafter	<u>(52,965)</u>
Total	<u>\$ 17,121,640</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, 2023

NOTE 10 - 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 11 - 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 10. 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, 2022, 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, 2023**

NOTE 11 - 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 – \$ 1,607.42
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, 2023

NOTE 11 -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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (16.27)%. 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, 2023, were as follows:

Total OPEB Liability	\$ 77,423,809
OPEB Plan Fiduciary Net Position	<u>31,005,635</u>
Net OPEB Liability	<u>\$ 46,418,174</u>
Plan Fiduciary Net Position as a percentage of The Total OPEB Liability	40.05%

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Bank Insured Deposit/Cash	0.61%
Equities	48.97%
Mutual Funds	<u>50.42%</u>
	<u>100.00%</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2022 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, 2022
Fiscal year end	September 30, 2023
Benefits valued	Medical and prescription drug benefits, and HRA benefits
Long-term rate of return	6.50%
Muni-Bond (unfunded) rate	4.05%
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, 2023

NOTE 11 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in Assumptions and Methods since Prior Valuation (Continued)

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of September 30, 2022	\$ 74,441,419	\$ 33,853,842	\$ 40,587,577
Changes for the year:			
Service cost	2,313,335	-	2,313,335
Interest on the total OPEB liability	4,853,078	-	4,853,078
Changes of benefits	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Employer contributions	-	7,078,945	(7,078,945)
Plan member contributions	-	-	-
Net investment income	-	(5,738,496)	5,738,496
Benefit payments, including employee refunds	(4,184,023)	(4,184,023)	-
Administrative expense	-	-	-
Other changes	-	(4,633)	4,633
Net changes	2,982,390	(2,848,207)	5,830,597
Balances as of September 30, 2023	\$ 77,423,809	\$ 31,005,635	\$ 46,418,174

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	\$ 39,275,862	\$ 46,418,173	\$ 54,592,358

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	\$ 54,431,097	\$ 46,418,173	\$ 39,695,071

The net OPEB liability was measured as of December 31, 2022, 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, 2023, the City recognized total OPEB expense of \$(1,260,990).

At September 30, 2023, the City reported its collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 11 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 1,137,330	\$ 248,464
Changes in actuarial assumptions	4,545,373	3,926,028
Net differences between projected and actual investment earnings	<u>4,407,569</u>	<u>-</u>
Total as of measurement date	\$ 10,090,272	\$ 4,174,492
Contributions paid to subsequent to the measurement date	<u>2,424,352</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 12,514,624</u>	<u>\$ 4,174,492</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,

2024		\$ 772,046
2025		1,236,020
2026		960,919
2027		2,266,850
2028		<u>679,945</u>
Total		<u>\$ 5,915,780</u>

Payable to OPEB Plan

At September 30, 2023, the City reported no payable for the outstanding amount of contributions to the Plan required for the year ended September 30, 2023.

Financial Statements

The Plan does not publish separate financial statements. Below are the September 30, 2023 PEB Trust's condensed financial statements. Further information regarding the Plan, including the most recent actuarial study, may be obtained from the Finance Director, City of Amarillo.

Assets

Cash and cash equivalents	\$ 189,116
Investments, at fair value	<u>30,862,161</u>

Total Assets \$ 31,051,277

Net Position

Net position restricted for OPEB	\$ <u>31,051,277</u>
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Total Net Position \$ 31,051,277

Additions

Employer - Contributions	\$ <u>7,243,378</u>
Total Contributions	<u>7,243,378</u>
Investment Income:	
Net Appreciation (Depreciation) in Fair Value of Investments	(6,680,564)
Interest, Dividends, and Other Investment Income	<u>933,619</u>
Total Investment Income	(5,746,945)
Less Investment Expenses	<u>160,173</u>
Net Investment Income	<u>(5,907,118)</u>
Total additions	<u>1,336,260</u>

Deductions

Benefits paid	4,184,023
Total deductions	<u>4,184,023</u>
Change in net position	<u>(2,847,763)</u>

Net Position, Beginning of Year 33,899,040

Net Position, End of Year \$ 31,051,277

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 12 – 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 \$780,775 of its available Fund Balance in the City's 2023-24 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, 2023, 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, 2023	City's Remaining Committed
Governmental activities					
Street improvements	\$ 27,650,488	\$ 30,667,651	\$ 3,651,578	\$ 616,627	\$ 17,788
General construction	103,660,308	113,916,720	102,503,062	33,516,412	58,730,238
Solid waste improvements	10,951,727	-	-	3,625,857	7,325,870
Civic Center improvements	15,424,253	4,598,994	1,972,919	5,198,545	7,599,633
GO Bond Construction	52,364,313	5,945,941	4,445,941	34,202,985	16,661,328
Total - governmental fund activities	<u>210,051,089</u>	<u>155,129,306</u>	<u>112,573,500</u>	<u>77,160,426</u>	<u>90,334,857</u>
Internal service fund projects					
Information services	7,925,468	10,508,184	8,084,968	1,034,709	4,467,543
Fleet services	5,026,288	4,000,000	4,004,990	225,000	4,806,278
Total - all governmental-type activities	<u>223,002,845</u>	<u>169,637,490</u>	<u>124,663,458</u>	<u>78,420,135</u>	<u>99,608,678</u>
Business-type activities					
Water and sewer system improvements	244,447,141	33,603,554	21,634,289	73,973,653	158,504,223
Airport	29,689,500	19,703,470	12,280,058	17,101,013	5,165,075
Drainage utility	41,524,408	8,878,576	1,142,341	<u>18,751,046</u>	15,037,127
Total - all business-type activities	<u>315,661,049</u>	<u>62,185,600</u>	<u>35,056,688</u>	<u>109,825,712</u>	<u>178,706,425</u>
Total - all city project	<u>\$ 538,663,894</u>	<u>\$ 231,823,090</u>	<u>\$ 159,720,146</u>	<u>\$ 188,245,847</u>	<u>\$ 278,315,103</u>

Table 7 – Unfinished Construction Projects

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 12 - 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 2023, there was approximately \$105,000 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. The Colonies Public Improvement District has approximately \$28,000 of unreimbursed costs to the developer for enhanced amenities. The City issued Certificates of Obligations during 2023 to reimburse the developer for enhancements.

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. The Pinnacle PID has approximately \$2.5 million of unreimbursed costs to the developer for enhancements. 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, 2023.

The City has committed \$247,600 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, 2023 and 2022, were \$794,828 and \$753,112, respectively. Refunds to date total \$4,133,276. 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 12 - COMMITMENTS (CONTINUED)

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.

In March 2023, the City issued \$4.6 million in additional Hotel Occupancy Tax Revenue Bonds to complete renovations at the MPEV to meet Major League Baseball requirements. A third amendment to the MPEV lease agreement was approved in January 2024 allowing the City to pay \$175,000 of this annual debt service from a portion of the annual MPEV capital improvement and Maintenance Reserve Fund. The remaining debt service will be paid from the City's HOT allocation and CVB's HOT allocation.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 12 - 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 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. HOT revenues were down 4% in 2022/2023. Average increases over the previous ten years have been over 5% even with the 4% decrease in 2022/2023, 25% decrease in 2019/2020 and a 3% decrease in 2016/2017. These are the only three years in this period that reflect a decrease.

NOTE 13 - 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 \$75,000 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 \$1,565,000 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, 2023

NOTE 13 - 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 \$660,000 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 \$650,000 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 \$140,000 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, 2023

NOTE 13 - 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 \$140,000 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 \$500,000 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 \$1,555,000 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, 2023

NOTE 13 - 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 \$4,700,000 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 4.00% to 5.00% and in amounts ranging from \$1,015,000 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 3.00% to 3.625%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$110,000 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 \$125,000 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.

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

Special Assessment Debt (Continued)

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 \$15,000 to \$200,000 and provide an interest rate 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.

Certificates of Obligation, Series 2023

On January 1, 2023, the City issued \$9,825,000 of Combination Tax and Revenue Certification of Obligation for the purpose of acquiring, constructing, and improving landfill and park facilities. Interest is payable in semi-annual installments which will begin February 15, 2024, at rates ranging from 4.00% to 5.00%, and the serial bonds mature annually to February 15, 2043 in amounts ranging from \$90,000 to \$740,000. 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 the 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 3.07% to 4.25% and are subject to mandatory redemption in annual amounts ranging from \$355,000 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 3.40% to 4.40% and are subject to mandatory redemption in annual amounts ranging from \$870,000 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, 2023

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

Special Assessment Debt (Continued)

Hotel Occupancy Tax Revenue Bonds, Taxable Series 2023

On March 15, 2023, the City issued the Hotel Occupancy Tax Revenue Bonds, Taxable Series 2023 (Series 2023) in the amount of \$4,575,000 to construct, improve, enlarge, and equip municipal buildings. Debt service is to be funded by the Hotel Occupancy Tax. Principal and interest are payable annually at rates ranging from 5.00% to 5.406% and are subject to mandatory redemption in annual amounts ranging from \$70,000 to \$365,000. Final maturity is August 15, 2043.

Summary of changes in the governmental activities debt for the year ended September 30, 2023, is as follows:

	Tax Supported Debt	Special Assessment Debt and Other Revenue Sources	Total Government Activities Debt
Principal balances outstanding, October 1, 2022	\$ 156,906,000	\$ 61,445,000	\$ 218,351,000
New bond issue	-	14,400,000	14,400,000
Principal maturities	(10,153,000)	(2,395,000)	(12,548,000)
Balances September 30, 2023	146,753,000	73,450,000	220,203,000
Balance of unamortized discount/premium	7,913,249	1,501,079	9,414,328
Net balances, September 30, 2023	<u>\$ 154,666,249</u>	<u>\$ 74,951,079</u>	<u>\$ 229,617,328</u>

At September 30, 2023, the required debt service reserved fund was \$384,732. The amount available in this account was \$835,157.

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 \$420,000 to \$495,000 and provide for interest rates ranging from 1.68% 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

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 \$830,000 to \$950,000 and provide for interest rates ranging from 0.77% 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.

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 \$1,425,000 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 0.83% 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 \$600,000 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, 2023

NOTE 13 - 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 \$820,000 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 \$2,245,000 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 \$1,125,000 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, 2023**

NOTE 13 - 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.

Water and Sewer Revenue Bonds, Series 2023

On January 1, 2023, the City of Amarillo, Texas issued the Waterworks and Sewer System New Series Revenue Bonds, Series 2023 in the amount of \$42,920,000 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 October 1, 2023, at rates ranging from 4.00% to 5.00%. The serial bonds mature annually through 2043 in amounts ranging from \$1,250,000 to \$3,255,000. The City reserved the right to redeem the bonds with maturities on or after April 1, 2033, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2032 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, 2023, is as follows:

Principal outstanding, October 1, 2022	\$ 229,180,000
New Issues	42,920,000
Principal maturities	<u>(16,015,000)</u>
Principal outstanding, September 30, 2023	256,085,000
Unamortized redemption premium	<u>15,296,420</u>
Net balances, September 30, 2023	<u>\$ 271,381,420</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 2023/2024 obligation is \$8,403,664. At September 30, 2023, the amount available in this account was \$9,978,050.
- 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, 2023, the combined requirement amounted to \$3,081,439, and the amount available in this account was \$3,373,063.

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, 2023

NOTE 13 - 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, 2023. The City has maintained its tax-exempt status during 2023.

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 December 20, 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 2023.

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, 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, 2023. The City's portion of the principal payments for the 2017 issue range from \$341,216 to \$558,539.

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, 2023, 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%.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

CRMWA, 2020 Revenue Refunding Issuance (Continued)

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, 2023, 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%.

CRMWA, 2023 Revenue Refunding Issuance

During 2015, CRMWA issued a Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 with the City's proportionate share of \$5,560,338 for the partial refunding of the 2006 CRMWA Contract Revenue Series. During 2023, the 2014 CRMWA issue was refunded with the 2023 refunding issue. The refunding resulted in an economic gain of \$430,579 with Amarillo's share at \$174,905. At September 30, 2023, the City's proportionate share of the 2023 issue is \$5,008,569. The City's portion of the principal payments for the 2023 issue range from \$1,161,761 to \$1,281,593 with an interest rate ranging of 5.00%.

A summary of changes in the City's CRMWA debt for the year ended September 30, 2023, is reflected in the following table:

Principal outstanding, October 1, 2022	\$ 31,553,792
New issues	4,208,336
Debt refunded	(4,378,944)
Principal maturities	<u>(6,296,941)</u>
Principal outstanding, September 30, 2023	25,086,243
Unamortized redemption discount/premium	<u>3,898,459</u>
Net balances, September 30, 2023	<u>\$ 28,984,702</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 \$265,000 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, 2023**

NOTE 13 - 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 \$290,000 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 \$380,000 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 \$390,000 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.

Drainage Revenue Bonds, Series 2023

On January 1, 2023, the City issued the City of Amarillo, Texas, Drainage Utility System Revenue Bonds, Series 2023 (Series 2023 Bonds) in the amount of \$4,675,000. The Series 2023 Bonds mature annually thru 2042 with principal payments ranging from \$100,000 to \$400,000 and provide for interest rates ranging from 4.00% to 5.00%. The City reserved the right to redeem the bonds with maturities on or after August 15, 2033, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2032, 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, 2023, is as follows:

Principal outstanding, October 1, 2022	\$ 24,365,000
New issue	4,675,000
Principal maturities	<u>(1,485,000)</u>
Principal outstanding, September 30, 2023	27,555,000
Unamortized redemption premium	<u>2,153,518</u>
Net balances, September 30, 2023	<u>\$ 29,708,518</u>

On December 20, 2022, Standard & Poor's Rating Services assigned a rating of AA+ and an outlook of stable on the City of Amarillo, Texas Drainage Utility Revenue Bonds.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

Summary Information - Long-Term Bonds and Contracts

Bond issues outstanding at September 30, 2023, are summarized in Table 8 below.

	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Principal Amount Outstanding</u>	<u>Annual Principal Installments</u>
City of Amarillo indebtedness				
General Obligation debt				
Payable from tax revenues				
Recovery Zone Build America Bonds, Series 2010	5.81%	2030	\$ 568,000	\$ 75,000 = \$ 88,000
General Obligation Refunding Bonds, Series 2017	4.00%	2027	6,640,000	1,565,000 = 1,760,000
Certificates of Obligation, Series 2017	3.00 - 3.50%	2037	3,980,000	140,000 = 620,000
General Obligation Bonds, Series 2017	3.00 - 5.00%	2042	18,130,000	660,000 = 1,270,000
General Obligation Bonds, Series 2018	3.00 - 5.00%	2043	19,395,000	650,000 = 1,325,000
General Obligation Bonds, Series 2020	2.00 - 5.00%	2045	7,770,000	140,000 = 485,000
Certificates of Obligation, Series 2020	2.00 - 5.00%	2050	7,655,000	140,000 = 400,000
Tax Notes, Series 2020	2.00 - 3.00%	2027	2,090,000	500,000 = 545,000
General Obligation Bonds, Series 2021	2.00 - 4.00%	2046	50,690,000	1,555,000 = 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	19,370,000	4,700,000 = 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	3.00 - 3.625%	2034	1,415,000	55,000 = 155,000
Combination tax/revenue certificates of obligation, Series 2018	3.00 - 4.00%	2038	2,450,000	125,000 = 205,000
General Obligation Refunding Bonds, Series 2020	2.00%	2028	765,000	135,000 = 170,000
Combination tax/revenue certificates of obligation, Series 2021	1.00 - 3.00%	2041	905,000	40,000 = 60,000
Combination tax/revenue certificates of obligation, Series 2023	4.00 - 5.00%	2043	3,960,000	-
Payable from other sources				
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2037	2,435,000	150,000 = 200,000
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2032	1,135,000	115,000 = 140,000
Tax Notes, Series 2022B - Purpose 1	3.00 - 5.00%	2029	3,225,000	475,000 = 605,000
Combination tax/revenue certificates of obligation, Series 2023	4.00 - 5.00%	2043	5,865,000	-
Hotel occupancy tax revenue bonds, Series 2016	2.93 - 4.25%	2043	10,350,000	355,000 = 740,000
Hotel occupancy tax revenue bonds, Series 2018	3.20 - 4.40%	2048	36,370,000	870,000 = 2,305,000
Hotel occupancy tax revenue bonds, Series 2023	4.696 - 5.406%	2043	4,575,000	70,000 = 365,000
Waterworks and Sewer Bonds				
2014 revenue issuance	1.68 - 2.62%	2033	4,565,000	420,000 = 495,000
2015 revenue issuance	0.77 - 1.59%	2035	10,580,000	830,000 = 950,000
2015A revenue refunding issuance	3.00 - 4.00%	2032	8,570,000	375,000 = 1,730,000
2017 revenue issuance	3.00 - 5.00%	2037	23,585,000	1,425,000 = 2,035,000
2018A revenue issuance	0.83 - 1.60%	2038	9,570,000	585,000 = 705,000
2018B revenue issuance	4.00 - 5.00%	2038	11,745,000	600,000 = 975,000
2020 revenue issuance	0.00%	2040	24,225,000	1,425,000 = 1,425,000
2020A revenue issuance	2.00 - 3.00%	2031	7,375,000	820,000 = 1,040,000
2021 revenue issuance	2.00 - 4.00%	2041	23,845,000	1,105,000 = 1,565,000
2022 revenue issuance	4.00 - 5.00%	2042	51,540,000	450,000 = 3,990,000
2023 revenue issuance	4.00 - 5.00%	2043	42,920,000	1,250,000 = 3,255,000
Combination tax/revenue certificates of obligation, Series 2009C	0.00%	2031	7,240,000	905,000 = 905,000
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2029	30,325,000	3,275,000 = 5,630,000
Drainage Bonds				
2014 revenue issuance	3.00 - 3.75%	2034	3,775,000	290,000 = 410,000
2020 revenue issuance	2.00 - 5.00%	2040	8,190,000	380,000 = 550,000
Combination tax/revenue certificates of obligation, Series 2012A	2.00%	2032	2,610,000	265,000 = 320,000
2021 revenue issuance	2.00 - 4.00%	2041	8,500,000	390,000 = 540,000
2023 revenue issuance	4.00 - 5.00%	2042	4,480,000	100,000 = 400,000
Total City of Amarillo issuances			503,843,000	
Canadian River Water Authority indebtedness				
2017 refunding issuance	3.00 - 5.00%	2029	2,555,569	341,216 = 558,538
2020 refunding issuance	4.00 - 5.00%	2031	13,966,166	742,233 = 2,193,147
2021 refunding issuance	1.75 - 5.00%	2025	4,330,446	1,364,693 = 3,229,549
2023 refunding issuance	5.00%	2027	4,234,062	1,161,761 = 1,342,524
Total City share of Water Authority indebtedness			25,086,243	
Total bond issues outstanding			\$ 528,929,243	

Table 8 – Description of Individual Bond Issues Outstanding

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 13 - 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
2024	\$ 11,190,000	\$ 4,179,078	\$ 1,270,000	\$ 1,047,545	\$ 15,315,000	\$ 7,936,766	\$ 6,563,746	\$ 1,123,441
2025	11,542,000	3,815,355	1,535,000	775,732	18,285,000	7,341,150	4,590,804	856,462
2026	11,923,000	3,432,996	1,580,000	715,332	18,905,000	6,828,764	3,659,947	658,085
2027	12,316,000	3,036,478	1,635,000	652,407	19,325,000	6,294,674	2,890,321	479,124
2028	5,148,000	2,689,513	1,700,000	586,807	18,475,000	5,743,565	2,396,974	343,795
2029-2033	25,334,000	10,761,569	5,920,000	2,150,401	68,460,000	21,894,991	4,984,451	386,048
2034-2038	27,870,000	7,170,249	4,930,000	1,148,823	59,750,000	11,938,827	-	-
2039-2043	29,720,000	3,253,117	3,585,000	357,600	37,570,000	3,576,100	-	-
2044-2048	10,920,000	496,769	-	-	-	-	-	-
2049-2053	790,000	20,869	-	-	-	-	-	-
	<u>\$ 146,753,000</u>	<u>\$ 38,855,993</u>	<u>\$ 22,155,000</u>	<u>\$ 7,434,647</u>	<u>\$ 256,085,000</u>	<u>\$ 71,554,837</u>	<u>\$ 25,086,243</u>	<u>\$ 3,846,955</u>

For the Year Ended September 30,	Drainage Debt		Hotel Occupancy Tax Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,425,000	\$ 845,944	\$ 1,295,000	\$ 2,262,193	\$ 37,058,746	\$ 17,394,967
2025	1,470,000	800,144	1,410,000	2,146,155	38,832,804	15,734,998
2026	1,515,000	752,644	1,465,000	2,095,275	39,047,947	14,483,096
2027	1,570,000	699,444	1,520,000	2,040,835	39,256,321	13,202,962
2028	1,625,000	644,194	1,580,000	1,981,484	30,924,974	11,989,358
2029-2033	8,725,000	2,310,019	8,900,000	8,895,391	122,323,451	46,398,419
2034-2038	7,020,000	1,104,925	10,950,000	6,842,619	110,520,000	28,205,443
2039-2043	4,205,000	251,200	13,590,000	4,209,974	88,670,000	11,647,991
2044-2048	-	-	10,585,000	1,437,260	21,505,000	1,934,029
2049-2053	-	-	-	-	790,000	20,869
	<u>\$ 27,555,000</u>	<u>\$ 7,408,514</u>	<u>\$ 51,295,000</u>	<u>\$ 31,911,186</u>	<u>\$ 528,929,243</u>	<u>\$ 161,012,132</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, 2023

NOTE 13 - 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, 2023, under the annual leave policy was \$11,652,897, compensated time policy was \$1,741,868, and under the sick leave policy was \$9,159,734, and under the individual health retirement account policy was \$2,680,629.

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

	Governmental Funds	Proprietary Funds
Balances at October 1, 2022	\$ 25,204,976	\$ 1,372,480
Terminations paid	(2,010,658)	(245,006)
Leave accrued	<u>504,219</u>	<u>409,144</u>
Balances at September 30, 2023	<u>\$ 23,698,537</u>	<u>\$ 1,536,618</u>

Of the above obligations, \$2,060,468 in the Government Funds and \$211,500 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, 2023, was \$-0-; \$687,785 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, 2023

NOTE 13 - 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 32.9% of the revised capacity was filled at September 30, 2023, and that the landfill has a projected remaining life of approximately 109 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 29,511,586 cubic yards at September 30, 2023, 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	\$ 4,602,948
Cost of post-closure care and monitoring	<u>1,381,772</u>
Total estimated accrued liability	<u>\$ 5,984,720</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, 2023

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

Long-term liabilities activity for the year ended September 30, 2023, was as follows:

	Balance Sept. 30, 2022 (restated)	Amortization/ Accretion	Additions	Reductions	Balance Sept. 30, 2023	Due Within One Year
Bonds payable:						
Governmental activities						
General obligation bonds	\$ 151,735,000	\$ -	\$ -	\$ (9,530,000)	\$ 142,205,000	\$ 10,550,000
Recovery Zone Build America bonds	641,000	-	-	(73,000)	568,000	75,000
Tax-supported certificates of obligation	4,530,000	-	-	(550,000)	3,980,000	565,000
Unamortized offering premium	9,080,003	(486,582)	820,907	-	9,414,328	-
Special assessment and other debt	61,445,000	-	14,400,000	(2,395,000)	73,450,000	2,565,000
Total governmental activities	<u>227,431,003</u>	<u>(486,582)</u>	<u>15,220,907</u>	<u>(12,548,000)</u>	<u>229,617,328</u>	<u>13,755,000</u>
Business-type activities						
Water & sewer bonds	229,180,000	-	42,920,000	(16,015,000)	256,085,000	15,315,000
Premium on Water & sewer bonds	12,241,974	(701,989)	3,756,435	-	15,296,420	-
Water authority obligations	31,553,792	-	4,208,336	(10,675,885)	25,086,243	6,563,747
Premium on Water authority obligations	5,174,469	-	239,136	(1,515,146)	3,898,459	-
Drainage Utility bonds	24,365,000	-	4,675,000	(1,485,000)	27,555,000	1,425,000
Premium on Drainage Utility bonds	1,839,731	(97,753)	411,540	-	2,153,518	-
Total business-type activities	<u>304,354,966</u>	<u>(799,742)</u>	<u>56,210,447</u>	<u>(29,691,031)</u>	<u>330,074,640</u>	<u>23,303,747</u>
Total	<u>531,785,969</u>	<u>(1,286,324)</u>	<u>71,431,354</u>	<u>(42,239,031)</u>	<u>559,691,968</u>	<u>37,058,747</u>
Other liabilities:						
Governmental activities						
Compensated absences	25,204,976	-	504,219	(2,010,658)	23,698,537	2,060,468
Self-insurance liability	21,402,314	-	-	(2,940,698)	18,461,616	4,829,575
Right-to-use lease liability	4,785,503	(2,671,745)	792,043	-	2,905,801	1,172,489
Right-to-use SBITA liability	1,006,448	-	404,427	(985,780)	425,095	255,806
Provision for landfill and postclosure care costs	5,194,715	-	790,005	-	5,984,720	-
Net OPEB liability	34,190,974	-	6,040,888	(1,129,192)	39,102,670	-
Net pension liability (asset)	(33,075,380)	-	111,577,353	-	78,501,973	-
Total governmental activities	<u>58,709,550</u>	<u>(2,671,745)</u>	<u>120,108,935</u>	<u>(7,066,328)</u>	<u>169,080,412</u>	<u>8,318,338</u>
Business-type activities						
Compensated absences	1,372,480	-	409,144	(245,006)	1,536,618	211,500
Other accrued expenses	2,520,032	-	-	(16,961)	2,503,071	-
Net OPEB liability	6,396,603	-	1,130,157	(211,256)	7,315,504	-
Net pension liability (asset)	(344,168)	-	9,236,461	-	8,892,293	-
Total business-type activities	<u>9,944,947</u>	<u>-</u>	<u>10,775,762</u>	<u>(473,223)</u>	<u>20,247,486</u>	<u>211,500</u>
Total	<u>68,654,497</u>	<u>(2,671,745)</u>	<u>130,884,697</u>	<u>(7,539,551)</u>	<u>189,327,898</u>	<u>8,529,838</u>
Total long-term liabilities	<u>\$ 600,440,466</u>	<u>\$ (3,958,069)</u>	<u>\$ 202,316,051</u>	<u>\$ (49,778,582)</u>	<u>\$ 749,019,866</u>	<u>\$ 45,588,585</u>

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

NOTE 14 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following tabulation reflects the composition of interfund balances at September 30, 2023.

<u>Receivable Fund</u>		<u>Payable Funds</u>	
General Fund	\$ 1,617,419	Nonmajor Govt. Funds	\$ 1,267,419
		COVID-19 Relief	350,000
	<u>\$ 1,617,419</u>		<u>\$ 1,617,419</u>
Nonmajor Govt. Funds	\$ 43,568	Nonmajor Govt. Funds	\$ 42,050
		General Fund	1,518
	<u>\$ 43,568</u>		<u>\$ 43,568</u>
Internal Service Funds	\$ 188,665	Internal Service	\$ 172,450
		General Fund	16,215
	<u>\$ 188,665</u>		<u>\$ 188,665</u>
Proprietary Fund	\$ 34,990	Nonmajor Govt. Funds	\$ 34,990
	<u>\$ 34,990</u>		<u>\$ 34,990</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 14 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

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:

<u>Transfers To Fund</u>		<u>Transfers From Fund</u>	
General Fund	\$ 24,919,714	General Construction Fund	\$ 16,040,123
		Internal Service	194,996
		Nonmajor Govt. Funds	<u>8,684,595</u>
	<u>\$ 24,919,714</u>		<u>\$ 24,919,714</u>
General Construction Fund	\$ 9,148,035	Nonmajor Govt. Funds	\$ 3,476,220
		COVID-19 Relief Fund	56,888
		General Fund	3,449,920
		Internal Service	<u>2,165,007</u>
	<u>\$ 9,148,035</u>		<u>\$ 9,148,035</u>
COVID-19 Relief Fund	<u>\$ 2,351,542</u>	Internal Service Fund	<u>\$ 2,351,542</u>
	<u>\$ 2,351,542</u>		<u>\$ 2,351,542</u>
Nonmajor Govt. Funds	\$ 3,491,500	General Fund	\$ 8,521
		Nonmajor Govt. Funds	1,507,213
		Internal Service	<u>1,975,766</u>
	<u>\$ 3,491,500</u>		<u>\$ 3,491,500</u>
Proprietary Funds	\$ 3,344,554	Nonmajor Govt. Funds	\$ 3,032,978
		Internal Service	<u>311,576</u>
	<u>\$ 3,344,554</u>		<u>\$ 3,344,554</u>
Internal Service	\$ 621,035	Nonmajor Govt. Funds	\$ 620,282
		General Fund	<u>753</u>
	<u>\$ 621,035</u>		<u>\$ 621,035</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 15 - 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, 2023

NOTE 15 - 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, 2023, and for its fiscal year then ended, reflect the following:

Assets	
Cash and cash equivalents	\$ 22,831,692
Due from member cities and other receivable	14,546,083
Inventory	2,003,505
Debt Service Funds	
Restricted cash and cash equivalents	11,370,801
Due from cities	47,219,011
Land	5,931,961
Property, plant and equipment, net of accumulated depreciation	313,286,823
Liabilities and Deferred Revenues	
Current liabilities	17,500,054
Noncurrent liabilities	63,649,789
Deferred Inflows of Resources	
Deferred revenue from refunding	<u>5,173,135</u>
Net Position	<u>\$ 330,866,898</u>
Operating Revenues	
User assessments for operations	\$ 18,509,960
Operating Expenses	(20,332,786)
Nonoperating Revenue (Expense)	
Net contributions from member cities	365,939
Nonoperating revenues (expenses)	<u>3,924,758</u>
	<u>4,290,697</u>
Net Increase (Decrease) in Net Position	<u>\$ 2,467,871</u>

CRMWA's debt service consists of approximately \$79 million related to the underground water project. The CRMWA's annual debt services requirements, including interest, range from \$5.5 million to \$16.8 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 \$25 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, 2023

NOTE 15 - 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 16 - 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, 2023, the Consortium served over 100 libraries. The condensed financial statements of the Consortium at September 30, 2023, and for the year then ended are summarized in the table below.

Balance Sheet	
Cash and other assets, net	\$ 583,037
Current liabilities	<u>(30,693)</u>
Net position	<u>\$ 552,344</u>
Revenues	
Operating revenues	\$ 407,943
Nonoperating revenues (expense)	<u>38,279</u>
Total revenues	446,222
Expenses	
Operating expenses	<u>(429,015)</u>
Change in net position	<u>\$ (17,207)</u>

NOTE 17 - 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, 2023

NOTE 17 - 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 minimum \$1,000,000. 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 \$2 million per occurrence for any employee classified under code 7704 described as Firefighters and Drivers or code 7720 described as Police Officers and Drivers, and a self-insurance retention of \$1.5 million per occurrence for all others. The Excess Workers' Compensation and Employers' Liability Indemnity Policy was purchased to cover a major accident. Historically, the City has had one claim from 2003 that exceeded \$1 million self-insurance retention. The City had 1 claim from 2005 that exceeded \$1.5 million self-insurance retention.

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 17 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

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 estimated current liability at September 30, 2023, related to incurred but not reported (IBNR) claims was \$1,774,751. 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>2023</u>	<u>2022</u>
Estimated liabilities at beginning of year	\$ 2,025,060	\$ 1,947,441
Claims during year and changes in estimates	23,256,068	25,584,530
Payments during year	<u>(23,506,377)</u>	<u>(25,506,911)</u>
Estimated liabilities at end of year	<u>\$ 1,774,751</u>	<u>\$ 2,025,060</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, 2023. 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, 2023, to be \$16,686,865.

