

BUDGET

CITY OF AMARILLO, TEXAS

*Comprehensive Annual  
Financial Report*

OCTOBER 1, 2018 – SEPTEMBER 30, 2019



# CITY OF AMARILLO, TEXAS

## Comprehensive Annual Financial Report

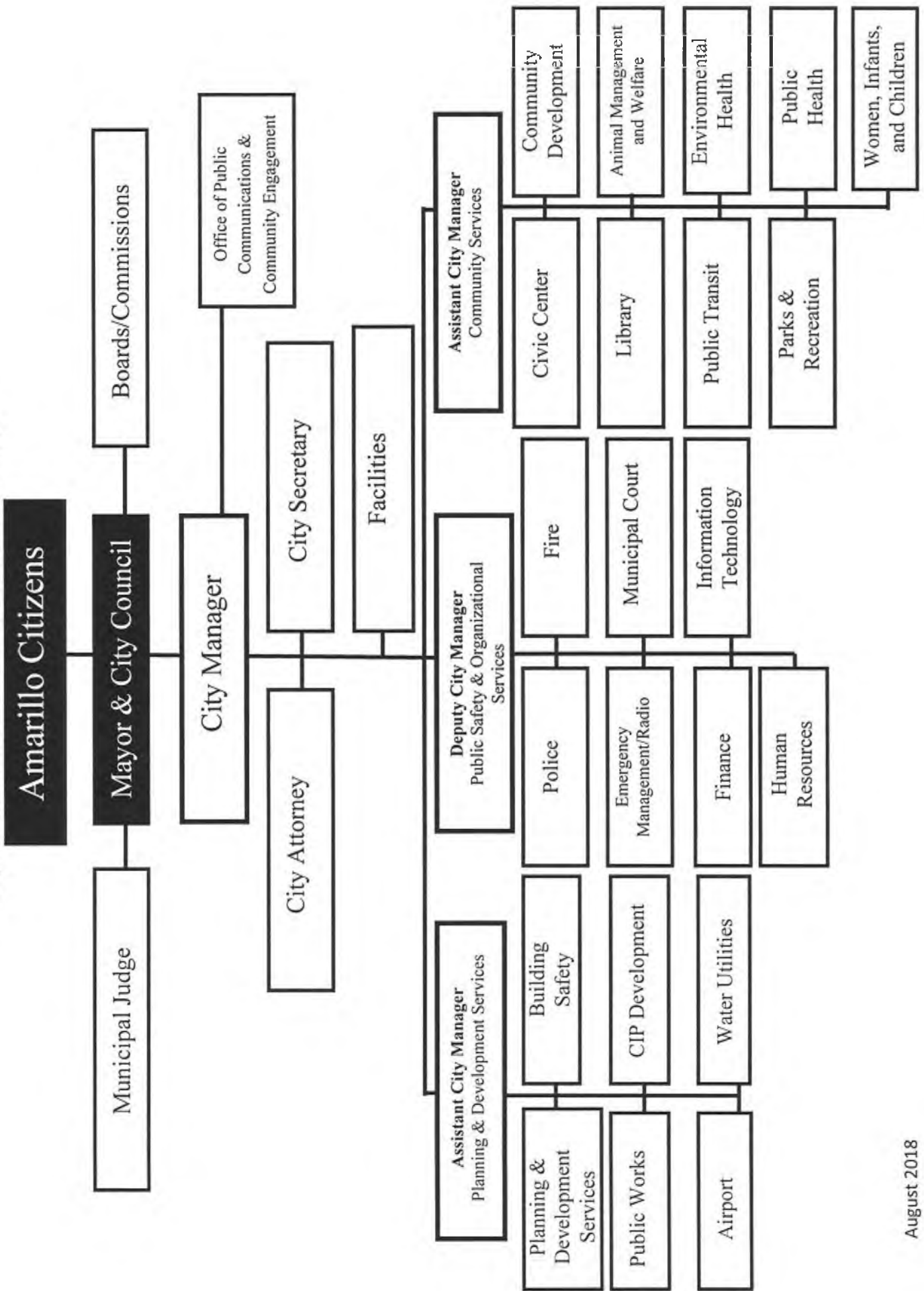
Fiscal Year Ended  
September 30, 2019



Prepared by:  
Finance Department

Michelle Bonner  
Deputy City Manager

# City of Amarillo, Texas Organization Chart



**CITY OF AMARILLO, TEXAS  
PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2019**

**GOVERNING BODY:**

Ginger Nelson  
Elaine Hays  
Freda Powell  
Eddy Sauer  
Howard Smith

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

**OTHER PRINCIPAL OFFICIALS:**

Jared Miller  
Michelle Bonner  
Kevin Starbuck  
Floyd Hartman  
Bryan McWilliams  
Frances Hibbs  
Laura Storrs  
Raymond Lee  
Jonathan Gresham  
Ed Drain  
Michael Kashuba  
Jeff Greenlee  
Rich Gagnon  
Valerie Kuhnert

City Manager  
Deputy City Manager  
Assistant City Manager  
Assistant City Manager  
City Attorney  
City Secretary  
Director of Finance  
Director of Public Works  
Interim Director of Utilities  
Police Chief  
Director of Parks and Recreation  
Fire Chief  
Information Services Director  
City Auditor





Government Finance Officers Association

**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, 2018**

*Christopher P. Morill*

Executive Director/CEO

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# CITY OF AMARILLO

OFFICE OF THE  
CITY MANAGER

February 25, 2020

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

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Amarillo (the City) for the year ended September 30, 2019, in compliance with Article III, Section 27 of the City Charter. The purpose of the report is to provide the Mayor, City Council, City Staff, citizens, bond holders, and other interested parties with useful information concerning the City's operations and financial position. The City is responsible for the accuracy, completeness, and fairness of the data presented in this report.

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

The City Manager, through his appointee, the Deputy City Manager for Public Safety and Organizational 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 Council. The City has complied with this requirement and the auditors' opinion has been included in this report. The auditors performed their examination in accordance with generally accepted auditing standards and stated that, in their opinion, the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

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

Following the report of the independent auditors is Management's Discussion and Analysis (MD&A). Although the Securities and Exchange Commission has required public companies to present the MD&A for many years, this requirement is now promulgated by Governmental Accounting Standards Board (GASB) Statement No. 34. The objective of the MD&A is to provide an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. The Statement specifies the topics that must be included in the MD&A, and we believe that our presentation is in conformity with this standard.

#### Profile of the City of Amarillo:

The City of Amarillo is geographically located within the boundaries of both Potter and Randall Counties in the center of the Panhandle of Texas and now contains an area of 103.80 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 2019 population is 206,876.

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

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

#### Overview of the Financial Reporting Entity:

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

Based on the accounting standards, the financial affairs of the Amarillo Hospital District, the Amarillo Economic Development Corporation, the Amarillo-Potter Events Venue District, the Amarillo Local Government Corporation, the Amarillo Housing Finance Corporation and the Amarillo Health Facility Corporation are reported as component units in the City's financial statements. The Amarillo Local Government Corporation was created in FY 2011/12. The Amarillo Local Government Corporation's purpose is to assist with the redevelopment of the downtown area and other beneficial projects including the construction and operation of a downtown parking garage and leasing land from the City for

the downtown convention hotel. The City appoints the Amarillo Local Government Corporation Board, but the Boards are not substantially the same. The Amarillo Hospital District is a separate political subdivision of the state of Texas, but is considered part of the City's financial reporting entity because the City Council appoints the District's Board of Managers and has final authority over its budget. Similarly, the Amarillo Economic Development Corporation is organized as a nonprofit corporation under the laws of the state of Texas, but is included in the financial statements because of the City Council's authority to select its Board of Directors and approve its budget. The Amarillo-Potter Events Venue District, approved by the voters on January 17, 1998, is considered part of the City's financial reporting entity because the City's Mayor appoints four of the seven members of the District's Board of Directors. Moreover, through a facility lease agreement, the City has financial responsibility with respect to the Venue District's debt service payment(s) if the related tax revenues were not sufficient to make the payment(s). 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 Council's appointment of its Board of Directors. The activities of this corporation are limited to issuance of housing bonds under provisions of the Texas Housing Finance Corporation Act, and its bonds are not general obligations of either the corporation or the City. It does not publish separate financial statements. The Amarillo Health Facility Corporation Board of Directors is appointed by the City Council. The purpose of the corporation is to authorize the issuance of bonds to providers of health care services in order to finance the acquisition, construction, and improvement of facilities. These bonds are not general obligations of either the corporation or the City. Since none of the component unit operations are integral to the operations of the City, their affairs are segregated from the financial presentation of the primary government. As provided by the new accounting model, the aggregate component unit information is reflected "discretely" in the city-wide financial statements.

The City reports TIRZ #1 and TIRZ #2 as blended Component Units. TIRZ #1 and #2 each have 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 #1 and #2 revenues can be pledged to support debt, only the City can issue the debt and pledge the TIRZ #1 and #2 revenue. Moreover, the City Council created TIRZ #1 and #2 and has final approval authority on the budget and all TIRZ #1 and #2 projects.

#### Operating and Capital Budgets:

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

The City prioritizes the funding of capital projects on the basis of five-year capital improvement plans. A capital improvement is any expenditure for the purchase, construction, replacement, expansion, or major renovation of the physical assets of the City when the project is relatively expensive (more than



\$25,000), long-term, and permanent. Some common examples are streets, libraries, traffic signal systems, fire stations, specialized equipment, and water and sewer lines. Capital needs of less than \$25,000 (minor replacement items) are provided for in the department's annual budget. The first year of the five-year plan is the City's annual capital budget, which is approved by the City Council, along with the annual operating budget. Capital Improvement expenditures are controlled by means of individual project appropriations, and all funds needed to complete a project are reserved no later than the inception of the project.

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

#### Budget and Financial Reporting:

The City of Amarillo was awarded the Certificate of Achievement for Excellence in Financial Reporting for our 2017/18 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 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 GFOA 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.

One of our most significant financial achievement this year is affirmation by Standard & Poor's of the City's General Obligation and the Water & Sewer Revenue Bond debt AAA rating. The City was rated a AAA debt rating from Standard & Poor's on the Drainage Utility System. The City enjoys a Moody's ratings of Aa1 on both the City's General Obligation debt and Water & Sewer Revenue bonds. The AAA rating is the Standard & Poor's highest rating debt rating. The Aa1 Moody's rating is one-third step below Standard and Poor's. The City also has an A+/Stable rating from Standard & Poor's on its Hotel Occupancy Tax revenue bonds.

#### Cash Management and Investments:

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

1. Interest-bearing accounts and bank money market accounts at the City's authorized depository. Certificates of deposit including CDARS (Certificate of Deposit Accounts Registry Service).
2. Obligations of the United States or its agencies and instrumentalities. The investment in agencies and instrumentalities is limited to 75% of the portfolio.
3. No-load money market mutual funds that are continuously rated AAA or AAAM by at least one

nationally recognized rating agency; is regulated by the Securities and Exchange Commission; complies with the requirements of a money market mutual fund; has an average weighted maturity of less than two years; has either a duration of: (a) one year or more and is invested exclusively in obligations approved under the Public Funds Investment Act; or (b) less than one year and the investment portfolio is limited to investment grade securities, excluding asset-back securities; and includes in its investment objectives the maintenance of a stable net asset value of \$1.00 for each share.

4. Taxable municipal securities rated not less than AA- or its equivalent by a nationally recognized rating agency. The total investment in taxable municipal securities is limited to 10% of the portfolio. To the extent that the investment in taxable municipal securities is not fully utilized in the portfolio, the unused portion can be invested in agencies' securities in addition to the 75% limit.

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

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

#### Long-term Financial Planning:

As mentioned above, in conjunction with our annual operating budget, 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 projects funds during the budgetary process.

#### Recent Debt Issuances:

While the City historically uses available funds from the excess of revenues over expenditures to provide for its major capital improvement needs, our capital needs exceeded our ability to generate internal funds for capital. Starting in 2007, we had several debt issuances.

Our new air terminal was funded with approximately \$23 million from grants, approximately \$8 million from Airport reserves, and \$16,140,000 in certificates of obligation (COs). 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 COs, and the City should not have to levy a tax to support this debt in the future.

Our Potter County Well Field came into service in FY 2012/13. The well field is capable of producing up to 22 million gallons of water per day. Eventually, the well field can be expanded to produce up to 40 million gallons per day. The Potter County Well Field project is the largest single capital project in our history. The Potter County Well Field is a new water supply for the City of Amarillo. The new well field will be able to supply the City's current water needs without using our surface allocation from Lake Meredith and provide for future growth. The Water & Sewer System committed \$5.7 million to the well field. 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 COs 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 20-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 \$47,400,000 of 20-year debt.

We added a high service pump station to our water treatment plant. The project was shovel ready and qualified as a "green" project due to the projected energy savings. Using current pricing, the new pump station should save approximately \$200,000 in electricity. The City was also able to take advantage of the American Recovery and Reinvestment Act (ARRA) along with funding from Texas Water Development Board. The City issued \$18,075,000 in COs at zero percent interest. The project was substantially complete at the end of calendar year 2011. The City had to increase water and sewer rates by 10% in 2010/11 for the increased debt service on the Potter County Well Field project and the high service pump station.

#### 2010 Certificates of Obligation:

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 bridge remedies the problem on Grand Street and even helps relieve congestion on Eastern Street, as well. The project cost approximately \$5.67 million, with most of the funding coming from the Amarillo MPO and TXDOT Amarillo District ARRA funds (about \$4.2 million). The balance of the project cost was paid from City funds. Potter County contributed \$241,000 to the project. The City issued \$1,392,000 of Recovery Zone Build America Bonds, Series 2010 for its portion of the project cost. These bonds were issued with a true interest cost of 3.194%. The City's portion of the project was approximately \$1.2 million; the balance of the bond proceeds will be used for street improvement projects within the Recovery Zone.

With the Recovery Zone Build America Bonds, the City receives an interest credit of 45% of the interest paid for each interest payment made. This credit was used in calculating the above, 3.194% true interest cost. These credits are not exempt from the "fiscal cliff" legislation and were reduced slightly. However, the issue size is so small that it did not significantly impact the tax rate for debt service.

#### 2011 Certificates of Obligation:

During January 2011, the City issued the 2011A COs in the amount of \$3,750,000 and the 2011B COs in the amount of \$2,210,000. The proceeds from the 2011A issue are for improvements to the Ross Rogers Golf Course. These certificates have a continuing tax pledge, but the City anticipates the issue will be repaid from golf course improvement and renovation fees. The proceeds from the 2011B issue are for improvements in the TIRZ #1. These issues have a continuing tax pledge, but the City anticipates the issue will be repaid from revenue generated from the TIRZ #1.

#### 2011 Water & Sewer Revenue Bonds:

In August 2011, the City issued \$16,300,000 in Water & Sewer Revenue Bonds. The bonds were issued to purchase additional water rights adjacent to the City's existing water rights in Roberts County. The City purchased 32,350 acres of water rights in Ochiltree County, which is north of the City's existing water rights in Roberts County. When the City develops these rights, the City will have a very large contiguous area to develop.

#### 2012 Debt Issuances:

On December 12, 2012, the City closed on two debt issues. The first debt issue is \$6,260,000 in Combination Tax and Drainage Utility Revenue COs. The 2012A issue is mainly for drainage improve-

ments on Farmers Avenue. The City is leveraging state funds and the state will participate with approximately \$1.7 million for paving improvements on the Farmers project. There should still be some remaining funds for other drainage improvements. In addition to the tax pledge, the Drainage COs have an unlimited net pledge of the Drainage Utility System of 1.25 times net revenue. The City intends to fund the debt entirely from the Drainage Utility and not levy a property tax for the COs. Thus, the debt is structured similar to the City's Water & Sewer revenue debt. The City needed the tax pledge because there had not been one full month of Drainage Utility revenue when the debt was issued. However, the City needed to fund the Farmer's project or risk losing state funding.

The second issue in 2012 is to purchase rolling stock for our fleet services. Rolling stock replacement was delayed during the recent economic downturn. The 2012B issue has a five-year maturity and the proceeds will be used to purchase rolling stock with at least a five-year life. The 2012B issue is for \$2,790,000 in Combination Tax and Sanitation Revenue COs. The COs have a \$1,000 limit pledge of Sanitation Revenues and a property tax pledge. The City intends to pay for the COs from Fleet Services rental revenues and not levy a tax for the debt.

Using the CO structure, the City got very attractive rates on the debt. The 2012A issuance has a 20-year maturity and has a true interest cost of 1.763%. The 2012B has a five-year maturity and has a true interest cost of 0.686%.

#### 2013 Water and Sewer Revenue Bonds:

On July 10, 2013, the City issued the Waterworks and Sewer System New Series 2013 Revenue Bonds in the amount of \$1,310,000. The series has a ten-year maturity and a true interest cost of 0.39%. The proceeds will be used to fund the design of the Osage to Arden Road pipeline.

#### 2014 Debt Issuances:

During 2014, the City had four debt issuances. The first was the issuance of the Waterworks and Sewer System Revenue bonds New Series 2014 CWSRF in the amount of \$8,495,000. These bonds were issued thru the Clean Water State Revolving Fund program of the TWDB. This series has a 20-year maturity with a true interest cost of 1.94%. These funds will be used for the design and construction of Georgia Street Interceptor project. This project will eliminate a lift station and ensure proper operation of the collection system in the area. This bond issue will also fund the planning and design for the replacement of Lift Station 32.

The second debt issue was \$6,080,000 of Drainage Utility Revenue Bonds with a true interest cost of 3.23%, including maturities through 2034. This issue is mainly for the T-Anchor Excavation project. The third issue was \$2,650,000 of Tax Note, Series 2014 bonds with a true interest cost of 0.916% and maturities through 2019 to purchase rolling stock for the City's Fleet Services. As mentioned previously, during the economic downturn the City delayed the replacement of rolling stock. This issue will allow the City to replace existing equipment. The funding for this issue will come from the Fleet Services fund. The final issue was the 2014 COs of \$2,260,000, with a 20-year maturity and 3.22% interest to pay for park improvements. This issue will be funded by assessments to the property owners of the Colonies Public Improvement District and the Greenways Public Improvement District.

#### 2015 Debt Issuances:

On October 2, 2015 the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, Series 2015 in the amount of \$17,195,000 and the City of Amarillo, Texas, Waterworks & Sewer System Refunding Bonds, New Series 2015A in the amount of \$21,145,000. The 2015 series was issued through the TWDB at very favorable interest rates with a true interest cost at 1.17%. The proceeds will fund a water transfer supply pipeline from the Osage Water Treatment Plant to the connection for the Arden Road Pump Station, and the addition of a pump and ground storage tank for the Arden Road Pump Station. The 2015A series refunded the 2005, 2006 and 2006A bonds for a net present value benefit of \$2,623,562 with a true interest cost of 2.38%.



#### 2016 Debt Issuances:

On April 13, 2016 the City issued the City of Amarillo, Texas, Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016 in the amount of \$11,995,000 with maturities through 2043 and a true interest cost of 4.1196%. The bonds will be used to construct and equip a downtown Amarillo parking garage located in the vicinity of the City's convention center facilities.

#### 2017 Debt Issuances:

During 2017, the City had four debt issuances. On February 22, 2017 the City issued the City of Amarillo, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017 in the amount of \$6,940,000. The bonds were issued for 20 years with a true interest cost of 2.736%. The bonds are being used to acquire a two-way radio communications system for public safety. Concurrently, the City issued \$15,110,000 of General Obligation Refunding Bonds, Series 2017 to refund the CO 2007 bonds, with a true interest cost of 2.219% and maturities thru 2027. The 2017 GO Refunding bonds refunded the CO 2007 bonds for a net present value benefit of \$2,422,114.

The third issuance was on May 11, 2017 for \$21,280,000 in General Obligation Bonds, Series 2017 with a true interest cost of 3.18% and maturities ranging through 2042. Proceeds from these bonds are being used to fund year one of a five-year capital improvement program that was approved by voters in the November 2016 bond election. The fourth and final issuance for 2017 was also on May 11, 2017, for \$31,005,000 in Waterworks and Sewer System Revenue Bonds, Series 2017, issued for 20 years with a true interest cost of 2.932%. These bonds are allowing the City to address much needed infrastructure projects for water and sewer.

#### 2018 Debt Issuances:

During 2018, the City had five debt issuances. March 20, 2018 the City issued \$38,835,000 of Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018 to construct and equip a multiuse facility. The bonds were issued for 30 years with a true interest cost of 4.30%. Then on July 18, 2018, the City issued the General Obligation Bonds, Series 2018 in the amount of \$22,145,000 with a true interest cost of 3.466%. These maturities range through 2043. This is the second year of five anticipated bond issues associated with the November 2016 bond election to address streets and public safety capital needs. Concurrently on July 18, 2018, the City issued \$3,000,000 in Certificates of Obligation to pay for the improvements to the Colonies. The Certificates of Obligation mature in 20 years at 3.27% interest.

The fourth and fifth issuances were on July 19, 2018 and will allow the City to address much needed infrastructure projects for water and sewer. The fourth was the Waterworks & Sewer System Revenue Bonds, New Series 2018A in the amount of \$12,500,000 through the TWDB with a true interest cost of 1.34% for 20 years. The City has enjoyed very favorable financing through the TWDB. The fifth issuance was the Waterworks and Sewer System Revenue Bonds, New Series 2018B in the amount of \$14,610,000. The proceeds were year two of a five year capital plan totaling \$140 million. The bonds were issued for 20 years at a true interest cost of 3.238%.

#### Our Local Economy:

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. These industries are still very important to Amarillo; however, Amarillo has a more diverse economy. Food processing, defense industry, manufacturing, distribution, traffic and transportation, general retail, banking, criminal justice, medical facilities, administrative and back-office operations, and higher education are all important industries in Amarillo.

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

Natural gas and petroleum are major industries in the City of Amarillo and the Panhandle. There was a decrease in the price of oil compared to last year. According to the Amarillo Economic Analysis, prepared by Amarillo National Bank, September 2019 oil was down 13% at \$58.48 per barrel compared to September 2018 at \$67.04 per barrel<sup>(1)</sup>. Natural gas prices decreased 10% compared to last year. Natural gas was at \$2.97 per mmbtu last year compared to \$2.67 per mmbtu at September 2019<sup>(1)</sup>. Since we are both a producer and a consumer of natural gas, part of our economy benefits from lower 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, changes in oil and gas prices have a direct impact on drilling activity in the Panhandle. In September 2019<sup>(1)</sup>, there were 8 active drilling rigs compared to 22 in 2015<sup>(1)</sup>, 9 in 2016<sup>(1)</sup>, 13 in 2017<sup>(1)</sup>, and 25 in 2018<sup>(1)</sup>.

According to the Texas Cattle Feeders Association, our cattle feeding area produces about 6,000,000 fed cattle annually, which is about 28% of the nation's beef. Cattle prices dropped dramatically in 2016. Fed cattle prices were down slightly from last year at \$99.96 per hundredweight compared to \$107.85 at September 2018<sup>(1)</sup>.

Dairies have become major industries in the Panhandle. Dairies remain profitable; however, September 2019 milk prices were up to \$17.00 per hundredweight compared to \$14.00 at September 2018<sup>(1)</sup>. 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 are up to \$4.05<sup>(1)</sup> per bushel at September 2019 compared to \$3.83<sup>(1)</sup> last year.

Wheat prices were down 30% from prior year, at \$3.89 per bushel at September 2019. At September 2011, wheat had significantly increased to \$7.67<sup>(1)</sup> per bushel and continued to increase to \$8.48 per bushel at September 2012<sup>(1)</sup>. Wheat was at \$6.85 per bushel at September 2013, compared to \$5.95 per bushel at September 2014<sup>(1)</sup>, \$4.43 per bushel at September 2015<sup>(1)</sup>, \$3.23 per bushel at September 2016<sup>(1)</sup>, \$3.77 per bushel at September 2017<sup>(1)</sup>, and \$5.40 per bushel at September 2018<sup>(1)</sup>.

