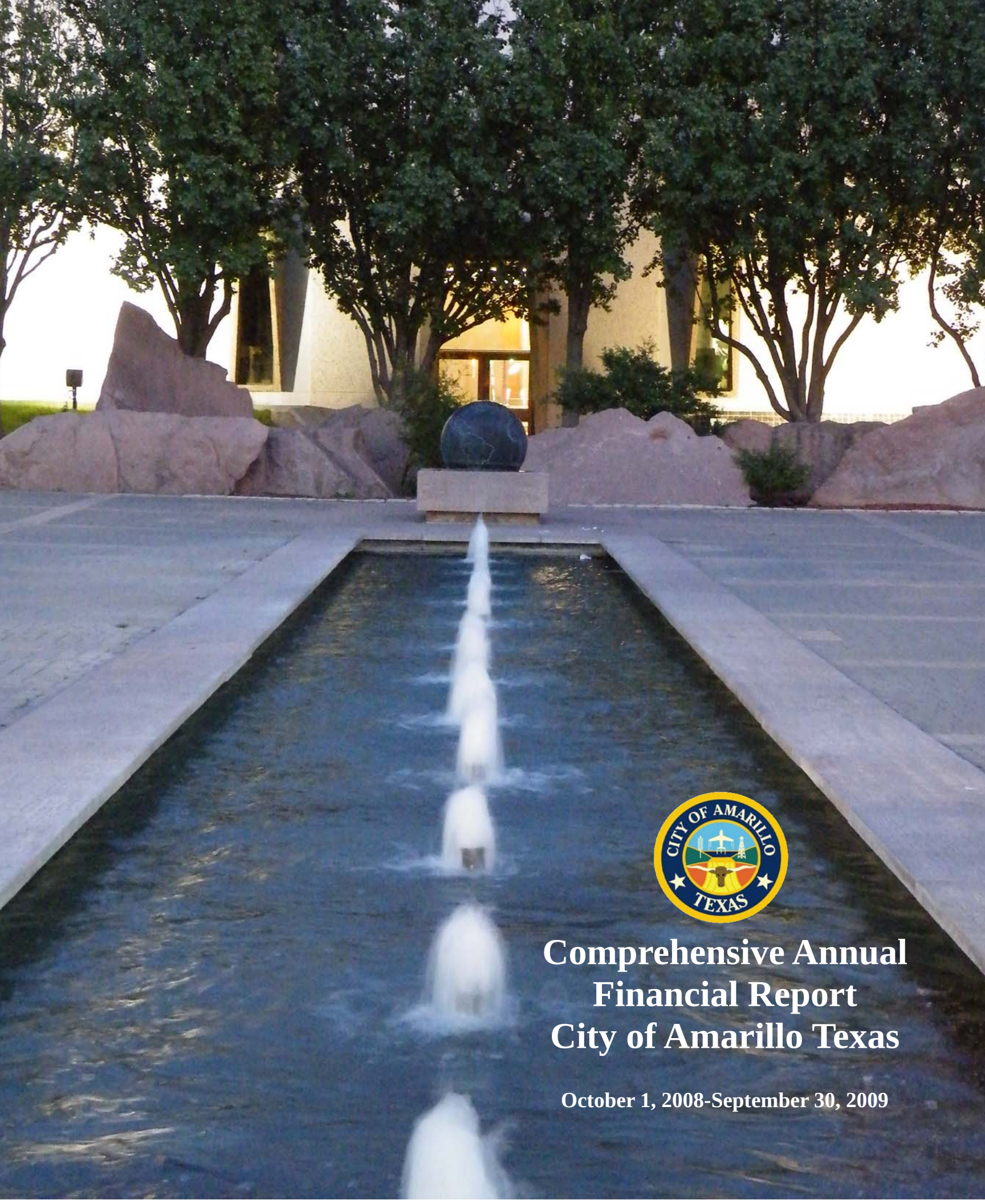


Comprehensive Annual Financial Report City of Amarillo Texas

October 1, 2008-September 30, 2009

CITY OF AMARILLO, TEXAS

Comprehensive Annual Financial Report

Fiscal Year Ended
September 30, 2009

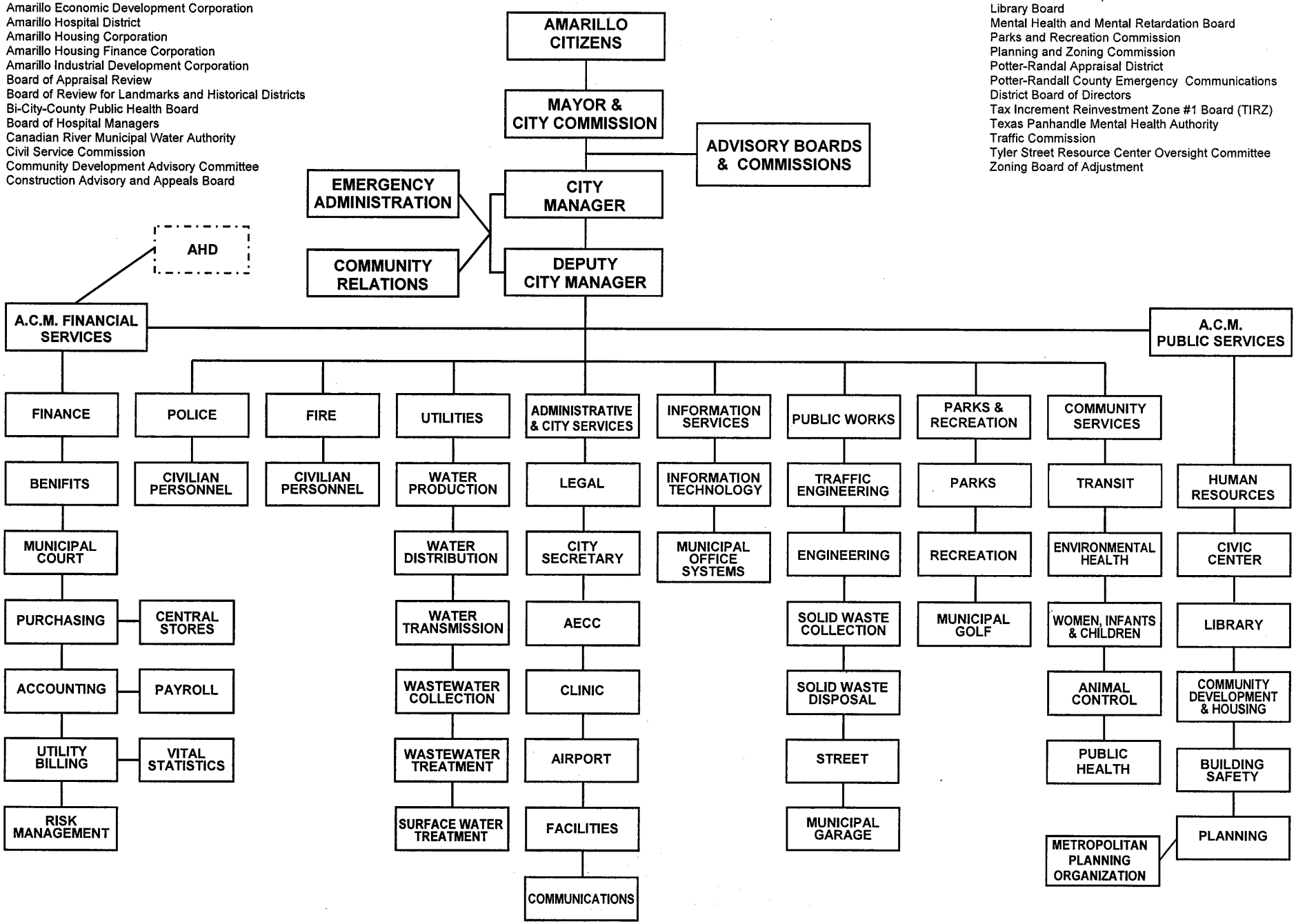
Prepared by:
Finance Division

Dean Frigo
Assistant City Manager
of Financial Services

CITY OF AMARILLO ORGANIZATION CHART

BOARDS AND COMMISSIONS
Advisory Commission for the Disabled
Airport Board
Animal Control Board
Amarillo Economic Development Corporation
Amarillo Hospital District
Amarillo Housing Corporation
Amarillo Housing Finance Corporation
Amarillo Industrial Development Corporation
Board of Appraisal Review
Board of Review for Landmarks and Historical Districts
Bi-City-County Public Health Board
Board of Hospital Managers
Canadian River Municipal Water Authority
Civil Service Commission
Community Development Advisory Committee
Construction Advisory and Appeals Board

BOARDS AND COMMISSIONS
Convention and Visitors Council
Greenways Improvement Board
Health Facilities Corporation
Library Board
Mental Health and Mental Retardation Board
Parks and Recreation Commission
Planning and Zoning Commission
Potter-Randal Appraisal District
Potter-Randall County Emergency Communications District Board of Directors
Tax Increment Reinvestment Zone #1 Board (TIRZ)
Texas Panhandle Mental Health Authority
Traffic Commission
Tyler Street Resource Center Oversight Committee
Zoning Board of Adjustment



CITY OF AMARILLO, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2009

GOVERNING BODY:

Debra McCartt	Mayor
Madison Scott	Commissioner No. 1
Brian J. Eades	Commissioner No. 2
Ronald Boyd	Commissioner No. 3
Jim Simms	Commissioner No. 4

OTHER PRINCIPAL OFFICIALS:

Alan M. Taylor	City Manager
W. Jarrett Atkinson	Deputy City Manager
Dean Frigo	Assistant City Manager Financial Services
Vicki Covey	Assistant City Manager Public Services
Marcus Norris	City Attorney
Donna DeRight	City Secretary
Michelle Bonner	Director of Finance
Michael Rice	Director of Public Works
Emmett Autrey	Director of Utilities
Robert Taylor	Police Chief
Vicki Covey	Director of Community Services
Larry Offerdahl	Director of Parks and Recreation
Steve D. Ross	Fire Chief
James Brown	Information Services Director
Curtis Bainum	City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Amarillo
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Organizational Chart	
List of Elected and Appointed Officials	
GFOA Certificate of Achievement	
Letter of Transmittal	i
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Assets	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	27
Statement of Net Assets – Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	30
Statement of Cash Flows – Proprietary Funds	32
Statement of Fiduciary Assets – Fiduciary Funds	34
Statement of Changes in Fiduciary Assets – Fiduciary Funds	35
Statement of Net Assets – Component Units	36
Statement of Revenues, Expenses, and Changes in Net Assets – Component Units	37
Notes to Basic Financial Statements	39
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	94
Schedule of Funding Progress – Texas Municipal Retirement System	95
Schedule of Funding Progress – Firemen's Relief and Retirement Fund	96
Schedule of Funding Progress – Other Postemployment Benefits	97
Combining Statements, Schedules and Other Information	
Combining Balance Sheet of Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	102
Combining Balance Sheet – Other Grant Funds	104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Grant Funds	105

TABLE OF CONTENTS, CONTINUED

Page

Combining Statements, Schedules and Other Information, Continued

Combining Balance Sheet – Public Improvement Districts 106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Public Improvement Districts 107

Combining Balance Sheet – Seizure Funds 108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Seizure Funds 109

Combining Balance Sheet – Miscellaneous Special Revenue Funds 110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Miscellaneous Special Revenue Funds 111

Combining Balance Sheet – Capital Projects Funds 114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Funds 116

Combining Statement of Net Assets – Internal Service Funds 120
Combining Statement of Revenues, Expenses, and Changes in Net Assets – Internal Service Funds 121
Combining Statement of Cash Flows – Internal Service Funds 122

Balance Sheet – General Fund 127
Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund 128
Comparative Schedule of Revenues – General Fund 129
Schedule of Expenditures by Department (GAAP Basis) – General Fund 132
Schedule of Expenditures by Department - Budgetary Basis – General Fund 136

Statement of Net Assets – Water and Sewer System Fund 142
Statement of Revenues, Expenses, and Changes in Net Assets – Water and Sewer System Fund 143
Statement of Cash Flows – Water and Sewer System Fund 144
Schedule of Operating Revenues – Water and Sewer System Fund 145
Schedule of Operating Expenses by Department – Water and Sewer System Fund 146

Statement of Net Assets – Airport Fund 150
Statement of Revenues, Expenses, and Changes in Net Assets – Airport Fund 151
Statement of Cash Flows – Airport Fund 152
Schedule of Operating Revenues – Airport Fund 153

Combining Schedule of Assets, Liabilities, and Fund Balances – Housing and Urban Development Grants 156
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Housing and Urban Development Grants 158

Combining Schedule of Assets, Liabilities, and Fund Balances – Public Health Grants 160
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Public Health Grants 161

TABLE OF CONTENTS, CONTINUED

Page

Combining Statements, Schedules and Other Information, Continued

Combining Schedule of Assets, Liabilities, and Fund Balances – Justice Grants 162
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Justice Grants 163

Combining Schedule of Assets, Liabilities, and Fund Balances – Miscellaneous Grants 164
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Miscellaneous Grants 166

Combining Statement of Fiduciary Funds 168

Combining Statement of Changes in Fiduciary Funds 169

SUPPLEMENTARY INFORMATION

Schedule of Investments – By Funds 172
Ad Valorem Taxes Receivable by Roll Year 174
Schedule of Changes in Taxes Available 175
Combined Schedule of Outstanding Debt Issuances 176
Combined Schedule of Debt Service Requirements to Maturity 178

Waterworks and Sewer System – Revenue Bond Principal Repayment Schedule 180
Waterworks and Sewer System – Historical Financial Data – Operating Statements 181
Waterworks and Sewer System – Historical Financial Data – City's Equity in System 182
Waterworks and Sewer System – Historical Financial Data – Water and Sewer Fund Operations 183
Waterworks and Sewer System – Historical Financial Data – Water and Sewer Fund Net Assets 184
Schedule of Insurance Coverage - All Funds 186

Schedule of Expenditures by Department – Budgetary Basis – Public Health Fund 187
Schedule of Expenditures by Department – Budgetary Basis – LEOSE Training Fund 188
Schedule of Expenditures by Department – Budgetary Basis – Local Seized Property Fund 189
Schedule of Expenditures by Department – Budgetary Basis – Compensated Absences Fund 190
Schedule of Expenditures by Department - Budgetary Basis – Court Technology and Court Security Funds 191
Schedule of Expenditures by Department - Budgetary Basis – Public Improvement Districts 192
Schedule of Expenditures by Department - Budgetary Basis – Bonded Debt Service Fund 193

STATISTICAL DATA (UNAUDITED)

Net Assets by Component, Last Eight Fiscal Years 196
Changes in Net Assets, Last Eight Fiscal Years 197
Fund Balances, Governmental Funds, Last Ten Fiscal Years 200
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years 201
Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years 202
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years 203

TABLE OF CONTENTS, CONTINUED

Page

STATISTICAL DATA (UNAUDITED), Continued

Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years 204
Principal Property Taxpayers, Current Year and Nine Years Ago 205
Property Tax Levies and Collections, Last Ten Fiscal Years 206
Taxable Sales by Category, Last Ten Calendar Years 207
Direct and Overlapping Sales Tax Rates, Last Ten Fiscal Years 208
Principal Sales Tax Remitters, Current Year and Nine Years Ago 209
Direct and Overlapping Governmental Activities Debt, As of September 30, 2009 210
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years 211
Ratios of General Bonded Debt Outstanding and Legal Debt Margin, Last Ten Fiscal Years 212
Legal Debt Margin Information, Last Ten Fiscal Years 213
Pledged-Revenue Coverage, Last Ten Fiscal Years 214
Demographic and Economic Statistics, Last Ten Calendar Years 215
Principal Employers, Current Year and Nine Years Ago 216
City Government Budgeted Positions by Function/Program, Last Ten Fiscal Years 217
Operating Indicators by Function/Program, Last Ten Fiscal Years 219
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years 221
Waterworks and Sewer System – Historical Information – Historical Summary of Total Customers 222
Waterworks and Sewer System – Historical Information – Average Daily Water Consumption and System Information 223
Waterworks and Sewer System – Water Rates 224
Waterworks and Sewer System – Sewer Rates 225

CITY OF AMARILLO

January 26, 2010

OFFICE OF THE
CITY MANAGER

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report ("CAFR") of the City of Amarillo, Texas, for the year ended September 30, 2009, is submitted herewith in compliance with Article III, Section 27 of the City Charter.

One of the responsibilities of the City's management is the preparation of the CAFR in order to demonstrate accountability for resources, as well as to provide information to our citizens, investors, and other interested persons concerning our operating results and financial condition. Responsibility for both the accuracy of the data and the completeness and fairness of this report, including all disclosures, rests with management.

The City Manager, through his appointee, the Assistant City Manager for Financial Services, 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 Commission. 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.

509 S.E. SEVENTH AVE. • P.O. BOX 1971 • AMARILLO, TEXAS 79105-1971 • 806/378-3000 • FAX 806/378-9394 • TDD 806/378-4229

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133. 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.

To facilitate the study of the City's financial affairs, the CAFR is divided into three parts:

- An introductory section, which includes this letter of transmittal.
- A financial section, which includes the basic financial statements and accompanying notes, combining and individual fund statements and related schedules, required supplementary information regarding budgetary compliance and pension trend data, and other supplementary information such as details concerning capital assets, investments, ad valorem taxes, and outstanding debt. The report of the independent auditors is located at the beginning of the financial section. Also provided in the financial section is certain historical and detailed information concerning our water and sewer system, investments by funds, ad valorem tax schedules.
- A statistical section, which includes selected financial and demographic information, generally presented on a multi-year basis. Information included in the statistical section is not part of the City's financial statements, although the material is part of the CAFR.

This will be our second annual report under the Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans* and Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits*. Both statements deal with the accounting of post-employment benefits other than pensions. The City of Amarillo's most significant post-employment benefit other than the pension benefit is that retirees are allowed to continue their medical and dental plan coverage, including dependant coverage, after retirement. Historically, cities, including the City of Amarillo, have accounted for other post-employment benefits (OPEB) on a pay-as-you-go basis. Using the pay-as-you-go method, the benefit is not recognized during the career of the employee when it was earned. Moreover, the pay-as-you-go method does not recognize the liability for the future benefit. With the pay-as-you-go method, the expense is recognized after employment, which can shift the burden for the expense to a different group of taxpayers or customers. With GASB 45, the cost of the benefit is recognized as an expense over the working career of the employee and the related obligation for the future benefit is recognized as a liability. While the City is required to recognize this cost, the City can still fund the benefit on a pay-as-you-go basis.

The Governmental Accounting Standards Board (GASB) in their Statement No. 44, *Economic Condition Reporting*. GASB Statement No. 44 required some additional information in the statistical section. This will be four years of reporting under GASB Statement No. 44. There are more schedules and more detailed information in the statistical section of the report. The purpose of GASB Statement No. 44 was to improve the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by Statement Number 34. In order to clarify that the requirements are applicable to all types of state and local governmental entities that prepare a statistical section, this statement establishes the objectives of the statistical section and the five categories of information it contains—financial trends information, revenue capacity information, debt capacity information, demographic and economic information, and operating information. In

addition to the items required by GASB Statement No. 44, we have added a schedule of building permits issued to the demographic and economic information.

Effective with the 2002 fiscal year, the City implemented Statement No. 34 issued by the GASB. This statement established a new accounting model for governmental entities, which made significant changes in such matters as fund definitions, measurement focus and basis of accounting. Readers who are familiar with the City's financial statements for prior fiscal years will notice a significant difference in presentation resulting from this new standard.

Uniformed police officers and civilian employees that work more than 1,000 hours per year participate in the Texas Municipal Retirement System (TMRS). Last year, most Texas cities including Amarillo were notified the TMRS plan had been under funded and city contribution rates would have to increase dramatically. The City of Amarillo's rate would increase from 15.48% of pay to 22.34% of pay. Since most cities could not afford such a large increase, the TMRS Board provided an eight-year phase-in of the new rate. The City of Amarillo's rate under the phase-in program was 16.58% of pay, which has been contributed by the City. However, since the actuarially determined Annual Required Contribution (ARC) was 22.34% of pay, the City did not meet its ARC. The $2,760,324 difference between the actual contribution and the ARC is shown as a liability on the entity-wide financial statements and recorded as a liability in the proprietary funds: Water & Sewer, Airport, Information Technology, Employee Insurance Fund and Municipal Garage.

For many years, the City discharged treated effluent wastewater into a playa lake in full compliance with a State of Texas issued environmental discharge permit. A plume of water developed beneath the playa and has slowly migrated outward. The most notable quality of this plume is that it contains slightly more chloride than the ambient groundwater in the vicinity. The City has been monitoring nearby homeowners' water wells for about twenty years. When the chloride content tests above a certain amount, the City has routinely drilled replacement wells that are deeper than the plume and are encasing the wells to prevent the plume from affecting the taste of the well water. The City has also installed reverse osmosis treatment systems for homeowners to enhance the taste of their well water. The chloride in groundwater does not meet any state or federal definition of pollution or contamination; the water is safe to drink. In fact, the water is of an equal or better quality than the water the City of Amarillo delivers to its citizens. The City intends to continue this practice in the future as a good neighbor to surrounding homeowners. The City has accordingly recorded a liability of $1.4 million for the future practice of monitoring wells and providing replacement wells and treatments systems in the Water & Sewer Fund.

Following the report of the independent auditors is Management's Discussion and Analysis ("MD&A"). Although the Securities and Exchange Commission has required public companies to present MD&A for many years, this requirement, promulgated by Statement No. 34, is new to governmental financial reporting. 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 new 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 "Crown" or "Panhandle" of Texas, and now contains an area of 100.24 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 estimated 2009 population is 191,514.

In accordance with its current Charter, adopted in 1913, the City of Amarillo operates under a commission-manager form of government. As the legislative body, the City Commission 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 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 Commission.

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, which operations are accounted for as general governmental functions. The City maintains the water and sewer systems and an international airport, the operations of which are 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, the Amarillo Economic Development Corporation, the Amarillo-Potter Events Venue District and Tax Increment Reinvestment Zone #1 (TIRZ #1) 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 Commission appoints the District's Board of Managers and has final authority over its budget and tax rate. 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 Commission'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). TIRZ #1 has a ten-member board. The City of Amarillo appoints three board members, Potter County appoints three members and Amarillo College, Amarillo Independent School District, Amarillo Hospital District and the Panhandle Groundwater District each appoint one board member. While TIRZ revenues can be pledged to support debt, only the City can issue the debt and pledge the TIRZ revenue. Moreover, the City Commission created the TIRZ and has final approval authority on the budget and all TIRZ projects. However, only summarized information regarding these entities is presented in our 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 our financial reporting entity because of the City Commission'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. 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.

Operating and Capital Budgets:

Budgetary controls serve two main purposes. First, the annual appropriated budget approved by the City Commission 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, Court Technology Fund, Court Security Fund, Public Health Fund, Local Seized Property Fund, Compensated Absences Fund, Law Enforcement Officers Standard and Education (LEOSE) Training 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 Commission, 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 Commission, 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 that 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 City of Amarillo was awarded the Certificate of Achievement for Excellence in Financial Reporting for our 2007-2008 Comprehensive Annual Financial Report (CAFR). In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. Moreover, the CAFR a must satisfy generally accepted accounting principles, applicable legal requirements, and the Government Finance Officers Association's (GFOA) program standards.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to program requirements, and we are submitting it to the review process of the Association to determine its eligibility for another certificate.

In addition, 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.

Our most significant financial achievement this year is an organization rating upgrade by Standard & Poors. Standard and Poors has upgraded the City's General Obligation debt to AAA. This is the Standard & Poors' highest rating and is a reflection on the City's efficient and effective operation.

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 maximize 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 of Amarillo's authorized depository. Certificates of deposits issued by a depository institution with a main office or branch office in the state.

2. Obligations of the United States or its agencies and instrumentalities. The investment in agencies and instrumentalities is limited to 75%.

3. Eligible Investment Pools as defined in Section 2256.016 of the Texas Government Code continuously rated AAA or AAAm by at least one nationally recognized rating agency.

4. No-load money market mutual funds that are continuously rated AAA or AAAm by at least one nationally recognized rating agency; has a dollar-weighted average stated maturity of 90 days or less; and seeks to maintain a stable net asset value of $1 per share.

5. Taxable municipal securities rated not less than AA- or its equivalent by a nationally recognized rating agency. The total investment in taxable municipal securities would be 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 deposits are collateralized by securities held by the Federal Reserve. The City uses third-party safekeeping for its investment securities.

The City began using a securities lending program in 2005 as a means to increase investment income. Securities are lent to select brokerage firms for which collateral is received that exceeds the fair value of such investments during the period of the loan. Collateral may be cash or high-quality securities. Securities loans are initially collateralized at 102 percent of the fair value of the securities lent; the collateral cannot fall below 100 percent during the duration of the loan. Cash collateral received from the borrower is invested by the lending agent, as an agent for the City, in short-term investments including

money market mutual funds. These short-term investments are included as investments in the statement of net assets for governmental type funds and on the balance sheet of proprietary funds. The City records a corresponding liability for the return of the cash collateral held for securities lending in the statement of net assets for governmental type funds and on the balance sheet of proprietary funds. Since the asset and corresponding liability are equal, the impact on net assets would be zero.

Long-term Financial Planning:

As mentioned above, in conjunction with our annual operating budget, we develop a 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 project funds during the budgetary process.

2008 Certificates of Obligation:

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. In the 2008-2009 fiscal year we had several debt issuances.

Our $48.3 million air terminal renovation project is well underway. About $23 million of the funding will come from grants. Our airport fund was able to commit about $8 million to the project and the balance to complete the project was from the issuance of $16.14 million in Certificates of Obligation. While these certificates have an ad valorem tax pledge, it is the City's intention to repay the certificates from an Airport Passenger Facility Charge (PFC). The Federal Aviation Administration (FAA) approved the new $4.50 PFC in 2008. The PFC, along with some future entitlement funds, should be sufficient to service the Airport Certificates of Obligation and the City should not have to levy a tax to support this debt in the future.

The Potter County Well Field project is the largest single capital project in our history. The Potter County Well Field will be a new water supply for the City of Amarillo. The new well field would be able to supply the City's current water needs without using our surface allocation from Lake Meredith and provide for future growth. The total project is estimated to cost about $92 million. The Water & Sewer System committed $5.7 million to the project. In 2009, we were successful in obtaining funds from the Texas Water Development Board (TWDB) in two issuances to complete the project through the Water Infrastructure Fund (WIF) program. In both issuances, the TWDB purchased the City's Certificates of Obligation and is the only bondholder. The first issuance was for $38,885,000 and the City received an overall interest rate of 2.10% on twenty-year debt. The City increased its Water & Sewer Rates by 10% to service the debt. In the second issuance, the City received 1.97% on $47.4 million in 20-year debt.

The City was also able to take advantage of the American Recovery and Reinvestment Act (ARRA). The City had designed a new pump station for its potable water treatment plant. The project was shovel ready and qualified as a "green" project due to the projected energy savings. The City was approved for a $25,380,000 allocation from the TWDB Drinking Water Program. However, the City received bids that were considerably less than the $25,380,000 allocation. As a result of the lower bid prices, the City will issue $18,075,000 in Certificates of Obligation that will be bought by the TWDB at zero percent interest. The project is underway and should be complete in about 30 months. Neither the $18,075,000 ARRA project nor the $47.4 million WIF project's debt services were included in our 2009-

2010 budget or rate structure. These projects will necessitate another rate increase in our 2010-2011 budget. While we intended to pay for the above three Water & Sewer projects ($38,885,000 WIF, $47,400,000 WIF and $18,075,000 ARRA) from the Water & Sewer Fund, these debt issuances are Certificates of Obligation and have an ad valorem tax pledge.

The City also received funding from the Texas Department of Transportation (TxDOT) for a much-needed bridge over the BNSF railroad tracks at the intersection of S.E. Third Avenue and Grand Street. Grand Street is one of the main north-south arterial streets for the east side of Amarillo. When the Grand Street crossing is blocked due to rail traffic, the other main north-south arterial, Eastern Street, is often also blocked. The proposed bridge would remedy the problem on Grand Street and even help relieve congestion on Eastern Street as well. The project is estimated at approximately $9 million with most of the funding coming from the Amarillo MPO and TxDOT Amarillo District ARRA funds (about $8.3 million.). The balance of the project cost will be paid from City funds. Potter County has agreed to financially participate in the project cost with the City for an undetermined amount. The City may issue some debt for its portion of the project cost.

2007 Certificates of Obligation:

The City issued $25 million in Certificates of Obligation in 2007. These Certificates will be paid from property taxes and required a 2.6-cent tax increase in 2008-09 budget year. Most of the 2007 Certificates of Obligation proceeds are to be used for public safety improvements, specifically Fire Department improvements. About $12.9 million will be used to build and equip two new stations and to remodel and equip older stations. Fire Station 11 was completed in December 2009 and the renovation of the Central Fire Department is almost complete. A SBCA (breathing apparatus) replacement project is complete. Land has been purchased for Fire Station 12. Fire Station 12 should be complete by the second quarter of 2011. A new Fire Station 8 is presently under construction and should be complete in 2010. We are also planning on replacing Fire Station 3. We have been getting very good construction bids. If this trend continues, we may have sufficient funds for one more new station.

About $2.3 million of the proceeds are for Police Department improvements. A building has been purchased for police evidence storage. Improvements to improve the firing range are complete. The largest police project is the remodeling of the 6th floor of our existing Police Department Building. The remodeling project should be out to bid the first quarter of 2010.

Most of the $5.3 million in street improvements should be completed in 2010. The Hillside project and the Soncy & 34th reconstruction project were the largest single street projects and are now complete. The Gem Lake Road project is almost complete. A notice to proceed has been issued on the extension of Coulter Street. The DeVaughn/Cortez Bridge reconstruction project is complete and a reconstruction of South Dallas Street should begin in February 2010.

About $3.5 million of the proceeds were for park improvements. All of the parks projects have been completed except one neighborhood park, which will be complete in 2010. The proceeds were used for 3 new neighborhood parks, 21 new public park restrooms and 11 new playgrounds.

Our new Health Department facility is complete and opens in February of 2010. There was broad support for the new facility with $1.3 million from the Certificates, $623,000 from our Health Facilities Corporation, $250,000 from Community Development funds and $250,000 from the Amarillo Hospital District.

Our Local Economy:

Amarillo is a regional trade center for a very large five-state region. Historically, major industries of the area include grains, cattle, beef processing, natural gas, oil, helium and other petroleum by-products, refining operations, and nuclear weapons processing. Since Amarillo served as the regional trade center for this large geographic area, 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, transportation, travel and tourism are important industries to Amarillo. More recently, because of excellent efforts of our economic development corporation, the Amarillo economy has become more diverse.

Natural gas and petroleum are major industries in the City of Amarillo and the Panhandle. There was a significant decrease in the price of both oil and natural gas prices compared to last year. According to the Amarillo Economic Analysis, prepared by Amarillo National Bank, natural gas prices were at $7.43[1] per mmbtu last year compared to $3.28[1] per mmbtu at September 2009, which is a 55% drop. There was also a large drop in oil prices. Last year, oil was at $100.53[1] per barrel compared to $65.71[1] at September 2009. Since we are both a producer and a consumer of natural gas, part of our economy benefits from higher gas prices while it is detrimental to another part of our economy. Increases in natural gas prices mean higher royalty payments to landowners, but it also means higher energy costs for our area farmers that use natural gas for irrigation and other industries.

While there is some benefit to lower oil and gas prices to the economy in general, lower oil and gas prices have a direct impact on drilling activity in the Panhandle. At September 2008, there were 95[1] active drilling rigs in the Panhandle compared to 29[1] at September 2009. In January 2002, there were less than 14 drilling rigs in the Panhandle.

Our region and especially our area towns are heavily dependent on agricultural products including yearling cattle, feedlot operations, wheat, and feed grains. According to the Texas Cattle Feeders Association, our cattle feeding area produces about 7 million fed cattle annually, which is about 30% of the nation's beef. Unfortunately, 2009 has been a lackluster year in terms of cattle prices. More recently, cattle prices peaked in August 2008 at $101[1] per hundredweight. From the peak in August 2008, prices moved steadily downward to end calendar year 2008 at $86[1] per hundredweight.

The majority of principal area crops cannot be grown without irrigation and natural gas is the main fuel used for irrigation. The major crops grown in the Panhandle are wheat and corn. Corn prices dropped sharply compared to last year. At September 2009, corn prices were at $3.25[1] compared to $5.30[1] last September.

Wheat prices have been similar to corn prices. At September 2009, wheat had dropped to $3.94[1] per bushel from a high of over $5.70[1] per bushel during May 2009 and $6.43[1] at September 2008. However, wheat was at $4.87[1] per bushel at September 2006 and $3.35[1] per bushel at September 2005. As mentioned above, decreasing natural gas prices mean lower royalty payments to landowners, but reduce costs for area farmers.

Cotton has become a more important crop in our area. Historically, cotton has been grown south of Amarillo. However, new hybrids can be grown in our area and cotton prices have been increasing since 2005. Cotton prices faired better than wheat and corn. At September 2009, cotton was at $53.50[1] cents per pound compared to $57.16[1] cents per pound last year. At September 2006, cotton was at $47.2[1] cents per pound compared to $42.10[1] cents per pound at September 2005.

While unemployment is up in Amarillo, we are doing better than most of the nation. Unemployment was 5.6%[1] in September 2009 compared to 3.9%[1] last year. Average weekly wages are also down compared to last year. Weekly wages in 2008 were $713.80[1] compared to $668.39[1] in 2009.

Our Economic Development Corporation:

In order to diversify and grow our local economy, in 1989 Amarillo citizens approved a ½ percent sales tax dedicated to the promotion of economic development and financing of industrial, manufacturing, distribution and regional wholesaling projects that will result in new jobs in Amarillo. The half-cent sales tax currently generates about $14 million annually. To manage these funds, the Amarillo Economic Development Corporation (AEDC) was created and became fully operational when the first tax proceeds were received in June 1990.

The AEDC's mission is "To promote business expansion in the greater Amarillo area that builds a stronger, more diversified economy and increases the economic vitality and wealth of the community ..." The organization accomplishes its mission by attracting new business and industry to the Amarillo area that will create skilled, high-wage primary jobs, assisting existing primary business and industry with growth and expansion plans through a pro-active business retention and expansion program and creating a business environment conducive to entrepreneurialism by providing financial support and technical assistance to primary businesses in collaboration with partner agencies.

In the past 19 years, the AEDC has engaged in over 100 projects with over 100 companies, building a *Portfolio of Success*. The portfolio includes: 40 retention and expansion projects, 13 relocation projects and 37 entrepreneurialism projects. The Perryman Group, an independent economic consulting firm, recently evaluated the combined investment each company has contributed to the community. The study stated, "The AEDC has successfully attracted new businesses to the local area and encouraged existing firms to stay and expand. In fact, about one in three jobs in the local area is linked to a company the AEDC has assisted in some way. The long-term economic vitality of Amarillo and the surrounding area have clearly been enhanced by the AEDC."

AEDC Five Target Industries:

1. Aviation/Aerospace – Aircraft manufacturing; aircraft engine and engine parts manufacturing. The AEDC will continue efforts to market to the suppliers of current Amarillo aviation companies encouraging support industry to flourish. *Portfolio of Success:* Bell Helicopter, TACAir, Composite Shapes, Tradewind Turbines, Leading Edge Aviation Services, Headsets Inc.

2. Business and Financial Services – Companies continue to search for strong work ethic and favorable natural conditions that will allow for a secure location for their sensitive business operations. Amarillo provides both for interested prospects. *Portfolio of Success:* AIG-Western National Life, Nationwide Insurance, SITEL, Blue Cross Blue Shield, CS Stars

3. Diversified Manufacturing – Wind tower components, primary metal industries, fabricated metal products, industrial machinery, electronics and instruments. Companies under this category manufacture mid-value, mid- to high-bulk products which are under extreme pressure to reduce costs. *Portfolio of Success:* Sage Oil Vac, GTM, Backyard Adventures, Tech Spray, SciCron Technologies, Zarges and Alstom Power, Inc.

4. Transportation and Logistics – Amarillo's transportation assets are well suited for this industry. Companies are currently looking for ways to reduce cost by locating within the central part of the United States. *Portfolio of Success:* Ben E. Keith, Affiliated Foods, Hastings, Anderson Merchandisers, AmeriCold Logistics, McCarty-Hull

5. Food Technologies – Amarillo's location, industry clusters and resources are well suited for this industry. *Portfolio of Success:* Tyson, Plains Dairy, Hilmar Cheese Company, Pacific Cheese, Palo Duro Beef Processors [7]

Major Industries and Employers:

The Amarillo Chamber of Commerce lists over 80 employers with 100 or more employees in Amarillo. This a very diverse group of employers consisting of governmental entities, manufacturing, defense, industry, food processing, healthcare, general retail, traffic & transportation, energy companies, public utilities, higher education, financial services, retirement services, the travel industry and computer services [3].

Two of our largest employers are in the defense industry: Bell Helicopter and B&W 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 B&W Pantex for the U. S. Department of Energy/National Nuclear Security Administration. Pantex's work falls within three main missions: Stockpile Stewardship, Nonproliferation and Safeguards and Security. As stewards over the nation's nuclear stockpile weapons Pantex evaluates, retrofits and repairs weapons in support of both life-extension programs and certification of weapons safety and reliability. Pantex also develops, tests and fabricates high-explosive components for weapons. Pantex also dismantles surplus weapons, sanitizes components form dismantled weapons and provides interim storage and surveillance of plutonium pits in conjunction with their Nonproliferation mission. Pantex's safeguard and security mission entails protecting the Plant personnel, facilities, materials and information. All work at Pantex is carried out under these overarching priorities: the security of weapons and information, the safety and health of workers and the public, and the protection of the environment [2]. Approximately 3,300 people work for B&W Pantex[3].

Bell Helicopter's Military Aircraft Assembly Center in Amarillo is building the revolutionary V-22 Osprey, AH-1Z and UH-1Y rotorcraft [7]. The V-22 offers twice the speed, three times the payload, five times the range, and can fly more than twice as high as older rotorcraft [8]. In order to meet required delivery schedules, a new 137,000 square foot hangar is under construction. The AEDC issued bonds to help with the project. Under the terms of the lease, Bell's lease payment is abated so long they meet local compensation and spending requirements, which exceeded $120 million in 2009. By 2014, Bell expects to be employing 1,228 full-time employees and spend over $165 million locally [7]. Bell currently employs 1,068[3] people.

Other manufacturing operations in Amarillo include Owens Corning Fiberglass, which employs about 475[3] people. Owens Corning produces fiberglass for building products. Amarillo Gear manufactures the largest range of spiral bevel right angle gear drives in the world [10] and employs 160[3] people. Arden Corporation manufactures outdoor furniture cushions in a building located at the Amarillo Airport. ASARCO operates a copper smelter and employs 370[3] workers. International Paper Company produces containerboard packaging in Amarillo and employs 130[3] people.

Food distribution is also an important industry to Amarillo. Affiliated Foods employs 1,110[3] workers in its facility. Ben E. Keith, a distributor of food service products, employs 250[3] persons and Amarillo Coca-Cola employs 211[3] workers. Palo Duro Meat Processing employs 240[3] people and Beef Products, Inc. employs 211[3] employees. Our largest single employer is also in the food industry. Tyson Foods has 3,700[3] employees operating its plant in northeast Amarillo.

Both ranching and cattle feeding are important to our area. There are several advantages to cattle feeding operations in our area. The area's central location reduces transportation costs. An ample harvest

of locally grown feed grains and volume shipments from the Midwest 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." 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 10 large-scale cattle feedyards across the Texas High Plains and southwest Kansas. Since its founding in 1975, Cactus Feeders has grown into a $750 million company that employs about 500 people. Cactus Feeders is the world's largest cattle feeding operation [(4)]. Founded in 1962, Friona Industries owns four feed yards in northwestern Texas with a feeding capacity of more than 275,000 head of cattle [(5)].

Amarillo is a regional medical center for a five-state geographic region and the healthcare industry is one of the largest employers in Amarillo. The Amarillo Medical Center includes hospitals, health care facilities, medical research and vocational and professional training in a 450-acre complex. The multi-purpose medical complex is comprised of 16 institutions representing federal and state agencies, locally controlled institutions, national healthcare providers and charitable entities [(9)]. The medical center complex is home to two of our major employers: Baptist St. Anthony's Health Care System with 2,900[(3)] employees and Northwest Texas Healthcare System with 1,359[(3)] employees.

Both Baptist St. Anthony's Health System (BSA) and Northwest Texas Healthcare System (NWTHS) offer integrated acute care hospitals. BSA offers a full range of medical and surgical services at their 400+ bed acute care patient facility 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 [(14)].

Northwest Texas Healthcare System (NWTHS) is a designated tertiary care academic institution. The hospital provides physicians and patient diagnosis and treatment of the most acute clinical conditions. The emergency department is a certified Level-III Trauma Center and sees approximately 57,000 patients annually. NWTH has 489-bed general medical hospital, a community health center and an 85-bed behavioral health facility [(15)]. NWTHS is one of our largest taxpayers.

Our VA Medical Center employs about 1,015[(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 69 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 five community-based outpatient clinics located in Childress, Lubbock, and Stratford, TX, Clovis, NM, and Liberal KS [(6)].

Other large medical employers include the Texas Panhandle MHMR with 436[(3)] employees, the Plumb Creek Specialty Hospital with 300[(3)] employees, Panhandle Eye Group with 196[(3)] employees, the Amarillo Diagnostic Clinic with 190[(3)] employees, Family Medicine Centers with 175[(3)] employees, Amarillo Heart Group with 155[(3)] employees, the Don & Sybil Harrington Cancer Center with 151[(3)] employees, Triumph Health Care with 147[3)] employees, Regence Health Network with 145[(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 Amarillo including Baptist Community Services with 400[(3)] employees, Park Central Retirement Community with 300[(3)]

employees, Ussery-Roan Texas State Veterans Home with 200[3] employees, Bivins Memorial Nursing Home, the Craig Methodist Retirement Community with 140[3] employees, and Ware Living Center.

Administrative and back-office operations are also included in Amarillo's major employers. AIG-Western National Life Insurance Company provides fixed annuity products through financial institutions in the United States. The company was founded in 1944 and is based in Amarillo, Texas. AIG-Western National Life Insurance Company operates as a subsidiary of AGC Life Insurance Company [11]. AIG-Western National Life employs about 890[3] people.

For 25 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, Texas, and employs 107[3]. IMS started as a small business with manual claims administration and has evolved into a full-service TPA with state-of-the-art automated systems [3].

Founded in 1968, Hastings Entertainment, Inc. is a leading multimedia entertainment retailer that combines the sale of new and used CDs, books, videos and video games, as well as boutique merchandise, with the rental of videos and video games in a superstore format. The company currently operates 153 superstores, averaging approximately 20,000 square feet, primarily in medium-sized markets throughout the United States[12]. The Hastings retail chain headquarters is located in Amarillo and has 491[3] employees.

SITEL has telemarketing services in Amarillo and employs 337[3]. Anderson Merchandisers has 550[3] employees. Maxor National Pharmacy Services Corporation is a pharmacy benefit management company headquartered in Amarillo and has 393[3] employees. The American Quarter Horse Association is also headquartered in Amarillo and employs 302[3]. The Atmos Energy customer support center in Amarillo employs 311[3]. Nationwide Insurance also has a customer support center in Amarillo with 415[3] employees. AT&T is also one of our larger employers with 320[3] employees.

The Texas Department of Criminal Justice has two prison units in Amarillo and is a major employer. The two prisons provide 1,348[3] jobs.

Major retail stores draw customers from a wide region into our city. Amarillo is currently home to four Wal-Mart super centers and a Sam's Club. Wal-Mart employs a total of 1,509[3] people including the Sam's Club. United Supermarkets is a large employer and employs a total of 533[3] in their seven stores in Amarillo. Toot'n Totum has several convenience stores in Amarillo and employs 560[3].

Higher education is a major employer in the Amarillo area. Our community college, Amarillo College, offers both vocational training and associate degree programs has 681[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 760[3]. Texas Tech University provides training in our community for medical doctors earning specialty accreditation in family medicine. Texas A&M Agricultural Research & Extension Center employs 114[3]. West Texas A&M University in nearby Canyon, which is a part of the Texas A&M University System, also has a campus in Amarillo and employs 767[7]. 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 our larger employers. Amarillo National Bank is on our list of top ten taxpayers and employs approximately 550[3]. Bank of America employs 105[3]. Herring Bank employs 125[3]. Happy State Bank employs 330[3].

McCoy Myers & Associates has its home office in Amarillo and also has data center operations in Amarillo, Hurst, and Waco. McCoy Myers offers both in-house and outsourced turnkey data center

services to 150 banks located in Texas, Oklahoma, Kansas, New Mexico, Nebraska, and Illinois. McCoy Myers' customers range in size from new charters to banks with over one billion dollars in assets [3]. McCoy Myers employs 113[3] people.

As mentioned earlier, the oil and gas industry is important in the Panhandle and energy companies are also major employers. Centergas Fuels, Inc. employs 250[3], Valero Energy Corp. employs 113[3] and Davidson Oil Company 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 700[3] employees. Amarillo is home to Jack B. Kelley trucking, which has truck terminals in Texas along with nine other States [16]. Baldwin Distributing Services, Inc, and Plains Transportation, Inc. are also in the trucking industry; Baldwin employs 165[3] and Plains employs 101[3]. Support for the trucking industry is a larger employer in Amarillo and includes companies like Amarillo Truck Center, which employs 112[3]. To maintain the state highways, the Texas Department of Transportation has 349[3] employees.

Today, Amarillo's airport has the third longest commercial runway in the world, and is an alternate landing site for the space shuttle. 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. As the largest city between Dallas and Denver, Albuquerque and Oklahoma City, Amarillo naturally has excellent highway connections to those cities [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 eight million people travel through Amarillo annually and dine in over 500 local restaurants. The Amarillo hotel industry has more than 50[3] hotels with over 5,100[3] rooms to rent. One of our larger employers is a hotel facility. The Ambassador Hotel employs 120[3] people. Amarillo has an amusement park and an art museum. 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. Wonderland Amusement Park is located in north Amarillo and employs 147[3] persons.

Two of the larger employers are engineering firms. Talon/LPE is a full-service environmental consulting and engineering corporation and employs 125, while Zachry Engineering Inc. employs 185[3] people. The construction industry is also a major employer. J. Lee Milligan, Inc. employs 225[3], L. A. Fuller & Sons Construction Inc. 150[3] and Denman Building Products, LTD 100[3] people.

The above narrative on major industries and employers in Amarillo demonstrates the broad diversity of the Amarillo economy. Amarillo's economy benefits from agriculture, oil and gas production, defense industry, manufacturing, food processing and distribution, traffic and transportation, general retail, banking, criminal justice, medical facilities, administrative and back-office operations, hospitality and tourism and higher education. While Amarillo has several large industries and employers, no single industry or employer dominates the Amarillo economy.

Current Economic Climate and Trends:

By now, it is common knowledge that the United States is in its worse recession since the great depression. While Amarillo has faired much better than most medium-sized cities, we have still been impacted by the recession. Amarillo's unemployment was 5.6% in September 2009, which was much

better than the national unemployment, but up from 3.9% a year ago [1]. Sales tax revenue is also off. Sales tax collections have declined from monthly collections in July, August and September 2009. However, our property tax base has held. As of January 2009, we had almost $10 billion ($9,991,351,569) in property value with $194 million in new values due to construction. In January 2008, we had $9,700,397,944 in taxable property value including $222 million in new values. Our estimated population increased from 190,042 to 191,514.