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>2023</u>	<u>2022</u>
Estimated liability at beginning of year	\$ 19,377,254	\$ 19,046,728
Claims during year and changes in estimates	1,119,099	3,895,204
Payments during year	<u>(3,809,488)</u>	<u>(3,564,678)</u>
Estimated liability at end of year	<u>\$ 16,686,865</u>	<u>\$ 19,377,254</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, 2023.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 17 - 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 and in during 2023 the City recovered \$5,000,000. In January 2024, the City purchased property to facilitate all the necessary remediation and abandonment for this stage of the project. The remediation plan is anticipated to be approved by the TCEQ later in 2024. The abandonment project will occur after the TCEQ approval and is anticipated to be completed in 2025.

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, 2023**

NOTE 17 - 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. The City has an ongoing agency audit and investigation in which they have accrued an estimated agency refund of approximately \$465,000. As of February 27, 2024, the agency audit and investigation has not been completed, nor has an amount been requested for refund. The amount accrued is based on the City’s most conservative estimate of potential loss.

NOTE 18 - 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 19 - 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 \$679,849 in fiscal year 2023.
- 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, 2023

NOTE 19 - TAX ABATEMENTS AND ECONOMIC INCENTIVES (CONTINUED)

offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. For fiscal year 2023, the City rebated \$794,828 in hotel taxes and \$55,528 in sales tax.

- Tax Increment Financing – The City has adopted three 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 2023, the City made \$654,154 in payments for TIF obligations, \$50,000 in incentive payments and \$630,958 in property tax rebates from general TIF resources.

NOTE 20 - 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.

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

The District follows GASB Statement No. 87, *Leases*.

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, 2023

NOTE 20 - 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, 2023, 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 \$11.9 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, 2023, are as follows:

	Fair Value		Total	Weighted Average Maturity (Years)
	Unrestricted Assets	Restricted Assets		
Investment Securities				(excluding securities lending)
U.S. Treasury obligations	\$ 25,101,636	\$ -	\$ 25,101,636	1.66
U.S. Government and government-sponsored agencies	80,810,191	-	80,810,191	4.90
Municipal bonds	9,614,433	-	9,614,433	0.58
Total investment securities	115,526,260	-	115,526,260	7.14
No-load U.S. Treasury-only mutual funds	944,408	4,138,244	5,082,652	-
Total investments	116,470,668	4,138,244	120,608,912	7.14
Deduct: Cash equivalents	(944,408)	(4,138,244)	(5,082,652)	-
Net investments for financial reporting	\$ 115,526,260	\$ -	\$ 115,526,260	7.14

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 20 - 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 2023, the District received approximately \$375,000, 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 liability of \$2,891,812. 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%), \$5,068,159, or one percentage point higher (7.0%), \$(1,005,185). 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 NWTX to the Medicaid program of \$123,000 through September 30, 2023.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 20 - 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 21 - 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, 2023

NOTE 21 - 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, 2023, is as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Investments		
CDARs	\$ 16,250,000	.24
Money market mutual funds	39,874,630	-
U.S. Government and Agency	<u>4,992,910</u>	<u>.03</u>
Total investments at fair value	61,117,540	.27
Deduct: Classified as cash equivalents for financial reporting	<u>(39,874,630)</u>	<u>-</u>
Net investments	<u>\$ 21,242,910</u>	<u>.27</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, 2023, 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, 2023 the balance outstanding was \$968,948.

**CITY OF AMARILLO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended September 30, 2023**

NOTE 21 - 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, 2023 the balance outstanding was \$1,902,433.
- 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, 2023 the balance outstanding was \$2,008,624.
- 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, 2023 the balance outstanding was \$7,626,925.
- 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, 2023 the balance outstanding was \$11,875,364.
- 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, 2023, there was one loan outstanding to another enterprise of \$1,182,045, there were Enterprize program loans of \$857,116 and another note receivable of \$189,380 for the repayment of a prior incentive.

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, 2023, AEDC's balance outstanding was \$966,979.

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, 2023, AEDC's balance outstanding was \$1,662,002.

An analysis of loans and the related valuations allowances at September 30, 2023, are as follows:

Principal balances	\$ 29,239,814
Allowance for uncollectible accounts	<u> -</u>
Loans, net of allowances	<u>\$ 29,239,814</u>

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, 2023, AEDC's net investment in this lease, less discount for jobs credits, was \$3,209,285.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 21 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Direct Financing Leases (Continued)

Year ending September 30

2024	\$ 630,000
2025	630,000
2026	630,000
2027	630,000
2028	630,000
Future years	<u>630,000</u>
	<u>\$ 3,780,000</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, 2023, the AEDC's property, plant, and equipment were as follows:

Buildings and improvements	\$ 13,770,857
Equipment	116,680
Construction in progress	762,796
Accumulated depreciation and amortization	<u>(5,192,680)</u>
Total capital assets	<u>\$ 9,457,653</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, 2023, AEDC has paid \$26 million of the commitment and has accrued \$4 million to be paid in 2024.

Net Pension Liability

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 liability as of September 30, 2023 of \$131,379.

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: 2024, \$2,115,000; 2025, \$2,170,000; 2026, \$2,240,000 and 2027, \$2,305,000. The principal outstanding at September 30, 2023 was \$8,830,000.

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, 2023

NOTE 21 - 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 \$2,410,000 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: 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, 2023 was \$18,375,000.

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, 2023, AEDC had outstanding commitments to make grants or extend credit to qualifying enterprises, in the amount of approximately \$159 million.

Net OPEB Liability

For the fiscal year ended September 30, 2023, AEDC's net OPEB liability is \$78,704.

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 22 - 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.

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 22 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)

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, 2023, 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, 2023, on the 2016 bond issue was \$4,240,000 and the unamortized bond premium was \$215,118.

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, 2023 bond issue was \$3,095,000 and the unamortized bond premium was \$210,875.

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, 2023, to Amarillo Tri-State Exposition. Additionally, the District's Board approved \$998,500 for the Amarillo Tri-State participation and \$355,000 for event development in its normal budgetary process.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 22 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)

Commitments (Continued)

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, 2023, to the City in its normal budgetary process. Additionally, the District's Board approved \$1,900,000 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 23 - 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.

NOTE 24 - 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 24 - TAX INCREMENT REINVESTMENT ZONE #1 (CONTINUED)

TIRZ #1 has one category of economic development agreement. For 2023, TIRZ #1 made \$574,947 in property tax rebates from general TIF resources.

At September 30, 2023, TIRZ #1 has outstanding commitments for community projects and Center City projects of \$1,490,100.

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. During 2023, the Board approved a loan forgiveness plan. As of September 30, 2023, TIRZ #1 has advanced \$1,687,000 to LGC and \$425,408 of accrued interest has been added to the outstanding principal balance and \$209,112 has been forgiven, for a total outstanding balance of \$1,903,296. 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, 2023, the outstanding balance on this loan is \$1,114,667.

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 - 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 included 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. The assurance for minimum performance ended December 31, 2021, the City did not have 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 25 - AMARILLO LOCAL GOVERNMENT CORPORATION (CONTINUED)

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 26 - 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.

TIRZ #2 enters into economic development agreements designed to promote development and redevelopment within TIRZ #2, spur economic improvement, stimulate commercial activity, generate additional sales tax and hotel tax and enhance the property tax base and economic vitality of TIRZ #2. 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 #2's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code.

TIRZ #2 has one category of economic development agreements. For 2023, TIRZ #2 made \$56,010 in property tax rebates from general TIF resources.

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 - 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 28 - 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. 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 implemented this statement in the current year.

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 implemented this statement in the current year.

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2023

NOTE 28 - NEW GASB PRONOUNCEMENTS (CONTINUED)

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.

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 29 - SUBSEQUENT EVENTS

The City evaluated for inclusion as a subsequent event disclosure those events that occurred prior to February 27, 2024, the date the financial statements were issued. There were no events that require disclosure except as noted below.

On September 12, 2023, the City approved a commercial contract to sell the commercial square footage portion of the Amarillo Local Government Corporation parking garage for \$1,900,000. As of the issuance of these financial statements, the City has not closed on the sale of the commercial property.

On December 12, 2023, the City issued \$19,300,000 of City of Amarillo, Texas, Waterworks and Sewer System Revenue Bonds, New Series 2024, for the purpose of improvement and extension of the City's water and sewer system. The City also approved a cost-sharing agreement with the Amarillo Economic Development Corporation (AEDC) on January 13, 2024 for AEDC's participation in the funding of the annual debt service for this debt issuance.

On January 23, 2024, the City approved a resolution approving and authorizing publication of notice of intention to issue Series 2024 Certificates of Obligation in an amount not to exceed \$13,500,000 for the purpose of constructing and improving streets.

On January 23, 2024, the City approved a resolution approving and authorizing publication of notice of intention to issue Taxable Series 2024 Certificates of Obligation in an amount not to exceed \$3,250,000 for the purpose of constructing, improving and equipping municipal airport hangers.

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, 2023

	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	\$ 55,799,595	\$ 55,823,643	\$ 56,781,762	\$ -	\$ 56,781,762	\$ 958,119
Sales taxes	67,952,701	67,952,701	75,393,340	-	75,393,340	7,440,639
Mixed beverage taxes	1,069,528	1,069,528	1,157,840	-	1,157,840	88,312
Hotel occupancy taxes	9,088,849	9,088,849	8,386,003	-	8,386,003	(702,846)
Gross receipts bus. taxes	22,125,562	22,125,562	22,959,078	-	22,959,078	833,516
Licenses and permits	4,897,090	4,953,340	4,972,928	-	4,972,928	19,588
Interfund reimbursement	1,411,203	1,411,203	961,684	-	961,684	(449,519)
Intergovernmental revenue	5,244,095	5,244,095	4,622,791	-	4,622,791	(621,304)
Contributions from citizens	65,000	65,000	7,912	-	7,912	(57,088)
Charges for services	46,159,688	46,190,588	45,354,506	-	45,354,506	(836,082)
Fines and forfeitures	3,460,899	3,460,899	3,219,040	-	3,219,040	(241,859)
Investment earnings	462,706	462,706	3,535,110	-	3,535,110	3,072,404
Other rentals and commissions	837,962	837,962	790,065	-	790,065	(47,897)
Miscellaneous revenues	180,932	180,932	707,075	-	707,075	606,516
Total revenues	218,755,810	218,786,635	228,849,134	-	228,849,134	10,062,499
EXPENDITURES						
Auditorium/coliseum	4,624,381	4,636,857	4,074,933	(5,501)	4,069,432	567,425
Tourism	5,267,286	5,084,136	4,932,973	(31,850)	4,901,123	183,013
Fire protection	39,248,742	39,248,262	40,846,479	105,415	40,951,894	(1,703,632)
General government	6,740,184	6,680,114	6,248,392	721	6,249,113	431,001
Libraries	4,457,663	4,457,663	4,168,971	8,132	4,177,103	280,560
Public safety and health	18,276,366	18,233,525	17,018,420	9,116	17,027,536	1,205,989
Parks	9,801,110	9,884,858	8,790,783	6,263	8,797,046	1,087,812
Participant recreation	7,883,808	7,967,137	7,268,169	(17,834)	7,250,335	716,802
Police protection	54,659,927	54,936,797	55,641,643	259,661	55,901,304	(964,507)
Solid waste	20,299,870	20,339,433	20,387,201	(24,623)	20,362,578	(23,145)
Staff services	14,734,216	14,084,530	13,498,432	(13,823)	13,484,609	599,921
Information technology	6,081,229	6,081,229	6,081,229	-	6,081,229	-
Streets traffic and engineering	19,355,485	19,478,249	18,334,833	113,578	18,448,411	1,029,838
Transit	6,735,057	6,729,649	5,408,847	19,495	5,428,342	1,301,307
Total expenditures	218,165,324	217,842,439	212,701,305	428,750	213,130,055	4,712,384
Excess (deficiency) of revenues over (under) expenditures	590,486	944,196	16,147,829	(428,750)	15,719,079	14,774,883
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	12,240	98,967	3,459,194	-	3,459,194	3,360,227
Transfers to other funds	(22,546,830)	(23,651,648)	(24,919,714)	-	(24,919,714)	(1,268,066)
Total other financing sources (uses)	(22,534,590)	(23,552,681)	(21,460,520)	-	(21,460,520)	2,092,161
Net change in fund balances	(21,944,104)	(22,608,485)	(5,312,691)	(428,750)	(5,741,441)	16,867,044
FUND BALANCE, BEGINNING OF YEAR	59,540,653	37,788,086	78,672,479	53,086	78,725,565	40,937,479
FUND BALANCE, END OF YEAR	\$ 37,596,549	\$ 15,179,601	\$ 73,359,788	\$ (375,664)	\$ 72,984,124	\$ 57,804,523

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**

	2022 ⁽¹⁾	2021 ⁽¹⁾	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾
Total Pension Liability									
Service cost	\$ 13,767,430	\$ 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)	34,433,404	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	208,076	(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	(32,190,686)	(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	16,218,224	12,652,633	10,916,362	13,724,867	13,283,339	17,677,329	13,129,408	23,989,696	14,871,587
Total Pension Liability - Beginning	520,182,536	507,529,903	496,613,541	482,888,674	469,605,335	451,928,006	438,798,598	414,808,902	399,937,315
Total Pension Liability - Ending (a)	\$ 536,400,760	\$ 520,182,536	\$ 507,529,903	\$ 496,613,541	\$ 482,888,674	\$ 469,605,335	\$ 451,928,006	\$ 438,798,598	\$ 414,808,902
Plan Fiduciary Net Position									
Contributions - employer	\$ 11,298,569	\$ 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	6,676,964	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	(38,048,640)	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	(32,190,686)	(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	(329,993)	(288,556)	(214,903)	(352,814)	(247,841)	(276,145)	(283,170)	(343,321)	(220,283)
Other	393,781	1,976	(8,386)	(10,599)	(12,949)	(13,995)	(15,257)	(16,957)	(18,110)
Net Change in Plan Fiduciary Net Position	(52,200,005)	49,047,857	21,115,085	49,286,878	(24,219,736)	43,643,428	13,456,808	(10,987,328)	13,167,155
Plan Fiduciary Net Position - Beginning	523,334,547	474,286,690	453,171,605	403,884,727	428,104,463	384,461,035	371,004,227	381,991,555	368,824,400
Plan Fiduciary Net Position - Ending (b)	\$ 471,134,542	\$ 523,334,547	\$ 474,286,690	\$ 453,171,605	\$ 403,884,727	\$ 428,104,463	\$ 384,461,035	\$ 371,004,227	\$ 381,991,555
Net Pension Liability - Ending (a) - (b)	\$ 65,266,218	\$ (3,152,011)	\$ 33,243,213	\$ 43,441,936	\$ 79,003,947	\$ 41,500,872	\$ 67,466,971	\$ 67,794,371	\$ 32,817,347
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.83%	100.61%	93.45%	91.25%	83.64%	91.16%	85.07%	84.55%	92.09%
Covered Payroll	\$ 96,396,887	\$ 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 as a Percentage of Covered Payroll	67.71%	-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, 2023**

	<u>2023</u>	<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	\$ 12,441,807	\$ 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>12,441,807</u>	<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>\$ -</u>	<u>\$ 85,348</u>	<u>\$ 25,799</u>	<u>\$ -</u>
Covered payroll	<u>\$ 107,539,545</u>	<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	11.57%	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, 2023**

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	23 years
Asset valuation method	10 year smoothed fair value; 12% soft corridor
Inflation	2.50%
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, 2023**

	2022 ⁽¹⁾	2021 ⁽¹⁾	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾
Total Pension Liability									
Service cost	\$ 5,252,913	\$ 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)	17,265,665	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	(14,010,569)	(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	8,508,009	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	231,961,233	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)	\$ 240,469,242	\$ 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	\$ 4,862,719	\$ 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	3,269,398	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	(38,175,486)	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	(14,010,569)	(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	(144,607)	(69,299)	(97,473)	(67,113)	(86,128)	(76,383)	(80,849)	(436,742)	(90,633)
Other	310,969	44	2,516	19,957	705	2,147	30,991	50,173	5,165
Net Change in Plan Fiduciary Net Position	(43,887,576)	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	262,228,770	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)	\$ 218,341,194	\$ 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 - Ending (a) - (b)	\$ 22,128,048	\$ (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	90.80%	113.05%	100.57%	89.55%	77.05%	84.62%	80.51%	79.37%	90.37%
Covered Payroll	\$ 23,352,843	\$ 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 as a Percentage of Covered Payroll	94.76%	-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, 2023**

	<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	\$ 4,862,719	\$ 4,484,279	\$ 4,140,635	\$ 3,933,863	\$ 3,969,255	\$ 3,879,330	\$ 3,635,605	\$ 3,559,287
Contributions in relation to the actuarially determined contribution	4,862,719	4,484,279	4,140,635	3,933,863	3,969,255	3,879,330	3,635,605	3,559,287
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 23,352,843</u>	<u>\$ 22,038,637</u>	<u>\$ 20,891,185</u>	<u>\$ 20,101,508</u>	<u>\$ 20,282,338</u>	<u>\$ 19,822,841</u>	<u>\$ 19,307,515</u>	<u>\$ 18,902,215</u>
Contributions as a percentage of covered payroll	20.82%	20.35%	19.82%	19.57%	19.57%	19.57%	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, 2023**

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:		
Investment rate of return		7.50%
Inflation		2.50%
Projected salary increases	2.75%, plus promotion step and longevity increases that vary by service	
Contribution rate:		
City of Amarillo		20.82% in 2022
Employees		14.00% in 2022
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, 2022 and 2021 were approximately \$4,860,000 and \$4,500,000, respectively. Covered compensation was approximately \$23,350,000 and \$22,000,000 for calendar years 2022 and 2021, respectively. For 2022 and 2021, the member contribution rate was 14% and 13.50% of pay, respectively and the City's contribution rate was 20.82% and 20.32% of pay for calendar years 2022 and 2021, respectively.

NOTE 3 - CHANGES IN ACTUARIAL ASSUMPTIONS

There were no changes in actuarial assumption.

**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, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability	\$ 77,423,809	\$ 74,441,419	\$ 66,736,901	\$ 71,489,073	\$ 64,305,284	\$ 61,979,142	\$ 59,119,728
Plan fiduciary net position	31,005,635	33,853,842	27,589,392	21,366,171	15,237,541	13,621,113	9,478,461
Net OPEB liability (asset)	\$ 46,418,174	\$ 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	40.05%	45.48%	41.34%	29.89%	23.70%	21.98%	16.03%
Covered payroll	\$ 96,500,000	\$ 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	48.07%	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, 2023**

	<u>Measurement Year Ended August 31,</u>					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:						
Service cost	\$ 2,313,335	\$ 1,723,641	\$ 2,060,894	\$ 2,000,869	\$ 1,955,516	\$ 1,832,510
Interest	4,853,078	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>(4,184,023)</u>	<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	2,982,390	7,704,517	(4,752,171)	7,183,789	2,326,142	2,859,414
Total OPEB liability-beginning	<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>	<u>59,119,728</u>
Total OPEB liability-ending (a)	<u>\$ 77,423,809</u>	<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	\$ 7,078,945	\$ 6,987,323	\$ 6,721,291	\$ 2,635,573	\$ 2,700,901	\$ 2,647,545
Net investment income	(5,738,496)	3,538,257	3,573,328	3,493,057	(1,084,473)	1,495,107
Benefits payments	(4,184,023)	(4,257,863)	(4,069,380)	-	-	-
Administrative expense	-	-	-	-	-	-
Other	<u>(4,633)</u>	<u>(3,266)</u>	<u>(2,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	(2,848,207)	6,264,451	6,223,220	6,128,630	1,616,428	4,142,652
Plan fiduciary net position-beginning	<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>	<u>9,478,461</u>
Plan fiduciary net position-ending (b)	<u>\$ 31,005,635</u>	<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>\$ 46,418,174</u>	<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	40.05%	45.48%	41.34%	29.88%	23.70%	21.98%
Covered payroll	\$ 96,560,000	\$ 93,980,000	\$ 92,000,000	\$ 88,500,000	\$ 100,300,000	\$ 97,400,000
Net OPEB liability as a percentage of covered payroll	48.07%	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, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial determined contribution	\$ 2,894,920	\$ 2,729,460	\$ 2,652,911	\$ 2,635,573	\$ 2,700,901	\$ 2,647,545
Contributions in relation to the actuarially determined contribution	<u>2,894,920</u>	<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	96,500,000	93,980,000	92,000,000	88,500,000	100,300,000	97,400,000
Contributions as a percentage of covered-payroll	3.00%	2.90%	2.88%	2.98%	2.69%	2.72%
Annual money weighted rate of return, net of investment expenses	-16.27%	12.23%	15.75%	21.09%	-7.24%	13.84%
Allocation						
Bank Insured Deposit / Cash	0.61%	0.53%	0.97%	1.22%	0.66%	2.50%
Equities	48.97%	49.89%	50.52%	50.21%	51.36%	50.37%
Mutual Funds	<u>50.42%</u>	<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%	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, 2023**

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, 2022						
Benefits Valued	Medical and prescription drug benefits, and HRA benefits						
Long-Term Rate of Return	6.50%						
Muni-Bond (unfunded) rate	4.05%						
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, 2023**

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:

- The Muni-Bond (unfunded rate changed from 2.06% to 4.05%).

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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, 2023**

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
ASSETS					
Cash and cash equivalents	\$ 1,690,518	\$ 2,469,340	\$ 3,444,094	\$ 1,409,911	\$ 7,754,567
Investments, at fair values	-	1,000,000	-	-	2,750,000
Receivables, net of allowances for uncollectibles					
Property taxes	-	-	-	-	-
Accounts	180,212	-	4,100	-	-
Accrued Interest	-	-	-	-	3,317
Other accrued revenue	-	1,507	-	-	-
Due from other funds unrestricted	33,237	10,331	-	-	-
Due from other governments	320,532	5,695,064	-	-	-
Prepaid items	15,155	3,077	-	606	-
Restricted cash and cash equivalents	-	-	558,580	-	-
TOTAL ASSETS	\$ 2,239,654	\$ 9,179,319	\$ 4,006,774	\$ 1,410,517	\$ 10,507,884
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 128,922	\$ 245,427	\$ 88,641	\$ 166,443	\$ 3,969
Accounts payable	76,705	207,759	306,747	-	55,922
Accrued expenditures	5,762	48,743	-	-	24,054
Deposits	-	-	-	-	1,268,955
Due to other funds - unrestricted	428,003	827,021	-	19,214	70,220
Due to other governments	100	-	-	22,109	-
Unearned revenues - other	63,226	111,833	-	-	-
Advance from other funds	-	-	-	-	1,044,687
Total liabilities	<u>702,718</u>	<u>1,440,783</u>	<u>395,388</u>	<u>207,766</u>	<u>2,467,807</u>
Deferred inflows of resources					
Unearned revenues - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable					
Prepaid items	9,937	2,443	-	606	-
Uncollected taxes	-	-	-	-	-
Corpus or Principal	-	-	-	-	-
Restricted for:					
Debt Service	-	-	-	-	-
Capital projects	-	-	-	-	-
Special purposes	1,501,599	7,736,093	3,611,386	1,202,145	8,040,077
Committed for:					
Capital projects	-	-	-	-	-
Compensated Absences	25,400	-	-	-	-
Total fund balances	<u>1,536,936</u>	<u>7,738,536</u>	<u>3,611,386</u>	<u>1,202,751</u>	<u>8,040,077</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,239,654	\$ 9,179,319	\$ 4,006,774	\$ 1,410,517	\$ 10,507,884

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>
\$ 15,169,265	\$ -	\$ -	\$ 17,693	\$ 31,955,388
1,000,000	-	-	-	4,750,000
-	57,342	-	-	57,342
-	-	-	-	184,312
23,211	-	-	-	26,528
-	-	-	-	1,507
-	-	-	-	43,568
-	-	-	-	6,015,596
-	-	-	-	18,838
49,323,925	2,858,576	-	-	52,741,081
<u>\$ 65,516,401</u>	<u>\$ 2,915,918</u>	<u>\$ -</u>	<u>\$ 17,693</u>	<u>\$ 95,794,160</u>
\$ 3,278,476	\$ -	\$ -	\$ -	\$ 3,911,878
485,288	2,742	-	-	1,135,163
81,560	-	-	-	160,119
562,679	-	-	-	1,831,634
-	-	-	-	1,344,458
-	-	-	-	22,209
-	-	-	-	175,059
-	-	-	-	1,044,687
<u>4,408,003</u>	<u>2,742</u>	<u>-</u>	<u>-</u>	<u>9,625,207</u>
-	33,498	-	-	33,498
-	33,498	-	-	33,498
-	-	-	-	12,986
-	23,844	-	-	23,844
-	-	-	17,693	17,693
-	2,855,834	-	-	2,855,834
9,118,722	-	-	-	9,118,722
-	-	-	-	22,091,300
51,989,676	-	-	-	51,989,676
-	-	-	-	25,400
<u>61,108,398</u>	<u>2,879,678</u>	<u>-</u>	<u>17,693</u>	<u>86,135,455</u>
<u>\$ 65,516,401</u>	<u>\$ 2,915,918</u>	<u>\$ -</u>	<u>\$ 17,693</u>	<u>\$ 95,794,160</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, 2023**

	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	15,614,742	10,185,637	-	-	377,499
Citizen contributions	-	-	-	-	162,449
Construction participation	101,180	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	1,858,030
Other entity participations	-	1,797,172	-	-	-
Charges for services	183,526	124,595	2,911,572	-	544,234
Fines and forfeitures	-	-	-	131,386	168,357
Investment earnings	59,206	225,195	208,139	65,804	386,953
Miscellaneous	64,947	495	-	-	-
Total revenues	<u>16,023,601</u>	<u>12,333,094</u>	<u>3,119,711</u>	<u>197,190</u>	<u>3,497,522</u>
EXPENDITURES					
General government	-	-	-	-	85,910
Police protection	-	435,499	-	321,913	-
Other public safety and health	-	11,698,824	-	-	418,007
Staff services	-	367,673	-	-	-
Auditorium - coliseum	-	-	-	-	462,446
Library	-	-	-	-	-
Parks	-	-	1,430,130	-	-
Participation recreation	-	-	-	-	120,046
Urban redevelopment and housing	16,223,694	-	-	-	-
Capital outlay	-	255,888	5,131,575	336,524	31,847
Debt service principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Economic Development & Tourism	-	-	-	-	648,832
Termination vacation and sick leave pay	-	-	-	-	-
Total expenditures	<u>16,223,694</u>	<u>12,757,884</u>	<u>6,561,705</u>	<u>658,437</u>	<u>1,767,088</u>
Excess (deficiency) of revenues over (under) expenditures	(200,093)	(424,790)	(3,441,994)	(461,247)	1,730,434
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	315,290	460,158	-	-	127,676
Issuance of long-term debt	-	-	4,250,000	-	-
Transfers to other funds	(8,521)	(91,790)	(650,763)	(10,331)	614,950
Net change in fund balances	106,676	(56,422)	157,243	(471,578)	2,473,060
FUND BALANCES, BEGINNING 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>
FUND BALANCES, END OF YEAR	<u>\$ 1,536,936</u>	<u>\$ 7,738,536</u>	<u>\$ 3,611,386</u>	<u>\$ 1,202,751</u>	<u>\$ 8,040,077</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>
\$ -	\$ 11,783,154	\$ -	\$ -	\$ 11,783,154
-	-	-	-	26,177,878
-	-	-	-	162,449
12,943,928	-	-	-	13,045,108
-	-	-	-	1,858,030
-	250,000	-	-	2,047,172
268,383	-	-	-	4,032,310
-	-	-	-	299,743
2,785,858	123,526	-	-	3,854,681
69,808	-	-	-	135,250
<u>16,067,977</u>	<u>12,156,680</u>	<u>-</u>	<u>-</u>	<u>63,395,775</u>
-	-	-	-	85,910
-	-	-	-	757,412
1,421	-	-	-	12,118,252
-	9,492	-	-	377,165
-	-	-	-	462,446
-	-	-	-	-
-	-	-	-	1,430,130
-	-	-	-	120,046
-	-	-	-	16,223,694
27,522,060	-	-	-	33,277,894
-	12,548,000	-	-	12,548,000
-	7,222,354	-	-	7,222,354
-	-	-	-	-
-	-	-	-	648,832
-	-	<u>1,963,702</u>	<u>-</u>	<u>1,963,702</u>
<u>27,523,481</u>	<u>19,779,846</u>	<u>1,963,702</u>	<u>-</u>	<u>87,235,837</u>
(11,455,504)	(7,623,166)	(1,963,702)	-	(23,840,062)
7,191,466	7,262,997	1,963,700	-	17,321,287
10,875,000	-	-	-	15,125,000
<u>(3,345,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,491,500)</u>
3,265,917	(360,169)	(2)	-	5,114,725
<u>57,842,481</u>	<u>3,239,847</u>	<u>2</u>	<u>17,693</u>	<u>81,020,730</u>
<u>\$ 61,108,398</u>	<u>\$ 2,879,678</u>	<u>\$ -</u>	<u>\$ 17,693</u>	<u>\$ 86,135,455</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
OTHER GRANT FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023**

	Special Revenue Funds			Total Other Grant Funds
	Public Health Grants	Justice Grants	Miscellaneous Grants	
ASSETS				
Cash and cash equivalents	\$ 2,465,762	\$ 756	\$ 2,822	\$ 2,469,340
Investments at fair value	1,000,000	-	-	1,000,000
Receivables, net of allowances for uncollectibles				
Other accrued revenue	1,507	-	-	1,507
Due from other funds unrestricted	-	10,331	-	10,331
Due from other governments	5,380,875	194,543	119,646	5,695,064
Prepaid items	2,443	-	634	3,077
TOTAL ASSETS	\$ 8,850,587	\$ 205,630	\$ 123,102	\$ 9,179,319
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers payable	\$ 245,179	\$ -	\$ 248	\$ 245,427
Accounts payable	193,147	4,630	9,982	207,759
Accrued expenditures	-	-	48,743	48,743
Deferred revenue	111,833	-	-	111,833
Due to other funds - unrestricted	515,000	201,000	111,021	827,021
Total liabilities	1,065,159	205,630	169,994	1,440,783
FUND BALANCES				
Nonspendable:				
Prepaid items	2,443	-	-	2,443
Restricted:				
Special purposes	7,782,985	-	(46,892)	7,736,093
Total fund balances	7,785,428	-	(46,892)	7,738,536
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,850,587	\$ 205,630	\$ 123,102	\$ 9,179,319

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, 2023**

	<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	\$ 9,244,379	\$ 452,090	\$ 489,168	\$ 10,185,637
Other entity participations	1,797,172	-	-	1,797,172
Charges for services	124,595	-	-	124,595
Investment earnings	225,195	-	-	225,195
Miscellaneous	495	-	-	495
Total revenues	<u>11,391,836</u>	<u>452,090</u>	<u>489,168</u>	<u>12,333,094</u>
EXPENDITURES				
Other public safety and health	11,313,937	-	384,887	11,698,824
Staff services	-	-	367,673	367,673
Police protection	-	435,499	-	435,499
Capital outlay	15,193	58,134	182,561	255,888
Total expenditures	<u>11,329,130</u>	<u>493,633</u>	<u>935,121</u>	<u>12,757,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62,706</u>	<u>(41,543)</u>	<u>(445,953)</u>	<u>(424,790)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	61,189	398,969	460,158
Operating transfers to other funds	(72,147)	(19,643)	-	(91,790)
Net change in fund balances	(9,441)	3	(46,984)	(56,422)
FUND BALANCES, BEGINNING OF YEAR	<u>7,794,869</u>	<u>(3)</u>	<u>92</u>	<u>7,794,958</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,785,428</u>	<u>\$ -</u>	<u>\$ (46,892)</u>	<u>\$ 7,738,536</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC IMPROVEMENT DISTRICTS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023**