Cotton was flat at \$74.00<sup>(1)</sup> cents per pound at September 2019 compared to \$74.10<sup>(1)</sup> cents per pound at September 2018<sup>(1)</sup>, \$71.40<sup>(1)</sup> cents per pound at September 2017, \$61.30<sup>(1)</sup> cents per pound at September 2016, \$66.10<sup>(1)</sup> cents per pound at September 2015, \$66.90<sup>(1)</sup> cents per pound at September 2014 and \$83.36 cents per pound in 2013<sup>(1)</sup>. Historically, cotton has been grown south of Amarillo. However, new hybrids can be grown in our area.

#### *Amarillo Economic Development Corporation:*

The Amarillo Economic Development Corporation (AEDC) is the primary economic development engine of the Amarillo community, focused on industry growth and job creation through business attraction and retention initiatives. In 1989, the citizenry of Amarillo approved a measure to increase the sales tax rate by one-half cent to be dedicated to economic development programs. The vote proved to be a proactive one, as Amarillo was the second city in Texas to approve the sales tax for economic development in the first year the program was made available through the Texas Legislature.

The mission of AEDC is to attract businesses to Amarillo which offer highly-skilled, highly-paid positions; to expand and retain existing local businesses in Amarillo; and to create a business environment conducive to entrepreneurship. The AEDC targets companies whose primary function is to produce goods

or services that are then sold outside of the immediate trade area, thereby introducing new monies into the local economy. This strategy is met by implementing aggressive business recruitment programs, local business retention and expansion programs, and promoting the Amarillo, Texas brand worldwide.

In FY2019, AEDC approved a job creation grant of up to \$1.25 million to Asset Protection Unit, Inc. for the expansion of their data mining and overpayment recovery business. AEDC approved a developer incentive with Amarillo Morning, LLC to partially rebate up to \$260,000 of the land sales price based on capital investment and jobs related to the project. AEDC approved an investment into the WTAMU Enterprise Center Accelerator Program in the amount of \$200,000 per year for a 3 year period. This agreement provides for the establishment and operation of the Accelerator Program to assist participant businesses with intensive services intended to gain proof of concept and revenue. Finally, the AEDC approved the Second Amended and Restated Agreement between Bell Textron Inc. and the AEDC. This takes the agreement from a lease arrangement where the AEDC owns the property and transfers ownership to Bell and the AEDC will have notes and a Deeds of Trust from Bell that secure the communities interest in the project. The performance obligations of both parties remain the same as under the previous agreements.

The AEDC continued its partnership with West Texas A&M University through the EnterPrize Challenge, a local business plan competition funded by AEDC and facilitated by the WT Enterprise Center. The 24th annual Amarillo EnterPrize Challenge awarded five grants totaling \$405,000 to new and emerging companies expected to create more than 24 new jobs and make substantial investments in the regional economy. To date, 96 businesses have received cash grants totaling more than \$6.7 million, resulting in 902 new jobs and \$156 million in new revenue to the Amarillo economy. By contractual agreement, Texas Panhandle Regional Development Corporation (TPRDC) acts as the small business financing arm of AEDC. TPRDC provides small business financing for owner-occupied commercial real estate. This Certified Development Company approved three Small Business Administration 504 loans totaling over \$4.8 million, which leveraged \$2.4 million in bank financing and \$600 thousand in owner equity. For the year, this program was responsible for the creation of 40 new jobs. TPRDC also funded four loans in 2019 totaling just under \$3.3 million.

#### Major Industries and Employers:

The Amarillo Chamber of Commerce lists 23 employers with 400 or more employees in Amarillo. This is a very diverse group of employers consisting of governmental entities, manufacturing, defense, industry, food processing, healthcare, general retail, traffic and transportation, energy companies, public utilities, higher education, financial services, retirement services, the travel industry, and computer services<sup>(3)</sup>.

Two of our largest employers are in the defense industry: Bell Helicopter and CNS Pantex. The Pantex Plant, located 17 miles northeast of Amarillo, in Carson County, is charged with maintaining the safety, security and reliability of the nation's nuclear weapons stockpile. The Pantex Plant is managed and operated by CNS Pantex for the U.S. Department of Energy/National Nuclear Security Administration. The Pantex mission is Securing America as the NNSA's production integrator and provider of the nuclear deterrent to the Department of Defense; serving the Nuclear Security Enterprise through our highly reliable people, processes, infrastructure, and business systems. Pantex Engineering has provided technology solutions for the manufacturing, evaluation, and testing of nuclear explosives, joint test beds, and other special nuclear materials. As the nation's primary site for assembly and disassembly of nuclear weapons, Pantex also provides major support through the External Mission Center to the DoD and the United Kingdom (UK) Ministry of Defense<sup>(2)</sup>. Approximately 3,203 people are employed at Pantex<sup>(3)</sup>.

In 1998, Bell Textron announced its decision to locate its V-22 Tiltrotor Assembly Center in Amarillo, Texas. The initial capital investment by the AEDC was \$30,000,000 for the construction of a world-class facility. Over the past 18 years, the invested amount in the Bell Textron Amarillo Assembly

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

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

ASARCO was organized in 1899 as American Smelting and Refining Company. Originally a consolidation of a number of lead-silver smelting companies, the Company has evolved over the years into an integrated producer of copper and other metals. The Amarillo Plant refines copper and precious metals. The plant consists of an anode department, tankhouse, refined casting departments, precious metals refinery, a copper scrap facility, a precious metals scrap handling facility, nickel plant, selenium/tellurium plant and support facilities. The Company's Amarillo Copper Refinery in Amarillo together with the SX/EW plants at the Ray and Silver Bell mines produce approximately 315,000,000 pounds of refined copper per year. ASARCO employs 300<sup>(3)</sup> workers in Amarillo.

Other manufacturing operations in Amarillo include Owens Corning Fiberglass, which employs about 586<sup>(3)</sup> people. Owens Corning produces fiberglass for building products. Amarillo Gear has been in continual operation in Amarillo since 1917 and manufactures the largest range of spiral bevel right-angle gear drives in the world since 1934. Amarillo Gear is a Marmon Walter/Berkshire Hathaway Company<sup>(9)</sup> and employs 172<sup>(3)</sup>.

International Paper Company produces containerboard packaging in Amarillo and employs 110<sup>(3)</sup> people. Crouse-Hinds is a division of Copper Industries. Cooper Crouse-Hinds has grown into a diversified worldwide provider of electrical products that perform reliably and safely in harsh and hazardous environments.

Food distribution is also an important industry to Amarillo. Affiliated Foods employs 1,205<sup>(3)</sup> workers in its facility. Ben E. Keith, a distributor of food service products, employs 250<sup>(3)</sup> persons. One of our largest single employers is also in the food industry. Tyson Foods has 4,400<sup>(3)</sup> 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. There are locally grown feed grains and volume shipments from the Midwest which ensure a plentiful supply of feed. Relatively mild winters and good summer weather have helped the three-state area earn its reputation as "Cattle Feeding Country." Local lenders in the area understand the industry and are willing partners. According to the Texas Cattle Feeders Association, 30% of the nation's beef is produced in the Texas Panhandle. Both Cactus Feeders and Friona Industries are headquartered in Amarillo. Cactus Feeders has ten large-scale cattle 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 approximately 800 people across six states. Cactus Feeders is the world's largest privately owned cattle feeding operation<sup>(4)</sup>. Founded in 1962, Friona Industries owns six state-of-the-art feedyards in northwestern Texas with a feeding capacity that ranks them in the top ten feedyards worldwide<sup>(5)</sup>.



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

The Medical Center complex is home to several of our major employers: Baptist St. Anthony's Health Care System (BSA) with 3,200<sup>(3)</sup> employees and Northwest Texas Healthcare System (NWTHS) with 1,860<sup>(3)</sup> employees. Both BSA and NWTHS offer integrated acute care hospitals. BSA offers a full range of medical and surgical services at their acute care patient facility<sup>(11)</sup> 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<sup>(11)</sup>. For 2018, BSA is the second largest taxpayer.

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

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

Other large medical employers include the Texas Panhandle Centers Behavioral & Developmental with 315<sup>(3)</sup> employees, Panhandle Eye Group with 200<sup>(3)</sup> employees, Family Medicine Centers with 250<sup>(3)</sup> employees, Amarillo Heart Group with 175<sup>(3)</sup> employees, the Don & Sybil Harrington Cancer Center with 175<sup>(3)</sup> employees, Regence Health Network with 165<sup>(3)</sup> employees and Physicians Surgical Hospitals with 123<sup>(3)</sup> employees.

Mild weather, excellent medical facilities, and low living costs make Amarillo an excellent location for retirement living. There are several large retirement communities in Baptist Community Services/Park Central with 401<sup>(3)</sup> employees, Ussery-Roan Texas State Veterans Home with 100<sup>(3)</sup> employees, the Craig Senior Living with 137<sup>(3)</sup> employees, Heritage A Skilled Nursing and Rehab Facility with 100<sup>(3)</sup> employees, and Vibra Acute Medical Rehabilitation Hospitals with 200<sup>(3)</sup>.

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

Major retail stores draw customers from a wide region into our city. Amarillo is currently home to four Wal-Mart supercenters, two Wal-Mart Neighborhood Markets and two Sam's Club. Wal-Mart employs a total of 1,359<sup>(3)</sup> people and Sam's Club employs 150<sup>(3)</sup>. United Supermarkets is a large employer and employs a total of 1,604<sup>(3)</sup> in their seven stores in Amarillo. Toot'n Totum has several convenience stores in Amarillo and employs 1,000<sup>(3)</sup>.

Customer support and back office operations are also large employers. Maxor National Pharmacy Services Corporation is a pharmacy benefit management company headquartered in Amarillo and has 770<sup>(3)</sup> employees. The American Quarter Horse Association is also headquartered in Amarillo and employs 212<sup>(3)</sup>. The Atmos Energy customer support center in Amarillo employs 374<sup>(3)</sup>.

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 663<sup>(3)</sup>. Happy State Bank employs 349<sup>(3)</sup>. Herring Bank employs 100<sup>(3)</sup> and Bank of America employs 105<sup>(3)</sup>.

The Texas Department of Criminal Justice has two prison units in Amarillo and is a major employer. The two prisons provide 813<sup>(3)</sup> jobs.

Higher education is a major employer in the Amarillo area. Our community college, Amarillo College, offers both vocational training and associate degree programs and has 642<sup>(3)</sup> 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 840<sup>(3)</sup>. Texas Tech University provides training in our community for medical doctors earning specialty accreditation in family medicine. West Texas A&M University in nearby Canyon, which is a part of the Texas A&M University System, employs 801 full-time employees<sup>(3)</sup>. West Texas A&M University also has a campus in Amarillo.

As mentioned earlier, the oil and gas industry is important in the Panhandle and energy companies are also major employers. Valero Energy Corp. employs 105<sup>(3)</sup> and Davidson Oil Company employs 108<sup>(3)</sup>.

The traffic and transportation industry has been important to Amarillo from its beginning in 1887. Amarillo was founded near a bend in the Fort Worth and Denver (FW&D) Railroad tracks, which were under construction. The Burlington Northern Santa Fe Railroad is still one of our major employers with 805<sup>(3)</sup> employees. Trucking is also important to Amarillo. Kimrad Transport, LP, employs 126<sup>(3)</sup>, Baldwin Express, Inc, and Plains Transportation, Inc. are also in the trucking industry. Support for the trucking industry is a larger employer in Amarillo and includes companies like Amarillo Truck Center, Summit Truck Group, and Bruckner's.

Today, Amarillo's airport has the third longest commercial runway in the world. There are numerous direct daily flights from Amarillo to major hub airports having direct flights to foreign countries. You can get to Dallas-Ft. Worth Regional Airport in one hour; Houston Intercontinental in about an hour and a half, Denver International in an hour, Las Vegas in two hours, and LAX in four hours. Amarillo is a hub for major highways that connect to the rest of the region: I-40 to Oklahoma City and Albuquerque, U.S. 287 to Dallas and Fort Worth, and U.S. 87 to Denver<sup>(7)</sup>. Because of Amarillo's location on Interstate 40, Interstate 27, and State Highway 287, along with attractions in and nearby Amarillo, hospitality and tourism are significant industries. Approximately 9.5 million people travel through Amarillo annually, dining in almost 500 local restaurants. The Amarillo hotel industry has 78 hotels with approximately 6,800 rooms to rent.

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.

Two of the larger employers are engineering firms. Talon/LPE is a full-service environmental consulting and engineering corporation and Zachry Engineering Inc. employs 185<sup>(3)</sup>. The construction industry is also a major employer. J. Lee Milligan, Inc. employs 225<sup>(3)</sup> and L. A. Fuller & Sons Construction Inc. employs 115<sup>(3)</sup> people.

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

#### Current Economic Climate and Trends:

Amarillo has fared much better than most cities during the recent recession. We had neither a reduction in service nor any reduction in available hours to our citizens. In 2011, the City's Water & Sewer revenue debt was upgraded to AAA by Standard & Poor's and in 2014 the City's Drainage Utility revenue debt was rated AAA by Standard & Poor's. Amarillo is one of the few cities that has AAA General Obligation debt, AAA Water & Sewer revenue debt AAA Drainage Utility revenue debt by Standard & Poor's. The City has also been assigned an A+/Stable rating by Standard & Poor for the Hotel Occupancy Tax Revenue Bonds.

Our sales tax for 2018/19 came in at \$59.2 million, which is approximately \$1.8 million, or 3.1% more than 2017/18 sales tax of \$57.4 million. Sales tax receipts remain very strong, with record receipts every year for ten years straight except for a small decrease in 2017. The City feels that the significant increases in the 2013 and 2014 years were related to the May 2013 hailstorm. The City did see a drop in sales tax for 2016/17. When preparing the 2019/20 budget, the City included a 2.5% increase in sales tax estimates above the 2018/19 collections. The City's sales tax collections have trailed slightly below budgeted amounts for the first quarter of the 2019/20 fiscal year. Generally, sales tax is erratic on a month-to-month basis, with some months exceeding their corresponding previous year month and some months being down compared to their corresponding previous year month. Amarillo's net hotel occupancy tax revenue saw a slight increase in 2018/19, recording approximately \$6.4 million, up from \$6.3 million. The City had gross hotel occupancy tax receipts of \$7.2 million and rebated \$750 thousand to the convention hotel per the development agreement.

Employment remains stable. Amarillo's unemployment rate is 2.8% compared to 2.8% last year and 3.1% the year before<sup>(1)</sup>. Amarillo's unemployment was better than the state of Texas at 3.3%, and our national unemployment at 3.3%<sup>(13)</sup>.

Water metered sales for 2018/19 decreased over the prior year by \$6.3 million or 11.4%, after experiencing a large increase in revenues during 2017/18 as compared to 2016/17. Calendar year 2015 was the 4th wettest year in recorded history, 2017 was the 13<sup>th</sup> wettest year in recorded history, and 2019 was the 15<sup>th</sup> wettest year in recorded history. In contrast, the Texas Panhandle received much less precipitation during 2016 and 2018. Water revenues can be significantly affected by the amount and timing of local rainfall. Rates were increased for the fourth tier structure for 2014/15, by 3% overall for 2015/16 and by 3% overall for 2016/17, 2017/18, and 2018/20. Rates were increased in the 2013/14 by 2%, in the prior two fiscal years by 11% with 6% in 2011/12 and 5% in 2012/13 which funded the debt service portion of the CRMWA water rights and the City of Amarillo water rights purchase. The Water and Sewer Fund netted \$17.8 million in 2016/17, \$27.4 million in 2017/18, and \$7.0 million in 2018/19.

Our property tax base continues to grow. As of January 2019, we had \$13.1 billion in value compared to approximately \$12.8 billion the previous year. In 2018/19, the City had \$199 million in new property values compared to \$237 million in 2017/18.

Building for new construction decreased for the 2018/19 fiscal year. The City had \$173.1 million in permits compared to \$289.1 million in 2017/18. Commercial permits decreased to \$97.1 million in

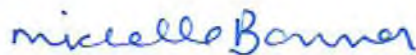
2018/19 compared to \$138.9 million in 2017/18. Residential permits also decreased to \$76.0 million in 2018/19 compared to \$150.1 million in 2017/18. The City did see an increase in building related to additions and repairs of \$176.7 million in 2018/19 compared to \$106.4 million in 2017/18. The City experienced a significant hailstorm event in May 2013, roofing permits increased significantly from \$5.3 million in 2011/12 to \$132.1 million in 2012/13 and \$112.5 million in 2013/14. For the 2014/2015 roofing permits decreased with \$25.5 million for the year, but were up again to \$33.6 million in 2015/16, \$40.4 million in 2016/17, and \$51.6 million in 2017/18. Roofing permits did decrease in 2018/19 to \$40.3 million.

For 2018/19, the property tax rate increased over the prior year at \$0.36838 per \$100 of taxable values up from \$0.36364 in 2017/18. This increase was to the interest and sinking portion of the tax rate to pay for the debt service associated with a general obligation bond issuance as approved by voters in a November 2016 bond election. The property tax rate increased by \$0.00563 to \$0.35072 in 2015/16 and remained flat in 2016/17. For the 2019/20 budget, the property tax rate increased \$0.02013 to \$0.38851 per \$100 of taxable values. This increase is associated with the interest and sinking portion of the tax rate from the general obligation bonds approved by voters in the November 2016 bond election as well as with the addition of ten new firefighters to staff a second company station that was approved by voters during the November 2016 bond election, the addition of three new Animal Management and Welfare positions to staff a new facility approved by voters during the November 2016 bond election, and with increased funding to streets.

Amarillo continues to enjoy strong sales tax receipts and increasing property values. Amarillo has a very good quality of life and a lot of opportunity. Amarillo has a strong diversified economy with plenty of jobs. We have major employers and industries for professionals, skilled craftsman, and laborers. Amarillo has the best-funded Economic Development Corporation in the state and Chamber of Commerce to help attract and retain industry and support tourism. Amarillo has great public education and higher education. Amarillo has excellent medical facilities and very nice retirement facilities. 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 neighborhood parks. We have sports teams, including a new AA baseball team, museums, area lakes, and other attractions. In short, Amarillo is a great place to live and work.

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

Yours very truly,



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Michelle Bonner  
Deputy City Manager – Public Safety and Organizational  
City of Amarillo, Texas



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Jared Miller  
City Manager  
City of Amarillo, Texas

Sources:

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

## Independent Auditor's Report

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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Amarillo, State of Texas (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *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

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discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Change In Accounting Estimate*

As discussed in Note 1 to the financial statements, 2019 the City had a change in accounting estimate. Our opinion is not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule - General Fund, the Schedule of Changes in Net Pension Liability and Related Ratios - Texas Municipal Retirement System, the Schedule of Contributions - Texas Municipal Retirement System, Notes to Required Supplementary Information - Texas Municipal Retirement System, the Schedule of Changes in Net Pension Liability and Related Ratios - Firemen's Relief and Retirement Fund, the Schedule of Contributions Firemen's Relief and Retirement Fund, Notes to Required Supplementary Information - Firemen's Relief and Retirement Fund, the Schedule of Net OPEB Liability and Related Ratios, Schedule of Changes to Net OPEB Liability and Related Ratios, Schedule of Contributions and Related Ratios OPEB, and Notes to Schedule of Required Supplemental Information OPEB on pages 5 through 21, and pages 126 through 138 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements, schedules and other information, supplementary information, and statistical section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Connor McMillon Mitchell & Shennum PLLC*

Amarillo, Texas  
February 25, 2020

## 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, 2019. 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, 2019.

### Financial Highlights:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$945.81 million (net position). Of this amount, \$899.08 million is invested in capital assets and infrastructure net of related debt. Of this amount, \$38.27 million is restricted for debt service and other purposes. The remaining \$8.46 million is unrestricted net position.
- The City's total net position increased by \$15.26 million before the increase in beginning net position for the prior period adjustment of \$1.22 million related to capital assets, capital leases, and the establishment of a new Public Improvement District. Of this amount, a \$0.34 million increase is attributable to governmental activities, and an increase of \$14.92 million is attributable to net operating revenues of the business-type activities, which revenues are attributable to rates/fees established to fund both current operating needs and future development.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$113.44 million. The General Fund's fund balance decreased by \$2.86 million. The decrease in fund balance for capital projects funds was \$40.27 million. This decrease was a result of construction being completed on general obligation bond and civic center improvement projects. Increases in other governmental funds, which include many grants and special revenue funds, were approximately \$1.88 million.
- At the end of the current fiscal year, the fund balance for the General Fund was \$45.23 million, or 25.7% of total general fund expenditures. Expenditures and transfers out of the General Fund were \$185.77 million, which amounts included transfers of general revenues to capital outlay, internal service funds, grant funds, compensated absences fund, and other funds which carry out general governmental operations. The General Fund remains in good financial condition with unassigned fund balance of \$41.75 million.
- General Fund revenues increased over the previous fiscal year. The City saw an increase in sales tax collections for fiscal year 2019. Total sales tax collections came in at \$59.18 million. Sales tax receipts remain strong; fiscal year 2019 saw an increase of approximately \$1.77 million from fiscal year 2018 collections, which set a new record in collections for the City. The City's sales tax collections have come in slightly lower than budgeted amounts, which included a 2.5% increase over the prior year, for the first quarter of the 2019/20 fiscal year. Management keeps a close watch on sales tax collections to assist in making changes during the year, if needed. The City saw a slight increase in net hotel occupancy tax revenue in 2018/19, recording approximately \$6.46 million, up from \$6.36 million. The City had gross hotel occupancy tax receipts of \$7.21 million and rebated \$750 thousand to the convention hotel per the development agreement. Electricity and gas franchise fees came in lower than expected, \$10.70 million or a \$975 thousand decrease from 2017/18. This decrease was related to the area experiencing both a mild winter and summer and from a rate decrease implemented by the electric company due to fuel costs being down. The City also saw increased property tax collections of \$45.11 million versus \$44.06 million during 2017/18 due to increased appraised values in the City limits as well as a rate increase to fund voter approved general obligation bonds from the November 2016 bond election. Sanitation fees and landfill charges came in approximately \$467 thousand higher than 2017/18 at \$20.54 million. The City saw increased use at the landfill that affected these revenues.

## Overview of the Financial Statements:

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

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

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

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

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

Both 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, drainage utility, and an international airport.

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

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All 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 statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In addition to a general fund, the City maintains special revenue funds, two debt service funds, ten capital projects funds, and one permanent fund. These funds have been categorized as either *major or non-major* based on the significance of their financial position or operations. For the current fiscal year, management has determined that the General Fund and the Capital Projects 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 three different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer system, the drainage utility system, and for its international airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among a governmental entity's various functions. The City uses internal service funds to account for its fleet of vehicles, its management information systems, and its general and employee health self-insured programs. Because over 80% of these services benefit governmental functions as opposed to business-type functions, their net position and unallocated (investment) earnings have been included with governmental activities in the government-wide financial statements.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund statements can be found on pages 38 and 39 of this report.