2009 construction decreased compared to 2008. We had 582 permits for $189 million in new residential construction in 2008 compared to 516 permits and $125 million in residential construction in 2009. Residential additions and repairs were also close. We had 1,507 permits valued at $23 million in 2009 compared to 1,624 permits valued at $23 million in 2008. New commercial construction was mixed. In 2008, we issued 92 new commercial construction permits valued at $91 million compared to 40 permits valued at $55 million in 2009. However, commercial construction additions and repairs increased significantly. We issued 289 permits for commercial additions and repairs in 2009, which was comparable to 336 the year before. The value of these 2009 permits was $117.5 million compared to $68 million in 2008.

We are not expecting much change in the 2009-2010 fiscal year. Hopefully, we are in a national recovery, but it appears to be a slow recovery. We are not expecting gains in sales tax revenue and are anticipating a continuing decline. While we are not expecting much in appreciation, we do not expect property values to decrease next year. We expect new housing starts and new commercial construction with an increase in remodeling activity. We still anticipate some growth in population. We do not believe local unemployment will get much worse, but we are also not anticipating much improvement either.

While we are not expecting much improvement in the near term, Amarillo should be fine in the long term. Amarillo has a very good quality of life and a lot of opportunity. Amarillo has a strong diversified economy with plenty of jobs. We have major employers and industries for professionals, skilled craftsman and laborers. Amarillo has a very active economic development corporation and chamber of commerce to help attract and retain industry and support tourism. Amarillo has very good public education and higher education. Amarillo has excellent medical facilities than one would expect in a city our size and very good retirement facilities. We are 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. We have amusement parks, regional parks and neighbor parks. We have sports teams, 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 Commission for their responsible manner of conducting the financial operations of the City.

Yours very truly,

Dean Frigo
Assistant City Manager for Financial Services
City of Amarillo, Texas

Alan M. Taylor
City Manager
City of Amarillo, Texas

Sources:

(1) Amarillo Economic Analysis, courtesy of Amarillo National Bank
(2) B&W Pantex
(3) Amarillo Chamber of Commerce
(4) Cactus Feeders
(5) Friona Industries
(6) Amarillo VA Health Care System
(7) Amarillo Economic Development Corporation
(8) Bell Helicopter
(9) Harrington Regional Medical Center
(10) Amarillo Gear
(11) Western National Life
(12) Hastings
(13) IMS
(14) Baptist St Anthony Hospital
(15) Northwest Texas Hospital
(16) Jack B Kelly Trucking
(17) McCoy Myers & Associates

FINANCIAL SECTION

This page left blank intentionally.

Independent Auditor's Report

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

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, Texas (the City), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, in 2009.

In accordance with *Government Auditing Standards,* we have also issued our report dated January 26, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information and schedules of funding progress on pages 5 through 17, page 94, and pages 95 through 97, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

801 South Fillmore, Suite 600, Amarillo, Texas 79101 ◆ PO Box 15650, Amarillo, Texas 79105 ◆ (806) 373.6661 ◆ FAX (806) 372.1237 ◆ www.cmmscpa.com

This page left blank intentionally.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements, schedules and other information, supplementary information and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements, schedules and other information, and supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical data listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Conner, McMillan, Mitchell & Downey, PLLC

Amarillo, Texas
January 26, 2010

This page left blank intentionally.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Amarillo's (City) Comprehensive Annual Financial Report (CAFR) 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, 2009. 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, 2009.

Financial Highlights:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $741.9 million (net assets). Of this amount, $611.9 million is invested in capital assets and infrastructure net of related debt. $5.10 million of this amount is restricted for debt service. The remaining $124.9 million is unrestricted net assets.
- The City's total net assets decreased by $2.74 million. Of this amount, $9.48 million decrease is attributable to governmental activities, and an increase of $6.74 million is attributable to net operating revenues of the water and sewer system and airport fund, 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 $104,561 million, a decrease of $10.10 million from beginning fund balance. The General Fund's fund balance increased by $180,778. The decrease in fund balance for capital projects funds was $9.10 million. This decrease was a result of construction starts associated with issuing $25 million in Certificates of obligation and transfers from the General Fund. Decreases in other governmental funds which include many grants and special revenue funds were $1,182,180.
- At the end of the current fiscal year, fund balance for the General Fund was $37.37 million, or 29.61% of total general fund expenditures. Expenditures and transfers out of the General Fund were $134.14 million, which amounts included transfers of general revenues to capital outlay, compensated absences, internal service funds, grant funds, and other funds which carry out general governmental operations. The General Fund remains in good financial condition with undesignated fund balance of $37.17 million. General Fund revenues for fiscal year 2008/2009 did not meet budget. The budgeted revenue shortfall of $1,448,711 is attributable to a marked decrease in general sales tax collections and gas utility franchise fees. A decrease in sales tax collections was experienced by most Texas cities as the national economic conditions deterioted during the fiscal year.
- On September 3, 2009, the City issued the Series 2009 General Obligation Refunding Bonds in the amount of $4,825,000. These bonds refunded the 2001 General Obligation Bonds, with the exception of the August 15, 2010 principal payment of $285,000, which will be paid by the City. With the refunding of these bonds, the City had a net present value benefit of $231,274.
- On April 1, 2009, the City issued $38,885,000 Combination Tax and Revenue Certificates of Obligation Bonds, Series 2009 to help fund the Potter County well field project. The outstanding bonds mature annually through 2028 in principal amounts ranging from $2,005,000 to $2,555,000 and provide for interest rates ranging from .15% to 3.02%. These low-interest bonds were made available by the Texas Water Development Board.
- On December 26, 2009, the City will be settling the Combination Tax and Revenue Certificates of Obligation Series 2009B in the amount of $47,400,000. The Series 2009B bonds mature annually through 2029 in principal amounts ranging from $1,955,000 to $3,400,000 and provide

for interest rates ranging from 0% to 2.587%. The Series 2009B bonds will be used to help fund the Potter County well field project. The City is also expecting to issue Combination Tax and Revenue Certificates of Obligation Series 2009C in the amount of $18,075,000. Series 2009C bonds mature annually from 2012 through 2031 and provides for a 0% interest rate with an annual principal amount of $905,000 and provides for a 0% interest rate. The Series 2009C bonds will be used to fund the Combined High Service and Transfer Pump Station project. These 0% interest bonds were made available by the Texas Water Development Board.

- For fiscal year ending Sepmtember 30, 2008 the City is required to be in compliance with Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting for Other Postemployment Benefits* (OPEB). The City's OPEB is comprised mainly of health care cost for retirees. In order to determine the City's liability for OPEB cost and to be in compliance with GASB Statement No. 45, the City hired a consultant and actuary. The results of this actuary study resulted in recording a current year OPEB liability and expense of $15.25 million. The City is currently operating the health fund on a pay as you go basis and the above liability and expense were reduced by $2.32 million of current year actual cost. The City operates its health program as an internal service fund. After recording the required liability for GASB Statement No. 45, OPEB cost the fund reported a fund balance deficit of $23.65 million. The net loss for the year was $14.58 million. In compliance with GASB Statement No. 34 this net loss is allocated between governmental activities and proprietary funds and combined in the government wide financial statements. Management is currently addressing the increased cost of postretirement benefits and methods of reducing continued OPEB liabilities.

- The Airport approved and implemented a passenger facility charge (PFC) in the amount of $19.2 million. These charges are collected and remitted to the City by the air carriers operating at Rick Husband International Airport. The PFC collections will be used to service issued debt in connection with the $48.3 million terminal building renovations at the Rick Husband International Airport. On September 3, 2009, the City issued $16,140,000 Combination Tax and Revenue Certificates of Obligation Series 2009A bonds to help fund the terminal building project. The outstanding bonds mature annually through 2020 in principal amounts ranging from $1,165,000 to $1,830,000 and provide for interest rates ranging from 3.00% to 4.78%.

- The Employee Wellness Clinic was relocated to the building located at 801 South Pierce Street during fiscal year 2008/09. The City also substantially completed and opened the new joint fire and police dispatch center (AECC) at this location providing consolidated emergency 911 call-taking and dispatch center for the Amarillo Police, Fire and Animal Control Departments, Northwest Texas Healthcare System (NWTHS) and Baptist St. Anthony's Healthcare System (BSA) emergency medical (ambulance) response operations. Work continues at this location to complete the Emergency Operations Center (EOC).

- The City obtained national recognition being awarded a prestigious "AAA" bond rating by the Standard and Poor's organization in June 2009.

- For many years the City has had a practice of monitoring domestic water wells adjacent to its south treatment plant. If the chloride content of the domestic well exceeded a standard, the City would either drill the owner a new well and/or add reverse osmosis treatment to improve the taste of the water; the water was always safe to drink. The City intends to continue this practice in the future and has, accordingly, recorded a $1.4 million liability in the Water & Sewer Fund.

Overview of the Financial Statements:

Effective October 1, 2001, the City adopted the provisions of GASB Statement No. 34. 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 the new 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 other supplementary 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 of the 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 and an international airport.

In addition to the financial statements of the City, the government-wide financial statements include information concerning five 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 the Amarillo Hospital District, the Amarillo Economic Development Corporation, the Amarillo-Potter Events Venue District, the Amarillo Housing Financial Corporation and the Tax Increment Reinvestment Zone #1. 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 of 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 statement. 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 17 special revenue funds, 2 debt service funds, 11 capital projects funds, and 1 permanent fund. These funds have been categorized as either *major or nonmajor* based on the significance of their financial position or operations. For the current fiscal year, management has determined that the General Fund and the Capital project funds meet 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 two 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 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 assets 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. Based on applicable accounting policies, the only fiduciary funds held by the City are agency funds. Agency funds are used to account for situations where a government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. As assets of agency funds are offset by corresponding liabilities to other entities, their financial statements reflect no net assets and, accordingly, no statements of changes of net assets is applicable.

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 report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its firefighters through the Firemen's Retirement and Relief Fund and its other employees through the Texas Municipal Retirement System and its progress in funding other postemployment benefits.

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 GASB Statement No. 34, 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 assets as of September 30, 2009 compared to the prior year:

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

	Governmental Activities		*Business-type Activities*		*Total*		*Percent*
	2009	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*
Current assets	$ 189,191	$ 169,279	$ 59,653	$ 49,249	$ 248,844	$ 218,528	23.55%
Restricted assets	-	-	62,444	4,655	62,444	4,655	5.91%
Capital assets	334,960	322,598	410,295	406,066	745,255	728,664	70.54%
Total assets	524,151	491,877	532,392	459,970	1,056,543	951,847	100.00%
Current liabilities	45,755	34,627	24,093	10,594	69,848	45,221	22.20%
Noncurrent liabilities	89,479	58,851	155,295	103,114	244,774	161,965	77.80%
Total liabilities	135,234	93,478	179,388	113,708	314,622	207,186	100.00%
Net assets:							
Invested in capital assets net of related debt	301,783	289,264	310,140	300,175	611,923	589,439	82.48%
Restricted/expandable	1,372	18,143	3,683	3,365	5,055	21,508	0.68%
Unrestricted	85,763	90,993	39,181	42,722	124,944	133,715	16.84%
Total net assets	$ 388,918	$ 398,400	$ 353,004	$ 346,262	$ 741,922	$ 744,662	100.00%

Unrestricted net assets of the governmental activities total $85.8 million. Of this amount, approximately $48.3 million is reserved for capital projects and $37.2 million is the undesignated portion of fund balance for the General Fund. Unrestricted net assets of the business-type activities which are comprised of the Water and Sewer Fund and the Airport Fund totaled $39.2 million. The unrestricted net assets of the business-type activities are used to provide working capital and fund capital projects.

As can be seen from the above tabulation, 82.48% of the City's net assets are invested in capital assets (land, buildings, pipelines, streets and runways, etc.), net of any related debt that is outstanding. 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.

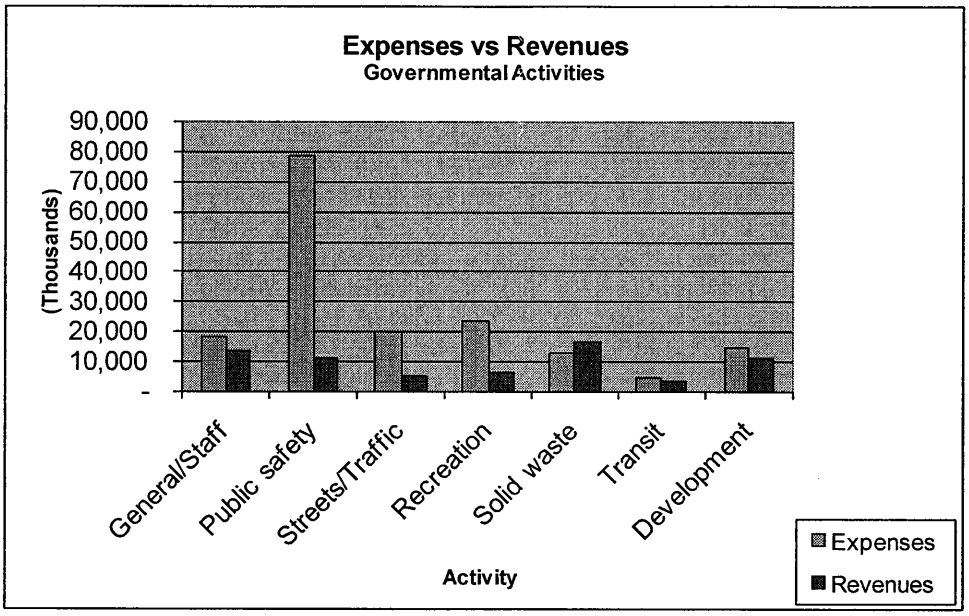
Approximately .68% of the assets represent resources that are subject to external restrictions on how they may be used. These restrictions primarily represent accounts established in accordance with bond covenants together with bond proceeds held pending construction expenditures. The balance of net assets is available to meet the City's ongoing obligations to citizens and creditors.

The City's net assets decreased by $2.74 million during the current fiscal year. The following table reflects the elements of this change:

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

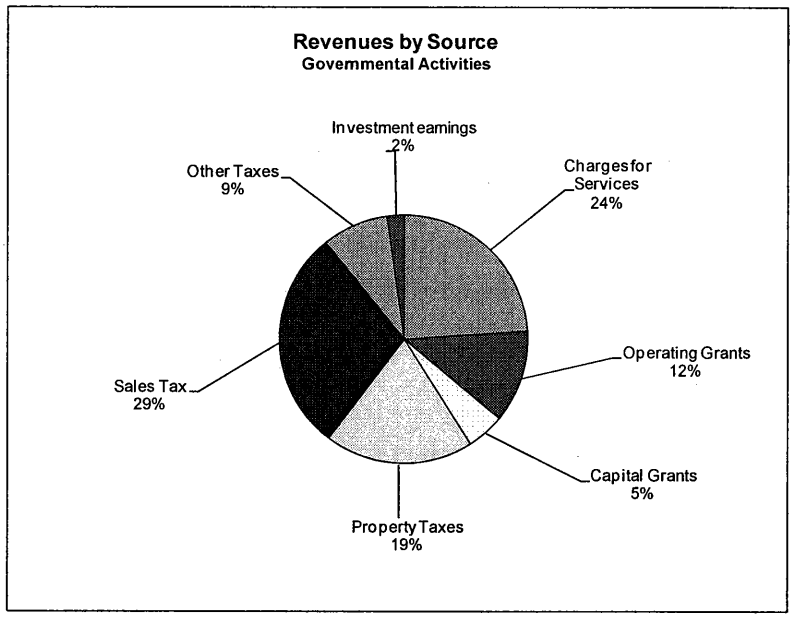
	Governmental Activities		*Business-type Activities*		*Total*		*Percent*
	2009	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*
Revenues							
Program Revenues							
Charges for services	$ 39,874	$ 37,097	$ 57,793	$ 55,009	$ 97,667	$ 92,106	42.07%
Operating grants and contributions	20,135	18,384	-	-	20,135	18,384	8.67%
Capital grants and contributions	8,227	6,881	6,435	2,483	14,662	9,364	6.32%
General revenues:							
Property taxes	32,276	28,593	-	-	32,276	28,593	13.90%
Sales and other taxes	62,382	65,107	-	-	62,382	65,107	26.87%
Investment earnings etc.	3,717	6,301	1,317	2,272	5,034	8,573	2.17%
Other contributed capital	-	27,834	-	-	-	27,834	0.00%
Total revenues	166,611	190,197	65,545	59,764	232,156	249,961	100.00%
Expenses:							
General/Staff services	15,920	15,990	-	-	15,920	15,990	6.78%
Public safety	78,657	73,158	-	-	78,657	73,158	33.48%
Streets/Traffic	20,029	20,565	-	-	20,029	20,565	8.53%
Culture and recreation	23,912	22,674	-	-	23,912	22,674	10.18%
Solid waste	13,002	12,878	-	-	13,002	12,878	5.54%
Transit	4,848	4,920	-	-	4,848	4,920	2.06%
Tourism/ Urban development	14,768	12,484	-	-	14,768	12,484	6.29%
Information Technology	2,689	-	-	-	2,689	-	1.14%
Interest on long-term debt	2,359	327	-	-	2,359	327	1.00%
Water and Sewer	-	-	50,119	51,854	50,119	51,854	21.34%
Airport	-	-	8,593	8,513	8,593	8,513	3.66%
Total expenses	176,184	162,996	58,712	60,367	234,896	223,363	100.00%
Excess (deficiency) before transfers	(9,573)	27,201	6,833	(603)	(2,740)	26,598	
Internal transfers	91	89	(91)	(89)	-	-	
Change in net assets	(9,482)	27,290	6,742	(692)	(2,740)	26,598	
Net assets, beginning	398,400	371,110	346,262	346,954	744,662	718,064	
Net assets, ending	$ 388,918	$ 398,400	$ 353,004	$ 346,262	$ 741,922	$ 744,662	

Governmental activities: Governmental activities decreased the City's net assets by $9.48 million. The primary cause for this decrease is the allocation of Internal Service Funds operating losses. These losses were primarily recorded in the Employee Insurance Fund due to recording of the OPEB liability in accordance with GASB 45. In addition, the City's sales tax collections decreased by 1.89% over last year or $819,115. Intergovernmental revenues continue to be an important revenue source for funding housing, health, and similar low-income assistance, as well as criminal justice activities, and this revenue source was comparable with prior years. Investment earnings have decreased as market rates of interest have decreased. Increases in expenses over the prior year are attributable to ordinary inflation pressures. All expenditures were within budgeted appropriations.



The accompanying bar chart entitled *Expenses vs Revenues – Governmental Activities* - reflects the extent to which each of the major governmental functions of the City is supported by revenues designated for that purpose. These 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 park department, and permits, licenses, and fines. For the current year, expenses of the governmental functions were in the total amount of $176.18 million. Program revenues consisting of charges for services, operating grants, and capital grants were in total amount of $68.24 million, resulting in a net cost of governmental functions in the amount of $107.94 million to be supported by general revenues of the City which include property taxes and sales tax revenue. General revenues totaled $98.38 million. General revenues and program revenues combined were $166.61 million representing total revenues derived from governmental activities.

The accompanying pie chart entitled *Revenues by Source – Governmental Activities* – reflects the major components of both revenues as described above ($166.61 million).



Business-type activities: Business-type activities, which include both the Water and Sewer Fund and the Airport Fund, increased the City's net assets by $6.74 million.

Water and Sewer System: Water metered sales increased by $582,058. Water revenues are unpredictable because they are affected by the amount and timing of local rainfall. For fiscal year 2008/2009 wet conditions existed throughout the Texas Panhandle area for most of the spring and summer. These conditions resulted in fewer sales to customers in those months. This combined with rate increases implemented for fiscal year 2008/09 and a new rate tier for high consumption residential customers increased water sales over the previous year. Charges to the City by the Water Authority decreased mainly due to decreased demand on the water system as a whole. Changes in water usage have little effect on sewer revenues, however, this revenue source increased by $1.64 million due to rate changes and growth within the City.

Airport: The Airport has been in process of expanding facilities, and the Federal Aviation Administration funds a significant part of the cost of this expansion. While the Airport generally attempts to operate on a break-even basis, its net assets increased by $5.03 million. This increase is attributable to amounts received from the Federal Aviation Administration to fund major projects at the airport. For fiscal year 2008/2009 the airport received $6.08 million as grant revenues from the FAA. These revenues are recorded as capital contributions in the Airport's financial statements. The Airport continues to apply for and receive AIP funding from the Federal Aviation Administration as major projects are identified for improvements. Funds received under this program require a 5% local match of expenditures which comes from accumulated Airport reserves. During the current fiscal year the Airport continued construction of a major Terminal Building Improvement project, and, completed the demolition work on the East concourse. During the year, a passenger facility charge was approved and implemented at the Airport. The passenger facility charge was approved to collect up to $19.2 million which will be used to pay back general obligation bonds issued during the year in the amount of $16.14 million. Airport operating revenues decreased slightly from $6.05 million to $6.02 million. Operating revenues are derived from airlines, fees and commissions and other building rentals. Operating expenses increased by $28,525 mainly due to increased depreciation charges on infrastructure and improvements.

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, *unreserved 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 $104.56 million, a decrease of $10.10 million from the prior year. Of the unreserved balance, over half has been designated by management for specific purposes and is being accounted for in governmental funds established to control the expenditure of the funds for designated purposes. These funds consist primarily of the Capital Project Funds and the Compensated Absences Fund, which was established to currently fund the City's liability under its sick and annual leave policy. The balance is available to fund current expenditures or to fund future capital improvement or operating needs. Substantially all of this undesignated 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 $37.37 million, of which $37.17 million was undesignated.

The fund balance of the General Fund increased by $180,778 during the current year. The fund balance of the Capital Projects Funds decreased by $9.1 million. This decrease is due to expenditures being made on active projects, including the completion and work being done on the projects funded by the $25 million in Certificates of Obligation issued in fiscal year 2006/2007. The Capital Projects Funds had unreserved fund balances of $48.37 million at September 30, 2009. These funds are committed on construction projects in progress, for projects currently in the planning stages, and in the City's five-year capital plan.

The HUD Programs 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 internal service fund financial statements reflect net assets in the amount of $15.75 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: Municipal Garage, Information Technology, Risk Management and Employee Insurance. The net income or loss from these internal service funds has been allocated back to the using departments or funds for the city-wide financial statements. The unrestricted net assets of the internal service funds are generally used to replace capital assets. Net assets of the internal service funds decreased by $11.04 million due in large part of recording the liability and related expense in compliance with GASB Statement No. 45 for postemployment health benefits.

The accounting principles applied to these funds are similar to that of the private sector. Consequently, with the exception of the allocation of internal service fund losses to business-type activities, the net assets and changes in net assets of the enterprise funds in these financial statements is identical with the net assets and changes in net assets in the city-wide financial presentation.

Capital Assets and Debt Administration:

Capital assets: The City's investment in capital assets as of September 30, 2009, was $745.25 million, net of accumulated depreciation. The following tabulation summarizes the City's capital assets at September 30, 2009:

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

	Governmental Activities		*Business-type Activities*		*Total*	
	2009	*2008*	*2009*	*2008*	*2009*	*2008*
Land, water rights	$ 8,062	$ 7,871	$ 72,421	$ 73,148	$ 80,483	$ 81,019
Infrastructure	136,924	136,226			136,924	136,226
Library resources	4,496	4,557			4,496	4,557
Water and Sewer other			276,993	266,665	276,993	266,665
Airport facilities			35,657	37,834	35,657	37,834
Buildings and other improvements	142,276	132,736			142,276	132,736
Machinery and equipment	26,450	25,582	2,325	2,456	28,775	28,038
Construction in progress	16,752	15,626	22,899	25,963	39,651	41,589
Total capital assets	$ 334,960	$ 322,598	$ 410,295	$ 406,066	$ 745,255	$ 728,664

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 the notes of the basic financial statements for additional information related to capital assets.

Long-term debt: The City of Amarillo attempts to fund its capital needs on a pay-as-you-go basis to the extent possible. On September 3, 2009 the City issued the Series 2009 General Obligation Refunding Bonds in the amount of $4,825,000. On April 1, 2009, the City issued $38,885,000 Combination Tax and Revenue Certificates of Obligation bonds, Series 2009 to help fund the Potter County well field project. On September 3, 2009, the City issued $16,140,000 Combination Tax and Revenue Certificates of Obligation Series 2009A bonds to help fund the terminal building project. The City is one of 11 member cities of the Canadian River Municipal Water Authority, and is obligated on its proportionate share of the Authority's debt. The following table shows the City's total amounts due under bond agreements:

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

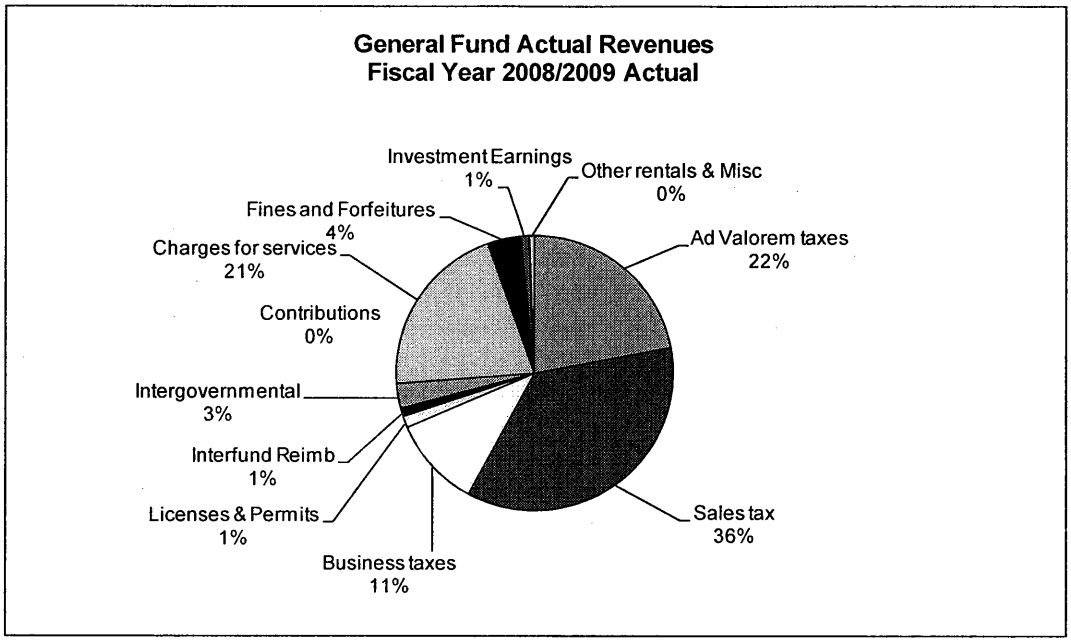
	Governmental Activities		*Business-type Activities*		*Total*	
	2009	*2008*	*2009*	*2008*	*2009*	*2008*
General obligation bonds	$ 5,110	$ 5,240			$ 5,110	$ 5,240
Certificates of obligation	24,445	24,575	55,025		79,470	24,575
Special assessment debt	3,368	3,519			3,368	3,519
Water and Sewer revenue bonds			36,955	38,245	36,955	38,245
Water authority debt			63,021	66,002	63,021	66,002
Total outstanding debt	$ 32,923	$ 33,334	$ 155,001	$ 104,247	$ 187,924	$ 137,581

Refer to the notes of the basic financial statements for additional information on long-term debt activity.

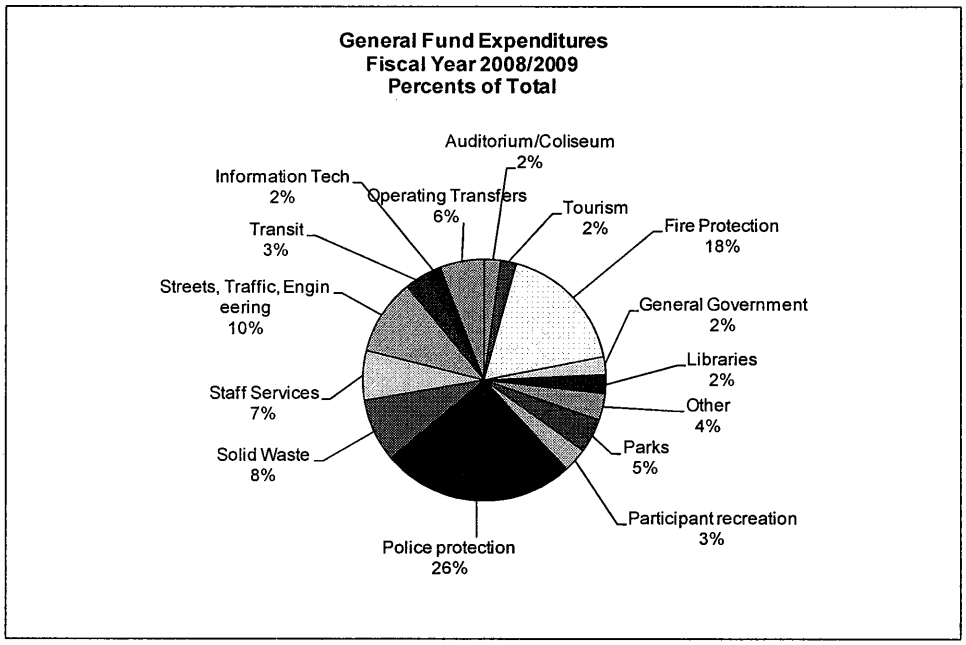
General Fund Budgetary Highlights

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.

General Fund Revenues: The total General Fund revenues budgeted for fiscal year 2008/2009 was $135,407,037. Certain reclassifications of interdepartmental reimbursements are made from the approved budget for financial reporting purposes. Sales tax revenue accounts for 35% of the General Fund total revenue excluding transfers. Sales tax revenues, which include general sales tax, mixed beverage tax and hotel occupancy tax, were budgeted for $49,957,941. Actual sales tax revenues for 2008/2009 were $48,063,372. Sales tax revenues did not meet expected budgeted amounts by $1,894,569. This primarily is the result of the downturn in the national economy and such decreases are being experienced in most cities in Texas. Another major component of General Fund revenues is ad valorem property taxes. Ad valorem taxes were budgeted at $29,057,151. Actual ad valorem taxes were $29,442,408. Other General Fund revenues are comprised of charges for services, business taxes, fines and forfeitures, investment earnings and miscellaneous revenues. In total, the actual General Fund revenues did not meet budgeted revenues by $1,448,711. This shortage is mainly accounted for by the decline in sales tax and gross receipts business taxes. The attached chart shows the major sources of General Fund revenues:



General Fund Expenditures: The total General Fund operating expenditure budget excluding fund transfers for fiscal year 2008/2009 was $130,548,474. Total actual expenditures and appropriations against the operating budget for 2008/2009 were $125,930,894. This resulted in under-spending the budget by $4,617,580. Police and Fire protection combined, account for 44% of the General Fund expenditure budget. Operating transfers to capital projects funds and other funds were budgeted for $5,447,732. Actual transfers to capital projects funds during the year were $7,909,996. The effect of these transfers was to lower the General Fund fund balance and provided needed funds in the capital projects funds. Certain adjustments to the original budget are made for financial statement presentation. These include adjusting departments' budgets at the beginning of each year for outstanding encumbrances from the previous year. The following chart shows the breakdown by functional area of the General Fund actual expenditures for 2008/2009:



The City's primary source of funding the annual General Fund CIP program is through re-allocation of excess revenues and unspent monies from the preceding fiscal year. The goal is 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.

Economic Factors and Next Year's Budget and Rates

There are numerous issues that our organization must be cognizant of in the 2008/2009 budget. The following summary includes a brief discussion of these issues and how we are addressing these needs and challenges.

- A trend of declining local consumer spending and associated sales tax collections;
- A second year of declining housing starts and reduced office, commercial and industrial construction;
- With the continued aging of the Amarillo residents, an increase in frozen and capped property valuations for the City of Amarillo property tax roll. This is associated with a publicly approved referendum, which became effective in January 2008, creating a tax freeze for properties owned by individuals aged 65 or greater or disabled individuals meeting exemption requirements.
- New increases in the cost of electricity, natural gas and other commodities that the City must purchase and utilize to operate;
- The continued decline in interest revenue income in the City's investment portfolio; and
- Due to a 2009 year of above average rainfall and public acceptance of the City's ongoing water conservation program, a decline in public potable water consumption and usage, with a resultant reduction in essential operating and capital improvement revenue for the Water and Sewer Fund.

CONSOLIDATED BUDGET

Our 2009/2010 fiscal year budget is $236,651,026, which is 0.2% or $488,046 increase compared to our 2008/2009 Budget of $236,162,980*. The various fund areas of our consolidated budget and their resultant increases or decreases for this fiscal year are as follows:

CONSOLIDATED BUDGET TABLE

	FY 2008 - 2009*	FY 2009 - 2010	% Change
General Fund M&O	$ 134,572,736	$ 138,802,606	3.1%
Water and Sewer Fund M&O	41,746,373	41,763,920	0.0%
Capital Improvement Program	34,303,641	30,116,917	-12.2%
Special Revenue M&O	19,097,720	18,866,551	-1.2%
Insurance M&O	21,109,008	21,039,826	-0.3%
Garage M&O	8,537,944	8,138,058	-4.7%
Debt Service	9,351,985	12,926,900	38.2%
Airport M&O	6,317,144	6,328,715	0.2%
IT M&O	3,571,695	3,550,664	-0.6%
Interest transfer to General Fund	765,000	455,000	-40.5%
Less Interfund Transfers	(43,210,266)	(45,338,131)	4.9%
TOTAL	$ 236,162,980	$ 236,651,026	0.2%

*Prior year budget also included capital projects funded by bonds of $83,244,535 for Water and Sewer and $17,194,558 for Airport. These numbers have been excluded for comparison purposes.

The 2009/2010 Budget is once again a balanced budget with a Maintenance and Operations (M&O) tax rate of $0.28239 cents per $100 property valuation and an Interest and Sinking (I&S) or debt service rate of $0.02770 cents per $100 property valuation for a total ad valorem tax rate of $0.31009 cents per $100 of property valuation. This is the same ad valorem property tax rate as the previous 2008/2009 fiscal budget.

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.

This page left blank intentionally.

BASIC FINANCIAL STATEMENTS

These statements present an overview of the financial position and transactions of the entire reporting entity. The Statement of Net Assets 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 Assets 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.

This page left blank intentionally.

CITY OF AMARILLO, TEXAS
STATEMENT OF NET ASSETS
September 30, 2009

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 28,863,905	$ 3,992,496	$ 32,856,401	$ 26,705,503
Investments	139,843,643	55,657,086	195,500,729	258,136,211
Receivables, net	9,543,777	8,636,888	18,180,665	4,535,325
Internal balances	8,726,438	(8,726,438)	-	-
Inventories and prepaid expenses	2,213,362	93,060	2,306,422	5,928,079
Other current assets	-	-	-	1,874,814
Total current assets	189,191,125	59,653,092	248,844,217	297,179,932
NONCURRENT ASSETS				
Restricted cash and cash equivalents	-	62,444,108	62,444,108	497,313
Receivables, net	-	-	-	63,660,681
Other noncurrent assets	-	-	-	14,636,564
Land held for future incentives	-	-	-	5,385,952
Capital assets:				
Land	8,062,014	4,530,161	12,592,175	-
Water rights and contracts, net of amortization	-	67,890,556	67,890,556	-
Infrastructure, net of depreciation	153,448,084	-	153,448,084	-
Buildings and improvements, net of depreciation	142,504,279	335,549,194	478,053,473	36,786,978
Equipment and vehicles, net of depreciation	26,450,036	2,324,748	28,774,784	164,693
Library resources, net of depreciation	4,495,538	-	4,495,538	-
Total noncurrent assets	334,959,951	472,738,767	807,698,718	121,132,181
TOTAL ASSETS	$ 524,151,076	$ 532,391,859	$ 1,056,542,935	$ 418,312,113
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 11,960,404	$ 8,736,679	$ 20,697,083	$ 1,343,262
Securities lending collateral	24,394,074	9,707,208	34,101,282	52,888,307
Internal balances	-	-	-	-
Current portion of long-term obligations	1,371,563	2,994,841	4,366,404	2,560,000
Estimated liability for self-insured losses, current portion	6,443,821	-	6,443,821	95,569
Compensated absences,current	1,584,661	154,219	1,738,880	-
Bonded debt current maturity	-	2,500,000	2,500,000	-
Total current liabilities	45,754,523	24,092,947	69,847,470	56,887,138
NONCURRENT LIABILITIES				
Liabilities payable from restricted assets	-	-	-	307,388
Noncurrent portion of long-term obligations	31,805,354	152,086,318	183,891,672	53,260,799
Other accrued expenses	-	1,316,942	1,316,942	
Estimated liabilities for:				
Compensated absences, net	15,657,674	1,499,360	17,157,034	117,224
Self-insured losses, net of current portion	8,164,055	-	8,164,055	284,919
Landfill closure and postclosure care	1,553,458	-	1,553,458	-
Postemployment benefits	29,931,070	-	29,931,070	-
Net pension obligation	2,367,688	392,636	2,760,324	-
Total noncurrent liabilities	89,479,299	155,295,256	244,774,555	53,970,330
TOTAL LIABILITIES	$ 135,233,822	$ 179,388,203	$ 314,622,025	$ 110,857,468
NET ASSETS				
Invested in capital assets, net of related debt	$ 301,783,034	$ 310,139,595	$ 611,922,629	$ 22,180,482
Restricted for:				
Expendable				
Debt service	1,371,563	3,683,013	5,054,576	652,663
Other purposes	-	-	-	52,103
Unrestricted (deficit)	85,762,657	39,181,048	124,943,705	284,569,397
TOTAL NET ASSETS	$ 388,917,254	$ 353,003,656	$ 741,920,910	$ 307,454,645

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

CITY OF AMARILLO, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	$ 3,829,335	$ 5,900,121	$ -	$ -
Staff services	12,090,093	5,064,729	327,707	2,110,424
Public safety and health				
Police protection	40,753,081	1,296,764	60,148	-
Fire protection	26,789,915	1,714,132	15,294	-
Other	11,114,046	3,162,678	4,358,618	921,699
Streets, traffic and engineering	20,029,456	445,833	47,000	4,876,334
Culture and recreation				
Auditorium/Coliseum	5,314,516	1,761,362	298,000	-
Libraries	4,873,538	154,677	533,796	275,194
Parks	8,151,896	946,534	-	-
Participant recreation	5,572,284	2,385,816	4,000	19,058
Solid waste	13,002,330	16,741,863	4,540	-
Transit	4,848,218	185,176	3,205,857	-
Information Technology	2,689,329	-	-	-
Economic development	2,798,810	-	217,928	-
Urban redevelopment/housing	11,968,993	114,695	11,062,618	24,818
Interest on long-term debt	2,359,313	-	-	-
Total governmental activities	176,185,153	39,874,380	20,135,506	8,227,527
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	50,118,642	50,665,542	-	353,948
Airport	8,593,388	7,127,466	-	6,080,465
Total business-type activities	58,712,030	57,793,008	-	6,434,413
TOTAL PRIMARY GOVERNMENT	$ 234,897,183	$ 97,667,388	$ 20,135,506	$ 14,661,940
COMPONENT UNITS				
Amarillo Hospital District	$ 10,680,305	$ -	$ 1,920,040	$ 9,181
Amarillo Economic Development Corporation	22,589,356	3,140,213	-	-
Amarillo-Potter Events District	2,501,146	-	-	-
Amarillo Housing Finance Corporation	11,400	32,936	-	-
Tax Increment Reinvestment Zone #1	8,528	-	-	-
TOTAL COMPONENT UNITS	$ 35,790,735	$ 3,173,149	$ 1,920,040	$ 9,181

GENERAL REVENUES
Property taxes, levied for general purposes
Property taxes, levied for debt services
Sales taxes
Gross receipts business taxes
Unrestricted investment earnings
Income (expense) from use and disposition of property
TRANSFERS

Total general revenues and transfers

CHANGE IN NET ASSETS

NET ASSETS, BEGINNING OF YEAR

NET ASSETS, END OF YEAR

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ 2,070,786	$ -	$ 2,070,786	$ -
(4,587,233)	-	(4,587,233)	-
(39,396,169)	-	(39,396,169)	-
(25,060,489)	-	(25,060,489)	-
(2,671,051)	-	(2,671,051)	-
(14,660,289)	-	(14,660,289)	-
(3,255,154)	-	(3,255,154)	-
(3,909,871)	-	(3,909,871)	-
(7,205,362)	-	(7,205,362)	-
(3,163,410)	-	(3,163,410)	-
3,744,073	-	3,744,073	-
(1,457,185)	-	(1,457,185)	-
(2,689,329)	-	(2,689,329)	
(2,580,882)	-	(2,580,882)	-
(766,862)	-	(766,862)	-
(2,359,313)	-	(2,359,313)	-
(107,947,740)	-	(107,947,740)	-
-	900,848	900,848	-
-	4,614,543	4,614,543	-
-	5,515,391	5,515,391	-
(107,947,740)	5,515,391	(102,432,349)	-
-	-	-	(8,751,084)
-	-	-	(19,449,143)
-	-	-	(2,501,146)
-	-	-	21,536
-	-	-	(8,528)
-	-	-	(30,688,365)
29,569,613	-	29,569,613	324,433
2,706,352	-	2,706,352	-
48,063,372	-	48,063,372	14,413,743
14,318,526	-	14,318,526	1,952,359
3,568,427	1,292,227	4,860,654	13,404,104
148,337	24,259	172,596	-
90,864	(90,864)	-	-
98,465,491	1,225,622	99,691,113	30,094,639
(9,482,249)	6,741,013	(2,741,236)	(593,726)
398,399,503	346,262,643	744,662,146	308,048,371
$ 388,917,254	$ 353,003,656	$ 741,920,910	$ 307,454,645

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

CITY OF AMARILLO, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2009

	General Fund	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,315,125	$ 12,435,759	$ 5,584,568	$ 20,335,452
Investments, at fair values	41,160,910	45,048,193	16,449,710	102,658,813
Receivables, net of allowances for uncollectibles				
Property taxes	298,794	-	9,165	307,959
Accounts	1,205,456	-	242,912	1,448,368
Accrued interest	216,311	191,616	67,396	475,323
Other accrued revenue	1,295,761	-	193,197	1,488,958
Due from other funds unrestricted	1,869,351	264,880	4,555	2,138,786
Due from other governments	3,709,278	566,418	1,073,489	5,349,185
Inventory of supplies	1,188,951	-	-	1,188,951
Prepaid items	6,742	1,000	533,256	540,998
TOTAL ASSETS	$ 53,266,679	$ 58,507,866	$ 24,158,248	$ 135,932,793
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers payable	$ 494,711	$ 1,121,322	$ 149,742	$ 1,765,775
Accounts payable	1,729,856	556,667	706,689	2,993,212
Accrued expenses	5,078,126	-	-	5,078,126
Securities lending collateral	7,193,820	7,853,481	2,866,229	17,913,530
Deposits	267,294	-	-	267,294
Due to other funds - unrestricted	2,466	640,000	1,259,102	1,901,568
Due to other governments	783,773	-	125,665	909,438
Deferred revenues - property taxes	218,721	-	7,485	226,206
Deferred revenues - other	125,253	-	191,547	316,800
Total liabilities	15,894,020	10,171,470	5,306,459	31,371,949
FUND BALANCES				
Reserved				
Encumbrances	122,372	-	-	122,372
Prepaid items	6,742	1,000	533,256	540,998
Uncollected taxes	80,073	-	1,680	81,753
Grant donor purposes	-	-	423,055	423,055
Sick and annual leave	-	-	58,333	58,333
Unreserved				
Debt Service Fund	-	-	101,259	101,259
Capital Projects	-	48,335,396	-	48,335,396
Designated for other specific purposes				
Special revenue funds	-	-	2,680,946	2,680,946
Compensated absences fund	-	-	15,053,260	15,053,260
Undesignated	37,163,472	-	-	37,163,472
Total fund balances	37,372,659	48,336,396	18,851,789	104,560,844
TOTAL LIABILITIES AND FUND BALANCES	$ 53,266,679	$ 58,507,866	$ 24,158,248	$ 135,932,793

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 ASSETS
SEPTEMBER 30, 2009

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	$ 104,560,844
The City uses internal service funds to charge the costs of the municipal garage, 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 assets.	(6,359,632)
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 assets.	348,799,679
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 assets. Those liabilities consist of:	(53,259,528)

Long-term debt	$ 32,923,092
Compensated absence	16,562,631
Landfill closure and postclosure	1,553,458
Net pension obligation	2,220,347
	$ 53,259,528

The 2009 depreciation expense, excluding internal service fund depreciation included above, increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(13,839,728)
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 deferred 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 assets.	9,015,619
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 388,917,254

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, 2009

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Ad valorem taxes	$ 29,442,408	$ -	$ 2,706,352	$ 32,148,760
Sales taxes	48,063,372	-	-	48,063,372
Gross receipts business taxes	14,318,526	-	-	14,318,526
License and permits	1,758,303	-	-	1,758,303
Interfund revenues	1,373,441	-	-	1,373,441
Intergovernmental revenues	3,884,852	1,265,533	15,542,811	20,693,196
Citizen contributions	31,000	-	-	31,000
Construction participation	-	6,216,224	24,818	6,241,042
Other entity participations	-	-	786,670	786,670
Charges for services	27,715,308	71,231	886,093	28,672,632
Fines and forfeitures	5,217,578	-	1,416,964	6,634,542
Investment earnings	1,313,801	981,373	370,544	2,665,718
Other rentals and commissions	357,549	509,611	-	867,160
Miscellaneous	482,188	607,222	90,024	1,179,434
Total revenues	133,958,326	9,651,194	21,824,276	165,433,796
EXPENDITURES				
Current				
General government	3,223,374	-	-	3,223,374
Staff services	8,877,437	-	462,705	9,340,142
Public safety and health				
Police protection	34,280,625	-	492,756	34,773,381
Fire protection	23,588,590	-	-	23,588,590
Other	4,781,436	-	5,049,616	9,831,052
Streets, traffic and engineering	13,506,173	-	-	13,506,173
Culture and recreation				
Auditorium - Coliseum	2,913,947	-	-	2,913,947
Libraries	3,325,940	-	499,545	3,825,485
Parks	6,105,302	-	403,147	6,508,449
Participant recreation	4,359,503	-	-	4,359,503
Solid waste	11,296,793	-	-	11,296,793
Transit system	4,061,190	-	-	4,061,190
Urban redevelopment and housing	-	-	11,921,285	11,921,285
Information technology	2,689,329	-	-	2,689,329
Tourism	2,798,810	-	-	2,798,810
Capital outlay	427,334	25,136,060	1,027,585	26,590,979
Debt service				
Principal retirement	-	-	555,566	555,566
Interest and fiscal charges	-	-	2,359,312	2,359,312
Termination vacation and sick leave pay	-	-	1,379,825	1,379,825
Total expenditures	126,235,783	25,136,060	24,151,342	175,523,185
Excess (deficit) of revenues over (under) expenditures	7,722,543	(15,484,866)	(2,327,066)	(10,089,389)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	368,231	7,352,149	1,727,919	9,448,299
Transfers to other funds	(7,909,996)	(968,191)	(583,033)	(9,461,220)
Payment to refunded bond escrow agent	-	-	(4,680,000)	(4,680,000)
Issuance of refunding debt	-	-	4,825,000	4,825,000
Bond premium less issuance cost	-	-	(145,000)	(145,000)
Total other financing sources (uses)	(7,541,765)	6,383,958	1,144,886	(12,921)
Net change in fund balances	180,778	(9,100,908)	(1,182,180)	(10,102,310)
FUND BALANCES, BEGINNING OF YEAR	37,191,881	57,437,304	20,033,969	114,663,154
FUND BALANCES, END OF YEAR	$ 37,372,659	$ 48,336,396	$ 18,851,789	$ 104,560,844

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, 2009

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (10,102,310)
The City uses an internal service fund to charge the costs of the municipal garage, 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 decrease net assets.		(11,044,525)
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 2009 capital outlays, issuance of long-term debt, and debt principal payments is to increase net assets.		27,687,851
Capital outlay	$ 27,132,285	
Long-term debt principal payments	555,566	
	$ 27,687,851	
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 assets.		(13,839,728)
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 deferred 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 assets.		(2,183,537)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ (9,482,249)