	<u>Greenways at Hillside</u>	<u>Heritage Hills</u>	<u>The Colonies</u>	<u>Tutbury</u>
ASSETS				
Cash and cash equivalents	\$ 250,460	\$ 622,144	\$ 764,937	\$ 32,646
Accounts receivable	-	-	-	-
Restricted Cash and cash equivalents	<u>6,770</u>	<u>551,766</u>	<u>44</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 257,230</u></u>	<u><u>\$ 1,173,910</u></u>	<u><u>\$ 764,981</u></u>	<u><u>\$ 32,646</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 36,132	\$ 225,144	\$ 45,007	\$ 47
Vouchers payable	<u>-</u>	<u>-</u>	<u>66,675</u>	<u>-</u>
Total liabilities	<u>36,132</u>	<u>225,144</u>	<u>111,682</u>	<u>47</u>
FUND BALANCES				
Restricted for:				
Special purposes	<u>221,098</u>	<u>948,766</u>	<u>653,299</u>	<u>32,599</u>
Total fund balances	<u>221,098</u>	<u>948,766</u>	<u>653,299</u>	<u>32,599</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 257,230</u></u>	<u><u>\$ 1,173,910</u></u>	<u><u>\$ 764,981</u></u>	<u><u>\$ 32,646</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>
\$ 319,539	\$ 10,274	\$ 22,630	\$ 548	1,129,165	\$ 291,751	\$ 3,444,094
-	1,750	2,350	-	-	-	4,100
-	-	-	-	-	-	558,580
<u>\$ 319,539</u>	<u>\$ 12,024</u>	<u>\$ 24,980</u>	<u>\$ 548</u>	<u>\$ 1,129,165</u>	<u>\$ 291,751</u>	<u>\$ 4,006,774</u>
\$ 55	\$ 48	\$ 227	\$ -	\$ 87	\$ -	\$ 306,747
-	-	-	-	-	21,966	88,641
<u>55</u>	<u>48</u>	<u>227</u>	<u>-</u>	<u>87</u>	<u>21,966</u>	<u>395,388</u>
319,484	11,976	24,753	548	1,129,078	269,785	3,611,386
<u>319,484</u>	<u>11,976</u>	<u>24,753</u>	<u>548</u>	<u>1,129,078</u>	<u>269,785</u>	<u>3,611,386</u>
<u>\$ 319,539</u>	<u>\$ 12,024</u>	<u>\$ 24,980</u>	<u>\$ 548</u>	<u>\$ 1,129,165</u>	<u>\$ 291,751</u>	<u>\$ 4,006,774</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, 2023**

	<u>Greenways at Hillside</u>	<u>Heritage Hills</u>	<u>The Colonies</u>	<u>Tutbury</u>
REVENUES				
Charges for services	\$ 732,704	\$ 478,505	\$ 1,293,909	\$ 16,296
Investment earnings	19,877	56,826	75,245	107
Total revenues	<u>752,581</u>	<u>535,331</u>	<u>1,369,154</u>	<u>16,403</u>
EXPENDITURES				
Parks	580,898	133,845	599,468	28,306
Capital outlay	35,000	1,052,694	4,043,881	-
Total expenditures	<u>615,898</u>	<u>1,186,539</u>	<u>4,643,349</u>	<u>28,306</u>
Excess (deficiency) of revenues over (under) expenditures	<u>136,683</u>	<u>(651,208)</u>	<u>(3,274,195)</u>	<u>(11,903)</u>
OTHER FINANCING SOURCES				
Issuance of long-term debt	-	1,250,000	3,000,000	-
Premium on bond	-	-	-	-
Transfer to other funds	<u>(196,575)</u>	<u>-</u>	<u>(454,188)</u>	<u>-</u>
Net change in fund balances	(59,892)	598,792	(728,383)	(11,903)
FUND BALANCES, BEGINNING OF YEAR	<u>280,990</u>	<u>349,974</u>	<u>1,381,682</u>	<u>44,502</u>
FUND BALANCES, END OF YEAR	<u>\$ 221,098</u>	<u>\$ 948,766</u>	<u>\$ 653,299</u>	<u>\$ 32,599</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>
\$ 52,922	\$ 10,181	\$ 11,697	\$ -	\$ 193,987	\$ 121,371	\$ 2,911,572
10,927	-	-	-	36,831	8,326	208,139
<u>63,849</u>	<u>10,181</u>	<u>11,697</u>	<u>-</u>	<u>230,818</u>	<u>129,697</u>	<u>3,119,711</u>
39,521	10,969	8,932	-	788	27,403	1,430,130
-	-	-	-	-	-	5,131,575
<u>39,521</u>	<u>10,969</u>	<u>8,932</u>	<u>-</u>	<u>788</u>	<u>27,403</u>	<u>6,561,705</u>
24,328	(788)	2,765	-	230,030	102,294	(3,441,994)
-	-	-	-	-	-	4,250,000
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650,763)</u>
24,328	(788)	2,765	-	230,030	102,294	157,243
295,156	12,764	21,988	548	899,048	167,491	3,454,143
<u>\$ 319,484</u>	<u>\$ 11,976</u>	<u>\$ 24,753</u>	<u>\$ 548</u>	<u>\$ 1,129,078</u>	<u>\$ 269,785</u>	<u>\$ 3,611,386</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
SEIZURE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023**

	Federal APD Seized Property	Local Seized Property	Texas Narcotics Seized Property	Total
ASSETS				
Cash and cash equivalents	\$ 1,120,638	\$ 268,711	\$ 20,562	\$ 1,409,911
Prepaid items	-	-	606	606
TOTAL ASSETS	\$ 1,120,638	\$ 268,711	\$ 21,168	\$ 1,410,517
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds - unrestricted	\$ 8,883	\$ 10,331	\$ -	\$ 19,214
Due to other governments	-	1,890	20,219	22,109
Vouchers payable	166,443	-	-	166,443
Total liabilities	175,326	12,221	20,219	207,766
FUND BALANCES				
Nonspendable				
Prepaid items	-	-	606	606
Restricted for:				
Special purposes	945,312	256,490	343	1,202,145
Total fund balances	945,312	256,490	949	1,202,751
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,120,638	\$ 268,711	\$ 21,168	\$ 1,410,517

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, 2023**

	Federal APD Seized Property	Local Seized Property	Texas Narcotics Seized Property	Total
REVENUES				
Investment earnings	\$ 56,007	\$ 9,502	\$ 295	\$ 65,804
Seized property revenue	36,421	94,965	-	131,386
Total revenues	<u>92,428</u>	<u>104,467</u>	<u>295</u>	<u>197,190</u>
EXPENDITURES				
Police protection	275,766	46,145	2	321,913
Capital outlay	292,763	43,761	-	336,524
Total expenditures	<u>568,529</u>	<u>89,906</u>	<u>2</u>	<u>658,437</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(476,101)</u>	<u>14,561</u>	<u>293</u>	<u>(461,247)</u>
OTHER FINANCING SOURCES (USES)				
Transfer to other fund	-	(10,331)	-	(10,331)
Total other financing sources and (uses)	<u>-</u>	<u>(10,331)</u>	<u>-</u>	<u>(10,331)</u>
Net change in fund balances	(476,101)	4,230	293	(471,578)
FUND BALANCES, BEGINNING OF YEAR				
	<u>1,421,413</u>	<u>252,260</u>	<u>656</u>	<u>1,674,329</u>
FUND BALANCES, END OF YEAR				
	<u>\$ 945,312</u>	<u>\$ 256,490</u>	<u>\$ 949</u>	<u>\$ 1,202,751</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
MISCELLANEOUS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023**

	<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	\$ 8,305	\$ 2,083	\$ 14,026	\$ 203,363	\$ 19,673	\$ 2,208,110	\$ 53,825
Accrued interest receivable	-	-	-	-	-	-	-
Investments, at fair values	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 8,305</u>	<u>\$ 2,083</u>	<u>\$ 14,026</u>	<u>\$ 203,363</u>	<u>\$ 19,673</u>	<u>\$ 2,208,110</u>	<u>\$ 53,825</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Vouchers payable	-	-	-	-	-	-	-
Accounts payable	-	753	-	12,479	-	42,690	-
Accrued expenditures	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Due to other funds - unrestricted	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>753</u>	<u>-</u>	<u>12,479</u>	<u>-</u>	<u>42,690</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Restricted:							
Special purposes	8,305	1,330	14,026	190,884	19,673	2,165,420	53,825
Total fund balances	<u>8,305</u>	<u>1,330</u>	<u>14,026</u>	<u>190,884</u>	<u>19,673</u>	<u>2,165,420</u>	<u>53,825</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,305</u>	<u>\$ 2,083</u>	<u>\$ 14,026</u>	<u>\$ 203,363</u>	<u>\$ 19,673</u>	<u>\$ 2,208,110</u>	<u>\$ 53,825</u>

See Independent Auditor's Report.

Library Trust	Flood Hazard	General Donations	Civic Amarillo	Zoo Trust	Centennial Celebration	Opioid Settlement	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Tax Increment Reinvestment Zone #3	Total
\$ 67,353	\$ 1,482,765	\$ 116,291	\$ 559,824	\$ 36,326	\$ 20,674	\$ 313,877	\$ 1,896,257	\$ 751,815	\$ -	\$ 7,754,567
-	2,520	-	-	-	-	-	683	114	-	3,317
-	1,000,000	-	-	-	-	-	1,500,000	250,000	-	2,750,000
<u>\$ 67,353</u>	<u>\$ 2,485,285</u>	<u>\$ 116,291</u>	<u>\$ 559,824</u>	<u>\$ 36,326</u>	<u>\$ 20,674</u>	<u>\$ 313,877</u>	<u>\$ 3,396,940</u>	<u>\$ 1,001,929</u>	<u>\$ -</u>	<u>\$ 10,507,884</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,167	\$ 802	\$ -	\$ 3,969
-	-	-	-	-	-	-	-	-	-	55,922
-	-	-	13,665	-	-	-	10,389	-	-	24,054
-	1,268,955	-	-	-	-	-	-	-	-	1,268,955
-	-	-	-	-	-	-	69,980	-	240	70,220
-	-	-	-	-	-	-	<u>1,044,687</u>	-	-	<u>1,044,687</u>
-	<u>1,268,955</u>	-	<u>13,665</u>	-	-	-	<u>1,128,223</u>	<u>802</u>	<u>240</u>	<u>2,467,807</u>
67,353	1,216,330	116,291	546,159	36,326	20,674	313,877	2,268,717	1,001,127	(240)	8,040,077
67,353	1,216,330	116,291	546,159	36,326	20,674	313,877	2,268,717	1,001,127	(240)	8,040,077
<u>\$ 67,353</u>	<u>\$ 2,485,285</u>	<u>\$ 116,291</u>	<u>\$ 559,824</u>	<u>\$ 36,326</u>	<u>\$ 20,674</u>	<u>\$ 313,877</u>	<u>\$ 3,396,940</u>	<u>\$ 1,001,929</u>	<u>\$ -</u>	<u>\$ 10,507,884</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, 2023

	<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>
REVENUES							
Intergovernmental revenues - operating	\$ -	\$ -	\$ 18,006	\$ 49,445	\$ -	\$ -	\$ -
Citizen contributions	-	-	-	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	-	-	-
Charges for services	75,528	-	-	-	-	-	-
Fines and forfeitures	-	90,542	-	-	-	77,815	-
Investment earnings	-	-	-	-	-	61,502	2,298
Total revenues	<u>75,528</u>	<u>90,542</u>	<u>18,006</u>	<u>49,445</u>	<u>-</u>	<u>139,317</u>	<u>2,298</u>
EXPENDITURES							
General government	-	-	-	-	-	-	-
Other public safety and health	102,213	181,939	35,541	24,734	-	73,580	-
Auditorium - Coliseum	-	-	-	-	-	-	-
Participant recreation	-	-	-	-	-	-	-
Economic development/tourism	-	-	-	-	-	-	-
Capital outlay	-	-	-	31,847	-	-	-
Total expenditures	<u>102,213</u>	<u>181,939</u>	<u>35,541</u>	<u>56,581</u>	<u>-</u>	<u>73,580</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,685)</u>	<u>(91,397)</u>	<u>(17,535)</u>	<u>(7,136)</u>	<u>-</u>	<u>65,737</u>	<u>2,298</u>
OTHER FINANCING SOURCES (USES)							
Transfers to other funds	-	-	-	-	-	750,000	-
Transfers from other funds	27,806	92,734	-	7,136	-	-	-
Total other financing sources and uses	<u>27,806</u>	<u>92,734</u>	<u>-</u>	<u>7,136</u>	<u>-</u>	<u>750,000</u>	<u>-</u>
Net change in fund balances	<u>1,121</u>	<u>1,337</u>	<u>(17,535)</u>	<u>-</u>	<u>-</u>	<u>815,737</u>	<u>2,298</u>
FUND BALANCES, BEGINNING 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>	<u>51,527</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,305</u>	<u>\$ 1,330</u>	<u>\$ 14,026</u>	<u>\$ 190,884</u>	<u>\$ 19,673</u>	<u>\$ 2,165,420</u>	<u>\$ 53,825</u>

See Independent Auditor's Report.

Library Trust	Flood Hazard	General Donations	Civic Amarillo	Zoo Trust	Centennial Celebration	Opioid Settlement	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Tax Increment Reinvestment Zone #3	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,048	\$ -	\$ -	\$ -	\$ 377,499
224	-	162,225	-	0	-	-	-	-	-	162,449
-	-	-	-	-	-	-	1,438,936	419,094	-	1,858,030
-	-	-	468,706	-	-	-	-	-	-	544,234
-	-	-	-	-	-	-	-	-	-	168,357
-	117,656	-	-	-	-	3,829	201,668	-	-	386,953
224	117,656	162,225	468,706	-	-	313,877	1,640,604	419,094	-	3,497,522
-	-	85,910	-	-	-	-	-	-	-	85,910
-	-	-	-	-	-	-	-	-	-	418,007
-	-	-	462,446	-	-	-	-	-	-	462,446
-	-	-	-	120,046	-	-	-	-	-	120,046
-	-	-	-	-	-	-	643,497	5,095	240	648,832
-	-	-	-	-	-	-	-	-	-	31,847
-	-	85,910	462,446	120,046	-	-	643,497	5,095	240	1,767,088
224	117,656	76,315	6,260	(120,046)	-	313,877	997,107	413,999	(240)	1,730,434
-	-	-	-	-	-	-	(135,050)	-	-	614,950
-	-	-	-	-	-	-	-	-	-	127,676
-	-	-	-	-	-	-	(135,050)	-	-	742,626
224	117,656	76,315	6,260	(120,046)	-	313,877	862,057	413,999	(240)	2,473,060
67,129	1,098,674	39,976	539,899	156,372	20,674	-	1,406,660	587,128	-	5,567,017
\$ 67,353	\$ 1,216,330	\$ 116,291	\$ 546,159	\$ 36,326	\$ 20,674	\$ 313,877	\$ 2,268,717	\$ 1,001,127	\$ (240)	\$ 8,040,077

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, 2023**

	<u>Street Assessments Fund</u>	<u>Street Improvement Fund</u>	<u>Golf Course Improvement Fund</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,072,119	\$ 4,825,159	\$ 202,888
Restricted cash and cash equivalents	-	-	-
Investments, at fair values	-	-	-
Restricted investments	-	-	-
Accrued interest receivable	-	-	-
TOTAL ASSETS	<u>\$ 1,072,119</u>	<u>\$ 4,825,159</u>	<u>\$ 202,888</u>
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Vouchers payable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Accrued expenditures	-	-	-
Refundable security deposit	<u>562,679</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>562,679</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
Capital projects	-	-	-
Assigned for:			
Capital projects	<u>509,440</u>	<u>4,825,159</u>	<u>202,888</u>
Total fund balances	<u>509,440</u>	<u>4,825,159</u>	<u>202,888</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,072,119</u>	<u>\$ 4,825,159</u>	<u>\$ 202,888</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>
\$ 4,180,986	\$ 156,437	\$ -	\$ 3,207	\$ 708,845	\$ 4,019,624	\$ 15,169,265
5,919,268	-	8,784,585	-	-	34,120,072	48,823,925
1,000,000	-	-	-	-	-	1,000,000
-	-	500,000	-	-	-	500,000
13,038	-	10,173	-	-	-	23,211
<u>\$ 11,113,292</u>	<u>\$ 156,437</u>	<u>\$ 9,294,758</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 38,139,696</u>	<u>\$ 65,516,401</u>
\$ 2,675,995	\$ -	\$ 94,476	\$ -	\$ -	\$ 508,005	\$ 3,278,476
166,825	-	-	-	-	318,463	485,288
-	-	81,560	-	-	-	81,560
-	-	-	-	-	-	562,679
<u>2,842,820</u>	<u>-</u>	<u>176,036</u>	<u>-</u>	<u>-</u>	<u>826,468</u>	<u>4,408,003</u>
-	-	9,118,722	-	-	-	9,118,722
<u>8,270,472</u>	<u>156,437</u>	<u>-</u>	<u>3,207</u>	<u>708,845</u>	<u>37,313,228</u>	<u>51,989,676</u>
<u>8,270,472</u>	<u>156,437</u>	<u>9,118,722</u>	<u>3,207</u>	<u>708,845</u>	<u>37,313,228</u>	<u>61,108,398</u>
<u>\$ 11,113,292</u>	<u>\$ 156,437</u>	<u>\$ 9,294,758</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 38,139,696</u>	<u>\$ 65,516,401</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, 2023**

	<u>Street Assessments Fund</u>	<u>Street Improvement Fund</u>	<u>Golf Course Improvement Fund</u>
REVENUES			
Grants-in-aid	\$ -	\$ -	\$ -
Charges for services	-	-	268,383
Construction participations	12,943,928	-	-
Miscellaneous	-	-	-
Investment earnings	13,844	144,069	4,479
Total revenues	<u>12,957,772</u>	<u>144,069</u>	<u>272,862</u>
EXPENDITURES			
Fire protection	-	-	-
Capital outlay	12,907,202	616,627	-
Total expenditures	<u>12,907,202</u>	<u>616,627</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,570</u>	<u>(472,558)</u>	<u>272,862</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	-	(144,069)	(203,594)
Transfers from other funds	-	2,337,000	-
Proceeds from issuance of long-term debt	-	-	-
Premium on bonds	-	-	-
Total other financing sources and uses	<u>-</u>	<u>2,192,931</u>	<u>(203,594)</u>
Net change in fund balances	50,570	1,720,373	69,268
FUND BALANCES, BEGINNING OF YEAR	<u>458,870</u>	<u>3,104,786</u>	<u>133,620</u>
FUND BALANCES, END OF YEAR	<u>\$ 509,440</u>	<u>\$ 4,825,159</u>	<u>\$ 202,888</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	268,383
-	-	-	-	-	-	12,943,928
-	-	-	-	-	69,808	69,808
<u>419,455</u>	<u>9,362</u>	<u>286,582</u>	<u>-</u>	<u>30,363</u>	<u>1,877,704</u>	<u>2,785,858</u>
<u>419,455</u>	<u>9,362</u>	<u>286,582</u>	<u>-</u>	<u>30,363</u>	<u>1,947,512</u>	<u>16,067,977</u>
-	-	-	-	-	1,421	1,421
<u>3,621,299</u>	<u>88,764</u>	<u>3,251,042</u>	<u>-</u>	<u>-</u>	<u>7,037,126</u>	<u>27,522,060</u>
<u>3,621,299</u>	<u>88,764</u>	<u>3,251,042</u>	<u>-</u>	<u>-</u>	<u>7,038,547</u>	<u>27,523,481</u>
<u>(3,201,844)</u>	<u>(79,402)</u>	<u>(2,964,460)</u>	<u>-</u>	<u>30,363</u>	<u>(5,091,035)</u>	<u>(11,455,504)</u>
-	-	(2,963,732)	-	(30,363)	(3,287)	(3,345,045)
-	-	4,884,466	-	-	(30,000)	7,191,466
6,300,000	-	4,575,000	-	-	-	10,875,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,300,000</u>	<u>-</u>	<u>6,495,734</u>	<u>-</u>	<u>(30,363)</u>	<u>(33,287)</u>	<u>14,721,421</u>
3,098,156	(79,402)	3,531,274	-	-	(5,124,322)	3,265,917
<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>\$ 8,270,472</u>	<u>\$ 156,437</u>	<u>\$ 9,118,722</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 37,313,228</u>	<u>\$ 61,108,398</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, 2023**

	Fleet Services	Information Services	Risk Management	Employee Insurance	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 15,200,239	\$ 6,136,536	\$ 14,632,495	\$ 11,177,581	\$ 47,146,851
Investments at fair value	2,250,000	2,000,000	6,250,000	750,000	11,250,000
Receivables (net of allowances for uncollectibles)					
Accounts	28	43	476,090	859,013	1,335,174
Accrued interest	2,042	4,153	12,083	335	18,613
Lease	-	55,316	-	-	55,316
Other accrued revenue					
Due from other funds	-	-	-	188,665	188,665
Inventory of supplies at cost	385,971	4,911	-	-	390,882
Prepaid expenses	1,520,858	38,132	3,350,113	-	4,909,103
Total current assets	<u>19,359,138</u>	<u>8,239,091</u>	<u>24,720,781</u>	<u>12,975,594</u>	<u>65,294,604</u>
NONCURRENT ASSETS					
Restricted cash and cash equivalents	4,446,840	-	-	-	4,446,840
Net Pension Asset	-	-	3,793	-	3,793
Capital assets					
Improvements	768,005	6,497,239	-	-	7,265,244
Accumulated depreciation	(356,684)	(5,414,253)	-	-	(5,770,937)
Equipment	363,073	4,086,395	9,623	-	4,459,091
Accumulated depreciation	(311,858)	(2,584,037)	(9,623)	-	(2,905,518)
Vehicles	88,967,832	-	-	-	88,967,832
Accumulated depreciation	(64,616,734)	-	-	-	(64,616,734)
Right-to-use lease asset	3,969,127	1,484,147	-	-	5,453,274
Accumulated amortization	(2,001,746)	(970,248)	-	-	(2,971,994)
Right-to-use software asset	-	1,312,715	183,463	-	1,496,178
Accumulated amortization	-	(656,357)	(64,061)	-	(720,418)
Construction in progress	225,000	1,034,708	906,854	-	2,166,562
Total capital assets, net of accum. depreciation and amortization	<u>27,006,015</u>	<u>4,790,309</u>	<u>1,026,256</u>	<u>-</u>	<u>32,822,580</u>
Total noncurrent assets	<u>31,452,855</u>	<u>4,790,309</u>	<u>1,030,049</u>	<u>-</u>	<u>37,273,213</u>
TOTAL ASSETS	<u>\$ 50,811,993</u>	<u>\$ 13,029,400</u>	<u>\$ 25,750,830</u>	<u>\$ 12,975,594</u>	<u>\$ 102,567,817</u>
DEFERRED OUTFLOWS	<u>\$ 1,690,693</u>	<u>\$ 2,184,008</u>	<u>\$ 55,269</u>	<u>\$ 338,181</u>	<u>\$ 4,268,151</u>
LIABILITIES					
CURRENT LIABILITIES					
Vouchers payable	\$ 464,021	\$ 248,845	\$ 391,185	\$ 163,233	\$ 1,267,284
Accounts payable	59,349	242,105	14,050	476,476	791,980
Accrued expenses	83,397	101,013	10,372	42,444	237,226
Due to other funds	-	-	-	172,450	172,450
Estimated liability for incurred losses	-	-	3,054,824	1,774,751	4,829,575
Current portion of lease liability	863,280	84,074	-	-	947,354
Current portion of software liability	-	-	92,795	-	92,795
Current portion of compensated absences	43,540	33,946	1,932	-	79,418
Total current liabilities	<u>1,513,587</u>	<u>709,983</u>	<u>3,565,158</u>	<u>2,629,354</u>	<u>8,418,082</u>
NONCURRENT LIABILITIES					
Provision for compensated absences, net	236,558	366,868	4,941	-	608,367
Estimated liability for incurred losses, net of current portion	-	-	13,632,041	-	13,632,041
Lease liability	1,107,650	189,929	-	-	1,297,579
Net OPEB liability	970,139	835,527	23,209	102,120	1,930,995
Net pension liability	<u>1,398,261</u>	<u>1,752,375</u>	<u>-</u>	<u>308,521</u>	<u>3,459,157</u>
Total noncurrent liabilities	<u>3,712,608</u>	<u>3,144,699</u>	<u>13,660,191</u>	<u>410,641</u>	<u>20,928,139</u>
TOTAL LIABILITIES	<u>\$ 5,226,195</u>	<u>\$ 3,854,682</u>	<u>\$ 17,225,349</u>	<u>\$ 3,039,995</u>	<u>\$ 29,346,221</u>
DEFERRED INFLOWS	<u>\$ 657,270</u>	<u>\$ 987,329</u>	<u>\$ 46,429</u>	<u>\$ 130,243</u>	<u>\$ 1,821,271</u>
NET POSITION					
Net investment in capital assets	\$ 25,035,085	\$ 4,516,306	\$ 933,464	\$ -	\$ 30,484,855
Restricted for other purposes	4,446,840	-	-	-	4,446,840
Unrestricted	<u>17,137,296</u>	<u>5,855,091</u>	<u>7,600,857</u>	<u>10,143,537</u>	<u>40,736,781</u>
TOTAL NET POSITION	<u>\$ 46,619,221</u>	<u>\$ 10,371,397</u>	<u>\$ 8,534,321</u>	<u>\$ 10,143,537</u>	<u>\$ 75,668,476</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, 2023**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 2,268,781	\$ 2,268,781
Internal charges	19,415,766	8,621,982	8,807,093	22,017,697	58,862,538
Employee contributions	-	-	-	5,714,496	5,714,496
Miscellaneous	-	74,653	-	360	75,013
Total operating revenues	<u>19,415,766</u>	<u>8,696,635</u>	<u>8,807,093</u>	<u>30,001,334</u>	<u>66,920,828</u>
OPERATING EXPENSES					
Salaries, wages, fringes	2,587,699	3,310,172	286,415	29,416	6,213,702
Supplies	4,242,143	582,742	314,239	21,710	5,160,834
Fuel and oil	3,359,566	-	-	-	3,359,566
Contractual services	904,915	3,384,581	324,013	2,096,683	6,710,192
Claims, net of settlements	-	-	1,119,009	23,256,068	24,375,077
Other charges	1,253,019	311,149	4,936,555	1,321,279	7,822,002
Depreciation	<u>6,876,296</u>	<u>2,169,445</u>	<u>64,061</u>	<u>33</u>	<u>9,109,835</u>
Total operating expenses	<u>19,223,638</u>	<u>9,758,089</u>	<u>7,044,292</u>	<u>26,725,189</u>	<u>62,751,208</u>
Operating income (loss)	<u>192,128</u>	<u>(1,061,454)</u>	<u>1,762,801</u>	<u>3,276,145</u>	<u>4,169,620</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	984,947	344,588	933,096	224,667	2,487,298
Changes in value of investments	-	-	26,359	-	26,359
Interest and fiscal charges	(28,025)	(19,158)	(5,541)	-	(52,724)
Gain (loss) on property sales	651,445	(116,790)	-	-	534,655
Miscellaneous revenues	-	2,271	-	12,291	14,562
Total nonoperating revenues (expenses)	<u>1,608,367</u>	<u>210,911</u>	<u>953,914</u>	<u>236,958</u>	<u>3,010,150</u>
Income (loss) before contributions and transfers	1,800,495	(850,543)	2,716,715	3,513,103	7,179,770
TRANSFERS					
TO MUNICIPALITY - CASH	(620,281)	(754)	-	-	(621,035)
FROM MUNICIPALITY - CASH	<u>5,826,606</u>	<u>1,172,281</u>	<u>-</u>	<u>-</u>	<u>6,998,887</u>
Change in net position	<u>7,006,820</u>	<u>320,984</u>	<u>2,716,715</u>	<u>3,513,103</u>	<u>13,557,622</u>
NET POSITION AT BEGINNING 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>
PRIOR PERIOD ADJUSTMENT					
	<u>-</u>	<u>656,357</u>	<u>-</u>	<u>-</u>	<u>656,357</u>
TOTAL NET POSITION AT BEGINNING OF YEAR, RESTATED					
	<u>39,612,401</u>	<u>10,050,413</u>	<u>5,817,606</u>	<u>6,630,434</u>	<u>62,110,854</u>
NET POSITION AT END OF YEAR					
	<u>\$ 46,619,221</u>	<u>\$ 10,371,397</u>	<u>\$ 8,534,321</u>	<u>\$ 10,143,537</u>	<u>\$ 75,668,476</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023**

	<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	\$ 19,415,766	\$ 8,698,416	\$ 8,711,854	\$ 30,148,784	\$ 66,974,820
Cash payments to suppliers for goods and services	(10,415,819)	(4,059,690)	(6,448,631)	(3,419,992)	(24,344,132)
Cash payments to employees	(2,592,631)	(3,301,832)	(322,944)	11,242	(6,206,165)
Cash payments for claims and loss adjustments	-	-	(3,809,398)	(23,494,086)	(27,303,484)
Net cash provided (used) by operating activities	<u>6,407,316</u>	<u>1,336,894</u>	<u>(1,869,119)</u>	<u>3,245,948</u>	<u>9,121,039</u>
CASH FLOWS FROM NONCAPITAL					
FINANCING ACTIVITIES					
Transfers from other funds	5,826,606	(754)	-	(16,215)	5,809,637
Transfers to other funds	-	1,172,281	-	-	1,172,281
Amounts borrowed/repaid from other funds	2,503	(50,000)	-	-	(47,497)
Amounts loaned to other funds	(620,281)	11,750	1,258	(11,158)	(618,431)
Net cash provided (used) by noncapital financing activities	<u>5,208,828</u>	<u>1,133,277</u>	<u>1,258</u>	<u>(27,373)</u>	<u>6,315,990</u>
CASH FLOWS FROM CAPITAL					
FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(11,443,595)	58,940	(906,854)	-	(12,291,509)
Principal paid on right-to-use lease	(1,047,287)	-	(96,209)	-	(1,143,496)
Principal paid on right-to-use software liability	-	(1,097,473)	-	-	(1,097,473)
Interest expense	(29,952)	(19,158)	-	-	(49,110)
Insurance proceeds	-	2,271	-	-	2,271
Proceeds from sale of equipment	659,701	(1,861,825)	-	-	(1,202,124)
Net cash provided (used) by capital financing activities	<u>(11,861,133)</u>	<u>(2,917,245)</u>	<u>(1,003,063)</u>	<u>-</u>	<u>(15,781,441)</u>
CASH FLOWS FROM INVESTING					
ACTIVITIES					
Proceeds from sales and maturities of investment securities	7,750,000	4,250,000	18,500,000	-	30,500,000
Purchase of investment securities	(7,500,000)	(4,000,000)	(13,500,000)	(750,000)	(25,750,000)
Interest and gains (losses) on investments	1,098,793	342,869	848,255	225,002	2,514,919
Net cash provided (used) by investing activities	<u>1,348,793</u>	<u>592,869</u>	<u>5,848,255</u>	<u>(524,998)</u>	<u>7,264,919</u>
Net increase (decrease) in cash and cash equivalents	1,103,804	145,795	2,977,331	2,693,577	6,920,507
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<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>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 19,647,079</u>	<u>\$ 6,136,536</u>	<u>\$ 14,632,495</u>	<u>\$ 11,177,581</u>	<u>\$ 51,593,691</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2023**