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

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

**Government-Wide Financial Analysis:** Changes in assets over time may serve as a useful indicator of a government's financial position. Prior to the effective date of Statement No. 34 issued by the Governmental Accounting Standards Board, capital assets used in governmental fund activities were accounted for in a "general fixed assets group of accounts" and were not depreciated. Effective with its adoption of Statement No. 34 as of October 1, 2001, the City computed the accumulated depreciation on all governmental activity capital assets, including infrastructure. Therefore, changes in assets of both governmental and business-type activities, including capital assets as well as current assets, provide meaningful information to the reader. The table below reflects the City's net position as of September 30, 2019, compared to the prior year (in thousands):

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		<i>Percent 2019</i>
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	
Current assets	\$ 165,358	\$ 169,782	\$ 78,229	\$ 71,943	\$ 243,587	\$ 241,725	15.84%
Noncurrent assets	48,607	84,763	55,268	79,085	103,875	163,848	6.76%
Capital assets	496,885	450,680	693,258	670,285	1,190,143	1,120,965	77.38%
Total assets	\$ 710,850	\$ 705,225	\$ 826,755	\$ 821,313	\$ 1,537,605	\$ 1,526,538	100.00%
Deferred outflows of resources	\$ 48,583	\$ 26,070	\$ 9,781	\$ 8,554	\$ 58,364	\$ 32,624	0.00%
Current liabilities	\$ 39,985	\$ 40,840	\$ 43,228	\$ 33,107	\$ 83,213	\$ 73,747	12.95%
Noncurrent liabilities	320,033	277,988	239,448	255,872	559,481	533,860	87.05%
Total liabilities	\$ 360,018	\$ 318,828	\$ 282,676	\$ 288,979	\$ 642,694	\$ 607,607	100.00%
Deferred inflows of resources	\$ 2,442	\$ 16,501	\$ 5,019	\$ 5,714	\$ 7,461	\$ 22,215	0.00%
Net position:							
Net investment in capital assets	\$ 398,471	\$ 386,320	\$ 502,604	\$ 483,458	\$ 899,075	\$ 869,778	95.06%
Reserved/restricted	30,041	30,562	9,233	7,652	39,274	38,214	4.05%
Unrestricted (deficit)	(29,539)	(20,716)	38,004	42,084	8,465	21,348	0.89%
Total net position	\$ 398,973	\$ 396,166	\$ 548,841	\$ 533,174	\$ 945,814	\$ 929,340	100.00%

The City's net position increased by \$15.26 million during the current fiscal year. The following table reflects the elements of this change:

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

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		<i>Percent 2019</i>
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	
Revenues							
Program revenues							
Charges for services	\$ 52,586	\$ 62,209	\$ 93,984	\$ 101,512	\$ 146,450	\$ 163,721	43.05%
Operating grants and contributions	22,853	23,647	2,714	588	25,567	24,235	7.51%
Capital grants and contributions	12,033	12,971	6,422	7,246	18,455	20,217	5.42%
General revenues:							
Property taxes	51,111	49,135	-	-	51,111	49,135	15.02%
Other taxes	83,939	82,863	-	-	83,939	82,863	24.67%
Insurance recover/cost	8,613	-	-	-	8,613	-	1.84%
Investment earnings, etc.	4,655	2,651	3,511	1,806	8,166	4,457	2.40%
Total revenues	233,790	223,476	106,511	111,152	340,301	334,628	100.00%
Expenses:							
General/staff services	18,729	16,005	-	-	18,729	16,005	5.78%
Public safety	113,381	106,934	-	-	113,381	106,934	34.88%
Streets/traffic	24,640	23,374	-	-	24,640	23,374	7.58%
Culture and recreation	29,712	29,071	-	-	29,712	29,071	9.14%
Solid waste	18,403	17,489	-	-	18,403	17,489	4.74%
Transit	6,042	5,666	-	-	6,042	5,666	1.86%
Tourism/ economic/urban development	15,913	15,154	-	-	15,913	15,154	4.90%
Information technology	4,455	3,997	-	-	4,455	3,997	1.37%
Interest on long-term debt	5,735	5,364	-	-	5,735	5,364	1.78%
Water and sewer	-	-	73,216	82,223	73,216	82,223	22.52%
Drainage utility	-	-	3,203	2,959	3,203	2,959	0.99%
Airport	-	-	14,617	14,581	14,617	14,581	4.50%
Total expenses	234,010	223,054	91,036	79,763	325,046	302,817	100.00%
Excess (deficiency) before transfers	(220)	422	15,475	31,389	15,255	31,811	
Transfers	559	(293)	(559)	293	-	-	
Change in net position	339	129	14,916	31,682	15,255	31,811	
Net position, beginning	398,166	337,925	533,174	509,028	929,340	846,953	
Prior period adjustment (see Note 1)	468	58,112	751	(7,536)	1,219	50,576	
Net position, beginning, as restated	398,634	396,037	533,925	501,492	930,559	897,529	
Net position, ending	\$ 398,973	\$ 396,166	\$ 548,841	\$ 533,174	\$ 945,814	\$ 929,340	

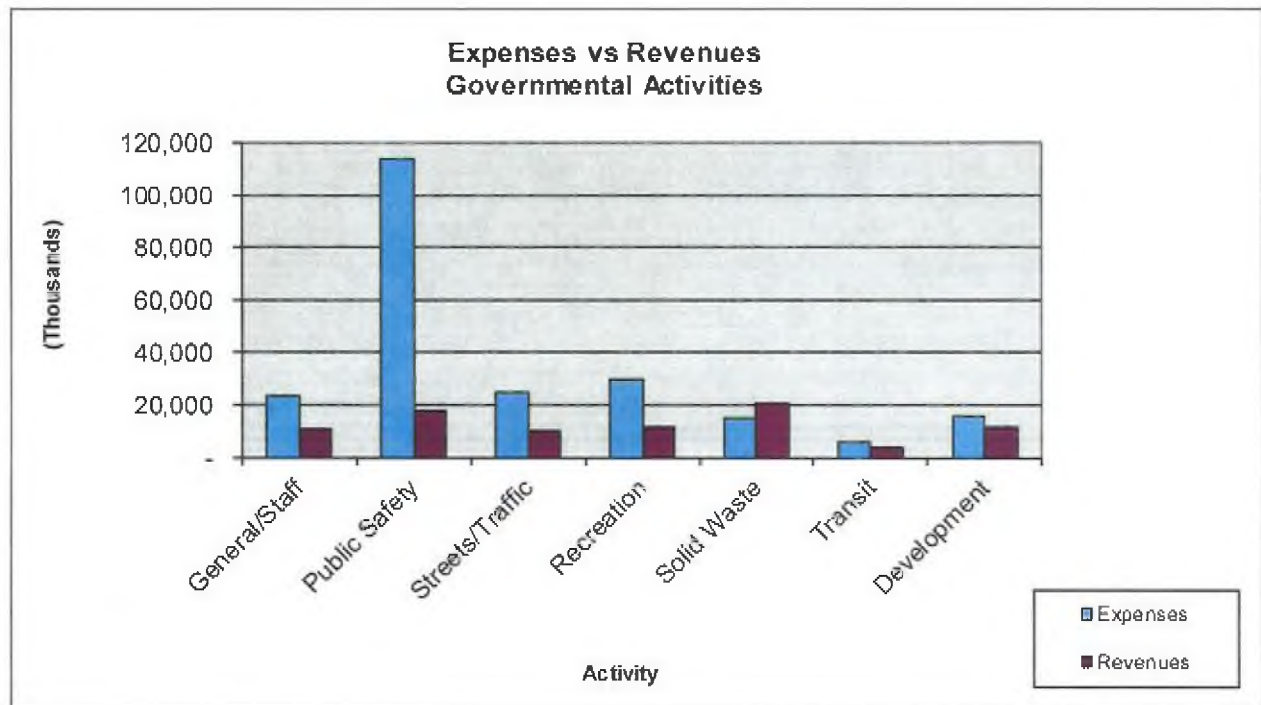
**Governmental activities:** The net position of the Governmental Activities was \$396.97 million. Of this amount, approximately \$396.47 million is net investment in capital assets. Restricted net position of approximately \$3.12 million, \$1.59 million, and \$25.33 million is restricted for debt service, tax increment financing, and other purposes, respectively. This leaves a deficit unrestricted net position for Governmental Activities of \$29.54 million. Net position of the Business-type Activities, which are comprised of the Water and Sewer Fund, Drainage Utility Fund, and the Airport Fund totaled \$548.84 million. The unrestricted net position of the Business-type Activities is used to provide working capital and fund capital projects.



At September 30, 2019, the net position for the Governmental Activities increased \$339 thousand. Expenses increased over the prior year with the largest increase of \$6.48 million in Public Safety. During 2018/19, the City added five new firefighter positions to begin staffing the addition of a second company to an existing fire station. The capital project to fund the infrastructure for the second company station was approved by voters in the November 2016 bond election. Fire and Police both saw increases in expense related to the net pension obligation as applied through GASB 68. Police added funding for 17 police officers, including six new neighborhood police officer positions. Animal Management and Welfare added two positions to staff a spay and neuter clinic that was also approved by voters during the November 2016 bond election. Another increase in expenses was in Staff Services of \$2.20 million. The City made the first payment for maintenance related to its upgraded radio system and also saw increased expense across the board related to the net pension obligation. Additional resources were allocated to information technology to address enhanced security and continued technology improvements. Solid Waste continued to allocate additional resources to the big and bulky curbside program, to the pilot program for carts, to dumpsters, to alley cleanup, and to urgent response crews; however, the landfill experienced an increased compaction ratio during 2018/19. This resulted in an increase to the remaining capacity estimates for the landfill closure and post closure care costs which resulted in an overall decrease to the liability. The Governmental Activities saw increased sales tax collections, property tax collections, and hotel/motel tax collections. During 2018/19, the City changed the methodology used to estimate the long-term portion of the incurred-but-not-reported claims (IBNR) based on current industry best practices. This change in estimate decreased the Employee Insurance fund IBNR reserve, long-term portion, by approximately \$3.8 million.

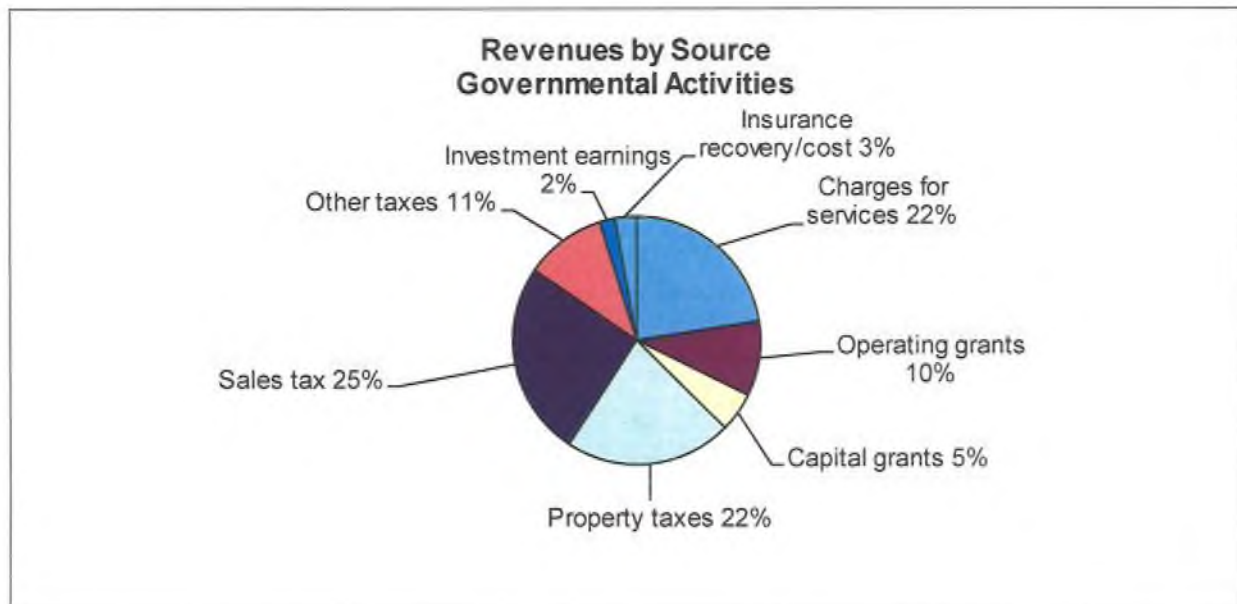
The accompanying bar chart entitled *Expenses vs. Revenues – Governmental Activities* – reflects the extent to which each of the major governmental functions of the City is supported by revenues designated for that purpose. These revenues include charges for services, intergovernmental revenues, and 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 parks department, and permits, licenses, and fines. For the current year, expenses of the governmental functions were \$234.01 million. Program revenues consisting of charges for services, operating grants, and capital grants were in total amount of \$87.47 million, resulting in a net cost of governmental functions in the amount of \$146.54 million to be supported by general revenues of the City which include property taxes and sales tax revenue. General revenues and transfers totaled \$146.88 million. General revenues, program revenues, and transfers combined were \$234.35 million representing total revenues derived from governmental activities.

The chart below titled *Expenses vs. Revenues – Governmental Activities* – shows the expenses and revenues by activity. For most activities, expenses exceed revenues. General revenues such as sales tax and property taxes are used to fund most of the governmental activities.





The accompanying pie chart entitled *Revenues by Source – Governmental Activities* – reflects the major components of both revenues as described above of \$233.79 million excluding transfers of \$559 thousand.



**Business-type activities:** Business-type activities, which include the Water and Sewer Fund, Drainage Utility Fund and the Airport Fund, increased the City's net position by \$14.92 million. The increase in net position for the business-type activities is attributable to increased revenue in the Water and Sewer Fund. Operating net income of the Water and Sewer Fund was \$7.85 million as compared to \$25.51 million in the previous fiscal year. The operating income remains strong. Net position for the Water and Sewer Fund increased by \$6.97 million. Airport net position increased by \$4.29 million, which is mainly attributable to an increase in nonoperating revenues in the current year. The Drainage Utility Fund net position increased by \$3.21 million. The Drainage Utility Fund was approved in late fiscal year 2011/12 and had assessment income starting October 1, 2012. The Drainage Utility Fund had net operating income of \$2.62 million for the seventh year of operation.

91.5% of the City's net position for the business-type activities is net investment in capital assets (land, buildings, pipelines, streets, and runways, etc.). Management reviews the use of these assets on an ongoing basis and determines whether any should be disposed of. All of these assets are either being used in current City operations or, as in the case of underground water rights, are being held for planned future use.

\$8.23 million 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. Other restrictions include amounts to be spent in accordance with grant agreements. The balance of net position is available to meet the City's ongoing obligations to citizens and creditors.

**Water and Sewer System:** Water metered sales were strong but decreased by \$6.30 million or 11.4% largely due to the City not receiving large amounts of precipitation during 2018 while experiencing an increased amount of precipitation during 2019. The chart below reflects 2019 as the 15<sup>th</sup> wettest year in recorded history while 2018 was the 12<sup>th</sup> driest. Water revenues can be significantly affected by the amount and timing of local rainfall. With the increase in water volume sold due to drought conditions combined with rate increases implemented for fiscal years 2013/14, 2015/16, and 2016/17 residential customers increased water sales in each of these years. A 3% rate increase was included in 2016/17, 2017/18, and 2018/19, as well.

Changes in water usage have less effect on sewer revenues; however, this revenue source did increase by \$136 thousand due to a 3% rate increase implemented during 2018/19. The chart below reflects the fluctuation in precipitation that the area has received over the past six years:

<u>Year</u>	<u>Precipitation</u>	<u>Records*</u>
2014	19.40"	63 <sup>rd</sup> driest (near normal**)
2015	34.63"	4 <sup>th</sup> wettest on record
2016	17.20"	36 <sup>th</sup> driest on record
2017	26.48"	13 <sup>th</sup> wettest on record
2018	13.60"	12 <sup>th</sup> driest on record
2019	25.88"	15 <sup>th</sup> wettest on record

\* Records go back to 1892.

\*\* Normal precipitation is 20.36".

*Airport:* The Airport has been in the process of improving facilities, and the Federal Aviation Administration (FAA) funds a significant part of the cost of these improvements. The Airport generally attempts to operate on a break-even basis with its net position increasing by \$4.29 million. The largest increase in Airport revenue was seen in grant money received from the FAA for capital improvement projects. The passenger facility charge is approved to collect up to \$19.2 million, which will be used to pay back certificate of obligation bonds issued on September 3, 2009 in the amount of \$16.14 million. During 2018/19, the Airport collected \$1.40 million in passenger facilities charges, which is \$92 thousand more than the previous year. Airport operating revenues increased from \$9.91 million to \$10.66 million; however, operating expenses increased only slightly from \$14.58 million to \$14.63 million. Operating revenues are derived from airlines, fees and commissions, and other building rentals.

*Drainage Utility:* The Drainage Utility Fund completed the seventh year of operation and recorded operating revenues of \$5.58 million with \$2.96 million in operating expenses resulting in net operating income of \$2.62 million. Operating income will be used to service drainage debt that was issued during 2012/13 and 2013/14. The total outstanding debt at year-end for the Drainage Utility Fund was \$8.50 million. Operating income will also be used to fund drainage projects, many of which are in the design and engineering stages at the end of this fiscal year.

### **Financial Analysis of the City's Funds:**

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$113.44 million, a decrease of approximately \$41.24 million from the prior year. Beginning in fiscal year ending September 30, 2011, the City implemented and began reporting the fund balance structure under guidelines established by GASB 54. GASB 54 requires the fund balances of governmental funds be segregated into five major components. These are: Non-spendable, Restricted, Committed, Assigned and Unassigned. Of the total fund balances, approximately 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 Projects Funds and the Compensated Absences Fund, which were 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. All of this unassigned fund balance is accounted for in the General Fund, which is the primary operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$45.23 million, of which \$41.75 million was unassigned.

The fund balance of the General Fund decreased by \$2.86 million during the current year. The fund balance of the Capital Projects Funds decreased by \$40.27 million. This decrease includes dollars spent on completed projects including projects from the first and second year of funding for the approved projects from the November 2016 bond election. The capital projects funds had assigned fund balances of \$39.64 million at September 30, 2019. These funds are assigned for construction projects in progress and for projects currently in the planning stages and in the City's five-year capital plan.

The 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 a net position of \$51.20 million. The purpose of Internal Service Funds is to provide services within a government on a break-even basis. Funds classified as Internal Service are: Fleet Services, Information Services, Risk Management and Employee Insurance. The net income or loss from these Internal Service Funds has been allocated back to the using departments or funds for the city-wide financial statements. The unrestricted net position of the Internal Service Funds is generally used to replace capital assets.

Net position of the Internal Service Funds increased in the 2018/19 fiscal year by \$2.94 million. At September 30, 2018, the City recorded \$99.65 million prior period adjustment in the Employee Insurance Fund related to the implementation of GASB 75 *Accounting and Financial Reporting for Postemployment Benefit Other than Pensions*. Prior to the implementation of GASB 75, the City reported the postemployment health benefits in the Employee Insurance Fund, under the requirements of GASB 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB 45 was implemented in fiscal year 2008, and the City was responsible for funding the annual required contribution (ARC) and disclosing the Actuarial Accrued Liability. From 2008 to 2017, the City recorded a postemployment benefit obligation liability for the portion of ARC that was not fully funded. In January 2013, to address the postemployment benefit obligation liability, the City began prefunding a portion of its Other Postemployment Benefits (OPEB) liability via an irrevocable multi-employer OPEB trust (PEB Trust) in addition to pay as you go costs. During 2014 and 2015, the City made significant plan design changes. Effective January 1, 2015, all Medicare eligible retirees were transitioned to a private Medicare supplement plan and are longer covered on the City-sponsored plan. The City provides a monthly stipend of \$150 to assist retirees in the payment of the supplement premium. The removal of the GASB 45 liability, in the Employee Insurance Fund, caused the historical overall deficit in net position for the Internal Service Funds to be eliminated. With these changes and the implementation of GASB 75, the City recorded a net OPEB liability of \$49.07 million in the Statement of Net Position. At September 30, 2019, the City's total OPEB liability was \$64,305,284, of which the City has funded \$15,237,541 through the PEB Trust, resulting in a net OPEB liability of \$49,067,743. See footnote 10 for additional details related to the Defined Other Postemployment Benefit Plan.

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 position and changes in net position of the Enterprise Funds in these financial statements is identical with the net position and changes in net position in the city-wide financial presentation.

## Capital Assets and Debt Administration:

**Capital assets:** The City's investment in capital assets as of September 30, 2019, was \$1.19 billion, net of accumulated depreciation. The following tabulation summarizes the City's capital assets at September 30, 2019:

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018 (restated)	2019	2018 (restated)	2019	2018 (restated)
Land, easements and water rights	\$ 41,119	\$ 37,702	\$ 82,166	\$ 83,024	\$ 123,285	\$ 120,726
Infrastructure	162,717	164,638	-	-	162,717	164,638
Library resources	4,723	4,751	-	-	4,723	4,751
Water and sewer other	-	-	446,834	433,752	446,834	433,752
Airport facilities	-	-	58,821	61,478	56,821	61,478
Drainage improvements	-	-	11,754	6,629	11,754	6,629
Buildings and other improvements	191,909	142,058	-	-	191,909	142,058
Equipment and vehicles	34,759	31,706	4,646	4,548	39,405	36,254
Capital Lease Asset	5,750	2,397	-	-	5,750	2,397
Construction in progress	55,808	69,514	91,137	81,605	147,045	151,119
Total capital assets	\$ 496,885	\$ 452,766	\$ 693,258	\$ 671,036	\$ 1,190,143	\$ 1,123,802

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

The City of Amarillo attempts to fund its capital needs on a pay-as-you-go basis to the extent possible. However, the City has recently borrowed funds in order to complete significant infrastructure projects. The City attempts to take advantage of favorable interest rates and use debt only when conditions are favorable. Note 12 to the financial statements discloses in detail the debt activities of the City. In addition, a Combined Schedule of Outstanding Debt Issuances is provided in the supplemental section of the CAFR. The following table shows the City's total principal amounts outstanding under bond agreements as of September 30, 2019:

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

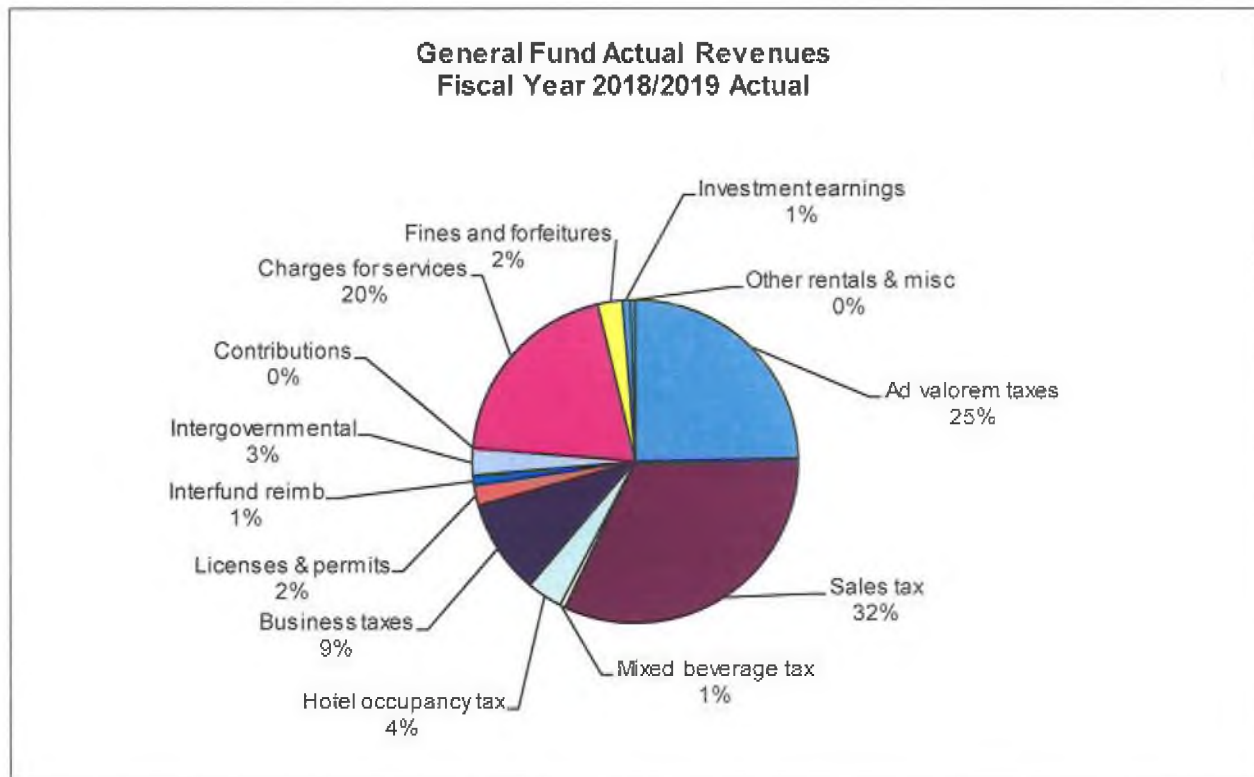
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 58,732	\$ 59,484	\$ -	\$ -	\$ 56,732	\$ 59,484
Certificates of obligation	6,085	6,570	-	-	6,085	6,570
Special assessment debt	10,899	11,457	-	-	10,899	11,457
Hotel occupancy tax debt	50,515	50,830	-	-	50,515	50,830
Fleet services revenue bonds	-	455	-	-	-	455
Water and sewer revenue bonds	-	-	163,700	175,450	163,700	175,450
Water authority debt	-	-	52,744	58,331	52,744	58,331
Drainage utility revenue bonds	-	-	8,495	9,005	8,495	9,005
Airport	-	-	1,830	3,570	1,830	3,570
Total outstanding debt	\$ 124,231	\$ 128,796	\$ 226,769	\$ 246,356	\$ 351,000	\$ 375,152