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

CITY OF AMARILLO, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Airport	Total	Governmental Activities Internal Service Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 1,735,136	$ 2,257,360	$ 3,992,496	$ 8,528,453
Investments, at fair values	36,579,772	19,077,314	55,657,086	37,184,830
Accounts receivable	3,560,095	121,661	3,681,756	310,438
Accrued interest receivable	166,365	116,279	282,644	163,546
Other accrued revenue	2,829,096	130,859	2,959,955	-
Due from other funds	-	-	-	126,062
Due from other governments	-	1,712,533	1,712,533	-
Inventory of supplies	-	-	-	291,771
Prepaid expenses	93,060	-	93,060	191,642
Total current assets	44,963,524	23,416,006	68,379,530	46,796,742
NONCURRENT ASSETS				
Restricted cash and cash equivalents	44,080,326	18,363,782	62,444,108	-
Capital assets				
Land	1,752,820	2,777,341	4,530,161	-
Underground water rights	36,706,908	-	36,706,908	-
Accumulated depletion water rights	(2,393,228)	-	(2,393,228)	-
Water supply contract	50,336,389	-	50,336,389	-
Accumulated amortization - water supply contract	(16,759,513)	-	(16,759,513)	-
Pipelines and plant	398,448,386	-	398,448,386	-
Accumulated depreciation - pipelines and plant	(121,455,798)	-	(121,455,798)	-
Runway, buildings and improvements	-	94,518,436	94,518,436	-
Accumulated depreciation - runways, buildings and improvements	-	(58,860,952)	(58,860,952)	-
Improvements	-	-	-	4,004,417
Accumulated depreciation improvements	-	-	-	(1,817,532)
Equipment and vehicles	3,791,992	5,523,195	9,315,187	50,294,844
Accumulated depreciation - equipment and vehicles	(3,007,449)	(3,982,990)	(6,990,439)	(30,598,260)
Construction in progress	11,655,875	11,243,247	22,899,122	228,533
Total capital assets, net of accumulated depreciation	359,076,382	51,218,277	410,294,659	22,112,002
Total noncurrent assets	403,156,708	69,582,059	472,738,767	22,112,002
TOTAL ASSETS	$ 448,120,232	$ 92,998,065	$ 541,118,297	$ 68,908,744

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

CITY OF AMARILLO, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS, CONTINUED
SEPTEMBER 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Airport	Total	Governmental Activities Internal Service Funds
LIABILITIES				
CURRENT LIABILITIES				
Vouchers payable	$ 1,133,500	$ 116,449	$ 1,249,949	$ 372,790
Accounts payable	305,704	2,440,099	2,745,803	274,768
Accrued expenses	1,341,568	413,318	1,754,886	299,001
Securities lending collateral	6,375,189	3,332,019	9,707,208	6,480,544
Deposits	30,512	89,413	119,925	-
Consumer security deposits	2,866,116	-	2,866,116	-
Compensated absences, current	134,195	20,024	154,219	104,985
Share of Water Authority debt - current	2,994,841	-	2,994,841	-
Due to other funds - unrestricted	-	-	-	363,280
Estimated liability for incurred losses	-	-	-	6,443,821
Bonded debt current maturity	1,335,000	1,165,000	2,500,000	-
Total current liabilities	16,516,625	7,576,322	24,092,947	14,339,189
NONCURRENT LIABILITIES				
Bonded debt, net of current portion	73,360,035	16,039,905	89,399,940	-
Water authority debt net of current portion	62,686,378	-	62,686,378	-
Provision for compensated absences, net	1,340,334	159,026	1,499,360	574,719
Other accrued expenses	1,316,942	-	1,316,942	-
Estimated liabilities for incurred loss, net	-	-	-	8,164,055
Postemployment benefits, net	-	-	-	29,931,070
Net pension obligation	328,199	64,437	392,636	147,341
Total noncurrent liabilities	139,031,888	16,263,368	155,295,256	38,817,185
TOTAL LIABILITIES	$ 155,548,513	$ 23,839,690	$ 179,388,203	$ 53,156,374
NET ASSETS				
Invested in capital assets, net of related debt	$ 258,921,318	$ 51,218,277	$ 310,139,595	$ 22,112,002
Restricted for debt service	2,524,136	1,158,877	3,683,013	-
Unrestricted	31,126,265	16,781,221	47,907,486	(6,359,632)
TOTAL NET ASSETS	$ 292,571,719	$ 69,158,375	361,730,094	$ 15,752,370
Amounts due governmental activities for allocable share of net expenses of certain internal service funds			(8,726,438)	
TOTAL NET ASSETS OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET ASSETS			$ 353,003,656	

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 ASSETS
YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Airport	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Airfield fees and commissions	$ -	$ 560,197	$ 560,197	$ -
Charges for services	-	-	-	1,255,257
Employees' benefit plan contributions	-	-	-	4,306,524
Internal charges	-	-	-	31,454,282
Miscellaneous revenues	-	-	-	1,241
Other building and ground rentals	-	1,345,832	1,345,832	-
Rents and miscellaneous	290,195	-	290,195	-
Tap fees and frontage charges	204,573	-	204,573	-
Terminal building area rental	-	4,117,890	4,117,890	-
Utility sales and service	49,758,452	-	49,758,452	-
Total operating revenues	50,253,220	6,023,919	56,277,139	37,017,304
OPERATING EXPENSES				
Salaries, wages and fringe benefits	11,688,167	2,282,470	13,970,637	5,070,931
Supplies	1,265,460	133,860	1,399,320	1,621,679
Fuel and oil	-	-	-	2,172,934
Fuel and power	4,535,483	466,358	5,001,841	-
Contractual services	4,803,561	312,876	5,116,437	1,510,708
Water Authority charges	4,000,658	-	4,000,658	-
Other charges	8,147,664	1,970,057	10,117,721	1,907,008
Claim and loss adjustments	-	-	-	16,134,393
Postemployment expense	-	-	-	15,248,490
Depreciation	9,505,120	3,375,793	12,880,913	5,550,516
Total operating expenses	43,946,113	8,541,414	52,487,527	49,216,659
Operating income (loss)	6,307,107	(2,517,495)	3,789,612	(12,199,355)
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) in disposal of property	20,351	3,908	24,259	148,337
Interfund reimbursement	412,322	-	412,322	-
Passenger facility charge	-	1,093,015	1,093,015	-
Interest earnings	881,453	395,004	1,276,457	745,531
Change in value of investments	-	15,770	15,770	157,178
Other miscellaneous revenues	-	10,532	10,532	-
Interest expense and fiscal charges	(4,459,891)	(51,974)	(4,511,865)	-
Total nonoperating revenues (expenses)	(3,145,765)	1,466,255	(1,679,510)	1,051,046
Income (loss) before contributions and transfers	3,161,342	(1,051,240)	2,110,102	(11,148,309)

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 ASSETS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Airport	Total	Governmental Activities Internal Service Funds
NONOPERATING REVENUES (EXPENSES), CONTINUED				
Capital contributions	$ 353,948	$ 6,080,465	$ 6,434,413	$ -
Transfers from other funds	59,211	-	59,211	440,664
Transfers to other funds	(150,075)	-	(150,075)	(336,880)
Change in net assets	3,424,426	5,029,225	8,453,651	(11,044,525)
NET ASSETS, BEGINNING OF YEAR	289,147,293	64,129,150	353,276,443	26,796,895
NET ASSETS, END OF YEAR	$ 292,571,719	$ 69,158,375	361,730,094	$ 15,752,370
Allocation of net expenses of certain internal service funds to business-type activities			(8,726,438)	
NET ASSETS OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET ASSETS			$ 353,003,656	

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Net Assets of Proprietary Funds to the Statement of Activities

Total Net Change in Fund Balances - Proprietary Funds	$ 8,453,651
Internal service fund allocation for proprietary funds	(1,712,638)
Change in net assets for Primary government business-type activities	$ 6,741,013

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, 2009

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Airport	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from third parties	$ 50,161,642	$ 6,024,799	$ 56,186,441	$ -
Cash received from City departments	-	-	-	37,957,282
Cash payments to suppliers for goods and services	(21,975,587)	(2,388,931)	(24,364,518)	(8,509,481)
Cash payments to employees	(10,974,670)	(56,108)	(11,030,778)	(4,882,213)
Cash payments for claims and loss adjustments	-	-	-	(16,787,999)
Net cash provided by operating activities	17,211,385	3,579,760	20,791,145	7,777,589
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers (to) from other funds	(90,864)	-	(90,864)	103,784
Amounts borrowed from or repaid by other funds	-	-	-	218,650
Amounts repaid or loaned to other funds	(36,819)	(77,381)	(114,200)	68,613
Cash payments received for passenger facility charge	-	1,093,015	1,093,015	-
Net cash provided (used) by noncapital financing activities	(127,683)	1,015,634	887,951	391,047
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(8,739,849)	(7,642,353)	(16,382,202)	(4,854,138)
Capital grants received	353,948	6,080,465	6,434,413	-
Proceeds from issuance of bonds	38,885,000	16,140,000	55,025,000	-
Bond issuance cost	(102,891)	(201,174)	(304,065)	-
Principal paid on revenue bond maturities	(1,290,000)	-	(1,290,000)	-
Principal paid on proportionate share of Water Authority debt	(2,980,863)	-	(2,980,863)	-
Interest expense	(4,897,380)	(51,974)	(4,949,354)	-
Proceeds from sale of equipment	22,651	3,908	26,559	385,737
Net cash used for capital and related financing activities	$ 21,250,616	$ 14,328,872	$ 35,579,488	$ (4,468,401)

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, 2009

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Airport	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investment securities	$ 29,685,355	$ 13,359,497	$ 43,044,852	$ 25,269,850
Purchase of investment securities	(36,322,643)	(16,285,083)	(52,607,726)	(27,510,779)
Interest and gains on investments	934,922	508,237	1,443,159	1,021,251
Net cash provided by investing activities	(5,702,366)	(2,417,349)	(8,119,715)	(1,219,678)
Net increase (decrease) in cash and cash equivalents	32,631,952	16,506,917	49,138,869	2,480,557
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	13,183,510	4,114,225	17,297,735	6,047,896
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	$ 45,815,462	$ 20,621,142	$ 66,436,604	$ 8,528,453
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$ 6,307,107	$ (2,517,495)	$ 3,789,612	$ (12,199,355)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	9,505,120	3,375,793	12,880,913	5,550,516
(Increase) decrease in accounts receivable	156,307	(38,683)	117,624	937,986
(Increase) decrease in other accrued revenue	(247,885)	39,563	(208,322)	122,900
(Increase) decrease in prepaid expenses	(71,525)	-	(71,525)	-
(Increase) decrease in inventories	-	-	-	(6,496)
Increase (decrease) in vouchers payable	(158,441)	(115,467)	(273,908)	(1,209,527)
Increase (decrease) in accounts payable	(354,089)	2,414,731	2,060,642	(262,166)
Increase (decrease) in accrued operating expenses	262,431	311,331	573,762	65,412
Increase (decrease) in customer deposits	44,352	9,006	53,358	-
Increase (decrease) in provision for compensated absences	122,867	36,544	159,411	36,094
Increase (decrease) in estimated claims liabilities	-	-	-	14,594,884
Increase (decrease) in net pension obligation	328,199	64,437	392,636	147,341
Increase (decrease) in other accrued expenses	1,316,942	-	1,316,942	-
Net cash provided by operating activities	$ 17,211,385	$ 3,579,760	$ 20,791,145	$ 7,777,589
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Amortization of bond issuance costs	$ 92,577	$ -	$ 92,577	$ -
Decreases (increases) in fair values of investments	149,846	15,770	165,616	(157,178)
Interest expense capitalized	681,391	-	681,391	-

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

CITY OF AMARILLO, TEXAS
STATEMENT OF FIDUCIARY ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2009

	Trust Funds
ASSETS	
Cash and cash equivalents	$ 2,443,525
Other assets	806
Investments, at fair values	29,645,424
TOTAL ASSETS	$ 32,089,755
LIABILITIES	
Held for other governments, individuals, entities	$ 32,089,755
TOTAL LIABILITIES	$ 32,089,755

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

CITY OF AMARILLO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2009

	Trust Funds
ADDITIONS	
Contributions from citizens	$ 16,656
Contributions from other	1,850,849
Charges for services	4,505,291
Other rentals and commissions	21,517
Miscellaneous revenues	1,775
Investment earnings	50,285
Total additions	6,446,373
DEDUCTIONS	
Capital outlay	210,000
Salaries and wages	506,086
Contractual services	4,194,412
Supplies	37,977
Construction participation	611,108
Total deductions	5,559,583
Change in net assets	886,790
ASSETS, BEGINNING OF YEAR	31,202,965
ASSETS, END OF YEAR	$ 32,089,755

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

CITY OF AMARILLO, TEXAS
STATEMENT OF NET ASSETS - COMPONENT UNITS
SEPTEMBER 30, 2009

	Amarillo Hospital District	Amarillo Economic Development Corporation	Amarillo-Potter Events Venue District	Amarillo Housing Finance Corporation	Tax Increment Investment Zone #1	Total
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 11,908,130	$ 12,588,749	$ 1,599,423	$ 105,037	$ 504,164	$ 26,705,503
Investments	247,450,620	10,382,795	302,796	-	-	258,136,211
Receivables, net	-	4,385,639	149,686	-	-	4,535,325
Inventories and prepaid expenses	5,910,279	17,800	-	-	-	5,928,079
Other current assets	1,874,814	-	-	-	-	1,874,814
Total current assets	267,143,843	27,374,983	2,051,905	105,037	504,164	297,179,932
NONCURRENT ASSETS						
Restricted cash and cash equivalents	-	497,313	-	-	-	497,313
Receivables, net	-	63,660,681	-	-	-	63,660,681
Unamortized bond issuance costs	-	-	110,195	-	-	110,195
Other assets	14,526,369	-	-	-	-	14,526,369
Land held for future incentives	-	5,385,952	-	-	-	5,385,952
Capital assets:						
Buildings and improvements, net of depreciation	111,702	19,270,206	16,233,141	-	-	35,615,049
Equipment and vehicles, net of depreciation	-	38,671	126,022	-	-	164,693
Construction in process	-	1,171,929	-	-	-	1,171,929
Total noncurrent assets	14,638,071	90,024,752	16,469,358	-	-	121,132,181
TOTAL ASSETS	$ 281,781,914	$ 117,399,735	$ 18,521,263	$ 105,037	$ 504,164	$ 418,312,113
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable and accrued expenses	$ 323,685	$ 889,030	$ 130,547	$ -	$ -	$ 1,343,262
Current portion of long-term obligations	-	2,290,000	270,000	-	-	2,560,000
Estimated liability for incurred losses - current portion	95,569	-	-	-	-	95,569
Securities lending collateral	51,018,300	1,817,016	52,991	-	-	52,888,307
Total current liabilities	51,437,554	4,996,046	453,538	-	-	56,887,138
NONCURRENT LIABILITIES						
Liabilities payable from restricted assets - accrued interest	-	307,388	-	-	-	307,388
Noncurrent portion of long-term obligations	-	39,951,507	13,309,292	-	-	53,260,799
Estimated liabilities						
Compensated absences	-	117,224	-	-	-	117,224
Self-insured losses, net of current portion	284,919	-	-	-	-	284,919
Total noncurrent liabilities	284,919	40,376,119	13,309,292	-	-	53,970,330
TOTAL LIABILITIES	51,722,473	45,372,165	13,762,830	-	-	110,857,468
NET ASSETS						
Invested in capital assets, net of related debt	111,702	19,308,877	2,759,903	-	-	22,180,482
Restricted for:						
Debt service	-	189,925	462,738	-	-	652,663
Other purposes	52,103	-	-	-	-	52,103
Unrestricted	229,895,636	52,528,768	1,535,792	105,037	504,164	284,569,397
TOTAL NET ASSETS	230,059,441	72,027,570	4,758,433	105,037	504,164	307,454,645
TOTAL LIABILITIES AND NET ASSETS	$ 281,781,914	$ 117,399,735	$ 18,521,263	$ 105,037	$ 504,164	$ 418,312,113

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

CITY OF AMARILLO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - COMPONENT UNITS
YEAR ENDED SEPTEMBER 30, 2009

	Amarillo Hospital District	Amarillo Economic Development Corporation	Amarillo-Potter Events Venue District	Amarillo Housing Finance Corporation	Tax Increment Reinvestment Zone #1	Total
REVENUES						
Property taxes, levied for general purposes	$ 5,999	$ -	$ -	$ -	$ -	$ 5,999
Sales taxes	-	14,413,743	-	-	-	14,413,743
Gross receipts business taxes	-	-	1,952,359	-	-	1,952,359
Grant revenues	979,042	-	-	-	-	979,042
Revenue from participating taxing entities	-	-	-	-	318,434	318,434
Intergovernmental revenues - operating	940,998	-	-	-	-	940,998
Charges for services	-	3,139,182	-	-	-	3,139,182
Investment earnings	13,216,940	172,947	14,081	136	-	13,404,104
Miscellaneous	9,181	1,031	-	32,936	-	43,148
Total revenues	15,152,160	17,726,903	1,966,440	33,072	318,434	35,197,009
EXPENSES						
Functions:						
Public Health	10,680,305	-	-	-	-	10,680,305
Urban redevelopment and housing	-	-	-	11,400	-	11,400
Economic development - industrial	-	19,934,768	-	-	-	19,934,768
Economic development - tourism	-	-	1,779,436	-	-	1,779,436
General Government	-	-	-	-	8,528	8,528
Debt service:						
Interest and fiscal charges	-	2,654,588	721,710	-	-	3,376,298
Total expenses	10,680,305	22,589,356	2,501,146	11,400	8,528	35,790,735
Excess (deficit) of revenues over (under) expenses	4,471,855	(4,862,453)	(534,706)	21,672	309,906	(593,726)
NET ASSETS, BEGINNING OF YEAR	225,587,586	76,890,023	5,293,139	83,365	194,258	308,048,371
NET ASSETS, END OF YEAR	$ 230,059,441	$ 72,027,570	$ 4,758,433	$ 105,037	$ 504,164	$ 307,454,645

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

This page left blank intentionally.

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 and the airport, the operations of which are accounted for as enterprise funds.

The Governmental Accounting Standards Board, in Statement 14, as amended by GASB 39, established standards for defining the financial reporting entity. Under such standards, the following entities, although legally separate from the primary government of the City, have been determined to be component units of the City for financial reporting purposes because of their operational or financial relationships with the City. Consequently, their affairs are discretely presented in the combined financial statements of the City's comprehensive annual financial report (CAFR).

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 is fixed for the balance of the contract, which will be an additional 15 years unless the provider opts to extend the contract an additional 15 years. The quarterly payment to the provider is currently 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 upper payment limit program ("Medicaid UPL"). 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. Currently, the "Indigent Care Agreement" and corresponding payments have been suspended through November 2012. The District has provided $35.5 million in funding to the Medicaid program versus $41.6 million in indigent care payments that would have been due under the contract. Subsequent to year-end, the "Indigent Care Agreement" was amended to extend the suspension through August 8, 2013, with a payment of $4,007,690 to Medicaid UPL funding.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition and Scope of Reporting Entity (Continued)

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 Commission and, additionally, the City Commission has final authority over any tax levy and the total amount of the annual budget.

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 accomplishments. 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 Commission appoints its Board of Directors, approves its budgets, and exercises final authority over its operations.

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. In December 1998, the District issued $10 million in bonds to finance the first phase of this construction, consisting of the livestock arena, and in December 2000 the final $6.75 million of bonds were issued to fund the Civic Center expansion. In November 2005, the District refunded the 2000 bond issue. The 1998 Bonds were refunded in 2009. 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 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, and the City has pledged its general revenues to make lease payments should the Venue District's revenues be insufficient to cover the bond obligations as they come due.

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, it has issued single-family mortgage revenue bonds in the principal amounts of $15,700,000, $15,000,000 and $10,450,000 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 Commission appoints its Board of Directors and has discretion over their terms of office as well as the programs and activities of the Corporation. Several City officials serve as officers of AHFC.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition and Scope of Reporting Entity (Continued)

Tax Increment Reinvestment Zone # 1

The Taxing Increment Reinvestment Zone Number One 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.

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. 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 Assets 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 an agent. These assets are excluded from the Statement of Net Assets because they do not represent resources of the City.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 *Capital Projects 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.

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 the Governmental Accounting Standards Board (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.

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

Additionally, the City reports the following fund types:

Four *internal service funds* account for municipal garage, 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 the capacity of a fiduciary for others and cannot be used to support the City's own programs. Activities include the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The only fiduciary funds held by the City are agency funds. Agency fund are used to account for situations where the City's role is purely custodial.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

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* 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.

Assets, Liabilities, and Net Assets or 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

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 Receivables 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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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 Deferred Items

Inventories of supplies are reflected at cost, determined on an average-cost basis. Inventories of motor fuel and oil are maintained by the Municipal Garage (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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

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.

Deferred 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.

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 *Water and Sewer Fund* are set aside for the repayment of its revenue bonds under applicable bond covenants. Such resources and the related liabilities payable out of those resources are reported in the financial statements as noncurrent assets and liabilities.

Capital Assets

Capital assets consist of property, plant, equipment, and infrastructure assets (streets, alleys, overpasses, curbs and gutters and drainage systems), as well as the cost of construction projects in process. Items having a value of more than $1,000 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 estimated fair 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
Streets and related infrastructure	50 years
Traffic signals	30 years
Landfill improvements	40 years
Water supply contract	85 years
Water rights	20-100 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

Water pipelines	50 years
Sewer pipelines	75 years
Runways and related improvements	10-30 years
Motor buses	7 years
Automobiles, vans	3-7 years
Data processing equipment	5 years
Machinery and other equipment	7-30 years
Office equipment	5-10 years
Library books	15 years

Compensated Absence

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

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

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary fund financial statements. Bonds payable are reported net of related discounts and issuance costs, 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 bond issuance costs and discounts, during the current period as other financing sources.

Fund Equity

The unreserved fund balances of governmental funds represent the amounts available for budgeting future operations. Unreserved net assets of proprietary funds represent the net assets available for future operations or distribution. In instances in which plans have been made by management for portions of unreserved fund equities, the amounts are identified as designated. Reserved fund balances of governmental funds and reserved net assets of proprietary funds represent net assets that are legally restricted to specific purposes.

Pollution Remediation Obligation

For the year ended September 30, 2009, the City implemented GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*. Details relating to the City's obligation and calculation are provided at Note 15.

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 Commission 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 not less than 15 days 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 Commission 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 Commission. 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, 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 Commission.

Grant funds not included in the annual appropriated budget are subject to management control by means of project-length budgets authorized by the City Commission in the grant application processes. Cumulative expenditures through September 30, 2009 were within the limits prescribed by such budgets.

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.

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

Deficit Fund Equity

A deficit was accumulated in the Public Assistance Fund through September 30, 2009 in the amount of $1,908. The fund was created to accumulate the cost for the hurricane shelter operations, for FEMA reimbursement purposes. We realize that not all costs will be reimbursed by FEMA and intend to record a reimbursement from the General Fund. There is a deficit fund balance of $259 reported in the Selective Traffic Enforcement Program through September 30, 2009. The Center City Trust Fund, reported as an agency fund has a $146 deficit fund balance. Beginning with the fiscal year ending September 30, 2008, the City adjusted for postemployment health benefits as required by GASB Statement 45. This adjustment is $14,682,580 for 2008 and $15,248,490 in 2009 resulting in a deficit fund balance of $23,653,180 in the Employee Insurance Fund.

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, must be collateralized by securities or insured by a bond. At September 30, 2009, demand deposit and time deposits held by the depository institution, before reduction for checks issued and not presented, were in the total amount of $10,958,306 and the accounts are collateralized by securities in the amount of $18,695,000. The City has a secondary depository institution with demand deposits of $629,962. These amounts are insured by the Federal Deposit Insurance Corporation.

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

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 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.

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, 2009, the weighted average maturity of the City's investment securities was 0.64 years, excluding the securities lending investments.

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.
- Taxable municipal bonds, limited to 10% of the portfolio.
- For bond proceeds only, fully collateralized, flexible, repurchase agreements.

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

The City participates in a securities lending program as a means to augment investment income. Securities are lent to select brokerage firms for which collateral is received that exceeds the fair value of such investments during the period of the loan. Collateral may be cash or securities. Collateral securities cannot be pledged or sold by the City unless the borrower defaults. Securities loans immediately terminate upon notice by either the City or the borrower.

Loans of fixed income securities are initially collateralized at 102 percent of the fair value of the securities lent. All borrowers are required to provide additional collateral by the next business day if the value falls to less than 100 percent of the fair value of the securities lent.

The following represents the balances relating to the securities lending transactions at the financial statement date:

Securities Lent	Fair Value of Underlying Securities	Cash Collateral Received/Securities Collateral Value	Cash Collateral Investment Value
Lent for cash collateral	$ 33,365,016	$ 34,101,282	$ 34,101,282
Lent for securities collateral - fixed income securities	121,663,376	123,690,945	–
	$ 155,028,392	$ 157,792,227	$ 34,101,282

Cash collateral received from the borrower is invested by the lending agent, as an agent for the City, in a money market mutual fund in the name of the City, with guidelines approved by the City. These investments in the money market mutual fund are included as investments in the statement of net assets for governmental type funds and on the balance sheet of proprietary funds. The City records a liability for the return of the cash collateral shown as collateral held for securities lending in the statement of net assets.

At September 30, 2009, the City had no credit risk exposure to borrowers, because the amounts the City owed the borrowers exceeded the amounts the borrowers owed the City. The City is fully indemnified by its custodial bank against any losses incurred as a result of borrower default.

The lending agent provides indemnification if the borrowers fail to return the underlying securities (and if the collateral is inadequate to replace the securities lent) or fail to pay income distributions on them. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior-period losses during the year. There are no income distributions owing on the securities lent.

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. Also as stated in the Investment Policy the City will not borrow funds using investment securities as collateral, will not take a position in a security for speculation and the City uses a buy and hold strategy for most investments.

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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 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 a tri-party agreement with the depository 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.

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, 2009 and the corresponding weighted average maturity is shown in Table 1 below:

	Fair Value			Weighted
	Unrestricted Assets	Restricted Assets	Total	Average Maturity (Years)
Investment Securities				
U.S. Government	$ 11,720,990	$ -	$ 11,720,990	0.89
U.S. Government Sponsored Agencies	148,332,949	-	148,332,949	1.00
Municipal Bond securities	1,158,491	-	1,158,491	0.86
Total investment securities	161,212,430	-	161,212,430	0.99
No-load U.S. Treasury-only mutual funds	25,549,230	62,444,108	87,993,338	-
Total investments	186,761,660	62,444,108	249,205,768	0.64
Add: Time deposits with original maturities over three months	187,017	-	187,017	0.33
Total investments	186,948,677	62,444,108	249,392,785	0.64
Deduct: Cash equivalents	(25,549,230)	(62,444,108)	(87,993,338)	-
Add: Securities Lending	34,101,282		34,101,282	-
Net investments for financial reporting	$ 195,500,729	$ -	$ 195,500,729	0.99

Table 1 – Investment Securities and Corresponding Weighted Average Maturity

NOTE 4 - 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.

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 2008 tax roll for the 2008/09 fiscal year was $0.31009 per $100 of assessed valuation, resulting in a tax levy in the amount of $29,523,733 on taxable value of $9,700,397,944.

Property taxes receivable at September 30, 2009 are reflected in Table 2 below:

Year of Levy	
2009	$ 480,866
2008	177,793
2007	111,653
2006	79,687
2005	58,684
2004	55,748
2003	88,660
2002	61,047
2001	55,535
2000	40,512
1999	21,799
1998	16,466
1997	11,065
Prior	59,038
Total taxes receivable	1,318,553
Less: Allowance for estimated uncollectible portion	1,010,594
Net taxes receivable	307,959
Less: Provisions for collections deferred over 60 days	226,206
Amount available (reserved in accordance with City ordinances)	$ 81,753

Table 2 – Taxes Receivable at September 30, 2009

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.

NOTE 5 - RESTRICTED ASSETS, LIABILITIES AND RESERVES

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

Water Sewer System	Restricted Assets	Related Liabilities	Restricted Net Assets
Bond escrow and proceed accounts	$ 40,221,190	$ 40,221,190	$ –
Revenue bond interest and redemption	1,385,207	1,335,000	50,207
Revenue bond reserve	2,473,929	–	2,473,929
Total bond debt service/retirement	$ 44,080,326	$ 41,556,190	$ 2,524,136
Airport			
Bond proceed account	$ 17,201,859	$ 17,201,859	$ –
Bond interest and redemption	66,998	3,046	63,952
PFC funds	1,094,925	–	1,094,925
Total bond debt service/retirement	$ 18,363,782	$ 17,204,905	$ 1,158,877

Table 3 – Restricted Funds/Reserved Retained Earnings

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

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 was as follows:

	Balances October 1, 2008	Additions	Deletions	Balances September 30, 2009
Capital assets used by governmental activities, at cost				
Capital assets, not being depreciated				
Land	$ 7,870,503	$ 191,511		$ 8,062,014
Capital projects in process	15,625,928	25,426,857	24,300,411	16,752,374
Total capital assets, not being depreciated	23,496,431	25,618,368	24,300,411	24,814,388
Capital assets, being depreciated				
Infrastructure	219,275,741	5,160,160		224,435,901
Building and other improvements	196,373,612	17,005,713	122,358	213,256,967
Equipment and vehicles	71,720,634	8,055,717	4,304,539	75,471,812
Library collections	7,412,497	373,401	330,945	7,454,953
Total capital assets, being depreciated	494,782,484	30,594,991	4,757,842	520,619,633
Less accumulated depreciation for:				
Infrastructure	83,049,939	4,461,719		87,511,658
Buildings and other improvements	63,637,205	7,466,376	122,358	70,981,223
Equipment and vehicles	46,138,687	7,026,983	4,143,896	49,021,774
Library collections	2,855,194	435,166	330,945	2,959,415
Total accumulated depreciation	195,681,025	19,390,244	4,597,199	210,474,070
Total capital assets, being depreciated, net	299,101,459	11,204,747	160,643	310,145,563
Net capital assets used by governmental activities	322,597,890	36,823,115	24,461,054	334,959,951
Capital assets used by business-type activities, at cost:				
Enterprise funds				
Water and sewer utility plant	493,327,306	9,421,240	56,176	502,692,370
Airport assets	106,419,867	7,705,632	63,279	114,062,220
Total cost	599,747,173	17,126,872	119,455	616,754,590
Less accumulated depreciation for				
Water and sewer utility plant	134,149,884	9,505,120	39,016	143,615,988
Airport assets	59,531,429	3,375,793	63,279	62,843,943
Total accumulated depreciation	193,681,313	12,880,913	102,295	206,459,931
Net capital assets used by business-type activities	406,065,860	4,245,959	17,160	410,294,659
Government-wide net capital assets	$ 728,663,750	$ 41,069,074	$ 24,478,214	$ 745,254,610

Table 4 – Capital Asset Activity

NOTE 6 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
General government	$ 92,862
Staff services	1,318,713
Police protection	612,360
Fire protection	461,360
Other public safety and health	338,122
Streets, traffic and engineering	5,356,750
Culture and recreation	4,656,098
Solid waste services	549,147
Transit services	454,316
Total governmental fund departments	13,839,728
Internal service fund depreciation allocable to governmental activities based on predominant usage	5,550,516
Total governmental activities	$ 19,390,244
Business-type activities	
Water and sewer system	$ 9,505,120
Airport	3,375,793
Total business-type activities	$ 12,880,913

Water and Sewer System Capital Assets

The City of Amarillo is one of 11 cities that 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 Water Municipal Water Authority (CRMWA), a subdivision of the State of Texas. The related infrastructure recorded on the City's books for CRMWA assets at September 30, 2009 is $50.3 million. The related amortized cost of these assets is $15.9 million.

In order to enhance supply and improve taste the City blends its 11,117 acre feet of surface water with underground water pumped out of the Ogallala Aquifer by its wells located in Carson, Potter, Randall and Roberts counties.

The City owns $36,706,908 of underground water rights in Roberts, 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. Due to the acquisition of the superior Roberts County rights and existing water rights in Potter, Randall and Carson counties, the City does not have plans to develop the water rights in Hartley and Dallam counties at this time.

During the 2004-05 fiscal year, the City entered into an agreement with the CRMWA to swap water rights in Roberts County for water rights in Potter and Carson counties adjacent to the City's existing water rights in Potter and Carson counties. The swap is on an estimated gallon for gallon basis. The CRMWA is procuring water rights in those counties for the swap. The actual swap took place in 2007.

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Water and Sewer System Capital Assets (Continued)

In accordance with financial accounting standards, the City capitalized interest costs applicable to its outstanding water and sewer bonds as construction in progress in its Water and Sewer System Fund, as follows:

Interest expense before capitalization	$ 5,121,693
Interest expenses capitalized	$ 681,392

The interest expense not meeting the capitalization criteria represents the $3,103,789 of CRMWA charges associated with that entity's bonded indebtedness and $1,336,512 of Water and Sewer Revenue Bond interest not subject to the capitalization requirements.

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 $14,356,430, 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 and to approved economic development program applicants both directly and through the AEDC.

NOTE 7 - RETIREMENT BENEFITS

The City participates in funding two retirement plans. The Texas Municipal Retirement System is an agent, multiple-employer, public-employee retirement system which is a nontraditional, joint-contributory, hybrid defined benefit plan. The Firemen's Relief and Retirement 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 City's total payroll for the fiscal year ended September 30, 2009 was $83,271,706 and the portion covered by the two plans was as follows:

Texas Municipal Retirement System (TMRS)	$ 65,710,124
Firemen's Relief and Retirement System (FRRF)	14,851,146
Total covered payroll	$ 80,561,270

Including current employees, annuitants and terminated employees entitled to future benefits, the City had 3,044 members of TMRS and 373 members of FRRF as of the dates of the latest actuarial evaluations.

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:

NOTE 7 - RETIREMENT BENEFITS (CONTINUED)

Retirement Plans

Texas Municipal Retirement System (TMRS)

Plan Description

All permanent, full-time City employees who are not firefighters are covered by the state-wide Texas Municipal Retirement System (TMRS) through a nontraditional, joint-contributory, hybrid defined benefit plan. The City's plan is one of 827 administered by TMRS, an agent, multiple-employer, public-employee retirement system. It was created by the State of Texas and is administered in accordance with the Texas Municipal Retirement System Act by six trustees appointed by the Governor of the State of Texas. The City joined the System in 1948 to supplement Social Security. The Plan accounts for its affairs to its members and provides actuarial information on the basis of the calendar year. Each of the municipalities has an annual individual actuarial valuation performed.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. 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. The City also provides on an annually repeating basis, annuity increases for retirees equal to 70% of the change in the consumer price index (CPI).

Members can retire at ages 60 and above with 10 or more years of service or at any age with 20 years or more service. The plan also provides death and disability benefits. A member is vested after 10 years, but he must leave his accumulated contributions in the plan. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contributions

The contribution rate for the employees is 7%, while the City's matching percent is currently 2 to 1, both as adopted by the City Commission.

Under the state law governing TMRS, the City's contribution rate is annually determined by the System's actuary using the Projected Unit Credit actuarial cost method. This rate consists of the normal, cost-contribution rate and the prior-service, contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal, cost-contribution rate finances the portion of an active member's projected benefit allocated annually. The prior-service, contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's amortization period (29 years for the City as of the 12/31/2008 actuarial study).

NOTE 7 - RETIREMENT BENEFITS (CONTINUED)

Retirement Plans (Continued)

Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation are as follows:

Annual Required Contribution (ARC)	$ 13,459,396
Interest on Net Pension Obligation	–
Adjustment to the ARC	–
Annual Pension Cost (APC)	13,459,396
Contributions Made	(10,699,072)
Increase in net pension obligation	2,760,324
Net Pension Obligation at 09/30/2008	–
Net Pension Obligation at 09/30/2009	$ 2,760,324

The City's total payroll in fiscal year 2009, exclusive of firefighters, was $67,699,050 and the City's contributions were based on a covered payroll of $65,710,124. Both the City and the covered employees make contributions monthly. The City's contribution was $10,699,072. The employees' contributions of 7% of payroll were $4,599,709.

Funding Status and Future Changes in Actuarial and Amortization Methods

The financing objective of each TMRS plan is to provide retirement, death, and disability benefits for a city's employees financed by a contribution rate which will remain approximately level as a percent of the city's payroll from year to year. To test how well the financing objective is being achieved, annual actuarial valuations are made, which valuations adjust each city's contributions for differences in the past year between the actuarial assumptions and the actual experience.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
9/30/09	$ 13,459,396	$ 10,699,072	79.5%	$ 2,760,324
9/30/08	9,428,418	9,428,418	100.0%	–
9/30/07	8,829,849	8,829,849	100.0%	–

A summary of the actuarial assumptions and definitions can be found in the December 31, 2008 TMRS Comprehensive Annual Financial Report. Since its inception, TMRS has used the Unit Credit actuarial funding method. This method accounts for liability accrued as of the valuation date, but does not project the potential future liability of provisions adopted by a city. Two-thirds of the cities participating in TMRS have adopted the Updated Service Credit and Annuity Increases provisions on an annually repeating basis. For the December 31, 2008 valuation, the TMRS Board determined that the Projected Unit Credit funding method should be used, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. In addition, the Board also adopted a change in the amortization period from a 25-year "open" to a 30-year "closed" period. At December 31, 2008 the City's amortization period is 29 years. TMRS Board of Trustee rules provide that, whenever a change in actuarial assumption or methods results in a contribution rate increase in an amount greater than 0.5%, the amortization period will be increased to 30 years, unless a city requests that the period remain at 25 years. For cities with repeating features, these changes would likely result initially in

NOTE 7 - RETIREMENT BENEFITS (CONTINUED)

Retirement Plans (Continued)

higher required contributions and lower funded ratios; however, the funded ratio should show steady improvement over time. To assist in this transition to higher rates, the Board also approved an eight-year phase-in period, which will allow cities the opportunity to increase their contributions gradually (approximately 12.5% each year) to their full rate (or their required contribution rate). Using the phase-in period, the City's rate will increase at January 1, 2010 to 17.83% with a full rate of 23.18%.

Firemen's Relief and Retirement Fund

Plan Description

The City of Amarillo contributes to the Amarillo Firemen's Relief and Retirement Fund (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 Director of Finance of the City. Within parameters established by TLFFRA, the plan may be amended upon approval by the Board and a vote of the membership.

All persons who are under 36 years of age upon entering service as a firefighter must become members of the plan. The plan generally provides for a lifetime pension expressed as a percentage of average pay, available at age 50 after 20 years of participation. Early retirement and deferred retirement options are also available. The actuarial valuation at January 1, 2008 incorporated all changes in plan benefits effective through that date. The standard retirement benefit is 3.45% of average monthly salary multiplied by years of service, payable in the form of a joint and 2/3-spouse annuity, but various other forms of annuities may be selected. Disability benefits are also paid, the amount of which varies depending upon age, years of service and whether the disability is duty-related. Dependent children may also receive death benefits. A firefighter may elect to receive the return of his/her own contributions upon termination of employment.

The tabulation below summarizes membership of the fund at January 1, 2008, the effective date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	146
Current employees:	
Vested	74
Partially vested	63
Nonvested active employees	90
Total	373

Funding Policy and Contribution

Contributions are made to the FRRF by each member and by the City. While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted by the fund must be approved by a qualified actuary. The actuary certifies that the contribution commitments of the firefighters and the City provide an adequate financing arrangement. The entry age actuarial cost method is used to determine the plan's normal cost as a percentage of payroll. This method does not

NOTE 7 - RETIREMENT BENEFITS (CONTINUED)

Firemen's Relief and Retirement Fund (Continued)

identify or separately amortize unfunded actuarial liabilities. The excess of the total contribution rate over the normal cost rate is used to amortize the plan's unfunded actuarial accrued liability, if any.

Because City contribution rates are determined by ordinance, and the City always pays the calculated rate each month, the City always has a net pension obligation of zero; consequently, the annual pension cost, the annual required contributions, and the contributions made are equal.

The firefighters' total payroll in fiscal year 2009 was $15,572,656 and the City's contributions were based on a covered payroll of $14,851,146. The City made the required contributions of $2,412,030, $2,115,467, and $1,904,915 for fiscal years ending 2009, 2008, and 2007, respectively. The firefighters made required contributions of $1,630,219, $1,515,992, and $1,363,976 for the fiscal years ending 2009, 2008, and 2007, respectively.

Funding Status

The most recent actuarial valuation was performed as of January 1, 2008. Valuations are performed biennially. The actuarial accrued liability is the actuarial present value of credited projected benefits, prorated on service, and discounted at a rate equal to the expected return on present and future plan assets. Amounts are discounted for interest and for the probability that they will ultimately be paid. Probabilities taken into account include death, disability and termination. The unfunded actuarial liability represents the difference between (a) the present value of future benefits and (b) the sum of the present value of future normal costs and fund assets.

The actuarial method and assumptions used in the actuarial valuation of the plan are the same as those used to develop the actuarial present value under GASB Statement No. 25. The actuarial cost method used in the valuation is the entry age normal actuarial cost method.

Actuarial assumptions used in determining the accrued pension liability included the contribution rates of 15.48% by the City and 11% by employees, compensation increases for individual members of 5.5% per year, compounded annually, increases in total payroll of 5.5%, compounded annually, retirement age of active firefighters of 54, and starting age for benefits of terminated members to average age 50.

The amortization of the unfunded actuarial accrued liability was determined as a level percentage of projected payroll. As of January 1, 2008 the amortization period of the unfunded actuarial accrued liability is 22.5 years. The amortization period is an open amortization period. Guidelines published by the Texas State Pension Review Board specify that the amortization period should never exceed 40 years, with a 25 to 30-year period being preferable. The amortization period as of January 1, 2008 of 22.5 years meets the Pension Review Board Guidelines. The City of Amarillo has always met the contribution requirements during the required look-back period and, accordingly, the net transition obligation and the net pension obligation as of the date of implementation of GASB Statement No. 27 were zero.

The actuarial value of plan assets was determined using techniques that smooth the effects of short-term volatility in the fair value of assets over a five-year period. At January 1, 2008, the actuarial value of plan assets was $112,656,382 and the fair market value was $116,023,723.

The assumed rate of return on the actuarial value of assets was 8.25%, compounded annually, based on a study of the historical yield of the trust fund, as well as an estimate of future rates of return, given the nature and mix of current and expected plan investments.

NOTE 7 - RETIREMENT BENEFITS (CONTINUED)

Firemen's Relief and Retirement Fund (Continued)

The investment return assumption and the projected salary increase use the same assumptions with respect to inflation.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/09	$ 2,412,030	100%	$ –
9/30/08	2,115,467	100%	–
9/30/07	1,904,915	100%	–

Summary Unfunded Actuarial Accrued Liability – All Plans

The City's unfunded obligation for both the TMRS and FRRF plans is summarized in Table 5 below:

	TMRS Dec. 31, 2008	FRRF Jan. 1, 2008	Totals
Actuarial accrued liability	$265,302,716	$122,323,458	$387,626,174
Net assets available for benefits asset valuation based on cost or adjustment cost	(142,555,601)		(142,555,601)
Net asset available for benefits asset valuation based on smoothed market	-	(112,656,382)	(112,656,382)
Unfunded (overfunded) actuarial accrued liability	$122,747,115	$ 9,667,076	$132,414,191

Table 5 – Unfunded (Overfunded) Actuarial Accrued Liability

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Trend Information

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable. This information, presented in accordance with the standards of GASB Statement No. 25 as amended by GASB Statement No. 50, may be found in the Required Supplementary Information section of this report on page 95 (TMRS plan) and page 96 (FRRF plan).

Additional Information

All administrative costs of the TMRS plan are borne by that system. City management does not participate in investment decisions, and there are no related party transactions. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be

NOTE 7 - RETIREMENT BENEFITS (CONTINUED)

Additional Information (Continued)

obtained by writing to TMRS, P.O. Box 149513, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS/ website at www.TMRS.com.

Salaries for City personnel who help administer the Firemen's Relief and Retirement Fund (FRRF) are borne by the City's General Fund. The Fund incurs the costs of the annual actuarial and audit fees. The Fund has not held securities issued by the City. The Fund issues an audited stand-alone annual 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.0. Box 1971, Amarillo, Texas 79105.

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.

At September 30, 2009, there was $24,096,099 in the plan administered by Nationwide Retirement Solutions, Inc., $795,753 in the plan being administered by ICMA Retirement Corporation, and $2,239,552 in the plan administered by Valic Retirement Solutions, Inc. Under IRC 457(g), the assets in these plans are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 8 - POSTEMPLOYMENT BENEFITS

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the fiscal year beginning after December 15, 2006. The City does provide postemployment health benefits to retirees.

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirement of GASB Statement No. 45 during the year ended September 30, 2009, the City recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior year will be phased in over 30 years, commencing with the 2008 liability.

Plan Description

The City currently pays for postemployment healthcare benefits on a pay-as-you-go basis.

NOTE 8 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual Other Postemployment Benefit Cost (OPEB)

For the fiscal year ended September 30, 2009, the City's annual OPEB cost (expense) is $17,574,488. Considering the annual expense less pay-as-you-go cost of $2,325,998 for retirees, the result was an increase in the net OPEB obligation of $15,248,490 for the year ended September 30, 2009.

Benefit Obligation and Normal Cost

Actuarial present value of benefits	$ 297,309,792
Unfunded actuarial accrued liability	
Actuarial accrued liability	$ 190,216,284
Actuarial value of assets	–
Unfunded actuarial accrued liability	$ 190,216,284
Present value of future normal costs	$ 107,093,508
Annual required contribution	
Normal cost	$ 8,898,984
Amortization of UAAL	7,995,904
Interest on above amounts to end of year	675,796
Annual required contribution	$ 17,570,684

Net OPEB Obligation

Annual required contribution	$ 17,570,684
Interest on net OPEB obligation	587,303
Adjustment to annual required contribution	(583,499)
Annual OPEB cost	$ 17,574,488
Employer contributions with interest	(2,325,998)
Increase in net OPEB obligation	15,248,490
Net OPEB obligation, beginning of year	14,682,580
Net OPEB obligation, end of year	$ 29,931,070

Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
9/30/08	$ 16,761,974	$ 2,079,394	12%	$ 14,682,580
9/30/09	$ 17,574,488	$ 2,325,998	13%	$ 15,248,490

NOTE 8 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The unfunded actuarial accrued liability is being amortized over 30 years.

During the last fiscal year, the City hired an actuary to estimate the liability of the City's current retiree health program and the impact of GASB Statement No. 45. The date of this study is October 1, 2009. The actuarial liability was determined under the projected unit credit actuary cost method. Using a 4% discount rate, the actuarial liability for the retiree health program for both active and retired members is $190,216,284. The annual required contribution to fund this actuarial liability is $17,570,684.

NOTE 9 - 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 blending of the groundwater with the lake water increased both the quantity and quality of the water. CRMWA is developing additional water rights in their Phase III well field project. The Phase III well field area is located about 18 miles northeast of Pampa, Texas. It will be comprised of multiple high capacity wells and a transmission pipeline. The Phase III well field is expected to be operational by early 2010. The City's portion of the CRMWA phase III project is estimated to be about $8.6 million and will require additional annual payments of approximately $650,000 from our Water and Sewer System for about 20 years.

The City leases facilities adjoining to the City's Civic Center from the Amarillo-Potter Events 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 2009-10. However, the City has appropriated $1,110,841 of its available Fund Balance in the City's 2009-10 budget for it's 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, 2009, the City had commitments with respect to completion of various capital projects, as reflected in Table 6. 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

NOTE 9 - COMMITMENTS (CONTINUED)

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. Additionally, at the end of the fiscal year ending September 30, 2007, the City issued $24,575,000 in Combination Tax and Revenue Certificates of Obligation Bonds. Proceeds from these bonds have been reserved in a separate capital projects fund to account for specific construction projects. However, commitments of this fund are included in Table 6 below under General Construction commitments.