	<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)	\$ 192,128	\$ (1,061,454)	\$ 1,762,801	\$ 3,276,145	\$ 4,169,620
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	6,876,296	2,169,445	64,061	33	9,109,835
(Increase) decrease in accounts receivable	-	1,781	(95,239)	159,741	66,283
(Increase) decrease in deferred outflows	(1,049,480)	(1,568,665)	(81,353)	(220,894)	(2,920,392)
(Increase) decrease in inventories	14,512	2,002	-	-	16,514
(Increase) decrease in prepaid expenses	-	(38,132)	(915,995)	-	(954,127)
Increase (decrease) in vouchers payable	(743,126)	12,807	28,121	(142,562)	(844,760)
Increase (decrease) in accounts payable	77,438	242,105	14,050	162,242	495,835
Increase (decrease) in accrued expenses	23,481	14,216	1,456	67,136	106,289
Increase (decrease) in deferred inflows	(355,530)	(519,371)	(26,350)	(72,454)	(973,705)
Increase (decrease) in provision for compensated absences	11,368	47,815	(35,940)	(19,630)	3,613
Increase (decrease) in estimated claims liabilities	-	-	-	(250,309)	(250,309)
Increase (decrease) in net OPEB liability	121,859	104,951	2,915	12,827	242,552
Increase (decrease) in net pension liability	1,238,370	1,929,394	102,743	273,673	3,544,180
Increase (decrease) in IBNR accrual	-	-	(2,690,389)	-	(2,690,389)
Net cash provided (used) by operating activities	<u>\$ 6,407,316</u>	<u>\$ 1,336,894</u>	<u>\$ (1,869,119)</u>	<u>\$ 3,245,948</u>	<u>\$ 9,121,039</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Decreases (increases) in fair values of investments	\$ -	\$ -	\$ (26,359)	\$ -	\$ (26,359)

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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, 2023**

ASSETS

Cash and cash equivalents	\$	23,438,435
Restricted cash and cash equivalents		835,157
Investments at fair value		40,450,549
Receivables (net of allowances for uncollectibles)		
Property taxes		319,535
Solid waste and other		4,902,138
Accrued interest		243,882
Other accrued revenue		1,968,068
Due from other funds		1,617,419
Due from other governments		10,158,805
Inventory of supplies		1,756,869
Prepaid items		38,526
Advances to other funds		522,343
TOTAL ASSETS	\$	86,251,726

LIABILITIES AND FUND BALANCE

LIABILITIES

Vouchers payable	\$	2,326,832
Accounts payable		5,097,551
Accrued expenditures		4,067,298
Deposits		25,249
Due to other funds - unrestricted		17,733
Due to other governments		1,039,155
Unearned revenues - other		114,292
Total liabilities		12,688,110

Deferred inflows of resources

Unavailable property taxes		203,828
Total deferred inflows of resources		203,828

FUND BALANCE

Nonspendable:		
Inventory		1,756,869
Prepaid items		38,526
Property taxes		115,707
Restricted for:		
Special purpose		1,323,782
Committed for:		
Advances to other funds		522,343
Unassigned		69,602,561
Total fund balance		73,359,788

TOTAL LIABILITIES AND FUND BALANCE	\$	86,251,726
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**CITY OF AMARILLO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2023**

REVENUES

Taxes	\$ 164,678,023
License and permits	4,972,928
Interfund revenues	961,684
Intergovernmental revenues	4,622,791
Contributions - citizens	7,912
Charges for services	45,354,506
Fines and forfeitures	3,219,040
Investment earnings	3,535,110
Other rentals and commissions	790,065
Miscellaneous	707,075
	<u>228,849,134</u>
Total revenues	<u>228,849,134</u>

EXPENDITURES

Current	
General government	6,248,392
Staff services	13,498,432
Public safety and health	
Police protection	55,570,916
Fire protection	40,846,479
Other	17,018,420
Streets, traffic and engineering	18,334,833
Culture and recreation	
Auditorium-coliseum	4,069,997
Libraries	4,168,971
Parks	8,790,783
Participant recreation	7,268,169
MPEV	4,936
Solid waste	20,387,201
Transit system	5,383,797
Information technology	6,081,229
Economic development/tourism	4,932,973
Capital outlay	95,777
	<u>212,701,305</u>
Total expenditures	<u>212,701,305</u>

**EXCESS OF REVENUES OVER
EXPENDITURES**

16,147,829

OTHER FINANCING SOURCES (USES)

Transfers from other funds	3,459,194
Transfers to other funds	(24,919,714)
	<u>(5,312,691)</u>
Net change in fund balance	<u>(5,312,691)</u>

FUND BALANCE, BEGINNING OF YEAR

78,672,479

FUND BALANCE, END OF YEAR

\$ 73,359,788

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES
YEAR ENDED SEPTEMBER 30, 2023**

	Actual revenue	Budget	Variance with final budget positive (negative)
TAXES			
General property taxes			
Ad valorem tax collections	\$ 50,731,701	\$ 49,821,940	\$ 909,761
Penalty and interest on delinquent taxes	453,577	422,695	30,882
Water & sewer utility	5,596,484	5,579,008	17,476
General sales tax	75,393,340	67,952,701	7,440,639
Mixed beverage tax	1,157,840	1,069,528	88,312
Hotel occupancy tax	9,180,831	10,098,721	(917,890)
Hotel occupancy tax rebate	(794,828)	(1,009,872)	215,044
Gross receipts business taxes:			
Electric utility	11,957,070	10,714,297	1,242,773
Telephone utility	693,894	647,952	45,942
Gas utility	4,083,163	4,403,056	(319,893)
Cable television	1,085,742	1,235,341	(149,599)
Water & Sewer utility	5,139,209	5,124,916	14,293
Total taxes	<u>164,678,023</u>	<u>156,060,283</u>	<u>8,617,740</u>
LICENSES AND PERMITS			
Food and beverage establishments			
Liquor, beer and wine licenses	92,052	92,000	52
Restaurant permits	976,225	921,904	54,321
Food handler permits	81,121	74,700	6,421
Miscellaneous occupational			
Occupational and business	98,613	170,787	(72,174)
Group care	8,721	9,000	(279)
Transient bus licenses	983	928	55
Solicitation permits	861	5,144	(4,283)
Building and structures			
Building permits	2,758,486	2,627,486	131,000
Electrical permits	95,677	113,282	(17,605)
Plumbing and gas permits	329,756	398,593	(68,837)
Heating and air permits	146,007	150,125	(4,118)
Sewage disposal permits	333,411	350,000	(16,589)
Mobile home parks	51,015	39,391	11,624
Total licenses and permits	<u>4,972,928</u>	<u>4,953,340</u>	<u>19,588</u>
INTERFUND REVENUES			
Airport animal control	25,000	18,000	7,000
Sales to other funds	490,072	762,926	(272,854)
Other interfund reimbursements	446,612	630,277	(183,665)
Total interfund revenue	<u>961,684</u>	<u>1,411,203</u>	<u>(449,519)</u>
INTERGOVERNMENTAL REVENUES			
General government			
Auditorium operating assistance	398,004	398,002	2
Public safety and health			
Emergency management participations	430,431	258,335	172,096
Other	235,928	455,679	(219,751)
Solid waste	183,840	200,000	(16,160)
State shared revenues	60,657	49,700	10,957
Transit			
Federal/state operating assistance	3,313,931	3,882,379	(568,448)
Total intergovernmental revenues	<u>4,622,791</u>	<u>5,244,095</u>	<u>(621,304)</u>
CONTRIBUTIONS FROM CITIZENS			
Donations unrestricted	7,912	65,000	(57,088)

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
CHARGES FOR SERVICES			
General government			
Zoning, planning application fees	(1,352)	94,266	(95,618)
Sale of city publications	114	96	18
Construction and development fees	225,893	214,564	11,329
Staff services			
Indirect cost reimbursement	2,147,773	2,493,123	(345,350)
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	206,921	425,000	(218,079)
Weed bad debt adjustment	21,536	(250,000)	271,536
Wrecker service contract	45,745	53,004	(7,259)
Fiscal agent fees	145,685	161,376	(15,691)
Technology fees	152,129	189,999	(37,870)
Public safety and health			
Police liason officer	1,472,100	1,457,908	14,192
AECC participations	1,102,461	1,144,248	(41,787)
EMS support	79,200	79,200	-
Warrant fees	285,749	365,750	(80,001)
Traffic accident reports	6,397	30,000	(23,603)
Airport fire service fee	2,112,423	2,112,423	-
Fire inspections	53,745	217,959	(164,214)
Animal shelter fees	107,212	134,504	(27,292)
Vital statistics fee	289,371	285,000	4,371
Miscellaneous health department fees	97	-	97
Culture & recreation			
Auditorium rentals	1,468,348	1,541,175	(72,827)
Auditorium concessions	477,126	348,220	128,906
Auditorium advertising	8,382	-	8,382
Auditorium box office	353,966	329,504	24,462
Library late fees	51,443	51,500	(57)
Library copy charges	25,251	26,000	(749)
Nonresident library fees	12,210	10,999	1,211
Baseball field rentals	48,368	28,500	19,868
Golf green fees	1,313,053	1,272,527	40,526
Golf membership fees	315,060	266,225	48,835
Golf other	2,530,619	2,210,338	320,281
Swimming pool fees	206,174	585,474	(379,300)
Tennis center fees	86,601	37,263	49,338
Warford Center	72,415	81,600	(9,185)
Zoo admission fees	242,381	194,857	47,524
Rifle range fees	49,684	83,540	(33,856)
Entry and tournament fees	129,465	121,855	7,610
Admission fees	5,810	46,500	(40,690)
Solid waste			
Collection & disposal fees	23,390,774	23,112,967	277,807
Landfill charges	3,613,955	3,851,163	(237,208)
Recyclable materials	62,962	71,806	(8,844)
Forfeited discounts	38,712	404,999	(366,287)
Transit			
Passenger revenue	110,131	223,502	(113,371)
Demand response	12,796	13,795	(999)
Miscellaneous transit revenue	279,762	72,000	207,762
Total charges for services	<u>45,354,506</u>	<u>46,190,588</u>	<u>(836,082)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
FINES AND FORFEITURES			
Traffic fines	2,278,588	2,264,982	13,606
Misdemeanor fees	200,782	233,820	(33,038)
Parking fines	81,043	174,016	(92,973)
Court Fees	1,770	2,407	(637)
Other court revenue	124,453	77,321	47,132
Miscellaneous fines	240,000	336,875	(96,875)
State court costs	292,404	371,478	(79,074)
Total fines and forfeitures	<u>3,219,040</u>	<u>3,460,899</u>	<u>(241,859)</u>
INVESTMENT EARNINGS			
Interest earnings	<u>3,535,110</u>	<u>462,706</u>	<u>3,072,404</u>
Total investment earnings	<u>3,535,110</u>	<u>462,706</u>	<u>3,072,404</u>
OTHER RENTALS AND COMMISSIONS			
Amusement park commissions	95,564	125,000	(29,436)
Municipal building rents	111,446	76,346	35,100
MPEV rents	400,000	400,000	-
Surface land rents	41,995	41,400	595
Miscellaneous concessions	141,060	195,216	(54,156)
Total rental/commissions	<u>790,065</u>	<u>837,962</u>	<u>(47,897)</u>
MISCELLANEOUS			
Use of money and property:			
Miscellaneous revenues	658,772	69,308	589,464
Sales to outside utilities	7,071	13,000	(5,929)
Discounts earned	9,650	4,001	5,649
Sale of property and gains	9,646	14,250	(4,604)
Bad debt/exp recovery	21,936	-	21,936
Total miscellaneous	<u>707,075</u>	<u>100,559</u>	<u>606,516</u>
TOTAL REVENUES	<u>\$ 228,849,134</u>	<u>\$ 218,786,635</u>	<u>\$ 10,062,499</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS)
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Salaries, wages and fringe benefits</u>	<u>Supplies</u>	<u>Contractual services</u>
GENERAL GOVERNMENT			
Mayor and council	\$ 1,220	\$ 31,977	\$ 49,925
City manager	2,017,490	23,536	109,127
Office of public communication	744,385	19,854	33,551
City secretary	293,470	159,383	5,519
Municipal court	1,156,057	26,747	47,672
Judicial	453,791	4,124	49,600
Office of Civic Hearing	10,766	-	43,510
Planning and zoning	765,490	9,591	21,499
Total general government	<u>5,442,669</u>	<u>275,212</u>	<u>360,403</u>
STAFF SERVICES			
Financial administration			
Director of finance	2,047,900	43,751	1,000,007
Benefits	159,734	265	-
Purchasing	526,972	18,269	91,826
Central stores	323,741	2,775	20,103
Information technology	-	-	-
Legal	826,086	70,151	1,213,226
Personnel			
Human resources	775,812	201,285	273,056
Safety and training	259,471	6,051	15,503
Occupancy			
Custodial operations	1,508,018	130,634	14,557
Building maintenance	2,213,193	677,578	619,538
Total staff services	<u>8,640,927</u>	<u>1,150,759</u>	<u>3,247,816</u>
PUBLIC SAFETY AND HEALTH			
Police			
Police	43,931,667	1,947,266	3,909,205
Civilian personnel	3,638,371	10,579	1,858,835
Miscellaneous police programs	17,670	-	-
Total police protection	<u>47,587,708</u>	<u>1,957,845</u>	<u>5,768,040</u>
Fire protection			
Fire operations	35,683,568	2,050,681	1,642,524
Civilian personnel	789,424	(424)	28
Total fire protection	<u>36,472,992</u>	<u>2,050,257</u>	<u>1,642,552</u>
Other			
Building safety	2,741,629	25,604	979,315
City Marshal	1,274,310	52,754	52,667
Animal management and welfare	2,439,348	444,508	348,986
Emergency services	381,846	26,967	69,087
AECC	4,897,713	80,038	329,124
Environmental health	1,684,201	54,731	241,355
Vital statistics	64,016	11,723	37,549
Total other	<u>13,483,063</u>	<u>696,325</u>	<u>2,058,083</u>
Total public safety and health	<u>97,543,763</u>	<u>4,704,427</u>	<u>9,468,675</u>

See Independent Auditor's Report.

Other charges	Total	Capital outlay	Total (GAAP) basis
\$ 33,577	\$ 116,699	\$ -	\$ 116,699
26,229	2,176,382	-	2,176,382
16,755	814,545	-	814,545
16,236	474,608	-	474,608
22,541	1,253,017	-	1,253,017
6,817	514,332	-	514,332
1,746	56,022	-	56,022
46,207	842,787	-	842,787
<u>170,108</u>	<u>6,248,392</u>	<u>-</u>	<u>6,248,392</u>
33,279	3,124,937	-	3,124,937
5,553	165,552	-	165,552
5,591	642,658	-	642,658
(28,802)	317,817	-	317,817
6,081,229	6,081,229	-	6,081,229
11,284	2,120,747	-	2,120,747
11,659	1,261,812	-	1,261,812
5,226	286,251	-	286,251
16,539	1,669,748	-	1,669,748
398,601	3,908,910	-	3,908,910
<u>6,540,159</u>	<u>19,579,661</u>	<u>-</u>	<u>19,579,661</u>
175,274	49,963,412	70,727	50,034,139
82,049	5,589,834	-	5,589,834
-	17,670	-	17,670
<u>257,323</u>	<u>55,570,916</u>	<u>70,727</u>	<u>55,641,643</u>
671,662	40,048,435	-	40,048,435
9,016	798,044	-	798,044
<u>680,678</u>	<u>40,846,479</u>	<u>-</u>	<u>40,846,479</u>
221,307	3,967,855	-	3,967,855
21,353	1,401,084	-	1,401,084
109,007	3,341,849	-	3,341,849
142,691	620,591	-	620,591
270,311	5,577,186	-	5,577,186
15,629	1,995,916	-	1,995,916
651	113,939	-	113,939
<u>780,949</u>	<u>17,018,420</u>	<u>-</u>	<u>17,018,420</u>
<u>1,718,950</u>	<u>113,435,815</u>	<u>70,727</u>	<u>113,506,542</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS), CONTINUED
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Salaries, wages and fringe benefits</u>	<u>Supplies</u>	<u>Contractual services</u>
STREETS, TRAFFIC & ENGINEERING			
Street maintenance	5,217,789	254,010	5,165,037
Traffic engineering	1,527,235	2,816,448	847,438
Public works	435,954	14,209	47,006
Capital projects and development	1,641,275	71,285	79,389
Total streets, traffic, engineering	<u>8,822,253</u>	<u>3,155,952</u>	<u>6,138,870</u>
CULTURE & RECREATION			
Auditorium - coliseum			
Civic Center operations	1,108,187	735,231	202,082
Civic Center administration	325,817	21,091	64,429
Box office operations	268,331	3,892	39,152
Civic Center sports	107,818	241,735	63,376
Globe News Center	110,279	159,316	15,598
Santa Fe Pavillion	-	2,428	3,380
MPEV	-	-	4,936
Library operations	3,155,147	590,092	176,010
Parks			
Parks administration	731,936	41,015	26,975
Park maintenance	2,134,355	668,211	4,865,805
Beautification and Public Arts	50,665	6,526	33,914
Senior services	64,259	1,763	5,619
Participant recreation			
Golf Operations	1,937,590	1,647,250	999,466
Comanche Trail Golf Course	-	-	-
Warford Center	243,204	91,068	60,058
Zoo	444,999	167,618	37,658
Swimming pools	477,880	127,990	49,823
Tennis center	59,890	36,543	118,390
Parks and recreation programs	536,174	102,202	19,622
Total culture and recreation	<u>11,756,531</u>	<u>4,643,971</u>	<u>6,786,293</u>
SOLID WASTE			
Solid waste collection	7,100,074	748,382	6,773,643
Solid waste disposal	1,882,734	371,776	2,623,780
Total solid waste	<u>8,982,808</u>	<u>1,120,158</u>	<u>9,397,423</u>
TRANSIT			
Fixed route	2,077,605	346,355	5,393
Demand response	750,763	239,270	41,454
Transit Administration	452,493	26,518	11,373
Transit maintenance	602,040	338,717	9,646
Total transit	<u>3,882,901</u>	<u>950,860</u>	<u>67,866</u>
ECONOMIC DEVELOPMENT			
Tourism support	-	-	4,932,973
Total economic development	<u>-</u>	<u>-</u>	<u>4,932,973</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 145,071,852</u>	<u>\$ 16,001,339</u>	<u>\$ 40,400,319</u>

See Independent Auditor's Report.

Other charges	Total	Capital outlay	Total (GAAP) basis
55,453	10,692,289	-	10,692,289
111,258	5,302,379	-	5,302,379
7,883	505,052	-	505,052
43,164	1,835,113	-	1,835,113
<u>217,758</u>	<u>18,334,833</u>	<u>-</u>	<u>18,334,833</u>
374,238	2,419,738	-	2,419,738
50,591	461,928	-	461,928
42,459	353,834	-	353,834
2,846	415,775	-	415,775
127,721	412,914	-	412,914
-	5,808	-	5,808
-	4,936	-	4,936
247,722	4,168,971	-	4,168,971
13,180	813,106	-	813,106
145,978	7,814,349	-	7,814,349
-	91,105	-	91,105
582	72,223	-	72,223
46,549	4,630,855	-	4,630,855
-	-	-	-
16,494	410,824	-	410,824
14,186	664,461	-	664,461
15,286	670,979	-	670,979
7,739	222,562	-	222,562
10,490	668,488	-	668,488
<u>1,116,061</u>	<u>24,302,856</u>	<u>-</u>	<u>24,302,856</u>
589,121	15,211,220	-	15,211,220
297,691	5,175,981	-	5,175,981
<u>886,812</u>	<u>20,387,201</u>	<u>-</u>	<u>20,387,201</u>
246,618	2,675,971	-	2,675,971
95,410	1,126,897	-	1,126,897
89,917	580,301	-	580,301
50,225	1,000,628	25,050	1,025,678
<u>482,170</u>	<u>5,383,797</u>	<u>25,050</u>	<u>5,408,847</u>
-	4,932,973	-	4,932,973
-	4,932,973	-	4,932,973
<u>\$ 11,132,018</u>	<u>\$ 212,605,528</u>	<u>\$ 95,777</u>	<u>\$ 212,701,305</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2023**

	<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	\$ 116,699	\$ -	\$ 116,699	\$ -
City manager	2,176,382	-	2,176,382	-
Office of public communication	814,545	-	814,545	-
City secretary	474,608	-	474,608	-
Municipal court	1,253,017	-	1,253,017	-
Judicial	514,332	-	514,332	-
Office of Civil Hearing	56,022	-	56,022	-
Planning and zoning	842,787	-	842,787	-
Total general government	<u>6,248,392</u>	<u>-</u>	<u>6,248,392</u>	<u>-</u>
STAFF SERVICES				
Financial administration				
Director of finance	3,124,937	-	3,124,937	17,512
Benefits	165,552	-	165,552	-
Purchasing	642,658	-	642,658	-
Central stores	317,817	-	317,817	-
Information technology	6,081,229	-	6,081,229	-
Legal	2,120,747	-	2,120,747	-
Personnel				
Human resources	1,261,812	-	1,261,812	12,000
Safety and training	286,251	-	286,251	-
Occupancy				
Custodial operations	1,669,748	-	1,669,748	-
Building maintenance	3,908,910	-	3,908,910	3,215
Total staff services	<u>19,579,661</u>	<u>-</u>	<u>19,579,661</u>	<u>32,727</u>
PUBLIC SAFETY AND HEALTH				
Police				
Police	49,963,412	70,727	50,034,139	284,575
Civilian personnel	5,589,834	-	5,589,834	-
Miscellaneous police programs	17,670	-	17,670	-
Total police protection	<u>55,570,916</u>	<u>70,727</u>	<u>55,641,643</u>	<u>284,575</u>
Fire Protection				
Fire operations	40,048,435	-	40,048,435	39,520
Civilian personnel	798,044	-	798,044	1,598
Total fire protection	<u>40,846,479</u>	<u>-</u>	<u>40,846,479</u>	<u>41,118</u>
Other				
Building safety	3,967,855	-	3,967,855	-
City Marshal	1,401,084	-	1,401,084	-
Animal management and welfare	3,341,849	-	3,341,849	-
Emergency services	620,591	-	620,591	16,235
AECC	5,577,186	-	5,577,186	2,072
Environmental health	1,995,916	-	1,995,916	-
Vital statistics	113,939	-	113,939	-
Total other	<u>17,018,420</u>	<u>-</u>	<u>17,018,420</u>	<u>18,307</u>
Total public safety and health	<u>113,435,815</u>	<u>70,727</u>	<u>113,506,542</u>	<u>344,000</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>
\$ -	\$ 116,699	\$ 83,620	\$ 83,620	\$ (33,079)
245	2,176,627	2,167,738	2,167,168	(9,459)
405	814,950	748,137	748,137	(66,813)
-	474,608	484,636	484,636	10,028
-	1,253,017	1,571,518	1,560,018	307,001
-	514,332	569,212	569,212	54,880
-	56,022	124,263	124,263	68,241
71	842,858	991,060	943,060	100,202
<u>721</u>	<u>6,249,113</u>	<u>6,740,184</u>	<u>6,680,114</u>	<u>431,001</u>
17,180	3,124,605	3,830,807	3,167,318	42,713
-	165,552	307,968	307,968	142,416
-	642,658	677,427	677,427	34,769
-	317,817	400,021	400,021	82,204
-	6,081,229	6,081,229	6,081,229	-
-	2,120,747	1,499,413	1,499,413	(621,334)
599	1,250,411	1,288,786	1,300,786	50,375
-	286,251	377,682	377,682	91,431
-	1,669,748	1,856,391	1,856,391	186,643
1,125	3,906,820	4,495,721	4,497,524	590,704
<u>18,904</u>	<u>19,565,838</u>	<u>20,815,445</u>	<u>20,165,759</u>	<u>599,921</u>
542,568	50,292,132	48,504,435	48,781,305	(1,510,827)
1,668	5,591,502	6,155,492	6,155,492	563,990
-	17,670	-	-	(17,670)
<u>544,236</u>	<u>55,901,304</u>	<u>54,659,927</u>	<u>54,936,797</u>	<u>(964,507)</u>
146,533	40,155,448	38,425,081	38,424,601	(1,730,847)
-	796,446	823,661	823,661	27,215
<u>146,533</u>	<u>40,951,894</u>	<u>39,248,742</u>	<u>39,248,262</u>	<u>(1,703,632)</u>
-	3,967,855	3,013,071	3,013,825	(954,030)
10,426	1,411,510	2,200,474	2,202,072	790,562
2,575	3,344,424	4,008,813	4,008,813	664,389
1,131	605,487	683,558	699,793	94,306
2,129	5,577,243	6,277,263	6,272,735	695,492
-	1,995,916	1,956,591	1,899,691	(96,225)
11,162	125,101	136,596	136,596	11,495
<u>27,423</u>	<u>17,027,536</u>	<u>18,276,366</u>	<u>18,233,525</u>	<u>1,205,989</u>
<u>718,192</u>	<u>113,880,734</u>	<u>112,185,035</u>	<u>112,418,584</u>	<u>(1,462,150)</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2023

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances
STREETS, TRAFFIC & ENGINEERING				
Street maintenance	10,692,289	-	10,692,289	88,819
Traffic engineering	5,302,379	-	5,302,379	36,380
Public works	505,052	-	505,052	-
Capital projects and development	1,835,113	-	1,835,113	2,554
Total streets, traffic, engineering	<u>18,334,833</u>	<u>-</u>	<u>18,334,833</u>	<u>127,753</u>
CULTURE & RECREATION				
Auditorium - coliseum				
Civic Center operations	2,419,738	-	2,419,738	-
Civic Center administration	461,928	-	461,928	4,926
Box office operations	353,834	-	353,834	-
Civic Center sports	415,775	-	415,775	7,550
Globe News Center	412,914	-	412,914	-
Santa Fe Pavillion	5,808	-	5,808	-
MPEV	4,936	-	4,936	-
Library operations	4,168,971	-	4,168,971	-
Parks				
Parks administration	813,106	-	813,106	1,667
Park maintenance	7,814,349	-	7,814,349	11,481
Beautification and Public Arts	91,105	-	91,105	-
Senior services	72,223	-	72,223	-
Participant Recreation				
Golf Operations	4,630,855	-	4,630,855	35,359
Warford Center	410,824	-	410,824	47,830
Zoo	664,461	-	664,461	-
Swimming pools	670,979	-	670,979	-
Tennis center	222,562	-	222,562	-
Parks and recreation programs	668,488	-	668,488	140
Total culture and recreation	<u>24,302,856</u>	<u>-</u>	<u>24,302,856</u>	<u>108,953</u>
SOLID WASTE				
Solid waste collection	15,211,220	-	15,211,220	1,114
Solid waste disposal	5,175,981	-	5,175,981	38,448
Total solid waste	<u>20,387,201</u>	<u>-</u>	<u>20,387,201</u>	<u>39,562</u>
TRANSIT				
Fixed route	2,675,971	-	2,675,971	-
Demand response	1,126,897	-	1,126,897	-
Transit Administration	580,301	-	580,301	732
Transit maintenance	1,000,628	25,050	1,025,678	-
Total transit	<u>5,383,797</u>	<u>25,050</u>	<u>5,408,847</u>	<u>732</u>
ECONOMIC DEVELOPMENT				
Tourism support	4,932,973	-	4,932,973	56,850
Total economic development	<u>4,932,973</u>	<u>-</u>	<u>4,932,973</u>	<u>56,850</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 212,605,528</u>	<u>\$ 95,777</u>	<u>\$ 212,701,305</u>	<u>\$ 710,577</u>
OPERATING TRANSFERS:				
Operating Transfers to Other Funds	\$ 24,919,714	\$ -	\$ 24,919,714	\$ -
Operating Transfers from Other Funds	(3,459,194)	-	(3,459,194)	-
TOTALS INCLUDING TRANSFERS	<u>\$ 234,066,048</u>	<u>\$ 95,777</u>	<u>\$ 234,161,825</u>	<u>\$ 710,577</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>
94,187	10,697,657	11,452,924	11,536,754	839,097
85,596	5,351,595	5,623,263	5,659,643	308,048
209	505,261	617,561	617,561	112,300
61,339	1,893,898	1,661,737	1,664,291	(229,607)
<u>241,331</u>	<u>18,448,411</u>	<u>19,355,485</u>	<u>19,478,249</u>	<u>1,029,838</u>
-	2,419,738	2,417,089	2,417,089	(2,649)
-	457,002	670,555	675,481	218,479
-	353,834	416,942	416,942	63,108
-	408,225	411,439	418,989	10,764
6,975	419,889	483,356	483,356	63,467
-	5,808	-	-	(5,808)
-	4,936	225,000	225,000	220,064
8,132	4,177,103	4,457,663	4,457,663	280,560
1,667	813,106	820,449	822,116	9,010
17,744	7,820,612	8,757,834	8,839,915	1,019,303
-	91,105	131,177	131,177	40,072
-	72,223	91,650	91,650	19,427
14,125	4,609,621	4,515,054	4,550,413	(59,208)
47,830	410,824	500,763	548,593	137,769
3,540	668,001	668,553	668,553	552
-	670,979	1,049,427	1,049,427	378,448
-	222,562	268,228	268,228	45,666
-	668,348	881,783	881,923	213,575
<u>100,013</u>	<u>24,293,916</u>	<u>26,766,962</u>	<u>26,946,515</u>	<u>2,652,599</u>
14,939	15,225,045	14,497,062	14,498,176	(726,869)
-	5,137,533	5,802,808	5,841,257	703,724
<u>14,939</u>	<u>20,362,578</u>	<u>20,299,870</u>	<u>20,339,433</u>	<u>(23,145)</u>
-	2,675,971	3,118,807	3,118,807	442,836
-	1,126,897	1,638,453	1,638,453	511,556
-	579,569	774,765	775,497	195,928
20,227	1,045,905	1,203,032	1,196,892	150,987
<u>20,227</u>	<u>5,428,342</u>	<u>6,735,057</u>	<u>6,729,649</u>	<u>1,301,307</u>
25,000	4,901,123	5,267,286	5,084,136	183,013
<u>25,000</u>	<u>4,901,123</u>	<u>5,267,286</u>	<u>5,084,136</u>	<u>183,013</u>
<u>\$ 1,139,327</u>	<u>\$ 213,130,055</u>	<u>\$ 218,165,324</u>	<u>\$ 217,842,439</u>	<u>\$ 4,712,384</u>
\$ -	\$ 24,919,714	\$ 22,546,830	\$ 23,651,648	\$ (1,268,066)
-	(3,459,194)	(12,240)	(98,967)	3,360,227
<u>\$ 1,139,327</u>	<u>\$ 234,590,575</u>	<u>\$ 240,699,914</u>	<u>\$ 241,395,120</u>	<u>\$ 6,804,545</u>

See Independent Auditor's Report.