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

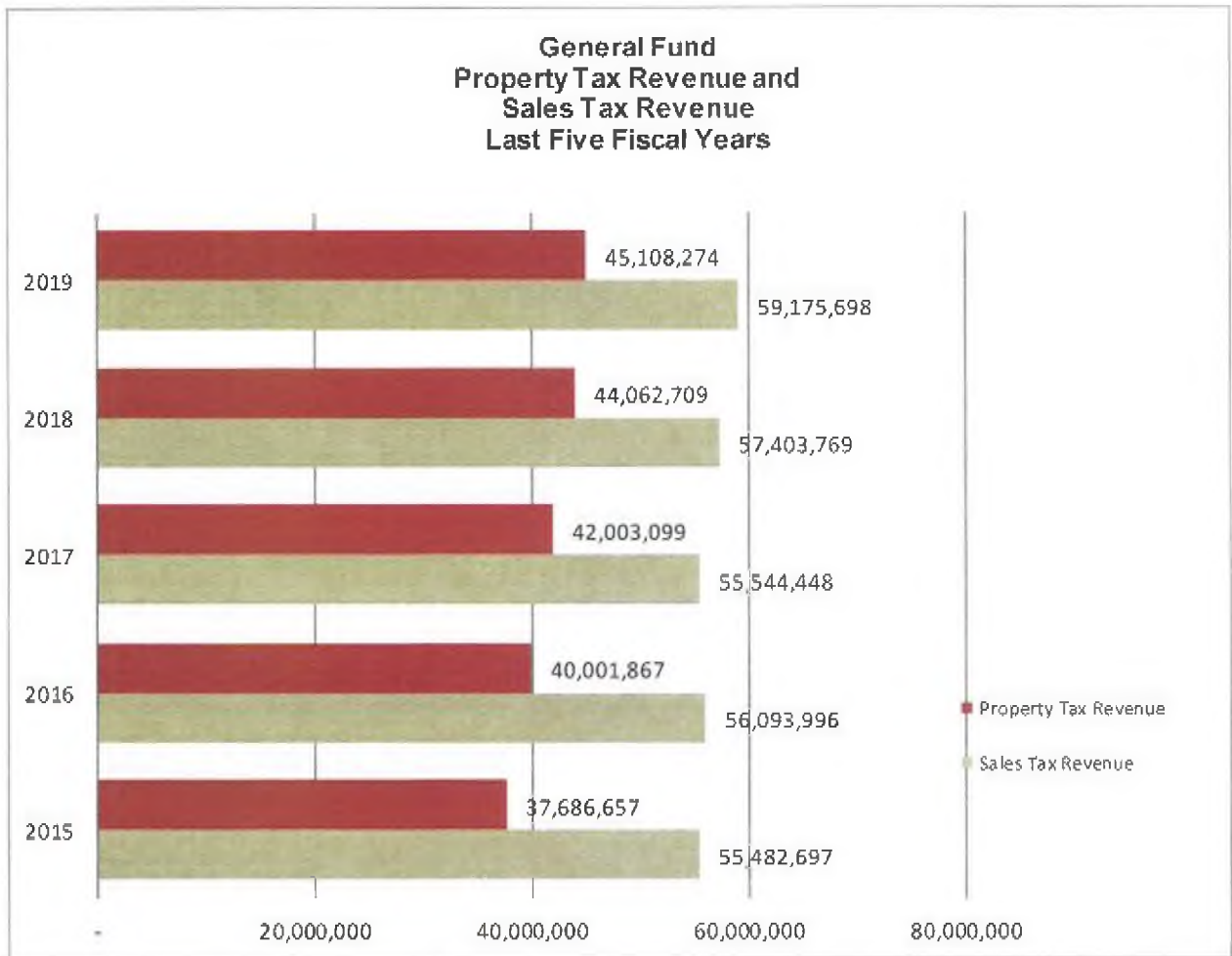
### General Fund Budgetary Highlights

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

**General Fund Revenues:** The total General Fund revenues budgeted for fiscal year 2018/19 were \$185.13 million. Certain reclassifications of interdepartmental reimbursements are made from the approved budget for financial reporting purposes. Actual sales tax revenue accounts for 32.40% of the General Fund total revenue excluding transfers. Sales tax revenues were budgeted for \$58.36 million. Actual sales tax revenues for 2018/19 were \$59.18 million. Sales tax revenues were greater than expected budgeted amounts by approximately \$816 thousand. Sales tax receipts have been very strong for several years; however, the 2016/17 receipts were slightly lower than the 2015/16 year. In 2018/19, the City saw record sales tax receipts once again. The City's 2019/20 budget estimate anticipates strong revenue levels; the budget includes a 2.5% increase in sales tax revenues over the 2018/19 receipts. Another major component of General Fund revenues is ad valorem property taxes. As detailed on page 175, General Fund ad valorem tax collections were budgeted at \$40.36 million. Actual ad valorem taxes were \$40.80 million. 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 were lower than budgeted revenues by \$2.47 million mainly due to electricity and gas franchise fees being lower than anticipated. The attached chart shows the major sources of total General Fund revenues as summarized on page 126:



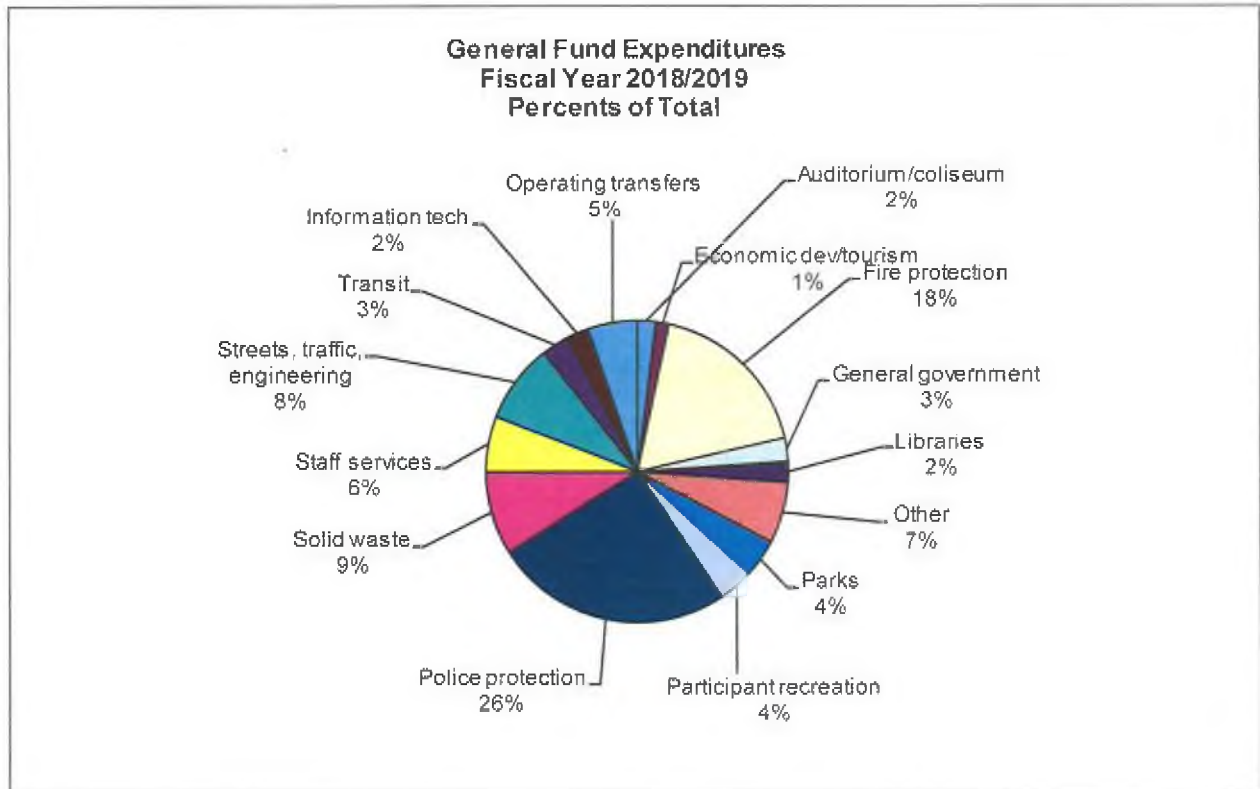




In the above graph you can see the growth rate of the General Fund property tax revenue (ad valorem tax collections) in contrast with the growth rate of sales tax revenue. The sales tax revenue has fared well and has a healthy, positive trend line. The City management keeps a watchful eye on the monthly sales tax to spot any flattening trends that might develop. Ad valorem tax revenues show an increase mainly due to increased property values. The tax rate in effect for the year ending September 30, 2019, was \$0.36838 which is greater than the prior year's rate of \$0.36364. The increase was on the portion of the tax rate used to supported general obligation debt. Voters approved the issuance of general obligation bonds in November 2016 to address streets and public safety needs. The total value of properties on the tax roll is now approximately \$15.3 billion.

**General Fund Expenditures:** The total General Fund operating expenditure budget excluding fund transfers for fiscal year 2018/19 was \$180.05 million. Total actual expenditures and appropriations against the operating budget for 2018/19 were \$175.18 million. This resulted in underspending the budget by \$4.87 million. Police and Fire protection combined account for approximately 46% of the General Fund expenditure budget. Operating transfers to Capital Projects Funds and other funds were budgeted for \$8.21 million.

Actual General Fund transfers during the year were \$10.04 million. The following chart shows the breakdown by functional area of the General Fund actual expenditures for 2018/19:



The City's primary source of funding the annual General Fund CIP program has been through reallocation of excess revenues and unspent monies from the preceding fiscal year. The goal was to maintain an adequate level of fund balance or reserves within the General Fund for contingencies and operations and to allocate any excess funds to the capital improvement program. On November 8, 2016, the citizens of Amarillo voted in a bond election that included seven propositions totaling \$340 million which would allow the City to implement a five year general capital program. The anticipated tax increase for the bond election was \$0.20 with the issuance of the bonds over a five year period. Two of the seven propositions were approved by voters with a total capital funding of \$109.6 million to fund street improvements and public safety capital needs. The City Council has also approved a \$29.5 million project for automated metering infrastructure, anticipated to be funded through a Texas Water Development Board loan, and has postponed, for one year, year four of the Water and Sewer capital improvement plan. Water and sewer rates have been increased by 4% to support the loan. Year four will be supported with a 3% water and sewer rate increase to fund revenue bonds, the fourth of five planned similar increases. All other CIP needs will be met through reallocation of excess revenues and unspent monies from the preceding fiscal year.



## Economic Factors and Next Year's Budget and Rates

The Budget totals approximately \$401.6 million, with \$262.4 million approved for operation and maintenance functions, \$99.9 million in capital, and \$39.3 million required to support existing debt service payments. The annual Budget is the most important policy document for consideration by the Council. It identifies required funding to deliver more than 250 programs and services to the citizens of Amarillo.

The 2019/2020 Annual Operating Budget is presented to Council as a program based budget, i.e. the various programs offered by City departments are presented with program descriptions and performance measures to define the level and quality of services delivered to Amarillo citizens.

This Budget represents maintenance of current service levels for more than 250 programs funded by the City. All programs have a demonstrated connection to the **BluePrint for Amarillo** and supporting Council pillars.

As experienced in previous years, the development of the Budget has been challenging, however, the Budget addresses enhancements to the public safety function and employee compensation. The sales tax revenues have been strong for the current year and are projected to increase by 2.5%. Taxable property values remain strong with a 3.0% increase for 2019. These sources of revenue make up the largest percentage of our funding for general government expenses. Every effort has been made to maintain current levels of service throughout the City with available revenues. The impact of increasing costs in several vital areas of commodities, materials, supplies, fuel, electricity and personnel have required we make some difficult choices to balance the Budget.

This Budget represents a \$22.0 million increase from the prior year. The Budget addresses the **BluePrint for Amarillo**. Budget enhancements focus on public safety and the continuation of year three of the capital improvement program. The current Budget includes funding for ten additional Fire Department positions and three additional positions at Animal Management and Welfare, along with additional funding for street maintenance and the continuation of the Coming Home program aimed at assisting the chronically homeless population in Amarillo.

With the future expansion of Station #5 and the change to a two-company station, the additional ten fire positions added this year complete the needed staffing for the second company. During the current year, the Department intends to use the additional personnel to help offset increases in overtime expenses.

### CONSOLIDATED BUDGET

Our 2019/2020 budget is \$401.6 million; which is an increase of 5.79%, or \$22.0 million, as compared to our 2018/2019 budget of \$379.6 million.

The areas of specific increase/decrease in this budget are:

	<u>FY 2018/2019</u>	<u>FY 2019/2020</u>	<u>% Change</u>
General Fund Operating	\$ 185,751,940	\$ 188,459,283	1.46%
Water & Sewer Operating	51,800,039	51,522,427	-0.54%
Capital Improvement Projects	87,368,647	99,895,087	14.34%
Special Revenue Operating	24,180,939	24,111,776	-0.29%
Fleet Services Operating	9,666,778	10,948,277	13.26%
Insurance Operating	31,732,143	35,761,467	12.70%
Debt Service	38,093,763	39,266,478	3.08%
Airport Operating	9,374,581	9,602,514	2.43%
Drainage Utility Operating	3,393,216	3,257,336	-4.00%
Information Technology Operating	5,374,219	5,832,358	8.52%

	<u>FY 2018/2019</u>	<u>FY 2019/2020</u>	<u>% Change</u>
Capital Transfers	2,819,904	2,562,867	-9.12%
Less: Interfund Transfers	(69,982,933)	(69,661,634)	-0.46%
Total Budget	<u>\$ 379,573,236</u>	<u>401,558,236</u>	<u>5.79%</u>

Municipal government is a service business and the predominant expense category in our Budget is always personnel and the associated employee salary and benefit expenses. Personnel costs comprise 42%, or \$167.1 million, of our 2019/2020 net Budget. The second largest category is Capital Improvement Projects at \$99.9 million, or 25%, of the net Budget. The City budget reflects a 13% increase in insurance costs related to increasing claims and insurance cost. The increase in health insurance claims is related to large claim experience during the 2017/2018 fiscal year. Capital reflects a 14% increase over the prior year, which includes \$29.5 million for the Advanced Meter Infrastructure (AMI) project for the Water and Sewer Fund.

Debt Service accounts for just under 10%, or \$39.3 million, of the net Budget. Debt service expenditures include all funds. The Debt Service category includes a 3% increase which includes the anticipated debt service dollars associated with the voter approved general obligation debt and an additional bond issue in the Water and Sewer fund to address needed capital infrastructure projects. Fleet Services reflect a 13.26% increase in operating costs related to increased costs in maintenance and auto parts.

### **Property and Sales Taxes**

For the 2019/2020 fiscal year, the property tax rate increased \$0.0175 for operations and maintenance and \$0.00263 for the voter approved debt service associated with the approval of Proposition 1 and 2 during the November 8, 2016 bond election for a total increase of \$0.02013. The 2019/2020 rate is \$0.38851 per \$100 taxable value versus the 2018/2019 rate of \$0.36838. A historical review of the rate reflects that the City Council increased the property tax rate by one cent to \$0.32009 for the 2011/2012 fiscal year after three years with the same property tax rate and by \$0.02 in the 2013/2014 fiscal year, by \$0.005 in the 2014/2015 fiscal year and by \$0.00563 to \$0.35072 for the 2015/2016 fiscal year. The rate increases associated with 2017/2018 and 2018/2019 were directly related to the debt service portion of the tax rate. It is interesting to note that while the property tax rate and associated levy is often in the public eye, it raises less revenue than is required to operate only the Amarillo Police Department for the upcoming fiscal year.

The sales tax is the City's largest revenue source. Amarillo has long enjoyed a history of steadily increasing sales tax, which has offset our low property tax rate. However, in the 2016/2017 fiscal year the City saw receipts declining by 1%. We are pleased to note that the City is experiencing increased sales tax receipts for the current year and are estimating \$58.9 million, which is a trending up of 2.5%. Next year's estimate includes a 2.5% increase (\$60.3 million). The sales tax budget of \$60.3 million for the 2019/2020 fiscal year is not sufficient alone to fund the budgets for Public Safety. The City relies on multiple revenue sources to support General Fund operations.

### **Franchise Fees, User Fees and Charges**

During 2016 the City initiated a \$140 million five-year Community Investment Program with corresponding 3% rate increases in 2016/2017, 2017/2018, and 2018/2019 to fund the first three years of the program. The 2019/2020 budget includes a 7% water and sewer rate increase, which will fund the addition of automated metering infrastructure (4%) and provide for an increase in operating and maintenance (3%). The City anticipates resuming year four of the five-year Community Investment Program with 3% rate increases in 2020/2021. The water rate structure is designed so that customers who only use water for domestic use still have very reasonable rates. A residential 10,000-gallon water user will have a monthly rate of \$34.51, which is very low compared to other Texas cities.

The Budget includes an increase in the Solid Waste rates. Residential customers will see a \$1.74 increase on their monthly bill and commercial customers will see a 5% increase. In addition, the tipping fee at the City's landfill was increased by \$2.00/ton. This additional funding will allow the City to fund two additional crews to provide curbside and alley pickup service, address equipment needs related to growth,

**Franchise Fees, User Fees and Charges** (Continued)

and improve customer service. The 2019/2020 fiscal year budget includes a 4% Drainage fee increase. It is anticipated that this will be the third of five 4% Drainage fee increases to fund the Community Investment Program.

**Employee Staffing**

The 2019/2020 Budget consists of 2,226 permanent and 351 part-time employee positions. Permanent positions have increased by 25 positions over the current year and part-time positions have decreased by 11. As reviewed previously, the Budget includes enhancements to Public Safety with funding for ten Fire positions. Animal Management and Welfare is adding three new positions to staff a medical clinic that is anticipated to be completed in 2019. Solid Waste is adding eight new positions and Building Safety is adding one new position to address customer service in each respective department. Public Communications is reclassifying a position to enhance the City's social media engagement. Police is adding one police officer that will be assigned as a school liaison officer and is partially funded by the school district. Below is a summary of the staffing changes for permanent positions for the 2019/20 Budget:

<b>Position Title</b>	<b>Department</b>	<b>Full Time</b>
Airport Business & Procurement Coordinator	Airport	1
Airport Maintenance Coordinator	Airport	1
Airport Operations Manager	Airport	1
Utility Worker	Airport	2
Assistant Shelter Veterinarian	Animal Management and Welfare	1
Rescue Coordinator	Animal Management and Welfare	1
Veterinary Assistant	Animal Management and Welfare	1
Administrative Specialist	Building Safety	1
Permit Technician	Building Safety	1
Plumbing Inspector	Building Safety	1
Engineering Assistant II	Capital Projects Development and Eng.	-1
GIS Technician	Capital Projects Development and Eng.	-1
Administrative Technician	City Manager	1
Social Worker	Coming Home	1
Custodian I	Custodial Operations	1
Fire Captain	Fire	2
Fire Driver	Fire	3
Fire Fighter	Fire	4
Fire Lieutenant	Fire	1
Administrative Assistant IV	Municipal Court	-1
Assistant Aquatics Coordinator	Parks and Recreation	-1
Greenskeeper I	Parks and Recreation	-2
Utility Worker	Parks and Recreation	-2
Visitor Services Specialist	Parks and Recreation	1
Police Officer	Police	1
Social Media Coordinator	Public Communications	1

**Employee Staffing** (Continued)

<b>Position Title</b>	<b>Department</b>	<b>Full Time</b>
Solid Waste Equipment Operator I	Solid Waste Collection	1
Solid Waste Equipment Operator II	Solid Waste Collection	2
Utility Worker	Solid Waste Collection	4
Environmental Compliance Technician	Solid Waste Disposal	1
Utility Worker	Street	-2
		<hr/>
		25

**Employee Compensation**

- 1) 2% pay increase for civilian employees as pay-for-performance, based on annual evaluations; and
- 2) 2% pay increase for Police and Fire employees.

The total cost of these pay plan improvements and benefits is \$3.2 million. Most of the cost (\$2.3 million) is in the General Fund.

**Capital Improvement Program**

The 2019/2020 capital budget is \$99,895,087. The voters approved, on the November 8, 2016 bond election, \$109 million for public safety and street improvements. The City continues the implementation of these bond funded improvements over a five-year period, with the third and fourth issue during 2020. The budget includes an anticipated 4% rate increase for Water & Sewer for a bond issue to create an automated metering infrastructure (AMI). To do this the City pushed back year four of the planned five-year Water & Sewer capital program. The Budget also includes year three of the Drainage Community Improvement Program (Program) with an anticipated 4% increase in drainage fees for a proposed future bond issue to fund the Program, the third of five similarly planned increases.

**Future Priorities**

The 2019/2020 Budget has prioritized enhancements to public safety. Going forward the City will need to identify additional budget dollars to address the maintenance of aging city facilities. Funding for park facility improvement is limited. Going forward budget dollars will need to be identified to support the City park system. Annual funding of compensated absences will be a priority for 2020/2021 as the compensated absences fund is nearing depletion. In 2016, the voters approved the issuance of \$89 million for Street improvements to be issued over a five year period with the last issuance in the 2021 fiscal year. Looking past 2021, the City will need to budget dollars to continue funding maintenance of the City street infrastructure. Additionally, the City has recently released information on a proposed renovation and expansion of the Civic Center. The preliminary plan calls for a potential bond election in May 2020. The conversation around a potential action on the Civic Center will remain a priority in future budget cycles.