	Project Authorizations	Expected Outside Funding Sources	Outside Funding Received	Complete at September 30, 2009	City's Remaining Committed
Governmental activities					
Street improvements	$ 3,375,610	$ 3,127,380	$ -	$ -	$ 248,230
General construction	65,992,716	35,239,624	7,678,107	14,903,078	23,528,121
Solid Waste improvements	11,573,412	-	-	1,057,077	10,516,335
Golf course improvement	515,000	-	-	244,008	270,992
Civic Center improvements	1,600,317	-	-	317,958	1,282,359
Total - governmental fund activities	83,057,055	38,367,004	7,678,107	16,522,121	35,846,037
Internal service fund projects					
Information services	511,708	114,238	114,238	198,557	313,151
Municipal garage	1,937,677	-	-	29,976	1,907,701
Total - all governmental-type activities	85,506,440	38,481,242	7,792,345	16,750,654	38,066,889
Business-type activities					
Water and sewer system improvements	123,552,401	11,126,323	293,958	11,290,519	101,429,517
Airport	40,639,688	16,554,681	10,092,312	11,243,247	22,934,072
Total - all business-type activities	164,192,089	27,681,004	10,386,270	22,533,766	124,363,589
Total - all city project	$ 249,698,529	$ 66,162,246	$ 18,178,615	$ 39,284,420	$ 162,430,478

Table 6 – Unfinished Construction Projects

Funding assistance is being requested in connection with the development of a new well field to be located in Potter County northeast of the City. The total estimated cost of this project is $92 million. $5.69 million is included as commitments in the above table in the Water and Sewer Fund. During April 2009 the City issued $38,885,000 in the form of Combination Tax and Revenue Certificates of Obligation through the Texas Water Development Board's Water Infrastructure Fund Loan program at a favorable interest rate of two percentage points below market or 2.10%. Subsequent to year-end, the additional $47.4 million needed for the project was also funded through the Texas Water Development Board's Water Infrastructure Fund Loan program at even better rates. The City issued $47.4 million in the form of Combination Tax and Revenue Certificates of Obligations 2009B at 1.97%. The $86.29 million commitment is not included in the above table. Also in November 2009, the received funding from the Texas Water Development Board as part of the America Recovery and Reinvestment Act (ARRA) for funding improvements to the City's Water Treatment Plant. The City has issued the 2009C Combination Tax and Revenue Certificates of Obligation in the amount of $25.38 million at 0% interest.

The City has established funding and commitments for a new Airport Terminal Building. A portion of the project is included in the above amounts in the Airport Fund. The total cost of the project is expected to be approximately $47.20 million. Funding for the project will be derived from $16.1 million in 2009A Combination Tax Revenue Certificates of Obligations, $15.2 million in AIP FAA entitlement grants, $7.8 million in a grant from Transportation Security Administration (TSA), and $8.1 million from airport reserves. After the construction is complete, repayment of the outstanding bond debt will be paid from the continuing passenger facilities charges as well as a portion of future AIP entitlement grants.

The City currently has six Public Improvement Districts (PIDs). Five of the six 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

NOTE 9 - COMMITMENTS (CONTINUED)

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 on-going upkeep of these enhanced faculties 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, and a third issue was for $600,000 in 2008. 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 2009, there was approximately $143,000 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 and estimated expenditures for the 2010 fiscal year are $94,000.

The Colonies Public Improvement District also has unreimbursed costs to the developer for enhanced amenities. The City issued Certificates of Obligations to reimburse the developer for these enhancements. The bonds were issued during 2006 in the amount of $585,000 and $1,500,000 during 2008. The special assessments paid by the residents will be used to pay the debt service associated with this issue. Through September 30, 2009 there was approximately $950,000 in unreimbursed cost to the developer. The City is obligated to issue debt when there are sufficient property owners to support the debt to pay the developer along with the ongoing maintenance and upkeep of the amenities. All of the enhanced amenities at the Colonies were originally estimated to be approximately $4.6 million and estimated expenditures for the 2010 fiscal year are approximately $300,000. The other PIDs are fully developed and there is not an amount to be paid to the developer.

NOTE 10 - LONG-TERM OBLIGATIONS

Tax Supported Debt

On September 3, 2009 the City issued the Series 2009 General Obligation Refunding Bonds in the amount of $4,825,000. These bonds refunded the 2001 General Obligation Bonds, with the exception of the August 15, 2010 principal payment of $285,000, which will be paid by the City. The refunding met the requirements of an in-substance defeasance and the applicable bonds were removed from the City's books of account. At September 30, 2009, defeased debt outstanding was $4,680,000. The refunding was undertaken to reduce total debt service payments over the next 13 years by approximately $287,000, and resulted in an economic gain of approximately $231,000. Interest on the 2009 bonds is payable in semi-annual installments which began February 15, 2010, at rates ranging from 2.00% to 4.00%, and the serial bonds mature annually to August 15, 2022 in amounts ranging from $25,000 to $485,000. The City has reserved the right to redeem the bonds with maturities on or after August 15, 2019 on August 15, 2018 or any date thereafter.

The City issued $24,575,000 Combination Tax and Revenue Certificates of Obligation bonds dated September 25, 2007. The issuance of these bonds has greatly helped the City to respond to the substantial growth pressures existing in Fire, Police, Public Health, Street, and the Parks and Recreation Departments to meet public facility and infrastructure needs. Interest is payable in semi-annual installments which began November 15, 2008, at rates ranging from 4.00% to 5.25%, and the serial bonds mature annually to May 15, 2027 in amounts ranging from $905,000 to $2,000,000. The

NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)

Tax Supported Debt (Continued)

City has reserved the right to redeem the bonds with maturities on or after May 15, 2018 on May 15, 2017 or any date thereafter. The bonds are insured by the MBIA Insurance Corporation.

On Feb. 18, 2009, MBIA Inc. announced a restructuring plan that created new, separate legal entities within the MBIA group. In this transaction, National (formerly known as MBIA Insurance Corp. of Illinois) became a sister company of other MBIA entities that maintain non-U.S. public finance risks. National became the U.S. public finance insurer within the MBIA group, and it assumed the U.S. public finance book of business that was previously part of MBIA on a reinsurance-cut-through basis. MBIA's other legal entities retained the global structured finance and international infrastructure business. This restructuring had the goal of separating the more-volatile structured finance book of business from the lower-risk/lower-volatility U.S. public finance book. The new company's, National Finance Guarantee Corp. (National), A rating was affirmed by Standard & Poors on September 28, 2009. This rating action has no affect on the City's underlying rating, nor does it affect the original terms of the bonds. The City's General Obligation debt enjoys AAA by Standard and Poor's and Aa2 by Moody's.

Special Assessment Debt

On December 20, 2001, the City issued $600,000 of Combination Tax and Revenue Certificates of Obligation for the purpose of financing the construction of park facilities in the Greenways Public Improvement District of the City. Debt service is to be funded out of special assessments on properties within the District. Under the terms of certificates of obligation, if the City did not levy the special assessment or if the revenue from the special assessments were not sufficient to pay the debt service on the certificates of obligations, the City would be obligated to levy a tax to make the debt service payments. Interest is payable in semi-annual installments at 4.45%, and the certificates are subject to mandatory redemption in annual amounts ranging from $40,000 to $55,000. Final maturity is August 15, 2016, and the City has reserved the right to redeem the remaining outstanding certificates on or after August 15, 2010.

On November 26, 2003, the City issued $620,000 of Combination Tax and Revenue Certificates of Obligation for the purpose of financing the construction of additional park facilities in the Greenways Public Improvement District of the City. Debt service is to be funded out of special assessments on properties within the District. Interest is payable in semi-annual installments at 3.70%, and the certificates are subject to mandatory redemption in annual amounts ranging from $25,000 to $45,000. Final maturity is August 15, 2023.

On May 24, 2006, the City issued $585,000 of Combination Tax and Revenue Certificates of Obligation for the purpose of financing enhancements of the park facilities in the Colonies Public Improvement District. Debt Service is to be funded out of special assessments on properties within the District. Principal and interest are payable monthly at a rate of 4.75%, and the certificates are subject to mandatory redemption in annual amounts ranging from $21,563 - $43,909. The final maturity is February 15, 2026.

On July 17, 2008, the City issued $600,000 (2008A) and $1,500,000 (2008B) of Combination Tax and Revenue Certificates of Obligation for the purpose of financing enhancements of the park facilities in the Greenways Public Improvement District and the Colonies Public Improvement District, respectively. Debt Service is to be funded out of special assessments on properties within each District. For the 2008A issue principal and interest are payable monthly at a rate of 4.28%, and the certificates are subject to mandatory redemption in annual amounts ranging from $20,000 to $45,000. The final maturity is February 15, 2028. For the 2008B issue principal and interest are payable monthly at a rate of 4.08%, and

NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)

Special Assessment Debt (Continued)

the certificates are subject to mandatory redemption in annual amounts ranging from $50,000 to $110,000. The final maturity is February 15, 2028.

Summary of changes in the governmental activities debt for the year ended September 30, 2009 is as follows:

	Tax Supported Debt	Special Assessment Debt	Total Government Activies Debt
Principal balances outstanding, October 1, 2008	$ 29,815,000	$ 3,518,658	$ 33,333,658
New bond issue	4,800,000	-	4,800,000
Bond refunding	(4,655,000)	-	(4,655,000)
Principal maturities	(405,000)	(150,566)	(555,566)
Balances, September 30, 2009	29,555,000	3,368,092	32,923,092
Balance of unamortized issuance cost	(207,543)	(47,885)	(255,428)
Balance of unamortized discount/premium	509,253	-	509,253
Net balances, September 30, 2009	$ 29,856,710	$ 3,320,207	$ 33,176,917

Water and Sewer Bonds

On December 28, 2006, the City issued Waterworks and Sewer System Revenue Refunding Bonds, Series 2006A of $9,370,000 par value to refund the 1996 Waterworks and Sewer System Revenue Refunding. The advance refunding met the requirements of an in-substance defeasance and the applicable bonds were removed from the City's books of account. The refunding was undertaken to reduce total debt service payments by approximately $105,000 and resulted in an economic gain of approximately $67,000. The 2006A bonds mature annually through 2027 in principal amounts ranging from $1,010,000 to $1,350,000, and the interest rates on the outstanding securities range from 4.25 % to 4.38%. In order to keep debt service payments level the City's principal payments will begin in the year 2020.

On September 7, 2005 the City issued the Waterworks and Sewer Revenue Refunding Bonds in the amount of $13,650,000 maturing through 2019, to advance refund a portion of the 1999 Waterworks and Sewer Revenue Bond issue. The refunding was undertaken to reduce total debt service payments over the next twelve years by approximately $917,000 and resulted in an economic gain of approximately $769,000. The refunded bonds were removed from the City's books. The outstanding remaining principal for the 1999 issue was paid off on April 1, 2007. The outstanding 2005 bonds mature annually through 2019 with principal amounts ranging from $950,000 to $1,415,000 and provide for interest rates ranging from 4.00% to 5.00%.

In 2003 the City issued Waterworks and Sewer System Revenue Bonds in the amount of $9,180,000 for the purpose of funding capital projects. The outstanding bonds mature annually through 2023 in principal amounts ranging from $385,000 to $625,000 and provide for interest rates ranging from 3.00% to 4.40%.

On December 28, 2006, the City issued $9,120,000 Waterworks and Sewer System Revenue bonds, Series 2006 for the improvement and expansion of the City's waterworks and sewer system. In order to keep the debt service payments level the principal payments will begin in 2013 and mature annually through 2032 in principal amounts ranging from $305,000 to $655,000. The interest rates on the bonds will range from 4.00% to 4.50%.

On April 1, 2009, the City issued $38,885,000 Combination Tax and Revenue Certificates of Obligation bonds, Series 2009 to help fund the Potter County well field project. The outstanding bonds mature annually through 2028 in principal amounts ranging from $2,005,000 to $2,555,000 and provide for interest rates ranging from .15% to 3.02%.

Subsequent to year-end, on December 29, 2009, the City issued the Combination Tax and Revenue Certificates of Obligation Series 2009B in the amount of $47,400,000. The Series 2009B bonds mature

NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)

Water and Sewer Bonds (Continued)

annually through 2029 in principal amounts ranging from $1,955,000 to $3,400,000 and provide for interest rates ranging from 0% to 2.587%. The City is also expecting to issue Combination Tax and Revenue Certificates of Obligation Series 2009C in the amount of $18,075,000. The Series 2009C bonds are expected to mature annually from 2012 through 2031 and provide for a 0% interest rate.

A summary of changes in Water and Sewer System bonded debt for the year ended September 30, 2009, is as follows:

Principal balances outstanding, October 1, 2008	$ 38,245,000
New bond issue	38,885,000
Principal maturities	(1,290,000)
Balances, September 30, 2009	75,840,000
Balance of unamortized refunding and issuance costs	1,144,965
Net balances, September 30, 2009	$ 74,695,035

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 2010 obligation is $3,602,298. At September 30, 2009, the amount available in this account was $1,385,207.
- 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, 2009, the combined requirement amounted to $2,473,929 and the amount available in this account was $2,473,929.

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.

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, 2009. The City has maintained its tax-exempt status during 2009.

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.

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

NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)

Water Authority Obligations (Continued)

aqueduct system in exchange for the water to be provided from the reservoir. The dam is located approximately 35 miles northeast of the City.

In 1998 a portion of CRMWA's remaining obligation to the U.S. Bureau of Reclamation in connection with the construction indebtedness was retired in exchange for a transfer of CRMWA's surface lands to the National Park Service. In 1999 CRMWA issued revenue bonds maturing in the years 2000 to 2018 in order to retire the balance of the U.S. obligation. The bonds are secured by a lien on contract revenues, consisting of the member cities' project agreement payments. At September 30, 2009, the City's proportionate share of this indebtedness was $4,363,078 and its share of the unamortized discount obtained for early retirement of the Bureau of Reclamation debt was $2,757,771.

In 1999 CRMWA issued revenue bonds maturing in the years 2000 to 2010 to fund a salinity control project with respect to the surface water basin. At September 30, 2009, the City's proportionate share of this indebtedness was $56,735.

In May 1996, member cities of CRMWA agreed to participate in a project to develop underground water rights to supplement CRMWA's available surface water, and CRMWA then issued revenue bonds to fund phase 1 of the project, which consisted of purchasing groundwater rights in the northeastern portion of the Texas Panhandle. In the fiscal year ended September 30, 2000, the 1996 bonds were defeased by a portion of a new issue of revenue bonds (Series 1999) in the face amount of $52,825,000.

In addition to defeasing the 1996 issuance, the proceeds of the new issue were used to fund the drilling of wells and installation of pipelines from the well fields to the existing CRMWA aqueduct system. While two of the eleven member cities elected to pay for their proportionate shares of these costs from their own resources, the City elected to participate in CRMWA's bond issuance.

During April 2005, the member cities of CRMWA agreed to participate in two CRMWA debt issues. The first issue was the 2005 Contract Revenue Refund Series and was used to refund a portion of the Series 1999 issue. At September 30, 2009, the City's portion of the outstanding remaining principal for the 1999 issue is $3,160,980 and the City's portion of the 2005 Refunding bonds is $17,352,179. The refunding was undertaken to reduce total debt service payments over the next sixteen years by approximately $1,215,000 and resulted in an economic gain of approximately $986,000. This issue will be amortized by future payments, including interest, of approximately $3,000,000 per annum through 2014 followed by lesser amounts through 2020. The City also participated in the 2005 Contract Revenue Series issued in the amount of $48,125,000. The City's portion of this bond issue is $19,467,586 at September 30, 2009. The participating member cities desired to have level debt service payments. In order to keep the CRMWA debt service payments level, the City will only be paying interest for the first ten years on the 2005 CRMWA contract revenue bonds. Thereafter, the other obligations will be paid off and the City will begin paying principal and interest on the 2005 CRMWA contract revenue bonds. In total the payments to CRMWA will remain constant through out the term of the various bond issues.

During 2006, the member cities of CRMWA agreed to participate in the 2006 CRMWA debt issue. The Contract Revenue Bonds, Series 2006 were issued in the amount of $49,075,000. The City's proportionate share of this indebtedness is $18,620,749 at September 30, 2009.

During November 2009, CRMWA issued debt in the amount $21,105,000. The City participated in this issue and the City's proportionate share of this indebtedness will be $8.6 million. The City anticipates annual debt service payments of approximately $650,000.

Bonds are secured by a lien on the participating member cities' project payments.

NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)

Summary Information - Long-Term Bonds and Contracts

A summary of changes in the City's CRMWA debt for the year ended September 30, 2009, is reflected in the following table:

Principal outstanding, October 1, 2008	$ 66,002,170
Principal maturities	(2,980,863)
Principal outstanding, September 30, 2009	63,021,307
Proportionate share of related reserves, unamortized issuance cost, and gain on refunding	(3,224,052)
Unamortized redemption discount/premium	5,883,964
Net balances, September 30, 2009	$ 65,681,219

Airport Bonds

On September 3, 2009, the City issued $16,140,000 Combination Tax and Revenue Certificates of Obligation Series 2009A bonds to help fund the terminal building project. The outstanding bonds mature annually through 2020 in principal amounts ranging from $1,165,000 to $1,830,000 and provide for interest rates ranging from 3.00% to 4.78%. The bonds were issued at a premium of $1,266,079, less issuance costs of $201,174. At September 30, 2009, the net balance was $17,204,905.

Bond issues outstanding at September 30, 2009 are summarized in Table 7 below.

	Interest Rates	Final Maturity Date	Principal Amount Outstanding	Annual Principal Installments
City of Amarillo indebtness				
General Obligation debt				
Payable from tax revenues				
General Obligation Bonds, series 2001	4.38%	2010	$ 285,000	$ - – $ 285,000
General Obligation Bonds, series 2009	2.00 - 4.00%	2022	4,825,000	25,000 – 485,000
Combination tax/revenue certificates of obligation, series 2007	4.00 - 5.25%	2027	24,445,000	905,000 – 2,000,000
Payable from special assesments				
Combination tax/revenue certificates of obligation, series 2001	4.45%	2016	325,000	40,000 – 55,000
Combination tax/revenue certificates of obligation, series 2003	3.70%	2023	485,000	25,000 – 45,000
Combination tax/revenue certificates of obligation, series 2006	4.75%	2026	523,092	21,563 – 43,909
Combination tax/revenue certificates of obligation, series 2008A	4.28%	2028	580,000	20,000 – 45,000
Combination tax/revenue certificates of obligation, series 2008B	4.08%	2028	1,455,000	50,000 – 110,000
Waterworks and Sewer Bonds				
2003 revenue issuance	3.00 - 4.40%	2023	6,875,000	385,000 – 625,000
2005 revenue issuance	4.00 - 5.00%	2019	11,590,000	950,000 – 1,415,000
2006 revenue issuance	4.00 - 4.50%	2032	9,120,000	305,000 – 655,000
2006A revenue issuance	4.25 - 4.38%	2027	9,370,000	1,010,000 – 1,350,000
Combination tax/revenue certificates of obligation, series 2009	0.15 - 3.02%	2028	38,885,000	2,005,000 – 2,555,000

NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)

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

	Interest Rates	Final Maturity Date	Principal Amount Outstanding	Annual Principal Installments
Airport Bonds				
Combination tax/revenue certificates of obligation, series 2009A	3.00 - 4.78%	2020	16,140,000	1,165,000 – 1,830,000
Total City of Amarillo issuances			124,903,092	
Canadian River Water Authority indebtedness				
1999 conjunctive use water supply issuance	4.60 - 5.63%	2020	4,363,078	405,899 – 559,854
1999 refunding issuance	4.00 - 5.00%	2018	3,160,980	109,976 – 323,393
1999 salinity control project issuance	3.80 - 4.40%	2010	56,735	56,735 – 53,735
2005 refunding issuance	3.00 - 5.00%	2020	17,352,179	601,054 – 1,777,030
2005 revenue issuance	3.00 - 5.25%	2025	19,467,586	370,012 – 3,558,140
2006 revenue issuance	4.25 - 5.00%	2027	18,620,749	517,896 – 1,529,487
Total City share of Water Authority indebtness			63,021,307	
Total bond issues outstanding			$187,924,399	

Table 7 – Description of Individual Bond Issues Outstanding

The annual requirements to amortize all bonds outstanding, including interest, are shown in Table 8 below.

For the Year Ended September 30,	Tax-Supported Debt		Special Assessment Debt		Water & Sewer Debt		Water Authority Debt		Airport Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 1,215,000	$ 1,392,911	$ 156,563	$ 139,529	$ 1,335,000	$ 2,267,298	$ 2,994,841	$ 3,126,796	$ 1,165,000	$ 708,163	6,866,404	7,634,697
2011	1,270,000	1,336,875	162,611	132,780	3,395,000	2,140,118	3,071,551	2,996,537	1,230,000	645,075	9,129,162	7,251,385
2012	1,320,000	1,291,850	173,708	125,877	3,445,000	2,086,499	3,218,447	2,851,970	1,280,000	594,625	9,437,155	6,950,821
2013	1,365,000	1,242,450	184,860	118,304	3,805,000	2,023,662	3,373,008	2,702,421	1,330,000	542,675	10,057,868	6,629,512
2014	1,425,000	1184550	191,067	110,467	3,870,000	1,945,979	3,546,824	2,538,629	1,380,000	495,125	10,412,891	6,274,750
2015-2019	8,095,000	4,945,125	910,587	430,181	20,845,000	8,203,846	19,697,473	9,858,365	7,925,000	1,433,375	57,473,060	24,870,892
2020-2024	9,160,000	2,869,976	950,867	236,994	20,930,000	5,097,933	22,408,437	4,708,589	1,830,000	43,762	55,279,304	12,957,254
2025-2029	5,705,000	609,262	637,829	51,180	16,330,000	1,710,895	4,710,726	363,800	-	-	27,383,555	2,735,137
2030-2034	-	-	-	-	1,885,000	129,713	-	-	-	-	1,885,000	129,713
	$ 29,555,000	$ 14,872,999	$3,368,092	$1,345,312	$ 75,840,000	$25,605,943	$ 63,021,307	$ 29,147,107	$ 16,140,000	$ 4,462,800	$187,924,399	$ 75,434,161

Table 8 – Annual Debt Service Requirements, Including Interest

Provision for Compensated Absences

The City provides for its full-time employees annual leave of two, three, four or five weeks, depending upon years of service with the City. Up to 65 days of annual leave may be carried over to future years.

Uniformed police officers and firefighters are allowed 15 days of sick leave per year. Civilian, full-time employees are also allowed 12 days' sick leave per year. Employees whose date of hire is before December 29, 1988, may accumulate up to 90 days of sick leave to be paid in a lump sum upon termination of employment. Employees hired after December 29, 1988, must have ten years or more of service before benefits vest. Employees who are eligible to retire may convert accumulated sick leave benefits in excess of the eligible lump-sum termination amounts into an Individual Health Retirement account. Employees hired after September 30, 2007 may accumulate up to 60 days of sick leave and 30 days of annual leave, which will be eligible to be paid in a lump sum upon termination.

NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)

Provision for Compensated Absences (Continued)

The obligation of the City with respect to vested benefits at September 30, 2009, under the annual leave policy was $8,358,820 and compensated time policy was $907,577 and under the sick leave policy was $9,629,517.

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

	Governmental Funds	Proprietary Funds
Balances at October 1, 2008	$ 15,494,333	$ 1,494,168
Terminations paid	(1,379,825)	(154,219)
Leave accrued	3,127,827	313,630
Balances at September 30, 2009	$ 17,242,335	$ 1,653,579

The City retained an actuary for the purpose of valuing the sick leave portion of the above obligations. Of these amounts, approximately $1.6 million in the Government Funds are estimated to be current and $154,000 in the Proprietary 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 assets in the fund at September 30, 2009 were $15,053,260; $679,704 of the obligation is funded in separate internal service funds and is accrued as a liability of these funds.

Provision for Landfill Closure and Postclosure 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, which is an increase from 16,859,000 tons. It is estimated that 14.4% of the revised capacity was filled at September 30, 2009, and that the landfill has a projected remaining life of approximately 161 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 City's design plans divide the landfill site into 12 cells. Four cells, representing 215 acres with a total capacity of 14,186,300 tons or approximately 33% of the total site capacity, are currently open. It is estimated that at September 30, 2009, these four cells were approximately 44% full. 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 postclosure 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 postclosure 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

NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)

Provision for Landfill Closure and Postclosure Care Costs (Continued)

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.

Based on the cumulative usage of 6,210,000 tons at September 30, 2009, together with the estimated 43,098,100-ton capacity of the landfill, the accrued liability consists of the following elements:

Provision for final cover costs	$ 1,276,692
Cost of postclosure care and monitoring	276,766
Total estimated accrued liability	$ 1,553,458

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 bond rating of Aa2, 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.

Long-term liabilities activity for the year ended September 30, 2009 was as follows:

	Balance Sept. 30, 2008	Amortization/ Accretion	Additions	Reductions	Balance Sept. 30, 2009	Due Within One Year
Bonds Payable:						
Governmental Activities						
General Obligation Bonds	$ 5,240,000	$ -	$ 4,825,000	$ (4,955,000)	$ 5,110,000	$ 310,000
Tax Supported Certificates of Obligation	24,575,000	-	-	(130,000)	24,445,000	905,000
Unamortized Debt Isuance	-	1,629	(49,514)	-	(47,885)	-
Unamortized Gain on Refunding	-	-	(207,543)	-	(207,543)	-
Unamortized Offering Premium	449,086	(2,376)	62,543	-	509,253	-
Special Assessment Debt	3,518,658	-	-	(150,566)	3,368,092	156,563
Total Governmental Activities	33,782,744	(747)	4,630,486	(5,235,566)	33,176,917	1,371,563
Business -Type Activities						
Water & Sewer Bonds	37,110,349	92,577	38,782,109	(1,290,000)	74,695,035	1,335,000
Water Authority Obligations	68,780,364	(118,282)	-	(2,980,863)	65,681,219	2,994,841
Airport Bonds	-	-	17,204,905	-	17,204,905	1,165,000
Total Business-Type Activities	105,890,713	(25,705)	55,987,014	(4,270,863)	157,581,159	5,494,841
Total	139,673,457	(26,452)	60,617,500	(9,506,429)	190,758,076	6,866,404
Other liabilities:						
Governmental Activities						
Compensated Absences	15,494,333	-	3,127,827	(1,379,825)	17,242,335	1,584,661
Self-Insurance liability	15,261,482	-		(653,606)	14,607,876	6,443,821
Provision for landfill and postclosure care costs	1,461,585	-	91,873	-	1,553,458	-
Postemployment benefits	14,682,580	-	17,574,488	(2,325,998)	29,931,070	-
Net pension obligation	-	-	2,367,688	-	2,367,688	-
Total Governmental Activities	46,899,980	-	23,161,876	(4,359,429)	65,702,427	8,028,482
Business -Type Activities						
Compensated Absences	1,494,168	-	313,630	(154,219)	1,653,579	154,219
Other accrued expenses	-	-	1,316,942	-	1,316,942	-
Net pension obligation	-	-	392,636	-	392,636	-
Total Business-Type Activities	1,494,168	-	2,023,208	(154,219)	3,363,157	154,219
Total	48,394,148	-	25,185,084	(4,513,648)	69,065,584	8,182,701
Total long-term liabilities	$ 188,067,605	$ (26,452)	$ 85,802,584	$ (14,020,077)	$ 259,823,660	$ 15,049,105

NOTE 11 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following tabulation reflects the composition of interfund balances at September 30, 2009.

Receivable Fund		Payable Funds	
General Fund	$ 1,869,351	Capital Projects	$ 640,000
		Nonmajor Govt. Funds	1,228,951
		Internal Service	400
	$ 1,869,351		$ 1,869,351
Capital Projects	$ 264,880	Internal Service	$ 264,880
	$ 264,880		$ 264,880
Nonmajor Govt. Funds	$ 4,555	General Fund	$ 1,810
		Nonmajor Govt. Funds	2,745
	$ 4,555		$ 4,555
Internal Service Funds	$ 126,062	General Fund	$ 656
		Nonmajor Govt. Funds	27,406
		Internal Service	98,000
	$ 126,062		$ 126,062

All transactions between funds represent "due to/from other funds" caused by cash from one fund paying for expenditures or expenses of another. The City did not incur transactions between funds that would represent lending/borrowing arrangements outstanding at the end of the fiscal year.

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

Transfers Out Fund		Transfers In Fund	
General Fund	$ 7,909,996	Capital Projects	$ 6,525,288
		Nonmajor Govt. Units	1,360,896
		Internal Service	23,812
	$ 7,909,996		$ 7,909,996
Capital Projects	$ 968,191	General Fund	$ 320,496
		Capital Projects	350,046
		Proprietary Funds	59,211
		Internal Service	238,438
	$ 968,191		$ 968,191
Nonmajor Govt. Funds	$ 583,033	General Fund	$ 25,235
		Capital Projects	161,936
		Nonmajor Govt. Units	365,023
		Internal Services	30,839
	$ 583,033		$ 583,033

NOTE 11 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Proprietary Funds	$ 150,075	General Fund	$ 500
		Nonmajor Govt. Units	2,000
		Internal Services	147,575
	$ 150,075		$ 150,075
Internal Service	$ 336,880	General Fund	$ 22,000
		Capital Projects	314,880
	$ 336,880		$ 336,880

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 12 - ASSETS HELD FOR SPECIFIC PURPOSES

The following tabulation summarizes various designations imposed on the use of governmental fund balances:

Reserve for Encumbrances	$ 122,372
Reserve for Prepaid Items	540,998
Reserve for Sick and Annual Leave	58,333
Reserve for Uncollected Taxes	81,753
Fund balances of grant funds reserved for grant purposes	423,055
Unreserved Designated for Debt Service	101,259
Unreserved Designated for Capital Projects	48,335,396
Unreserved Designated for other specific purposes	2,680,946
Unreserved Designated for sick and annual leave	15,053,260
Total designations on use of governmental fund balances	$ 67,397,372

Net assets of business-type activities, Water and Sewer System Fund in the amount of $2,524,136 and Airport Fund in the amount of $1,158,877, are restricted as provided by the ordinances under which the bonds were issued.

NOTE 13 - 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.

NOTE 13 - 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, 2009 and for its fiscal year then ended, reflect the following:

Assets	
Cash and cash equivalents	$ 14,786,982
Due from member cities and other receivable	4,575,761
Inventory	116,354
Debt Service Funds	
Restricted cash and cash equivalents	20,620,859
Due from cities	127,577,083
Bond issuance costs, net of amortization	1,308,976
Property, plant and equipment, net of accumulated depreciation	228,001,196
Liabilities and Deferred Revenues	
Current liabilities	12,414,226
Noncurrent liabilities	133,947,794
Net Assets	$ 250,625,191
Revenues	
User assessments for operations	$ 11,746,841
Other	78,727
Expenditures	
Operating expenses	13,755,978
Other Financing Sources (Uses)	
Nonoperating revenues (expenses)	192,182
Transfer	(43,382)
Net Decrease in Net Assets	$ (1,781,610)

CRMWA's debt consists of the approximately $10.3 million related to bonds issued to refund the construction obligation to the Bureau of Reclamation, $.3 million related to debt issued to fund its share of an upriver salinity control project, and $125.4 million related to the underground water project. The CRMWA's annual debt services requirements, including interest, range from $3.8 million to $12.7 million

NOTE 13 - WATER SUPPLY CONTRACT (CONTINUED)

with final repayment in 2027. 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 water is 37.09%, its share of this debt is approximately $63,064,000. 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:

- 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 14 - 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 chairmen 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, 2009, the Consortium served approximately 60 libraries in addition to its members. The audited financial statements of the Consortium at September 30, 2009 and for the year then ended are summarized in the table below.

Balance Sheet	
Capital assets, net of depreciation	$ 42,225
Cash and other assets, net	1,184,500
Current liabilities	119,733
Net assets	$ 1,106,992
Revenues	
Operating revenues	$ 328,457
Nonoperating revenues	65,960
Total revenues	394,417
Expenses	
Operating expenses	374,230
Change in net assets	$ 20,187

NOTE 15 - 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.

Health and Accident: The City self-insures medical benefits of up to $1,000,000 overall lifetime maximum for employees, retirees, and their covered dependents.

Property: Property insurance is maintained with commercial carriers, with a self-insured retention per occurrence of $250,000. Total blanket coverage for all buildings and contents including terrorism coverage is $519,767,154. The property insurance policy also includes a Terrorism endorsement.

The City has an endorsement to its property insurance coverage for Boiler and Machinery (explosion and damage). Insurance is maintained with commercial carriers to the extent of $50,000,000 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.

Workers' Compensation: City employees are entitled to statutory workers' compensation benefits. The City has a per accident self-insurance retention of $1.5 million per occurrence with statutory limits. The Excess Workers' Compensation and Employers' Liability Indemnity Policy was purchased to cover a major accident. Historically, the City has had one claim that exceeded the then $1,000,000 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. Additionally, no insurance is carried for crime or burglary losses nor employee dishonesty, except for the minimal bonds required by law.

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: All full-time employees are provided with health insurance and $10,000 life insurance in the City's basic benefit package. Full-time employees can add dependents for health and life coverage. Retirees are also allowed to retain their health insurance, including dependent coverage after retirement along with the basic $10,000 life insurance benefit. While the City pays for the majority of the health insurance benefit, the employee is also required to participate in the cost of the program. Additional group life insurance is also available, but solely at the employee's expense. The City has a third-party carrier for the life insurance benefit. The City currently has specific stop loss coverage with a $50,000 annual deductible, but is essentially 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.

NOTE 15 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

Self-Insurance and Risk Management (Continued)

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, 2009 related to incurred but not reported (IBNR) claims was $2,258,913. The IBNR estimate was computed by management based on historical patterns and reference to previous actuarial estimates. An actuarial study of the IBNR claims of the employee insurance fund was done as of September 30, 2009. Management's estimate of the liability by the City was within recommended funding ranges of that study. A provision is also made for estimated future costs of known loss events. This provision at September 30, 2009, was $2,209,457 and was calculated by management based on historical costs associated with similar health conditions. The postemployment health benefit adjustment is $15,248,490, which includes the annual required contribution of $17,574,488 less the pay as you go cost of $2,325,998.

After providing for incurred losses, the Employee Insurance Trust had net assets of $(23,653,180) at September 30, 2009. Included in the net asset calculation is the adjustment discussed in the previous paragraph for postemployment health benefits as required Governmental Accounting Standards Number 45. This adjustment is $15,248,490 for the 2008/2009 fiscal year.

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

	2009	2008
Estimated liabilities at beginning of year	$ 18,167,074	$ 2,926,879
Post employment health benefits annual required contribution	17,574,488	16,761,974
Post employment health benefits pay as you go cost	(2,325,998)	(2,079,394)
Claims during year and changes in estimates	15,310,137	14,874,842
Payments during year	(14,326,261)	(14,317,227)
Estimated liabilities at end of year	$ 34,399,440	$ 18,167,074

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, airport boiler and machinery, police, auto, and excess liability; workers compensation; unemployment; property; crime/fidelity/burglary; 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, 2009. 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, 2009 to be $10,139,506.

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.

NOTE 15 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

Risk Management Fund (Continued)

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

	2009	2008
Estimated liability at beginning of year	$ 11,776,988	$ 9,323,282
Claims during year and changes in estimates	824,256	4,640,326
Payments during year	(2,461,738)	(2,186,620)
Estimated liability at end of year	$ 10,139,506	$ 11,776,988

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 unpresented claims payable at September 30, 2009.

Pollution Remediation Obligation

In 2003 the City of Amarillo was notified that it is a Potentially Responsible Party (PRP), due to it contributing waste oil some years earlier to the Double Eagle Refinery superfund site, in Oklahoma City, Oklahoma. By August 2004 the City of Amarillo, along with a coalition of approximately 43 other PRPs, had reached a negotiated settlement in principal with the United States Department of Justice (DOJ) and State of Oklahoma for the respective liability of each PRP. That settlement amount was $4.60 per gallon. Finally, in November 2007, after protracted negotiations, the DOJ and coalition counsel reached agreement on precise wording of the settlement documents, and Amarillo tendered its payment of $124,609.

In the summer of 2008 the DOJ simultaneously filed the complaint and the settlement agreement in federal court. As the owner of the Double Eagle site, Union Pacific Railroad (UPRR) objected to the settlement, arguing that the coalition PRPs were not paying enough and leaving it with too much liability. UPRR pointed to prior settlements with other PRPs at $8.00+ per gallon. In reply, the coalition argued (1) this group of PRPs, including Amarillo, typically contributed lesser amounts as compared to those prior PRPs who had to pay more for their corresponding environmental damage; and (2) members of this coalition promptly accepted responsibility for their actions and sought an early settlement without forcing the government into a lawsuit and costly, protracted, discovery and hearings-- as the government had to do with those prior PRPs who ultimately paid a higher price per gallon for their obstinacy. In December 2008 the federal district court ruled against UPRR and the railroad has now appealed that ruling to the court of appeals.

There is no assured manner for predicting the outcome of this litigation. Amarillo is confident the $4.60/gallon is a reasonable and defensible settlement position under the totality of the circumstances. Nonetheless, for disclosure purposes, it is acknowledged that there remains an uncertain potential that such amount could go higher, if UPRR prevails.

NOTE 15 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

Pollution Remediation Obligation (Continued)

For many years the City discharged treated effluent wastewater into a playa lake in full compliance with a State of Texas issued environmental discharge permit. During this time a plume of water developed beneath the playa and has slowly migrated outward. The most notable quality of this plume is that it contains slightly more chloride than the ambient groundwater in the vicinity.

Over time the plume of water migrated outward and seeped into some nearby homeowners' domestic water wells. Both at that time and to date, the chloride in groundwater does not meet any definition of pollution or contamination; the water is still safe to drink. In fact, the water is of an equal or better quality than the water the City of Amarillo delivers to its citizens, and the City's public drinking water is rated superior by the State of Texas.

The City has been monitoring the nearby homeowners' wells for about twenty years. If the chloride content rose above a certain amount, the City routinely drilled replacement wells that were deeper than the plume and were encased to prevent the plume from affecting the taste of the well water. The City also installed reverse osmosis treatment systems for homeowners to enhance the taste of the well water.

Management believes that GASB 49 does not apply in this instance since there has been no actual pollution. Moreover, management does not feel that it is legally obligated to monitor the plume and provide replacement wells and treatment systems. However, the City intends to continue the practice in the future as a good neighbor to surrounding homeowners. The City has accordingly recorded a liability of $1.4 million for the future practice of monitoring wells and providing replacement wells and treatments systems.

NOTE 16 - 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:

Issues	Number of issues	Original issue amounts
Amarillo Industrial Development Corporation	23	$ 47,936,000
Amarillo Health Facilities Corporation	27	287,545,000
Amarillo Housing Finance Corporation	5	35,086,708
Amarillo Housing Corporation	1	2,460,000
		$ 373,027,708

NOTE 17 - 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 District sold its hospital facilities to a private hospital management company for approximately $121,000,000 and discontinued assessing ad valorem taxes for hospital purposes. With the exception of continuing the operations of a pediatric-specialty, nonprofit entity until 2000, the functions of the District since the sale of the hospital facilities have consisted primarily of investing the sales proceeds for future hospital purposes and funding indigent care costs. The employee pension plan is held for payment of future benefits as former employees meet applicable retirement requirements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Additionally, the District follows GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as amended by GAS No. 50, *Pension Disclosures.* Accordingly, its pension expense is recognized on the accrual basis.

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 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 years ended September 30, 2009 and 2008, the District recognized approximately $6,148,406 and $6,356,000, respectively, 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 upper payment limit program ("Medicaid UPL"). 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 the an almost identical agreement called the Health Care Services Agreement. (HCA). The District remitted approximately $12,712,000 on

NOTE 17 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Agreements with Respect to Hospital Sale (Continued)

November 20, 2006 to fund the Medicaid UPL program. On October 1, 2007, the parties entered into a Second Suspension Agreement, amended in June 2008, where the indigent care agreement was suspended through August 8, 2010 and the District provided $10,617,911 to the Medicaid UPL program. The agreement was amended a third time in October 2008 suspending the indigent care agreement to August 2011 and $5,526,945 in Medicaid UPL funding was made on December 1, 2009. The agreement was amended a fourth time in June 2009 suspending the indigent care agreement to November 8, 2012. The District made payments of $2,695,249 in June 2009 and $3,896,364 in September 2009 for Medicaid UPL funding. Subsequent to year-end, the agreement was amended to extend the suspension of the indigent care agreement through August 8, 2013 with a payment of $4,007,690 in Medicaid UPL funding.

With the suspension of the "Indigent Care Agreement," the District was no longer obligated to make indigent care payments. Currently, the "Indigent Care Agreement" and corresponding payments have been suspended through November 2012. The District has provided $35.5 million in funding to the Medicaid program versus $41.6 million in indigent care payments that would have been due under the contract.

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, 2009 are as follows:

	Fair Value			Weighted Average Maturity (Years)
	Unrestricted Assets	Restricted Assets	Total	(excluding securities lending)
Investment Securities				
U.S. Treasury obligations	$ 10,793,906	$ -	$ 10,793,906	7.53
U.S. Government and government-sponsored agencies	172,930,839	-	172,930,839	25.42
Municipal bonds	12,707,575	-	12,707,575	4.35
Total investment securities	196,432,320	-	196,432,320	8.57
No-load U.S. Treasury-only mutual funds	11,779,867	-	11,779,867	-
Total investments	208,212,187	-	208,212,187	8.08
Deduct: Cash equivalents	(11,779,867)	-	(11,779,867)	-
Add: Secured lending transactions	51,018,300	-	51,018,300	-
Net investments for financial reporting	$ 247,450,620	$ -	$ 247,450,620	6.80

Property Taxes

The District is co-extensive with the City, and the assessed valuations that have formed the basis for its tax roll have been the same as that of the City. The assessment of ad valorem taxes ceased in 1996 with the sale of the facilities. Ad valorem tax revenue of $5,999 for the year ended September 30, 2009 represents collections of delinquent taxes.

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

NOTE 17 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Tobacco Settlement (Continued)

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. The District received distributions under this provision in the amount of approximately $941,000 in 2009. However, the District has been advised by the State to expect about half that amount in 2010.

Employee Retirement Benefits

Substantially all full-time employees of the District had been eligible for participation in the pension plan, which is a single-employer, noncontributory plan. Upon the sale of the Hospital in 1996, the employee pension plan was "frozen."

An actuarial valuation performed as of October 1, 2008 reflected an actuarial accrued liability of approximately $31,047,000 and net assets available for benefits, at "smoothed" market, of approximately $18,858,000, resulting in an unfunded liability of approximately $12,189,000. Significant actuarial assumptions used in the valuations include a rate of return on investments of 8%. Compensation increases do not apply due to the plan being frozen. For the year ended September 30, 2009, the District made a contribution of approximately $1,979,000 to the plan.

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. At October 1, 2008, the plan had 270 participants classified as "active" under this provision, although the plan was "frozen" as it relates to District participants, as well as 386 retirees and 234 terminated employees entitled to, but not receiving benefits.

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.

NOTE 17 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Commitments and Contingencies (Continued)

As of September 1, 2009, the District is no longer the contractor for the Poison Center in Amarillo. The District had subcontracted with Texas Tech University (Texas Tech) to manage the Poison Center in Amarillo. As of September 1, 2009, the State is contracting directly with Texas Tech. The Poison Center is entirely grant funded and the District remitted the payments from the granting agency to Texas Tech.

The District has contracts with Northwest Texas Healthcare System (Northwest) and Northwest's affiliate, Amarillo Clinical Services, Inc. (ACS), relating to pediatric, dental and tobacco prevention services. Under the contract with ACS, ACS will provide pediatric physician healthcare services under the terms of an arrangement with Texas Tech. Under the contract with Northwest, Northwest will provide non-hospital healthcare services, including dental care services and tobacco prevention and control services. For the years ended September 30, 2009 and 2008, the District paid approximately $1,366,000 and $1,628,000, respectively, for pediatric subspecialty care, indigent dental care, and our smoking cessation and prevention program called Tobacco Free Amarillo.

For the year ended September 30, 2010, the District has committed to fund pediatric services, dental services and tobacco prevention services for approximately $1,639,000.

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 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION

Significant Accounting Policies

Operations

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 Commission. The City serves as fiscal agent for AEDC, providing such services as accounting, investment, and management information services.

Because of the City's excellent mid-continent location and its year-around flying weather, together with the availability of the land and improvements of a former U.S. Air Force Strategic Air Command base, many of the early projects of AEDC have focused on the City's International Airport. As one of its first economic development projects, AEDC issued sales tax revenue bonds to fund the construction of a hangar on ground leased from the City's Airport. The hangar is capable of accommodating a Boeing 747 airplane and is being leased to a qualifying private enterprise. Additional other leases have been entered into involving existing hangars, nearby buildings and construction of facilities.

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.

NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

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 market 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.

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'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, 2009 is as follows:

	Fair Value	Weighted Average Maturity (Years)
Investments		
U.S. Treasury	$ 8,565,779	.40
Money market mutual funds	12,379,949	–
Total investments at fair value	20,945,728	.40
Deduct: Classified as cash equivalents for financial reporting	(12,379,949)	–
Add: Secured lending transaction	1,817,016	
Net investments	$ 10,382,795	.40

NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

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.

An analysis of loans and the related valuations allowances at September 30, 2009 is as follows:

Principal balances	$ 48,816
Allowance for uncollectible accounts	(36,612)
Loans net of allowances	$ 12,204

Direct Financing Leases

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 incentive package includes 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 a lease agreement 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. As of September 30, 2009, AEDC had increased the total funding capacity under the location incentive agreement to $116 million.

In the 1999 fiscal year, approximately 65 acres of land adjacent to the City's airport were acquired for Phase I of this project, and construction of a hangar and an aircraft assembly building was begun. The first building was completed in May 1999, and the second building was completed in March 2000. The rental term for this phase of the project is 20 years, coinciding with the term of sales tax revenue bonds in face amount of $23,430,000 sold in order to fund the construction. The rental amount is to be the levelized debt service on the bonds. The resulting annual rentals, in the amount of $2,163,503, were waived during the first year and, as noted above, subsequent annual rentals could be fully waived if job creation goals are met.

At the end of the 20-year lease term, Bell Helicopter has the option to purchase the buildings and underlying land for $1. At September 30, 2009, AEDC's net investment in this lease was $15,658,132.

In fiscal year 2005, an expansion to the aircraft assembly building was completed for a total cost of $10,570,000. The rental term for this project is 20 years, beginning on the date the lease commenced. The resulting monthly rentals, in the amount of $44,042 could be fully waived if job creation goals are met. At September 30, 2009, AEDC's net investment, less discount for jobs credits, in this lease was $5,236,948.

The expansion to the Hanger was completed for a total cost of $14,234,368. The lease for this project commenced on January 1, 2006. The rental for this project is 20 years, beginning on the date the lease commenced. The resulting annual rentals, in the amount of $711,718, could be fully waived if job creator

NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Direct Financing Leases (Continued)

goals are met. At September 30, 2009, AEDC's net investment in this lease, less discount for jobs credits, was $7,519,891.

Phase IV of the project was completed for a total cost of $15,028,921. The lease for this project commenced on January 1, 2006. The rental term for this project is 20 years, beginning on the date the lease commenced. The resulting annual rentals, in the amount of $751,446, could be fully waived if job creator goals are met. At September 30, 2009, AEDC's net investment in this lease, less discount for jobs credits was $7,851,687.

Additionally, in fiscal year 2006 AEDC acquired another 98.6 acres of adjacent land for future expansion, at a total cost of $782,540. 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.