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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, 2023**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 32,769,911
Investments, at fair values	46,832,911
Accounts receivable, net of allowances	8,377,327
Lease receivable	110,241
Accrued interest receivable	246,833
Other accrued revenue	6,125,156
Due from other funds	34,990
Prepaid expenses	87,375
Total current assets	94,584,744
NONCURRENT ASSETS	
Restricted cash and cash equivalents	165,093,963
Lease receivable non-current	2,435
Other noncurrent asset	34,853
Capital assets	
Land	2,040,262
Contributed right of way easements	2,215,645
Underground water rights	87,306,598
Accumulated depletion - underground water rights	(12,478,068)
Water supply contract	50,336,389
Accumulated amortization - water supply contract	(22,449,408)
Pipelines and plant	777,864,979
Accumulated depreciation - pipelines and plant	(293,948,556)
Equipment and vehicles	4,355,639
Accumulated depreciation - equipment and vehicles	(3,587,734)
Construction in progress	66,159,735
Total capital assets net of accumulated depreciation	657,815,481
Total noncurrent assets	822,946,732
TOTAL ASSETS	\$ 917,531,476
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	\$ 9,208,093
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 9,208,093
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	\$ 3,846,574
Accounts payable	4,969,369
Accrued expenses	12,345,725
Deposits	1,038,738
Consumer security deposits	5,771,209
Share of water authority debt, current	6,563,747
Bonded debt current maturity	15,315,000
Current portion of provision for compensated absences	180,446
Total current liabilities	50,030,808
NONCURRENT LIABILITIES	
Bonded debt, net of current	256,066,421
Water authority debt, net of current	22,420,955
Other accrued expenses	2,503,071
Provision for compensated absences, net	831,133
Net OPEB liability	5,574,823
Net pension liability	7,047,834
Total noncurrent liabilities	294,444,237
TOTAL LIABILITIES	\$ 344,475,045
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	\$ 4,809,639
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 4,809,639
NET POSITION	
Net investment in capital assets	\$ 504,366,426
Restricted for debt service	13,351,113
Unrestricted	59,737,346
TOTAL NET POSITION	\$ 577,454,885

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, 2023**

OPERATING REVENUES	
Utility sales and service	\$ 93,225,821
Tap fees and frontage charges	232,289
Rents and miscellaneous	503,554
Total operating revenues	93,961,664
OPERATING EXPENSES	
Salaries, wages and fringe benefits	16,656,970
Supplies	3,116,483
Fuel and power	6,791,582
Contractual services	11,360,971
Water authority charges	7,216,296
Other charges	16,231,101
Depreciation	16,123,392
Total operating expenses	77,496,795
Operating income	16,464,869
NONOPERATING REVENUES (EXPENSES)	
Gain (loss) on disposal of property	61,258
Settlement Proceeds	5,000,000
Intergovernmental revenue	651,622
Interest earnings	6,922,797
Interest and fiscal charges	(6,793,753)
Total nonoperating revenue (expenses)	5,841,924
Income before contributions and transfers	22,306,793
Capital contributions	6,485,285
Transfers to other funds	(3,242,554)
Change in net position	25,549,524
TOTAL NET POSITION, BEGINNING OF YEAR	549,399,834
PRIOR PERIOD ADJUSTMENT	2,505,527
TOTAL NET POSITION, BEGINNING OF YEAR, RESTATED	551,905,361
TOTAL NET POSITION, END OF YEAR	\$ 577,454,885

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 92,892,176
Cash payments to suppliers for goods and services	(40,560,076)
Cash payments to employees	(16,708,293)
Net cash provided (used) by operating activities	<u>35,623,807</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Amounts loaned to or repaid from other funds	34,990
Settlement proceeds	5,000,000
Interfund reimbursements	650,421
Transfers to other funds	(3,242,554)
Net cash provided (used) by noncapital financing activities	<u>2,442,857</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(37,756,248)
Capital grants received	6,485,285
Principal paid on bond maturities	(16,015,000)
Principal paid on proportionate share of Water Authority debt	(6,296,941)
Proceeds from issuance of bonds	42,920,000
Bond premium less issuance cost	3,476,236
Interest expense	(8,655,375)
Proceeds from sale of equipment	1,250,980
Net cash provided (used) by capital and related financing activities	<u>(14,591,063)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	31,870,000
Purchase of investment securities	(18,500,000)
Interest and gains on investments	6,816,512
Net cash provided (used) by investing activities	<u>20,186,512</u>
Net increase in cash and cash equivalents	43,662,113
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>154,201,761</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 197,863,874</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 16,464,869
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	16,123,392
(Increase) decrease in accounts receivable	283,031
(Increase) decrease in deferred outflows	(5,977,505)
(Increase) decrease in other accrued revenue	(1,357,222)
(Increase) decrease in prepaid expenses	(9,382)
Increase (decrease) in vouchers payable	185,057
Increase (decrease) in accounts payable	3,476,084
Increase (decrease) in accrued operating expenses	(16,961)
Increase (decrease) in deferred inflows	(2,154,300)
Increase (decrease) in customer deposits	132,874
Increase (decrease) in provision for compensated absences	107,091
Increase (decrease) in net OPEB liability	700,255
Increase (decrease) in net pension liability	7,047,078
Increase (decrease) in other accrued expenses	619,446
Net cash provided (used) by operating activities	<u>\$ 35,623,807</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Amortization of bond premiums	\$ (1,492,762)
Increases in fair values of investments	(210,876)
Investment premium/discount amortization	131,526

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
SCHEDULE OF OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 2023**

UTILITY SALES AND SERVICE	
Water metered sales	\$ 62,545,592
Sewer charges	29,232,152
Industrial waste charges	818,780
Forfeited discounts	975,474
Sale of reclaimed water	638,082
Water service charges	359,084
Net loss on bad debts	(1,584,282)
Lab fees	87,569
Liquid waste disposal	153,370
Total utility sales and service	93,225,821
TAP FEES AND FRONTAGE CHARGES	
Water tap fees	57,067
Sewer tap fees	29,778
Water frontage charges	5,203
Sewer frontage charges	1,950
Grease trap fees	138,291
Total tap fees and frontage charges	232,289
RENTS AND MISCELLANEOUS	
Rents and miscellaneous	503,554
Total rents and miscellaneous	503,554
TOTAL OPERATING REVENUE	\$ 93,961,664

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
YEAR ENDED SEPTEMBER 30, 2023**

WATER AND SEWER SYSTEM FUND DEPARTMENT	<u>Salaries, Wages & Fringe Benefits</u>	<u>Supplies</u>	<u>Fuel and Power</u>
Water production	\$ 669,286	\$ 35,290	\$ 1,928,948
Water transmission	616,487	51,124	2,201,723
Surface water treatment	1,752,144	1,046,439	789,500
Water distribution	2,621,708	277,748	596
Water - general	-	-	-
Wastewater collection	1,633,171	298,559	283,022
Wastewater treatment	2,965,768	994,073	1,554,915
Environmental laboratory	1,125,188	221,394	32,878
Sewer - general	-	-	-
Utility billing	3,279,343	72,206	-
Director of utilities - administration	1,248,628	71,314	-
Capital projects development and engineering	745,247	48,336	-
	<u>\$ 16,656,970</u>	<u>\$ 3,116,483</u>	<u>\$ 6,791,582</u>
Total operating expenses	<u>\$ 16,656,970</u>	<u>\$ 3,116,483</u>	<u>\$ 6,791,582</u>

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>
\$ -	\$ 1,378,912	\$ 447,959	\$ 4,300,872	\$ 8,761,267
-	271,444	54,615	3,125,859	6,321,252
7,216,296	780,519	269,014	971,163	12,825,075
-	3,763,495	58,969	2,873,796	9,596,312
-	290,720	8,887,181	-	9,177,901
-	1,054,408	63,845	2,587,062	5,920,067
-	1,830,909	1,048,024	1,924,338	10,318,027
-	198,770	57,706	197,429	1,833,365
-	-	4,572,815	-	4,572,815
-	1,596,806	716,512	41,770	5,706,637
-	129,176	10,951	101,103	1,561,172
-	65,812	43,510	-	902,905
<u>\$ 7,216,296</u>	<u>\$ 11,360,971</u>	<u>\$ 16,231,101</u>	<u>\$ 16,123,392</u>	<u>\$ 77,496,795</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, 2023**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 10,512,211
Investments, at fair values	1,000,000
Accounts receivable	<u>1,180,227</u>
Total current assets	<u>12,692,438</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	13,789,344
Capital assets	
Land	87,744
Contributed right of way easements	1,517,200
Infrastructure	18,970,197
Accumulated depreciation - infrastructure	(1,977,529)
Equipment and vehicles	67,307
Accumulated depreciation - equipment and vehicles	(42,636)
Construction in progress	<u>18,755,422</u>
Total capital assets net of accumulated depreciation	<u>37,377,705</u>
Total noncurrent assets	<u>51,167,049</u>
TOTAL ASSETS	<u>\$ 63,859,487</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	<u>\$ 628,306</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 628,306</u>
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	399,115
Accounts payable	617,509
Accrued expenses	91,908
Accrued interest	108,042
Bonded debt current maturity	1,425,000
Current portion of provision for compensated absences	<u>5,933</u>
Total current liabilities	<u>2,647,507</u>
NONCURRENT LIABILITIES	
Bonded debt net of current	28,283,517
Provision for compensated absences, net	89,199
Net OPEB liability	547,734
Net pension liability	<u>374,499</u>
Total noncurrent liabilities	<u>29,294,949</u>
TOTAL LIABILITIES	<u>\$ 31,942,456</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	<u>288,265</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 288,265</u>
NET POSITION	
Net investment in capital assets	\$ 19,909,530
Restricted for debt service	576,087
Unrestricted	<u>11,771,455</u>
TOTAL NET POSITION	<u>\$ 32,257,072</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2023**

OPERATING REVENUES	
Drainage utility assessments	\$ 7,615,805
Forfeited discounts	8,505
Total operating revenues	7,624,310
OPERATING EXPENSES	
Salaries, wages and fringe benefits	1,407,778
Supplies	281,577
Contractual services	1,099,122
Other charges	1,248,771
Depreciation	384,897
Total operating expenses	4,422,145
Operating income (loss)	3,202,165
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	1,198,980
Interest and fiscal charges	(795,316)
Total nonoperating revenue (expenses)	403,664
Income before contributions and transfers	3,605,829
Capital contributions	947,000
Transfers to other funds	(54,000)
Change in net position	4,498,829
TOTAL NET POSITION, BEGINNING OF YEAR	27,758,243
TOTAL NET POSITION, END OF YEAR	\$ 32,257,072

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**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 7,372,615
Cash payments to suppliers for goods and services	(2,810,649)
Cash payments to employees	<u>(1,357,858)</u>
Net cash provided (used) by operating activities	<u>3,204,108</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	<u>(54,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(54,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(7,621,759)
Principal paid on bond maturities	(1,485,000)
Interest expense	(790,760)
Capital contributions	947,000
Proceeds from issuance of bonds	4,675,000
Bond premium less issuance cost	<u>329,540</u>
Net cash provided (used) by capital and related financing activities	<u>(3,945,979)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	750,000
Purchase of investment securities	(1,000,000)
Interest and gains on investments	<u>1,197,722</u>
Net cash provided (used) by investing activities	<u>947,722</u>
Net increase (decrease) in cash and cash equivalents	151,851
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>24,149,704</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 24,301,555</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 3,202,165
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	384,897
(Increase) decrease in accounts receivable	(251,695)
(Increase) decrease in deferred outflows	(443,921)
Increase (decrease) in vouchers payable	(315,727)
Increase (decrease) in accounts payable	134,548
Increase (decrease) in accrued operating expenses	65,446
Increase (decrease) in deferred inflows	(153,586)
Increase (decrease) in provision for compensated absences	6,886
Increase (decrease) in net OPEB liability	68,800
Increase (decrease) in net pension liability	<u>506,295</u>
Net cash provided (used) by operating activities	<u>\$ 3,204,108</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Amortization of bond premiums	\$ 97,753

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, 2023**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 12,864,898
Investments at fair value	8,204,140
Receivables (net of allowances for uncollectibles)	
Accounts	3,816
Accrued interest	98,203
Other accrued revenue	193,013
Lease receivable	1,778,556
Due from other governments	21,654
Total current assets	<u>23,164,280</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	3,298
Lease receivable non-current	13,102,398
Capital assets	
Land	1,670,425
Runways, buildings and improvements	180,771,377
Accumulated depreciation - runways, buildings and improvements	(124,171,202)
Equipment and vehicles	8,550,713
Accumulated depreciation - equipment and vehicles	(5,952,583)
Construction in progress	16,994,994
Total capital assets, net of accumulated depreciation	<u>77,863,724</u>
Total noncurrent assets	<u>90,969,420</u>
TOTAL ASSETS	<u>\$ 114,133,700</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	\$ 2,017,781
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,017,781</u>
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	\$ 418,030
Accounts payable	194,248
Accrued expenses	443,734
Unearned revenue	1,263,641
Deposits	27,796
Current portion of provision for compensated absences	25,121
Total current liabilities	<u>2,372,570</u>
NONCURRENT LIABILITIES	
Provision for compensated absences, net	404,786
Net OPEB liability	1,192,947
Net pension liability	1,469,960
Total noncurrent liabilities	<u>3,067,693</u>
TOTAL LIABILITIES	<u>\$ 5,440,263</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	\$ 15,496,745
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 15,496,745</u>
NET POSITION	
Net investment in capital assets	\$ 77,516,445
Restricted for debt service	3,298
Unrestricted	17,694,730
TOTAL NET POSITION	<u>\$ 95,214,473</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, 2023**

OPERATING REVENUES	
Airfield fees and commissions	\$ 1,193,691
Terminal building revenue	9,772,296
Other building revenue	<u>2,105,853</u>
Total operating revenues	<u>13,071,840</u>
OPERATING EXPENSES	
Salaries, wages and fringes	4,965,676
Supplies	921,835
Fuel and power	771,453
Contractual services	2,626,188
Other charges	3,598,860
Depreciation	<u>5,889,171</u>
Total operating expenses	<u>18,773,183</u>
Operating loss	<u>(5,701,343)</u>
NONOPERATING REVENUES (EXPENSES)	
Passenger facility charge	1,374,702
Interest earnings	1,254,823
Capital grants	545,351
Other miscellaneous revenue	<u>133,909</u>
Net nonoperating revenues (expenses)	<u>3,308,785</u>
Net income before contributions	(2,392,558)
CAPITAL CONTRIBUTIONS	1,386,933
TRANSFERS TO OTHER FUNDS	<u>(48,000)</u>
Change in net position	(1,053,625)
NET POSITION AT BEGINNING OF YEAR	<u>95,389,889</u>
PRIOR PERIOD ADJUSTMENT	<u>878,209</u>
TOTAL NET POSITION, BEGINNING OF YEAR, RESTATED	<u>96,268,098</u>
NET POSITION AT END OF YEAR	<u><u>\$ 95,214,473</u></u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
AIRPORT FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 12,987,965
Cash payments to suppliers for goods and services	(8,041,905)
Cash payments to employees	(4,999,903)
Net cash provided (used) by operating activities	<u>(53,843)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash payments received for passenger facility charge	1,374,702
Transfers to other funds	(48,000)
Net cash provided (used) by noncapital financing activities	<u>1,326,702</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(6,750,646)
Capital grants received	3,417,498
Net cash provided (used) by capital and related financing activities	<u>(3,333,148)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	4,750,000
Purchase of investment securities	(5,750,000)
Interest and gains on investments	1,187,009
Net cash provided (used) by investing activities	<u>187,009</u>
Net increase (decrease) in cash and cash equivalents	(1,873,280)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>14,741,476</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 12,868,196</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (5,701,343)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	5,889,171
(Increase) decrease in accounts receivable	1,820,967
(Increase) decrease in deferred outflows	(1,414,022)
Increase (decrease) in vouchers payable	(5,095)
Increase (decrease) in accounts payable	(306,765)
Increase (decrease) in accrued operating expenses	188,291
(Increase) decrease in deferred inflows	(2,408,142)
Increase (decrease) in provision for compensated absences	50,161
Increase (decrease) in net OPEB obligation	149,846
Increase (decrease) in net pension obligation	1,683,088
Net cash provided (used) by operating activities	<u>\$ (53,843)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
AIRPORT FUND
SCHEDULE OF OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 2023**

AIRFIELD FEES AND COMMISSIONS	
Landing fees	\$ 1,067,803
Military fuel flowage commission	125,888
Total airfield fees and commissions	<u>1,193,691</u>
TERMINAL BUILDING REVENUES	
Airline rentals	2,772,475
Restaurant commissions	279,420
Other terminal building rentals	236,531
Car rental agencies	2,405,083
Auto parking concession	4,078,787
Total terminal building revenues	<u>9,772,296</u>
OTHER BUILDING REVENUES	
Lease rentals	
Bell Helicopter	548,136
Krams, Inc.	329,859
Leading Edge	568,792
Fixed base operator	106,844
Other building rentals	526,830
Ground rentals	25,392
Total other building revenues	<u>2,105,853</u>
TOTAL OPERATING REVENUES	<u><u>\$ 13,071,840</u></u>

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, 2023

	Community Development Block Grant	Housing Assistance Payments Program	Home Investment Partnership Program	Housing Stability
ASSETS				
Cash and cash equivalents	\$ 100,533	\$ 1,525,561	\$ 56,278	\$ 5,092
Accounts receivable	42,877	-	63,226	51,753
Due from other funds	22,616	-	3,907	-
Due from other governments	157,418	61,288	73,177	-
Prepaid items	-	4,385	-	-
TOTAL ASSETS	\$ 323,444	\$ 1,591,234	\$ 196,588	\$ 56,845
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 40,095	\$ 22,441	\$ (2,676)	\$ 16,845
Accrued expenditures	-	-	-	-
Due to other funds - unrestricted	177,283	70,050	90,670	40,000
Due to other governments	100	-	-	-
Unearned revenue	-	-	63,226	-
Vouchers payable	50,421	30,391	45,368	-
Total liabilities	267,899	122,882	196,588	\$ 56,845
FUND BALANCES				
Nonspendable:				
Prepaid items	-	4,385	-	-
Restricted for:				
Special purposes	55,545	1,438,567	-	-
Committed for:				
Compensated absences	-	25,400	-	-
Total fund balances	55,545	1,468,352	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 323,444	\$ 1,591,234	\$ 196,588	\$ 56,845

See Independent Auditor's Report.

Shelter Plus Care/ Permanent Housing	Supportive/ Transitional Housing	Supported Housing	Emergency Shelter	HMIS	Total
\$ 1,049	\$ 467	\$ 692	\$ 750	\$ 96	\$ 1,690,518
-	-	22,356	-	-	180,212
-	-	6,714	-	-	33,237
4,951	2,533	-	11,716	9,449	320,532
-	-	5,218	-	5,552	15,155
<u>\$ 6,000</u>	<u>\$ 3,000</u>	<u>\$ 34,980</u>	<u>\$ 12,466</u>	<u>\$ 15,097</u>	<u>\$ 2,239,654</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,705
-	-	4,296	1,466	-	5,762
6,000	3,000	15,000	11,000	15,000	428,003
-	-	-	-	-	100
-	-	-	-	-	63,226
-	-	2,645	-	97	128,922
<u>6,000</u>	<u>3,000</u>	<u>21,941</u>	<u>12,466</u>	<u>15,097</u>	<u>702,718</u>
-	-	-	-	5,552	9,937
-	-	13,039	-	(5,552)	1,501,599
-	-	-	-	-	25,400
-	-	13,039	-	-	1,536,936
<u>\$ 6,000</u>	<u>\$ 3,000</u>	<u>\$ 34,980</u>	<u>\$ 12,466</u>	<u>\$ 15,097</u>	<u>\$ 2,239,654</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, 2023**

	<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	\$ 2,224,876	\$ 11,330,556	\$ 841,331	\$ 519,932
Charges for services	77,293	-	106,233	-
Construction participations	101,180	-	-	-
Investment earnings	-	59,206	-	-
Miscellaneous revenues	-	44,347	-	-
Total revenues	<u>2,403,349</u>	<u>11,434,109</u>	<u>947,564</u>	<u>519,932</u>
EXPENDITURES				
Urban redevelopment/housing	<u>2,411,922</u>	<u>11,320,968</u>	<u>1,086,116</u>	<u>519,933</u>
Total expenditures	<u>2,411,922</u>	<u>11,320,968</u>	<u>1,086,116</u>	<u>519,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,573)</u>	<u>113,141</u>	<u>(138,552)</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)				
Transfer to other fund	-	-	(8,521)	-
Operating transfer from other fund	-	-	147,071	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>138,550</u>	<u>-</u>
Net change in fund balances	(8,573)	113,141	(2)	(1)
FUND BALANCES, BEGINNING OF YEAR	<u>64,118</u>	<u>1,355,211</u>	<u>2</u>	<u>1</u>
FUND BALANCES, END OF YEAR	<u>\$ 55,545</u>	<u>\$ 1,468,352</u>	<u>\$ -</u>	<u>\$ -</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>
\$ 74,718	\$ 52,912	\$ 170,807	\$ 243,019	\$ 156,591	\$ 15,614,742
-	-	-	-	-	183,526
-	-	-	-	-	101,180
-	-	-	-	-	59,206
-	-	20,600	-	-	64,947
<u>74,718</u>	<u>52,912</u>	<u>191,407</u>	<u>243,019</u>	<u>156,591</u>	<u>16,023,601</u>
<u>74,718</u>	<u>52,912</u>	<u>357,511</u>	<u>243,019</u>	<u>156,595</u>	<u>16,223,694</u>
<u>74,718</u>	<u>52,912</u>	<u>357,511</u>	<u>243,019</u>	<u>156,595</u>	<u>16,223,694</u>
-	-	(166,104)	-	(4)	(200,093)
-	-	-	-	-	(8,521)
-	-	168,219	-	-	315,290
-	-	168,219	-	-	306,769
-	-	2,115	-	(4)	106,676
-	-	10,924	-	4	1,430,260
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,536,936</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC HEALTH GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SEPTEMBER 30, 2023**

	Public Health	Women, Infants & Children	Total
ASSETS			
Cash and cash equivalents	\$ 2,461,474	\$ 4,288	\$ 2,465,762
Investments	1,000,000	-	1,000,000
Accounts receivable	-	-	-
Other accrued revenue	1,507	-	1,507
Other prepaid expenses	2,206	237	2,443
Due from other governments	4,813,693	567,182	5,380,875
TOTAL ASSETS	\$ 8,278,880	\$ 571,707	\$ 8,850,587
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 145,568	\$ 47,579	\$ 193,147
Due to other funds - unrestricted	-	515,000	515,000
Accrued Expenses	-	-	-
Deferred Revenue	111,833	-	111,833
Vouchers payable	245,113	66	245,179
Total liabilities	502,514	562,645	1,065,159
FUND BALANCES			
Nonspendable:			
Prepaid items	2,206	237	2,443
Restricted:			
Special purposes	7,774,160	8,825	7,782,985
Total fund balances	7,776,366	9,062	7,785,428
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,278,880	\$ 571,707	\$ 8,850,587

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, 2023**

	<u>Public Health</u>	<u>Women, Infants & Children</u>	<u>Total</u>
REVENUES			
Other entity participation	\$ 1,797,172	\$ -	\$ 1,797,172
Intergovernmental revenues	7,556,350	1,688,029	9,244,379
Charges for services	124,595	-	124,595
Investment earnings	225,195	-	225,195
Miscellaneous revenues	-	495	495
Total revenues	<u>9,703,312</u>	<u>1,688,524</u>	<u>11,391,836</u>
EXPENDITURES			
Other public safety and health	9,698,053	1,615,884	11,313,937
Capital outlay	15,193	-	15,193
Total expenditures	<u>9,713,246</u>	<u>1,615,884</u>	<u>11,329,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,934)</u>	<u>72,640</u>	<u>62,706</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers to other fund	-	(72,147)	(72,147)
Total other financing sources and uses	<u>-</u>	<u>(72,147)</u>	<u>(72,147)</u>
Net change in fund balances	(9,934)	493	(9,441)
FUND BALANCES, AT BEGINNING OF YEAR	<u>7,786,300</u>	<u>8,569</u>	<u>7,794,869</u>
FUND BALANCES, AT END OF YEAR	<u>\$ 7,776,366</u>	<u>\$ 9,062</u>	<u>\$ 7,785,428</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
JUSTICE GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SEPTEMBER 30, 2023**

	<u>Justice Assistant Grant</u>	<u>Selective Traffic Enforcement Program</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 690	\$ 66	\$ 756
Due from other funds - unrestricted	10,331	-	10,331
Due from other governments	<u>133,609</u>	<u>60,934</u>	<u>194,543</u>
TOTAL ASSETS	<u><u>\$ 144,630</u></u>	<u><u>\$ 61,000</u></u>	<u><u>\$ 205,630</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 4,630	\$ -	\$ 4,630
Due to other funds - unrestricted	<u>140,000</u>	<u>61,000</u>	<u>201,000</u>
Total liabilities	<u>144,630</u>	<u>61,000</u>	<u>205,630</u>
FUND BALANCES			
Restricted:			
Special purposes	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 144,630</u></u>	<u><u>\$ 61,000</u></u>	<u><u>\$ 205,630</u></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, 2023

	<u>Justice Assistance Grant</u>	<u>Selective Traffic Enforcement Program</u>	<u>Total</u>
REVENUES			
Other entities participation			
Intergovernmental revenues	\$ 251,583	\$ 200,507	\$ 452,090
Total revenues	<u>251,583</u>	<u>200,507</u>	<u>452,090</u>
EXPENDITURES			
Police protection	184,135	251,364	435,499
Capital outlay	58,134	-	58,134
Total expenditures	<u>242,269</u>	<u>251,364</u>	<u>493,633</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,314</u>	<u>(50,857)</u>	<u>(41,543)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers to other fund	(19,643)	-	(19,643)
Transfers from other fund	10,331	50,858	61,189
Total other financing sources and uses	<u>(9,312)</u>	<u>50,858</u>	<u>41,546</u>
Net change in fund balances	2	1	3
FUND BALANCES, AT BEGINNING OF YEAR	<u>(2)</u>	<u>(1)</u>	<u>(3)</u>
FUND BALANCES, AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
MISCELLANEOUS GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
SEPTEMBER 30, 2023**

	<u>Urban Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>
ASSETS		
Cash and cash equivalents	\$ 639	\$ 397
Prepaid expense	613	-
Due from other governments	<u>81,154</u>	<u>38,492</u>
TOTAL ASSETS	<u>\$ 82,406</u>	<u>\$ 38,889</u>
LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 7,341	\$ 2,641
Due to other funds - unrestricted	75,000	36,000
Accrued expenditures	46,957	-
Vouchers payable	<u>-</u>	<u>248</u>
Total liabilities	<u>129,298</u>	<u>38,889</u>
FUND BALANCES		
Restricted:		
Special purposes	<u>(46,892)</u>	<u>-</u>
Total fund balances	<u>(46,892)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 82,406</u>	<u>\$ 38,889</u>

See Independent Auditor's Report.

<u>PREP Program</u>	<u>Transformation Park Support</u>	<u>Pool Safety</u>	<u>Total</u>
\$ 1,786	\$ -	\$ -	\$ 2,822
-	-	21	634
-	-	-	119,646
<u>\$ 1,786</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 123,102</u>
\$ -	\$ -	\$ -	\$ 9,982
-	-	21	111,021
1,786	-	-	48,743
-	-	-	248
<u>1,786</u>	<u>-</u>	<u>21</u>	<u>169,994</u>
-	-	-	(46,892)
-	-	-	(46,892)
<u>\$ 1,786</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 123,102</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, 2023**

	<u>Urban Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>
REVENUES		
Intergovernmental revenues	\$ 320,690	\$ 168,478
Total revenues	<u>320,690</u>	<u>168,478</u>
EXPENDITURES		
Other public safety and health	-	168,478
Staff services	367,673	-
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>367,673</u>	<u>168,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,983)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers from other fund	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>
Net change in fund balances	(46,983)	-
FUND BALANCES, AT BEGINNING OF YEAR	<u>91</u>	<u>-</u>
FUND BALANCES, AT END OF YEAR	<u>\$ (46,892)</u>	<u>\$ -</u>

See Independent Auditor's Report.