**Request for information:**

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

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## BASIC FINANCIAL STATEMENTS

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



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**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 42,050,034	\$ 39,463,139	\$ 81,513,173	\$ 35,973,171
Investments	76,781,168	42,658,607	119,439,775	184,569,499
Receivables, net	17,759,184	19,963,492	37,722,676	8,542,031
Internal balances	25,483,195	(25,483,195)	-	-
Inventories and prepaid expenses	3,284,417	1,627,124	4,911,541	3,363,026
Other current assets	-	-	-	1,097,971
Total current assets	<u>165,357,998</u>	<u>78,229,167</u>	<u>243,587,165</u>	<u>233,545,698</u>
<b>NONCURRENT ASSETS</b>				
Restricted cash and cash equivalents	34,871,019	55,200,849	90,071,868	19,225,012
Restricted investments	13,735,622	-	13,735,622	-
Receivables, net	-	-	-	50,012,882
Other noncurrent assets	-	67,494	67,494	-
Land and building held for future incentives	-	-	-	7,199,374
Capital assets:				
Land	15,607,065	4,819,613	20,426,678	-
Contributed right of way easements	25,512,097	2,485,110	27,997,207	-
Water rights and contracts, net of amortization	-	74,860,845	74,860,845	-
Infrastructure, net of depreciation	162,716,651	11,753,525	174,470,176	-
Buildings and improvements, net of depreciation	191,909,466	503,555,924	695,465,390	73,093,859
Equipment and vehicles, net of depreciation	34,759,362	4,645,553	39,404,915	11,091
Capital Lease Asset, net of amortization	5,750,170	-	5,750,170	-
Library resources, net of depreciation	4,722,711	-	4,722,711	-
Construction in progress	55,907,693	91,136,973	147,044,666	134,661
Total noncurrent assets	<u>545,491,856</u>	<u>748,525,886</u>	<u>1,294,017,742</u>	<u>149,676,879</u>
<b>TOTAL ASSETS</b>	<u>\$ 710,849,854</u>	<u>\$ 826,755,053</u>	<u>\$ 1,537,604,907</u>	<u>\$ 383,222,577</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows	\$ 48,582,825	\$ 9,781,412	\$ 58,364,237	\$ 2,067,274
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 48,582,825</u>	<u>\$ 9,781,412</u>	<u>\$ 58,364,237</u>	<u>\$ 2,067,274</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 26,150,296	\$ 22,894,668	\$ 49,044,964	\$ 2,078,691
Current portion of long-term obligations	4,343,643	5,837,260	10,180,903	4,630,000
Estimated liability for self-insured losses, current portion	6,069,782	-	6,069,782	22,000
Bonded debt current maturity	-	14,258,552	14,258,552	-
Current portion of capital lease liability	1,454,191	-	1,454,191	-
Current portion of compensated absences	1,966,628	237,483	2,204,111	-
Total current liabilities	<u>39,984,540</u>	<u>43,227,963</u>	<u>83,212,503</u>	<u>6,730,691</u>
<b>NONCURRENT LIABILITIES</b>				
Liabilities payable from restricted assets	-	-	-	156,637
Noncurrent portion of long-term obligations	123,496,725	217,524,803	341,021,528	51,513,298
Other accrued expenses	-	2,578,684	2,578,684	-
Capital lease liability	3,878,395	-	3,878,395	-
Estimated liabilities for:				
Compensated absences, net	20,421,974	864,807	21,286,781	121,398
Self-insured losses, net of current portion	10,588,954	-	10,588,954	19,455
Landfill closure and postclosure care	3,582,046	-	3,582,046	-
Net OPEB liability	41,334,667	7,733,076	49,067,743	65,516
Net pension liability	116,730,421	10,746,885	127,477,306	1,742,727
Total noncurrent liabilities	<u>320,033,182</u>	<u>239,448,255</u>	<u>559,481,437</u>	<u>53,619,031</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 360,017,722</u>	<u>\$ 282,676,218</u>	<u>\$ 642,693,940</u>	<u>\$ 60,349,722</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows	\$ 2,441,586	\$ 5,019,053	\$ 7,460,639	\$ 781,749
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 2,441,586</u>	<u>\$ 5,019,053</u>	<u>\$ 7,460,639</u>	<u>\$ 781,749</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 396,470,861	\$ 502,604,330	\$ 899,075,191	\$ 61,735,665
Registered for:				
Debt service	3,123,097	8,233,447	11,356,544	7,071,045
Tax increment financing	1,590,861	-	1,590,861	-
Other purposes	25,327,329	-	25,327,329	11,997,330
Unrestricted (deficit)	(29,538,777)	38,003,417	8,464,640	243,354,340
<b>TOTAL NET POSITION</b>	<u>\$ 396,973,371</u>	<u>\$ 548,841,194</u>	<u>\$ 945,814,565</u>	<u>\$ 324,158,380</u>

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

**CITY OF AMARILLO, TEXAS  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 4,739,692	\$ 5,653,939	\$ 29,000	\$ 973,620
Staff services	13,989,540	4,219,658	-	215,002
Public safety and health				
Police protection	51,841,113	1,841,665	222,764	-
Fire protection	40,968,455	2,165,279	133,599	-
Other	20,571,349	6,801,449	7,006,458	-
Streets, traffic and engineering	24,640,143	1,686,805	47,000	8,484,158
Culture and recreation				
Auditorium/coliseum	6,944,703	2,629,241	398,004	2,230,360
Libraries	4,528,740	152,974	47,742	-
Parks	9,871,990	2,305,474	-	-
Participant recreation	8,366,908	3,732,734	8,106	-
Solid waste	15,402,955	20,971,891	-	-
Transit	6,042,060	356,401	3,330,551	61,086
Information technology	4,454,886	-	-	-
Economic development/Tourism	3,237,465	-	-	-
Urban redevelopment/housing	12,675,458	66,632	11,629,896	69,137
Interest on long-term debt	5,735,225	-	-	-
Total governmental activities	<u>234,010,682</u>	<u>52,586,142</u>	<u>22,853,120</u>	<u>12,033,363</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water and Sewer	73,215,660	76,075,403	-	2,098,738
Drainage Utility	3,202,944	5,594,762	-	508,440
Airport	14,617,231	12,193,581	2,713,821	3,815,168
Total business-type activities	<u>91,035,835</u>	<u>93,863,746</u>	<u>2,713,821</u>	<u>6,422,346</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 325,046,517</u>	<u>\$ 146,449,888</u>	<u>\$ 25,566,941</u>	<u>\$ 18,455,709</u>
<b>COMPONENT UNITS</b>				
Amarillo Hospital District	\$ 59,547,140	\$ 11,935,272	\$ 355,752	\$ -
Amarillo Economic Development Corporation	24,173,802	3,834,920	-	-
Amarillo-Potter Events District	3,228,142	106,359	-	-
Amarillo Housing Finance Corporation	-	123	-	-
Amarillo Health Facilities Corporation	-	-	-	-
Amarillo Local Government Corporation	2,042,521	-	442,852	-
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 88,991,605</u>	<u>\$ 15,876,674</u>	<u>\$ 798,604</u>	<u>\$ -</u>

**GENERAL REVENUES**

Property taxes, levied for general purposes  
Property taxes, levied for debt services  
Sales taxes  
Mixed beverage taxes  
Hotel occupancy taxes  
Gross receipts business taxes  
Unrestricted investment earnings  
Insurance recovery/cost

**TRANSFERS**

Total general revenues and transfers

**CHANGE IN NET POSITION**

**NET POSITION, BEGINNING OF YEAR**  
**PRIOR PERIOD ADJUSTMENT (NOTE 1)**  
**NET POSITION, BEGINNING OF YEAR, RESTATED**  
**NET POSITION, END OF YEAR**

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

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ 1,918,867	\$ -	\$ 1,918,867	\$ -
(9,554,880)	-	(9,554,880)	-
(49,776,684)	-	(49,776,684)	-
(38,669,577)	-	(38,669,577)	-
(6,763,442)	-	(6,763,442)	-
(14,422,180)	-	(14,422,180)	-
(1,687,098)	-	(1,687,098)	-
(4,328,024)	-	(4,328,024)	-
(7,566,516)	-	(7,566,516)	-
(4,626,068)	-	(4,626,068)	-
5,568,936	-	5,568,936	-
(2,294,022)	-	(2,294,022)	-
(4,454,886)	-	(4,454,886)	-
(3,237,465)	-	(3,237,465)	-
(909,793)	-	(909,793)	-
(5,735,225)	-	(5,735,225)	-
<u>(146,538,057)</u>	<u>-</u>	<u>(146,538,057)</u>	<u>-</u>
-	4,958,481	4,958,481	-
-	2,900,258	2,900,258	-
-	4,105,339	4,105,339	-
<u>-</u>	<u>11,964,078</u>	<u>11,964,078</u>	<u>-</u>
<u>(146,538,057)</u>	<u>11,964,078</u>	<u>(134,573,979)</u>	<u>-</u>
-	-	-	(47,256,116)
-	-	-	(20,338,882)
-	-	-	(3,121,783)
-	-	-	123
-	-	-	-
-	-	-	(1,599,669)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,316,327)</u>
45,893,341	-	45,893,341	-
5,218,010	-	5,218,010	-
59,175,698	-	59,175,698	19,725,232
954,629	-	954,629	-
6,458,248	-	6,458,248	-
17,350,836	-	17,350,836	3,120,780
4,655,471	3,510,746	8,166,217	12,520,329
6,612,636	-	6,612,636	-
558,955	(558,955)	-	-
<u>146,877,824</u>	<u>2,951,791</u>	<u>149,829,615</u>	<u>35,366,341</u>
339,767	14,915,869	15,255,636	(36,949,986)
396,165,877	533,173,917	929,339,794	361,108,366
467,727	751,408	1,219,135	-
<u>396,633,604</u>	<u>533,925,325</u>	<u>930,558,929</u>	<u>361,108,366</u>
<u>\$ 396,973,371</u>	<u>\$ 548,841,194</u>	<u>\$ 945,814,565</u>	<u>\$ 324,158,380</u>

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

**CITY OF AMARILLO, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,083,107	\$ 6,726,360	\$ 16,654,756	\$ 28,464,223
Restricted cash and cash equivalents	1,584,121	30,167,944	3,044,663	34,796,728
Investments, at fair values	34,911,144	12,002,095	2,249,410	49,162,649
Restricted investments	-	13,735,622	-	13,735,622
Receivables, net of allowances for uncollectibles				
Property taxes	228,374	-	21,594	249,968
Accounts	3,543,141	56,682	127,446	3,727,269
Accrued interest	226,639	104,001	5,235	335,875
Other accrued revenue	1,638,392	-	-	1,638,392
Due from other funds unrestricted	4,250,519	-	74,630	4,325,149
Due from other governments	5,795,614	-	1,560,841	7,356,455
Inventory of supplies	1,160,490	-	-	1,160,490
Prepaid items	10,608	-	12,077	22,685
Advances to other funds	655,261	-	-	655,261
<b>TOTAL ASSETS</b>	<b>\$ 59,087,410</b>	<b>\$ 62,792,704</b>	<b>\$ 23,750,652</b>	<b>\$ 145,630,766</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers payable	\$ 2,560,790	\$ 5,367,715	\$ 873,966	\$ 8,802,471
Accounts payable	2,877,033	679,192	939,592	4,495,817
Accrued expenditures	6,457,694	88,998	27,793	6,574,485
Deposits	14,661	110,575	1,268,955	1,394,191
Due to other funds - unrestricted	705,488	6,280,000	1,275,684	8,261,172
Due to other governments	929,127	-	22,253	951,380
Unearned revenues - property taxes	158,844	-	14,699	173,543
Unearned revenues - other	152,264	-	70,649	222,913
Advances from other funds	-	-	1,310,522	1,310,522
Total liabilities	<u>13,855,901</u>	<u>12,526,480</u>	<u>5,804,113</u>	<u>32,186,494</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	10,608	-	8,558	19,166
Inventory	1,160,490	-	-	1,160,490
Property taxes	69,530	-	6,895	76,425
Advances to other funds	655,261	-	-	655,261
Corpus or principal	-	-	17,693	17,693
Restricted for:				
Debt service	-	-	3,041,911	3,041,911
Capital projects	-	10,626,612	-	10,626,612
Special purposes	1,584,121	-	14,162,853	15,746,974
Committed for:				
Compensated absences	-	-	708,629	708,629
Assigned for:				
Capital projects	-	39,639,612	-	39,639,612
Unassigned	41,751,499	-	-	41,751,499
Total fund balances	<u>45,231,509</u>	<u>50,266,224</u>	<u>17,946,539</u>	<u>113,444,272</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 59,087,410</b>	<b>\$ 62,792,704</b>	<b>\$ 23,750,652</b>	<b>\$ 145,630,766</b>

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

**CITY OF AMARILLO, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS**

\$ 113,444,272

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

24,654,908

496,885,215

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

Capital assets, net October 1, 2018 (restated)	\$ 452,766,197
Net current year additions	119,162,340
Net current year deletions	<u>(75,043,322)</u>
Capital assets, net September 30, 2019	<u>\$ 496,885,215</u>

(158,521,015)

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

Long-term debt	\$ 127,840,368
Compensated absence	21,766,015
Capital lease	5,332,586
Landfill closure and postclosure	<u>3,582,046</u>
	<u>\$ 158,521,015</u>

Included in the items related to debt is the recognition of the City's net pension liability required by GASB 68 in the amount of \$112,563,442, a deferred resource outflow in the amount of \$43,436,505, and a deferred resource inflow in the amount of \$1,018,774.

(70,145,711)

Included in the items related to debt is the recognition of the City's net other postemployment benefits (OPEB) liability required by GASB 75 in the amount of \$39,293,449, a deferred resource outflow in the amount of \$2,520,767, and a deferred resource inflow in the amount of \$428,312.

(37,200,994)

27,856,696

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

Unearned revenue	\$ 396,456
Accrued interest payable	(692,155)
Internal balances	25,483,195
Intra-entity receivables	2,033,640
Prepaid insurance	635,560
	<u>\$ 27,856,696</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 396,973,371

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, 2019**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes				
Ad valorem taxes	\$ 45,108,274	\$ -	\$ 5,218,010	\$ 50,326,284
Sales taxes	59,175,698	-	-	59,175,698
Mixed beverage taxes	954,629	-	-	954,629
Hotel occupancy taxes	6,458,248	-	-	6,458,248
Gross receipts business taxes	17,350,836	-	-	17,350,836
License and permits	3,534,174	-	-	3,534,174
Interfund revenues	1,879,045	-	-	1,879,045
Intergovernmental revenues	4,902,180	325,290	18,464,367	23,691,837
Citizen contributions	78,098	-	9,001	87,099
Construction participation	-	7,228,259	69,137	7,297,396
Revenue from participating taxing entities	-	-	1,076,355	1,076,355
Charges for services	36,460,898	221,989	2,823,304	39,506,191
Fines and forfeitures	4,443,011	-	1,576,083	6,019,094
Investment earnings	1,424,731	1,902,043	377,777	3,704,551
Other rentals and commissions	609,697	-	-	609,697
Miscellaneous	281,290	60,902	53,384	395,576
Total revenues	<u>182,660,809</u>	<u>9,738,483</u>	<u>29,667,418</u>	<u>222,066,710</u>
<b>EXPENDITURES</b>				
Current				
General government	4,658,071	-	-	4,658,071
Staff services	11,017,616	-	342,163	11,359,779
Public safety and health				
Police protection	47,245,482	782,195	364,837	48,392,514
Fire protection	33,477,238	-	-	33,477,238
Other	12,089,990	-	6,800,190	18,890,180
Streets, traffic and engineering	15,691,637	-	-	15,691,637
Culture and recreation				
Auditorium - coliseum	3,672,282	-	331,248	4,003,530
Libraries	4,111,262	-	115	4,111,377
Parks	7,615,172	-	832,206	8,447,378
Participant recreation	6,944,595	-	23,109	6,967,704
Solid waste	16,558,568	3,239	-	16,561,807
Transit system	5,380,196	-	-	5,380,196
Urban redevelopment and housing	-	-	12,665,085	12,665,085
Information technology	4,454,886	-	-	4,454,886
Economic development/tourism	2,607,820	17,828	741,267	3,366,915
Capital outlay	197,126	59,956,725	285,793	60,439,644
Debt service				
Principal retirement	-	-	4,110,037	4,110,037
Interest and fiscal charges	-	-	5,043,070	5,043,070
Termination vacation and sick leave pay	-	-	2,126,448	2,126,448
Total expenditures	<u>175,721,941</u>	<u>60,759,987</u>	<u>33,665,568</u>	<u>270,147,496</u>
Excess (deficiency) of revenues over (under) expenditures	6,938,868	(51,021,504)	(3,998,150)	(48,080,786)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	250,064	11,042,515	7,275,167	18,567,746
Transfers to other funds	(10,044,644)	(6,901,689)	(1,396,770)	(18,343,103)
Proceeds from insurance	-	6,612,636	-	6,612,636
Total other financing sources (uses)	<u>(9,794,580)</u>	<u>10,753,462</u>	<u>5,878,397</u>	<u>6,837,279</u>
Net change in fund balances	<u>(2,855,712)</u>	<u>(40,268,042)</u>	<u>1,880,247</u>	<u>(41,243,507)</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>48,087,221</u>	<u>90,534,266</u>	<u>16,066,628</u>	<u>154,688,115</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>(336)</u>	<u>(336)</u>
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>	<u>48,087,221</u>	<u>90,534,266</u>	<u>16,066,292</u>	<u>154,687,779</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 45,231,509</u>	<u>\$ 50,266,224</u>	<u>\$ 17,946,539</u>	<u>\$ 113,444,272</u>

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



**CITY OF AMARILLO, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2019**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ (41,243,507)

The City uses an internal service fund to charge the costs of fleet services, information services, risk management and employee health services to other departments of the City. The net income (loss) of the internal service fund is included in the governmental activities in the Statement of Activities, except for net income (loss) allocated to the business-type activities for services provided by the internal service funds to those activities. The net effect of this consolidation is to increase net position. 2,936,839

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 2019 capital outlays, issuance of long-term debt, and debt principal payments is to increase net position. 68,215,693

Capital outlay	\$ 60,439,644
Residual value of assets disposed of	(159,901)
Library books additions	449,758
Contributed capital	3,376,155
Long-term debt principal payments	4,110,037
	<u>\$ 68,215,693</u>

Depreciation is not recognized as an expense in the governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (19,307,996)

GASB 68 requires that certain expenditures be derecognized and recorded instead as deferred outflows of resources. Of these previously deferred outflows, (\$9,154,875) were recognized in the current year as expenditures, decreasing the change in net position. Contributions made after the measurement date of December 31, 2018 caused the change in the ending net position to increase by \$9,101,191. The City's investment gains (losses) over related pension expense were \$38,564,168, differences in expected and actual experience and changes in assumptions were (\$4,524,261), and the increase in expense of (\$47,747,517) was recognized due to the current year changes in net pension liability. The impact of all these adjustments is to decrease the change in net position by (\$13,761,293). (13,761,293)

GASB 75 requires that certain expenditures be derecognized and recorded instead as deferred outflows of resources. Of these previously deferred outflows, (\$1,487,803) were recognized in the current year as expenditures, decreasing the change in net position. Contributions made after the measurement date of December 31, 2018 caused the change in the ending net position to increase by \$1,517,619. The City's investment gains (losses) over related other postemployment benefits (OPEB) expense were \$1,523,810, changes in assumptions were (\$510,176) and the increase in expense of (\$568,337) was recognized due to the current year changes in net OPEB liability. The impact of all these adjustments is to increase the change in net position by \$475,313. 475,113

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unearned revenue as revenue, eliminating interfund transactions and the net loss on services provided to the business-type activities by the internal service funds. The net effect of these reclassifications and recognitions is to increase (decrease) net position. 3,024,918

Compensated absences	\$ 337,693
Unearned revenue	785,067
Net loss of internal service funds allocated to business-type activities	(438,578)
Landfill closure and post-closure care	2,704,297
Accrued interest payable	(692,155)
Deferred amount for issuance premiums/costs	328,594
	<u>\$ 3,024,918</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 339,767

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

**CITY OF AMARILLO, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 35,164,365	\$ 2,343,651	\$ 1,955,123	\$ 39,463,139	\$ 13,585,811
Investments, at fair values	32,886,057	5,263,170	4,509,380	42,658,607	27,618,519
Accounts receivable, net	7,577,503	910,813	92,454	8,580,770	2,131,032
Accrued interest receivable	224,453	-	12,356	236,809	141,810
Other accrued revenue	5,073,586	-	228,813	5,302,399	-
Due from other funds	1,030,428	500,000	-	1,530,428	3,385,781
Due from other governments	-	-	4,313,086	4,313,086	-
Inventory of supplies	-	-	-	-	214,831
Prepaid expenses	1,603,474	-	23,650	1,627,124	1,250,853
<b>Total current assets</b>	<b>83,559,866</b>	<b>9,017,634</b>	<b>11,134,862</b>	<b>103,712,362</b>	<b>48,328,637</b>
<b>NONCURRENT ASSETS</b>					
Restricted cash and cash equivalents	55,086,751	69,768	44,330	55,200,849	74,291
Other noncurrent assets	67,494	-	-	67,494	-
Capital assets					
Land	2,040,262	2,010	2,777,341	4,819,613	-
Contributed right of way easements	1,713,516	771,594	-	2,485,110	-
Underground water rights	58,332,683	-	-	58,332,683	-
Accumulated depletion - underground water rights	(9,404,381)	-	-	(9,404,381)	-
Water supply contract	50,336,389	-	-	50,336,389	-
Accumulated amortization - water supply contract	(24,403,846)	-	-	(24,403,846)	-
Pipelines and plant	683,446,448	-	-	683,446,448	-
Accumulated depreciation - pipelines and plant	(236,811,478)	-	-	(236,811,478)	-
Runways, buildings and improvements	-	-	159,110,945	159,110,945	-
Accumulated depreciation - runways, buildings and improvements	-	-	(102,189,991)	(102,189,991)	-
Improvements	-	12,365,644	-	12,365,644	6,663,240
Accumulated depreciation - improvements	-	(612,119)	-	(612,119)	(4,601,110)
Equipment and vehicles	4,860,698	34,348	8,420,400	13,315,446	73,907,421
Accumulated depreciation - equipment and vehicles	(3,642,695)	(20,699)	(5,006,499)	(8,669,893)	(49,941,156)
Capital lease	-	-	-	-	7,190,243
Accumulated amortization	-	-	-	-	(1,440,073)
Construction in progress	66,204,539	8,732,752	16,199,682	91,136,973	98,384
<b>Total capital assets, net of accumulated depreciation</b>	<b>592,672,135</b>	<b>21,273,530</b>	<b>79,311,878</b>	<b>693,257,543</b>	<b>31,876,949</b>
<b>Total noncurrent assets</b>	<b>647,826,380</b>	<b>21,343,298</b>	<b>79,356,208</b>	<b>748,525,886</b>	<b>31,951,240</b>
<b>TOTAL ASSETS</b>	<b>\$ 731,386,246</b>	<b>\$ 30,360,932</b>	<b>\$ 90,491,070</b>	<b>\$ 852,238,248</b>	<b>\$ 80,279,877</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows	\$ 8,278,493	\$ 329,904	\$ 1,173,015	\$ 9,781,412	\$ 2,625,554
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 8,278,493</b>	<b>\$ 329,904</b>	<b>\$ 1,173,015</b>	<b>\$ 9,781,412</b>	<b>\$ 2,625,554</b>

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

**CITY OF AMARILLO, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION, CONTINUED  
 SEPTEMBER 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Vouchers payable	\$ 2,713,696	\$ 116,463	\$ 866,744	\$ 3,696,903	\$ 674,701
Accounts payable	1,492,979	180,357	440,947	2,114,283	729,250
Accrued expenses	11,920,231	102,048	189,839	12,212,118	305,418
Deposits	38,738	-	27,323	66,061	-
Consumer security deposits	4,005,303	-	-	4,005,303	-
Share of Water Authority debt - current	5,837,260	-	-	5,837,260	-
Due to other funds - unrestricted	300,000	-	-	300,000	180,185
Estimated liability for incurred losses	-	-	-	-	6,069,782
Bonded debt current maturity	11,770,000	515,000	1,973,552	14,258,552	-
Current portion of capital lease liability	-	-	-	-	1,454,191
Current portion of compensated absences	194,987	17,072	25,424	237,483	96,809
Total current liabilities	<u>38,773,194</u>	<u>930,940</u>	<u>3,523,829</u>	<u>43,227,963</u>	<u>9,510,336</u>
<b>NONCURRENT LIABILITIES</b>					
Bonded debt, net of current	155,583,382	8,060,740	-	163,644,122	-
Water Authority debt, net of current	53,880,681	-	-	53,880,681	-
Provision for compensated absences, net	663,576	22,674	178,557	864,807	525,778
Other accrued expenses	2,578,684	-	-	2,578,684	-
Estimated liabilities for incurred loss, net	-	-	-	-	10,588,954
Capital lease liability	-	-	-	-	3,878,395
Net OPEB liability	5,893,036	578,999	1,261,041	7,733,076	2,041,218
Net pension liability	8,462,819	476,158	1,807,908	10,746,885	4,166,979
Total noncurrent liabilities	<u>227,062,178</u>	<u>9,138,571</u>	<u>3,247,506</u>	<u>239,448,255</u>	<u>21,201,324</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 265,835,372</u>	<u>\$ 10,069,511</u>	<u>\$ 6,771,335</u>	<u>\$ 282,676,218</u>	<u>\$ 30,711,660</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows	\$ 4,393,280	\$ 147,817	\$ 477,956	\$ 5,019,053	\$ 994,500
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 4,393,280</u>	<u>\$ 147,817</u>	<u>\$ 477,956</u>	<u>\$ 5,019,053</u>	<u>\$ 994,500</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 412,568,214	\$ 12,697,790	\$ 77,338,326	\$ 502,604,330	\$ 26,544,363
Restricted for debt service	8,119,349	69,768	44,330	8,233,447	74,291
Unrestricted	48,748,524	7,705,950	7,032,138	63,486,612	24,580,617
<b>TOTAL NET POSITION</b>	<u>\$ 469,436,087</u>	<u>\$ 20,473,508</u>	<u>\$ 84,414,794</u>	<u>574,324,389</u>	<u>\$ 51,199,271</u>
Amounts due governmental activities for allocable share of net expenses of certain internal service funds				<u>(25,483,195)</u>	
<b>TOTAL NET POSITION OF BUSINESS- TYPE ACTIVITIES IN STATEMENT OF NET POSITION</b>				<u>\$ 548,841,194</u>	