In fiscal year 2009 Phase VI was completed for a total cost of $22,242,454. The lease for this project commences on January 1, 2010. The rental term for this project is 20 years, beginning on the date the lease commences. The resulting annual rentals in the amount of $1,884,509 could be waived if job creation goals are met. At September 30, 2009, AEDC's net investment in this lease, less discount for job credits, was $22,000,000.

The AEDC has three other direct financing leases, with a total carrying value of $8,340,083 as of September 30, 2009. Future noncancelable commitments of the tenants under these arrangements are as follows:

Year ending September 30	Bell Helicopter	Other
2010	$ 4,155,167	$ 795,267
2011	6,039,676	795,267
2012	6,039,676	795,267
2013	6,039,676	795,267
2014	6,039,676	795,266
Future years	60,823,563	9,609,048
	$ 89,137,434	$ 13,585,382

As described above, the Bell Helicopter lease is subject to jobs creation credits that may result in a full waiver of the lease payments.

Operating Lease Activities

The AEDC has entered into a number of arrangements in which it leases hangars and similar properties at the City's airport and, with appropriate improvements and modifications, subleases the properties to qualifying manufacturing or industrial enterprises at scheduled amounts sufficient to amortize the AEDC's costs over the lease terms. However, the scheduled payments are subject to incentive discounts and waivers based on job creation criteria. During the year ended September 30, 2009, AEDC received rentals in the amount of $10,885 and paid $10,885 to the Amarillo International Airport to lease certain of its properties for this purpose.

NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Operating Lease Activities (Continued)

The AEDC entered into a lease agreement with the City to lease warehouse property on the northwest side of Amarillo. They sublease the property to a manufacturing company at scheduled amounts sufficient to amortize AEDC's costs over the lease term. During the year ended September 30, 2009, AEDC received rentals in the amount of $247,387and paid $106,686 to the City for lease of this property.

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, 2009, the AEDC's property, plant, and equipment were as follows:

Buildings and improvements	$ 24,064,886
Equipment	126,404
Construction in progress	1,171,929
Accumulated depreciation	(4,882,413)
Total capital assets	$ 20,480,806

Employee Retirement Benefits

The AEDC maintains a money purchase pension plan for its employees, which is designed to meet the requirements of Internal Revenue Code Section 401(a), and has adopted a current contribution rate of 10% of salaries. As the AEDC's policy is to fund credits as they accrue, there is no unfunded pension obligation. A local banking institution serves as trustee. The cost of this plan for the year ended September 30, 2009 was $54,918.

Long-Term Debt

In December 1998 the AEDC issued its taxable sales tax revenue bonds in the amount of $23,430,000 for purposes of financing facilities being constructed for Bell Helicopter Textron. In December 2007, AEDC issued $48,915,000 Amarillo Economic Development Corporation Taxable Sales Tax Revenue Refunding and Improvement Bonds Series 2007. These bonds were issued to refund the bonds issued in 1998 and to finance construction of an assembly space for Bell Helicopter Textron and a processing facility for Pacific Cheese and to pay costs associated with the issuance of bonds.

The 2007 bonds mature serially through 2027 and call for interest rates on the bonds currently outstanding ranging from 4.35% through 6.25%. Scheduled principal payments are as follows: 2010, $2,290,000; 2011, $2,400,000; 2012, $2,510,000; 2013, $2,625,000; 2014, $2,755,000 and thereafter $31,280,000. The principal outstanding at September 30, 2009 was $43,860,000.

In December 2009 the AEDC issued its taxable sales tax revenue bonds in the amount of $38,830,000 for purposes of financing facilities being constructed for Bell Helicopter Textron and Zarges Aluminum Systems (Zarges). After issuance costs and funding a reserve fund, approximately $31 million of the bond proceeds will be used for Bell and about $5 million will be used for the Zarges project. Zarges is a company located in Weilheim, Germany that manufactures specialty aluminum products. One of the product lines offered by Zarges is tower fittings (service lifts, ladders and tower platforms) for the wind industry. Zarges has selected Amarillo, Texas as its U.S. location in which to service the U.S. wind energy market. The AEDC is providing a build-to-suit facility to lease to Zarges.

NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Long-Term Debt (Continued)

The 2009 bonds mature serially through 2030 and call for interest rates on the bonds currently outstanding ranging from 2.482% through 6.529%. Scheduled principal payments are as follows: 2011, $1,175,000; 2012, $1,205,000; 2013, $1,245,000; 2014, $1,290,000; 2015, $1,340,000 and thereafter $32,575,000. AEDC's bonds are rated "A1" by Moody's Investors Service, Inc. and "AA-" by Standard & Poor's Ratings Services.

Commitments

AEDC's total commitment to Bell Helicopter for employee relocation and training, together with site acquisition, is approximately $116 million.

At September 30, 2009, AEDC had other outstanding commitments, not included above, to make grants or extend credit to qualifying enterprises, generally effective for a five-year period, in the amount of approximately $8.8 million, of which approximately $5.0 million had been committed during the latest fiscal year. Because of the lapse of time, management expects few, if any, of the older commitments to be exercised.

AEDC is obligated to the City for leases of airport property and other property being subleased to various development and manufacturing enterprises.

Financial Statements

Separately issued financial statements for this entity may be obtained by contacting the AEDC at its offices, which are located at 801 South Fillmore, Suite 205, Amarillo, Texas 79101.

NOTE 19 - 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, and this agreement is collateralized by the City's 7% hotel occupancy tax.

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 Commission 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.

NOTE 19 - 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, 2009 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 for a refunding of $6,340,000 of outstanding Special Tax and Lease Revenue Bonds, Series 2000. The refunding was undertaken to reduce total debt service payments over the next 30 years by approximately $423,000 and resulted in an economic gain of approximately $430,000. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Venue District's financial statements.

In July 2009, the Venue District issued $8,130,000 in Special Tax and Lease Revenue Refunding Bonds for a refunding of outstanding Special Tax and Lease Revenue Bonds, Series 1998. The refunding was undertaken to reduce total debt service payments over the next 20 years by approximately $651,697 and resulted in an economic gain of approximately $435,000. 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, 2009 on the bond issues was $14,430,000.

The District has purchased a reserve fund surety bond from MBIA Insurance Corporation on its 1998 bond issue, which freed up the reserve fund to be used to service the debt. Through a restructuring plan MBIA Insurance Corp. of Illinois Inc. became National Finance Guarantee Corp. (National), which is a new, separate legal entity within the MBIA group. In the restructuring, National became the U.S. public

NOTE 19 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)

finance insurer within the MBIA group, and it assumed the U.S. public finance book of business that was previously part of MBIA. National's A rating was affirmed by Standard & Poors on September 28, 2009. The District was required to utilize a surety bond from an insurer having a rating in the highest rating category by two nationally recognized rating agencies or services, which the District met. There is no requirement to maintain the rating standard; the fact that the entity qualified when the surety bond was issued is sufficient. As mentioned above, the 1998 bonds have been refunded in 2009.

Commitments

The Venue District has entered into a management agreement with the nonprofit fair association to operate the livestock arena and the City for the operation of the portion of the project connected to the City's facility. In this connection, the Venue District is paying both the nonprofit fair association and the City a management fee. The management fees are subject to annual appropriation of the Board. In February 2008, the Venue District increased its management fee for operating the Amarillo National Center from $20,000 per month to $22,000 per month. The total management fees paid during the fiscal year ended September 30, 2009 were $570,965, which exceeded the original budget of $562,021. The Venue District has committed $562,000 in management fees in fiscal year 2010.

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 20 - 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 trusteed 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 trusteed investment arrangement in which proceeds are invested in GNMA and FNMA certificates. In 2003 the AHFC issued $10,450,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trusteed 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. Through September 30, 2009 $2,730,779 of the $4 million in MCCs had been utilized. The Housing Finance Corporation's MCC program will terminate December 31, 2009.

NOTE 20 - AMARILLO HOUSING FINANCE CORPORATION (CONTINUED)

Financial Statements

This organization does not publish separate financial statements, but its non-trusteed cash balance, used for miscellaneous operating expenses, is accounted for as an Agency Fund of the City. Further information regarding this entity may be obtained from the Director of Finance, City of Amarillo.

NOTE 21 - TAX INCREMENT ZONE #1

The Taxing Increment Reinvestment Zone Number One (TIRZ) 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.

The TIRZ has agreed to support the Potter County Courthouse renovation project with a debt issuance up to $1,234,605. However, Potter County has not requested any funding and the issuance would have to be approved by the City Commission. The TIRZ has also agreed to rebate a portion of the taxes paid on the value of improvements for three projects. The TIRZ has agreed to rebate 90% of the taxes paid due to the increase in value on three projects. These are the Barfield Building not to exceed 20 years or $1,006,715; the Fisk Building not to exceed 20 years or $1,657,716 and the Double R Lofts not to exceed 20 years or $778,686.

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.

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 this criteria, the budgetary comparison schedule of the General Fund is presented in this section.

Pension trend data: The funding progress of the City's portion of 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 funding progress of the City's portion of the postemployment benefit plan is included in this section.

CITY OF AMARILLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual Amounts			
	Original	Final	Actual Amounts	Adjustments to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Ad valorem taxes	$ 29,057,158	$ 29,057,151	$ 29,442,408	$ -	$ 29,442,408	$ 385,257
Sales taxes	49,957,940	49,957,941	48,063,372	-	48,063,372	(1,894,569)
Gross receipts bus. taxes	15,440,747	15,440,744	14,318,526	-	14,318,526	(1,122,218)
Licenses and permits	1,765,594	1,765,595	1,758,303	-	1,758,303	(7,292)
Interfund reimbursement	1,307,349	1,307,361	1,373,441	-	1,373,441	66,080
Intergovernmental revenue	2,928,968	2,944,261	3,884,852	-	3,884,852	940,591
Contributions from citizens	6,000	31,000	31,000	-	31,000	-
Charges for services	28,011,261	28,011,271	27,715,308	-	27,715,308	(295,963)
Fines and forfeitures	4,089,857	4,089,855	5,217,578	-	5,217,578	1,127,723
Investment earnings	1,980,424	1,980,422	1,313,801	-	1,313,801	(666,621)
Other rentals and commissions	347,388	347,390	357,549	-	357,549	10,159
Miscellaneous revenues	474,043	474,046	482,188	-	482,188	8,142
Total Revenues	135,366,729	135,407,037	133,958,326	-	133,958,326	(1,448,711)
EXPENDITURES						
Auditorium/Coliseum	3,154,609	3,293,033	2,913,947	(18,169)	2,895,778	397,255
Tourism	2,886,835	2,886,835	2,798,810	10,892	2,809,702	77,133
Fire protection	23,444,195	24,202,165	23,614,576	(16,849)	23,597,727	604,438
General government	3,064,616	3,352,359	3,223,374	6,564	3,229,938	122,421
Libraries	3,584,289	3,599,700	3,353,095	(3,734)	3,349,361	250,339
Other	4,815,761	5,034,062	4,781,436	4,411	4,785,847	248,215
Parks	6,293,960	6,425,195	6,111,889	641	6,112,530	312,665
Participant recreation	4,641,892	4,701,055	4,383,834	(37,843)	4,345,991	355,064
Police protection	33,117,119	34,192,251	34,472,416	(147,580)	34,324,836	(132,585)
Solid waste	11,356,711	11,657,068	11,326,793	(1,110)	11,325,683	331,385
Staff services	9,456,011	9,543,173	8,909,434	(18,148)	8,891,286	651,887
Information technology	2,689,330	2,689,330	2,689,329	-	2,689,329	1
Streets traffic and engineering	14,482,437	14,756,234	13,593,360	(55,263)	13,538,097	1,218,137
Transit	4,091,863	4,216,014	4,063,490	(28,701)	4,034,789	181,225
Total expenditures	127,079,628	130,548,474	126,235,783	(304,889)	125,930,894	4,617,580
Excess (Deficeincy) of Revenues Over (Under) Expenditures	8,287,101	4,858,563	7,722,543	304,889	8,027,432	3,168,869
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	585,000	623,900	368,231	-	368,231	(255,669)
Transfers to other funds	(8,800,458)	(5,447,732)	(7,909,996)	-	(7,909,996)	(2,462,264)
Total Other Financing Sources (Uses)	(8,215,458)	(4,823,832)	(7,541,765)	-	(7,541,765)	(2,717,933)
Net Change in Fund Balances	71,643	34,731	180,778	304,889	485,667	450,936
FUND BALANCE OCTOBER 1, 2008	37,191,881	37,191,881	37,191,881	-	37,191,881	-
FUND BALANCE, SEPTEMBER 30, 2009	$ 37,263,524	$ 37,226,612	$ 37,372,659	$ 304,889	$ 37,677,548	$ 450,936

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
SEPTEMBER 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/08	$ 142,555,601	$ 265,302,716	$ 122,747,115	53.7%	$ 63,322,278	193.8%
12/31/07	137,368,480	252,373,671	115,005,191	54.4%	56,938,843	202.0%
12/31/06	140,836,400	210,725,728	69,889,328	66.8%	54,443,156	128.4%
12/31/05	139,414,655	203,697,593	64,282,938	68.4%	51,564,577	124.7%
12/31/04	135,002,341	195,215,275	60,212,934	69.2%	49,363,360	122.0%
12/31/03	133,081,626	189,340,431	56,258,805	70.3%	46,144,235	121.9%

Source: TMRS actuarial valuation

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
SEPTEMBER 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/08			Not Calculated			
12/31/07	112,656,382	122,323,458	9,667,076	92.1%	12,568,747	76.9%
12/31/06			Not Calculated			
12/31/05	98,689,048	107,868,069	9,179,021	91.5%	11,583,479	79.2%
12/31/04			Not Calculated			
12/31/03	92,553,607	96,787,914	4,234,307	95.6%	10,401,659	40.7%
12/31/02			Not Calculated			
12/31/01	87,450,494	84,852,411	(2,598,083)	103.1%	10,200,923	-25.5%

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
SEPTEMBER 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
10/1/09	$ -	$ 190,216,284	$ 190,216,284	0.0%	$ 80,561,270	236.1%
10/1/08	-	203,630,675	206,630,675	0.0%	80,412,465	253.2%
10/1/07	-	188,899,159	188,899,159	0.0%	78,070,354	242.0%

(1) 2009 employer contributions are based on actual fiscal year ending 2009 Pay-As-You-Go payments (retiree costs less contributions paid by retirees) made by the City, accumulated with interest to the end of the fiscal year. 2010 employer contributions (Pay-As-You-Go costs) are estimates and will be determined at the end of the year.

(2) The FYE 2009 liabilities and annual costs are based on the 10/01/07 GASB 45 valuation.

See Independent Auditor's Report.

This page left blank intentionally.

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.
>
> **Cable Capital Facilities Fund:** Funds received and restricted for specific cable connectivity with Amarillo Independent School District.
>
> **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.

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, 2009

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
ASSETS					
Cash and cash equivalents	$ 1,529,426	$ 427,524	$ 238,797	$ 737,428	$ 1,100,865
Investments, at fair values	-	-	-	-	-
Receivables, net of allowances for uncollectibles					
Property taxes	-	-	-	-	-
Accounts	100,950	141,962	-	-	-
Accrued Interest	-	-	-	-	-
Other accrued revenue	26,046	167,151	-	-	-
Due from other funds unrestricted	3,254	-	-	1,301	-
Due from other governments	189,048	675,727	-	-	208,714
Prepaid items	532,651	-	-	605	-
TOTAL ASSETS	$ 2,381,375	$ 1,412,364	$ 238,797	$ 739,334	$ 1,309,579
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Vouchers payable	$ 101,231	$ 15,709	$ 150	$ 93	$ 32,559
Accounts payable	202,963	190,338	-	6	310,639
Securites lending collateral	-	-	-	-	-
Due to other funds - unrestricted	229,125	800,786	-	2,572	200,000
Due to other governments	20,502	-	-	105,163	-
Deferred revenues - other	191,547	-	-	-	-
Deferred revenues - property taxes	-	-	-	-	-
Total liabilities	745,368	1,006,833	150	107,834	543,198
FUND BALANCES					
Reserved for uncollected taxes	-	-	-	-	-
Reserved for grant donor purposes	-	405,531	-	-	-
Reserved for sick and annual leave	58,333	-	-	-	-
Reserved for prepaid items	532,651	-	-	605	-
Unreserved:					
Designated for debt service	-	-	-	-	-
Designated for other specific purposes					
Compensated absences	-	-	-	-	-
Special revenues	1,045,023	-	238,647	630,895	766,381
Total fund balances	1,636,007	405,531	238,647	631,500	766,381
TOTAL LIABILITIES AND FUND BALANCES	$ 2,381,375	$ 1,412,364	$ 238,797	$ 739,334	$ 1,309,579

See Independent Auditor's Report.

Bonded Debt Service Fund	Compensated Absences Fund	Permanent Fund	Total Nonmajor Governmental Funds
$ 104,002	$ 1,429,002	$ 17,524	$ 5,584,568
-	16,449,710	-	16,449,710
9,165	-	-	9,165
-	-	-	242,912
-	67,396	-	67,396
-	-	-	193,197
-	-	-	4,555
-	-	-	1,073,489
-	-	-	533,256
$ 113,167	$ 17,946,108	$ 17,524	$ 24,158,248
$ -	$ -	$ -	$ 149,742
2,743	-	-	706,689
-	2,866,229	-	2,866,229
-	26,619	-	1,259,102
-	-	-	125,665
-	-	-	191,547
7,485	-	-	7,485
10,228	2,892,848	-	5,306,459
1,680	-	-	1,680
-	-	17,524	423,055
-	-	-	58,333
-	-	-	533,256
101,259	-	-	101,259
-	15,053,260	-	15,053,260
-	-	-	2,680,946
102,939	15,053,260	17,524	18,851,789
$ 113,167	$ 17,946,108	$ 17,524	$ 24,158,248

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, 2009

	Special Revenue Funds				
	Housing and Urban Developmen Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
REVENUES					
Ad valorem taxes - for debt service	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues	11,062,618	4,118,307	-	-	361,886
Construction participation	24,818	-	-	-	-
Other entity participations	-	786,670	-	-	-
Charges for services	28,482	16,522	650,922	-	190,167
Fines and forfeitures	-	-	-	289,385	1,127,579
Investment earnings	6,016	-	915	2,130	163
Miscellaneous	86,214	17	3,712	-	81
Total revenues	11,208,148	4,921,516	655,549	291,515	1,679,876
EXPENDITURES					
Police protection	-	242,355	-	250,401	-
Other public safety and health	-	3,826,756	-	-	1,222,860
Staff services	-	458,705	-	-	-
Library	-	499,545	-	-	-
Parks	-	-	403,147	-	-
Urban redevelopment and housing	11,921,285	-	-	-	-
Capital outlay	1,235	44,891	-	832,769	148,690
Debt service principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Termination vacation and sick leave pay	-	-	-	-	-
Total expenditures	11,922,520	5,072,252	403,147	1,083,170	1,371,550
Excess (deficit) of revenues over (under) expenditures	(714,372)	(150,736)	252,402	(791,655)	308,326
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	46,950	111,515	12,111	4,401	1,650
Transfers to other funds	(32,377)	(76,744)	(313,672)	(6,351)	(127,270)
Payment to refunded bond escrow agent	-	-	-	-	-
Refund of refunding debt	-	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-	-
Net change in fund balances	(699,799)	(115,965)	(49,159)	(793,605)	182,706
FUND BALANCES, BEGINNING OF YEAR	2,335,806	521,496	287,806	1,425,105	583,675
FUND BALANCES, END OF YEAR	$ 1,636,007	$ 405,531	$ 238,647	$ 631,500	$ 766,381

See Independent Auditor's Report.

Bonded Debt Service Fund	Compensated Absences Fund	Permanent Fund	Total Nonmajor Governmental Funds
$ 2,706,352	$ -	$ -	$ 2,706,352
-	-	-	15,542,811
-	-	-	24,818
-	-	-	786,670
-	-	-	886,093
-	-	-	1,416,964
42	361,250	28	370,544
-	-	-	90,024
2,706,394	361,250	28	21,824,276
-	-	-	492,756
-	-	-	5,049,616
4,000	-	-	462,705
-	-	-	499,545
-	-	-	403,147
-	-	-	11,921,285
-	-	-	1,027,585
555,566	-	-	555,566
2,359,312	-	-	2,359,312
-	1,379,825	-	1,379,825
2,918,878	1,379,825	-	24,151,342
(212,484)	(1,018,575)	28	(2,327,066)
303,561	1,247,731	-	1,727,919
-	(26,619)	-	(583,033)
(145,000)	-	-	(145,000)
(4,680,000)	-	-	(4,680,000)
4,825,000	-	-	4,825,000
91,077	202,537	28	(1,182,180)
11,862	14,850,723	17,496	20,033,969
$ 102,939	$ 15,053,260	$ 17,524	$ 18,851,789

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
OTHER GRANT FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009

	Special Revenue Funds			
	Public Health Grants	Justice Grants	Miscellaneous Grants	Total Other Grant Funds
ASSETS				
Cash and cash equivalents	$ 5,676	$ 14,934	$ 406,914	$ 427,524
Receivables, net of allowances for uncollectibles				
Accounts	141,962	-	-	141,962
Other accrued revenue	-	-	167,151	167,151
Due from other governments	514,070	18,328	143,329	675,727
TOTAL ASSETS	$ 661,708	$ 33,262	$ 717,394	$ 1,412,364
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers payable	$ 15,709	$ -	$ -	$ 15,709
Accounts payable	155,213	-	35,125	190,338
Due to other funds - unrestricted	490,786	19,000	291,000	800,786
Total liabilities	661,708	19,000	326,125	1,006,833
FUND BALANCES				
Reserved for grant donor purposes	-	14,262	391,269	405,531
Total fund balances	-	14,262	391,269	405,531
TOTAL LIABILITIES AND FUND BALANCES	$ 661,708	$ 33,262	$ 717,394	$ 1,412,364

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, 2009

	Special Revenue Funds			
	Public Health Grants	Justice Funds	Miscellaneous Grants	Total Other Grants Funds
REVENUES				
Intergovernmental revenues	$ 2,713,062	$ 165,094	$ 1,240,151	$ 4,118,307
Other entity participations	786,670	-	-	786,670
Charges for services	16,522	-	-	16,522
Miscellaneous	17	-	-	17
Total revenues	3,516,271	165,094	1,240,151	4,921,516
EXPENDITURES				
Other public safety and health	3,480,895	-	345,861	3,826,756
Libraries	-	-	499,545	499,545
Staff Services	-	-	458,705	458,705
Police	-	242,355	-	242,355
Capital outlay	32,676	12,215	-	44,891
Total expenditures	3,513,571	254,570	1,304,111	5,072,252
Excess (deficit) of revenues over (under) expenditures	2,700	(89,476)	(63,960)	(150,736)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	43,130	68,385	111,515
Operating transfers to other funds	(2,685)	-	(74,059)	(76,744)
Net change in fund balances	15	(46,346)	(69,634)	(115,965)
FUND BALANCES, BEGINNING OF YEAR	(15)	60,608	460,903	521,496
FUND BALANCES, END OF YEAR	$ -	$ 14,262	$ 391,269	$ 405,531

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
PUBLIC IMPROVEMENT DISTRICTS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009

	Greenways at Hillside	Brennan Boulevard	The Colonies	Tutbury	Point West	Quail Creek	Total
ASSETS							
Cash and cash equivalents	$ 96,541	$ 8,613	$ 108,259	$ 13,880	$ 8,026	$ 3,478	$ 238,797
TOTAL ASSETS	$ 96,541	$ 8,613	$ 108,259	$ 13,880	$ 8,026	$ 3,478	$ 238,797
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Vouchers payable	$ 150	$ -	$ -	$ -	$ -	$ -	$ 150
Total liabilities	150	-	-	-	-	-	150
FUND BALANCES							
Unreserved fund balances (deficit)							
Designated for specific purposes	96,391	8,613	108,259	13,880	8,026	3,478	238,647
Total fund balances	96,391	8,613	108,259	13,880	8,026	3,478	238,647
TOTAL LIABILITIES AND FUND BALANCES	$ 96,541	$ 8,613	$ 108,259	$ 13,880	$ 8,026	$ 3,478	$ 238,797

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, 2009

	Greenways at Hillside	Brennan Boulevard	The Colonies	Tutbury	Point West	Quail Creek	Total
REVENUES							
Charges for services	$ 314,022	$ 13,832	$ 259,099	$ 12,096	$ 45,000	$ 6,873	$ 650,922
Interest earnings	373	16	497	26	-	3	915
Miscellaneous	1,608	-	2,104	-	-	-	3,712
Total revenues	316,003	13,848	261,700	12,122	45,000	6,876	655,549
EXPENDITURES							
Parks	170,706	12,574	166,767	13,588	37,051	2,461	403,147
Capital outlay	-	-	-	-	-	-	-
Total expenditures	170,706	12,574	166,767	13,588	37,051	2,461	403,147
Excess (deficiency) of revenues over expenditures	145,297	1,274	94,933	(1,466)	7,949	4,415	252,402
OTHER FINANCING SOURCES							
Proceeds from issuance of long-term debt	-	-	-	-	-	-	-
Transfer from other funds	12,111	-	-	-	-	-	12,111
Transfer to other funds	(146,583)	-	(167,089)	-	-	-	(313,672)
Net change in fund balances	10,825	1,274	(72,156)	(1,466)	7,949	4,415	(49,159)
FUND BALANCES, BEGINNING OF YEAR	85,566	7,339	180,415	15,346	77	(937)	287,806
FUND BALANCES, END OF YEAR	$ 96,391	$ 8,613	$ 108,259	$ 13,880	$ 8,026	$ 3,478	$ 238,647

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
SEIZURE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009

	Federal SWAT seized property	Local seized property	Texas Narcotics seized property	Federal Narcotics seized property	Total
ASSETS					
Cash and cash equivalents	$ (873)	$ 508,462	$ 229,839	$ -	$ 737,428
Prepaid items	-	-	605	-	605
Due from other funds	1,301	-	-	-	1,301
TOTAL ASSETS	$ 428	$ 508,462	$ 230,444	$ -	$ 739,334
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 6	$ -	$ -	$ 6
Due to other funds - unrestricted	-	2,572	-	-	2,572
Due to other governments	-	1,890	103,273	-	105,163
Vouchers payable	-	93	-	-	93
Total liabilities	-	4,561	103,273	-	107,834
FUND BALANCES					
Reserved for prepaid items	-	-	605	-	605
Unreserved fund balance					
Designated for law enforcement activities	428	503,901	126,566	-	630,895
Total fund balances	428	503,901	127,171	-	631,500
TOTAL LIABILITIES AND FUND BALANCES	$ 428	$ 508,462	$ 230,444	$ -	$ 739,334

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, 2009

	Federal SWAT seized property	Local seized property	Texas Narcotics seized property	Federal Narcotics seized property	Total
REVENUES					
Investment earnings	$ 929	$ 898	$ 303	$ -	$ 2,130
Seized property revenue	74,961	214,424	-	-	289,385
Total revenues	75,890	215,322	303	-	291,515
EXPENDITURES					
Police protection	-	250,401	-	-	250,401
Capital outlay	765,802	66,967	-	-	832,769
Total expenditures	765,802	317,368	-	-	1,083,170
Excess (deficiency) of revenues over expenditures	(689,912)	(102,046)	303	-	(791,655)
OTHER FINANCING SOURCES (USES)					
Transfer to other fund	-	(1,950)	-	(4,401)	(6,351)
Operating transfer from other fund	4,401	-	-	-	4,401
Total other financing sources and (uses)	4,401	(1,950)	-	(4,401)	(1,950)
Net change in fund balances	(685,511)	(103,996)	303	(4,401)	(793,605)
FUND BALANCES, BEGINNING OF YEAR	685,939	607,897	126,868	4,401	1,425,105
FUND BALANCES, END OF YEAR	$ 428	$ 503,901	$ 127,171	$ -	$ 631,500

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
MISCELLANEOUS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009

	Court Technology	Court Security	LEOSE Training Program	Homeland Security	Cable Capital Facilities	Photo Enforcement	Total
ASSETS							
Cash and cash equivalents	$ 230,632	$ 175,056	$ 93,605	$ 3,841	$ 19,673	$ 578,058	$ 1,100,865
Other accrued revenue	-	-	-	-	-	-	-
Due from other governments	-	-	-	208,714	-	-	208,714
Total assets	$ 230,632	$ 175,056	$ 93,605	$ 212,555	$ 19,673	$ 578,058	$ 1,309,579
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Vouchers payable	$ 38	$ -	$ 2,242	$ 154	$ -	$ 30,125	$ 32,559
Accounts Payable	-	6,052	-	8,675	-	295,912	310,639
Due to other funds - unrestricted	-	-	-	200,000	-	-	200,000
Total liabilities	38	6,052	2,242	208,829	-	326,037	543,198
FUND BALANCES							
Unreserved fund balance							
Designated for specific purposes	230,594	169,004	91,363	3,726	19,673	252,021	766,381
Total fund balances	230,594	169,004	91,363	3,726	19,673	252,021	766,381
TOTAL LIABILITIES AND FUND BALANCES	$ 230,632	$ 175,056	$ 93,605	$ 212,555	$ 19,673	$ 578,058	$ 1,309,579

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, 2009

	Court Technology	Court Security	LEOSE Training Program	Homeland Security	Cable Capital Facilities	Photo Enforcement	Total
REVENUES							
Charges for services	$ 166,772	$ -	$ 23,395	$ -	$ -	$ -	$ 190,167
Fines and forfeitures	-	123,098	-	-	-	1,004,481	1,127,579
Intergovernmental revenues - operating	-	-	-	361,886	-	-	361,886
Investment earnings	-	-	163	-	-	-	163
Miscellaneous revenues	-	-	-	-	-	81	81
Total revenues	166,772	123,098	23,558	361,886	-	1,004,562	1,679,876
EXPENDITURES							
Other public safety and health	81,309	107,661	37,441	281,993	-	714,456	1,222,860
Capital outlay	-	-	4,197	144,493	-	-	148,690
Total expenditures	81,309	107,661	41,638	426,486	-	714,456	1,371,550
Excess (deficiency) of revenues over expenditures	85,463	15,437	(18,080)	(64,600)	-	290,106	308,326
OTHER FINANCING SOURCES (USES)							
Transfers to other funds	-	-	(2,270)	-	-	(125,000)	(127,270)
Transfers from other funds	-	-	-	1,650	-	-	1,650
Total other financing sources and uses	-	-	(2,270)	1,650	-	(125,000)	(125,620)
Net change in fund balances	85,463	15,437	(20,350)	(62,950)	-	165,106	182,706
FUND BALANCES, BEGINNING OF YEAR	145,131	153,567	111,713	66,676	19,673	86,915	583,675
FUND BALANCES, END OF YEAR	$ 230,594	$ 169,004	$ 91,363	$ 3,726	$ 19,673	$ 252,021	$ 766,381

See Independent Auditor's Report.

This page left blank intentionally.

CAPITAL PROJECTS FUND

General Construction – To account for traffic engineering and other miscellaneous construction funded primarily by the general revenues of the City. This fund also accounts for costs of construction of various improvements to the City's parks, which in recent years have been financed primarily by general revenues, and in some instances by intergovernmental grants. The General Construction Fund is also used to account for general revenues designated for replacement of existing buildings, improvements and equipment, and for similar projects.

Street Improvement – To account for the construction of streets and alleys which are financed primarily by property owner participation.

Street and Drainage 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.

CO Bond Contruction 06/07 Fund – To account for construction costs from the proceeds of CO Bonds issued in June 2007.

CITY OF AMARILLO, TEXAS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009

	General Construction Fund	Street Improvement Fund	Street and Drainage Improvement Fund	Golf Course Improvement Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 9,310	$ 339,335	$ 303,067	$ 597,518
Investments, at fair values	22,074,155	437,004	1,408,709	-
Due from other funds	264,880	-	-	-
Due from other governments	2,562	-	-	-
Accrued interest receivable	113,429	706	7,305	-
Prepaid items	1,000		-	-
TOTAL ASSETS	$ 22,465,336	$ 777,045	$ 1,719,081	$ 597,518
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Vouchers payable	$ 494,645	$ -	$ -	$ -
Accounts payable	175,738	-	-	96,661
Securities lending collateral	3,837,505	76,284	246,239	-
Due to other funds - unrestricted	-	-	-	-
Total liabilities	4,507,888	76,284	246,239	96,661
FUND BALANCES				
Reserved for prepaid items	1,000	-	-	-
Unreserved, reported in:				
Capital Projects	17,956,448	700,761	1,472,842	500,857
Total fund balances	17,957,448	700,761	1,472,842	500,857
TOTAL LIABILITIES AND FUND BALANCES	$ 22,465,336	$ 777,045	$ 1,719,081	$ 597,518

See Independent Auditor's Report.

Solid Waste Disposal Improvement Fund	T-Anchor Bivins Improvement Fund	Convention Annex Improvement Fund	Animal Shelter Improvement Fund	Park Improvement Fund	CO Bond Const 06/07 Fund	Total
$ 375,665	$ 265,990	$ 1,153,661	$ 3,207	$ 191,460	$ 9,196,546	$ 12,435,759
13,992,201	62,430	2,825,012	-	612,268	3,636,414	45,048,193
-	-	-	-	-	-	264,880
-	-	-	-	-	563,856	566,418
62,118	156	5,600	-	2,302	-	191,616
-	-	-	-	-	-	1,000
$ 14,429,984	$ 328,576	$ 3,984,273	$ 3,207	$ 806,030	$ 13,396,816	$ 58,507,866
$ 14,210	$ -	$ 10,480	$ -	$ -	$ 601,987	$ 1,121,322
14,766	-	9,134	-	-	260,368	556,667
2,445,710	10,898	493,478	-	106,953	636,414	7,853,481
-	-	-	-	-	640,000	640,000
2,474,686	10,898	513,092	-	106,953	2,138,769	10,171,470
-	-	-	-	-	-	1,000
11,955,298	317,678	3,471,181	3,207	699,077	11,258,047	48,335,396
11,955,298	317,678	3,471,181	3,207	699,077	11,258,047	48,336,396
$ 14,429,984	$ 328,576	$ 3,984,273	$ 3,207	$ 806,030	$ 13,396,816	$ 58,507,866

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2009

	General Construction Fund	Street Improvement Fund	Street and Drainage Improvement Fund	Golf Course Improvement Fund
REVENUES				
Intergovernmental revenues	$ 1,015,533	$ -	$ -	$ -
Charges for services	-	-	-	71,231
Construction participations	1,339,890	4,876,334	-	-
Miscellaneous	43,366	-	-	-
Other rentals and commissions	509,611	-	-	-
Interest earnings	597,632	12,343	7,309	1,929
Total revenues	3,506,032	4,888,677	7,309	73,160
EXPENDITURES				
Capital outlay	9,196,488	4,876,712	-	368,425
Total expenditures	9,196,488	4,876,712	-	368,425
Excess (deficiency) of revenues over expenditures	(5,690,456)	11,965	7,309	(295,265)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(646,049)	-	(266,130)	-
Transfers from other funds	4,403,388	-	1,000,000	-
Total other financing sources and uses	3,757,339	-	733,870	-
Net change in fund balances	(1,933,117)	11,965	741,179	(295,265)
FUND BALANCES, BEGINNING OF YEAR	19,890,565	688,796	731,663	796,122
FUND BALANCES, END OF YEAR	$ 17,957,448	$ 700,761	$ 1,472,842	$ 500,857

See Independent Auditor's Report.

Solid Waste Disposal Improvement Fund	T-Anchor Bivins Improvement Fund	Convention Annex Improvement Fund	Animal Shelter Improvement Fund	Park Improvement Fund	CO Bond Const 06/07 Fund	Total
$ -	$ -	$ -	$ -	$ -	$ 250,000	$ 1,265,533
-	-	-	-	-	-	71,231
-	-	-	-	-	-	6,216,224
-	-	-	-	-	563,856	607,222
-	-	-	-	-	-	509,611
228,304	1,276	42,184	-	8,528	81,868	981,373
228,304	1,276	42,184	-	8,528	895,724	9,651,194
361,446	-	422,475	-	-	9,910,514	25,136,060
361,446	-	422,475	-	-	9,910,514	25,136,060
(133,142)	1,276	(380,291)	-	8,528	(9,014,790)	(15,484,866)
(50,000)	-	-	-	(6,012)	-	(968,191)
999,996	-	909,499	-	-	39,266	7,352,149
949,996	-	909,499	-	(6,012)	39,266	6,383,958
816,854	1,276	529,208	-	2,516	(8,975,524)	(9,100,908)
11,138,444	316,402	2,941,973	3,207	696,561	20,233,571	57,437,304
$ 11,955,298	$ 317,678	$ 3,471,181	$ 3,207	$ 699,077	$ 11,258,047	$ 48,336,396

See Independent Auditor's Report.

This page left blank intentionally.

INTERNAL SERVICE FUNDS

Municipal Garage 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 the Municipal Garage upon its organization on October 1, 1973. Effective with the 1994/5 year, the City adopted a policy of financing additions, as well as replacements, out of the Garage's 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 ASSETS
SEPTEMBER 30, 2009

	Municipal Garage	Information Services	Risk Management	Employee Insurance	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 997,519	$ 154,322	$ 1,863,493	$ 5,513,119	$ 8,528,453
Investments at fair value	11,538,870	3,500,990	15,424,657	6,720,313	37,184,830
Receivables (net of allowances for uncollectibles)					
Accounts	30	-	6,944	303,464	310,438
Accrued interest	64,151	34,634	47,876	16,885	163,546
Due from other funds	-	-	-	126,062	126,062
Inventory of supplies at cost	291,771	-	-	-	291,771
Prepaid Expenses	-	-	191,642	-	191,642
Total current assets	12,892,341	3,689,946	17,534,612	12,679,843	46,796,742
NONCURRENT ASSETS					
Capital assets					
Improvements	229,268	3,775,149	-	-	4,004,417
Accumulated depreciation	(104,754)	(1,712,778)	-	-	(1,817,532)
Equipment	391,470	5,325,705	53,196	10,115	5,780,486
Accumulated depreciation	(313,918)	(3,803,491)	(47,916)	(5,759)	(4,171,084)
Vehicles	44,514,358	-	-	-	44,514,358
Accumulated depreciation	(26,427,176)	-	-	-	(26,427,176)
Construction in progress	29,976	198,557	-	-	228,533
Total capital assets, net of accumulated depreciation	18,319,224	3,783,142	5,280	4,356	22,112,002
TOTAL ASSETS	$ 31,211,565	$ 7,473,088	$ 17,539,892	$ 12,684,199	$ 68,908,744
LIABILITIES					
CURRENT LIABILITIES					
Vouchers payable	$ 154,373	$ 63,374	$ 93,019	$ 62,024	$ 372,790
Accounts payable	-	-	-	274,768	274,768
Accrued expenses	132,649	132,842	-	33,510	299,001
Securities lending collateral	2,017,185	610,963	2,685,875	1,166,521	6,480,544
Due to other funds	-	-	-	363,280	363,280
Compensated absences, current	31,381	73,604	-	-	104,985
Estimated liability for incurred losses	-	-	4,184,908	2,258,913	6,443,821
Total current liabilities	2,335,588	880,783	6,963,802	4,159,016	14,339,189
OTHER LIABILITIES					
Provision for compensated absences, net	226,950	321,150	-	26,619	574,719
Estimated liability for incurred losses, net of current portion	-	-	5,954,598	2,209,457	8,164,055
Postemployment benefit	-	-	-	29,931,070	29,931,070
Net pension obligation	64,710	71,414	-	11,217	147,341
Total other liabilities	291,660	392,564	5,954,598	32,178,363	38,817,185
TOTAL LIABILITIES	$ 2,627,248	$ 1,273,347	$ 12,918,400	$ 36,337,379	$ 53,156,374
NET ASSETS					
Invested in capital assets, net of related debt	$ 18,319,224	$ 3,783,142	$ 5,280	$ 4,356	$ 22,112,002
Unreserved	10,265,093	2,416,599	4,616,212	(23,657,536)	(6,359,632)
TOTAL NET ASSETS	$ 28,584,317	$ 6,199,741	$ 4,621,492	$ (23,653,180)	$ 15,752,370

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2009

	Municipal Garage	Information Services	Risk Management	Employee Insurance	Total
OPERATING REVENUES					
Charges for services	$ -	$ -	$ 53,772	$ 1,201,485	$ 1,255,257
Internal charges	12,396,638	3,871,196	3,741,353	11,445,095	31,454,282
Employee contributions	-	-	-	4,306,524	4,306,524
Miscellaneous	-	-	-	1,241	1,241
Total operating revenues	12,396,638	3,871,196	3,795,125	16,954,345	37,017,304
OPERATING EXPENSES					
Salaries, wages, fringes	2,323,887	2,344,614	-	402,430	5,070,931
Supplies	1,206,521	60,975	275,923	78,260	1,621,679
Fuel and oil	2,172,934	-	-	-	2,172,934
Other contractual	96,490	695,179	388,996	330,043	1,510,708
Claims net of settlements	-	-	824,256	15,310,137	16,134,393
Postemployment expense	-	-	-	15,248,490	15,248,490
Other charges	1,109,206	239,101	358,742	199,959	1,907,008
Depreciation	4,756,063	792,689	332	1,432	5,550,516
Total operating expenses	11,665,101	4,132,558	1,848,249	31,570,751	49,216,659
Operating income (loss)	731,537	(261,362)	1,946,876	(14,616,406)	(12,199,355)
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	206,110	50,861	278,588	209,972	745,531
Changes in value of investments	(9,174)	15,472	84,098	66,782	157,178
Gain (loss) on property sales	153,959	(5,622)	-	-	148,337
Total nonoperating revenues (expenses)	350,895	60,711	362,686	276,754	1,051,046
Income (loss) before contributions and transfers	1,082,432	(200,651)	2,309,562	(14,339,652)	(11,148,309)
TRANSFERS					
TO MUNICIPALITY - CASH	-	(72,000)	-	(264,880)	(336,880)
FROM MUNICIPALITY - CASH	396,013	18,032	-	26,619	440,664
Change in net assets	1,478,445	(254,619)	2,309,562	(14,577,913)	(11,044,525)
NET ASSETS AT BEGINNING OF YEAR	27,105,872	6,454,360	2,311,930	(9,075,267)	26,796,895
NET ASSETS AT END OF YEAR	$ 28,584,317	$ 6,199,741	$ 4,621,492	$ (23,653,180)	$ 15,752,370

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2009

	Municipal Garage	Information Services	Risk Management	Employee Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from other funds	$ 12,396,638	$ 3,871,196	$ 4,260,225	$ 17,429,223	$ 37,957,282
Cash payments for goods and services	(5,274,760)	(1,518,136)	(946,255)	(770,330)	(8,509,481)
Cash payments to employees	(2,245,472)	(2,245,528)	-	(391,213)	(4,882,213)
Cash payments for claims and loss adjustments	-	-	(2,461,738)	(14,326,261)	(16,787,999)
Net cash provided by operating activities	4,876,406	107,532	852,232	1,941,419	7,777,589
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	396,013	18,032	-	26,619	440,664
Amounts borrowed from or repaid by other funds	-	-	-	218,650	218,650
Amounts loaned to or repaid to other funds	107	-	-	68,506	68,613
Transfers to other funds	-	(72,000)	-	(264,880)	(336,880)
Net cash provided (used) by noncapital financing activities	396,120	(53,968)	-	48,895	391,047
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(4,781,900)	(73,878)	-	1,640	(4,854,138)
Proceeds from disposition of property, plant and equipment	386,104	(367)	-	-	385,737
Net cash provided (used) for capital financing activities	(4,395,796)	(74,245)	-	1,640	(4,468,401)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investment securities	9,299,221	500,000	8,521,450	6,949,179	25,269,850
Purchase of investment securities	(11,868,860)	(1,646,893)	(9,209,024)	(4,786,002)	(27,510,779)
Interest and gains (losses) on investments	256,529	82,545	397,749	284,428	1,021,251
Net cash provided (used) by investing activities	(2,313,110)	(1,064,348)	(289,825)	2,447,605	(1,219,678)
Net increase (decrease) in cash and cash equivalents	(1,436,380)	(1,085,029)	562,407	4,439,559	2,480,557
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	2,433,899	1,239,351	1,301,086	1,073,560	6,047,896
CASH AND CASH EQUIVALENTS, AT END OF YEAR	$ 997,519	$ 154,322	$ 1,863,493	$ 5,513,119	$ 8,528,453

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2009

	Municipal Garage	Information Services	Risk Management	Employee Insurance	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ 731,537	$ (261,362)	$ 1,946,876	$ (14,616,406)	$ (12,199,355)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	4,756,063	792,689	332	1,432	5,550,516
(Increase) decrease in accounts receivable	(2)	-	463,110	474,878	937,986
(Increase) decrease in accrued operating revenues	-	-	122,900	-	122,900
(Increase) decrease in inventories	(6,496)	-	-	-	(6,496)
Increase (decrease) in vouchers payable	(681,620)	(522,881)	(45,494)	40,468	(1,209,527)
Increase (decrease) in accounts payable	(1,491)	-	1,990	(262,665)	(262,166)
Increase (decrease) in accrued expense	13,673	18,229	-	33,510	65,412
Increase (decrease) in provision for compensated absences	32	9,443	-	26,619	36,094
Increase (decrease) in estimated claims liabilities	-	-	(1,637,482)	16,232,366	14,594,884
Increase (decrease) in net pension obligation	64,710	71,414	-	11,217	147,341
Net cash provided (used) by operating activities	$ 4,876,406	$ 107,532	$ 852,232	$ 1,941,419	$ 7,777,589
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Decreases (increases) in fair values of investments	$ 9,174	$ (15,472)	$ (84,098)	$ (66,782)	$ (157,178)

See Independent Auditor's Report.

This page left blank intentionally.

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.

This page left blank intentionally.