<u>PREP Program</u>	<u>Transformation Park Support</u>	<u>Pool Safety</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 489,168
-	-	-	489,168
36,409	180,000	-	384,887
-	-	-	367,673
-	182,561	-	182,561
<u>36,409</u>	<u>362,561</u>	<u>-</u>	<u>935,121</u>
<u>(36,409)</u>	<u>(362,561)</u>	<u>-</u>	<u>(445,953)</u>
<u>36,408</u>	<u>362,561</u>	<u>-</u>	<u>398,969</u>
<u>36,408</u>	<u>362,561</u>	<u>-</u>	<u>398,969</u>
(1)	-	-	(46,984)
<u>1</u>	<u>-</u>	<u>-</u>	<u>92</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,892)</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, 2023

	<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	\$ 27,416	\$ 34,896
TOTAL ASSETS	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 27,416</u>	<u>\$ 34,896</u>
NET POSITION				
Held in trust for private purposes	\$ 2,472	\$ 5,008	\$ 27,416	\$ 34,896
TOTAL NET POSITION	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 27,416</u>	<u>\$ 34,896</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, 2023**

	<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	-	-	2,783	2,783
Total additions	<u>-</u>	<u>-</u>	<u>2,783</u>	<u>2,783</u>
DEDUCTIONS:				
Benefits payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>-</u>	<u>-</u>	<u>2,783</u>	<u>2,783</u>
NET POSITION, BEGINNING OF YEAR	<u>2,472</u>	<u>5,008</u>	<u>24,633</u>	<u>32,113</u>
NET POSITION, END OF YEAR	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 27,416</u>	<u>\$ 34,896</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, 2023

	Post Employment Benefits Trust Fund	Amarillo Firemen's Relief and Retirement Fund	Total Pension and Other Employee Benefit Trust
ASSETS			
Cash and cash equivalents	\$ 189,116	\$ 9,731,817	\$ 9,920,933
Accounts receivable		3,833,727	3,833,727
Accrued interest receivable	-	523,515	523,515
Investments, at fair values	30,862,161	208,608,293	239,470,454
TOTAL ASSETS	\$ 31,051,277	\$ 222,697,352	\$ 253,748,629
LIABILITIES			
Accounts Payable	-	4,007,877	4,007,877
Members Payable	-	348,281	348,281
TOTAL LIABILITIES	\$ -	\$ 4,356,158	\$ 4,356,158
NET POSITION			
Net position restricted for Pension Benefits	-	218,341,194	218,341,194
Net position restricted for OPEB	31,051,277	-	31,051,277
TOTAL NET POSITION	\$ 31,051,277	\$ 218,341,194	\$ 249,392,471

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

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, 2023

	Post Employment Benefits Trust Fund	Amarillo Firemen's Relief and Retirement Fund	Total Pension and Other Employee Benefit Trust
ADDITIONS			
Contributions:			
Employer	\$ 7,243,378	\$ 4,862,719	\$ 12,106,097
Plan Members	-	3,269,398	3,269,398
Other	-	310,969	310,969
Total Contributions	<u>7,243,378</u>	<u>8,443,086</u>	<u>15,686,464</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(6,680,564)	(41,959,163)	(48,639,727)
Interest, Dividends, and Other Investment Income	933,619	4,480,965	5,414,584
Total Investment Income	<u>(5,746,945)</u>	<u>(37,478,198)</u>	<u>(43,225,143)</u>
Less Investment Expenses	160,173	697,288	857,461
Net Investment Income	<u>(5,907,118)</u>	<u>(38,175,486)</u>	<u>(44,082,604)</u>
Total additions	<u>1,336,260</u>	<u>(29,732,400)</u>	<u>(28,396,140)</u>
DEDUCTIONS			
Benefits paid	4,184,023	14,010,569	18,194,592
Administrative and other	-	141,565	141,565
Other	-	3,042	3,042
Total deductions	<u>4,184,023</u>	<u>14,155,176</u>	<u>18,339,199</u>
Change in net position	<u>(2,847,763)</u>	<u>(43,887,576)</u>	<u>(46,735,339)</u>
NET POSITION, BEGINNING OF YEAR	<u>33,899,040</u>	<u>262,228,770</u>	<u>296,127,810</u>
NET POSITION, END OF YEAR	<u>\$ 31,051,277</u>	<u>\$ 218,341,194</u>	<u>\$ 249,392,471</u>

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

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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, 2023**

	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	\$ 18,926,982	\$ -	\$ -	\$ -	\$ 4,961,077	\$ 5,000,000	\$ 4,853,515
Housing and Urban Development Grants Funds	1,040,683	-	-	-	-	-	-
Seizure Funds	1,087,576	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	1,311,482	-	-	-	-	-	-
Tax Increment Reinvestment Zone #2	723,032	-	-	-	-	-	-
Public Improvement Districts	3,562,234	-	-	-	-	-	-
Capital Projects Funds	49,732,932	-	-	-	-	-	-
Miscellaneous special revenue	14,772,395	-	-	-	-	-	-
Total Unrestricted	91,157,316	-	-	-	4,961,077	5,000,000	4,853,515
Restricted:							
General Fund	634,387	-	-	-	-	-	-
General Obligation Debt	2,810,021	-	-	-	-	-	-
General Construction Fund	26,795,087	-	-	-	-	-	-
Solid Waste Improvement Fund	5,919,268	-	-	-	-	-	-
Civic Center Improvement Fund	8,258,645	-	-	-	-	-	-
GO Bond Construction Fund	34,120,071	-	-	-	-	-	-
Total Restricted	78,537,479	-	-	-	-	-	-
Total Governmental Funds	169,694,795	-	-	-	4,961,077	5,000,000	4,853,515
PROPRIETARY FUNDS							
ENTERPRISE FUNDS							
Unrestricted:							
Water and Sewer Fund	32,128,985	-	-	-	3,968,342	4,000,000	3,858,908
Airport Fund	14,003,218	-	-	-	-	-	-
Drainage Utility	17,931,546	-	-	-	-	-	-
Total Unrestricted	64,063,749	-	-	-	3,968,342	4,000,000	3,858,908
Restricted:							
Water and Sewer Fund	165,093,988	-	-	-	-	-	-
Airport Fund	557	-	-	-	-	-	-
Drainage Utility	5,730,946	-	-	-	-	-	-
Total Restricted	170,825,491	-	-	-	-	-	-
Total Enterprise Funds	234,889,240	-	-	-	3,968,342	4,000,000	3,858,908
INTERNAL SERVICE FUNDS							
Unrestricted:							
Fleet Services	15,718,215	-	-	-	-	-	-
Information Services	5,244,894	-	-	-	-	-	-
Risk Management	13,962,906	-	-	-	-	-	-
Employee Insurance	9,525,049	-	-	-	-	-	-
Total Unrestricted	44,451,064	-	-	-	-	-	-
Restricted:							
Fleet Services	487,350	-	-	-	-	-	-
Total Internal Service Funds	44,938,414	-	-	-	-	-	-
TOTALS - ALL FUNDS	\$ 449,522,449	\$ -	\$ -	\$ -	\$ 8,929,419	\$ 9,000,000	\$ 8,712,423

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				
\$ 30,175,000	\$ 29,313,218	\$ 53,093,715	\$ 6,283,816	\$ (18,926,982)	\$ 40,450,549
-	-	1,040,683	-	(1,040,683)	-
-	-	1,087,576	-	(1,087,576)	-
-	-	1,311,482	1,500,000	(1,311,482)	1,500,000
-	-	723,032	250,000	(723,032)	250,000
-	-	3,562,234	-	(3,562,234)	-
-	-	49,732,932	7,000,000	(49,732,932)	7,000,000
-	-	14,772,395	2,000,000	(14,772,395)	2,000,000
<u>30,175,000</u>	<u>29,313,218</u>	<u>125,324,049</u>	<u>17,033,816</u>	<u>(91,157,316)</u>	<u>51,200,549</u>
-	-	634,387	-	(634,387)	-
-	-	2,810,021	-	(2,810,021)	-
-	-	26,795,087	-	(26,795,087)	-
-	-	5,919,268	-	(5,919,268)	-
-	-	8,258,645	500,000	(8,258,645)	500,000
-	-	<u>34,120,071</u>	-	<u>(34,120,071)</u>	-
-	-	78,537,479	500,000	(78,537,479)	500,000
<u>30,175,000</u>	<u>29,313,218</u>	<u>203,861,528</u>	<u>17,533,816</u>	<u>(169,694,795)</u>	<u>51,700,549</u>
34,375,000	33,474,003	69,461,896	9,500,000	(32,128,985)	46,832,911
5,000,000	4,954,140	18,957,358	3,250,000	(14,003,218)	8,204,140
-	-	17,931,546	1,000,000	(17,931,546)	1,000,000
<u>39,375,000</u>	<u>38,428,143</u>	<u>106,350,800</u>	<u>13,750,000</u>	<u>(64,063,749)</u>	<u>56,037,051</u>
-	-	165,093,988	-	(165,093,988)	-
-	-	557	-	(557)	-
-	-	5,730,946	-	(5,730,946)	-
-	-	170,825,491	-	(170,825,491)	-
<u>39,375,000</u>	<u>38,428,143</u>	<u>277,176,291</u>	<u>13,750,000</u>	<u>(234,889,240)</u>	<u>56,037,051</u>
-	-	15,718,215	2,250,000	(15,718,215)	2,250,000
-	-	5,244,894	2,000,000	(5,244,894)	2,000,000
-	-	13,962,906	6,250,000	(13,962,906)	6,250,000
-	-	9,525,049	750,000	(9,525,049)	750,000
-	-	<u>44,451,064</u>	<u>11,250,000</u>	<u>(44,451,064)</u>	<u>11,250,000</u>
-	-	487,350	-	(487,350)	-
-	-	44,938,414	11,250,000	(44,938,414)	11,250,000
<u>\$ 69,550,000</u>	<u>\$ 67,741,361</u>	<u>\$ 525,976,233</u>	<u>\$ 42,533,816</u>	<u>\$ (449,522,449)</u>	<u>\$ 118,987,600</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
AD VALOREM TAXES RECEIVABLE BY ROLL YEAR
SEPTEMBER 30, 2023

<u>Roll Year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
2023	\$ 504,581	\$ 115,151	\$ 619,732
2022	172,224	37,407	209,630
2021	97,889	14,870	112,759
2020	73,920	11,229	85,150
2019	69,812	8,923	78,735
2018	59,508	7,535	67,043
2017	44,413	4,979	49,392
2016	46,054	3,544	49,598
2015	41,019	3,334	44,353
2014	40,045	3,417	43,462
2013	28,492	2,660	31,151
2012	27,114	2,578	29,692
2011	27,440	2,794	30,235
2010	23,781	2,422	26,203
2009 & Prior	70,530	2,585	73,115
Total taxes receivable	1,326,821	223,428	1,550,249
Allowance for uncollectible taxes	1,007,286	166,086	1,173,372
Net taxes receivable	319,535	57,342	376,877
Provision for deferred collections	203,828	33,498	237,326
Net taxes available for current expenditure	\$ 115,707	\$ 23,844	\$ 139,551

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
SCHEDULE OF CHANGES IN TAXES AVAILABLE
YEAR ENDED SEPTEMBER 30, 2023**

TAXES AVAILABLE, BEGINNING, Net	<u>\$ 90,129</u>
REVENUES	
Taxes levied	63,372,302
Adjustments	<u>159,370</u>
Tax levy net of adjustments	63,531,672
Increase in allowance for uncollectible taxes	(137,113)
Decrease in provision for deferred collections	<u>(2,807)</u>
Net revenues	63,391,752
COLLECTIONS	<u>(63,342,330)</u>
Net increase (decrease) in taxes available	<u>49,422</u>
TAXES AVAILABLE, ENDING, Net	<u><u>\$ 139,551</u></u>
TOTAL AD VALOREM TAXES:	
Ad valorem taxes - property tax rolls	\$ 50,731,701
Penalty and interest	453,577
Payment in lieu of property tax	<u>5,596,484</u>
Total General Fund tax revenues	56,781,762
Debt Service	<u>11,783,154</u>
TOTAL TAX REVENUES	<u><u>\$ 68,564,916</u></u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
COMBINED SCHEDULE OF OUTSTANDING DEBT ISSUANCES
SEPTEMBER 30, 2023**

	Issue Date	Final Maturity Date	Interest Rates on Outstanding Maturities
GENERAL OBLIGATION DEBT:			
<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%
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%
Certificates of Obligation, Series 2022	02/15/22	02/15/43	3.00 - 4.00%
Tax Notes, Series 2022	01/01/22	01/10/27	2.00%
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>			
Public Improvement Districts:			
Combination Tax and Revenues Certificates of Obligation Series 2014 (\$485,000 Greenways, \$1,035,000 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 (\$80,000 Greenways, \$130,000 Colonies)	05/12/20	02/15/28	2.00%
Combination Tax and Revenues Certificates of Obligation, Series 2021 Greenways	01/15/21	02/15/35	1.25 - 3.00%
Combination Tax and Revenues Certificates of Obligation, Series 2023 (\$2,775,000 Colonies, \$1,155,000 Heritage Hills)	01/01/23	02/15/43	4.00 - 5.00%
Golf Course Supported:			
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/37	2.00 - 2.50%
Tax Increment Reinvestment Zone #1 Supported:			
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/32	2.00 - 3.00%
Solid Waste Revenue Supported:			
Combination Tax and Revenues Certificates of Obligation, Series 2023	01/01/23	02/15/43	4.00 - 5.00%
Fleet Services Fund Supported:			
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, 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	04/01/42	4.00 - 5.00%
Waterworks and Sewer Revenue, 2023	01/01/23	04/01/43	4.00 - 5.00%
Combination Tax and Revenues Certificates of Obligation			
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%
Drainage Revenue, 2023	01/01/23	08/15/42	4.00 - 5.00%
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%
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2023	03/15/23	08/15/43	5.00 - 5.406%
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 \$33,001 less 45% (\$14,850) 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				2023-24 Maturities		
Authorized	Issued	Retired	Outstanding	Principal	Interest	Total
1,392,000	1,392,000	824,000	568,000	75,000	18,151 **	93,151
15,110,000	15,110,000	8,470,000	6,640,000	1,565,000	265,600	1,830,600
6,940,000	6,940,000	2,960,000	3,980,000	565,000	114,425	679,425
21,280,000	21,280,000	3,150,000	18,130,000	660,000	631,819	1,291,819
22,145,000	22,145,000	2,750,000	19,395,000	650,000	698,944	1,348,944
8,100,000	8,100,000	330,000	7,770,000	140,000	204,419	344,419
8,000,000	8,000,000	345,000	7,655,000	140,000	205,844	345,844
3,520,000	3,520,000	1,430,000	2,090,000	500,000	52,700	552,700
52,985,000	52,985,000	2,295,000	50,690,000	1,555,000	1,249,350	2,804,350
6,815,000	6,815,000	-	6,815,000	100,000	231,126	331,126
23,900,000	23,900,000	4,530,000	19,370,000	4,700,000	340,400	5,040,400
3,650,000	3,650,000	-	3,650,000	540,000	166,300	706,300
2,260,000	2,260,000	845,000	1,415,000	110,000	46,856	156,856
3,000,000	3,000,000	550,000	2,450,000	125,000	82,531	207,531
1,380,000	1,380,000	615,000	765,000	165,000	13,650	178,650
975,000	975,000	70,000	905,000	40,000	19,725	59,725
3,960,000	3,960,000	-	3,960,000	30,000	276,927	306,927
2,860,000	2,860,000	425,000	2,435,000	150,000	50,594	200,594
1,460,000	1,460,000	325,000	1,135,000	115,000	22,800	137,800
5,865,000	5,865,000	-	5,865,000	60,000	387,462	447,462
3,695,000	3,695,000	470,000	3,225,000	475,000	147,000	622,000
199,292,000	199,292,000	30,384,000	168,908,000	12,460,000	5,226,622	17,686,622
8,495,000	8,495,000	3,930,000	4,565,000	420,000	101,149	521,149
17,195,000	17,195,000	6,615,000	10,580,000	830,000	134,280	964,280
21,145,000	21,145,000	12,575,000	8,570,000	1,555,000	290,856	1,845,856
31,005,000	31,005,000	7,420,000	23,585,000	1,425,000	874,794	2,299,794
12,500,000	12,500,000	2,930,000	9,570,000	585,000	126,299	711,299
14,610,000	14,610,000	2,865,000	11,745,000	600,000	485,825	1,085,825
28,500,000	28,500,000	4,275,000	24,225,000	1,425,000	-	1,425,000
9,775,000	9,775,000	2,400,000	7,375,000	820,000	202,650	1,022,650
25,900,000	25,900,000	2,055,000	23,845,000	1,105,000	619,900	1,724,900
52,590,000	52,590,000	1,050,000	51,540,000	450,000	2,327,950	2,777,950
42,920,000	42,920,000	-	42,920,000	-	2,185,763	2,185,763
18,075,000	18,075,000	10,835,000	7,240,000	905,000	-	905,000
43,880,000	43,880,000	13,555,000	30,325,000	5,195,000	587,300	5,782,300
326,590,000	326,590,000	70,505,000	256,085,000	15,315,000	7,936,765	23,251,765
6,260,000	6,260,000	3,650,000	2,610,000	265,000	52,200	317,200
6,080,000	6,080,000	2,305,000	3,775,000	290,000	125,094	415,094
9,240,000	9,240,000	1,050,000	8,190,000	380,000	251,200	631,200
9,160,000	9,160,000	660,000	8,500,000	390,000	215,250	605,250
4,675,000	4,675,000	195,000	4,480,000	100,000	202,200	302,200
35,415,000	35,415,000	7,860,000	27,555,000	1,425,000	845,944	2,270,944
11,995,000	11,995,000	1,645,000	10,350,000	355,000	418,249	773,249
38,835,000	38,835,000	2,465,000	36,370,000	870,000	1,531,683	2,401,683
4,575,000	4,575,000	-	4,575,000	70,000	312,262	382,262
55,405,000	55,405,000	4,110,000	51,295,000	1,295,000	2,262,193	3,557,193
\$ 616,702,000	\$ 616,702,000	\$ 112,859,000	\$ 503,843,000	\$ 30,495,000	\$ 16,271,525	\$ 46,766,525

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
SEPTEMBER 30, 2023

	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
2023-2024	\$ 11,190,000	\$ 4,193,928	\$ (14,850)	\$ 15,369,078	\$ 1,270,000	\$ 1,047,544	\$ 2,317,544	\$ 15,315,000	\$ 7,936,766	\$ 23,251,766
2024-2025	11,542,000	3,828,245	(12,890)	15,357,355	1,535,000	775,731	2,310,731	18,285,000	7,341,150	25,626,150
2025-2026	11,923,000	3,443,872	(10,876)	15,355,996	1,580,000	715,331	2,295,331	18,905,000	6,828,764	25,733,764
2026-2027	12,316,000	3,045,315	(8,837)	15,352,478	1,635,000	652,406	2,287,406	19,325,000	6,294,674	25,619,674
2027-2028	5,148,000	2,696,233	(6,720)	7,837,513	1,700,000	586,806	2,286,806	18,475,000	5,743,565	24,218,565
2028-2029	5,366,000	2,482,260	(4,550)	7,843,710	1,615,000	518,950	2,133,950	16,420,000	5,234,957	21,654,957
2029-2030	4,838,000	2,293,213	(2,301)	7,128,912	1,045,000	466,263	1,511,263	13,560,000	4,768,136	18,328,136
2030-2031	4,910,000	2,133,001	-	7,043,001	1,095,000	428,425	1,523,425	13,895,000	4,355,078	18,250,078
2031-2032	5,050,000	1,996,035	-	7,046,035	1,130,000	388,394	1,518,394	12,320,000	3,962,620	16,282,620
2032-2033	5,170,000	1,863,910	-	7,033,910	1,035,000	348,369	1,383,369	12,265,000	3,574,200	15,839,200
2033-2034	5,320,000	1,726,185	-	7,046,185	1,075,000	308,434	1,383,434	12,155,000	3,180,858	15,335,858
2034-2035	5,460,000	1,584,626	-	7,044,626	960,000	266,228	1,226,228	12,550,000	2,783,692	15,333,692
2035-2036	5,610,000	1,438,682	-	7,048,682	995,000	227,688	1,222,688	12,005,000	2,371,328	14,376,328
2036-2037	5,760,000	1,286,929	-	7,046,929	1,035,000	190,238	1,225,238	12,380,000	1,987,845	14,367,845
2037-2038	5,720,000	1,133,826	-	6,853,826	865,000	156,240	1,021,240	10,660,000	1,615,105	12,275,105
2038-2039	5,875,000	978,604	-	6,853,604	685,000	126,850	811,850	9,250,000	1,296,900	10,546,900
2039-2040	6,035,000	817,735	-	6,852,735	715,000	100,000	815,000	9,535,000	1,013,900	10,548,900
2040-2041	6,200,000	651,995	-	6,851,995	735,000	72,150	807,150	8,410,000	720,100	9,130,100
2041-2042	6,375,000	480,257	-	6,855,257	710,000	43,800	753,800	7,120,000	415,000	7,535,000
2042-2043	5,235,000	324,525	-	5,559,525	740,000	14,800	754,800	3,255,000	130,200	3,385,200
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	-	-	-	-	-	-
Totals	\$ 146,753,000	\$ 38,917,014	\$ (61,024)	\$ 185,608,990	\$ 22,155,000	\$ 7,434,647	\$ 29,589,647	\$ 256,085,000	\$ 71,554,837	\$ 327,639,837

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, 2023

	Drainage Utility Bonds (Debt Serviced by Drainage Revenues)			Hotel Occupancy Tax (Revenue Bonds)		
	Principal	Interest	Total	Principal	Interest	Total
2023-2024	\$ 1,425,000	\$ 845,944	\$ 2,270,944	\$ 1,295,000	\$ 2,262,193	\$ 3,557,193
2024-2025	1,470,000	800,144	2,270,144	1,410,000	2,146,155	3,556,155
2025-2026	1,515,000	752,644	2,267,644	1,465,000	2,095,275	3,560,275
2026-2027	1,570,000	699,444	2,269,444	1,520,000	2,040,835	3,560,835
2027-2028	1,625,000	644,194	2,269,194	1,580,000	1,981,484	3,561,484
2028-2029	1,685,000	582,181	2,267,181	1,640,000	1,918,740	3,558,740
2029-2030	1,750,000	517,231	2,267,231	1,705,000	1,852,583	3,557,583
2030-2031	1,810,000	459,319	2,269,319	1,780,000	1,783,230	3,563,230
2031-2032	1,865,000	402,494	2,267,494	1,850,000	1,709,196	3,559,196
2032-2033	1,615,000	348,794	1,963,794	1,925,000	1,631,642	3,556,642
2033-2034	1,665,000	301,975	1,966,975	2,005,000	1,549,661	3,554,661
2034-2035	1,285,000	252,950	1,537,950	2,095,000	1,463,626	3,558,626
2035-2036	1,320,000	218,400	1,538,400	2,185,000	1,372,716	3,557,716
2036-2037	1,360,000	182,700	1,542,700	2,285,000	1,277,904	3,562,904
2037-2038	1,390,000	148,900	1,538,900	2,380,000	1,178,712	3,558,712
2038-2039	1,425,000	114,300	1,539,300	2,490,000	1,075,075	3,565,075
2039-2040	1,455,000	78,700	1,533,700	2,595,000	963,493	3,558,493
2040-2041	925,000	42,200	967,200	2,710,000	847,177	3,557,177
2041-2042	400,000	16,000	416,000	2,835,000	725,687	3,560,687
2042-2043	-	-	-	2,960,000	598,543	3,558,543
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	-	-	-	-	-	-
Totals	\$ 27,555,000	\$ 7,408,514	\$ 34,963,514	\$ 51,295,000	\$ 31,911,186	\$ 83,206,186

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
BOND PRINCIPAL REPAYMENT SCHEDULE
SEPTEMBER 30, 2023**

<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>
2024	\$ 15,315,000	240,770,000	5.98%
2025	18,285,000	222,485,000	13.12%
2026	18,905,000	203,580,000	20.50%
2027	19,325,000	184,255,000	28.05%
2028	18,475,000	165,780,000	35.26%
2029	16,420,000	149,360,000	41.68%
2030	13,560,000	135,800,000	46.97%
2031	13,895,000	121,905,000	52.40%
2032	12,320,000	109,585,000	57.21%
2033	12,265,000	97,320,000	62.00%
2034	12,155,000	85,165,000	66.74%
2035	12,550,000	72,615,000	71.64%
2036	12,005,000	60,610,000	76.33%
2037	12,380,000	48,230,000	81.17%
2038	10,660,000	37,570,000	85.33%
2039	9,250,000	28,320,000	88.94%
2040	9,535,000	18,785,000	92.66%
2041	8,410,000	10,375,000	95.95%
2042	7,120,000	3,255,000	98.73%
2043	3,255,000		100.00%
	\$ 256,085,000		

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL FINANCIAL DATA
OPERATING STATEMENTS**

	Fiscal Years Ended September 30,						
	2023	2022	2021	2020	2019	2018	2017
OPERATING REVENUES	\$ 93,961,664	\$ 93,835,331	\$ 83,856,717	\$ 83,320,670	\$ 75,031,911	\$ 82,295,583	\$ 73,938,069
OPERATING EXPENSES ⁽¹⁾							
Personal services	16,656,970	12,365,349	12,786,077	14,123,864	15,180,072	13,920,177	14,467,892
Supplies	3,116,483	4,945,058	1,846,864	1,687,910	1,644,628	1,513,845	1,350,992
Contractual & other services	41,599,950	41,481,373	30,589,632	26,897,279	36,112,876	27,151,239	26,742,886
Total expenses	<u>61,373,403</u>	<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>
NONOPERATING REVENUES (EXPENSES) ⁽²⁾	<u>7,646,069</u>	<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>
NET AVAILABLE FOR DEBT SERVICE	<u>\$ 40,234,330</u>	<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>
ANNUAL DEBT SERVICE							
Principal	\$ 15,315,000	\$ 16,015,000	\$ 14,590,000	\$ 13,290,000	\$ 11,770,000	\$ 11,750,000	\$ 10,440,000
Interest	7,936,766	5,053,937	4,120,240	3,784,301	4,249,146	4,224,902	3,727,268
TOTAL DEBT SERVICE	<u>\$ 23,251,766</u>	<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>
Coverage	1.73x	1.69x	2.14x	2.43x	1.50x	2.58x	2.15x

(1) Excludes depreciation

(2) Includes CRMWA interest expense, but excludes bond interest expense

NET POSITION
(As of SEPTEMBER 30, 2023)

Net Investment in Capital Assets	\$ 504,366,426
Restricted for Revenue Bond Debt Retirement	13,351,113
Unrestricted	<u>59,737,346</u>
Total Net Position	<u>\$ 577,454,885</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,

	2023	2022	2021	2020	2019	2018	2017
Waterworks and sewer system in service	\$ 924,119,512	\$ 917,860,895	\$ 835,838,912	\$ 821,898,476	\$ 800,729,996	\$ 774,822,377	\$ 762,431,484
Reserve for depreciation	(332,463,766)	(319,084,762)	(303,596,715)	(288,930,365)	(274,262,400)	(260,392,682)	(246,260,152)
Net plant in service	591,655,746	598,776,133	532,242,197	532,968,111	526,467,596	514,429,695	516,171,332
Plus construction in progress	66,159,735	36,090,686	76,616,081	67,985,407	66,204,539	61,608,812	42,055,348
Net plant in service and coming on line	657,815,481	634,866,819	608,858,278	600,953,518	592,672,135	576,038,507	558,226,680
Plus restricted assets and other noncurrent assets and deferred items	169,527,270	130,033,239	95,683,204	77,235,746	59,039,458	79,831,178	55,466,473
Plus working capital	59,868,936	64,393,212	63,516,802	62,121,728	56,556,672	60,376,904	66,173,794
Total assets	<u>887,211,687</u>	<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>
Other noncurrent liabilities	294,444,237	263,991,111	235,724,564	232,825,996	227,062,178	242,066,602	228,699,627
Plus liabilities payable from restricted assets	15,315,000	16,015,000	14,590,000	13,290,000	11,770,000	11,750,000	10,440,000
Total obligations	<u>309,759,237</u>	<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>
City's equity in system	<u>\$ 577,452,450</u>	<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>

COVERAGE OF DEBT SERVICE REQUIREMENT

Net System Income Available for Debt Service for Fiscal Year Ended 9/30/2023	40,234,330
Average Annual Principal and Interest Requirements (2023-2041)	16,381,992
Coverage of Average Annual Requirements by 2023 Net Revenues	2.46 x
Maximum Principal and Interest Requirements, 2024	25,733,764
Coverage of Maximum Requirements by 2023 Net Revenues	1.56 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,						
	2023	2022	2021	2020	2019	2018	2017
OPERATING REVENUES							
Water sales	\$ 62,545,592	\$ 63,382,534	\$ 54,937,272	\$ 56,701,641	\$ 48,906,889	\$ 55,209,141	\$ 48,620,594
Sewer charges	29,232,152	27,652,251	25,528,454	24,928,246	23,765,730	23,629,503	21,570,449
Industrial surcharges	972,150	432,834	507,594	380,204	299,876	223,978	280,702
Forfeited discounts - water	975,474	827,234	1,283,633	1,161,657	1,333,844	1,310,310	1,241,421
Sale of reclaimed water	638,082	612,496	693,094	356,420	499,316	433,467	512,347
Water service charges	359,084	1,290,809	1,310,474	634,740	713,819	1,370,966	1,373,862
Water tap fees	57,067	272,483	165,448	157,322	232,827	212,343	218,965
Sewer tap fees	29,778	128,726	81,235	66,438	93,201	54,418	88,051
Grease tap fees	138,291	110,520	94,426	95,175	91,375	-	-
Water frontage charges	5,203	7,480	23,683	12,704	10,550	1,210	-
Sewer frontage charges	1,950	14,723	-	-	3,013	3,432	3,437
Net loss on bad debts	(1,584,282)	(1,428,532)	(1,322,614)	(985,117)	(948,984)	(392,544)	(203,659)
Lab fees	87,569	98,700	104,930	102,539	114,374	111,643	149,495
Miscellaneous	503,554	433,073	449,088	(291,299)	(83,919)	127,716	82,405
Total operating revenues	<u>93,961,664</u>	<u>93,835,331</u>	<u>83,856,717</u>	<u>83,320,670</u>	<u>75,031,911</u>	<u>82,295,583</u>	<u>73,938,069</u>
OPERATING EXPENSES							
Salaries, wages and fringe benefits	16,656,970	12,365,349	12,786,077	14,123,864	15,180,072	13,920,177	14,467,892
Supplies	3,116,483	4,945,058	1,846,864	1,687,910	1,644,628	1,513,845	1,350,992
Fuel and power	6,791,582	5,287,272	4,102,560	3,573,897	3,955,978	4,582,045	4,618,493
Surface water	7,216,296	6,273,564	4,358,958	4,348,316	5,269,514	5,896,428	6,974,102
Other contractual charges	11,360,971	15,125,482	8,390,402	6,666,801	15,245,320	5,881,144	5,063,458
Other charges	16,231,101	14,795,055	13,737,712	12,308,265	11,642,064	10,791,622	10,086,833
Depreciation	16,123,392	15,620,102	14,970,724	14,782,725	14,246,222	14,196,462	14,550,803
Less: interfund reimbursements	(651,622)	(737,521)	(796,180)	(802,336)	(1,073,237)	(1,414,897)	(1,182,621)
Total operating expenses	<u>76,845,173</u>	<u>73,674,361</u>	<u>59,397,117</u>	<u>56,689,442</u>	<u>66,110,561</u>	<u>55,366,826</u>	<u>55,929,952</u>
Operating income	<u>17,116,491</u>	<u>20,160,970</u>	<u>24,459,600</u>	<u>26,631,228</u>	<u>8,921,350</u>	<u>26,928,757</u>	<u>18,008,117</u>
NONOPERATING REVENUES (EXPENSES)							
Capital contributions	6,485,285	6,562,863	2,667,471	3,629,687	2,098,738	4,027,924	5,226,486
Interest earnings	6,922,797	(169,904)	70,222	1,651,675	3,124,262	1,590,073	394,951
Settlement proceeds	5,000,000	11,725,000	-	-	-	-	-
Disposition of property	61,258	32,694	(64,738)	24,344	(29,745)	829,031	24,654
Interest expense & fiscal charges	(6,793,753)	(3,838,525)	(3,294,692)	(6,757,027)	(6,470,440)	(5,376,745)	(4,918,141)
Total nonoperating revenues (expenses)	<u>11,675,587</u>	<u>14,312,128</u>	<u>(621,737)</u>	<u>(1,451,321)</u>	<u>(1,277,185)</u>	<u>1,070,283</u>	<u>727,950</u>
Total income before transfers	28,792,078	34,473,098	23,837,863	25,179,907	7,644,165	27,999,040	18,736,067
TRANSFERS FROM (TO) OTHER FUNDS	<u>(3,242,554)</u>	<u>(2,816,983)</u>	<u>(289,139)</u>	<u>(420,998)</u>	<u>(670,665)</u>	<u>(553,859)</u>	<u>(922,560)</u>
NET INCOME	<u>\$ 25,549,524</u>	<u>\$ 31,656,115</u>	<u>\$ 23,548,724</u>	<u>\$ 24,758,909</u>	<u>\$ 6,973,500</u>	<u>\$ 27,445,181</u>	<u>\$ 17,813,507</u>