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

**CITY OF AMARILLO, TEXAS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**YEAR ENDED SEPTEMBER 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>OPERATING REVENUES</b>					
Airfield fees and commissions	\$ -	\$ -	\$ 894,784	\$ 894,784	\$ -
Charges for services	-	-	-	-	1,602,066
Employees' benefit plan contributions	-	-	-	-	5,840,096
Internal charges	-	-	-	-	49,504,904
Miscellaneous revenues	-	-	-	-	171
Other building and ground rentals	-	-	1,741,376	1,741,376	-
Rents and miscellaneous	(83,919)	-	-	(83,919)	-
Tap fees and frontage charges	430,966	-	-	430,966	-
Terminal building area rental	-	-	8,020,295	8,020,295	-
Utility sales and service	74,684,864	-	-	74,684,864	-
Drainage utility assessments	-	5,582,179	-	5,582,179	-
<b>Total operating revenues</b>	<b>75,031,911</b>	<b>5,582,179</b>	<b>10,656,455</b>	<b>91,270,545</b>	<b>56,947,237</b>
<b>OPERATING EXPENSES</b>					
Salaries, wages and fringe benefits	15,180,072	1,295,842	3,627,273	20,103,187	6,163,144
Supplies	1,644,628	144,769	525,439	2,314,836	4,430,477
Fuel and oil	-	-	-	-	2,552,736
Fuel and power	3,955,978	-	512,020	4,467,998	-
Contractual services	15,245,320	882,488	1,731,353	17,859,161	4,549,879
Water Authority charges	5,269,514	-	-	5,269,514	-
Other charges	11,642,064	475,056	2,970,139	15,087,259	4,929,061
Claim and loss adjustments	-	-	-	-	22,981,496
Depreciation	14,246,222	165,056	5,267,590	19,678,868	8,298,589
<b>Total operating expenses</b>	<b>67,183,798</b>	<b>2,963,211</b>	<b>14,633,814</b>	<b>84,780,823</b>	<b>53,905,382</b>
<b>Operating income (loss)</b>	<b>7,848,113</b>	<b>2,618,968</b>	<b>(3,977,359)</b>	<b>6,489,722</b>	<b>3,041,855</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (loss) in disposal of property	(29,745)	-	-	(29,745)	(1,513,838)
Grants-in-aid	-	-	2,713,821	2,713,821	-
Intergovernmental revenue	1,073,237	12,583	-	1,085,820	-
Passenger facility charge	-	-	1,398,694	1,398,694	-
Interest earnings	3,124,262	201,484	158,957	3,484,703	777,691
Change in value of investments	-	-	26,043	26,043	173,229
Other miscellaneous revenues	-	-	138,432	138,432	234,274
Interest expense and fiscal charges	(6,470,440)	(239,733)	16,583	(6,693,590)	(110,681)
<b>Total nonoperating revenues (expenses)</b>	<b>(2,302,686)</b>	<b>(25,666)</b>	<b>4,452,530</b>	<b>2,124,178</b>	<b>(439,325)</b>
<b>Income (loss) before contributions and transfers</b>	<b>5,545,427</b>	<b>2,593,302</b>	<b>475,171</b>	<b>8,613,900</b>	<b>2,602,530</b>

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

CITY OF AMARILLO, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION, CONTINUED  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>NONOPERATING REVENUES (EXPENSES), CONTINUED</b>					
Capital contributions	\$ 2,098,738	\$ 508,440	\$ 3,815,168	\$ 6,422,346	\$ -
Transfers from other funds	-	147,210	-	147,210	334,309
Transfers to other funds	(670,665)	(35,500)	-	(706,165)	-
Change in net position	6,973,500	3,213,452	4,290,339	14,477,291	2,936,839
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>462,429,987</u>	<u>17,260,087</u>	<u>79,405,616</u>	<u>559,095,690</u>	<u>48,355,870</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	32,600	(31)	718,839	751,408	(93,438)
<b>NET POSITION, BEGINNING OF YEAR, RESTATED</b>	<u>462,462,587</u>	<u>17,260,056</u>	<u>80,124,455</u>	<u>559,847,098</u>	<u>48,262,432</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 469,436,087</u>	<u>\$ 20,473,508</u>	<u>\$ 84,414,794</u>	<u>\$ 574,324,389</u>	<u>\$ 51,199,271</u>
Allocation of net expenses of certain internal service funds to business-type activities				<u>(25,483,195)</u>	
<b>NET POSITION OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET POSITION</b>				<u>\$ 548,841,194</u>	
<b>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Net Position of Proprietary Funds to the Statement of Activities</b>					
Total net change in fund balances - proprietary funds				\$ 14,477,291	
Internal service fund allocation for proprietary funds				<u>438,578</u>	
Change in net position for primary government business-type activities				<u>\$ 14,915,869</u>	

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

**CITY OF AMARILLO, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from third parties	\$ 75,340,604	\$ 5,036,709	\$ 10,795,084	\$ 91,172,397	\$ -
Cash received from City departments	-	-	-	-	56,740,089
Cash payments to suppliers for goods and services	(30,247,703)	(1,421,611)	(5,065,219)	(36,734,533)	(16,995,531)
Cash payments to employees	(14,518,465)	(1,239,562)	(3,413,763)	(19,171,790)	(5,784,948)
Cash payments for claims and loss adjustments	-	-	-	-	(26,109,618)
Net cash provided (used) by operating activities	<u>30,574,436</u>	<u>2,375,536</u>	<u>2,316,102</u>	<u>35,266,074</u>	<u>7,849,992</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers to other funds	(670,665)	(35,500)	-	(706,165)	-
Transfers from other funds	-	147,210	-	147,210	334,309
Sales to other departments	-	12,583	-	12,583	-
Amounts borrowed/repaid from other funds	(170,645)	(500,000)	-	(670,645)	(487)
Intergovernmental revenue	1,073,237	-	-	1,073,237	-
Amounts loaned to other funds	-	-	-	-	(3,207,893)
Cash payments received for passenger facility charge	-	-	1,398,694	1,398,694	-
Net cash provided (used) by noncapital financing activities	<u>231,927</u>	<u>(375,707)</u>	<u>1,398,694</u>	<u>1,254,914</u>	<u>(2,874,071)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(31,047,544)	(2,932,536)	(7,611,932)	(41,592,012)	(5,249,277)
Capital grants received	1,924,662	-	3,599,325	5,523,987	-
Issuance of bonds	-	-	-	-	(455,000)
Principal paid on bond maturities	(11,750,000)	(510,000)	(1,740,000)	(14,000,000)	-
Principal paid on proportionate share of Water Authority debt	(5,587,125)	-	-	(5,587,125)	-
Principal paid on capital lease	-	-	-	-	(1,192,877)
Interest expense	(7,299,466)	(246,305)	(131,023)	(7,676,794)	(119,409)
Proceeds from sale of capital assets	336,205	-	-	336,205	512,393
Net cash provided (used) by capital and related financing activities	<u>(53,423,268)</u>	<u>(3,688,841)</u>	<u>(5,883,630)</u>	<u>(62,995,739)</u>	<u>(6,504,170)</u>

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

**CITY OF AMARILLO, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS, CONTINUED  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investment securities	\$ 32,750,000	\$ 6,250,000	\$ 8,250,000	\$ 47,250,000	\$ 30,700,000
Purchase of investment securities	(16,309,173)	(5,753,050)	(7,260,589)	(29,322,812)	(26,250,122)
Interest and gains on investments	2,797,278	159,484	162,603	3,119,365	832,304
Net cash provided (used) by investing activities	<u>19,238,105</u>	<u>656,434</u>	<u>1,152,014</u>	<u>21,046,553</u>	<u>5,282,182</u>
Net increase (decrease) in cash and cash equivalents	(3,378,800)	(1,032,578)	(1,016,820)	(5,428,198)	3,753,933
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>93,629,916</u>	<u>3,445,997</u>	<u>3,016,273</u>	<u>100,092,186</u>	<u>9,906,169</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 90,251,116</u>	<u>\$ 2,413,419</u>	<u>\$ 1,999,453</u>	<u>\$ 94,663,988</u>	<u>\$ 13,660,102</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 7,848,113	\$ 2,618,968	\$ (3,977,359)	\$ 6,489,722	\$ 3,041,855
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	14,246,222	165,056	5,267,590	19,678,868	8,298,589
(Increase) decrease in accounts receivable	(110,672)	(545,470)	69,228	(586,914)	(207,148)
(Increase) decrease in deferred outflows	(2,724,416)	(201,453)	(645,305)	(3,571,174)	(1,336,247)
(Increase) decrease in other accrued revenue	322,050	-	69,120	391,170	-
(Increase) decrease in prepaid expenses	1,617	-	25,215	26,832	(581,282)
(Increase) decrease in inventories	-	-	-	-	25,602
Increase (decrease) in vouchers payable	(57,239)	18,971	576,922	538,654	(294,958)
Increase (decrease) in accounts payable	(220,254)	61,731	270,614	112,091	317,260
Increase (decrease) in accrued operating expenses	7,808,408	14,072	(199,019)	7,623,461	(8,346)
Increase (decrease) in deferred inflows	(391,019)	(26,506)	(94,881)	(512,406)	(206,050)
Increase (decrease) in customer deposits	97,315	-	281	97,596	-
Increase (decrease) in provision for compensated absences	(165,755)	(15,729)	12,882	(168,602)	(43,344)
Increase (decrease) in net OPEB liability	85,237	8,374	18,239	111,850	29,524
Increase (decrease) in net pension liability	3,862,816	277,522	922,575	5,062,913	1,942,659
Increase (decrease) in IBNR accrual	-	-	-	-	626,622
Increase (decrease) in other accrued expenses	(27,987)	-	-	(27,987)	-
Increase (decrease) in estimated claims liabilities	-	-	-	-	(3,754,744)
Net cash provided (used) by operating activities	<u>\$ 30,574,436</u>	<u>\$ 2,375,536</u>	<u>\$ 2,316,102</u>	<u>\$ 35,266,074</u>	<u>\$ 7,849,992</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Amortization of bond premiums	\$ (752,871)	\$ (4,941)	\$ (136,492)	\$ (894,304)	\$ (7,566)
Decreases (increases) in fair values of investments	(329,678)	-	(26,043)	(355,721)	(173,229)
Capital lease	-	-	-	-	742,945
Capital contributions to/from other funds	174,076	-	-	174,076	-
Investment premium/discount amortization	(10,150)	3,616	-	(6,534)	-

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



CITY OF AMARILLO, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 SEPTEMBER 30, 2019

	Private- Purpose Trust Funds	Post Employment Benefits Trust Fund	Agency Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,772	\$ 100,270	\$ 788,260
Investments, at fair values	-	15,137,271	-
<b>TOTAL ASSETS</b>	<u>\$ 31,772</u>	<u>\$ 15,237,541</u>	<u>\$ 788,260</u>
<b>LIABILITIES</b>			
Due to agencies	\$ -	-	\$ 788,260
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 788,260</u>
<b>NET POSITION</b>			
Held for other governments, individuals, entities	\$ 31,772	-	-
Net position restricted for OPEB	-	15,237,541	-
<b>TOTAL NET POSITION</b>	<u>\$ 31,772</u>	<u>\$ 15,237,541</u>	<u>\$ -</u>

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

**CITY OF AMARILLO, TEXAS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Private- Purpose Trust Funds</u>	<u>Post Employment Benefits Trust Fund</u>
<b>ADDITIONS</b>		
Employer Contributions	\$ -	\$ 5,722,602
Investment income (loss)	520	(1,083,206)
Total additions	<u>520</u>	<u>4,639,396</u>
<b>DEDUCTIONS</b>		
Benefits paid	<u>-</u>	<u>3,022,968</u>
Total deductions	<u>-</u>	<u>3,022,968</u>
Change in net position	<u>520</u>	<u>1,616,428</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	31,252	13,621,113
<b>NET POSITION, END OF YEAR</b>	<u>\$ 31,772</u>	<u>\$ 15,237,541</u>

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

**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF NET POSITION - COMPONENT UNITS**  
**SEPTEMBER 30, 2019**

	<u>Amarillo Hospital District</u>	<u>Amarillo Economic Development Corporation</u>	<u>Amarillo- Potter Events Venue District</u>	<u>Amarillo Housing Finance Corporation</u>	<u>Amarillo Health Facilities Corporation</u>	<u>Amarillo Local Government Corporation</u>	<u>Total</u>
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 15,487,571	\$ 17,664,510	\$ 2,178,919	\$ 138,335	\$ 3,997	\$ 499,839	\$ 35,973,171
Investments	155,259,437	26,530,000	2,750,000	-	30,062	-	184,569,499
Receivables, net	-	8,229,324	300,459	-	-	12,248	8,542,031
Inventories and prepaid expenses	3,316,796	-	46,230	-	-	-	3,363,026
Other current assets	977,396	120,575	-	-	-	-	1,097,971
Total current assets	<u>175,041,200</u>	<u>52,544,409</u>	<u>5,275,608</u>	<u>138,335</u>	<u>34,059</u>	<u>512,087</u>	<u>233,545,698</u>
<b>NONCURRENT ASSETS</b>							
Restricted cash and cash equivalents	11,997,330	6,175,868	1,051,814	-	-	-	19,225,012
Receivables, net	-	50,012,882	-	-	-	-	50,012,882
Other noncurrent assets	-	-	-	-	-	-	-
Land and building held for future incentives	-	7,199,374	-	-	-	-	7,199,374
Capital assets:							
Buildings and improvements, net of depreciation	29,755	8,731,815	10,059,640	-	-	54,272,649	73,093,859
Equipment and vehicles, net of depreciation	-	-	11,091	-	-	-	11,091
Construction in process	-	134,661	-	-	-	-	134,661
Total noncurrent assets	<u>12,027,085</u>	<u>72,254,600</u>	<u>11,122,545</u>	<u>-</u>	<u>-</u>	<u>54,272,649</u>	<u>149,676,879</u>
<b>TOTAL ASSETS</b>	<u>\$ 187,068,285</u>	<u>\$ 124,799,009</u>	<u>\$ 16,398,153</u>	<u>\$ 138,335</u>	<u>\$ 34,059</u>	<u>\$ 54,784,736</u>	<u>\$ 383,222,577</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charge on refunding	\$ -	\$ -	\$ 554,013	\$ -	\$ -	\$ -	\$ 554,013
Deferred outflows on net OPEB liability	-	13,261	-	-	-	-	13,261
Deferred outflows on net pension liability	1,500,000	-	-	-	-	-	1,500,000
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,500,000</u>	<u>\$ 13,261</u>	<u>\$ 554,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,067,274</u>

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

**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF NET POSITION - COMPONENT UNITS, CONTINUED**  
**SEPTEMBER 30, 2019**

	Amarillo Hospital District	Amarillo Economic Development Corporation	Amarillo- Potter Events Venue District	Amarillo Housing Finance Corporation	Amarillo Health Facilities Corporation	Amarillo Local Government Corporation	Total
<b>LIABILITIES AND NET POSITION</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued expenses	\$ 551,081	\$ 815,157	\$ 710,914	\$ -	\$ -	\$ 1,539	\$ 2,078,691
Current portion of long-term obligations	-	4,105,000	525,000	-	-	-	4,630,000
Estimated liability for incurred losses - current portion	22,000	-	-	-	-	-	22,000
Total current liabilities	<u>573,081</u>	<u>4,920,157</u>	<u>1,235,914</u>	<u>-</u>	<u>-</u>	<u>1,539</u>	<u>6,730,691</u>
<b>NONCURRENT LIABILITIES</b>							
Liabilities payable from restricted assets - accrued interest	-	156,637	-	-	-	-	156,637
Noncurrent portion of long-term obligations	-	40,115,000	9,364,658	-	-	2,033,640	51,513,298
Net pension liability	1,742,727	-	-	-	-	-	1,742,727
Net OPEB liability	-	65,516	-	-	-	-	65,516
Estimated liabilities							
Compensated absences	-	121,398	-	-	-	-	121,398
Self-insured losses, net of current portion	19,455	-	-	-	-	-	19,455
Total noncurrent liabilities	<u>1,762,182</u>	<u>40,458,551</u>	<u>9,364,658</u>	<u>-</u>	<u>-</u>	<u>2,033,640</u>	<u>53,619,031</u>
<b>TOTAL LIABILITIES</b>	<u>2,335,263</u>	<u>45,378,708</u>	<u>10,600,572</u>	<u>-</u>	<u>-</u>	<u>2,035,179</u>	<u>60,349,722</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflow	780,554	1,195	-	-	-	-	781,749
Total deferred inflows of resources	<u>780,554</u>	<u>1,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>781,749</u>
<b>NET POSITION</b>							
Net investment in capital assets	29,755	8,731,815	735,086	-	-	52,239,009	61,735,665
Restricted for:							
Debt service	-	6,019,231	1,051,814	-	-	-	7,071,045
Other purposes	11,997,330	-	-	-	-	-	11,997,330
Unrestricted	<u>173,425,383</u>	<u>64,681,321</u>	<u>4,564,694</u>	<u>138,335</u>	<u>34,059</u>	<u>510,548</u>	<u>243,354,340</u>
<b>TOTAL NET POSITION</b>	<u>\$ 185,452,468</u>	<u>\$ 79,432,367</u>	<u>\$ 6,351,594</u>	<u>\$ 138,335</u>	<u>\$ 34,059</u>	<u>\$ 52,749,557</u>	<u>\$ 324,158,380</u>

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

**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - COMPONENT UNITS**  
**YEAR ENDED SEPTEMBER 30, 2019**

	<u>Amarillo Hospital District</u>	<u>Amarillo Economic Development Corporation</u>	<u>Amarillo- Potter Events Venue District</u>	<u>Amarillo Housing Finance Corporation</u>	<u>Amarillo Health Facilities Corporation</u>	<u>Amarillo Local Government Corporation</u>	<u>Total</u>
<b>EXPENSES</b>							
Functions/Programs:							
Public health	\$ 59,547,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,547,140
Economic development/industrial	-	21,553,846	-	-	-	2,042,521	23,596,367
Economic development/Tourism	-	-	2,861,344	-	-	-	2,861,344
Interest on long term debt	-	2,619,956	366,798	-	-	-	2,986,754
Contractual	-	-	-	-	-	-	-
Total program expenses	<u>59,547,140</u>	<u>24,173,802</u>	<u>3,228,142</u>	<u>-</u>	<u>-</u>	<u>2,042,521</u>	<u>88,991,605</u>
<b>PROGRAM REVENUES</b>							
Intergovernmental revenues - operating	355,752	-	-	-	-	442,852	798,604
Charges for services / Local Provider Participation	11,902,137	3,467,682	-	-	-	-	15,369,819
Gain (loss) on disposal of property	-	349,002	-	-	-	-	349,002
Miscellaneous	33,135	18,236	106,359	123	-	-	157,853
Total program revenues	<u>12,291,024</u>	<u>3,834,920</u>	<u>106,359</u>	<u>123</u>	<u>-</u>	<u>442,852</u>	<u>16,675,278</u>
Net (expense) revenue	<u>(47,256,116)</u>	<u>(20,338,882)</u>	<u>(3,121,783)</u>	<u>123</u>	<u>-</u>	<u>(1,599,669)</u>	<u>(72,316,327)</u>
<b>GENERAL REVENUES</b>							
Sales taxes	-	19,725,232	-	-	-	-	19,725,232
Gross receipts business taxes	-	-	3,120,780	-	-	-	3,120,780
Investment earnings (loss)	11,255,810	1,147,155	114,407	2,206	751	-	12,520,329
Total general revenues	<u>11,255,810</u>	<u>20,872,387</u>	<u>3,235,187</u>	<u>2,206</u>	<u>751</u>	<u>-</u>	<u>35,366,341</u>
Change in net position	<u>(36,000,306)</u>	<u>533,505</u>	<u>113,404</u>	<u>2,329</u>	<u>751</u>	<u>(1,599,669)</u>	<u>(36,949,986)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>221,452,774</u>	<u>78,898,862</u>	<u>6,238,190</u>	<u>136,006</u>	<u>33,308</u>	<u>54,349,226</u>	<u>361,108,366</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 185,452,468</u>	<u>\$ 79,432,367</u>	<u>\$ 6,351,594</u>	<u>\$ 138,335</u>	<u>\$ 34,059</u>	<u>\$ 52,749,557</u>	<u>\$ 324,158,380</u>

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Definition and Scope of Reporting Entity**

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

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

***Discretely Presented Component Units***

***Amarillo Hospital District***

The Amarillo Hospital District (the District), the first city hospital district in Texas, was established on March 24, 1959, by an amendment to the Constitution of the State of Texas. Its area is co-extensive with the incorporated limits of the City of Amarillo. The facilities built by the District constitute a regional center, serving the populace of an area that extends far beyond the boundaries of the City and county, across the entire Panhandle of the State of Texas and even surrounding states. Because of economic changes in the healthcare industry, in May 1996 the physical plant of the District was sold to a for-profit hospital entity, Northwest Texas Healthcare System, which, as one of the conditions of the sale, assumed responsibility for medical care of indigent citizens of the District to 2021 in exchange for inflation-adjusted, annual payments in the range of (in 1996 dollars) \$6 million to \$8 million. The inflation adjustment ceased in 2006 and the payment is fixed for the balance of the contract, which will be an additional 10 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 program ("Medicaid"). Accordingly, the District suspended the "Indigent Care Agreement," which was part of the sales agreement and replaced it with an almost identical agreement called the "Health Care Services Agreement." With the suspension of the "Indigent Care Agreement," the District was no longer obligated to make indigent care payments. However, the District funded Northwest Texas Hospital's Medicaid program. The "Indigent Care Agreement" was amended to extend the suspension through May 8, 2021. The District is prepaid through May 8, 2020 and has provided \$76.2 million in funding to the Medicaid program versus \$93.7 million in indigent care payments that would have been due under the contract.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Definition and Scope of Reporting Entity (Continued)**

On August 8, 2017 the Amarillo Hospital District held a public hearing and created a Local Provider Participation Fund (LPPF). At the same meeting the District set the mandatory payment rate for the 2017 fiscal year 2% of net patient revenue as reported in the 2015 American Hospital Association Annual Survey of Hospitals. The mandatory payments will be deposited into the LPPF. The funds may be used to support the nonfederal share of payments described in Section 295A.103(c)(1) of the Health and Safety Code. The LPPF is broad based as it applies to all nonpublic hospitals located in Amarillo Hospital District that provide inpatient hospital services. The formula for calculating the mandatory payments is the same for each hospital (2% of net patient revenues). No hospitals are held harmless or exempt from paying the mandatory payments. On December 7, 2018, the District funded \$23,300,360 from LPPF for an intergovernmental transfer for uncompensated care program.