CITY OF AMARILLO, TEXAS
GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2009

ASSETS

Cash and cash equivalents	$	2,315,125
Investments at fair value		41,160,910
Receivables (net of allowances for uncollectibles)		
Property taxes		298,794
Solid waste and other		1,205,456
Accrued interest		216,311
Other accrued revenue		1,295,761
Due from other funds		1,869,351
Due from other governments		3,709,278
Inventory of supplies		1,188,951
Prepaid items		6,742
TOTAL ASSETS	$	53,266,679

LIABILITIES AND FUND BALANCE

LIABILITIES		
Vouchers payable	$	494,711
Accounts payable		1,729,856
Accrued expenses		5,078,126
Securities lending collateral		7,193,820
Deposits		267,294
Due to other funds		2,466
Due to other governments		783,773
Deferred revenue property taxes		218,721
Deferred revenues other		125,253
Total liabilities		15,894,020
FUND BALANCE		
Reserved for encumbrances		122,372
Reserved for prepaid items		6,742
Reserved for uncollected taxes		80,073
Unreserved		
Undesignated		37,163,472
Total fund balance		37,372,659
TOTAL LIABILITIES AND FUND BALANCE	$	53,266,679

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2009

REVENUES	
Taxes	$ 91,824,306
License and permits	1,758,303
Interfund revenues	1,373,441
Intergovernmental revenues	3,884,852
Contributions - citizens	31,000
Charges for services	27,715,308
Fines and forfeitures	5,217,578
Investment earnings	1,313,801
Other rentals and commissions	357,549
Miscellaneous	482,188
Total revenues	133,958,326
EXPENDITURES	
Current	
General government	3,223,374
Staff services	8,877,437
Public safety and health	
Police protection	34,280,625
Fire protection	23,588,590
Other	4,781,436
Streets, traffic and engineering	13,506,173
Culture and recreation	
Auditorium-colliseum	2,913,947
Libraries	3,325,940
Parks	6,105,302
Participant recreation	4,359,503
Solid waste	11,296,793
Transit system	4,061,190
Information technology	2,689,329
Tourism	2,798,810
Capital outlay	427,334
Total expenditures	126,235,783
EXCESS OF REVENUES OVER EXPENDITURES	7,722,543
OTHER FINANCING SOURCES (USES)	
Transfers from other funds	368,231
Transfers to other funds	(7,909,996)
Net change in fund balance	180,778
FUND BALANCE, BEGINNING OF YEAR	37,191,881
FUND BALANCE, END OF YEAR	$ 37,372,659

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES
YEAR ENDED SEPTEMBER 30, 2009

	Actual revenue	Budget	Variance with final budget positive (negative)
TAXES			
General property taxes			
Ad valorem tax collections	$ 26,574,937	$ 26,185,451	$ 389,486
Penalty and interest on delinquent taxes	286,763	291,000	(4,237)
Water & sewer utility	2,580,708	2,580,700	8
Sales tax			
General sales tax	43,241,228	44,775,927	(1,534,699)
Mixed beverage tax	589,894	602,720	(12,826)
Hotel occupancy tax	4,232,250	4,579,294	(347,044)
Gross receipts bus taxes:			
Electric utility	6,860,674	6,793,373	67,301
Telephone utility	1,551,807	1,613,178	(61,371)
Gas utility	2,566,733	3,870,450	(1,303,717)
Cable television	1,479,760	1,309,030	170,730
Water & Sewer utility	1,859,552	1,854,713	4,839
Total taxes	91,824,306	94,455,836	(2,631,530)
LICENSES AND PERMITS			
Food and beverage establishments			
Liquor, beer and wine licenses	75,205	49,780	25,425
Restaurant permits	421,018	396,240	24,778
Food handler permits	33,145	27,652	5,493
Miscellaneous occupational			
Occupational and business	31,154	28,598	2,556
Transient bus licenses	700	275	425
Solicitation permits	2,495	4,001	(1,506)
Building and structures			
Building permits	868,135	1,015,835	(147,700)
Electrical permits	83,280	24,699	58,581
Plumbing and gas permits	140,972	94,000	46,972
Heating and air permits	33,210	34,600	(1,390)
Sewage disposal permits	58,027	72,915	(14,888)
Mobile home parks	10,962	17,000	(6,038)
Total licenses and permits	1,758,303	1,765,595	(7,292)
INTERFUND REVENUES			
Airport animal control	14,004	12,000	2,004
Communication services	799,958	807,532	(7,574)
Sales to other funds	440,931	394,997	45,934
Other interfund reimbursements	118,548	92,832	25,716
Total interfund revenue	1,373,441	1,307,361	66,080
INTERGOVERNMENTAL REVENUES			
General government			
Auditorium operating assistance	298,000	298,000	-
Public safety and health			
Emergency Management Participations	301,598	277,528	24,070
Other	15,294	15,294	-
Solid waste	4,540	-	4,540
State shared revenues	59,563	58,999	564
Transit			
Federal/state operating assistance	3,205,857	2,294,440	911,417
Total intergovernmental revenues	3,884,852	2,944,261	940,591
CONTRIBUTIONS FROM CITIZENS			
Donations unrestricted	31,000	31,000	-

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED
YEAR ENDED SEPTEMBER 30, 2009

	Actual revenue	Budget	Variance with final budget positive (negative)
CHARGES FOR SERVICES			
General government			
Zoning, planning application fees	37,908	50,740	(12,832)
Sale of city publications	1,336	1,030	306
Staff services			
Indirect cost reimbursement	1,674,503	1,661,748	12,755
Business type fund administrative fees			
Water & sewer administrative	1,218,576	1,220,982	(2,406)
Airport	162,041	162,043	(2)
Other administrative fees			
Weed mowing contract	313,481	290,002	23,479
Weed bad debt adjustment	(388,040)	(300,000)	(88,040)
Wrecker service contract	87,531	160,000	(72,469)
Fiscal agent fees	115,152	114,965	187
Public safety and health			
Police liason officer	733,050	680,000	53,050
Warrant fees	525,227	429,002	96,225
Traffic accident reports	62,675	64,000	(1,325)
Airport fire service fee	1,506,612	1,506,610	2
Fire inspections	20,160	13,126	7,034
Animal shelter fees	117,614	223,735	(106,121)
Vital statistics fee	350,605	449,300	(98,695)
Miscellaneous health department fees	9,863	6,906	2,957
Culture & recreation			
Auditorium rentals	869,241	853,600	15,641
Auditorium concessions	533,736	522,495	11,241
Auditorium advertising	18,473	13,435	5,038
Auditorium Box Office	337,541	315,000	22,541
Library late fees	127,238	135,000	(7,762)
Library copy charges	17,597	22,000	(4,403)
Nonresident library fees	9,725	9,500	225
Baseball field rentals	50,526	56,000	(5,474)
Golf green fees	1,162,254	1,238,895	(76,641)
Golf membership fees	313,526	340,857	(27,331)
Golf other	92,891	98,508	(5,617)
Swimming pool fees	170,550	193,587	(23,037)
Tennis center fees	4,194	6,257	(2,063)
Rifle range fees	46,151	31,499	14,652
Entry and tournament fees	455,563	489,750	(34,187)
Admission fees	4,911	4,700	211
Solid waste			
Collection & disposal fees	14,958,118	14,975,964	(17,846)
Landfill charges	1,441,097	1,415,000	26,097
Recyclable materials	54,336	58,000	(3,664)
Forfeited discounts	314,170	299,996	14,174
Transit			
Passenger revenue	116,683	106,000	10,683
Demand response	23,485	37,239	(13,754)
Advertising	19,100	16,800	2,300
Miscellaneous transit revenue	25,908	37,000	(11,092)
Total charges for services	27,715,308	28,011,271	(295,963)

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED
YEAR ENDED SEPTEMBER 30, 2009

	Actual revenue	Budget	Variance with final budget postitive (negative)
FINES AND FORFEITURES			
Traffic fines	3,472,592	2,590,000	882,592
Misdemeanor fees	828,768	752,002	76,766
Parking fines	106,269	108,000	(1,731)
Court fees	48,962	38,500	10,462
Other court revenue	126,174	73,999	52,175
Miscellaneous fines	95,339	82,357	12,982
State court costs	539,474	444,997	94,477
Total fines and forfeitures	5,217,578	4,089,855	1,127,723
INVESTMENT EARNINGS			
Interest earnings	1,218,758	1,980,422	(761,664)
Change in fair value of investments	95,043	-	95,043
Total investment earnings	1,313,801	1,980,422	(666,621)
OTHER RENTALS AND COMMISSIONS			
Amusement park commissions	97,797	81,725	16,072
Municipal building rents	210,998	209,364	1,634
Surface land rents	12,225	15,600	(3,375)
Miscellaneous concessions	36,529	40,701	(4,172)
Total rental/commissions	357,549	347,390	10,159
MISCELLANEOUS REVENUES			
Use of money and property:			
Miscellaneous Revenues	275,605	197,089	78,516
Discount card sales	39,904	32,999	6,905
Sales to outside utilities	50,298	63,000	(12,702)
Workshop revenue	93	-	93
Return check fees	1,225	1,900	(675)
PID reimbursements	85,699	103,734	(18,035)
Appraisal district refunds	11,129	1,500	9,629
Discounts earned	3,334	2,700	634
Telephone commissions	17,455	14,000	3,455
Sale of property and gains	21,828	57,124	(35,296)
Bad debt/exp recovery	(28,382)	-	(28,382)
Construction participations	4,000	-	4,000
Total miscellaneous revenues	482,188	474,046	8,142
TOTAL REVENUES	$ 133,958,326	$ 135,407,037	$ (1,448,711)

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS)
YEAR ENDED SEPTEMBER 30, 2009

	Salaries, wages and fringe benefits	Supplies	Contractual services
GENERAL GOVERNMENT			
Mayor and commission	$ 2,163	$ 8,532	$ 58,595
City manager	733,323	2,339	4,734
City secretary	236,924	14,825	580
Municipal court	1,298,399	49,254	115,087
Teen court	34,244	544	392
Planning and zoning	515,964	7,897	16,505
Total general government	2,821,017	83,391	195,893
STAFF SERVICES			
Financial administration			
Director of Finance	477,090	5,864	460,200
Accounting	909,445	28,073	213,877
Payroll	62,708	1,575	174
Benefits	100,697	-	-
Purchasing	383,612	18,758	23,769
Central stores	383,620	4,490	11,183
Municipal office services	133,074	11,445	13,361
Information technology	-	-	-
Legal	757,402	40,820	19,424
Personnel			
Human Resources	669,892	83,501	163,009
Safety and training	295,228	14,213	21,890
Communications	366,504	27,258	386,505
Occupancy			
Custodial operations	607,122	397,739	49,995
Building maintenance	1,181,399	28,430	359,546
Total staff services	6,327,793	662,166	1,722,933
PUBLIC SAFETY AND HEALTH			
Police			
Police	25,941,803	1,065,056	2,367,552
Civilian personnel	4,356,336	-	127,670
Tobacco Senate Bill	8,493	100	575
Total police protection	30,306,632	1,065,156	2,495,797
Fire Protection			
Fire operations	18,993,012	45,320	39,644
Civilian personnel	1,597,058	11,491	8,015
Fire support	721,278	1,093,216	904,936
Total fire protection	21,311,348	1,150,027	952,595
Other			
Code enforcement	1,562,759	26,039	370,079
Animal control	1,198,620	90,356	138,799
Emergency services	220,776	27,516	25,171
AECC	74,629	264	-
Environmental health	684,722	9,574	110,956
Vital statistics	48,233	5,198	1,365
Total other	3,789,739	158,947	646,370
Total public safety and health	55,407,719	2,374,130	4,094,762

See Independent Auditor's Report.

Other charges	Total	Capital outlay	Total (GAAP) basis
$ 40,301	$ 109,591	$ -	$ 109,591
15,797	756,193	-	756,193
7,973	260,302	-	260,302
45,256	1,507,996	-	1,507,996
675	35,855	-	35,855
13,071	553,437	-	553,437
123,073	3,223,374	-	3,223,374
15,354	958,508	-	958,508
11,358	1,162,753	-	1,162,753
-	64,457	-	64,457
-	100,697	-	100,697
10,190	436,329	-	436,329
1,850	401,143	-	401,143
1,363	159,243	31,997	191,240
2,689,329	2,689,329	-	2,689,329
9,999	827,645	-	827,645
47,823	964,225	-	964,225
7,781	339,112	-	339,112
(1,822)	778,445	-	778,445
4,543	1,059,399	-	1,059,399
56,106	1,625,481	-	1,625,481
2,853,874	11,566,766	31,997	11,598,763
404,804	29,779,215	191,791	29,971,006
8,236	4,492,242	-	4,492,242
-	9,168	-	9,168
413,040	34,280,625	191,791	34,472,416
50,512	19,128,488	5,648	19,134,136
13,486	1,630,050	-	1,630,050
110,622	2,830,052	20,338	2,850,390
174,620	23,588,590	25,986	23,614,576
45,671	2,004,548	-	2,004,548
14,368	1,442,143	-	1,442,143
108,596	382,059	-	382,059
-	74,893	-	74,893
10,123	815,375	-	815,375
7,622	62,418	-	62,418
186,380	4,781,436	-	4,781,436
774,040	62,650,651	217,777	62,868,428

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS), CONTINUED
YEAR ENDED SEPTEMBER 30, 2009

	Salaries, wages and fringe benefits	Supplies	Contractual services
STREETS, TRAFFIC & ENGINEERING			
Street maintenance	3,646,238	233,763	4,355,250
Traffic engineering	502,048	1,747,447	89,511
Traffic field operations	814,745	24,338	534,179
Engineering	1,242,431	104,882	86,351
Total streets, traffic, engineering	6,205,462	2,110,430	5,065,291
CULTURE & RECREATION			
Auditorium Coliseum			
Civic Center operations	953,099	541,576	96,565
Civic Center promotions	182,121	66,682	35,394
Box office operations	181,504	3,837	86,681
Civic Center Sports	73,108	87,742	124,589
Globe News Center	119,117	123,768	27,102
Library operations	2,500,172	602,878	125,989
Parks			
Parks administration	433,000	36,056	24,030
Park maintenance	3,193,956	1,088,705	1,270,610
Participant recreation			
Ross Rogers Golf Course	655,293	445,784	260,563
Comanche Trail	674,061	217,459	352,377
Zoo	189,715	70,774	20,937
Swimming pools	241,504	104,847	48,381
Tennis center	2,037	23,362	57,871
Parks and recreation programs	331,614	33,637	16,291
Athletic administration	139,258	45	-
Softball	149,918	17,891	79,344
Basketball	8,694	188	4,060
Track	-	3,111	-
Volleyball	60,871	8,836	38,896
Flag football	-	-	-
Baseball	-	79	-
Total culture and recreation	10,089,042	3,477,257	2,669,680
SOLID WASTE			
Solid waste collection	4,505,720	245,166	3,189,880
Solid waste disposal	1,383,296	76,377	1,573,283
Total solid waste	5,889,016	321,543	4,763,163
TRANSIT			
Fixed Route	1,321,440	443,328	18,109
Demand response	732,330	101,671	38,681
Transit Maintenance	451,304	398,369	-
Total transit	2,505,074	943,368	56,790
ECONOMIC DEVELOPMENT			
Tourism support	-	-	2,798,810
Total economic development	-	-	2,798,810
TOTAL GENERAL FUND EXPENDITURES	$ 89,245,123	$ 9,972,285	$ 21,367,322

See Independent Auditor's Report.

Other charges	Total	Capital outlay	Total (GAAP) basis
55,495	8,290,746	10,298	8,301,044
26,672	2,365,678	-	2,365,678
16,016	1,389,278	72,196	1,461,474
26,807	1,460,471	4,693	1,465,164
124,990	13,506,173	87,187	13,593,360
127,914	1,719,154	-	1,719,154
24,033	308,230	-	308,230
27,867	299,889	-	299,889
2,409	287,848	-	287,848
28,839	298,826	-	298,826
96,901	3,325,940	27,155	3,353,095
16,591	509,677	-	509,677
42,354	5,595,625	6,587	5,602,212
7,905	1,369,545	11,269	1,380,814
7,681	1,251,578	-	1,251,578
734	282,160	9,007	291,167
20,461	415,193	-	415,193
3,158	86,428	4,055	90,483
52,094	433,636	-	433,636
6,004	145,307	-	145,307
3,525	250,678	-	250,678
21	12,963	-	12,963
6	3,117	-	3,117
208	108,811	-	108,811
5	5	-	5
3	82	-	82
468,713	16,704,692	58,073	16,762,765
38,757	7,979,523	-	7,979,523
284,314	3,317,270	30,000	3,347,270
323,071	11,296,793	30,000	11,326,793
447,893	2,230,770	2,300	2,233,070
108,065	980,747	-	980,747
-	849,673	-	849,673
555,958	4,061,190	2,300	4,063,490
-	2,798,810	-	2,798,810
-	2,798,810	-	2,798,810
$ 5,223,719	$ 125,808,449	$ 427,334	$ 126,235,783

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2009

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances
GENERAL GOVERNMENT				
Mayor and Commission	$ 109,591	$ -	$ 109,591	$ -
City manager	756,193	-	756,193	-
City secretary	260,302	-	260,302	-
Municipal court	1,507,996	-	1,507,996	-
Teen court	35,855	-	35,855	-
Planning and zoning	553,437	-	553,437	-
Total general government	3,223,374	-	3,223,374	-
STAFF SERVICES				
Financial administration				
Director of Finance	958,508	-	958,508	8,750
Accounting	1,162,753	-	1,162,753	-
Payroll	64,457	-	64,457	-
Benefits	100,697	-	100,697	-
Purchasing	436,329	-	436,329	383
Central stores	401,143	-	401,143	-
Municipal office services	159,243	31,997	191,240	-
Information technology	2,689,329	-	2,689,329	-
Legal	827,645	-	827,645	1,401
Personnel				
Human Resources	964,225	-	964,225	-
Safety and training	339,112	-	339,112	-
Communications	778,445	-	778,445	-
Occupancy				
Custodial operations	1,059,399	-	1,059,399	-
Building maintenance	1,625,481	-	1,625,481	16,138
Total staff services	11,566,766	31,997	11,598,763	26,672
PUBLIC SAFETY AND HEALTH				
Police				
Police	29,779,215	191,791	29,971,006	194,146
Civilian Personnel	4,492,242	-	4,492,242	-
COPS Hiring Program	-	-	-	-
COPS in School	-	-	-	-
Tobacco Senate Bill	9,168	-	9,168	-
Total police protection	34,280,625	191,791	34,472,416	194,146
Fire Protection				
Fire Operations	19,128,488	5,648	19,134,136	-
Civilian Personnel	1,630,050	-	1,630,050	-
Fire Support	2,830,052	20,338	2,850,390	27,496
Fire Safety	-	-	-	-
Total fire protection	23,588,590	25,986	23,614,576	27,496
Other				
Building safety	2,004,548	-	2,004,548	-
Animal control	1,442,143	-	1,442,143	719
Emergency services	382,059	-	382,059	-
AECC	74,893	-	74,893	-
Environmental health	815,375	-	815,375	-
Vital Statistics	62,418	-	62,418	-
Total Other	4,781,436	-	4,781,436	719
Total public safety and health	62,650,651	217,777	62,868,428	222,361

See Independent Auditor's Report.

Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
$ -	$ 109,591	$ 130,894	$ 145,894	$ 36,303
-	756,193	559,297	758,510	2,317
-	260,302	281,854	287,801	27,499
6,564	1,514,560	1,422,954	1,533,421	18,861
-	35,855	44,199	45,869	10,014
-	553,437	625,418	580,864	27,427
6,564	3,229,938	3,064,616	3,352,359	122,421
-	949,758	1,010,234	969,717	19,959
-	1,162,753	1,151,576	1,188,385	25,632
-	64,457	-	64,509	52
-	100,697	-	100,697	-
777	436,723	412,977	436,196	(527)
-	401,143	400,220	412,444	11,301
-	191,240	165,288	192,814	1,574
-	2,689,329	2,778,155	2,689,330	1
-	826,244	813,472	827,038	794
-	964,225	1,290,723	1,124,455	160,230
-	339,112	368,338	376,927	37,815
-	778,445	796,475	804,077	25,632
-	1,059,399	1,240,519	1,273,239	213,840
7,747	1,617,090	1,717,364	1,772,675	155,585
8,524	11,580,615	12,145,341	12,232,503	651,888
46,566	29,823,426	28,752,623	29,638,445	(184,981)
-	4,492,242	4,356,496	4,545,806	53,564
-	-	-	-	-
-	-	-	-	-
-	9,168	8,000	8,000	(1,168)
46,566	34,324,836	33,117,119	34,192,251	(132,585)
-	19,134,136	18,899,782	19,569,943	435,807
557	1,630,607	1,508,186	1,568,118	(62,489)
10,090	2,832,984	3,036,227	3,064,104	231,120
-	-	-	-	-
10,647	23,597,727	23,444,195	24,202,165	604,438
-	2,004,548	2,124,371	2,175,765	171,217
1,225	1,442,649	1,422,335	1,481,100	38,451
-	382,059	404,670	409,548	27,489
-	74,893	-	74,633	(260)
-	815,375	798,335	824,140	8,765
3,905	66,323	66,050	68,876	2,553
5,130	4,785,847	4,815,761	5,034,062	248,215
62,343	62,708,410	61,377,075	63,428,478	720,068

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2009

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances
STREETS, TRAFFIC & ENGINEERING				
Street maintenance	8,290,746	10,298	8,301,044	-
Traffic engineering	2,365,678	-	2,365,678	-
Traffic field operations	1,389,278	72,196	1,461,474	70,274
Engineering	1,460,471	4,693	1,465,164	3,301
Total streets, traffic, engineering	13,506,173	87,187	13,593,360	73,575
CULTURE & RECREATION				
Auditorium Coliseum				
Civic Center operations	1,719,154	-	1,719,154	-
Civic Center promotions	308,230	-	308,230	-
Box office operations	299,889	-	299,889	3,152
Civic Center Sports	287,848	-	287,848	9,681
Globe News Center	298,826	-	298,826	15,362
Library operations	3,325,940	27,155	3,353,095	5,890
Parks				
Parks administration	509,677	-	509,677	-
Park maintenance	5,595,625	6,587	5,602,212	-
Participant Recreation				
Ross Rogers golf course	1,369,545	11,269	1,380,814	11,708
Comanche Trail	1,251,578	-	1,251,578	6,545
Zoo	282,160	9,007	291,167	6,827
Swimming pools	415,193	-	415,193	-
Tennis center	86,428	4,055	90,483	13,055
Parks and recreation programs	433,636	-	433,636	2,124
Athletic administration	145,307	-	145,307	-
Softball	250,678	-	250,678	-
Basketball	12,963	-	12,963	-
Track	3,117	-	3,117	-
Volleyball	108,811	-	108,811	-
Flag football	5	-	5	-
Baseball	82	-	82	-
Soccer	-	-	-	-
Total culture and recreation	16,704,692	58,073	16,762,765	74,344
SOLID WASTE				
Solid waste collection	7,979,523	-	7,979,523	-
Solid waste disposal	3,317,270	30,000	3,347,270	1,608
Total solid waste	11,296,793	30,000	11,326,793	1,608
TRANSIT				
Fixed route	2,230,770	2,300	2,233,070	27,329
Demand response	980,747	-	980,747	1,372
Transit Maintenance	849,673	-	849,673	-
Total transit	4,061,190	2,300	4,063,490	28,701
ECONOMIC DEVELOPMENT				
Tourism support	2,798,810	-	2,798,810	-
Total economic development	2,798,810	-	2,798,810	-
TOTAL GENERAL FUND EXPENDITURES	$ 125,808,449	$ 427,334	$ 126,235,783	$ 427,261
OPERATING TRANSFERS:				
Operating Transfers to Other Funds	7,909,996	-	7,909,996	-
Operating Transfers from Other Funds	(368,231)	-	(368,231)	-
TOTALS INCLUDING TRANSFERS	$ 133,350,214	$ 427,334	$ 133,777,548	$ 427,261

See Independent Auditor's Report.

Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
-	8,301,044	9,001,632	9,177,913	876,869
-	2,365,678	2,488,183	2,503,317	137,639
18,312	1,409,512	1,452,354	1,492,538	83,026
	1,461,863	1,540,268	1,582,466	120,603
18,312	13,538,097	14,482,437	14,756,234	1,218,137
3,955	1,723,109	1,953,741	2,045,277	322,168
1,448	309,678	359,802	358,904	49,226
4,623	301,360	288,793	320,130	18,770
-	278,167	224,565	227,267	(50,900)
-	283,464	327,708	341,455	57,991
2,156	3,349,361	3,584,289	3,599,700	250,339
-	509,677	487,706	513,729	4,052
641	5,602,853	5,806,254	5,911,466	308,613
2,320	1,371,426	1,445,751	1,466,229	94,803
-	1,245,033	1,324,782	1,345,368	100,335
-	284,340	289,342	300,447	16,107
96	415,289	496,993	497,719	82,430
-	77,428	92,636	92,636	15,208
-	431,512	441,732	446,482	14,970
-	145,307	145,997	150,015	4,708
-	250,678	272,043	269,543	18,865
-	12,963	11,521	11,521	(1,442)
-	3,117	2,877	2,877	(240)
-	108,811	114,853	114,853	6,042
-	5	5	5	-
-	82	3,260	3,260	3,178
-	-	100	100	100
15,239	16,703,660	17,674,750	18,018,983	1,315,323
498	7,980,021	7,908,973	8,144,868	164,847
-	3,345,662	3,447,738	3,512,200	166,538
498	11,325,683	11,356,711	11,657,068	331,385
-	2,205,741	3,100,601	3,176,942	971,201
-	979,375	991,262	1,027,031	47,656
-	849,673	-	12,041	(837,632)
-	4,034,789	4,091,863	4,216,014	181,225
10,892	2,809,702	2,886,835	2,886,835	77,133
10,892	2,809,702	2,886,835	2,886,835	77,133
$ 122,372	$ 125,930,894	$ 127,079,628	$ 130,548,474	$ 4,617,580
-	7,909,996	8,800,458	5,447,732	(2,462,264)
-	(368,231)	(585,000)	(623,900)	(255,669)
$ 122,372	$ 133,472,659	$ 135,295,086	$ 135,372,306	$ 1,899,647

See Independent Auditor's Report.

This page left blank intentionally.

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 ASSETS
SEPTEMBER 30, 2009

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,735,136
Investments, at fair values	36,579,772
Accounts receivable	3,560,095
Accrued interest receivable	166,365
Other accrued revenue	2,829,096
Prepaid expenses	93,060
Total current assets	44,963,524
NONCURRENT ASSETS	
Restricted cash and cash equivalents	44,080,326
Capital assets	
Land	1,752,820
Underground water rights	36,706,908
Accumulated Depletion	(2,393,228)
Water supply contract	50,336,389
Accumulated amortization - water supply contract	(16,759,513)
Pipelines and plant	398,448,386
Accumulated depreciation - pipelines and plant	(121,455,798)
Equipment and vehicles	3,791,992
Accumulated depreciation - equipment and vehicles	(3,007,449)
Construction in progress	11,655,875
Total capital assets net of accumulated depreciation	359,076,382
Total noncurrent assets	403,156,708
TOTAL ASSETS	$ 448,120,232
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	$ 1,133,500
Accounts payable	305,704
Accrued expenses	1,341,568
Securities lending collateral	6,375,189
Deposits	30,512
Consumer security deposits	2,866,116
Compensated absences, current	134,195
Share of Water Authority debt, current	2,994,841
Bonded debt current maturity	1,335,000
Total current liabilities	16,516,625
NONCURRENT LIABILITIES	
Bonded debt net of current	73,360,035
Water authority debt, net of current	62,686,378
Other accrued expenses	1,316,942
Provision for compensated absences, net	1,340,334
Net pension obligation	328,199
Total noncurrent liabilities	139,031,888
TOTAL LIABILITIES	$ 155,548,513
NET ASSETS	
Invested in capital assets, net of related debt	$ 258,921,318
Restricted for debt service	2,524,136
Unrestricted	31,126,265
TOTAL NET ASSETS	$ 292,571,719

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2009

OPERATING REVENUES	
Rents and miscellaneous	$ 290,195
Tap fees and frontage charges	204,573
Utility sales and service	49,758,452
Total operating revenues	50,253,220
OPERATING EXPENSES	
Salaries, wages and fringe benefits	11,688,167
Supplies	1,265,460
Fuel and power	4,535,483
Contractual services	4,803,561
Water Authority charges	4,000,658
Other charges	8,147,664
Depreciation	9,505,120
Total operating expenses	43,946,113
Operating income	6,307,107
NONOPERATING REVENUES (EXPENSES)	
Gain (loss) on disposal of property	20,351
Interfund reimbursement	412,322
Interest earnings	881,453
Interest and fiscal charges	(4,459,891)
Total nonoperating revenue (expenses)	(3,145,765)
Income before contributions and transfers	3,161,342
Capital contributions	353,948
Transfers from other funds	59,211
Transfers to other funds	(150,075)
Change in net assets	3,424,426
TOTAL NET ASSETS, BEGINNING OF YEAR	289,147,293
TOTAL NET ASSETS, END OF YEAR	$ 292,571,719

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 50,161,642
Cash payments to suppliers for goods and services	(21,975,587)
Cash payments to employees	(10,974,670)
Net cash provided by operating activities	17,211,385
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	59,211
Transfers to other funds	(150,075)
Amounts repaid from other funds	(36,819)
Net cash used by noncapital financing activities	(127,683)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(8,739,849)
Principal paid on revenue bond maturities	(1,290,000)
Principal paid on proportionate share of Water Authority indebtedness	(2,980,863)
Proceeds from issuance of bonds	38,885,000
Bond issuance cost	(102,891)
Capital grants received	353,948
Interest expense	(4,897,380)
Proceeds from sale of equipment	22,651
Net cash provided for capital and related financing activities	21,250,616
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	29,685,355
Purchase of investment securities	(36,322,643)
Interest and gains (losses) on investments	934,922
Net cash used by investing activities	(5,702,366)
Net increase in cash and cash equivalents	32,631,952
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	13,183,510
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	$ 45,815,462
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 6,307,107
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	9,505,120
(Increase) decrease in accounts receivable	156,307
(Increase) decrease in other accrued revenue	(247,885)
(Increase) decrease in prepaid expenses	(71,525)
Increase (decrease) in vouchers payable	(158,441)
Increase (decrease) in accounts payable	(354,089)
Increase (decrease) in accrued operating expenses	262,431
Increase (decrease) in customer deposits	44,352
Increase (decease) in provision for compensated absences	122,867
Increase (decrease) in net pension obligation	328,199
Increase (decrease) in other accrued expenses	1,316,942
Net cash provided by operating activities	$ 17,211,385
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Amortization of bond issuance costs	92,577
Decreases (increases) in fair values of investments	149,846
Interest expense capitalized	681,391

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
SCHEDULE OF OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 2009

UTILITY SALES AND SERVICE	
Water metered sales	$ 32,260,187
Sewer charges	15,132,268
Industrial waste charges	70,470
Forfeited discounts	842,068
Sale of reclaimed water	761,885
Water service charges	847,347
Net loss on bad debts	(284,457)
Lab fees	86,264
Liquid waste disposal	42,420
Total utility sales and service	49,758,452
TAP FEES AND FRONTAGE CHARGES	
Water tap fees	133,100
Sewer tap fees	50,509
Water frontage charges	17,214
Sewer frontage charges	3,750
Total tap fees and frontage changes	204,573
RENTS AND MISCELLANEOUS	
Rents and miscellaneous	290,195
Total rents and miscellaneous	290,195
TOTAL OPERATING REVENUE	$ 50,253,220

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
YEAR ENDED SEPTEMBER 30, 2009

	Salaries, Wages & Fringe Benefits	Supplies	Fuel and Power
WATER AND SEWER SYSTEM FUND			
DEPARTMENT			
Water production	$ 360,879	$ 22,721	$ 1,642,257
Water transmission	356,089	18,842	1,162,866
Surface water treatment	1,668,455	436,989	124,911
Water distribution	2,287,487	44,126	1,054
Water - general	-	-	-
Wastewater collection	1,366,536	117,911	143,325
Wastewater treatment	2,244,708	408,996	1,439,139
Environmental laboratory	1,056,974	121,626	21,931
Sewer - general	-	-	-
Utility billing	1,182,948	82,400	-
Director of utilites - admin.	1,164,091	11,849	-
Net Operating Expenses	$ 11,688,167	$ 1,265,460	$ 4,535,483

See Independent Auditor's Report.

Water Authority Charges	Contractual Services	Other Charges	Depreciation/ Amortization	Total Current Year
$ -	$ 477,292	$ 15,099	$ 2,063,570	$ 4,581,818
-	300,930	31,269	1,074,823	2,944,819
4,000,658	337,119	51,893	1,125,189	7,745,214
-	1,020,830	44,047	1,996,910	5,394,454
-	-	3,547,226	-	3,547,226
-	487,015	46,138	995,542	3,156,467
-	1,314,835	1,702,375	1,954,249	9,064,302
-	123,774	13,452	104,716	1,442,473
-	-	2,111,610	-	2,111,610
-	576,999	15,989	171,289	2,029,625
-	164,767	568,566	18,832	1,928,105
$ 4,000,658	$ 4,803,561	$ 8,147,664	$ 9,505,120	$ 43,946,113

See Independent Auditor's Report.

This page left blank intentionally.

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 ASSETS
SEPTEMBER 30, 2009

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 2,257,360
Investments at fair value	19,077,314
Receivables (net of allowances for uncollectibles)	
Accounts	121,661
Accrued interest	116,279
Other accrued revenue	130,859
Due from other governments	1,712,533
Total current assets	23,416,006
NONCURRENT ASSETS	
Restricted cash and cash equivalents	18,363,782
Capital assets	
Land	2,777,341
Runways, buildings and improvements	94,518,436
Accumulated depreciation	(58,860,952)
Equipment and vehicles	5,523,195
Accumulated depreciation	(3,982,990)
Construction in progress	11,243,247
Total capital assets, net of accumulated depreciation	51,218,277
Total noncurrent assets	69,582,059
TOTAL ASSETS	$ 92,998,065
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	$ 116,449
Accounts payable	2,440,099
Accrued expenses	413,318
Securities lending collateral	3,332,019
Compensated absences, current	20,024
Deposits	89,413
Bonded debt current maturity	1,165,000
Total current liabilities	7,576,322
NONCURRENT LIABILITIES	
Bonded debt net of current	16,039,905
Provision for compensated absences, net	159,026
Net pension obligation	64,437
Total noncurrent liabilities	16,263,368
TOTAL LIABILITIES	$ 23,839,690
NET ASSETS	
Invested in capital assets net of debt	$ 51,218,277
Restricted for debt service	1,158,877
Unrestricted	16,781,221
TOTAL NET ASSETS	$ 69,158,375

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
AIRPORT FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2009

OPERATING REVENUES	
Airfield fees and commissions	$ 560,197
Terminal building revenue	4,117,890
Other building revenue	1,345,832
Total operating revenues	6,023,919
OPERATING EXPENSES	
Salaries, wages and fringes	2,282,470
Supplies	133,860
Fuel and power	466,358
Other contractual	312,876
Other charges	1,970,057
Depreciation	3,375,793
Total operating expenses	8,541,414
Operating loss	(2,517,495)
NONOPERATING REVENUES (EXPENSES)	
Passenger facility charge	1,093,015
Interest earnings	395,004
Change in value of investments	15,770
Gain (loss) on sale of property	3,908
Interest expense	(51,974)
Other miscellaneous revenue	10,532
Net nonoperating revenues (expenses)	1,466,255
Net loss before contributions and transfer	(1,051,240)
CAPITAL CONTRIBUTIONS	6,080,465
Change in net assets	5,029,225
NET ASSETS AT BEGINNING OF YEAR	64,129,150
NET ASSETS AT END OF YEAR	$ 69,158,375

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
AIRPORT FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 6,024,799
Cash payments to suppliers for goods and services	(2,388,931)
Cash payments to employees	(56,108)
Net cash provided by operating activities	3,579,760
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Amounts borrowed from or repaid by other funds	(77,381)
Cash payments received for passenger facility charge	1,093,015
Net cash provided by noncapital financing activities	1,015,634
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(7,642,353)
Capital grants received	6,080,465
Proceeds from sale of equipment	3,908
Interest expense	(51,974)
Proceeds from issuance of debt	16,140,000
Bond issuance cost	(201,174)
Net cash provided for capital and related financing activities	14,328,872
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	13,359,497
Purchase of investment securities	(16,285,083)
Interest and gains on investments	508,237
Net cash used by investing activities	(2,417,349)
Net increase in cash and cash equivalents	16,506,917
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	4,114,225
CASH AND CASH EQUIVALENTS, AT END OF YEAR	$ 20,621,142
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	$ (2,517,495)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	3,375,793
(Increase) decrease in accounts receivable	(38,683)
(Increase) decrease in other accrued revenue	39,563
Increase (decrease) in vouchers payable for operations	(115,467)
Increase (decrease) in accounts payable	2,414,731
Increase (decrease) in accrued expenses	311,331
Increase (decrease) in deposits received	9,006
Increase in provision for compensated absences	36,544
Increase (decrease) in net pension obligation	64,437
Net cash provided by operating activities	$ 3,579,760
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Decrease in fair values of investments	$ 15,770

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
AIRPORT FUND
SCHEDULE OF OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 2009

AIRFIELD FEES AND COMMISSIONS	
Landing fees	$ 415,597
Military fuel flowage commission	49,730
Fuel and oil commission--fixed base operator	88,871
Fuel and oil commissions--other	5,999
Total airfield fees and commissions	560,197
TERMINAL BUILDING REVENUES	
Airline rentals	1,393,354
Restaurant commissions	90,256
Locker and vending machine commissions	2,337
Other terminal building rentals	143,270
Car rental agencies	1,026,611
Auto parking concession	1,462,062
Total terminal building revenues	4,117,890
OTHER BUILDING REVENUES	
Lease rentals	
Bell Helicopter	453,980
Krams, Inc.	275,070
Leading Edge	266,748
Fixed base operator	79,281
Other building rentals	62,018
Ground rentals	170,598
Advertising commissions	38,137
Total other building revenues	1,345,832
TOTAL OPERATING REVENUES	$ 6,023,919

See Independent Auditor's Report.

This page left blank intentionally.

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 nutrition, immunization, education, and similar public health purposes within the city-bi-county public health district, received primarily through the Texas Department of Health.

Justice: These grants are received from the Texas Criminal Justice Division 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 library administers grants received from the Texas State Library and the Texas Committee for the Humanities for services as an area resource center, as well as for local purposes. The City's transportation planning department administers grants from the U. S. Department of Transportation and the Texas Highway Commission for both general transportation planning and for planning with respect to the Department of Energy's Pantex plant east of the City. The City's parks department administers a summer lunch program for low-income children funded by the U. S. Department of Agriculture.

Agency and Donor-Restricted Investment Trust Funds

The City accounts for the assets of the following other parties:

Public Library Bush Collection
Library Trust
Flood Hazard
Centennial Plaza Trust
Centennial Parkway
Indigent Dog Bite Victim
Civic Amarillo
Zoo Trust
Center City Trust
Rick Husband Memorial
Amarillo Industrial Development Corp
Amarillo Health Facilities Corporation
Deferred Compensation
Civic Center Operations
Keep Amarillo Beautiful

CITY OF AMARILLO, TEXAS
HOUSING AND URBAN DEVELOPMENT GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
SEPTEMBER 30, 2009

	Community Development Block Grant	Housing Assistance Payments Program	Home Investment Partnership Program	Shelter Plus Care
ASSETS				
Cash and cash equivalents	$ 169,172	$ 1,118,669	$ 31,981	$ 795
Accounts receivable	8,187	3,537	89,226	-
Due from other funds	97	1,903	508	-
Due from other governments	122,551	24,806	-	1,745
Other accrued revenue	175	-	-	16,665
Prepaid items	-	532,651	-	-
TOTAL ASSETS	$ 300,182	$ 1,681,566	$ 121,715	$ 19,205
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 23,082	$ 172,916	$ 3,635	$ -
Due to other funds - unrestricted	169,605	617	-	18,938
Due to other governments	59	20,443	-	-
Deferred revenue	10,000	-	81,547	-
Vouchers payable	97,436	3,795	-	-
Total liabilities	300,182	197,771	85,182	18,938
FUND BALANCES				
Reserve for sick and annual leave	-	58,333	-	-
Reserve for prepaid items	-	532,651	-	-
Designated for specific purposes	-	892,811	36,533	267
Total fund balances	-	1,483,795	36,533	267
TOTAL LIABILITIES AND FUND BALANCES	$ 300,182	$ 1,681,566	$ 121,715	$ 19,205

See Independent Auditor's Report.

Supportive Housing	Affordable Housing	Emergency Shelter	HMIS	Total
$ 2,024	$ 160,497	$ 1,000	$ 45,288	$ 1,529,426
-	-	-	-	100,950
-	-	-	746	3,254
28,145	-	3,000	8,801	189,048
9,206	-	-	-	26,046
-	-	-	-	532,651
$ 39,375	$ 160,497	$ 4,000	$ 54,835	$ 2,381,375
$ -	$ -	$ -	$ 3,330	$ 202,963
35,965	-	4,000	-	229,125
-	-	-	-	20,502
-	100,000	-	-	191,547
-	-	-	-	101,231
35,965	100,000	4,000	3,330	745,368
-	-	-	-	58,333
-	-	-	-	532,651
3,410	60,497	-	51,505	1,045,023
3,410	60,497	-	51,505	1,636,007
$ 39,375	$ 160,497	$ 4,000	$ 54,835	$ 2,381,375

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, 2009

	Community Development Block Grant	Housing Assistance Payments Program	Home Investment Partnership Program
REVENUES			
Grants-in-aid - capital	$ 1,662,615	$ 6,957,064	$ 1,796,801
Charges for services	11,953	-	16,529
Construction participations	24,818	-	-
Investment earnings	-	5,951	-
Miscellaneous revenues	-	86,214	-
Total revenues	1,699,386	7,049,229	1,813,330
EXPENDITURES			
Urban redevelopment/housing	1,681,582	7,761,446	1,845,857
Capital outlay	-	-	-
Total expenditures	1,681,582	7,761,446	1,845,857
Excess (deficiency) of revenues over expenditures	17,804	(712,217)	(32,527)
OTHER FINANCING SOURCES (USES)			
Transfer to other fund	(32,377)	-	-
Operating transfer from other fund	14,573	-	32,377
Total other financing sources (uses)	(17,804)	-	32,377
Net change in fund balances	-	(712,217)	(150)
FUND BALANCES, BEGINNING OF YEAR	-	2,196,012	36,683
FUND BALANCES, END OF YEAR	$ -	$ 1,483,795	$ 36,533

See Independent Auditor's Report.

Shelter Plus Care	Supportive Housing	Affordable Housing	Emergency Shelter	HMIS	Total
$ 199,603	$ 243,463	$ -	$ 127,630	$ 75,442	$ 11,062,618
-	-	-	-	-	28,482
-	-	-	-	-	24,818
-	-	65	-	-	6,016
-	-	-	-	-	86,214
199,603	243,463	65	127,630	75,442	11,208,148
199,575	240,812	-	127,630	64,383	11,921,285
-	-	-	-	1,235	1,235
199,575	240,812	-	127,630	65,618	11,922,520
28	2,651	65	-	9,824	(714,372)
-	-	-	-	-	(32,377)
-	-	-	-	-	46,950
-	-	-	-	-	14,573
28	2,651	65	-	9,824	(699,799)
239	759	60,432	-	41,681	2,335,806
$ 267	$ 3,410	$ 60,497	$ -	$ 51,505	$ 1,636,007

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
PUBLIC HEALTH GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SEPTEMBER 30, 2009

	Public Health	Women, Infants & Children	Total
ASSETS			
Cash and cash equivalents	$ 2,217	$ 3,459	$ 5,676
Accounts receivable	141,962	-	141,962
Due from other governments	189,911	324,159	514,070
TOTAL ASSETS	$ 334,090	$ 327,618	$ 661,708
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 77,389	$ 77,824	$ 155,213
Due to other funds - unrestricted	245,786	245,000	490,786
Vouchers payable	10,915	4,794	15,709
Total liabilities	334,090	327,618	661,708
FUND BALANCES			
Unreserved, undesignated	-	-	-
Total fund balances	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 334,090	$ 327,618	$ 661,708

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, 2009

	Public Health	Women, Infants & Children	Total
REVENUES			
Other entity participation	$ 786,670	$ -	$ 786,670
Intergovernmental revenues	1,010,023	1,703,039	2,713,062
Charges for services	16,522	-	16,522
Miscellaneous revenues	-	17	17
Total revenues	1,813,215	1,703,056	3,516,271
EXPENDITURES			
Public Safety and Health Other	1,811,575	1,669,320	3,480,895
Capital outlay	1,640	31,036	32,676
Total expenditures	1,813,215	1,700,356	3,513,571
Excess (deficiency) of revenues over expenditures	-	2,700	2,700
OTHER FINANCING SOURCES (USES)			
Operating transfers to other fund	-	(2,685)	(2,685)
Total other financing sources and uses	-	(2,685)	(2,685)
Net change in fund balances	-	15	15
FUND BALANCES, AT BEGINNING OF YEAR	-	(15)	(15)
FUND BALANCES, AT END OF YEAR	$ -	$ -	$ -

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
JUSTICE GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SEPTEMBER 30, 2009

	Justice Assistant Grant	Selective Traffic Enforcement Program	Total
ASSETS			
Cash and cash equivalents	$ 14,521	$ 413	$ 14,934
Due from other governments	-	18,328	18,328
TOTAL ASSETS	$ 14,521	$ 18,741	$ 33,262
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds - unrestricted	$ -	$ 19,000	$ 19,000
Total liabilities	-	19,000	19,000
FUND BALANCES			
Reserved for grant purposes	14,521	(259)	14,262
Total fund balances	14,521	(259)	14,262
TOTAL LIABILITIES AND FUND BALANCES	$ 14,521	$ 18,741	$ 33,262

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, 2009

	Justice Assistance Grant	Selective Traffic Enforcement Program	Total
REVENUES			
Other entities participation			
Intergovernmental revenues	$ 27,697	$ 137,397	$ 165,094
Total revenues	27,697	137,397	165,094
EXPENDITURES			
Police protection	61,569	180,786	242,355
Capital outlay	12,215	-	12,215
Total expenditures	73,784	180,786	254,570
Excess (deficiency) of revenues over expenditures	(46,087)	(43,389)	(89,476)
OTHER FINANCING SOURCES (USES)			
Transfers from other fund	-	43,130	43,130
Total other financing sources and uses	-	43,130	43,130
Net change in fund balances	(46,087)	(259)	(46,346)
FUND BALANCES, AT BEGINNING OF YEAR	60,608	-	60,608
FUND BALANCES, AT END OF YEAR	$ 14,521	$ (259)	$ 14,262

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
MISCELLANEOUS GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES,
AND FUND BALANCES
SEPTEMBER 30, 2009

	Texas State Library Programs	Urban Transportation Planning	Hazardous Materials Transportation Planning
ASSETS			
Cash and cash equivalents	$ 2,076	$ 1,270	$ 400,647
Other accrued revenue	-	-	-
Due from other governments	65,843	63,158	-
TOTAL ASSETS	$ 67,919	$ 64,428	$ 400,647
LIABILITIES AND FUND BALANCES			
Accounts payable	$ 12,919	$ 11,428	$ 7,470
Due to other funds - unrestricted	55,000	53,000	-
Total liabilities	67,919	64,428	7,470
FUND BALANCES			
Reserved for grant purposes	-	-	393,177
Total fund balances	-	-	393,177
TOTAL LIABILITIES AND FUND BALANCES	$ 67,919	$ 64,428	$ 400,647

See Independent Auditor's Report.

Pantex Plant Environmental Oversight	Public Assistance	Summer Lunch Program	Total
$ 980	$ 1,941	$ -	$ 406,914
-	167,151	-	167,151
14,328	-	-	143,329
$ 15,308	$ 169,092	$ -	$ 717,394
$ 3,308	$ -	$ -	$ 35,125
12,000	171,000	-	291,000
15,308	171,000	-	326,125
-	(1,908)	-	391,269
-	(1,908)	-	391,269
$ 15,308	$ 169,092	$ -	$ 717,394

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, 2009

	Texas State Library Programs	Urban Transportation Planning	Hazardous Materials Transportation Planning
REVENUES			
Intergovernmental revenues	$ 533,796	$ 318,571	$ 4,023
Total revenues	533,796	318,571	4,023
EXPENDITURES			
Economic development	-	-	-
Libraries	499,545	-	-
Other public safety and health	-	-	-
Staff services	-	318,571	140,134
Total expenditures	499,545	318,571	140,134
Excess (deficiency) of revenues over expenditures	34,251	-	(136,111)
OTHER FINANCING SOURCES (USES)			
Transfers to other fund	(34,251)	-	-
Transfers from other fund	-	-	68,385
Total other financing sources and uses	(34,251)	-	68,385
Net change in fund balances	-	-	(67,726)
FUND BALANCES, AT BEGINNING OF YEAR	-	-	460,903
FUND BALANCES, AT END OF YEAR	$ -	$ -	$ 393,177

See Independent Auditor's Report.