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,						
	2023	2022	2021	2020	2019	2018	2017
ASSETS							
CURRENT ASSETS							
Cash	\$ 32,769,911	\$ 20,608,211	\$ 67,816,637	\$ 52,620,864	\$ 35,164,365	\$ 14,805,768	\$ 15,498,647
Investments - at fair market value	46,832,911	60,123,561	10,570,020	21,560,042	32,886,057	48,987,054	57,098,741
Receivables (net of allowance for uncollectibles):							
Accounts	8,377,327	8,585,108	7,077,680	7,514,058	7,577,503	7,497,259	5,638,133
Lease receivable	110,241	110,241	-	-	-	-	-
Accrued interest	246,833	219,898	64,219	167,550	224,453	237,301	174,472
Other accrued revenue	6,125,156	4,767,934	6,375,275	5,793,239	5,073,586	5,395,636	3,354,388
Due from other funds	34,990	33,789	32,629	31,509	1,030,428	29,355	34,957
Prepaid expenses	87,375	1,604,012	1,933,324	1,443,774	1,603,474	1,309,727	1,434,753
Total current assets	<u>94,584,744</u>	<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>
NONCURRENT ASSETS							
Restricted cash	165,093,963	133,593,550	96,570,399	76,864,466	55,086,751	78,824,148	50,391,049
Other noncurrent asset	34,853	43,507	56,328	59,815	67,494	75,632	83,414
Lease receivable non-current	2,435	112,675	-	-	-	-	-
Interfund advance receivable	-	-	-	-	-	-	715,043
Capital assets							
Land, easements and water rights	91,562,505	91,420,711	62,352,012	62,177,120	62,086,461	61,912,385	61,585,830
Accumulated depletion water rights	(12,478,068)	(11,332,384)	(10,522,863)	(9,745,094)	(9,404,381)	(8,626,612)	(7,848,843)
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	(22,449,408)	(26,697,984)	(25,933,969)	(25,169,954)	(24,403,846)	(23,639,832)	(22,875,817)
Pipelines and other improvements	777,864,979	771,636,071	718,597,688	704,603,117	683,446,448	658,274,445	646,180,868
Accumulated depreciation	(293,948,556)	(277,398,593)	(263,505,527)	(250,279,114)	(236,811,478)	(224,523,751)	(212,025,705)
Equipment	4,355,639	4,467,724	4,552,823	4,781,850	4,860,698	4,299,158	4,328,397
Accumulated depreciation	(3,587,734)	(3,655,801)	(3,634,356)	(3,736,203)	(3,642,695)	(3,602,487)	(3,509,787)
Construction in progress	66,159,735	36,090,686	76,616,081	67,985,407	66,204,539	61,608,812	42,055,348
Total capital assets, net	<u>657,815,481</u>	<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>
Total noncurrent assets	<u>822,946,732</u>	<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>
TOTAL ASSETS	<u>\$ 917,531,476</u>	<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>
DEFERRED OUTFLOW OF RESOURCES							
Deferred outflow of resources	\$ 9,208,093	\$ 3,727,092	\$ 5,530,555	\$ 7,059,112	\$ 8,278,493	\$ 5,898,163	\$ 4,425,767
TOTAL DEFERRED OUTFLOWS	<u>\$ 9,208,093</u>	<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>

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,						
	2023	2022	2021	2020	2019	2018	2017
LIABILITIES							
CURRENT LIABILITIES							
Vouchers payable	\$ 3,846,574	\$ 3,661,517	\$ 3,501,250	\$ 3,038,775	\$ 2,713,696	\$ 2,770,935	\$ 2,805,349
Accounts payable	4,969,369	1,493,283	1,021,565	731,241	1,492,979	1,713,233	1,651,160
Accrued expenses	12,345,725	13,383,700	13,541,419	11,559,527	11,920,231	3,988,170	2,507,563
Deposits	1,038,738	1,038,738	1,038,738	1,038,738	38,738	46,045	42,014
Consumer security deposits	5,771,209	5,638,335	5,038,738	4,444,518	4,005,303	3,900,681	3,778,466
Compensated absences, current	180,446	140,376	143,208	134,210	194,987	179,111	213,205
Proportionate share of water authority indebtedness - current installments	6,563,747	6,303,593	6,068,064	6,061,019	5,837,260	5,287,021	6,062,540
Due to other funds	-	-	-	1,280	800,000	-	-
Revenue bonds - current maturities	15,315,000	16,015,000	14,590,000	13,290,000	11,770,000	11,750,000	10,440,000
Total current liabilities	50,030,808	47,674,542	44,942,982	40,299,308	38,773,194	29,635,196	27,500,297
NONCURRENT LIABILITIES							
Revenue bonds - less current maturities and unamortized issuance costs	256,066,421	225,406,975	184,814,988	171,311,031	155,583,382	167,576,703	151,406,891
Proportionate share of water authority indebtedness - less current installments	22,420,955	30,424,668	39,163,914	47,349,397	53,880,681	60,630,219	66,586,546
Other accrued expenses	2,503,071	2,520,032	2,557,951	2,567,106	2,578,684	2,606,671	2,628,280
Provision for accrued sick and annual leave	831,133	764,112	736,631	778,770	663,576	845,207	803,399
Net OPEB liability	5,574,823	4,874,568	4,701,616	6,019,760	5,893,036	5,807,799	-
Net pension liability	7,047,834	756	3,749,464	4,799,932	8,462,819	4,600,003	7,274,511
Total noncurrent liabilities	294,444,237	263,991,111	235,724,564	232,825,996	227,062,178	242,066,602	228,699,627
TOTAL LIABILITIES	\$ 344,475,045	\$ 311,665,653	\$ 280,667,546	\$ 273,125,304	\$ 265,835,372	\$ 271,701,798	\$ 256,199,924
DEFERRED INFLOWS OF RESOURCES							
Deferred inflow of resources	\$ 4,809,639	\$ 7,330,910	\$ 6,474,078	\$ 6,747,647	\$ 4,393,280	\$ 4,966,765	\$ 148,800
TOTAL DEFERRED INFLOWS	\$ 4,809,639	\$ 7,330,910	\$ 6,474,078	\$ 6,747,647	\$ 4,393,280	\$ 4,966,765	\$ 148,800
NET POSITION							
Net investment in capital assets	\$ 504,366,426	\$ 473,642,540	\$ 449,652,302	\$ 433,810,572	\$ 412,568,214	\$ 402,151,812	\$ 367,784,175
Restricted for debt service	13,351,113	13,617,583	11,139,409	5,995,965	8,119,349	7,466,900	6,337,577
Unrestricted	59,737,346	62,139,711	56,952,009	54,388,459	48,748,524	52,811,275	66,605,568
TOTAL NET POSITION	\$ 577,454,885	\$ 549,399,834	\$ 517,743,720	\$ 494,194,996	\$ 469,436,087	\$ 462,429,987	\$ 440,727,320

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY
CONDENSED SCHEDULE OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
OPERATING REVENUES	\$ 7,624,310	\$ 6,901,991	\$ 6,528,963	\$ 6,339,811	\$ 5,582,179	\$ 5,548,081	\$ 5,540,485
OPERATING EXPENSES							
Personal services	1,407,778	819,810	1,067,784	1,124,934	1,295,842	1,274,096	1,309,766
Contractual & other services	1,099,122	877,971	892,409	880,851	882,488	905,611	957,723
Other supplies and expenses	281,577	1,078,920	157,088	741,311	144,769	145,645	185,836
Other charges	1,248,771	1,116,022	1,127,052	1,204,980	475,056	487,240	436,002
Depreciation	384,897	371,901	319,530	313,533	165,056	143,798	117,147
Total expenses	4,422,145	4,264,624	3,563,863	4,265,609	2,963,211	2,956,390	3,006,474
NONOPERATING REVENUES (EXPENSES) (1)	1,198,980	163,710	9,334	135,699	214,067	112,399	55,918
NET AVAILABLE FOR DEBT SERVICE	<u>\$ 4,401,145</u>	<u>\$ 2,801,077</u>	<u>\$ 2,974,434</u>	<u>\$ 2,209,901</u>	<u>\$ 2,833,035</u>	<u>\$ 2,704,090</u>	<u>\$ 2,589,929</u>
NUMBER OF CUSTOMERS	74,816	74,624	75,079	73,544	71,952	72,118	67,742

(1) Nonoperating revenues (expenses) exclude bond interest expense, capital contributions and transfers.

COVERAGE OF DEBT SERVICE REQUIREMENT

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net System Income Available for Debt Service	\$ 4,401,145	\$ 2,801,077	\$ 2,974,434	\$ 2,209,901	\$ 2,833,035	\$ 2,704,090	\$ 2,589,929
Average Annual Principal and Interest Requirements (2024-2042)	1,840,185	1,579,821	1,599,632	1,083,738	695,559	699,158	702,334
Coverage of Average Annual Requirements	2.39x	1.77x	1.86x	2.04x	4.07x	3.87x	3.69x
Maximum Principal and Interest Requirements, 2024	2,270,944	1,982,994	1,982,994	1,373,444	749,394	753,144	753,144
Coverage of Maximum Requirements	1.94x	1.41x	1.50x	1.61x	3.78x	3.59x	3.44x

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
SCHEDULE OF INSURANCE COVERAGE-ALL FUNDS
SEPTEMBER 30, 2023

<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
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 agg
Cyber Security	Cyber Security Failure/Privacy Event Management	\$25,000	\$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>
Andrew Freeman	Interim 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% min. \$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, 2023**

	<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	\$ 9,703,312	\$ -	\$ 9,703,312	\$ -	\$ -	\$ 9,703,312	\$ 11,840,886	\$ 11,840,886	\$ (2,137,574)
	<u>\$ 9,703,312</u>	<u>\$ -</u>	<u>\$ 9,703,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,703,312</u>	<u>\$ 11,840,886</u>	<u>\$ 11,840,886</u>	<u>\$ (2,137,574)</u>
Expenditures:									
Public Health	\$ 9,698,053	\$ 15,193	\$ 9,713,246	\$ 2,857	\$ 11,760	\$ 9,722,149	\$ 11,840,873	\$ 11,840,873	\$ 2,118,724
	<u>\$ 9,698,053</u>	<u>\$ 15,193</u>	<u>\$ 9,713,246</u>	<u>\$ 2,857</u>	<u>\$ 11,760</u>	<u>\$ 9,722,149</u>	<u>\$ 11,840,873</u>	<u>\$ 11,840,873</u>	<u>\$ 2,118,724</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, 2023

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances	Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
Revenues:									
LEOSE Training	\$ 18,006	\$ -	\$ 18,006	\$ -	\$ -	\$ 18,006	\$ 26,310	\$ 26,310	\$ (8,304)
	<u>\$ 18,006</u>	<u>\$ -</u>	<u>\$ 18,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,006</u>	<u>\$ 26,310</u>	<u>\$ 26,310</u>	<u>\$ (8,304)</u>
Expenditures:									
LEOSE Training	\$ 35,541	\$ -	\$ 35,541	\$ -	\$ -	\$ 35,541	\$ 22,640	\$ 37,640	\$ 2,099
	<u>\$ 35,541</u>	<u>\$ -</u>	<u>\$ 35,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,541</u>	<u>\$ 22,640</u>	<u>\$ 37,640</u>	<u>\$ 2,099</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, 2023**

	<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	\$ 104,467	\$ -	\$ 104,467	\$ -	\$ -	\$ 104,467	\$ 50,000	\$ 50,000	\$ 54,467
	<u>\$ 104,467</u>	<u>\$ -</u>	<u>\$ 104,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,467</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 54,467</u>
Expenditures:									
Local Seized Property	\$ 56,476	\$ 43,761	\$ 100,237	\$ 144,140	\$ -	\$ (43,903)	\$ 90,350	\$ 90,350	\$ 134,253
	<u>\$ 56,476</u>	<u>\$ 43,761</u>	<u>\$ 100,237</u>	<u>\$ 144,140</u>	<u>\$ -</u>	<u>\$ (43,903)</u>	<u>\$ 90,350</u>	<u>\$ 90,350</u>	<u>\$ 134,253</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	\$ 1,963,700	\$ -	\$ 1,963,700	\$ -	\$ -	\$ 1,963,700	\$ 1,250,000	\$ 1,250,000	\$ 713,700
	<u>\$ 1,963,700</u>	<u>\$ -</u>	<u>\$ 1,963,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,963,700</u>	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>	<u>\$ 713,700</u>
Expenditures:									
Compensated Absences	\$ 1,963,702	\$ -	\$ 1,963,702	\$ -	\$ -	\$ 1,963,702	\$ 1,175,883	\$ 1,975,883	\$ 12,181
	<u>\$ 1,963,702</u>	<u>\$ -</u>	<u>\$ 1,963,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,963,702</u>	<u>\$ 1,175,883</u>	<u>\$ 1,975,883</u>	<u>\$ 12,181</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, 2023**

	<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	\$ 103,334	\$ -	\$ 103,334	\$ -	\$ -	\$ 103,334	\$ 85,506	\$ 85,506	\$ 17,828
Court Security	183,276	-	183,276	-	-	183,276	181,745	181,745	1,531
	<u>\$ 286,610</u>	<u>\$ -</u>	<u>\$ 286,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,610</u>	<u>\$ 267,251</u>	<u>\$ 267,251</u>	<u>\$ 19,359</u>
Expenditures:									
Court Technology	\$ 102,213	\$ -	\$ 102,213	\$ -	\$ -	\$ 102,213	\$ 106,621	\$ 106,621	\$ 4,408
Court Security	181,939	-	181,939	-	-	181,939	191,284	191,284	9,345
	<u>\$ 284,152</u>	<u>\$ -</u>	<u>\$ 284,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,152</u>	<u>\$ 297,905</u>	<u>\$ 297,905</u>	<u>\$ 13,753</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, 2023

	<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	\$ 752,581	\$ -	\$ 752,581	\$ -	\$ -	\$ 752,581	\$ 733,657	\$ 733,657	\$ 18,924
Heritage Hills	1,785,331	-	1,785,331	-	-	1,785,331	427,364	427,364	1,357,967
The Colonies	4,369,154	-	4,369,154	-	-	4,369,154	1,312,453	1,312,453	3,056,701
Tutbury	16,403	-	16,403	-	-	16,403	16,296	16,296	107
Point West	63,849	-	63,849	-	-	63,849	52,000	52,000	11,849
Quail Creek	10,181	-	10,181	-	-	10,181	10,150	10,150	31
Vineyards	11,697	-	11,697	-	-	11,697	15,000	10,000	1,697
Townsquare	230,818	-	230,818	-	-	230,818	166,050	166,050	64,768
Pinnacle	129,697	-	129,697	-	-	129,697	122,594	122,594	7,103
	<u>\$ 7,369,711</u>	<u>\$ -</u>	<u>\$ 7,369,711</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,369,711</u>	<u>\$ 2,855,564</u>	<u>\$ 2,850,564</u>	<u>\$ 4,519,147</u>
Expenditures:									
Greenways at Hillside	\$ 777,473	\$ 35,000	\$ 812,473	\$ 7,165	\$ 7,165	\$ 812,473	\$ 825,813	\$ 825,813	\$ 13,340
Heritage Hills	133,845	1,052,694	1,186,539	-	-	1,186,539	1,415,626	1,415,626	229,087
The Colonies	1,053,656	4,043,881	5,097,537	-	-	5,097,537	4,843,735	5,103,735	6,198
Tutbury	28,306	-	28,306	-	15,000	43,306	31,659	46,659	3,353
Point West	39,521	-	39,521	-	-	39,521	54,242	54,242	14,721
Quail Creek	10,969	-	10,969	-	-	10,969	11,474	11,474	505
Vineyards	8,932	-	8,932	-	-	8,932	10,567	10,567	1,635
Townsquare	788	-	788	-	-	788	559,189	559,189	558,401
Pinnacle	27,403	-	27,403	-	-	27,403	65,276	65,276	37,873
	<u>\$ 2,080,893</u>	<u>\$ 5,131,575</u>	<u>\$ 7,212,468</u>	<u>\$ 7,165</u>	<u>\$ 22,165</u>	<u>\$ 7,227,468</u>	<u>\$ 7,817,581</u>	<u>\$ 8,092,581</u>	<u>\$ 865,113</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, 2023**

	<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	\$ 19,419,677	\$ -	\$ 19,419,677	\$ -	\$ -	\$ 19,419,677	\$ 27,976,830	\$ 27,976,830	\$ (8,557,153)
	<u>\$ 19,419,677</u>	<u>\$ -</u>	<u>\$ 19,419,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,419,677</u>	<u>\$ 27,976,830</u>	<u>\$ 27,976,830</u>	<u>\$ (8,557,153)</u>
Expenditures:									
Bonded Debt Service	\$ 19,779,846	\$ -	\$ 19,779,846	\$ -	\$ -	\$ 19,779,846	\$ 28,460,160	\$ 28,460,160	\$ 8,680,314
	<u>\$ 19,779,846</u>	<u>\$ -</u>	<u>\$ 19,779,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,779,846</u>	<u>\$ 28,460,160</u>	<u>\$ 28,460,160</u>	<u>\$ 8,680,314</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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net investment in capital assets	\$ 428,814,543	\$ 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
Restricted for										
Debt service	19,987,909	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
Tax increment financing	5,172,900	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	14,933,544	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
Unrestricted	104,453,356	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
Total governmental activities net position	\$ 573,362,252	\$ 531,255,692	\$ 444,879,052	\$ 411,436,149	\$ 396,973,371	\$ 398,418,832	\$ 337,924,974	\$ 350,878,255	\$ 366,806,637	\$ 361,330,425
Business-type Activities										
Net investment in capital assets	\$ 601,792,401	\$ 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
Restricted for										
Debt service	13,930,498	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
Capital outlay	-	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	63,122,689	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
Total business-type activities net position	\$ 678,845,588	\$ 644,941,877	\$ 606,810,582	\$ 578,903,703	\$ 548,841,194	\$ 533,173,917	\$ 509,027,236	\$ 489,467,081	\$ 471,715,960	\$ 458,177,828
Primary Government										
Net investment in capital assets	\$ 1,030,606,944	\$ 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
Restricted for										
Debt service	33,918,407	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
Tax increment financing	5,172,900	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	14,933,544	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
Unrestricted	167,576,045	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
Total primary government net assets	\$ 1,252,207,840	\$ 1,176,197,569	\$ 1,051,689,634	\$ 990,339,852	\$ 945,814,565	\$ 931,592,749	\$ 846,952,210	\$ 840,345,336	\$ 838,522,597	\$ 819,508,253
Component Units										
Net investment in capital assets	\$ 54,067,328	\$ 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
Restricted for:										
Debt service	5,780,766	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
Other purposes	24,256,388	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
Unrestricted	204,067,703	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
Total component units activities net position	\$ 288,172,185	\$ 284,193,090	\$ 325,160,985	\$ 297,788,124	\$ 324,158,380	\$ 361,108,366	\$ 313,685,122	\$ 286,243,001	\$ 270,215,092	\$ 302,099,762

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
General government and administration	\$ 28,209,890	\$ 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
Public safety and health	124,429,967	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
Streets, traffic and engineering	28,781,953	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
Culture and recreation	33,379,158	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
Solid waste	21,775,831	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
Transit	6,023,480	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
Economic development	5,477,095	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
Urban redevelopment/housing	16,642,438	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
Interest on long-term debt	8,260,888	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
Total governmental activities expenses	<u>272,980,701</u>	<u>225,816,159</u>	<u>222,506,619</u>	<u>231,335,027</u>	<u>234,010,682</u>	<u>223,052,773</u>	<u>224,651,471</u>	<u>218,429,785</u>	<u>193,206,837</u>	<u>190,735,718</u>
Business-type activities										
Water and Sewer	82,765,301	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
Drainage Utility	5,217,461	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
Airport	18,773,183	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
Total business-type activities expenses	<u>106,755,945</u>	<u>100,363,127</u>	<u>86,271,270</u>	<u>82,940,505</u>	<u>91,035,835</u>	<u>79,762,762</u>	<u>78,545,359</u>	<u>75,102,152</u>	<u>71,648,603</u>	<u>70,567,916</u>
Total primary government expenses	<u>\$ 379,736,646</u>	<u>\$ 326,179,286</u>	<u>\$ 308,777,889</u>	<u>\$ 314,275,532</u>	<u>\$ 325,046,517</u>	<u>\$ 302,815,535</u>	<u>\$ 303,196,830</u>	<u>\$ 293,531,937</u>	<u>\$ 264,855,440</u>	<u>\$ 261,303,634</u>
Component units										
Amarillo Hospital District	\$ 50,489,783	\$ 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
Amarillo Economic Development Corporation	27,423,469	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
Amarillo-Potter Events District	2,994,273	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
Amarillo Convention & Visitors Bureau	2,303,019	1,711,350	852,658	-	-	-	-	-	-	-
Amarillo Housing Finance Corporation	-	-	-	-	-	-	-	-	-	-
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	-	-	-	-	-	270	-	-	-	-
Amarillo Local Government Corporation	1,916,744	2,079,476	2,333,666	2,224,775	2,042,521	2,022,550	311,006	64,084	125,610	34,253
Total component units activities expenses	<u>\$ 85,127,288</u>	<u>\$ 76,302,544</u>	<u>\$ 51,865,564</u>	<u>\$ 77,700,659</u>	<u>\$ 88,991,605</u>	<u>\$ 45,133,939</u>	<u>\$ 44,286,582</u>	<u>\$ 32,912,773</u>	<u>\$ 40,805,262</u>	<u>\$ 29,944,914</u>
Program Revenues										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	\$ 9,812,537	\$ 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
Public safety and health	11,336,047	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
Streets, traffic and engineering	989,967	752,820	821,742	971,425	1,686,805	1,149,616	1,316,207	882,924	972,519	921,593
Culture and recreation	10,931,274	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
Solid waste	27,267,118	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
Transit	696,338	542,663	514,323	511,227	356,401	202,330	193,226	188,419	194,725	211,575
Economic development	-	-	-	-	-	-	-	-	-	30,076
Urban redevelopment/housing	231,140	93,365	157,007	284,546	66,632	100,229	233,577	73,079	174,352	119,859
Operating grants and contributions	37,182,538	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
Capital grants and contributions	21,491,920	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
Total governmental activities program revenues	<u>119,938,879</u>	<u>136,657,416</u>	<u>101,789,981</u>	<u>105,295,436</u>	<u>87,472,625</u>	<u>88,826,203</u>	<u>87,676,946</u>	<u>76,201,383</u>	<u>97,146,543</u>	<u>76,510,386</u>

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities										
Water and Sewer	94,674,544	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
Drainage Utility	7,624,310	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
Airport	14,580,451	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
Operating grants and contributions	545,351	6,357,409	6,180,912	6,706,126	2,713,821	588,563	25,692	-	-	-
Capital grants and contributions	8,819,218	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
Total business-type activities program revenues	126,243,874	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
Total primary government revenues	\$ 246,182,753	\$ 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
Component units										
Amarillo Hospital District	\$ 40,318,895	\$ 20,087,912	\$ 49,544,970	\$ 17,853,204	\$ 11,935,272	\$ 65,045,092	\$ 33,311	\$ -	\$ -	\$ -
Amarillo Economic Development Corporation	12,084,883	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
Amarillo-Potter Events District	45,227	127,931	150,581	-	106,359	107,267	71,947	56,342	67,366	86,937
Amarillo Convention & Visitors Bureau	67,210	50	-	-	-	-	-	-	-	79
Amarillo Housing Finance Corporation	-	-	-	92	123	5,527	190	267	-	207
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Amarillo Local Government Corporation	393,311	-	413,412	314,877	442,852	388,524	4,607,037	10,621,715	466,461	-
Operating grants and contributions	-	361,734	367,171	327,141	355,752	356,636	277,338	193,111	206,218	228,068
Capital grants and contributions	-	391,191	(451,504)	(117,626)	-	-	40,700,000	39,736	97,087	268,755
Total component units revenue	\$ 52,909,526	\$ 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
Net (Expense) Revenue										
Governmental activities	\$ (153,041,822)	\$ (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)
Business-type activities	19,487,929	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
Total primary government net expense	\$ (133,553,893)	\$ (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)
Component units										
Amarillo Hospital District	\$ (10,170,888)	\$ (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)
Amarillo Economic Development Corporation	(16,101,382)	(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)
Amarillo-Potter Events District	(2,949,046)	(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)
Amarillo Convention & Visitors Bureau	(2,235,809)	(1,711,300)	(306,320)	-	-	-	-	-	-	-
Amarillo Housing Finance Corporation	-	-	-	92	123	5,527	190	267	-	207
Amarillo Health Facilities Corporation	-	-	-	-	-	(270)	-	-	-	79
Amarillo Local Government Corporation	(1,523,433)	(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)
Total component units net expense	\$ (32,980,558)	\$ (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)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes, levied for general purposes	\$ 57,970,644	\$ 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
Property taxes, levied for debt services	11,783,154	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
Sales taxes	75,393,340	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
Mixed beverage taxes	1,157,840	1,124,346	950,948	727,691	954,629	893,587	816,149	810,426	805,136	751,825

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities (continued):										
Hotel occupancy taxes	8,386,003	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
Gross receipts business taxes	22,959,078	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
Unrestricted investment earnings	13,421,365	444,582	449,188	2,347,563	4,655,471	2,650,804	1,268,229	843,358	775,685	674,798
Income (expense) from use and disposition of property	-	-	-	-	-	-	-	-	-	-
Other	3,344,554	3,507,403	292,220	441,237	7,171,591	(292,622)	1,197,273	42,453	3,469,385	1,383,230
Total governmental activities	194,415,978	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
Business-type activities										
Unrestricted investment earnings	9,376,600	392,691	89,149	1,928,874	3,510,746	1,806,398	498,073	487,381	402,780	304,150
Income (expense) from use and disposition of property	-	-	-	-	-	-	-	-	-	-
Other	1,655,446	8,217,597	(292,220)	(421,237)	(558,955)	292,622	(1,197,273)	(1,420,423)	(2,283,911)	(740,430)
Total business-type activities	11,032,046	8,610,288	(203,071)	1,507,637	2,951,791	2,099,020	(699,200)	(933,042)	(1,881,131)	(436,280)
Total primary government	\$ 205,448,024	\$ 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
Component Units										
Property taxes, levied for general purposes	-	-	-	-	-	-	-	-	-	71,400
Property taxes, levied for debt services	-	-	-	-	-	-	-	-	-	-
Sales taxes	28,953,017	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
Gross receipts business taxes	4,187,333	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
Unrestricted investment earnings	3,819,303	(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
Total component units activities	\$ 36,959,653	\$ 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
Change in Net Position										
Governmental activities	41,374,155	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
Business-type activities	30,519,975	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
Total primary government	\$ 71,894,130	\$ 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
Total component units	\$ 3,979,095	\$ (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

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>2023</u>	<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>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable:										
Prepaid items	38,526	36,767	292,177	303,478	10,608	34,874	31,933	21,203	7,727	7,742
Inventory	1,756,869	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
Uncollected taxes	115,707	77,261	66,995	116,360	69,530	74,195	75,466	45,820	55,145	80,686
Advances to other funds	522,343	557,333	591,122	623,752	655,261	685,689	715,043	-	-	-
Restricted for:										
Special purposes	1,323,782	1,323,782	1,323,782	-	-	-	-	-	-	-
Committed for:										
Encumbrances	-	-	-	-	-	-	-	-	-	-
Unreserved/unassigned	69,602,561	74,922,951	65,727,866	60,304,707	41,751,499	45,894,428	43,661,641	46,330,873	49,338,042	54,441,526
Total general fund	<u>\$ 73,359,788</u>	<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>
All Other Governmental Funds										
Nonexpendable:										
Prepaid items	\$ 12,986	\$ 51,482	\$ 40,649	\$ 51,945	\$ 8,558	\$ 4,538	\$ 7,248	\$ 10,769	\$ 7,332	\$ 29,855
Uncollected taxes	23,844	12,868	8,736	13,461	6,895	5,508	5,648	3,818	4,784	7,087
Corpus or principal	17,693	17,693	17,693	17,693	17,693	17,693	-	-	-	-
Restricted for:										
Debt service fund	2,855,834	3,226,979	1,428,207	1,912,160	3,041,911	1,340,072	1,090,928	904,204	796,880	691,778
Capital projects	-	5,587,448	5,022,571	5,627,302	10,626,612	-	9,118,722	9,118,722	-	-
Special purposes	22,745,572	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
Committed for:										
Compensated absences	25,400	32,483	25,688	398,599	708,629	1,412,287	3,550,232	4,915,277	6,728,693	8,670,659
Assigned for:										
Capital projects	65,635,990	130,158,529	73,031,876	34,234,134	39,639,612	90,534,266	62,308,575	44,245,744	42,456,749	38,633,437
Total all other governmental funds	<u>\$ 91,317,319</u>	<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>\$ 86,097,916</u>	<u>\$ 67,823,230</u>	<u>\$ 60,155,026</u>	<u>\$ 55,860,280</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)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 176,461,177	\$ 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
License and permits	4,972,928	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
Interfund revenues	961,684	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
Intergovernmental revenues	39,531,535	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
Grants-in-aid	-	1,578,994	26,731	-	-	-	-	-	-	-
Citizen contributions	170,361	580,622	97,233	525,609	87,099	49,768	187,497	24,864	125,848	208,255
Construction participation	13,115,108	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
Revenue from participating taxing entities	1,858,030	1,807,900	1,685,152	1,497,439	1,076,355	746,065	640,129	655,852	600,778	622,483
Other entity participations	2,047,172	226,250	226,250	226,250	-	-	-	100,000	175,000	797,009
Charges for services	49,386,816	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
Fines and forfeitures	3,518,783	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
Investment earnings	11,109,498	8,154	384,044	1,712,667	3,704,551	2,159,031	1,042,999	682,885	626,119	560,545
Other rentals and commissions	814,130	1,281,063	1,279,081	1,502,691	609,697	482,908	479,190	491,669	426,880	421,119
Miscellaneous	2,118,325	577,218	825,093	502,729	395,576	1,806,518	477,337	487,816	1,273,997	820,390
Total revenues	306,065,547	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
Expenditures										
General government and administration	26,291,128	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
Public safety and health	145,806,077	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
Culture and recreation	26,315,478	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
Solid waste	20,387,201	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
Transit system	5,383,797	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
Urban redevelopment and housing	16,223,694	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
Economic development/tourism	5,598,749	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
Capital outlay	62,435,693	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
Debt service										
Principal retirement	12,548,000	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
Interest and fiscal charges	7,222,354	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
Bond issuance cost	-	244,187	213,171	192,557	-	1,660,652	-	-	-	-
Termination vacation and sick leave pay	1,963,702	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
Total expenditures	330,175,873	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
Excess of revenues over (under) expenditures	(24,110,326)	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
Other financing sources (uses):										
Transfers from other funds	36,877,492	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
Transfers to other funds	(39,910,791)	(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)
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	15,125,000	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)	12,091,701	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
Net change in fund balances	\$ (12,018,625)	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
Debt service as a percentage of noncapital expenditures	7.384%	5.892%	5.023%	4.301%	4.365%	3.149%	2.112%	1.863%	2.040%	2.010%

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>					
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	7,208,732 (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
2023	56,781,762	11,783,154	75,393,340	1,157,840	8,386,003 (7)	22,959,078	176,461,177
<u>Change</u>							
2014-2023	70.97%	309.76%	44.64%	94.59%	47.35%	37.38%	58.67%

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.)