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

*Amarillo Economic Development Corporation*

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

*Amarillo-Potter Events Venue District*

The Amarillo-Potter Events Venue District (Venue District) was established in January 1998, upon the approval of the voters of the City of Amarillo and Potter County to create a vehicle for financing a livestock arena and expansion of the Civic Center. 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, and in 2016 the District refunded the 2005 bonds. 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 City serves as a fiscal agent for Venue District funds as well as the accounting records. The Venue District is considered to be a part of the City's financial reporting entity, because the City's mayor appoints four of the seven members of the Venue District's Board of Directors. However, the Boards are not substantially the same.

*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, and \$10,000,000 in 2003. The bonds are purchased by Freddie Mac, loans are made by local lending institutions, and the funding of the mortgages with the bond proceeds is handled by the trust department of a financial institution. The City serves as fiscal agent for AHFC. AHFC is considered to be a part of the City's financial reporting



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Definition and Scope of Reporting Entity (Continued)**

entity, because the City Council appoints its Board of Directors and has discretion over their terms of office as well as the programs and activities of the Corporation. The Boards are not substantially the same, nor does AHFC provide services to the City.

*Amarillo Local Government Corporation*

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

*Amarillo Health Facilities Corporation*

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

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.

***Blended Component Units***

*Tax Increment Reinvestment Zone #1*

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

*Tax Increment Reinvestment Zone #2*

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

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds and proprietary funds on the basis of accounting applicable to funds-based financial statements. A separate financial statement is also provided for fiduciary funds, which with respect to the City comprise only cash and investments which are handled by the City in the capacity of an agent. These assets are excluded from the Statement of Net Position 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 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.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. The Civic Center Operations fund is used to account for assets that the City holds for others in an agency capacity.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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, the Drainage Utility Fund and the Airport Fund are charges to customers for sales and services, including tap fees intended to recover the cost of connecting new customers to the water and sewer system. The principal operating revenues of the internal service funds are charges to other funds for services and allocations of self-insurance costs. Operating expenses for these funds include the direct costs of personnel, supplies, and similar items needed to render the sales and services, including depreciation on capital assets, as well as administrative expenses. All revenues and expenses not meeting this definition, such as investment earnings and passenger facility charges, are reported as nonoperating revenues and expenses.

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

**Estimates Inherent in Financial Statements**

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

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

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

*Deposits and Investments*

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

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

*Interfund Receivable and Payables*

Activities between funds generally represent payment of charges to various departments for services rendered by other departments, reimbursements for allocated shares of expenditures, transfers of the City's unrestricted resources to supplement the inter-governmental grants and similar restricted resources of special revenue funds, and transfers of resources set aside to fund the long-term capital plan. Outstanding balances of these activities are reported as "due to/from other funds" and "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" and "advances to/from other funds."

*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 paying notes and assessments are uncertain and often long deferred, they are reflected as revenues when collected.

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

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

*Inventories, Prepaid and Unearned Revenue*

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

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Unearned revenues reported in the governmental fund financial statements generally represent delinquent taxes in excess of amounts currently available and advance rentals collected by the City's auditorium-coliseum complex.

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

*Restricted Assets*

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

*Capital Assets*

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

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

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

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

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

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Intangible Assets*

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

*Compensated Absence*

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

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

*Long-Term Obligations*

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

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

*Pensions*

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

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

*Other Postemployment Benefits*

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



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At September 30, 2019, the City has three items that qualify for reporting in this category—a deferred charge on refunding of bonds, a deferred outflow related to the City's net pension liability and the net OPEB liability.

Deferred Outflows of Resources

Deferred charge on refunding	\$ 2,821,883
Deferred outflow related to the net pension liability	
TMRS	30,558,759
FRRF	21,733,557
Deferred outflow related to the OPEB liability	<u>3,250,038</u>

**Total Deferred Outflows of Resources** **\$ 58,364,237**

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At September 30, 2019, the City had three items which qualify for reporting in this category—deferred inflow related to the City's deferred gain on refunding, net pension liability and the net OPEB liability.

Deferred Inflows of Resources

Deferred gain on refunding	\$ 2,376,039
Deferred inflow related to the net pension liability	
TMRS	1,969,991
FRRF	2,477,526
Deferred inflow related to the net OPEB liability	<u>637,083</u>

**Total Deferred Inflows of Resources** **\$ 7,460,639**

*Net Position*

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

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

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

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Fund Balances*

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

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

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

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

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

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

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

**Prior Period Adjustments**

The setup of certain fixed assets in the fixed asset software allowed for excess depreciation. Total net position at the beginning of the year was increased by \$1,378,097. The City has capitalized two leases entered into during FY 2018. This has increased capital assets \$1,460,296, increased liabilities \$1,618,922 and decreased beginning net position \$158,626. The Pinnacle PID was established in FY 2018. A prior period adjustment of \$336 to beginning fund balance was required.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
Net position at September 30, 2018 as previously reported	\$ 396,165,877	\$ 533,173,917	\$ 929,339,794	\$ 361,108,366
Prior period adjustment related to capital assets	626,689	751,408	1,378,097	-
Prior period adjustment related to capital leases	(158,626)	-	(158,626)	-
Prior period adjustment related to public improvement districts	(336)	-	(336)	-
<b>Net position at September 30, 2018, as restated</b>	<u>\$ 396,633,604</u>	<u>\$ 533,925,325</u>	<u>\$ 930,558,929</u>	<u>\$ 361,108,366</u>

**Change in Accounting Estimate**

During 2019, the City changed the methodology used to estimate the long-term portion of the incurred-but-not-reported claims (IBNR). The new methodology is based on current industry best practices and trends which incorporates a factor and/or margin percentage to calculate large claims IBNR. The change in estimate has decreased the Employee Insurance fund IBNR reserve, long-term portion, by approximately \$3,800,000.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

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

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

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

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

Grant funds not included in the annual appropriated budget are subject to management control by means of project-length budgets authorized by the City Council in the grant application processes. Cumulative expenditures through September 30, 2019, 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. Total encumbrances outstanding as of September 30, 2019, for General Fund are \$316,106, for Special Revenue Funds are \$407,051, for Capital Project Funds are \$7,548,351 for Water and Sewer Fund are \$348,501, for Airport Fund are \$201,196, for Drainage Fund are \$7,447, for Fleet Services Fund are \$2,002,449, for Information Services Fund are \$42,811, for Risk Management Fund are \$529,756.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

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

**Deficit Fund Equity**

During the fiscal year ended September 30, 2019, the Tax Increment Reinvestment Zone #1 Fund had a fund deficit of \$299,214, the Golf Course Improvement Fund had a fund deficit of \$14,028 and the Miscellaneous Special Revenue Fund, Court Security Fund, had a \$6 fund deficit.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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

Under the Revised Statutes of the State of Texas, all deposits, to the extent not insured by the Federal Deposit Insurance Corporation (FDIC), must be collateralized by securities or insured by a bond. At September 30, 2019, demand deposit and time deposits held by the depository institution, before reduction for checks issued and not presented, were in the total amount of \$26,746,702. The accounts are collateralized by pledged securities of \$35,700,001. The City has a secondary depository institution with demand deposits of \$149,399. These amounts are secured by FDIC insurance.

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

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

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, 2019, the weighted-average maturity of the City's total investment securities was 0.75 years.

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

- Bank money market funds and other interest-bearing accounts at the City's authorized depository.
- Direct obligations of the United States government.
- Obligations of agencies and instrumentalities of the United States, limited to 75% of the portfolio.
- Highly rated investment pools and no-load money market mutual funds (AAA or AAAM).
- Taxable municipal bonds, limited to 10% of the portfolio.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

- Certificates of deposit including CDARS (Certificate of Deposit Accounts Registry Service).
- For bond proceeds only, fully collateralized, flexible, repurchase agreements.

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

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

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

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

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

**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, 2019, and the corresponding weighted average maturity is shown in Table 1 below:

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

	Fair Value		Total	Weighted Average Maturity (Years)
	Unrestricted Assets	Restricted Assets		
Investment Securities				
U.S. Treasury Obligations	\$ 24,035,560	\$ -	\$ 24,035,560	1.04
U.S. Government Sponsored Agencies	72,750,857	4,735,622	77,486,479	0.79
Total investment securities	96,786,417	4,735,622	101,522,039	0.85
No-load U.S. Treasury-only mutual funds	63,315,649	91,014,312	154,329,961	-
Total investments	160,102,066	95,749,934	255,852,000	0.34
Add: Time deposits with original maturities over three months	22,653,358	9,000,000	31,653,358	0.41
Total investments	182,755,424	104,749,934	287,505,358	0.35
Deduct: Cash equivalents	(63,315,649)	(91,014,312)	(154,329,961)	-
<b>Net investments for financial reporting</b>	<b>\$ 119,439,775</b>	<b>\$ 13,735,622</b>	<b>\$ 133,175,397</b>	<b>0.75</b>

*Table 1 - Investment Securities and Corresponding Weighted Average Maturity*

**NOTE 4 - FAIR VALUE MEASUREMENTS**

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

The three levels are defined as follows:

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

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

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)**

**Assets Measured at Fair Value on a Recurring Basis**

	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>September 30, 2019:</b>				
Certificates of Deposit	\$ 31,653,358	\$ -	\$ 31,653,358	\$ -
U.S. government and agency obligations	101,522,039	101,522,039	-	-
Mutual funds - money market	<u>154,329,961</u>	<u>-</u>	<u>154,329,961</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>287,505,358</u></b>	<b>\$ <u>101,522,039</u></b>	<b>\$ <u>185,983,319</u></b>	<b>\$ <u>-</u></b>

For the valuation of certain U.S. government and agency obligations and taxable municipal bonds at September 30, 2019, the City used quoted prices in principal active markets for identical assets as of the valuation date (Level 1).

For the valuation of CDARS, certificates of deposit, and money market mutual funds at September 30, 2019, the City used significant other observable inputs as of the valuation date, particularly dealer market price for comparable investments as of the valuation date (Level 2).

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

	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
OPEB Trust	\$15,137,271	Daily	None

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

**Assets Measured at Fair Value on a Nonrecurring Basis**

There were no fair values of assets and liabilities measured on a nonrecurring basis at September 30, 2019.

**NOTE 5 - TAXES**

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

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.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 5 - TAXES (CONTINUED)**

The combined tax rate of the 2018 tax roll for the 2018/19 fiscal year was \$0.38851 per \$100 of assessed valuation, resulting in a tax levy in the amount of \$46,446,992 on taxable value of \$13,149,054,756.

Property taxes receivable at September 30, 2019, are reflected in Table 2 below:

<u>Year of Levy</u>	
2019	\$ 452,553
2018	183,266
2017	116,877
2016	91,243
2015	76,857
2014	69,528
2013	59,482
2012	52,830
2011	57,965
2010	52,993
2009	39,857
2008	30,675
2007	26,071
2006	24,923
Prior	<u>59,718</u>
Total taxes receivable	1,394,838
Less: Allowance for estimated uncollectible portion	<u>1,144,870</u>
Net taxes receivable	249,968
Less: Provisions for collections deferred over 60 days	<u>173,543</u>
<b>Amount available (reserved in accordance with City ordinances)</b>	<b><u>\$ 76,425</u></b>

*Table 2 – Taxes Receivable at September 30, 2019*

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 6 - RESTRICTED ASSETS, LIABILITIES AND RESERVES**

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

	<u>Restricted Assets</u>	<u>Related Liabilities</u>	<u>Restricted Net Position</u>
<b>General Fund</b>			
Hotel occupancy tax account	\$ 1,584,121	\$ -	\$ 1,584,121
<b>Total bond debt service/retirement</b>	<u>\$ 1,584,121</u>	<u>\$ -</u>	<u>\$ 1,584,121</u>



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 6 - RESTRICTED ASSETS, LIABILITIES AND RESERVES (CONTINUED)**

	<u>Restricted Assets</u>	<u>Related Liabilities</u>	<u>Restricted Net Position</u>
<b><u>Bonded Debt Service Fund</u></b>			
Bond interest and redemption	\$ 3,044,663	\$ 2,752	\$ 3,041,911
<b>Total bond debt service/retirement</b>	<b>\$ 3,044,663</b>	<b>\$ 2,752</b>	<b>\$ 3,041,911</b>
<b><u>General Construction Fund</u></b>			
Bond proceed account	\$ 337,511	\$ 337,511	\$ -
<b>Total bond debt service/retirement</b>	<b>\$ 337,511</b>	<b>\$ 337,511</b>	<b>\$ -</b>
<b><u>Civic Center Improvement Fund</u></b>			
Bond proceed account	\$ 11,144,966	\$ 552,117	\$ 10,626,612
<b>Total bond debt service/retirement</b>	<b>\$ 11,144,966</b>	<b>\$ 552,117</b>	<b>\$ 10,626,612</b>
<b><u>GO Bond Construction Fund</u></b>			
Bond proceed account	\$ 32,421,089	\$ 32,421,089	\$ -
<b>Total bond debt service/retirement</b>	<b>\$ 32,421,089</b>	<b>\$ 32,421,089</b>	<b>\$ -</b>
<b><u>Water Sewer System</u></b>			
Bond escrow and proceed accounts	\$ 46,967,402	\$ 46,967,402	\$ -
Revenue bond interest and redemption	5,722,319	-	5,722,319
Revenue bond reserve	2,397,030	-	2,397,030
<b>Total bond debt service/retirement</b>	<b>\$ 55,086,751</b>	<b>\$ 46,967,402</b>	<b>\$ 8,119,349</b>
<b><u>Airport</u></b>			
PFC funds	\$ 43,879	\$ -	\$ 43,879
Revenue bond interest and redemption	451	-	451
<b>Total bond debt service/retirement</b>	<b>\$ 44,330</b>	<b>\$ -</b>	<b>\$ 44,330</b>
<b><u>Drainage Utility</u></b>			
Bond interest and redemption	\$ 69,768	\$ -	\$ 69,768
<b>Total bond debt service/retirement</b>	<b>\$ 69,768</b>	<b>\$ -</b>	<b>\$ 69,768</b>
<b><u>Fleet</u></b>			
Bond interest and redemption	\$ 74,291	\$ -	\$ 74,291
<b>Total bond debt service/retirement</b>	<b>\$ 74,291</b>	<b>\$ -</b>	<b>\$ 74,291</b>

*Table 3 – Restricted Funds/Reserved Retained Earnings*

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019, was as follows:

	Balances October 1, 2018 (Restated)	Additions	Deletions	Balances September 30, 2019
<b>Capital assets used by governmental activities, at cost</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 15,565,683	\$ 41,382	\$ -	\$ 15,607,065
Contributed ROW easements	22,135,942	3,376,155	-	25,512,097
Capital projects in process	69,514,477	60,106,233	73,713,017	55,907,693
Total capital assets, not being depreciated	<u>107,216,102</u>	<u>63,523,770</u>	<u>73,713,017</u>	<u>97,026,855</u>
<b>Capital assets, being depreciated</b>				
Infrastructure	297,523,147	4,031,546	-	301,554,693
Building and other improvements	298,001,268	61,438,089	-	359,439,357
Equipment and vehicles	102,461,847	12,928,868	10,135,593	105,255,122
Capital leases	2,793,330	4,396,894	-	7,190,224
Library collections	8,059,075	449,758	442,311	8,066,522
Total capital assets, being depreciated	<u>708,838,687</u>	<u>83,245,155</u>	<u>10,577,904</u>	<u>781,505,938</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	132,884,815	5,953,227	-	138,838,042
Buildings and other improvements	155,943,621	11,586,270	-	167,529,891
Equipment and vehicles	70,756,053	8,544,995	8,805,288	70,495,760
Capital leases	396,253	1,043,821	-	1,440,074
Library collections	3,307,850	478,272	442,311	3,343,811
Total accumulated depreciation	<u>363,288,592</u>	<u>27,606,585</u>	<u>9,247,599</u>	<u>381,647,578</u>
Total capital assets, being depreciated, net	<u>345,550,095</u>	<u>55,638,570</u>	<u>1,330,305</u>	<u>399,858,360</u>
Net capital assets used by governmental activities	<u>452,766,197</u>	<u>119,162,340</u>	<u>75,043,322</u>	<u>496,885,213</u>
<b>Capital assets used by business-type activities, at cost:</b>				
<b>Enterprise funds</b>				
<b>Water and sewer</b>				
Land	2,040,262	-	-	2,040,262
Construction in progress	61,608,812	31,025,409	26,429,682	66,204,539
Contributed ROW Easements	1,539,440	174,076	-	1,713,516
Total capital assets, not being depreciated	<u>65,188,514</u>	<u>31,199,485</u>	<u>26,429,682</u>	<u>69,958,317</u>
<b>Capital assets, being depreciated</b>				
Water rights and contracts	108,669,072	-	-	108,669,072
Buildings and improvements	658,274,445	25,766,629	594,626	683,446,448
Equipment and vehicles	4,312,652	683,187	137,141	4,860,698
Total capital assets, being depreciated	<u>771,256,169</u>	<u>26,451,816</u>	<u>731,767</u>	<u>796,976,218</u>
<b>Less accumulated depreciation for:</b>				
Water rights and contracts	32,266,444	1,541,783	-	33,808,227
Buildings and improvements	224,522,886	12,529,205	240,613	236,811,478
Equipment and vehicles	3,584,244	175,234	116,783	3,642,695
Total accumulated depreciation	<u>260,373,574</u>	<u>14,246,222</u>	<u>357,596</u>	<u>274,262,400</u>
Total capital assets, being depreciated net	<u>510,882,595</u>	<u>12,205,594</u>	<u>374,371</u>	<u>522,713,818</u>
Net capital assets used by Water and Sewer	<u>576,071,109</u>	<u>43,405,079</u>	<u>26,804,053</u>	<u>592,672,135</u>
<b>Drainage utility</b>				
Land	2,010	-	-	2,010
Contributed ROW easements	263,154	508,440	-	771,594
Construction in progress	11,087,386	2,932,536	5,287,170	8,732,752
Total capital assets, not being depreciated	<u>11,352,550</u>	<u>3,440,976</u>	<u>5,287,170</u>	<u>9,506,356</u>
<b>Capital assets, being depreciated</b>				
Building and improvements	7,078,474	5,287,170	-	12,365,644
Equipment and vehicles	36,935	-	2,587	34,348
Total capital assets, being depreciated	<u>7,115,409</u>	<u>5,287,170</u>	<u>2,587</u>	<u>12,399,992</u>
<b>Less accumulated depreciation for:</b>				
Building and improvements	449,487	162,632	-	612,119
Equipment and vehicles	29,862	2,424	2,587	29,699
Total accumulated depreciation	<u>479,349</u>	<u>165,056</u>	<u>2,587</u>	<u>632,818</u>
Total capital assets, being depreciated net	<u>6,645,060</u>	<u>5,122,114</u>	<u>-</u>	<u>11,767,174</u>
Net capital assets used by Drainage utility	<u>17,997,610</u>	<u>8,563,090</u>	<u>5,287,170</u>	<u>21,273,530</u>
<b>Airport</b>				
Land	2,777,341	-	-	2,777,341
Construction in progress	8,908,775	7,346,267	55,360	16,199,682
Total capital assets, not being depreciated	<u>11,686,116</u>	<u>7,346,267</u>	<u>55,360</u>	<u>18,977,023</u>
<b>Capital assets, being depreciated</b>				
Building and improvements	158,845,282	265,663	-	159,110,945
Equipment and vehicles	8,387,446	55,362	22,408	8,420,400
Total capital assets, being depreciated	<u>167,232,728</u>	<u>321,025</u>	<u>22,408</u>	<u>167,553,345</u>
<b>Less accumulated depreciation for:</b>				
Building and improvements	97,366,881	4,823,110	-	102,189,991
Equipment and vehicles	4,584,426	444,480	22,407	5,006,499
Total accumulated depreciation	<u>101,951,307</u>	<u>5,267,590</u>	<u>22,407</u>	<u>107,196,490</u>
Total capital assets, being depreciated net	<u>65,281,421</u>	<u>(4,946,565)</u>	<u>1</u>	<u>60,334,855</u>
Net capital assets used by Airport	<u>76,967,537</u>	<u>2,399,702</u>	<u>55,361</u>	<u>79,311,878</u>
Net capital assets used by business type activities	<u>671,036,256</u>	<u>54,367,871</u>	<u>32,146,584</u>	<u>693,257,543</u>
<b>Government-wide net capital assets</b>	<u>\$1,123,802,453</u>	<u>\$ 173,530,211</u>	<u>\$107,189,906</u>	<u>\$ 1,190,142,758</u>

Table 4 Capital Asset Activity

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

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

Governmental activities	
General government	\$ 54,508
Staff services	964,906
Police protection	577,866
Fire protection	954,189
Other public safety and health	777,695
Streets, traffic and engineering	8,519,771
Culture and recreation	6,074,748
Solid waste services	959,402
Transit services	<u>424,911</u>
Total governmental fund departments	19,307,996
Internal service fund depreciation allocable to governmental activities based on predominant usage	<u>8,298,589</u>
<b>Total governmental activities</b>	<b><u>\$ 27,606,585</u></b>
Business-type activities	
Water and sewer system	\$ 14,246,222
Drainage utility	165,056
Airport	<u>5,267,590</u>
<b>Total business-type activities</b>	<b><u>\$ 19,678,868</u></b>

**Water and Sewer System Capital Assets**

The City of Amarillo is one of 11 cities that can receive surface water from a reservoir created by a dam on the Canadian River, which river arises from the headwaters of the Sangre de Cristo Mountains in New Mexico and crosses the Panhandle of Texas before merging into the Red River in eastern Oklahoma. The reservoir and related aqueduct system are operated by the Canadian River Water Municipal Water Authority (CRMWA), a subdivision of the State of Texas. The reservoir has experienced a serious decline in available water due to the drought conditions in the Texas Panhandle. Currently, the City of Amarillo is not allocating water from this source. The related infrastructure recorded on the City's books for CRMWA assets at September 30, 2019, is \$50.3 million. The related amortized cost of these assets is \$24.4 million.

The City owns \$58,332,683 of underground water rights in Roberts, Ochiltree, Hutchison, Potter, Randall, Carson, Hartley and Dallam counties with the majority in Roberts and Hutchison counties. Much of the water rights held in Potter, Randall and Carson counties have been developed and are currently being utilized. The City owns undeveloped water rights in Hartley and Dallam counties in the northwestern portion of the Texas Panhandle. Proceeds from the sale of past water rights are held in a separate interest-bearing account for future water right purchases.

**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. A new terminal facility was completed prior to September 30, 2014 and total cost of \$52,499,341 was capitalized by the Airport. The Airport had various construction projects in process at September 30, 2019.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

**Drainage Capital Assets**

The Drainage Utility Fund currently has \$8,732,752 in construction in progress as of September 30, 2019. It also had right of way easements of \$771,594, equipment and vehicles of \$34,348, infrastructural of \$12,365,644, and land of \$2,010.

**NOTE 8 - LEASES**

The City leases the multi-purpose events venue to an unrelated third party under a noncancelable operating lease. The following reflects the carrying amount and accumulated depreciation of assets held for lease at September 30, 2019:

Buildings and improvements	\$41,735,527
Other depreciable capital assets	5,900,387
Accumulated depreciation	<u>(806,197)</u>
<b>Assets under operating lease</b>	<b><u>\$46,829,717</u></b>

More information about this lease is included in Note 11.