Pantex Plant Environmental Oversight	Public Assistance	Summer Lunch Program	Total
$ 165,833	$ -	$ 217,928	$ 1,240,151
165,833	-	217,928	1,240,151
-	-	-	-
-	-	-	499,545
165,833	1,908	178,120	345,861
-	-	-	458,705
165,833	1,908	178,120	1,304,111
-	(1,908)	39,808	(63,960)
-	-	(39,808)	(74,059)
-	-	-	68,385
-	-	(39,808)	(5,674)
-	(1,908)	-	(69,634)
-	-	-	460,903
$ -	$ (1,908)	$ -	$ 391,269

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINING STATEMENT OF FIDUCIARY FUNDS
SEPTEMBER 30, 2009

	Public Library Bush Collection	Library Trust	Flood Hazard	Centennial Plaza Trust	Centennial Parkway	Indigent Dog Bite Victim	Civic Amarillo	Zoo Trust	Center City Trust	Rick Husband Memorial	Amarillo Industrial Development Corp	Amarillo Health Facilities Corporation	Deferred Compensation	Civic Center Operations	Keep Amarillo Beautiful	Total Trust Funds
ASSETS																
Cash and cash equivalents	$ 48,693	$ 86,488	$ 877,454	$ 12	$ 2,454	$ 4,972	$ 156,509	$52,662	$ (146)	$ 1,000	$ 23,259	$ 353,838	$ -	$ 801,497	$ 34,833	$ 2,443,525
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,746)	(1,746)
Accrued interest receivable	-	-	1,067	-	-	-	-	-	-	-	-	1,485	-	-	-	2,552
Investments, at fair values	-	-	1,578,730	-	-	-	-	-	-	-	-	300,000	27,766,694	-	-	29,645,424
TOTAL ASSETS	$ 48,693	$ 86,488	$ 2,457,251	$ 12	$ 2,454	$ 4,972	$ 156,509	$52,662	$ (146)	$ 1,000	$ 23,259	$ 655,323	$ 27,766,694	$ 801,497	$ 33,087	$ 32,089,755
LIABILITIES																
Held for other governments, individuals, entities	$ 48,693	$ 86,488	$ 2,457,251	$ 12	$ 2,454	$ 4,972	$ 156,509	$52,662	$ (146)	$ 1,000	$ 23,259	$ 655,323	$ 27,766,694	$ 801,497	$ 33,087	$ 32,089,755
TOTAL LIABILITIES	$ 48,693	$ 86,488	$ 2,457,251	$ 12	$ 2,454	$ 4,972	$ 156,509	$52,662	$ (146)	$ 1,000	$ 23,259	$ 655,323	$ 27,766,694	$ 801,497	$ 33,087	$ 32,089,755

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUNDS
SEPTEMBER 30, 2009

	Public Library Bush Collection	Library Trust	Flood Hazard	Centennial Plaza Trust	Centennial Parkway	Indigent Dog Bite Victim	Civic Amarillo	Zoo Trust	Center City Trust	Rick Husband Memorial	Amarillo Industrial Development Corp	Amarillo Health Facilities Corporation	Deferred Compensation	Civic Center Operations	Keep Amarillo Beautiful	Total Trust Funds
ADDITIONS:																
Contributions from citizens	$ -	$ 1,967	$ -	$ -	$ -	$ -	$ -	$ 9,689	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000	$ 16,656
Contributions from other	-	-	290,290	-	-	-	-	-	-	-	-	563,856	996,694	-	9	1,850,849
Charges for services	-	-	-	-	-	-	669,472	25,730	-	-	-	-	-	3,810,089	-	4,505,291
Other rentals and commissions	-	-	-	-	-	-	-	21,517	-	-	-	-	-	-	-	21,517
Miscellaneous revenues	-	-	-	-	-	-	-	1,745	-	-	-	-	-		30	1,775
Investment earnings	145	143	43,814	-	4	8	115	78	-	-	61	3,045	-	-	2,872	50,285
Total additions	145	2,110	334,104	-	4	8	669,587	58,759	-	-	61	566,901	996,694	3,810,089	7,911	6,446,373
DEDUCTIONS:																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,000	210,000
Salaries and wages	-	-	-	-	-	-	506,086	-	-	-	-	-	-	-	-	506,086
Contractual services	-	-	-	-	-	-	123,959	-	-	-	-	-	-	4,069,518	935	4,194,412
Supplies	2,986	4,341	-	-	-	-	-	29,520	-	-	-	-	-	-	1,130	37,977
Operating transfers to other funds	-	25,194	-	-	-	-	-	22,058	-	-	-	563,856	-	-	-	611,108
Total deductions	2,986	29,535	-	-	-	-	630,045	51,578	-	-	-	563,856	-	4,069,518	212,065	5,559,583
Change in Net Assets	(2,841)	(27,425)	334,104	-	4	8	39,542	7,181	-	-	61	3,045	996,694	(259,429)	(204,154)	886,790
FUND BALANCE, BEGINNING OF YEAR	51,534	113,913	2,123,147	12	2,450	4,964	116,967	45,481	(146)	1,000	23,198	652,278	26,770,000	1,060,926	237,241	31,202,965
FUND BALANCE, END OF YEAR	$ 48,693	$ 86,488	$ 2,457,251	$ 12	$ 2,454	$ 4,972	$ 156,509	$ 52,662	$ (146)	$ 1,000	$ 23,259	$ 655,323	$ 27,766,694	$ 801,497	$ 33,087	$ 32,089,755

See Independent Auditor's Report.

This page left blank intentionally.

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:

- A schedule of investments by funds
- Schedules concerning ad valorem taxes
- Schedules of outstanding debt issuances
- Schedules for Waterworks and Sewer System
- Schedule of insurance coverage - all funds
- Non-Major Special Revenue Budgets

CITY OF AMARILLO, TEXAS
SCHEDULE OF INVESTMENTS - BY FUNDS
SEPTEMBER 30, 2009

	No-Load Mutual Funds	Taxable Municipal Bonds		U.S. Treasury Obligations	
		Par Value	Fair Values	Par Value	Fair Values
GOVERNMENTAL FUNDS					
General Fund	$ 1,519,407	$ -	$ -	$ -	$ -
Compensated Absences	1,205,284	1,140,000	1,158,491	1,000,000	1,032,500
General Construction	8,178	-	-	-	-
Street Improvement	290,537	-	-	-	-
Street and Drainage	209,806	-	-	600,000	619,500
Golf	559,904	-	-	-	-
Solid Waste Disposal Fund	375,083	-	-	2,800,000	2,867,270
T-Anchor Bivins	251,008	-	-	-	-
Civic Center Improvement	1,152,466	-	-	-	-
Park improvement	168,972	-	-	-	-
CO Bond Construction 06/07	9,192,643	-	-	-	-
Total Governmental Funds	14,933,288	1,140,000	1,158,491	4,400,000	4,519,270
PROPRIETARY FUNDS					
ENTERPRISE FUNDS					
Unrestricted					
Water and Sewer Fund	1,712,368	-	-	4,200,000	4,260,755
Airport Fund	2,038,163	-	-	1,000,000	1,019,800
Total Unrestricted	3,750,531	-	-	5,200,000	5,280,555
Restricted:					
Water and Sewer Fund	44,080,326	-	-	-	-
Airport Fund	18,363,782	-	-	-	-
Total Enterprise Funds	66,194,639	-	-	5,200,000	5,280,555
INTERNAL SERVICE FUNDS					
Municipal Garage	840,080	-	-	400,000	407,920
Information Services	40,394	-	-	-	-
Risk Management	1,516,014	-	-	1,500,000	1,513,245
Employee Insurance	4,468,923	-	-	-	-
Total Internal Service Funds	6,865,411	-	-	1,900,000	1,921,165
Totals - All Funds	$ 87,993,338	$ 1,140,000	$ 1,158,491	$ 11,500,000	$ 11,720,990

See Independent Auditor's Report.

U.S. Government and Government-Sponsored Agencies				Total			Net		
Interest Bearing Obligations		Discount Obligations		Investments			Investments		
Par	Fair	Par	Fair	at Fair	Add Time	Less Cash	for	Securities	Total
Values	Values	Values	Values	Values	Deposits	Equivalents	Financial Reporting	Lending	Investments
$ 26,015,000	$ 26,281,922	$ 7,500,000	$ 7,498,150	$ 35,299,479	$ 187,017	$ (1,519,407)	$ 33,967,089	$ 7,193,821	$ 41,160,910
8,750,000	8,894,140	2,500,000	2,498,350	14,788,765	-	(1,205,284)	13,583,481	2,866,229	16,449,710
13,174,000	13,437,330	4,800,000	4,799,320	18,244,828	-	(8,178)	18,236,650	3,837,505	22,074,155
350,000	360,721			651,258	-	(290,537)	360,721	76,283	437,004
225,000	243,000	300,000	299,970	1,372,276	-	(209,806)	1,162,470	246,239	1,408,709
-	-	-	-	559,904	-	(559,904)	-	-	-
5,200,000	5,279,561	3,400,000	3,399,660	11,921,574	-	(375,083)	11,546,491	2,445,710	13,992,201
50,000	51,532	-	-	302,540	-	(251,008)	51,532	10,898	62,430
1,800,000	1,831,584	500,000	499,950	3,484,000	-	(1,152,466)	2,331,534	493,478	2,825,012
500,000	505,315			674,287	-	(168,972)	505,315	106,953	612,268
-	-	3,000,000	3,000,000	12,192,643	-	(9,192,643)	3,000,000	636,414	3,636,414
56,064,000	56,885,105	22,000,000	21,995,400	99,491,554	187,017	(14,933,288)	84,745,283	17,913,530	102,658,813
22,550,000	22,943,828	3,000,000	3,000,000	31,916,951	-	(1,712,368)	30,204,583	6,375,189	36,579,772
13,560,000	13,725,795	1,000,000	999,700	17,783,458	-	(2,038,163)	15,745,295	3,332,019	19,077,314
36,110,000	36,669,623	4,000,000	3,999,700	49,700,409	-	(3,750,531)	45,949,878	9,707,208	55,657,086
-	-	-	-	44,080,326	-	(44,080,326)	-	-	-
-	-	-	-	18,363,782		(18,363,782)	-	-	-
36,110,000	36,669,623	4,000,000	3,999,700	112,144,517	-	(66,194,639)	45,949,878	9,707,208	55,657,086
9,000,000	9,113,765			10,361,765	-	(840,080)	9,521,685	2,017,185	11,538,870
2,860,000	2,890,027	-	-	2,930,421	-	(40,394)	2,890,027	610,963	3,500,990
9,100,000	9,226,137	2,000,000	1,999,400	14,254,796	-	(1,516,014)	12,738,782	2,685,875	15,424,657
4,450,000	4,554,092	1,000,000	999,700	10,022,715	-	(4,468,923)	5,553,792	1,166,521	6,720,313
25,410,000	25,784,021	3,000,000	2,999,100	37,569,697	-	(6,865,411)	30,704,286	6,480,544	37,184,830
$ 117,584,000	$ 119,338,749	$ 29,000,000	$ 28,994,200	$ 249,205,768	$ 187,017	$ (87,993,338)	$ 161,399,447	$ 34,101,282	$ 195,500,729

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
AD VALOREM TAXES RECEIVABLE BY ROLL YEAR
SEPTEMBER 30, 2009

Roll Year	General Fund	Debt Service	Total
2009	$ 436,422	$ 44,444	$ 480,866
2008	174,133	3,660	177,793
2007	109,154	2,499	111,653
2006	77,808	1,879	79,687
2005	57,249	1,435	58,684
2004	54,326	1,422	55,748
2003	86,303	2,357	88,660
2002	59,085	1,962	61,047
2001	55,535	-	55,535
2000	40,512	-	40,512
1999	21,799	-	21,799
1998	16,466	-	16,466
1997	11,065	-	11,065
1996 and prior	59,038	-	59,038
Total taxes receivable	1,258,895	59,658	1,318,553
Allowance for uncollectible taxes	960,101	50,493	1,010,594
Net taxes receivable	298,794	9,165	307,959
Provision for deferred collections	218,721	7,485	226,206
Net taxes available for current expenditure	$ 80,073	$ 1,680	$ 81,753

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
SCHEDULE OF CHANGES IN TAXES AVAILABLE
YEAR ENDED SEPTEMBER 30, 2009

TAXES AVAILABLE, BEGINNING, Net	$	85,800
REVENUES		
Taxes levied		29,523,733
Adjustments		(71,005)
Tax levy net of adjustments		29,452,728
Increase in allowance for uncollectible taxes		(88,436)
Decrease in provision for deferred collections		(19,708)
Net revenues		29,344,584
COLLECTIONS		(29,348,631)
Net increas (decrease) in taxes available		(4,047)
TAXES AVAILABLE, ENDING, Net	$	81,753
TOTAL AD VALOREM TAXES:		
Ad valorem taxes - property tax rolls	$	26,574,937
Penalty and interest		286,763
Payment in lieu of property tax		2,580,708
Total General Fund tax revenues		29,442,408
Debt Service		2,706,352
TOTAL TAX REVENUES	$	32,148,760

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINED SCHEDULE OF OUTSTANDING DEBT ISSUANCES
SEPTEMBER 30, 2009

	Issue Date	Final Maturity Date	Interest Rates on Outstanding Maturities
GENERAL OBLIGATION DEBT:			
Serviced by Tax Revenues:			
General Obligation Bonds, Series 2001	07/17/01	08/15/10	4.38%
General Obligation Bonds, Series 2009	09/03/09	08/15/22	2.00 - 4.00%
Combination Tax and Revenue Certificate of Obligation Bonds, Series 2007	09/25/07	05/15/27	4.00 - 5.25%
Serviced by special assessments:			
Public Improvement Districts:			
Combination Tax and Revenues Certificates of Obligation			
Series 2001 Greenways	12/20/01	08/15/16	4.45%
Series 2003 Greenways	11/26/03	08/15/23	3.70%
Series 2006 Colonies	05/24/06	02/15/26	4.75%
Series 2008A Greenways	07/17/08	02/15/28	4.28%
Series 2008B Colonies	07/17/08	02/15/28	4.08%
Total debt services by property taxes, including special assessment			
REVENUE OBLIGATION DEBT:			
Serviced by Water and Sewer Revenues:			
Waterworks and Sewer Revenue, 2003	12/20/03	04/01/23	3.00 - 4.40%
Waterworks and Sewer Revenue, 2005	09/07/05	04/01/19	4.00 - 5.00%
Waterworks and Sewer Revenue, 2006	12/28/06	04/01/32	4.00 - 4.50%
Waterworks and Sewer Revenue, 2006A	01/18/07	04/01/27	4.25 - 4.38%
Combination Tax and Revenues Certificates of Obligation			
Waterworks and Sewer Tax and Revenue, 2009	04/01/09	05/15/28	0.15 - 3.02%
Total bonds serviced by Water and Sewer revenues			
Airport Tax and Revenue, 2009A serviced by airport revenue	09/03/09	02/15/20	3.00 -4.78%
Total bonds payable*			

* Does not include the City's proportionate share of the Canadian River Water Authority indebtedness.

See Independent Auditor's Report.

Bond Issuances				2009-10 Maturities		
Authorized	Issued	Retired	Outstanding	Principal	Interest	Total
$ 6,913,000	$ 6,913,000	$ 6,628,000	$ 285,000	$ 285,000	$ 12,469	$ 297,469
4,825,000	4,825,000	-	4,825,000	25,000	183,429	208,429
24,575,000	24,575,000	130,000	24,445,000	905,000	1,197,013	2,102,013
600,000	600,000	275,000	325,000	40,000	14,463	54,463
620,000	620,000	135,000	485,000	25,000	17,945	42,945
585,000	585,000	61,908	523,092	21,563	24,381	45,944
600,000	600,000	20,000	580,000	20,000	24,396	44,396
1,500,000	1,500,000	45,000	1,455,000	50,000	58,344	108,344
40,218,000	40,218,000	7,294,908	32,923,092	1,371,563	1,532,440	2,904,003
9,180,000	9,180,000	2,305,000	6,875,000	385,000	261,958	646,958
13,650,000	13,650,000	2,060,000	11,590,000	950,000	520,100	1,470,100
9,120,000	9,120,000	-	9,120,000	-	383,088	383,088
9,370,000	9,370,000	-	9,370,000	-	401,530	401,530
38,885,000	38,885,000	-	38,885,000	-	700,622	700,622
80,205,000	80,205,000	4,365,000	75,840,000	1,335,000	2,267,298	3,602,298
16,140,000	16,140,000	-	16,140,000	1,165,000	708,163	1,873,163
$ 136,563,000	$ 136,563,000	$ 11,659,908	$ 124,903,092	$ 3,871,563	$ 4,507,901	$ 8,379,464

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
SEPTEMBER 30, 2009

	General Obligation Bonds and Tax Revenues Certificates of Obligations (Serviced by Tax Revenues)			Tax and Revenues Certificates of Obligation (Serviced by Special Assessments)		
	Principal	Interest	Total	Principal	Interest	Total
2009-2010	$ 1,215,000	$ 1,392,911	$ 2,607,911	$ 156,563	$ 139,529	$ 296,092
2010-2011	1,270,000	1,336,875	2,606,875	162,611	132,780	295,391
2011-2012	1,320,000	1,291,850	2,611,850	173,708	125,877	299,585
2012-2013	1,365,000	1,242,450	2,607,450	184,860	118,304	303,164
2013-2014	1,425,000	1,184,550	2,609,550	191,067	110,467	301,534
2014-2015	1,480,000	1,125,875	2,605,875	197,331	102,246	299,577
2015-2016	1,545,000	1,063,475	2,608,475	208,659	93,863	302,522
2016-2017	1,620,000	990,125	2,610,125	160,051	84,904	244,955
2017-2018	1,685,000	921,275	2,606,275	166,509	78,117	244,626
2018-2019	1,765,000	844,375	2,609,375	178,037	71,051	249,088
2019-2020	1,850,000	759,413	2,609,413	179,643	63,623	243,266
2020-2021	1,935,000	670,250	2,605,250	191,325	55,908	247,233
2021-2022	2,030,000	575,638	2,605,638	203,088	47,800	250,888
2022-2023	1,630,000	475,125	2,105,125	209,936	39,218	249,154
2023-2024	1,715,000	389,550	2,104,550	166,875	30,445	197,320
2024-2025	1,805,000	299,512	2,104,512	178,909	23,033	201,942
2025-2026	1,900,000	204,750	2,104,750	158,920	15,531	174,451
2026-2027	2,000,000	105,000	2,105,000	145,000	9,412	154,412
2027-2028	-	-	-	155,000	3,204	158,204
2028-2029	-	-	-	-	-	-
2029-2030	-	-	-	-	-	-
2030-2031	-	-	-	-	-	-
2031-2032	-	-	-	-	-	-
2032-2033	-	-	-	-	-	-
2033-2034	-	-	-	-	-	-
Totals	$ 29,555,000	$ 14,872,999	$ 44,427,999	$ 3,368,092	$ 1,345,312	$ 4,713,404

Note: Does not include the City's proportionate share of the Canadian River Water Authority indebtedness.

See Independent Auditor's Report.

Water and Sewer Revenue Bonds			Airport Bonds		
Principal	Interest	Total	Principal	Interest	Total
$ 1,335,000	$ 2,267,298	$ 3,602,298	$ 1,165,000	$ 708,163	$ 1,873,163
3,395,000	2,140,118	5,535,118	1,230,000	645,075	1,875,075
3,445,000	2,086,499	5,531,499	1,280,000	594,625	1,874,625
3,805,000	2,023,662	5,828,662	1,330,000	542,675	1,872,675
3,870,000	1,945,979	5,815,979	1,380,000	495,125	1,875,125
3,965,000	1,855,968	5,820,968	1,440,000	433,650	1,873,650
4,065,000	1,757,269	5,822,269	1,510,000	362,025	1,872,025
4,150,000	1,649,901	5,799,901	1,580,000	290,775	1,870,775
4,270,000	1,533,616	5,803,616	1,655,000	215,900	1,870,900
4,395,000	1,407,092	5,802,092	1,740,000	131,025	1,871,025
4,060,000	1,281,779	5,341,779	1,830,000	43,762	1,873,762
4,175,000	1,159,486	5,334,486	-	-	-
4,310,000	1,025,832	5,335,832	-	-	-
4,440,000	884,418	5,324,418	-	-	-
3,945,000	746,418	4,691,418	-	-	-
4,075,000	614,000	4,689,000	-	-	-
4,215,000	473,568	4,688,568	-	-	-
4,360,000	325,380	4,685,380	-	-	-
3,105,000	200,185	3,305,185	-	-	-
575,000	97,762	672,762	-	-	-
600,000	71,325	671,325	-	-	-
630,000	43,650	673,650	-	-	-
655,000	14,738	669,738	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 75,840,000	$ 25,605,943	$ 101,445,943	$ 16,140,000	$ 4,462,800	$ 20,602,800

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
REVENUE BOND PRINCIPAL REPAYMENT SCHEDULE
SEPTEMBER 30, 2009

Fiscal Year Ending 09/30	Principal Repayment Schedule	Bonds Remaining Unpaid at End of Year	Percent of Principal Retired
2010	$ 1,335,000	$ 74,505,000	1.76%
2011	3,395,000	71,110,000	6.24%
2012	3,445,000	67,665,000	10.78%
2013	3,805,000	63,860,000	15.80%
2014	3,870,000	59,990,000	20.90%
2015	3,965,000	56,025,000	26.13%
2016	4,065,000	51,960,000	31.49%
2017	4,150,000	47,810,000	36.96%
2018	4,270,000	43,540,000	42.59%
2019	4,395,000	39,145,000	48.38%
2020	4,060,000	35,085,000	53.74%
2021	4,175,000	30,910,000	59.24%
2022	4,310,000	26,600,000	64.93%
2023	4,440,000	22,160,000	70.78%
2024	3,945,000	18,215,000	75.98%
2025	4,075,000	14,140,000	81.36%
2026	4,215,000	9,925,000	86.91%
2027	4,360,000	5,565,000	92.66%
2028	3,105,000	2,460,000	96.76%
2029	575,000	1,885,000	97.51%
2030	600,000	1,285,000	98.31%
2031	630,000	655,000	99.14%
2032	655,000	-	100.00%
	$ 75,840,000		

See Independent Auditor's Report.

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

	Fiscal Years Ended September 30				
	2009	**2008**	**2007**	**2006**	**2005**
OPERATING REVENUES	$ 50,253,220	$ 48,492,400	$ 42,708,719	$ 41,487,297	$ 37,924,809
OPERATING EXPENSES [1]					
Personal Services	11,688,167	10,509,419	10,267,666	9,930,209	8,953,300
Supplies	1,265,460	1,252,065	1,230,636	1,151,333	992,479
Contractual & Other Services	21,487,366	22,039,131	20,148,372	20,793,207	17,966,138
Total expenses	34,440,993	33,800,615	31,646,674	31,874,749	27,911,917
NONOPERATING REVENUES (EXPENSES) [2]	(1,789,663)	(1,207,585)	(301,399)	238,573	(34,836)
NET AVAILABLE FOR DEBT SERVICE	$ 14,022,564	$ 13,484,200	$ 10,760,646	$ 9,851,121	$ 9,978,056
ANNUAL DEBT SERVICE					
Principal	$ 1,290,000	$ 1,245,000	$ 2,770,000	$ 2,850,000	$ 2,520,000
Interest	2,017,904	1,765,242	1,626,605	1,626,919	1,602,381
TOTAL DEBT SERVICE	$ 3,307,904	$ 3,010,242	$ 4,396,605	$ 4,476,919	$ 4,122,381
Coverage	4.24x	4.48x	2.45x	2.20x	2.42x

(1) Excludes depreciation
(2) Includes CRMWA interest expense, but excludes bond interest expense

FUND BALANCES
(As of SEPTEMBER 30, 2009)

Invested in Capital Assets, net of related debt	$ 258,921,318
Reserved for Revenue Bond Debt Retirement	2,524,136
Unreserved	31,126,265
Total Fund Balance	$ 292,571,719

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				
	2009	**2008**	**2007**	**2006**	**2005**
Waterworks and sewer system in service	$ 491,036,495	$ 471,959,370	$ 455,446,116	$ 434,428,709	$ 406,350,077
Reserve for depreciation	(143,615,988)	(134,149,886)	(124,874,763)	(116,181,884)	(107,938,874)
Net plant in service	347,420,507	337,809,484	330,571,353	318,246,825	298,411,203
Plus: construction in progress	11,655,875	21,367,938	17,046,285	20,249,931	10,421,112
Net plant in service and coming on line	359,076,382	359,177,422	347,617,638	338,496,756	308,832,315
Plus restricted assets	44,080,326	4,655,463	5,253,485	5,498,508	4,615,624
Plus working capital	29,781,899	29,575,921	40,661,784	43,361,597	59,407,688
Total assets	432,938,607	393,408,806	393,532,907	387,356,861	372,855,627
Long-term debt	139,031,888	102,971,513	107,268,456	102,488,387	89,024,995
Plus liabilities payable from restricted assets	1,335,000	1,290,000	1,245,000	2,770,000	2,850,000
Total obligations	140,366,888	104,261,513	108,513,456	105,258,387	91,874,995
City's equity in system	$ 292,571,719	$ 289,147,293	$ 285,019,451	$ 282,098,474	$ 280,980,632

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					
OPERATING REVENUES	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
Water Sales	$ 32,260,187	$ 31,678,129	$ 27,911,290	$ 27,224,086	$ 24,517,816	$ 26,685,089
Sewer Charges	15,132,268	13,493,693	12,202,722	11,714,386	11,003,983	11,780,894
Industrial Surcharges	70,470	95,630	113,610	94,372	117,055	172,522
Forfeited Discounts - Water	842,068	800,837	677,411	744,025	728,517	722,478
Sale of Reclaimed Water	761,885	839,581	697,706	710,253	598,014	555,952
Water Service Charges	847,347	848,657	855,963	509,102	541,754	524,387
Water Tap Fees	133,100	190,450	154,027	231,962	193,332	197,275
Sewer Tap Fees	50,509	76,825	74,193	110,643	101,413	85,900
Water Frontage Charges	17,214	30,240	4,592	24,094	116,946	20,504
Sewer Frontage Charges	3,750	27,354	7,348	27,634	61,796	5,472
Net Loss on Bad Debts	(284,457)	(254,360)	(243,740)	(131,599)	(289,251)	(210,787)
Lab Fees	86,264	78,110	70,907	88,446	88,365	87,883
Miscellaneous	332,615	587,254	182,690	139,893	145,069	80,940
Total Operating Revenues	50,253,220	48,492,400	42,708,719	41,487,297	37,924,809	40,708,509
OPERATING EXPENSES						
Salaries, Wages and Fringe Benefits	11,688,167	10,509,419	10,267,666	9,930,209	8,953,300	8,774,123
Supplies	1,265,460	1,252,065	1,230,636	1,151,333	992,479	913,485
Fuel and Power	4,535,483	6,555,099	5,281,354	6,551,303	4,755,685	4,670,665
Surface Water	4,000,658	4,314,844	4,432,158	4,724,879	4,013,845	3,326,646
Other Contractual Charges	4,803,561	4,577,276	4,029,217	3,542,077	3,537,566	3,548,001
Other Charges	8,147,664	6,591,912	6,405,643	5,974,948	5,659,042	5,380,489
Depreciation	9,505,120	9,348,296	8,718,244	8,289,913	7,306,095	6,641,894
Less: Interfund Reimbursements	(412,322)	(449,141)	(408,145)	(402,845)	(339,206)	(323,963)
Total Operating Expenses	43,533,791	42,699,770	39,956,773	39,761,817	34,878,806	32,931,340
Operating Income	6,719,429	5,792,630	2,751,946	1,725,480	3,046,003	7,777,169
NONOPERATING REVENUES (EXPENSES)						
Operating Grant	353,948	1,106,357	1,828,471	386,018	295,268	-
Interest Earnings	881,453	1,590,376	2,804,084	2,398,869	1,327,964	1,430,928
Change in Fair Values of Investments	-	-	-	-	-	(444,197)
Disposition of Property	20,351	30,888	25,548	22,438	(15,702)	9,870
Interest Expense & Fiscal Charges	(4,459,891)	(4,303,033)	(4,298,916)	(3,507,300)	(1,694,981)	(1,775,087)
Total Nonoperating Revenues (Expenses)	(3,204,139)	(1,575,412)	359,187	(699,975)	(87,451)	(778,486)
Total Income Before Transfers	3,515,290	4,217,218	3,111,133	1,025,505	2,958,552	6,998,683
TRANSFERS FROM (TO) OTHER FUNDS	(90,864)	(89,376)	(190,156)	92,337	(79,220)	(111,197)
NET INCOME	$ 3,424,426	$ 4,127,842	$ 2,920,977	$ 1,117,842	$ 2,879,332	$ 6,887,486

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL FINANCIAL DATA
WATER AND SEWER FUND NET ASSETS

	Fiscal Years Ended September 30				
	2009	2008	2007	2006	2005
ASSETS					
CURRENT ASSETS					
Cash	$ 1,735,136	$ 8,528,047	$ 8,500,435	$ 4,854,600	$ 1,828,382
Investments - at fair market value	36,579,772	23,442,437	38,441,471	49,013,124	56,159,561
Receivables (net of allowance for uncollectibles):					
Accounts	3,560,095	3,716,402	4,052,683	2,636,748	2,656,585
Accrued interest	166,365	150,298	291,451	363,305	291,918
Other accrued revenue	2,829,096	2,581,211	2,628,454	1,715,287	2,222,987
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid expenses	93,060	21,535	22,836	8,890	6,122
Total current assets	44,963,524	38,439,930	53,937,330	58,591,954	63,165,555
NONCURRENT ASSETS					
Cash	44,080,326	4,655,463	5,253,485	5,498,508	4,615,624
Capital assets					
Land and water rights	38,459,728	37,961,382	37,934,912	37,523,862	37,481,836
Accumulated depletion water right	(2,393,228)	(1,903,803)	(1,414,701)	(920,648)	(437,056)
Supply contract	50,336,389	50,336,389	50,336,389	50,336,388	50,336,389
Accumulated amortization	(16,759,513)	(15,995,450)	(15,229,295)	(14,465,232)	(13,701,170)
Pipelines and other improvements	398,448,386	379,991,136	363,671,746	343,247,188	315,359,989
Accumulated depreciation	(121,455,798)	(113,326,071)	(105,355,484)	(98,019,324)	(91,110,697)
Equipment	3,791,992	3,670,463	3,503,069	3,321,271	3,171,863
Accumulated depreciation	(3,007,449)	(2,924,562)	(2,875,283)	(2,776,680)	(2,689,951)
Construction in progress	11,655,875	21,367,938	17,046,285	20,249,931	10,421,112
Total capital assets, net	359,076,382	359,177,422	347,617,638	338,496,756	308,832,315
Total noncurrent assets	403,156,708	363,832,885	352,871,123	343,995,264	313,447,939
TOTAL ASSETS	$ 448,120,232	$ 402,272,815	$ 406,808,453	$ 402,587,218	$ 376,613,494

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL FINANCIAL DATA
WATER AND SEWER FUND NET ASSETS, CONTINUED

	Fiscal Years Ended September 30				
	2009	2008	2007	2006	2005
LIABILITIES					
CURRENT LIABILITIES					
Vouchers payable	$ 1,133,500	$ 1,291,941	$ 1,827,014	$ 1,595,947	$ 865,679
Accounts payable	305,704	659,793	346,083	606,560	45,800
Accrued expenses	1,341,568	1,079,137	573,476	1,280,810	465,291
Securities lending collateral	6,375,189	-	5,028,928	6,221,516	-
Deposits	30,512	37,671	31,774	32,994	29,592
Consumer security deposits	2,866,116	2,814,605	2,623,664	2,451,521	2,350,837
Compensated absences, current	134,195	-	-	-	-
Proportionate share of Water Authority indebtedness - current installments	2,994,841	2,980,862	2,844,607	2,531,314	2,014,838
Due to other funds	-	-	-	509,695	668
Revenue bonds - current maturities	1,335,000	1,290,000	1,245,000	2,770,000	2,850,000
Total current liabilities	16,516,625	10,154,009	14,520,546	18,000,357	8,622,705
NONCURRENT LIABILITIES					
Revenue bonds - less current maturities and unamortized issuance costs	73,360,035	35,820,349	37,012,208	29,139,783	31,804,330
Proportionate share of Water Authority indebtedness - less current installments	62,686,378	65,799,502	68,901,455	71,916,110	53,829,861
Other accrued expenses	1,316,942	-	-	-	-
Provision for accrued sick and annual leave, net	1,340,334	1,351,662	1,354,793	1,432,494	1,375,966
Net pension obligation	328,199	-	-	-	-
Total noncurrent liabilities	139,031,888	102,971,513	107,268,456	102,488,387	87,010,157
Total liabilities	155,548,513	113,125,522	121,789,002	120,488,744	95,632,862
NET ASSETS					
Invested in capital assets, net of related debt	258,921,318	253,286,709	237,614,368	232,139,549	218,333,286
Restricted for debt service	2,524,136	3,365,463	4,008,485	2,728,508	1,765,624
Restricted for acquisition of underground water rights	-	-	-	-	-
Unrestricted	31,126,265	32,495,121	43,396,598	47,230,417	60,881,722
Total fund equity/retained earnings	292,571,719	289,147,293	285,019,451	282,098,474	280,980,632
TOTAL LIABILITIES AND NET ASSETS	$ 448,120,232	$ 402,272,815	$ 406,808,453	$ 402,587,218	$ 376,613,494

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
SCHEDULE OF INSURANCE COVERAGE - ALL FUNDS
SEPTEMBER 30, 2009

Property Covered	Type of Coverage	Self-Insured Retention	Limits of Liability
General Fund Departments:			
Buildings & Contents	Fire and extended coverage	$250,000	$303,832,487
Water and Sewer Utility:			
Buildings & Contents	Fire and extended coverage	$250,000	$70,748,637
Airport:			
Buildings & Contents	Fire and extended coverage	$250,000	$145,186,030
Amarillo Hopital District			
Buildings & Contents	Fire and extended coverage	$250,000	$711,302
Polygraph examiners	Bond	$0	$5,000
City Commission, City Manager, City Attorney, and selected Division Directors & Department Heads	24-hour accident protection for business travel		$ 250,000/1,250,000
Boiler and machinery	Explosion and damage	$10,000	Included with fire and extended coverage policy
Worker's Compensation			
All City Employees	Injury to City Workers	$1,500,000	Statutory
Individual Stop Loss			
Health Plan Participants	Health Insurance	$750,000	$4,250,000

SURETY BONDS OF PRINCIPAL OFFICIALS

BONDS REQUIRED BY CITY CHARTER:

Official	Title	Amount of Surety Bond
Alan M. Taylor	City Manager	$5,000
Curtis D. Bainum	City Auditor	$5,000

OTHER

Excess of $5,000 and all other prinipal city officials and employees are covered under the City of Amarillo Self-Insurance Plan $ 1,000,000/3,000,000

CITY OF AMARILLO, TEXAS
PUBLIC HEALTH FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2009

	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
Public Health	$ 1,811,575	$ 1,640	$ 1,813,215	$ -	$ -	$ 1,813,215	$ 2,036,029	$ 2,041,916	$ 228,701
	$ 1,811,575	$ 1,640	$ 1,813,215	$ -	$ -	$ 1,813,215	$ 2,036,029	$ 2,041,916	$ 228,701

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
LAW ENFORCEMENT OFFICERS STANDARDS AND EDUCATION (LEOSE) TRAINING FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2009

	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
LEOSE Training	$ 39,711	$ 4,197	$ 43,908	$ -	$ -	$ 43,908	$ 24,450	$ 24,450	$ (19,458)
	$ 39,711	$ 4,197	$ 43,908	$ -	$ -	$ 43,908	$ 24,450	$ 24,450	$ (19,458)

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
LOCAL SEIZED PROPERTY FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2009

	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
Local Seized Property	$ 252,351	$ 66,967	$ 319,318	$ -	$ -	$ 319,318	$ 178,206	$ 185,706	$ (133,612)
	$ 252,351	$ 66,967	$ 319,318	$ -	$ -	$ 319,318	$ 178,206	$ 185,706	$ (133,612)

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMPENSATED ABSENCES FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2009

	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
Compensated Absences	$ 1,406,444	$ -	$ 1,406,444	$ -	$ -	$ 1,406,444	$ 522,380	$ 522,380	$ (884,064)
	$ 1,406,444	$ -	$ 1,406,444	$ -	$ -	$ 1,406,444	$ 522,380	$ 522,380	$ (884,064)

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COURT TECHNOLOGY AND COURT SECURITY FUNDS
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2009

	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
Court Technology	$ 81,309	$ -	$ 81,309	$ -	$ -	$ 81,309	$ 77,000	$ 77,000	$ (4,309)
Court Security	107,661	-	107,661	-	-	107,661	92,062	92,062	(15,599)
	$ 188,970	$ -	$ 188,970	$ -	$ -	$ 188,970	$ 169,062	$ 169,062	$ (19,908)

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
PUBLIC IMPROVEMENT DISTRICTS
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2009

	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
Greenways at Hillside	$ 317,289	$ -	$ 317,289	$ 1,000	$ -	$ 316,289	$ 318,446	$ 318,446	$ 2,157
Brennan Boulevard	12,574	-	12,574	-	-	12,574	14,996	14,996	2,422
The Colonies	333,856	-	333,856	3,800	-	330,056	332,080	332,080	2,024
Tutbury	13,588	-	13,588	-	-	13,588	12,232	12,232	(1,356)
Point West	37,051	-	37,051	-	-	37,051	44,597	44,597	7,546
Quail Creek	2,461	-	2,461	-	-	2,461	11,000	11,000	8,539
	$ 716,819	$ -	$ 716,819	$ 4,800	$ -	$ 712,019	$ 733,351	$ 733,351	$ 21,332

See Independent Auditor's Report

CITY OF AMARILLO, TEXAS
BONDED DEBT SERVICE FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2009

	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
Bonded Debt Service	$ 2,918,878	$ -	$ 2,918,878	$ -	$ -	$ 2,918,878	$ 2,943,366	$ 2,943,366	$ 24,488
	$ 2,918,878	$ -	$ 2,918,878	$ -	$ -	$ 2,918,878	$ 2,943,366	$ 2,943,366	$ 24,488

See Independent Auditor's Report.

This page left blank intentionally.

STATISTICAL SECTION

This part of the City's comprehensive annual 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.

Contents **Page**

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. 196-201

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. 202-209

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. 210-214

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. 215-216

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. 217-221

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. 222-225

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

CITY OF AMARILLO, TEXAS
NET ASSETS BY COMPONENT, LAST EIGHT FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities								
Invested in capital assets, net of related debt	$ 301,783,034	$ 289,264,232	$ 265,774,557	$ 257,206,882	$ 245,465,271	$ 241,180,240	$ 247,897,894	$ 213,327,306
Restricted for								
Debt service	1,371,563	555,566	344,615	328,705	300,000	290,000	255,000	-
Capital outlay	-	17,586,769	24,476,393	-	-	-	-	3,582,611
Other purposes	-	-	-	-	-	-	-	1,381,417
Unrestricted (deficit)	85,762,657	90,992,936	80,514,311	93,548,849	86,252,914	82,391,755	76,046,071	100,819,016
Total governmental activities net assets	$ 388,917,254	$ 398,399,503	$ 371,109,876	$ 351,084,436	$ 332,018,185	$ 323,861,995	$ 324,198,965	$ 319,110,350
Business-type Activities								
Invested in capital assets, net of related debt	$ 310,139,595	$ 300,175,147	$ 285,682,252	$ 280,490,179	$ 265,711,299	$ 252,311,091	$ 253,265,078	$ 244,510,800
Restricted for								
Debt service	3,683,013	3,365,463	4,008,485	2,728,508	1,765,624	1,613,902	2,029,267	2,205,230
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Unrestricted (deficit)	39,181,048	42,722,033	57,263,547	58,637,634	72,742,103	83,232,311	74,085,906	75,576,266
Total business-type activities net assets	$ 353,003,656	$ 346,262,643	$ 346,954,284	$ 341,856,321	$ 340,219,026	$ 337,157,304	$ 329,380,251	$ 322,292,296
Primary Government								
Invested in capital assets, net of related debt	$ 611,922,629	$ 589,439,379	$ 551,456,809	$ 537,697,061	$ 511,176,570	$ 493,491,331	$ 501,162,972	$ 457,838,106
Restricted for								
Debt service	5,054,576	3,921,029	4,353,100	3,057,213	2,065,624	1,903,902	2,284,267	2,205,230
Capital outlay	-	17,586,769	24,476,393	-	-	-	-	3,582,611
Other purposes	-	-	-	-	-	-	-	1,381,417
Unrestricted (deficit)	124,943,705	133,714,969	137,777,858	152,186,483	158,995,017	165,624,066	150,131,977	176,395,282
Total primary government net assets	$ 741,920,910	$ 744,662,146	$ 718,064,160	$ 692,940,757	$ 672,237,211	$ 661,019,299	$ 653,579,216	$ 641,402,646
Component Units								
Invested in capital assets, net of related debt	$ 22,180,482	$ 35,404,607	$ 13,587,578	$ 12,444,477	$ 25,146,179	$ 9,789,099	$ 10,294,414	$ 9,678,381
Restricted for:								
Debt service	652,663	784,333	724,440	849,282	1,708,258	1,686,452	1,723,391	1,769,721
Other purposes	52,103	21,677,079	51,164	50,701	50,254	-	-	49,643
Unrestricted (deficit)	284,569,397	250,182,352	282,799,795	278,721,748	272,980,941	290,712,335	288,092,378	284,583,242
Total component units activities net assets	$ 307,454,645	$ 308,048,371	$ 297,162,977	$ 292,066,208	$ 299,885,632	$ 302,187,886	$ 300,110,183	$ 296,080,987

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	Fiscal Year							
Expenses	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Governmental activities:								
General government and administration	$ 18,608,757	$ 15,990,458	$ 13,652,969	$ 12,819,831	$ 12,527,854	$ 11,540,577	$ 11,405,085	$ 10,069,509
Public safety and health	78,657,042	73,157,814	61,157,972	57,848,228	53,854,331	53,318,300	50,225,431	48,210,327
Streets, traffic and engineering	20,029,456	20,565,144	17,296,398	17,712,608	16,335,926	15,802,998	15,316,888	15,319,504
Culture and recreation	23,912,234	22,673,994	18,814,509	18,337,247	17,094,182	19,376,023	14,688,110	14,691,037
Solid waste	13,002,330	12,878,205	9,107,259	10,411,481	9,530,545	8,436,434	8,560,684	8,406,167
Transit	4,848,218	4,920,015	4,054,201	4,269,932	4,112,365	3,864,550	4,122,759	3,277,456
Economic development	2,798,810	2,280,629	2,017,045	1,955,590	1,899,218	1,739,586	1,862,982	1,677,002
Urban redevelopment/housing	11,968,993	10,204,054	10,471,645	9,992,339	9,993,988	10,461,503	10,184,879	9,086,751
Interest on long-term debt	2,359,313	326,813	340,063	336,232	332,329	-	-	-
Total governmental activities expenses	176,185,153	162,997,126	136,912,061	133,683,488	125,680,738	124,539,971	116,366,818	110,737,753
Business-type activities								
Water and Sewer	50,118,642	51,853,812	43,531,289	43,812,434	37,822,249	35,591,139	34,728,551	32,188,516
Airport	8,593,388	8,512,889	8,016,692	7,923,094	7,691,049	7,208,258	6,330,521	6,269,581
Total business-type activities expenses	58,712,030	60,366,701	51,547,981	51,735,528	45,513,298	42,799,397	41,059,072	38,458,097
Total primary government expenses	$ 234,897,183	$ 223,363,827	$ 188,460,042	$ 185,419,016	$ 171,194,036	$ 167,339,368	$ 157,425,890	$ 149,195,850
Component units								
Amarillo Hospital District	$ 10,680,305	$ 10,901,435	$ 10,374,050	$ 11,746,855	$ 11,446,673	$ 10,615,491	$ 12,228,050	$ 10,623,325
Amarillo Economic Development Corporation	22,589,356	9,463,914	15,632,514	23,453,229	11,752,313	7,385,398	7,414,648	7,181,816
Amarillo-Potter Events District	2,501,146	2,540,572	2,375,946	2,097,826	2,283,733	2,132,606	1,285,075	1,222,817
Amarillo Housing Finance Corporation	11,400	2,466	1,952	4,391	1,400	2,649	83,023	1,000
Tax Increment Reinvestment Zone #1	8,528	10,421	20,990	-	-	-	-	-
Total component units activities expenses	$ 35,790,735	$ 22,918,808	$ 28,405,452	$ 37,302,301	$ 25,484,119	$ 20,136,144	$ 21,010,796	$ 19,028,958
Program Revenues								
Governmental activities:								
Fees, Fines, and Charges for Services:								
General government and administration	$ 10,964,850	$ 9,415,044	$ 8,558,541	$ 9,238,878	$ 8,028,071	$ 7,912,292	$ 7,680,971	$ 3,372,377
Public safety and health	6,173,574	5,866,957	5,215,652	5,110,619	4,780,316	4,690,006	4,484,812	6,563,714
Streets, traffic and engineering	445,833	472,726	474,423	437,469	353,483	454,066	495,998	462,492
Culture and recreation	5,248,389	4,870,910	4,789,381	4,909,794	4,418,374	4,044,231	3,343,275	3,346,082
Solid waste	16,741,863	16,110,978	16,114,975	14,685,610	14,339,251	12,574,723	11,217,421	12,322,635
Transit	185,176	197,306	201,984	213,039	391,015	331,720	397,951	184,705
Urban redevelopment/housing	114,695	163,512	265,235	141,707	58,432	606,755	852,225	220,744
Operating grants and contributions	20,135,506	18,384,040	18,141,143	17,945,138	16,562,670	17,010,033	15,812,064	15,209,416
Capital grants and contributions	8,227,527	6,881,414	9,519,713	14,046,785	5,222,603	1,314,759	6,475,233	8,173,114
Total governmental activities program revenues	68,237,413	62,362,887	63,281,047	66,729,039	54,154,215	48,938,585	50,759,950	49,855,279

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS, CONTINUED
(accrual basis of accounting)
(Unaudited)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Business-type activities								
Water and Sewer	50,665,542	48,941,541	43,116,864	41,890,142	38,264,015	41,032,472	38,561,472	36,952,756
Airport	7,127,466	6,067,346	6,085,678	5,851,653	5,533,036	5,370,162	5,085,327	5,887,807
Operating grants and contributions	-	-	-	-	-	-	-	87,228
Capital grants and contributions	6,434,413	2,483,503	3,926,383	2,500,179	3,301,525	3,271,334	2,877,169	10,855,004
Total business-type activities program revenues	64,227,421	57,492,390	53,128,925	50,241,974	47,098,576	49,673,968	46,523,968	53,782,795
Total primary government revenues	$ 132,464,834	$ 119,855,277	$ 116,409,972	$ 116,971,013	$ 101,252,791	$ 98,612,553	$ 97,283,918	$ 103,638,074
Component units								
Amarillo Hospital District	$ -	$ -	$ -	$ 219,085	$ 21,298	$ 4,916	$ 80,738	$ 258,773
Amarillo Economic Development Corporation	3,140,213	2,686,833	2,641,826	2,721,730	1,950,323	1,488,413	2,117,797	1,861,405
Amarillo-Potter Events District	-	-	-	-	-	120	378	-
Amarillo Housing Finance Corporation	32,936	1,776	2,723	-	8,986	4,744	8,850	84,065
Operating grants and contributions	1,920,040	1,591,851	1,419,283	1,359,709	1,174,866	1,004,232	222,717	358,958
Capital grants and contributions	9,181	10,866	-	139,722	-	-	-	-
Total component units revenue	$ 5,102,370	$ 4,291,326	$ 4,063,832	$ 4,440,246	$ 3,155,473	$ 2,502,425	$ 2,430,480	$ 2,563,201
Net (Expense) Revenue								
Governmental activities	$ (107,947,740)	$ (100,634,239)	$ (73,631,015)	$ (66,954,449)	$ (71,526,523)	$ (75,601,386)	$ (65,606,868)	$ (60,882,474)
Business-type activities	5,515,391	(2,874,311)	1,580,944	(1,493,554)	1,585,278	6,874,571	5,464,896	15,324,698
Total primary government net expense	$ (102,432,349)	$ (103,508,550)	$ (72,050,071)	$ (68,448,003)	$ (69,941,245)	$ (68,726,815)	$ (60,141,972)	$ (45,557,776)
Component units								
Amarillo Hospital District	$ (8,751,084)	$ (9,298,718)	$ (8,954,767)	$ (10,028,339)	$ (10,250,509)	$ (9,606,343)	$ (11,924,595)	$ (10,156,645)
Amarillo Economic Development Corporation	(19,449,143)	(6,777,081)	(12,990,688)	(20,731,499)	(9,801,990)	(5,896,985)	(5,296,851)	(5,320,411)
Amarillo-Potter Events District	(2,501,146)	(2,540,572)	(2,375,946)	(2,097,826)	(2,283,733)	(2,132,486)	(1,284,697)	(1,071,766)
Amarillo Housing Finance Corporation	21,536	(690)	771	(4,391)	7,586	2,095	(74,173)	83,065
Tax Increment Reinvestment Zone #1	(8,528)	(10,421)	(20,990)	-	-	-	-	-
Total component units net expense	$ (30,688,365)	$ (18,627,482)	$ (24,341,620)	$ (32,862,055)	$ (22,328,646)	$ (17,633,719)	$ (18,580,316)	$ (16,465,757)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes, levied for general purposes	$ 29,569,613	$ 28,061,014	$ 25,772,013	$ 24,190,472	$ 23,367,505	$ 23,144,339	$ 21,435,224	$ 20,237,476
Property taxes, levied for debt services	2,706,352	532,309	529,784	526,912	631,336	615,137	602,446	657,376
Sales taxes	48,063,372	48,962,126	46,622,165	44,322,599	41,821,141	39,182,243	36,893,629	36,811,851
Gross receipts business taxes	14,318,526	16,144,044	12,844,804	11,865,951	11,098,127	10,107,385	8,422,912	7,992,843

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS, CONTINUED
(accrual basis of accounting)
(Unaudited)

	Fiscal Year							
	2009	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Governmental activities (continued):								
Unrestricted investment earnings	3,568,427	6,006,138	7,707,207	5,072,520	2,783,711	1,605,600	2,706,158	5,726,803
Income (expense) from use and disposition of property	148,337	294,710	(9,674)	131,935	(19,107)	307,410	604,631	551,193
Other	90,864	27,923,525	190,156	(89,689)	-	302,302	30,483	7,500
Total governmental activities	98,465,491	127,923,866	93,656,455	86,020,700	79,682,713	75,264,416	70,695,483	71,985,042
Business-type activities								
Unrestricted investment earnings	1,292,227	2,241,158	3,661,826	3,026,487	1,572,157	1,188,717	1,656,669	2,536,795
Income (expense) from use and disposition of property	24,259	30,888	45,349	14,673	(91,463)	16,067	(3,127)	-
Other	(90,864)	(89,376)	(190,156)	89,689	(4,250)	(302,302)	(30,483)	(7,500)
Total business-type activities	1,225,622	2,182,670	3,517,019	3,130,849	1,476,444	902,482	1,623,059	2,529,295
Total primary government	99,691,113	130,106,536	97,173,474	89,151,549	81,159,157	76,166,898	72,318,542	74,514,337
Component Units								
Property taxes, levied for general purposes	324,433	231,844	10,808	13,909	11,731	13,206	27,613	37,192
Property taxes, levied for debt services	-	-	-	-	-	-	-	-
Sales taxes	14,413,743	14,686,781	13,924,958	13,345,346	12,620,048	11,790,263	11,064,592	11,070,136
Gross receipts business taxes	1,952,359	2,070,185	2,052,011	1,808,263	1,670,800	1,568,201	1,509,842	1,484,633
Unrestricted investment earnings	13,404,104	12,524,066	13,450,612	9,875,113	5,723,813	6,339,752	9,584,735	18,799,012
Income (expense) from use and disposition of property	-	-	-	-	-	-	-	363
Other	-	-	-	-	-	-	-	-
Total component units activities	30,094,639	29,512,876	29,438,389	25,042,631	20,026,392	19,711,422	22,186,782	31,391,336
Change in Net Assets								
Governmental activities	(9,482,249)	27,289,627	20,025,440	19,066,251	8,156,190	(336,970)	5,088,615	11,102,568
Business-type activities	6,741,013	(691,641)	5,096,769	1,637,295	3,061,722	7,777,053	7,087,955	17,853,993
Total primary government	$ (2,741,236)	$ 26,597,986	$ 25,122,209	$ 20,703,546	$ 11,217,912	$ 7,440,083	$ 12,176,570	$ 28,956,561
Total component units	$ (593,726)	$ 10,885,394	$ 5,096,769	$ (7,819,424)	$ (2,302,254)	$ 2,077,703	$ 3,606,466	$ 14,925,579

Source: Comprehensive Annual Financial Reports

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

See Independent Auditor's Report.