- (7) \$794,828 was rebated during the year ended September 30, 2023.
- (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)

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Business Personal</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Taxable Value</u>	<u>Total Direct Tax Rate</u>
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	14,532,887,588	1,981,618,042	16,514,505,630	2,415,832,309	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
2023	15,547,814,500	2,276,367,809	17,824,182,309	2,693,984,550	15,130,197,759	0.40628

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
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
2023	0.33079	0.07549	0.40628	0.92580	0.22031	0.96000	0.96560	0.61692	0.40148	0.98920	1.06737

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	2023			2014		
	Taxable Value	Rank	Percent of Total City Taxable Value	Taxable Value	Rank	Percent of Total City Taxable Value
Southwestern Public Service	253,343,020	1	1.674%	\$ 91,746,933	2	0.853%
Bell Helicopter Textron	222,632,185	2	1.471%	-		0.000%
BSA Hospital LLC	131,009,411	3	0.866%	102,538,638	1	0.953%
Atmos Energy	119,183,430	4	0.788%	47,677,589	7	0.443%
BNSF Railway Company	92,219,949	5	0.610%	68,685,493	5	0.638%
Northwest Texas Healthcare/UHS of Amarillo	85,138,383	6	0.563%	88,858,955	3	0.826%
Walmart	49,387,657	7	0.326%	84,186,743	4	0.782%
Amarillo National Bank	43,426,619	8	0.287%	39,527,874	9	0.367%
Toot N Totum Inc	40,266,063	9	0.266%	38,419,267	10	0.357%
CF KL Assets 2019-1 LLC	33,489,239	10	0.221%	-		0.000%
Amarillo Mall LLC	-		0.000%	63,896,344	6	0.594%
Ben E. Keith	-		0.000%	39,708,907	8	0.369%
Total taxable value of ten largest taxpayers	1,070,095,956		7.073%	665,246,743		6.182%
Total taxable value of other taxpayers	14,060,101,803		92.927%	10,095,207,428		93.818%
Total taxable value of all taxpayers	\$ 15,130,197,759		100.000%	\$ 10,760,454,171		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)

Fiscal Year Ended September 30,	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	209,630	60,352,865	99.61
2023	63,372,302	63,202,054	99.73	-	63,202,054	99.73

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									
	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014
Agriculture/Forestry/Fishing/Hunting	*	\$ 187	\$ 419	\$ 469	\$ 464	\$ 6,159	\$ 2,789	\$ 2,743	\$ 2,419	\$ 1,367
Mining/Quarrying/Oil and Gas	*	14,052	6,049	3,987	1,064	1,327	5,144	4,350	9,000	11,988
Utilities	*	213,991	167,447	143,037	170,924	159,126	156,533	134,454	149,903	156,120
Construction	*	137,465	113,634	98,484	112,086	111,987	116,092	101,647	122,327	110,173
Manufacturing	*	80,395	76,646	74,980	78,090	82,002	81,103	77,042	90,534	82,295
Wholesale Trade	*	270,077	232,678	230,928	245,218	199,242	193,212	194,437	188,942	208,636
Retail Trade	*	2,109,843	2,066,367	1,749,541	1,697,514	1,680,577	1,653,926	1,688,710	1,696,032	1,671,704
Transportation/Warehousing	*	2,548	2,466	2,122	2,073	1,886	2,401	1,742	1,869	2,172
Information	*	70,917	90,608	117,661	157,112	155,029	132,821	130,722	120,784	114,629
Finance/Insurance	*	43,132	40,184	19,329	16,354	12,360	16,611	20,451	18,717	11,743
Real Estate/Rental Leasing	*	56,571	49,548	42,802	43,987	41,613	38,724	48,556	45,984	49,989
Professional/Scientific/Technical Services	*	32,404	30,982	33,895	38,991	37,380	42,581	46,168	50,199	52,731
Management of Companies/Enterprises	*	415	547	602	471	416	87	67	63	55
Admin/Support/Waste Mgmt/Remediation	*	143,580	123,379	110,444	92,605	69,873	69,586	71,048	75,056	75,386
Educational Services	*	3,050	2,835	2,462	3,447	3,857	4,266	4,591	5,066	5,215
Health Care/Social Assistance	*	11,844	9,803	12,922	11,050	13,311	11,676	10,002	12,071	14,855
Arts/Entertainment/Recreation	*	49,594	45,794	29,011	42,154	32,405	28,180	25,334	25,915	24,343
Accommodation/Food Services	*	625,340	590,415	468,278	490,568	470,498	451,961	443,427	427,280	407,862
Other Services	*	126,739	116,903	100,209	106,131	100,053	95,247	95,625	101,633	103,099
Public Administration	*	391	3,734	385	543	302	Not reported	Not reported	Not reported	Not reported
Other	*	2,490	-	-	-	-	Not reported	Not reported	Not reported	Not reported
All Industries **		<u>\$ 3,995,025</u>	<u>\$ 3,770,438</u>	<u>\$ 3,241,548</u>	<u>\$ 3,310,846</u>	<u>\$ 3,179,403</u>	<u>\$ 3,102,940</u>	<u>\$ 3,101,116</u>	<u>\$ 3,144,331</u>	<u>\$ 3,104,918</u>
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>
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
2023	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, 2023
(unaudited)

	<u>Net Debt Outstanding</u>	<u>Percent Applicable</u>	<u>Applicable Debt Outstanding</u>
Amarillo Independent School District	\$ 220,125,226	98.83%	\$ 217,549,761
Amarillo College District	107,765,389	100.00%	107,765,389
Amarillo Hospital District	-	100.00%	-
Canyon Independent School District	224,695,000	38.68%	86,912,026
River Road Independent School District	6,766,885	25.16%	1,702,548
Potter County	64,250,000	76.11%	48,900,675
Randall County	6,597,569	63.96%	4,219,805
Highland Park Independent School District	92,310,000	45.82%	42,296,442
Bushland Independent School District	6,081,050	25.33%	1,540,330
Total overlapping debt			<u>510,886,976</u>
City of Amarillo*			<u>229,617,328</u>
Total direct and overlapping debt			<u><u>\$ 740,504,304</u></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
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%	886.81	47,910,000	-	241,421,975	36,728,261	-	26,204,731	531,785,970	3.87%	2,640.30
2023	154,666,249	23,656,079	1.22%	880.89	51,295,000	-	271,381,421	28,984,702	-	29,708,517	559,691,968	3.69%	2,764.81

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General bonded debt outstanding*										
Tax supported debt	\$ 154,666,249	\$ 165,582,515	\$ 135,805,113	\$ 82,899,430	\$ 66,211,938	\$ 69,642,292	\$ 49,212,399	\$ 21,477,662	\$ 23,117,340	\$ 24,689,792
Special assessment/other debt	74,951,079	61,848,488	60,067,333	60,837,569	61,628,430	62,510,564	21,036,972	21,477,840	9,962,182	10,394,472
Water & Sewer bonds	271,381,421	241,421,975	199,404,988	184,601,031	167,353,382	179,326,703	161,846,891	137,972,057	130,575,609	138,579,582
Airport Bonds	-	-	-	-	1,973,552	3,850,044	5,634,868	7,338,808	8,967,258	10,520,217
Drainage Utility Bonds	29,708,517	26,204,731	27,433,484	18,235,283	8,575,740	9,090,681	9,595,524	10,287,436	10,969,250	11,595,596
Fleet Services Bonds	-	-	-	-	-	462,565	1,400,862	2,323,931	3,236,856	4,139,636
Total	\$ 530,707,266	\$ 495,057,709	\$ 422,710,918	\$ 346,573,313	\$ 305,743,042	\$ 324,882,849	\$ 248,727,516	\$ 200,877,734	\$ 186,828,495	\$ 199,919,295
Percentage of estimated actual property value	3.64%	3.39%	3.00%	2.55%	2.33%	2.54%	2.06%	1.74%	1.68%	1.86%
Per capita	\$ 2,621.63	\$ 2,457.95	\$ 2,098.75	\$ 1,658.68	\$ 1,477.93	\$ 1,586.13	\$ 1,226.47	\$ 997.26	\$ 935.34	\$ 1,007.65
Less: Amounts set aside to repay general debt	2,879,678	3,239,847	1,436,943	1,925,621	3,048,806	1,345,580	1,096,576	908,022	801,664	698,865
Total net debt applicable to debt limit	527,827,588	491,817,862	421,273,975	344,647,692	302,694,236	323,537,269	247,630,940	199,969,712	186,026,831	199,220,430
Legal debt limit	1,782,418,231	1,706,556,526	1,657,211,918	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
Legal debt margin	\$ 1,254,590,643	\$ 1,214,738,664	\$ 1,235,937,943	\$ 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
Debt service as a percentage of noncapital expenditures	8.84%	7.29%	6.44%	5.38%	5.68%	4.42%	2.89%	2.91%	3.26%	2.89%

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>9/30/2023</u> <u>(2022 Tax Roll)</u>	<u>9/30/2022</u> <u>(2021 Tax Roll)</u>	<u>9/30/2021</u> <u>(2020 Tax Roll)</u>	<u>9/30/2020</u> <u>(2019 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>
Assessed value, tax roll	\$ 17,824,182,309	\$ 17,065,565,257	\$ 16,514,505,630	\$ 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
Debt limit -10% of assessed roll	\$ 1,782,418,231	\$ 1,706,556,526	\$ 1,651,450,563	\$ 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
Amount of debt applicable to debt limit:										
Total bonded debt	530,707,266	495,057,709	422,710,918	346,573,313	305,743,042	324,882,849	248,727,516	200,877,734	186,828,495	197,890,283
Less: Assets in Debt Service Funds (net)	2,879,678	3,239,847	1,436,943	1,925,621	3,048,806	1,345,580	1,096,576	908,022	801,664	698,865
Waterworks revenue bonds	218,520,000	107,830,000	115,270,000	122,605,000	102,685,000	106,525,000	84,415,000	57,120,000	45,145,000	47,750,000
	<u>221,399,678</u>	<u>111,069,847</u>	<u>116,706,943</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>
Total amount of debt applicable to debt limit	<u>309,307,588</u>	<u>383,987,862</u>	<u>306,003,975</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>
Pro forma legal debt margin	<u>\$ 1,473,110,643</u>	<u>\$ 1,322,568,664</u>	<u>\$ 1,345,446,588</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>

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	Debt Service		Coverage
					Principal	Interest	
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	84,658,381	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
2023	101,597,341	61,373,403	(10,392)	40,234,330	15,315,000	-	2.63

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)
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	34,582	3.0%
2023	203,466	15,757,382	58,425	35	33,939	3.2%

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 2023 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	2023			2014		
	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%	3,678	1	2.946%
CNS Pantex	3,844	3	2.989%	-	-	-
BSA Health Systems	3,100	4	2.411%	2,900	2	2.323%
Northwest Texas Healthcare System	2,150	5	1.672%	1,490	3	1.193%
City of Amarillo	1,953	6	1.519%	-	-	-
Texas Tech University Health Sciences Center	1,901	7	1.478%	1,431	4	1.146%
Xcel Energy	1,431	8	1.113%	960	8	0.769%
Affiliated Foods	1,250	9	0.972%	-	-	-
Canyon ISD	1,168	10	0.908%	-	-	-
Walmart Supercenters	-	-	-	1,300	5	1.041%
Western National Life Insurance	-	-	-	1,135	6	0.909%
Bell Helicopter, Inc.	-	-	-	1,000	7	0.801%
Burlington Northern Santa Fe	-	-	-	900	9	0.721%
Toot'n Totum	-	-	-	815	10	0.653%
Total employees of the principal employers	25,597		19.905%	15,609		12.503%
Total employees of other employers	103,002		80.095%	109,236		87.497%
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 2023.

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL GOVERNMENT										
Mayor and council	5	5	5	5	5	5	5	5	5	5
City manager	11	9	8	7	6	6	9	7	6	6
City secretary	3	3	2	2	2	2	2	5	4	4
Judicial	4	4	4	4	4	5	5	5	4	4
Municipal court and office of civil hearings	25	27	27	27	28	26	26	26	26	25
Planning and zoning	9	9	9	10	10	11	9	8	7	7
Public Communications	8	6	4	4	4	3	-	-	-	-
STAFF SERVICES										
Financial administration										
Director of Finance	27	8	9	7	7	6	6	5	5	5
Accounting	-	17	15	15	15	16	16	18	18	16
Payroll	-	-	-	-	-	-	-	-	-	3
Health Plan Administration	3	4	4	4	4	4	4	4	5	5
Purchasing	9	9	9	9	9	9	9	9	9	9
Central stores	7	7	7	7	7	7	7	8	8	8
Legal	10	10	10	10	10	10	10	10	9	9
Human Resources and Risk Management	15	13	14	13	13	13	13	13	14	12
Emergency Management and Communications	7	5	9	9	9	9	9	9	9	9
Occupancy										
Custodial operations	30	30	27	27	26	26	26	27	28	27
Building maintenance	31	31	31	31	31	31	30	27	26	26
PUBLIC SAFETY AND HEALTH										
Police										
Police	380	372	373	371	370	365	375	375	365	358
Civilian personnel	83	75	70	71	71	69	62	60	58	57
Fire Protection										
Fire	295	279	279	279	269	264	263	263	259	259
Civilian personnel	11	20	19	19	19	19	18	18	18	18
City Marshall	24	-	-	-	-	-	-	-	-	-
Other										
Building safety	35	39	36	35	34	33	34	35	34	34
Animal management	48	48	45	46	43	37	37	39	38	33
Emergency services										
Amarillo Emergency Comm. Center	67	64	69	69	69	69	66	67	70	71
Environmental health	22	20	18	18	18	15	16	14	14	14
Vital statistics	2	1	1	1	1	1	1	1	1	1
STREETS, TRAFFIC & ENGINEERING										
Street maintenance	94	95	95	95	97	97	97	100	101	99
Traffic engineering	44	44	46	46	47	47	44	45	46	46
Traffic field operations	23	23	22	22	22	22	22	23	22	22
Public works	5	5	5	5	4	4	4	3	-	-
Capital projects and development engineering	18	18	18	19	20	20	19	19	23	23
CULTURE & RECREATION										
Auditorium Coliseum										
Civic Center operations	22	22	22	22	22	22	22	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Civic Center promotions	5	5	5	5	5	5	5	5	5	5
Box office operations	12	12	12	12	12	12	12	12	12	12
Civic Center Sports	3	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	77	78	78
Parks and Recreation	242	240	290	277	287	287	290	271	268	267
Golf	91	91	91	91	93	93	51	51	56	56
SOLID WASTE										
Solid waste collection	115	117	111	112	105	105	104	110	110	110
Solid waste disposal	40	43	45	45	44	44	42	35	35	37
TRANSIT										
Transit	69	68	68	65	65	67	67	67	66	65
Total General Fund	2,034	1,980	2,016	1,998	1,989	1,968	1,919	1,904	1,890	1,873
WATER & SEWER SYSTEM										
Water Production	9	15	15	15	15	9	9	9	9	9
Water Transmission	9	8	8	8	8	8	8	9	9	9
Surface Water Treatment	29	30	30	31	31	31	30	29	29	29
Water Distribution	61	65	65	65	65	65	65	65	63	59
Wastewater Collection	38	38	38	38	38	38	38	38	38	38
Wastewater Treatment	46	47	47	47	47	53	54	55	54	54
Environmental Laboratory	18	21	21	21	21	22	19	19	20	20
Utility Billing	75	65	40	40	40	40	34	34	32	32
Director of Utilities	8	5	5	5	5	5	4	3	21	21
Capital projects and development engineering	17	17	17	18	19	19	20	20	-	-
Total Water & Sewer System	310	311	286	288	289	290	281	281	275	271
AIRPORT	72	63	58	59	54	57	57	57	57	59
DRAINAGE UTILITY	32	32	32	32	32	31	29	28	26	22
INFORMATION SERVICES	40	44	38	34	34	33	42	41	40	40
FLEET SERVICES	45	45	45	45	45	45	45	50	53	53
SELF INSURANCE	4	4	3	1	1	1	1	2	-	-
CITY CARE CLINIC	-	5	5	5	5	5	6	7	8	8
SPECIAL REVENUE										
Police Grant	2	1	1	-	-	-	-	-	-	-
Urban Planning/Traffic Grants	4	-	6	6	6	5	8	7	7	7
Health Grants	95	95	87	83	83	83	83	83	81	79
Court Security Fund	5	5	3	3	3	3	3	3	3	-
Community Development and Housing	44	42	33	22	21	17	17	17	18	21
Emergency Management	-	-	1	1	1	1	3	3	3	3
Total Special Revenue	150	143	131	115	114	109	114	113	112	110
Total	2,687	2,627	2,614	2,577	2,563	2,539	2,494	2,483	2,461	2,436

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Staff services:										
Annual number of purchase orders	2,409	2,432	2,381	1,987	2,293	2,217	2,319	2,516	2,487	2,315
Public safety and health:										
Annual calls for police services	83,961	97,427	95,995	95,261	101,221	106,701	104,920	126,628	125,747	126,888
Annual calls for fire services	23,164	22,343	22,038	22,163	22,892	22,340	20,544	18,516	17,905	19,820
Permits:										
Residential - new	401	681	605	518	445	549	533	639	423	494
Residential - additions & repairs	5,398	4,671	5,534	1,265	1,174	1,212	1,248	1,341	3,874	11,121
Commercial - new	56	77	83	65	59	74	64	81	68	59
Commercial - additions & repairs	316	770	1,073	436	397	430	524	351	370	484
Mobile homes	29	29	47	35	40	45	68	99	37	45
Roof	882	1,825	2,298	3,684	4,321	2,909	3,599	2,049	2,390	9,367
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
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
Commercial - new	120,004,770	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
Commercial - additions & repairs	103,710,623	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
Mobile homes	*	*	*	231,000	1,769,500	2,475,700	3,938,988	4,465,117	2,005,600	1,917,724
Roof	26,606,439	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
Culture and recreation:										
Civic Center event days	1,321	1,407	1,074	1,030	1,534	1,406	1,493	1,582	1,640	1,626
Civic Center annual attendance	461,318	412,107	300,549	331,219	609,311	637,979	583,474	607,909	572,382	603,276
Library volumes loaned annually	1,727,652	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
Annual swimming pool attendance	48,129	48,129	23,274	1,705	43,519	53,623	51,200	55,506	54,388	41,321
Tennis Center attendance	10,889	10,889	12,359	22,002	24,793	23,358	28,900	33,305	31,086	31,086
Rounds of golf played annually (2 courses)	86,152	83,000	82,609	70,740	66,604	72,762	85,318	88,316	90,329	90,122
Rifle range attendance	3,667	3,667	2,660	4,250	5,190	8,254	8,744	9,505	7,541	7,802
Solid Waste:										
Tons of waste collected	157,716	157,716	157,716	152,576	161,815	152,594	154,964	156,197	161,190	158,402
Tons of waste landfill	281,096	281,096	281,096	281,324	266,655	253,322	238,360	234,989	243,339	262,678
Transit:										
Fixed transit route--in miles	447,038	444,225	453,016	533,982	646,784	624,309	578,614	541,121	586,212	688,498
Passengers served--fixed route services	179,744	204,674	176,444	194,545	266,361	286,610	306,018	302,010	332,206	371,656
Demand response passengers	45,571	47,998	40,433	36,224	52,529	54,020	50,840	47,403	35,317	39,606
Water and Sewer:										
Active water accounts	72,617	72,213	71,559	71,892	70,277	73,136	72,348	72,272	71,029	70,441
Average daily production--gallons	43,299,000	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
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	5,000,000	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	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	9,131,110,000	9,133,110,000	9,133,110,000	8,603,656,000
Active sewer accounts	71,616	71,183	70,672	70,464	69,446	70,661	70,071	69,999	69,166	69,039
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	16,958,153	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
Daily average of reclaimed water sold to industry--gallons	9,413,825	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
Airport:										
Major airlines	3	3	3	3	3	4	3	3	3	3
Scheduled daily flights	17	17	16	24	36	35	32	32	37	37
Airline passengers enplaned	396,166	356,381	260,169	223,414	367,628	358,819	373,885	341,359	334,635	375,268
Airplanes cleared daily--average	110	113	109	117	157	172	177	169	148	165
Total tower operations (24 hours FAA Control Tower)	40,296	41,456	39,785	43,031	57,610	62,896	64,540	54,271	60,099	62,784

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	4,594	4,978	4,271	4,255	4,228	4,102	4,102	4,024	3,940
Number of outdoor warning sirens	83	77	76	92	92	90	89	89	88	88
Streets, traffic and engineering:										
Streets - paved (miles)	976.32	980.73	967.03	959.33	957.00	954.02	939.87	939.87	936.22	930.40
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	510.39	507.87	516.33	514.79	512.71	496.18	496.18	493.08	488.66
Miles of storm sewers	163.79	162.97	161.57	160.16	159.16	157.47	189.50	130.85	129.95	125.39
Number of street lights	10,894	10,894	10,888	10,888	10,726	10,655	10,627	10,624	10,594	10,578
Number of signalized locations	274	274	273	272	271	271	271	269	268	267
Number of traffic signs installed	39,864	39,634	39,326	38,742	38,243	37,920	37,597	37,257	36,826	36,199
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	357,685	413,250	412,428	428,973	453,658	407,112	397,313	414,840	499,738	463,918
Number of parks and playgrounds	64	55	55	65	64	64	64	64	64	64
Parks--number of acres	2,935	2,403	2,403	2,218	2,936	2,936	2,936	2,936	2,936	2,936
Number of swimming pools	4	4	4	3	3	4	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	18	15	15	15	44	44	44	44	44	44
Jogging trails (miles)	33.24	18.20	18.20	22.20	39.14	39.14	39.14	39.14	39.14	39.14
Baseball and softball fields	26	25	25	25	26	26	26	26	26	32
Tennis courts	26	28	28	28	32	32	32	32	32	32
Solid waste:										
Number of solid waste customers, residential	71,840	65,140	63,502	63,683	63,493	63,303	60,683	63,016	63,016	62,715
Number of solid waste customers, commercial	5,179	3,506	4,938	4,259	5,214	6,484	6,547	3,861	3,861	3,730
Landfill acreage	662	662	662	662	662	662	662	662	662	662
Transit:										
Number of buses in service	17	17	20	20	20	16	17	17	17	17
Number of vans in service	11	11	11	11	11	14	14	11	11	13
Water and Sewer:										
Miles of water mains:										
Transmission, well collection, and transfer	200.00	200.00	200.00	195.80	195.80	195.80	181.41	181.41	181.41	178.94
Distribution	1,208.89	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
Number of water wells	140	129	129	141	141	135	126	126	126	126
Miles of sanitary sewers	1030.79	1,193.81	1,034.88	1,014.87	1,003.24	998.20	984.73	984.73	967.85	963.48
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)**

Fiscal Year Ended September 30	Number of Customers	
	Water	Sewer
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
2023	72,617	71,616

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	
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
2023	46,180,783	82,650,100	1,002	1,193	4,634

Maximum Water Production Capacity (from Water Plant and Wells)	117.0 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	268,016
2. Tyson Fresh Meats	128,806
3. City of Canyon	22,105
4. Texas Department of Corrections	20,628
5. SWPS Nichols	16,687
6. Owens Corning	15,469
7. Plains Dairy	4,832
8. Plains Dairy	4,832
9. BSA Hospital	4,279
10. Quick Quack	3,497

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, 2023
(Unaudited)**

**Minimum Monthly Billing for
First 3,000 Gallons Consumed:**

Meter Size	Rates Per Month	
	Inside City	Outside City
5/8"	\$ 18.24	\$ 27.37
1"	24.48	36.72
1-1/2"	31.38	47.06
2"	48.74	73.12
3"	179.29	268.94
4"	227.52	341.30
6"	340.19	510.30
8" and larger	469.00	703.52

**Additional Charge by Volume
(per 1,000 Gallons):**

	Inside City	Outside City
Residential		
3,001-10,000	3.27	4.89
Over 10,000	4.27	6.40
Over 30,000	6.31	9.46
Over 50,000	7.16	10.76
Commercial		
Over 3,000	3.72	5.59

Source: City of Amarillo Ordinance Number 8004 effective October 1, 2022.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
SEWER RATES
SEPTEMBER 30, 2023
(Unaudited)**

<u>Base Amount</u>	<u>Rates Per Month</u>
Meter Size	
5/8"	\$ 17.36
1"	21.34
1-1/2"	23.22
2"	25.20
3"	28.50
4"	41.64
6"	61.29
8" and larger	80.99

Additional Charge by Volume

Commercial accounts are charged on total water used with a rate of \$3.95 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 \$2.61 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons.

Source: City of Amarillo Ordinance Number 8004 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>2023</u>		
	<u>Total ERUs</u>	<u>Rank</u>	<u>Monthly Drainage Fee</u>
Burlington Northern	21,365	1	\$ 84,346
Amarillo ISD	2,792	2	11,049
City of Amarillo	3,287	3	13,121
Wal Mart	1,170	4	4,631
Milligan Real Estate LLC	738	5	3,005
BSA Hospital LLC	704	6	2,890
Westgate Mall Realty LLC	601	7	1,849
Xcel	559	8	2,341
Gavilon Grain LLC	447	9	1,820
Lowes Home Center Inc.	444	10	1,733
Total	<u>32,107</u>		<u>126,785</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 \$2.82 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	2.29
Tier 2 2,072 - 3,236 square feet impervious area	1.00 ERU	3.36
Tier 3 Greater than 3,236 square feet impervious area	1.51 ERU	5.08

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>
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 *****
2023	9,180,831 *****

CONDENSED STATEMENT OF OPERATIONS OF HOTEL OCCUPANCY TAX FUND

	<u>Fiscal Year Ended September 30,</u>							
	<u>2023</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	\$ 9,180,831	\$ 9,585,539	\$ 8,545,313	\$ 5,431,173	\$ 7,208,732	\$ 6,932,936	\$ 6,610,423	\$ 6,777,185
Number of Rooms	7,298	7,298	7,298	6,772	6,851	7,050	6,715	6,690
Maximum Annual Debt Service (2039)	\$ 3,565,075	\$ 3,181,417	\$ 3,181,417	\$ 3,181,417	\$ 3,181,417	\$ 3,181,417	\$ 775,288	\$ 775,288
Debt Service Coverage (x)	2.58 x	3.01 x	2.69 x	1.71 x	2.27 x	2.18 x	8.53 x	8.74 x

***** \$794,828 was rebated during fiscal year September 30, 2023

***** \$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)

<u>NAME OF TAXPAYER</u>	<u>TOTAL 2023 COLLECTIONS</u>	<u>CAPACITY</u>	<u>% OF TOTAL COLLECTIONS</u>
AMARILLO FAIRFIELD INN AND SUITES	88,323	74	0.009576
AMARILLO HOSPITALITY GROUP LLC	7,173	91	0.000778
AMARILLO MOTEL	3,784	31	0.000410
AMARILLO VALUE INN	4,779	62	0.000518
AMERICAS BEST VALUE INN GRAND STREET	39,418	100	0.004274
ANC INVESTMENTS LLC	5,667	12	0.000614
ASHMORE INN & SUITES	50,718	138	0.005499
ASTRO MOTEL	823	20	0.000089
ATREA INN	82,108	100	0.008902
BAYMONT INN & SUITES	98,343	84	0.010663
BEST WETERN PLUS AMARILLO EAST	130,307	80	0.014128
BEST WESTERN PLUS MEDICAL CENTER	158,194	84	0.017152
BEST WESTERN SANTA FE	100,135	54	0.010857
BIG TEXAN INN	103,489	54	0.011221
BUDGET INN & SUITES	6,559	68	0.000711
CAMELOT INN	38,874	68	0.004215
CANDLEWOOD SUITES	90,902	96	0.009856
COMFORT INN & SUITES	193,498	70	0.020979
COMFORT INN & SUITES SONCY	136,166	74	0.014763
COMFORT SUITES	93,407	70	0.010127
COMFORT SUITES WESTERN PLAZA	92,085	71	0.009984
COUNTRY INN & SUITES	163,573	70	0.017735
COURTYARD AMARILLO	115,043	92	0.012473
COURTYARD DOWNTOWN	231,544	111	0.025105
COWBOY MOTEL	5,769	19	0.000625
DAYS INN	35,621	50	0.003862
DAYS INN EAST	49,367	119	0.005352
DELUXE INN	2,200	20	0.000239
DRURY INN & SUITES AMARILLO	411,980	196	0.044668
ECONOMY INN	1,265	20	0.000137
EMBASSY SUITES BY HILTON AMARILLO DOWNTOWN	618,200	234	0.067027
ESTESS MOTEL	1,745	12	0.000189
EXPRESS INN	2,562	16	0.000278
EXTEND A SUITES	23,647	96	0.002564
EXTENDED STAY AMERICA AMARILLO	44,743	95	0.004851
FAIRFIELD INN AND SUITES AIRPORT	163,782	79	0.017758
FIESTA MOTEL	3,964	20	0.000430
FIFTH SEASON INN	63,005	113	0.006831
FOUR POINTS BY SHERATON/FAIRFIELD INN & SUITES BY MARRIOTT	396,655	128	0.043006
HAMPTON INN & SUITES AMARILLO EAST	253,737	120	0.027511
HAMPTON INN & SUITES AMARILLO WEST	167,466	64	0.018157
HILLCREST MOTEL	2,277	16	0.000247
HILTON GARDEN INN	154,066	90	0.016704
HOLIDAY INN	207,833	122	0.022534
HOLIDAY INN EXPRESS & SUITES AMARILLO	340,309	68	0.036897
HOLIDAY INN EXPRESS & SUITES AMARILLO WEST	320,431	49	0.034742
HOLIDAY INN EXPRESS AND SUITES AMARILLO	145,864	128	0.015815
HOLIDAY INN WEST MEDICAL CENTER	231,588	156	0.025109
HOME 2 SUITES	379,778	92	0.041176
HOME 2 SUITES BY HILTON AMARILLO WEST	29,002	92	0.003144
HOMWOOD SUITES	178,058	92	0.019305
HYATT PLACE AMARILLO WEST	312,481	94	0.033880
INTERSTATE MOTEL	7,566	20	0.000820
LA QUINTA INN & SUITES	169,103	130	0.018335
LA QUINTA INN BY WYNDHAM AMARILLO WEST MEDICAL CENTER	73,211	128	0.007938
LA QUINTA MID CITY	89,938	130	0.009751

See Independent Auditor's Report

CITY OF AMARILLO, TEXAS
HOTEL TAXPAYERS
(unaudited)

<u>NAME OF TAXPAYER</u>	<u>TOTAL 2023 COLLECTIONS</u>	<u>CAPACITY</u>	<u>% OF TOTAL COLLECTIONS</u>
MICROTEL INN & SUITES BY WYNDHAM	38,571	45	0.004182
MOTEL 6	30,038	118	0.003257
MOTEL 6 #9144	96,558	63	0.010469
MOTEL 6 WEST	52,551	107	0.005698
MY PLACE HOTEL AMARILLO	93,143	63	0.010099
PALO DURO MOTEL	4,145	10	0.000449
QUALITY INN EAST	52,407	89	0.005682
QUALITY INN MEDICAL CENTER	56,073	103	0.006080
RAMA MOTEL	510	32	0.000055
RED ROOF INN	81,664	125	0.008854
REDWOOD MOTEL	1,542	18	0.000167
RELAX INN	36,411	90	0.003948
RESIDENCE INN AMARILLO	83,252	78	0.009026
ROUTE 66 INN	7,832	36	0.000849
ROYAL INN	404	16	0.000044
SILVER SPUR MOTEL	1,490	21	0.000162
SLEEP INN AIRPORT	35,669	55	0.003867
SLEEP INN AND SUITES WEST MEDICAL CENTER	66,158	63	0.007173
SPRING HILL SUITES	211,672	102	0.022950
STAR LODGE	1,080	16	0.000117
STAYBRIDGE SUITES	141,324	97	0.015323
SUNDOWN MOTEL	3,368	24	0.000365
SUPER 8 CENTRAL	25,200	72	0.002732
SUPER 8 LAKESIDE	66,636	60	0.007225
SUPER 8 WEST	28,708	56	0.003113
THE BARFIELD	409,618	112	0.044412
THE EXECUTIVE INN	47,705	111	0.005172
THE OASIS	681	147	0.000074
THE WESTERNER/CACTUS COVE	81,025	37	0.008785
TOWNEPLACE SUITES	221,665	110	0.024033
TOWNHOUSE MOTEL	5,159	24	0.000559
TRAVELER HOTEL	7,084	0	0.000768
TRU BY HILTON - AMARILLO WEST	193,303	90	0.020958
WAGON WHEEL MOTEL	2,864	21	0.000311
WOOD SPRING SUITES - AMARILLO	42,457	105	0.004603
ALL OTHERS INCLUDING SHORT TERM RENATL	73,110	45	0.007927
	<u>9,223,202</u>	<u>6,944</u>	