Exhibit A-3

CITY OF AMARILLO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Reserved	$ 209,187	$ 518,108	$ 369,642	$ 333,150	$ 424,567	$ 464,698	$ 321,850	$ 417,930	$ 232,473	$ 492,308
Unreserved	37,163,472	36,673,773	37,304,407	37,840,494	37,110,347	37,503,800	32,987,569	41,339,191	43,958,875	42,073,803
Total general fund	37,372,659	$ 37,191,881	$ 37,674,049	$ 38,173,644	$ 37,534,914	$ 37,968,498	$ 33,309,419	$ 41,757,121	$ 44,191,348	$ 42,566,111
All Other Governmental Funds										
Reserved	$ 1,017,324	$ 1,135,941	$ 1,173,096	$ 1,225,402	$ 14,127,578	$ 13,839,648	$ 13,921,984	$ 14,470,859	$ 8,012,475	$ 5,179,486
Unreserved, reported in:										
Debt service fund	101,259	10,167	12,521	232	42,366	115,523	43,904	13,022,947	12,112,891	11,353,823
Capital projects	48,335,396	57,437,304	65,723,873	33,324,183	30,195,836	31,053,633	33,040,858	22,498,938	28,373,166	22,216,826
Special revenue funds	2,680,946	4,037,138	3,134,224	3,187,240	2,793,679	2,132,069	2,436,152	1,284,872	605,879	545,312
Compensated absences fund	15,053,260	14,850,723	14,660,177	14,211,648	416,361	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	(2,020)	(1,308)	(2,717)
Total all other governmental funds	$ 67,188,185	$ 77,471,273	$ 84,703,891	$ 51,948,705	$ 47,575,820	$ 47,140,873	$ 49,442,898	$ 51,275,596	$ 49,103,103	$ 39,292,730

Source: Information obtained from the City's Comprehensive Annual Financial Reports.

See Independent Auditor's Report.

Exhibit A-4

CITY OF AMARILLO, TEXAS
GOVERNMENTAL FUNDS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Taxes	$ 94,530,658	$ 93,677,610	$ 85,758,232	$ 81,018,597	$ 76,917,615	$ 72,453,223	$ 67,298,630	$ 65,709,949	$ 63,663,294	$ 59,003,063
License and permits	1,758,303	2,015,135	1,727,536	1,916,299	1,786,318	1,296,047	1,365,240	1,187,315	1,160,746	1,330,907
Interfund revenues	1,373,441	1,320,395	1,270,941	1,231,060	2,547,357	2,753,169	2,415,808	-	-	-
Intergovernmental revenues	20,693,196	18,681,299	17,433,057	19,850,636	17,755,613	17,429,463	16,062,469	17,466,017	17,624,063	18,196,554
Grants-in-aid	-	-	-	-	-	-	28,028	-	-	-
Citizen contributions	31,000	7,300	6,000	5,000	6,074	5,900	20,000	61,207	22,439	-
Construction participation	6,241,042	5,816,556	9,393,844	11,540,373	2,525,475	292,994	5,638,364	5,855,306	6,104,965	2,583,964
Other entity participations	786,670	690,382	824,023	595,839	795,821	621,344	538,437	-	-	-
Charges for services	28,672,632	27,514,707	27,422,759	25,939,174	23,963,289	21,411,896	19,250,063	22,690,214	20,768,435	14,858,774
Fines and forfeitures	6,634,542	5,104,849	4,199,581	4,398,745	3,916,486	4,504,414	5,029,319	3,188,883	2,995,821	2,882,455
Investment earnings	2,665,718	4,677,492	5,902,783	4,056,915	2,308,358	1,513,250	2,085,337	4,223,606	6,591,579	-
Other rentals and commissions	867,160	469,613	249,409	239,192	224,668	239,686	353,318	-	-	-
Miscellaneous	1,179,434	694,338	749,919	980,841	465,066	382,951	661,350	560,074	543,133	9,435,482
Total revenues	165,433,796	160,669,676	154,938,084	151,772,671	133,212,140	122,904,337	120,746,363	120,942,571	119,474,475	108,291,199
Expenditures										
General government and administration	15,252,845	13,074,117	12,325,695	11,573,762	10,947,924	9,674,291	9,460,814	9,249,179	8,849,032	6,417,055
Public safety and health	81,699,196	77,852,041	71,204,891	68,295,871	62,875,319	62,313,813	57,730,984	55,777,158	53,806,622	46,467,837
Culture and recreation	17,607,384	17,426,501	16,516,821	15,911,599	14,792,474	13,460,424	12,753,036	12,405,629	12,335,129	13,415,466
Solid waste	11,296,793	10,881,683	10,307,975	9,596,852	8,842,767	7,926,642	7,794,013	7,499,981	7,135,406	7,016,776
Transit system	4,061,190	3,937,106	3,687,600	3,422,653	3,205,899	2,983,056	2,871,039	2,482,960	2,468,631	2,329,928
Urban redevelopment and housing	11,921,285	10,009,916	10,473,891	9,994,020	9,903,853	10,443,196	10,122,583	9,054,972	8,814,006	8,451,364
Tourism	2,798,810	2,280,629	2,017,045	1,955,590	1,899,218	1,739,586	1,862,874	1,676,759	1,666,405	1,600,736
Capital outlay	26,590,979	31,499,119	18,739,343	21,078,954	15,192,733	9,356,087	22,053,421	21,704,176	16,979,347	13,574,158
Debt service										
Principal retirement	555,566	344,615	328,705	301,519	290,000	280,000	245,000	265,000	-	-
Interest and fiscal charges	2,359,312	326,813	340,063	336,232	332,329	347,095	346,090	365,144	-	-
Termination vacation and sick leave pay	1,379,825	1,753,114	1,306,089	1,238,756	901,745	1,319,386	1,080,767	1,302,219	1,375,635	1,143,974
Total expenditures	175,523,185	169,385,654	147,248,118	143,705,808	129,184,261	119,843,576	126,320,621	121,783,177	113,430,213	100,417,294
Excess of revenues over (under) expenditures	(10,089,389)	(8,715,978)	7,689,966	8,066,863	4,027,879	3,060,761	(5,574,258)	(840,606)	6,044,262	7,873,905
Other Financing Sources (Uses):										
Transfers from other funds	9,448,299	16,474,780	22,639,094	11,483,105	11,314,214	16,750,972	14,043,053	15,738,852	13,019,104	12,185,650
Transfers to other funds	(9,461,220)	(17,538,013)	(23,075,481)	(15,108,353)	(15,340,729)	(17,882,676)	(18,749,195)	(17,231,352)	(14,519,104)	(13,568,595)
Unrealized gain (loss) on investments	-	-	-	-	-	(172,003)	-	-	-	-
Payment to refunded bond escrow agent	(4,680,000)									
Bond premium less issuance cost	(145,000)	-	427,012	-	-	-	-	-	-	-
Issuance of refunding debt	4,825,000	2,064,425	24,575,000	570,000	-	600,000	-	586,317	6,795,700	-
Total other financing sources (uses)	(12,921)	1,001,192	24,565,625	(3,055,248)	(4,026,515)	(703,707)	(4,706,142)	(906,183)	5,295,700	(1,382,945)
Net change in fund balances	$ (10,102,310)	$ (7,714,786)	$ 32,255,591	$ 5,011,615	$ 1,364	$ 2,357,054	$ (10,280,400)	$ (1,746,789)	$ 11,339,962	$ 6,490,960
Debt service as a percentage of noncapital expenditures	1.996%	0.489%	0.523%	0.523%	0.549%	0.571%	0.570%	0.634%	0.000%	0.000%

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)

Fiscal Year	Property Taxes* General Fund	Property Taxes* Debt Service	Sales Taxes	Gross Receipts Business Taxes	Total Taxes
2000	$ 15,957,392	$ -	$ 35,153,689	$ 7,891,982	$ 59,003,063
2001	19,113,580	-	35,791,182	8,758,532	63,663,294
2002	20,247,879	657,376	36,811,851	7,992,843	65,709,949
2003	21,379,643	602,446	36,893,629	8,422,912	67,298,630
2004	22,548,458	615,137	39,182,243	10,107,385	72,453,223
2005	23,371,765	626,582	41,821,141	11,098,127	76,917,615
2006	24,303,135	526,912	44,322,599	11,865,951	81,018,597
2007	25,761,479	529,784	46,622,165	12,844,804	85,758,232
2008	28,039,131	532,309	48,962,126	16,144,044	93,677,610
2009	29,442,408	2,706,352	48,063,372	14,318,526	94,530,658
Change					
2000-2009	84.5%	N/A	36.7%	81.4%	60.2%

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.)

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY, LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Real Estate	Business Personal	Total Assessed Value	Less: Tax-Exempt Property	Taxable Value	Total Direct Tax Rate
2000	$ 5,793,597,132	$ 987,697,311	$ 6,781,294,443	$ 1,039,663,967	$ 5,741,630,476	0.25160
2001	6,018,521,962	1,021,753,436	7,040,275,398	876,014,131	6,164,261,267	0.28700
2002	6,281,658,205	1,055,255,033	7,336,913,238	899,018,606	6,437,894,632	0.29653
2003	6,860,543,027	1,098,779,696	7,959,322,723	1,204,821,590	6,754,501,133	0.29563
2004	7,226,216,296	1,069,853,131	8,296,069,427	1,221,045,400	7,075,024,027	0.29437
2005	7,538,307,247	1,262,875,966	8,801,183,213	1,276,555,884	7,524,627,329	0.28906
2006	7,938,381,440	1,240,508,943	9,178,890,383	1,335,511,280	7,843,379,103	0.28712
2007	8,518,092,297	1,284,058,473	9,802,150,770	1,442,769,110	8,359,381,660	0.28371
2008	9,437,359,663	1,336,466,293	10,773,825,956	1,632,941,441	9,140,884,515	0.28371
2009	9,848,073,262	1,399,854,654	11,247,927,916	1,547,529,972	9,700,397,944	0.31009

Source: Potter-Randall Appraisal District

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)

	City Direct Rates			Overlapping Rates							
Fiscal Year	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
2000	0.25160	0.00000	0.25160	1.43000	0.15325	1.28234	1.57500	0.49524	0.28523	1.44541	1.26337
2001	0.28700	0.00000	0.28700	1.49000	0.14990	1.38298	1.57100	0.49524	0.34335	1.42000	1.36000
2002	0.28700	0.00953	0.29653	1.53500	0.15415	1.47314	1.55624	0.51990	0.32700	1.53553	1.36000
2003	0.28777	0.00786	0.29563	1.59000	0.15621	1.60660	1.57230	0.55282	0.33418	1.53240	1.45100
2004	0.28686	0.00751	0.29437	1.59000	0.15942	1.69779	1.57230	0.59503	0.33721	1.55158	1.65200
2005	0.28199	0.00707	0.28906	1.61500	0.16043	1.73919	1.57230	0.60704	0.33642	1.57130	1.49820
2006	0.28035	0.00677	0.28712	1.64500	0.16043	1.69141	1.77980	0.60704	0.34518	1.64760	1.61993
2007	0.27736	0.00635	0.28371	1.47500	0.16043	1.50982	1.64980	0.59973	0.35136	1.49566	1.47945
2008	0.27787	0.00584	0.28371	1.17200	0.16043	1.29000	1.32300	0.59674	0.34957	1.19421	1.18795
2009	0.28143	0.02866	0.31009	1.17000	0.18395	1.29000	1.31700	0.56740	0.36062	1.19081	1.18300

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)

	2009			2000		
Taxpayer	Taxable Value	Rank	Percent of Total City Taxable Value	Taxable Value	Rank	Percent of Total City Taxable Value
Wal Mart Stores Inc	$ 84,578,136	1	0.872%	$ 38,780,480	4	0.675%
Northwest Texas Healthcare	82,687,582	2	0.852%	70,679,014	2	1.231%
Southwestern Public Service	74,058,069	3	0.763%	92,660,783	1	1.614%
Amarillo Mall LLC	64,087,638	4	0.661%	-		-
Burlington Northern Santa Fe Railroad	43,441,921	5	0.448%	27,394,338	6	0.477%
Southwestern Bell Telephone Company	41,540,717	6	0.428%	57,770,939	3	1.006%
Case Newport LP	35,915,255	7	0.370%	-		-
Amarillo National Bank	35,520,311	8	0.366%	26,316,951	7	0.458%
Ben E Keith	34,512,647	9	0.356%	-		-
Anderson Merchandisers LP	28,509,906	10	0.294%	-		0.000%
Schroder Amarillo	-		-	30,558,512	5	0.532%
Cox Communications Inc.	-		-	20,974,890	8	0.365%
Shaner Hotel Group	-		-	19,733,700	9	0.344%
Atmos Corp/Energas Co.	-		-	19,608,710	10	0.342%
Total taxable value of ten largest taxpayers	440,274,046		4.539%	404,478,317		7.045%
Total taxable value of other taxpayers	9,260,123,898		95.461%	5,337,152,159		92.955%
Total taxable value of all taxpayers	$ 9,700,397,944		100.000%	$ 5,741,630,476		100.000%

Source: Potter Randall Appraisal District

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	Year Collected				Total Collections to Date	
		Amount	Percentage of Levy		9/30/2006	9/30/2007	9/30/2008	9/30/2009	Amount	Percentage of Levy
2000	$ 14,445,944	$ 14,146,057	97.92	$ 246,439					$ 14,392,496	99.63
2001	17,691,438	17,243,335	97.47	215,578					17,458,913	98.69
2002	19,090,290	18,588,795	97.37	300,262					18,889,057	98.95
2003	19,968,330	19,484,122	97.58	337,860					19,821,981	99.27
2004	20,826,737	20,520,657	98.53	398,005					20,918,662	100.44
2005	21,750,690	21,355,304	98.18	105,462	-	64,559	26,349	14,554	21,460,766	98.67
2006	22,519,911	22,101,623	98.14	288,171	-	197,412	65,506	25,253	22,389,794	99.42
2007	23,716,401	23,359,468	98.49	218,591	-	-	161,119	57,472	23,578,059	99.42
2008	25,933,603	25,517,113	98.39	203,257	-	-	-	203,257	25,720,370	99.18
2009	29,523,733	29,021,939	98.30	-	-	-	-	-	29,021,939	98.30

Sources: Potter and Randall County Tax Offices

Note: As the City was unable to find information for the last ten fiscal years, the City has implemented this schedule for fiscal years starting 2005.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
TAXABLE SALES BY CATEGORY, LAST TEN CALENDAR YEARS
(unaudited)

	Calendar Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Apparel stores	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
General merchandise	-	-	-	-	-	-	-	-	-	-
Food stores	-	-	-	-	-	-	-	-	-	-
Eating and drinking establishments	-	-	-	-	-	-	-	-	-	-
Home furnishings and appliances	-	-	-	-	-	-	-	-	-	-
Building materials and farm tools	-	-	-	-	-	-	-	-	-	-
Auto dealers and supplies	-	-	-	-	-	-	-	-	-	-
Service stations	-	-	-	-	-	-	-	-	-	-
Other retail stores	-	-	-	-	-	-	-	-	-	-
All other outlets	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City direct sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Sources: N/A

Notes: Retail sales information is not available on a fiscal-year basis.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES, LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	City* Direct Rate	State
2000	2.0	6.25
2001	2.0	6.25
2002	2.0	6.25
2003	2.0	6.25
2004	2.0	6.25
2005	2.0	6.25
2006	2.0	6.25
2007	2.0	6.25
2008	2.0	6.25
2009	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
PRINCIPAL SALES TAX REMITTERS, CURRENT YEAR AND NINE YEARS AGO
(unaudited)

	2009			2000		
Taxpayer	Taxable Liability	Rank	Percent of Total	Taxable Liability	Rank	Percent of Total
		1		$ -		
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
	-			-		

Sources: N/A

Notes: Information is not available for this schedule.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT, AS OF SEPTEMBER 30, 2009
(unaudited)

	Net Debt Outstanding	Percent Applicable	Applicable Debt Outstanding
Amarillo Independent School District	$ 108,653,517	99.02%	$ 107,588,713
Amarillo College District	45,754,992	99.16%	45,370,650
Amarillo Hospital District	-	100.00%	-
Canyon Independent School District	90,552,243	33.87%	30,670,045
River Road Independent School District	17,050,748	23.82%	4,061,488
Potter County	14,870,339	74.66%	11,102,195
Randall County	2,998,137	67.13%	2,012,649
Highland Park Independent School District	13,236,497	31.34%	4,148,318
Bushland Independent School District	1,744,403	23.20%	404,701
Total overlapping debt			205,358,760
City of Amarillo			87,845,153
Total direct and overlapping debt			$ 293,203,913

Sources: Assessed value data used to estimate applicable percentages provided by the Municipal Advisory Council, October 2009. 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.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE, LAST TEN FISCAL YEARS
(unaudited)

	General Bonded Debt				Business-type Activiti					
Fiscal Year	Tax-Supported Debt	Special Assessment Debt	Percentage of Actual Taxable Value of Property	Per Capita	Water & Sewer Revenue Debt	Water Authority Debt	Airport Debt	Total Primary Government	Percentage of Personal Income	Per Capita
2000	$ -	$ -	0.00%	$ -	$ 37,115,000	$ 42,056,790		$ 79,171,790	1.42%	$ 455.99
2001	6,910,000	-	0.11%	39.15	35,290,000	40,460,506		82,660,506	1.48%	468.37
2002	6,680,000	565,000	0.11%	40.99	33,375,000	40,460,453		81,080,453	1.41%	458.77
2003	6,465,000	535,000	0.10%	39.04	31,365,000	37,064,903		75,429,903	1.25%	420.72
2004	6,240,000	1,100,000	0.10%	40.39	37,930,000	35,256,050		80,526,050	1.27%	443.12
2005	6,005,000	1,045,000	0.09%	38.64	35,540,000	53,018,680		95,608,680	1.40%	523.99
2006	5,760,000	1,571,978	0.09%	39.64	32,690,000	71,377,816		111,399,794	1.52%	602.35
2007	30,080,000	1,498,273	0.38%	168.32	39,490,000	68,846,778		139,915,051	1.76%	745.78
2008	29,815,000	3,518,658	0.36%	175.40	38,245,000	66,002,170		137,580,828	1.68%	723.95
2009	29,555,000	3,368,092	0.34%	171.91	75,840,000	63,021,307	16,140,000	187,924,399	2.17%	981.26

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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General bonded debt outstanding										
Tax supported debt	$ 29,555,000	$ 29,815,000	$ 30,080,000	$ 5,760,000	$ 6,005,000	$ 6,240,000	$ 6,465,000	$ 6,680,000	$ 6,910,000	$ -
Special assessment debt	3,368,092	3,518,658	1,498,273	1,571,978	1,045,000	1,100,000	535,000	565,000	-	-
Water & Sewer bonds	38,885,000									
Airport Bonds	16,140,000									
Total	87,948,092	33,333,658	31,578,273	7,331,978	7,050,000	7,340,000	7,000,000	7,245,000	6,910,000	-
Percentage of estimated actual property value	0.91%	0.36%	0.38%	0.09%	0.09%	0.10%	0.10%	0.11%	0.11%	0.00%
Per capita	459.23	175.40	168.32	39.64	38.64	40.39	39.04	40.99	39.15	-
Less: Amounts set aside to repay general debt	102,939	11,862	10,931	1,107	39,769	34,057	29,183	30,198	199	-
Total net debt applicable to debt limit	87,845,153	33,321,796	31,567,342	7,330,871	7,010,231	7,305,943	6,970,817	7,214,802	6,909,801	-
Legal debt limit	1,124,793,092	1,077,382,596	980,215,077	917,889,038	880,118,321	829,606,943	795,932,272	733,691,324	704,027,540	678,129,444
Legal debt margin	$ 1,036,947,939	$ 1,044,060,800	$ 948,647,735	$ 910,558,167	$ 873,108,090	$ 822,301,000	$ 788,961,455	$ 726,476,522	$ 697,117,739	$ 678,129,444
Debt service as a percentage of noncapital expenditures	2.97%	1.79%	1.56%	1.55%	1.36%	1.79%	1.63%	1.97%	1.45%	1.31%

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
LEGAL DEBT MARGIN INFORMATION, LAST TEN FISCAL YEARS
(Unaudited)

	9/30/2009 (2008 Tax Roll)	9/30/2008 (2007 Tax Roll)	9/30/2007 (2006 Tax Roll)	9/30/2006 (2005 Tax Roll)	9/30/2005 (2004 Tax Roll)	9/30/2004 (2003 Tax Roll)	9/30/2003 (2002 Tax Roll)	9/30/2002 (2001 Tax Roll)	9/30/2001 (2000 Tax Roll)	9/30/2000 (1999 Tax Roll)
Assessed value, tax roll	$ 11,247,930,916	$ 10,773,825,956	$ 9,802,150,770	$ 9,178,890,383	$ 8,801,183,213	$ 8,296,069,427	$ 7,959,322,723	$ 7,336,913,238	$ 7,040,275,398	$ 6,781,294,443
Debt limit -10% of assessed roll	$ 1,124,793,092	$ 1,077,382,596	$ 980,215,077	$ 917,889,038	$ 880,118,321	$ 829,606,943	$ 795,932,272	$ 733,691,324	$ 704,027,540	$ 678,129,444
Amount of debt applicable to debt limit:										
Total bonded debt	124,618,092	71,578,658	71,068,273	40,021,978	42,590,000	45,270,000	38,365,000	40,620,000	42,200,000	37,115,000
Less: Assets in Debt Service Funds (net)	102,939	11,862	10,931	1,107	39,769	34,057	29,183	30,198	199	-
Waterworks revenue bonds	36,955,000	38,245,000	39,490,000	32,690,000	35,540,000	37,930,000	31,365,000	33,375,000	35,290,000	37,115,000
	37,057,939	38,256,862	39,500,931	32,691,107	35,579,769	37,964,057	31,394,183	33,405,198	35,290,199	37,115,000
Total amount of debt applicable to debt limit	87,560,153	33,321,796	31,567,342	7,330,871	7,010,231	7,305,943	6,970,817	7,214,802	6,909,801	-
Pro forma legal debt margin	$ 1,037,232,939	$ 1,044,060,800	$ 948,647,735	$ 910,558,167	$ 873,108,090	$ 822,301,000	$ 788,961,455	$ 726,476,522	$ 697,117,739	$ 678,129,444

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						
					Debt Service		
Fiscal Year	Total Revenue	Less: Operating Expenses	Less: CRMWA Interest	Net Available Revenue	Principal	Interest	Coverage
2000	$ 40,575,919	$ 21,298,369	$ 1,549,900	$ 17,727,650	$ 1,935,000	$ 1,734,740	4.83
2001	39,252,236	22,534,961	1,996,006	14,721,269	1,825,000	1,844,780	4.01
2002	39,065,360	23,504,548	1,932,296	13,628,516	1,915,000	1,752,845	3.72
2003	39,913,917	25,195,913	1,851,649	12,866,355	2,010,000	1,653,538	3.51
2004	40,253,986	26,613,408	1,772,617	11,867,961	2,615,000	1,807,465	2.68
2005	39,576,277	27,911,917	1,686,304	9,978,056	2,520,000	1,602,381	2.42
2006	44,311,449	31,874,749	2,585,579	9,851,121	2,850,000	1,626,919	2.20
2007	45,946,496	31,646,674	3,539,176	10,760,646	2,770,000	1,626,605	2.45
2008	50,562,805	33,800,615	3,277,990	13,484,200	1,245,000	1,765,242	4.48
2009	51,567,346	34,440,993	3,103,789	14,022,564	1,290,000	2,017,904	4.24

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)
2000	173,627	$ 5,564,884	$ 24,502	33.5	29,100	3.9%
2001	176,484	5,597,167	24,508	*	29,048	3.9%
2002	176,733	5,758,479	24,999	*	29,193	4.6%
2003	179,287	6,018,259	25,835	*	29,500	4.8%
2004	181,725	6,319,255	26,853	*	29,959	4.3%
2005	182,462	6,843,145	28,750	33.6	30,106	4.0%
2006	184,941	7,335,250	30,515	*	30,750	3.7%
2007	187,609	7,951,993	32,827	*	30,613	3.4%
2008	190,042	8,211,914	33,678	32.7	30,969	5.6%
2009	191,514	8,668,170	35,321	*	31,920	5.0%

Sources:

1. Population estimates prepared by City of Amarillo Planning Department (2000 estimate provided by Census 2000).
2. Personal income and per capita income figures obtained from U.S. Department of Commerce's Bureau of Economic Analysis, MSA Area Income Summary. To calculate 2009 figures, Planning Department staff used an average of increases from the previous three years.
3. Median age obtained from Census 2000, 2005, and 2008 American Community Survey.
4. School enrollment was provided by Amarillo Independent School District.
5. Unemployment rates obtained from U.S. Department of Labor's Bureau of Labor Statistics. The rate for 2009 is based on an average from January through September 2009 only.

* 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)

	2009			2000		
Employer	Employees	Rank	Percent of Total City MSA* Employment	Employees	Rank	Percent of Total City MSA Employment
Tyson Foods	3,700	1	2.988%	3,615	1	3.199%
Baptist/St. Anthony's Health Systems	2,900	2	2.342%	2,900	2	2.567%
Walmart Supercenters	1,359	3	1.097%	753	9	0.666%
Northwest Texas Healthcare	1,359	4	1.097%	1,375	4	1.217%
Affiliated Foods	1,110	5	0.896%	1,100	5	0.974%
Bell Helicopter, Inc	1,068	6	0.862%	-	-	-
Xcel Energy	1,000	7	0.807%	1,810	3	1.602%
Western National Life Insurance	890	8	0.719%	1,000	6	0.008
Burlington Northern Santa Fe	700	9	0.565%	800	8	0.708%
Toot 'n Totum Food Stores	560	10	0.452%	-	-	-
Owens-Corning Fiberglass	-	-	-	850	7	0.752%
**	-	-	-	**	10	**
Total employees of the principal employers	14,646		11.826%	14,203		12.570%
Total employees of other employers	109,199		88.174%	98,784		87.430%
Total Amarillo MSA* employment	123,845		100.000%	112,987		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 (Economy at a Glance). 2009 figure is the average of January 2009 through September 2009 data.

** Information was not available.

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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GENERAL GOVERNMENT										
Mayor and commission	5	5	5	5	5	5	5	5	5	5
City manager	6	3	3	4	4	3	3	3	3	3
City secretary	2	2	2	3	3	3	3	3	3	3
Municipal court and Teen court	29	28	28	28	28	26	26	26	26	27
Planning and zoning	7	8	8	8	8	9	10	10	9	9
STAFF SERVICES										
Financial administration										
Director of Finance	5	6	6	6	6	6	6	6	6	6
Accounting	14	15	15	15	15	16	16	16	15	17
Payroll	3	-	-	-	-	-	-	-	-	-
Benefits	5	-	-	-	-	-	-	-	-	-
Purchasing	8	8	6	6	6	6	6	6	6	6
Central stores	8	8	8	8	8	9	9	9	10	11
Municipal office services	3	3	4	4	4	4	4	4	4	4
Legal	8	8	7	7	7	7	7	6	6	6
Personnel and Risk Management	12	22	21	18	18	17	16	16	16	16
Emergency Management and Communications	12	12	12	12	12	11	11	11	12	12
Occupancy										
Custodial operations	25	25	25	25	25	25	25	25	24	24
Building maintenance	24	24	23	23	23	23	23	23	23	23
PUBLIC SAFETY AND HEALTH										
Police										
Police	317	312	302	302	302	280	284	285	279	279
Civilian personnel	109	109	102	102	102	98	91	88	86	86
Fire Protection										
Fire	244	229	221	221	221	218	217	217	217	217
Civilian personnel	28	29	21	21	16	14	14	14	14	13
Other										
Building safety	32	31	29	29	29	29	27	26	26	26
Animal control	27	27	27	27	23	22	22	22	21	21
Amarillo Emergency Comm. Center	1	-	-	-	-	-	-	-	-	-
Environmental health	14	13	11	11	11	11	11	11	11	11
Vital statistics	1	1	1	1	1	1	1	1	1	1
STREETS, TRAFFIC & ENGINEERING										
Street maintenance	108	108	100	100	97	97	97	97	96	96
Traffic engineering	46	46	45	45	45	44	44	45	43	43
Traffic field operations	22	22	22	22	22	22	24	23	23	23
Engineering	21	22	22	22	22	22	22	24	26	26
CULTURE & RECREATION										
Auditorium Coliseum										
Civic Center operations	23	23	23	23	23	23	20	20	30	30
Civic Center promotions	4	4	3	3	2	2	2	2	2	2

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
CITY GOVERNMENT BUDGETED POSITIONS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS
(unaudited)

	Budgeted Positions as of September 30									
Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Box office operations	12	12	12	12	12	11	10	10	-	-
Civic Center Sports	2	2	2	2	2	2	2	2	2	2
Globe News Center	3	3	3	3	3	-	-	-	-	-
Library operations	78	78	78	78	77	77	77	75	76	76
Parks and Recreation	258	258	253	275	274	273	276	255	252	252
Golf	47	48	48	48	48	48	54	50	50	50
SOLID WASTE										
Solid waste collection	108	107	105	105	103	101	99	99	99	99
Solid waste disposal	36	36	36	36	36	35	31	31	30	29
TRANSIT										
Fixed Route and Demand Response	59	61	61	61	61	61	61	60	57	57
Total General Fund	**1,776**	**1,758**	**1,700**	**1,721**	**1,704**	**1,661**	**1,656**	**1,626**	**1,609**	**1,611**
WATER & SEWER SYSTEM										
Water Production	7	7	7	7	7	7	7	7	7	7
Water Transmission	9	9	9	9	8	8	7	7	7	7
Surface Water Treatment	29	29	29	29	29	28	28	27	26	24
Water Distribution	58	58	58	58	58	58	58	58	58	58
Wastewater Collection	34	34	34	34	34	32	32	32	32	32
Wastewater Treatment	52	52	50	50	50	50	50	50	50	50
Environmental Laboratory	19	20	21	21	21	20	20	19	17	17
Utility Billing	29	29	29	29	29	29	29	29	29	29
Director of Utilities	17	16	16	16	16	16	15	15	15	15
Total Water & Sewer System	**254**	**254**	**253**	**253**	**252**	**248**	**246**	**244**	**241**	**239**
AIRPORT	62	62	50	49	49	49	49	49	29	29
INFORMATION SERVICES	28	27	27	27	27	26	26	24	23	23
MUNICIPAL GARAGE	53	53	51	51	51	51	51	51	51	51
CITY CARE CLINIC	8	-	-	-	-	-	-	-	-	-
SPECIAL REVENUE										
Library	5	6	6	7	7	7	8	7	7	7
Police Grant	7	-	-	-	-	-	11	11	11	11
Urban Planning/Traffic Grants	72	7	6	6	6	6	6	6	6	6
Health Grants	2	73	74	74	74	73	71	66	49	41
Court Security Fund	18	2	2	2	2	2				
Community Development and Housing	7	18	18	20	20	20	21	18	16	16
Emergency Management		7	6	6	6	6	4	3	2	3
Total Special Revenue	**111**	**113**	**112**	**115**	**115**	**114**	**121**	**111**	**91**	**84**
Total	**2,292**	**2,267**	**2,193**	**2,216**	**2,198**	**2,149**	**2,149**	**2,105**	**2,044**	**2,037**

Source: City Annual Budgets

Notes: Budgeted positions are made up of both full-time and part-time postions.

See Independent Auditor's Report.

Exhibit A-21

CITY OF AMARILLO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Function/Program										
Staff services:										
Annual number of purchase orders	3,554	3,605	3,382	3,815	3,809	3,874	4,432	3,791	3,794	2,067
Public safety and health:										
Annual calls for police services	130,862	126,176	127,990	135,989	132,049	134,298	136,660	135,000	132,000	133,000
Annual calls for fire services	15,313	12,774	12,167	10,776	10,365	9,384	8,671	*	*	*
Permits:										
Residential - new	516	582	641	772	775	737	752	647	654	584
Residential - additions & repairs	1,507	1,624	1,628	885	1,536	997	1,028	1,306	926	1,018
Commercial - new	40	92	74	116	103	144	126	105	127	127
Commercial - additions & repairs	289	336	321	366	313	321	343	314	311	369
Mobile homes	39	41	51	56	81	80	104	108	124	127
Roof	937	942	336	1,149	2,978	4,686	1,734	3,263	3,077	6,515
Value of construction:										
Residential - new	124,991,767	189,507,406	186,508,133	170,644,851	141,386,316	111,294,974	135,417,905	105,140,137	94,886,378	75,507,859
Residential - additions & repairs	23,025,345	23,269,814	28,541,979	16,568,993	14,762,901	14,850,053	12,616,631	24,428,096	10,075,021	17,762,528
Commercial - new	54,552,931	90,950,995	81,067,524	111,957,825	134,904,353	57,951,679	77,417,700	40,428,096	33,899,796	53,529,458
Commercial - additions & repairs	117,491,080	68,402,515	56,147,219	112,542,681	131,128,921	47,230,465	56,854,218	44,578,113	35,831,150	66,879,031
Mobile homes	3,255,543	6,266,747	4,296,872	3,893,346	4,032,248	3,227,533	4,047,510	3,964,990	2,608,096	2,623,471
Roof	5,922,164	7,844,282	5,799,608	11,789,696	35,940,785	54,239,433	11,663,513	13,397,635	18,263,501	53,527,757
Culture and recreation:										
Civic Center event days	2,229	2,578	2,369	2,060	2,060	1,805	1,681	1,577	1,554	1,537
Civic Center annual attendance	635,553	700,515	700,000	738,000	737,438	695,486	644,230	665,820	632,761	701,803
Library volumes loaned annually	1,752,006	1,805,566	2,110,369	2,147,905	2,085,345	2,103,172	1,963,202	2,087,382	2,011,752	2,045,000
Annual swimming pool attendance	57,983	66,133	75,659	72,935	72,168	65,732	79,467	68,866	74,649	64,506
Tennis Center attendance	34,321	31,193	40,161	31,145	33,651	31,776	33,517	29,580	24,434	48,848
Rounds of golf played annually (2 courses)	105,932	107,726	104,381	113,166	104,060	106,382	105,721	111,702	122,849	129,759
Rifle range attendance	2,489	3,663	3,198	2,804	-	-	-	-	4,250	6,056
Solid Waste:										
Tons of waste collected	157,000	168,000	188,000	164,000	162,309	162,563	155,987	151,309	152,756	149,781
Tons of waste landfill	223,000	224,000	237,600	248,700	241,462	227,870	215,100	222,246	226,067	239,949
Transit:										
Fixed transit route--in miles	665,036	651,690	658,077	656,459	657,751	639,493	653,744	627,442	632,465	585,400
Passengers served--fixed route services	328,605	343,404	371,316	365,156	352,345	340,293	349,446	351,467	312,232	292,232
Demand response passengers	23,324	29,712	28,644	28,701	29,243	25,743	23,512	22,766	22,894	22,123
Water and Sewer:										
Active water accounts	68,586	68,306	67,452	66,833	65,065	64,112	62,832	62,347	61,734	61,450
Average daily production--gallons	42,461,096	43,752,000	41,062,041	47,707,877	44,558,978	45,939,937	46,862,580	48,236,625	45,229,079	52,130,055
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	40,000,000	40,000,000	40,000,000
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

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Function/Program										
24th Street:										
Pumping	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	24,000,000	24,000,000	24,000,000
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	42,000,000	42,000,000	42,000,000
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	-	-	-	-	-	-	-
Storage	2,500,000	2,500,000	2,500,000	-	-	-	-	-	-	-
Purification Plant:										
Pumping	116,000,000	116,000,000	116,000,000	116,000,000	116,000,000	116,000,000	116,000,000	112,000,000	112,000,000	112,000,000
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	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Surface water allocation--gallons	4,226,385,000	3,662,482,893	4,226,385,000	6,037,696,000	6,037,696,000	4,300,285,000	9,177,294,000	9,177,294,000	12,438,000,000	12,438,000,000
Roberts County (CRMWA) Allocation	5,956,377,000	5,956,158,358	6,618,197,000	5,294,557,000	5,294,557,000	*	*	*	*	*
Active sewer accounts	66,539	66,294	65,513	64,939	62,489	61,451	60,760	60,362	59,852	59,486
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	1,600,000	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	1,200,000	1,200,000	12,000,000
Daily average of sewage treated--gallons	17,439,096	17,226,046	17,601,452	17,350,967	16,888,833	17,056,216	17,329,000	17,436,770	17,405,000	18,161,287
Daily average of reclaimed water sold to industry--gallons	12,624,641	14,061,315	12,795,430	12,957,562	9,951,477	8,651,397	9,798,000	9,999,537	9,996,362	9,337,885
Airport:										
Major airlines	3	4	4	4	4	5	5	5	6	7
Scheduled daily flights	46	58	58	49	51	52	67	54	54	66
Airline passengers enplaned	413,767	461,251	454,514	445,618	440,843	405,313	382,457	388,077	439,093	442,796
Airplanes cleared daily--average	236	226	243	267	299	322	334	298	335	346
Total tower operations (24 hours FAA Control Tower)	86,140	82,648	88,825	97,523	109,270	117,613	121,895	108,778	122,250	126,108

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)

	Fiscal Year									
Function/Program	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**
Public Safety and Health:										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	10	10	10	10	10	10	10	10	10	10
Number of fire hydrants	3,698	3,587	3,469	3,441	3,385	3,324	3,320	3,269	3,223	3,197
Number of outdoor warning sirens	85	85	85	83	78	*	*	*	*	*
Streets, traffic and engineering:										
Streets - paved (miles)	905.80	902.00	889.97	883.64	874.37	862.39	857.79	843.24	843.24	839.36
Streets - unpaved (miles)	83.13	83.00	83.13	83.84	84.96	88.63	89.92	82.30	82.30	79.53
Alleys (miles)	472.42	468.00	463.67	458.86	453.67	447.72	440.75	430.49	430.49	424.83
Miles of storm sewers	116.87	116.00	112.66	111.79	109.00	108.00	105.27	104.24	104.24	104.06
Number of street lights	10,657	10,657	10,590	10,491	10,425	10,378	10,256	10,251	9,718	9,921
Number of signalized locations	260	258	255	254	254	252	250	249	249	247
Number of traffic signs installed	7,515	7,447	7,367	7,263	7,182	7,062	7,336	6,817	6,595	6,382
Culture and recreation:										
Civic Center (auditorium, coliseum, convention annex, center)--in square feet	410,000	410,000	410,000	410,000	340,000	340,000	340,000	340,000	270,000	270,000
Number of libraries	5	5	5	5	5	5	5	4	4	4
Total library holdings	602,724	705,033	711,295	807,535	807,500	*	*	*	*	*
Number of parks and playgrounds	65	64	62	62	62	61	60	60	59	58
Parks--number of acres	2,907	2,839	2,827	2,827	2,827	2,827	2,799	2,427	2,383	2,343
Number of swimming pools	3	4	4	4	4	4	4	4	4	4
Number of golf courses--36 holes	2	2	2	2	2	2	1	1	1	1
Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2
Other recreational facilities:										
Soccer fields	65	65	65	65	66	65	65	65	65	65
Jogging trails (miles)	37.67	43.97	42	41.38	41.38	37.38	33.50	33.50	33.50	32.00
Baseball and softball fields	30	30	30	30	30	37	31	28	26	26
Tennis courts	37	41	41	41	34	52	52	46	46	46
Solid waste:										
Number of solid waste customers, residential	60,602	60,037	59,394	58,324	58,324	*	*	*	*	*
Number of solid waste customers, commercial	3,692	3,655	3,614	3,501	3,501	*	*	*	*	*
Landfill acreage	662	662	662	661	661	*	*	*	*	*
Transit:										
Number of buses in service	17	17	17	17	17	17	17	17	17	17
Number of vans in service	11	7	7	7	7	6	5	5	5	5
Water and Sewer:										
Miles of water mains:										
Transmission	120.00	120.00	120.00	118.63	118.63	118.63	118.63	118.63	118.63	118.06
Distribution	1,082.00	1,080.00	1,063.00	1,050.79	1,036.00	1,029.38	1,140.40	1,007.88	999.63	992.42
Number of water wells	106	99	94	91	99	100	100	101	101	101
Miles of sanitary sewers	929.30	926.33	911.00	884.82	874.68	868.89	861.74	854.79	847.55	842.45
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
2003	62,832	60,760
2004	64,112	61,451
2005	65,065	62,489
2006	66,833	64,939
2007	67,452	65,513
2008	68,306	66,294
2009	68,586	66,539

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	
2004	45,939,936	74,900,000	1,029	868	3,359
2005	44,558,978	77,500,000	1,036	875	3,385
2006	47,707,877	80,200,000	1,051	885	3,441
2007	41,062,000	72,000,000	1,063	911	3,469
2008	43,752,000	83,000,000	1,080	926	3,587
2009	42,461,096	82,000,000	1,082	929	3,698

Maximum Water Production Capacity (from Water Plant and Wells)	120 million gallons per day
Maximum or Peak Usage to Date	91 million gallons
Overhead Storage Capacity	8.5 million gallons
Ground Storage Capacity	65.25 million gallons

TEN LARGEST WATER CUSTOMERS AND AVERAGE MONTHLY USE

1. Tyson Fresh Meats	130,063,167
2. Texas Department of Corrections	28,958,833
3. City of Canyon	19,166,667
4. Asarco	13,201,417
5. Xcel Energy	12,151,667
6. Owens Corning	9,617,500
7. Baptist Saint Anthony's Hospital	5,397,667
8. Northwest Texas Healthcare	4,875,333
9. Plains Dairy	4,467,000
10. Veterans Hospital	2,608,167

CAPACITY OF SEWER TREATMENT PLANTS

(Two plants combined)	28.00 million gallons per day
Average daily sewage treated	17.44 million gallons per day

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
WATER RATES
SEPTEMBER 30, 2009
(Unaudited)

Minimum Monthly Billing for First 3,000 Gallons Consumed:	Rates Per Month	
Meter Size	**Inside City**	**Outside City**
5/8"	$ 10.20	$ 15.30
1"	13.68	20.52
1-1/2"	17.53	26.30
2"	27.24	40.86
3"	106.22	150.33
4"	127.18	190.77
6"	190.14	285.21
8" and larger	262.14	393.21

Additional Charge by Volume (per 1,000 Gallons):	Inside City	Outside City
Residential		
2,001-10,000	1.82	2.73
Over 10,000	2.37	3.56
Over 30,000	3.52	5.28
Over 50,000	3.63	5.48
Commercial		
Over 3,000	2.07	3.10

Source: City of Amarillo Ordinance Number 7188 effective October 1, 2009.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
SEWER RATES
SEPTEMBER 30, 2009
(Unaudited)

Base Amount	Rates Per Month
Meter Size	
3/4"	$ 11.55
1"	11.92
1-1/2"	12.24
2"	13.28
3"	15.02
4"	21.95
6"	32.32
8" and larger	42.70

Additional Charge by Volume

Commercial accounts are charged on total water used with a rate of $1.49 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 $1.38 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons.

Source: City of Amarillo Ordinance Number 7188 effective October 1, 2009.

See Independent Auditor's Report.

This page left blank intentionally.