The following is a schedule by years of minimum future rentals to be received from such noncancelable operating leases as of September 30, 2019:

<u>Year Ended September 30,</u>	
2020	\$ 175,000
2021	175,000
2022	175,000
2023	175,000
2024	175,000
2025-2029	875,000
2030-2034	875,000
2035-2039	<u>700,000</u>
<b>Total minimum future rentals</b>	<b><u>\$ 3,325,000</u></b>

*Operating Leases*

The City leases digital video red light camera equipment from American Traffic Solutions, Inc. under a cancelable operating lease. Total costs for the lease were \$561,348 for the year ended September 30, 2019. The City entered into a four-year operating lease with Club Car for golf cars with monthly lease expense of \$22,720 and a total cost of \$1,090,560. Annual lease payments are \$272,640 for FY 2020 and 2021, and \$136,320 for 2022. Total costs for the lease were \$272,640 for the year ended September 30, 2019. The City entered into a twenty-year operating lease with Potter County for fiber optic cable band width with monthly lease expense of \$1,500 and a total cost of \$360,000. Annual lease payments are \$18,000 for FY 2020 through 2038, and \$6,000 for FY 2039. Total costs for the lease were \$12,000 for the year ended September 30, 2019. The City leases land to LGC for downtown development. See Note 24 for details regarding the lease.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 8 – LEASES (CONTINUED)**

*Operating Leases*

Future minimum lease payments under the noncancelable operating leases with initial or remaining terms of one year or more are as follows:

<u>Year Ended September 30,</u>	
2020	\$ 290,640
2021	290,640
2022	154,320
2023	18,000
2024	18,000
2025-2029	90,000
2030-2034	90,000
2035-2039	78,000
	<u>          </u>
<b>Total minimum future minimum lease payments</b>	<b>\$ 1,029,600</b>

*Capital Leases*

In 2017, the City entered into a five year noncancelable lease agreement with Caterpillar Financial Services Corporation for a landfill compactor with monthly lease expense of \$14,186 and a total cost of \$851,160. Annual lease payments are \$170,232 for FY 2020 and 2021, and \$42,558 for 2022. Total costs for the lease were \$170,232 for the year ended September 30, 2019.

In 2018, the City entered into a five year noncancelable lease agreement with Caterpillar Financial Services Corporation for a tractor scraper with monthly lease expense of \$11,724 and a total cost of \$703,425. Annual lease payments are \$140,685 for FY 2020, 2021, 2022, and \$35,172 for 2023. Total costs for the lease were \$140,685 for the year ended September 30, 2019.

In 2018, the City entered into a five-year lease purchase agreement with Dell Financial Services Corporation for a hexagon cluster with annual lease expense of \$44,587 and a total cost of \$222,935. Annual lease payments are \$44,587 for FY 2020, 2021, and 2022. Total costs for the lease were \$44,587 for the year ended September 30, 2019.

In 2018, the City entered into a five-year lease purchase agreement with Dell Financial Services Corporation for an infrastructure refresh with variable annual lease expense beginning in 2018 of \$240,000, \$292,000, \$447,000, \$447,000, and \$437,516 and a total cost of \$1,863,516. Annual lease payments are \$447,000 for FY 2020, 2021, and \$437,516 for 2022. Total costs for the lease were \$292,000 for the year ended September 30, 2019.

In 2019, the City entered into a five-year lease purchase agreement with De Lage Landen Public Finance, LLC for a Vermeer Horizontal Grinder with monthly lease expense of \$7,966 and a total cost of \$477,951. Annual lease payments are \$95,590 for FY 2020, 2021, 2022, 2023, and \$63,727 for 2024. Total costs for the lease were \$31,863 for the year ended September 30, 2019.

In 2019, the City entered into a five-year lease purchase agreement with Caterpillar Financial Services Corporation for a tractor scraper with monthly lease expense of \$16,287 and a total cost of \$977,244. Annual lease payments are \$195,449 for FY 2020, 2021, 2022, 2023, and \$65,149 for 2024. Total costs for the lease were \$130,299 for the year ended September 30, 2019.

In 2019, the City entered into a five-year lease purchase agreement with Dell Financial Services Corporation for an isilon with annual lease expense of \$38,033 in the first year and \$50,108 thereafter and a total cost of \$238,465. Annual lease payments are \$50,108 for FY 2020, 2021, 2022, and 2023. Total costs for the lease were \$38,033 for the year ended September 30, 2019.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 8 – LEASES (CONTINUED)**

*Capital Leases (Continued)*

In 2019, the City entered into a five-year lease purchase agreement with Dell Financial Services Corporation for a data domain with annual lease expense of \$63,995 in the first year and \$74,496 thereafter and a total cost of \$361,979. Annual lease payments are \$74,496 for FY 2020, 2021, 2022, and 2023. Total costs for the lease were \$63,995 for the year ended September 30, 2019.

In 2019, the City entered into a five-year lease purchase agreement with Dell Financial Services Corporation for an airport infrastructure refresh with annual lease expense of \$116,226 and a total cost of \$581,130. Annual lease payments are \$116,226 for FY 2020, 2021, 2022, and 2023. Total costs for the lease were \$116,226 for the year ended September 30, 2019.

In 2019, the City entered into a five year noncancelable lease agreement with Trinity Innovative Solutions for police body and in-car cameras with annual lease expense of \$280,966 in the first year and \$296,466 thereafter and a total cost of \$1,454,830. Annual lease payments are \$293,466 for FY 2020, 2021, 2022, and 2023. Total costs for the lease were \$280,966 for the year ended September 30, 2019. Following is a summary of future minimum lease payments under these capital leases as of September 30, 2019:

<u>Year Ended September 30,</u>	
2020	\$ 1,627,839
2021	1,627,839
2022	1,490,681
2023	860,506
2024	<u>128,877</u>
	5,735,742
Less: imputed interest	<u>(403,156)</u>
Present value of capital leases	5,332,586
Less: current maturities of capital lease obligations	<u>(1,454,191)</u>
<b>Long-term capital lease obligations</b>	<b><u>\$ 3,878,395</u></b>

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

The City participates in funding two retirement plans. TRMS is an agent, multiple-employer, public-employee retirement system which is a nontraditional, joint-contributory, hybrid defined benefit plan. The FRRF Plan is a single-employer, contributory defined benefit plan. Substantially all employees of the City are eligible to participate in one of these two plans. The components of the net pension liability of the City at September 30, 2019, were as follows:

	<u>TMRS</u>	<u>FRRF</u>	<u>Total</u>
Total pension liability	\$ 482,888,674	\$ 211,239,766	\$ 694,128,440
Fiduciary net position	<u>403,884,727</u>	<u>162,766,407</u>	<u>566,561,134</u>
<b>City's net pension liability</b>	<b><u>\$ 79,003,947</u></b>	<b><u>\$ 48,473,359</u></b>	<b><u>\$ 127,477,306</u></b>
<b>City's net pension liability as a percentage of total pension liability</b>	<b><u>16.36%</u></b>	<b><u>22.95%</u></b>	<b><u>18.37%</u></b>

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

	<u>TMRS</u>	<u>FRRF</u>	<u>Total</u>
Deferred outflows of resources	\$ 30,558,759	\$ 21,733,557	\$ 52,292,316
Deferred inflow of resources	\$ 1,969,991	\$ 2,477,256	\$ 4,447,247
Pension expense	\$ 8,775,470	\$ 6,625,082	\$ 15,400,552

The City's total payroll for the fiscal year ended September 30, 2019, was \$110,920,108 and the portion covered by the two plans was as follows:

TMRS	\$ 88,422,191
FRRF	<u>20,311,090</u>
<b>Total covered payroll</b>	<b><u>\$ 108,733,281</u></b>

Including current employees, annuitants and terminated employees entitled to future benefits, the City had 4,159 members of TMRS and 498 members of FRRF as of the dates of the latest actuarial valuations.

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

***Texas Municipal Retirement System (TMRS)***

***Plan Description***

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

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

***Benefits Provided***

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the City are as follows:

	<u>Plan Year 2018</u>	<u>Plan Year 2017</u>
Employee deposit rate	7%	7%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

*Texas Municipal Retirement System (TMRS) (Continued)*

*Benefits Provided (Continued)*

	<u>Plan Year 2018</u>	<u>Plan Year 2017</u>
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating	100% repeating
Annuity increase (to retirees)	0% of CPI	0% of CPI

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

*Employees Covered by Benefit Terms*

At the December 31, 2018, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,160
Inactive employees entitled to but not yet receiving benefits	1,168
Active employees	<u>1,831</u>
<b>Total employees</b>	<u><b>4,159</b></u>

*Contributions*

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

Employees for the City were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.44% and 12.18% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$10,835,851.

*Net Pension Liability*

The City's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.



**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

*Texas Municipal Retirement System (TMRS)(Continued)*

*Actuarial Assumptions*

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation
Investment rate of return	6.75%

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

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014, first used in the December 31, 2015 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a mortality experience investigation study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013, valuation along with a change to the EAN actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2017 and 2018 valuation.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic equity	17.5%	4.55%
International equity	17.5%	6.35%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	3.90%
Real estate	10.0%	3.80%
Real return	10.0%	4.50%
Absolute return	10.0%	3.75%
Private equity	5.0%	7.50%
<b>Total</b>	<u>100.0%</u>	

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

*Texas Municipal Retirement System (TMRS)(Continued)*

**Discount Rate**

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

*Changes in Net Pension Liability*

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2017	\$ 469,605,335	\$ 428,104,463	\$ 41,500,872
Changes for the year:			
Service cost	12,336,149	-	12,336,149
Interest	31,164,809	-	31,164,809
Change of benefit terms	-	-	-
Difference between expected and actual experience	(2,072,564)	-	(2,072,564)
Changes of assumptions	-	-	-
Contributions - employer	-	10,870,728	(10,870,728)
Contributions - employee	-	6,126,621	(6,126,621)
Net investment income	-	(12,811,240)	12,811,240
Benefit payments, including refunds of employee contributions	(28,145,055)	(28,145,055)	-
Administrative expense	-	(247,841)	247,841
Other changes	-	(12,949)	12,949
Net changes	13,283,339	(24,219,736)	37,503,075
<b>Balance at December 31, 2018</b>	<b>\$ 482,888,674</b>	<b>\$ 403,884,727</b>	<b>\$ 79,003,947</b>

*Table 5 – TMRS Net Pension Liability*

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

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

	1% Decrease in Discount Rate <u>5.75%</u>	Discount Rate <u>6.75%</u>	1% Increase in Discount Rate <u>7.75%</u>
City's net pension liability	\$ 138,955,414	\$ 79,003,947	\$ 29,102,282

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

*Texas Municipal Retirement System (TMRS) (Continued)*

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

*Pension Plan Fiduciary Net Position*

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

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

For the year ended September 30, 2019, the City recognized pension expense of \$8,775,470.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 440,431	\$ 1,969,991
Changes in actuarial assumptions	149,763	-
Difference between projected and actual investment earnings	22,219,390	-
Contributions subsequent to the measurement date	<u>7,749,175</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 30,558,759</u></b>	<b><u>\$ 1,969,991</u></b>

The \$7,749,175 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended September 30,**

2020	\$ 7,558,425
2021	2,530,936
2022	2,408,573
2023	<u>8,341,659</u>
<b>Total</b>	<b><u>\$ 20,839,593</u></b>

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

*Plan Description*

The City contributes to the FRRF, which is a single-employer, contributory defined benefit plan maintained for members of the City of Amarillo Fire Department. The benefit and contribution provisions of

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

*Plan Description (Continued)*

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.

*Benefits Provided*

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

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

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

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

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

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

*Benefits Provided (Continued)*

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

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

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

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

*Employees Covered by Benefit Terms*

As provided under TLFFRA, all firefighters must be less than 36 years of age upon entering service for the City as a firefighter and must become members of the Plan, which provides them with pension, death, and disability benefits. The Plan covers current and former firefighters as well as beneficiaries of current and former firefighters. The types of employees covered, as well as Plan membership as of December 31, 2018, the measurement date, are as follows:

Active:	
Vested	38
Nonvested	<u>233</u>
	<u>271</u>
Terminated:	
Nonvested	4
Retired:	
Vested	3
Pensioners:	
Service retirement	187
Disability retirement	4
Spouses/children	<u>29</u>
	<u>220</u>
<b>Total participants</b>	<u><u>498</u></u>

*Contributions*

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

The City employer contribution rate was 18.83% of the firefighters' gross pay starting January 2014 and was increased to 19.57% starting January 2017. The Plan is funded by a contribution by each firefighter. The firefighters' contribution rate is 13.00% of gross pay. If a firefighter terminates service with the

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

*Contributions (Continued)*

Fire Department of the City and he is not entitled to any of the benefits as described above, he will receive a lump sum payment of the contributions he made without accumulated interest. A firefighter who has become eligible for benefits may also elect to receive a refund of his contributions, but will forfeit his right to any benefits which he might otherwise have been entitled to receive.

*Net Pension Liability*

The City's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial report as of December 31, 2018.

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all prior periods included in the measurement:

Inflation	2.50%
Salary increases	3.50%
Investment rate	7.50%

Mortality rates were based on the RP-2000 combined employee and healthy annuitant, projected to 2024 using Scale AA with separates rates for males and females.

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

<u>Asset class</u>	<u>Long-term expected real rate of return</u>
Cash and short-term fixed income	0.00%
Fixed income	0.68%
Equities	5.44%

*Change in Assumptions*

The rate of return on the actuarial value of assets was lowered from 8.00% to 7.50%. The rate of increase in total payroll was lowered from 4.00% to 3.50%. The rate of inflation was lowered from 3.00% to 2.50%.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the City will be made at contractually required rates determined by the City or management. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

*Changes in Net Pension Liability*

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2017	\$ 203,068,750	\$ 171,845,403	\$ 31,223,347
Changes for the year:			
Service cost	5,368,316	-	5,368,316
Interest	15,169,042	-	15,169,042
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	3,969,255	(3,969,255)
Contributions - employee	-	2,636,704	(2,636,704)
Net investment income	-	(3,233,190)	3,233,190
Gain or (Loss) due to difference in projected vs. actual earnings	-	-	-
Benefit payments, including refunds of employee contributions	(12,366,342)	(12,366,342)	-
Administrative expense	-	(86,128)	86,128
Other changes	-	705	(705)
Net changes	8,171,016	(9,078,996)	17,250,012
<b>Balance at December 31, 2018</b>	<b>\$ 211,239,766</b>	<b>\$ 162,766,407</b>	<b>\$ 48,473,359</b>

*Table 6 - FRRF Net Pension Liability*

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

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

*Changes in Net Pension Liability*

	<b>1% Decrease (6.50%)</b>	<b>Current discount rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
City's net pension liability	<u>\$ 73,903,242</u>	<u>\$ 48,473,359</u>	<u>\$27,291,327</u>

*Pension Plan Fiduciary Net Position*

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

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

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

For the year ended September 30, 2019, the City recognized pension expense of \$6,625,082.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual economic experience	\$ 2,889,392	\$ 2,477,526
Changes in actuarial assumptions	9,036,184	-
Difference between projected and actual investment earnings	7,008,416	-
Contributions subsequent to the measurement date	<u>2,799,565</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 21,733,557</u></b>	<b><u>\$ 2,477,526</u></b>

The \$2,799,565 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended September 30,**

2020	\$ 4,137,831
2021	1,682,935
2022	2,153,157
2023	4,562,472
2024	1,381,995
Thereafter	<u>2,538,076</u>
<b>Total</b>	<b><u>\$ 16,456,466</u></b>

***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.

The laws governing deferred compensation plans require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Because the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 10 -DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN**

**Plan Administration**

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

**Plan Membership**

As of December 31, 2018, the measurement date of the Plan, the plan membership data is as follows:

Active employees	1,990
Retirees	<u>611</u>
Total	<u>2,601</u>

**Eligibility Requirements**

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

To be eligible to retire under TMRS, participants must attain either 20 years of TMRS service, or five years of TMRS service and age 60. To be eligible to retire under the FRRF, participants must attain 20 years of FRRF service and age 45. To be eligible to retire under the AEDC, participants must attain age 65.

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

Employees may obtain dependent coverage at retirement, regardless of whether or not the employee was receiving dependent coverage immediately prior to retirement. The applicable contribution rate is based on the employee's service at retirement.

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

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

Retirees and Spouses who was eligible to continue coverage in the City-sponsored group healthcare plan at retirement may remain in the plan until death. Retirees who are Medicare eligible must apply for Medicare.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 10 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**Benefits Provided**

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

**Contributions**

In January 2013, the City began prefunding a portion of its Other Postemployment Benefits (OPEB) liability via an irrevocable multi-employer agent OPEB trust (PEB Trust) in addition to pay-as-you-go costs. Assets in the PEB Trust can only be used to fund other postemployment benefits, such as medical costs for eligible retirees, and any eligible spouse or children. The City increased prefunding contributions to 2.43% commencing January 1, 2014. During calendar year 2018, the City made contributions of 2.43% of payroll into the OPEB Trust (approximately \$2.7 million) and pay-as-you-go cost of approximately \$3 million for a total contribution at December 31, 2018 of approximately \$5.7 million. The City Council has the authority to increase or decrease prefunding contribution rates.

Effective January 1, 2015, all inactive participants age 65 or older electing a post-retirement medical benefit with the City enrolled in Medicare will receive a stipend of \$150 per month toward their cost of medical coverage. The \$150 stipend is not expected by the City to increase.

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

**Range of Monthly Retiree Health Premiums  
Retiree Health Premium  
Fiscal Year 2018**

**Retiree Range of Monthly Health Premium Rates**

Retiree only	\$ 179.19 – \$ 523.26
Retiree and spouse	\$ 358.39 – \$ 1,046.49
Retiree and children	\$ 322.55 – \$ 781.29
Retiree and family	\$ 501.75 – \$ 1,197.02

***Summary of Significant Accounting Policies***

**Basis of Accounting**

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

**Method Used to Value Investments**

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

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 10 -DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

*Investments*

**Investment Policy**

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

**Rate of Return**

For the year ended December 31, 2018, the annual money-weighted rate of return on investments, net of investment expense, was (7.24)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

*Net OPEB Liability of the City*

The components of the net OPEB liability of the City at September 30, 2019, were as follows:

Total OPEB Liability	\$ 64,305,284
OPEB Plan Fiduciary Net Position	<u>15,237,541</u>
Net OPEB Liability	<u>\$ 49,067,743</u>

Plan Fiduciary Net Position as a percentage of The Total OPEB Liability	23.70%
--	--------

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Bank Insured Deposit/Cash	0.66%
Equities	51.36%
Mutual Funds	<u>47.98%</u>
	<u>100.00%</u>

**Actuarial Assumptions**

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Additional Actuarial Methods and Assumptions:

Valuation date	October 1, 2017
Measurement date	December 31, 2018
Fiscal year end	September 30, 2019
Benefits valued	Pre-65 and Post-65 medical and prescription drug benefits
Long-term rate of return	7.50%
Payroll growth rate	3.00% for TMRS & AEDC 4.00% for FRRF
Discount rate	6.75% (partial pre-funding)
Healthcare cost trend rate	8.00%



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 10 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**Changes in Assumptions and Methods since Prior Valuation (Continued)**

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of September 30, 2018	\$ 61,979,142	\$ 13,621,113	\$ 48,358,029
Changes for the year:			
Service cost	1,955,516	-	1,955,516
Interest on the total OPEB liability	4,138,657	-	4,138,657
Changes of benefits	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	(745,063)	-	(745,063)
Employer contributions	-	2,700,901	(2,700,901)
Plan member contributions	-	-	-
Net investment income	-	(1,084,473)	1,084,473
Benefit payments, including employee refunds	(3,022,968)	-	(3,022,968)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	2,326,142	1,616,428	709,714
<b>Balances as of September 30, 2019</b>	<b>\$ 64,305,284</b>	<b>\$ 15,237,541</b>	<b>\$ 49,067,743</b>

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower and 1-percentage-point higher than the current discount rate of 6.75%.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 55,904,016	\$ 49,067,743	\$ 43,142,270

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rates of 8.00%.

	<u>1% Decrease</u>	<u>Current Healthcare Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 44,087,271	\$ 49,067,743	\$ 54,972,105

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 10 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2017.

For the year ended September 30, 2019, the City recognized total OPEB expense of \$(593,297).

At September 30, 2019, the City reported its collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ -
Changes in actuarial assumptions	-	637,083
Differences between projected and actual investment earnings	<u>1,354,909</u>	<u>-</u>
<b>Total as of measurement date</b>	<b>\$ 1,354,909</b>	<b>\$ 637,083</b>
Contributions paid to subsequent to the measurement date	<u>1,895,129</u>	<u>-</u>
<b>Total as of fiscal year end</b>	<b><u>\$ 3,250,038</u></b>	<b><u>\$ 637,083</u></b>

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

**Year ended September 30,**

2020	\$	196,500
2021		196,500
2022		196,500
2023		333,488
2024		(107,980)
Thereafter		<u>(97,182)</u>
<b>Total</b>		<b><u>\$ 717,826</u></b>

**Payable to OPEB Plan**

At September 30, 2019, the City reported a payable of \$668 for the outstanding amount of contributions to the Plan required for the year ended September 30, 2019.

*Financial Statements*

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 11 – COMMITMENTS**

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

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

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

Moreover, the Venue District's tax revenues currently can cover debt service payments approximately two times. Therefore, the City does not anticipate paying more than \$120 in lease payments in 2019-20.

However, the City has appropriated \$1,110,841 of its available Fund Balance in the City's 2019-20 budget for its potential commitment to the Venue District although City Management does not believe that any payment beyond \$120 will be necessary.

Most of the City's commitments are in capital projects. Many of these projects take more than a year to design, bid, and construct; therefore, the appropriation and commitment do not end at year-end. At September 30, 2019, the City had commitments with respect to completion of various capital projects, as reflected in Table 7. For this purpose, commitments are defined as the difference between the appropriation for the project and amounts paid or recognized as liabilities at year-end; additional funding from outside sources are shown as a reduction to the amounts reported as committed. Sufficient resources were either on hand in the City's accounts or authorized and available to complete all committed projects.

	Project Authorizations	Expected Outside Funding Sources	Outside Funding Received	Complete at September 30, 2019	City's Remaining Committed
Governmental activities					
Street improvements	\$ 20,095,354	\$ 27,981,964	\$ 10,192,812	\$ 1,325,418	\$ 980,784
General construction	41,714,476	63,227,832	59,040,672	30,167,277	7,360,039
Solid waste improvements	5,088,475	-	-	33,329	5,055,146
Civic Center improvements	14,612,979	46,835,278	46,633,851	4,894,988	9,516,564
GO Bond Construction	56,519,350	20,022,145	3,264,831	19,729,090	20,032,946
Total - governmental fund activities	<u>138,030,634</u>	<u>158,067,219</u>	<u>119,132,166</u>	<u>56,150,102</u>	<u>42,945,479</u>
Internal service fund projects					
Information services	1,948,784	704,714	677,564	-	1,921,634
Fleet Services	3,517,429	-	-	98,383	3,419,046
Total - all governmental-type activities	<u>143,496,847</u>	<u>158,771,933</u>	<u>119,809,730</u>	<u>56,248,485</u>	<u>48,286,159</u>
Business-type activities					
Water and sewer system improvements	164,676,967	41,107,475	4,610,065	71,469,526	56,710,031
Airport	26,139,339	19,774,273	12,082,430	16,199,681	2,247,815
Drainage utility	22,907,935	11,824,193	1,805,093	8,732,751	4,156,084
Total - all business-type activities	<u>213,724,241</u>	<u>72,705,941</u>	<u>18,497,588</u>	<u>96,401,958</u>	<u>63,113,930</u>
<b>Total - all city project</b>	<u><b>\$ 357,221,088</b></u>	<u><b>\$ 231,477,874</b></u>	<u><b>\$ 138,307,318</b></u>	<u><b>\$ 152,650,443</b></u>	<u><b>\$ 111,400,089</b></u>

*Table 7 – Unfinished Construction Projects*

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 11 - COMMITMENTS (CONTINUED)**

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

The PIDs are responsible for the maintenance and ongoing upkeep of these enhanced facilities along with the original cost of the improvements. The City has issued Certificates of Obligations to pay for improvements at the Greenways Public Improvement District. The first issue was for \$600,000 in 2001; the second issue was for \$620,000 in 2003, a third issue was for \$600,000 in 2008, and a fourth issue of \$725,000 in 2014. 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 2019, there was approximately \$965,445 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 2019/2020 fiscal year are \$350,000.

The Colonies Public Improvement District also has approximately \$3 million of 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, \$1,500,000 during 2008, \$1,535,000 in 2014, and \$3,000,000 in 2018. The special assessments paid by the residents will be used to pay the debt service associated with this issue. The City is obligated to issue debt when there are sufficient property owners to support the debt to pay the developer along with the ongoing maintenance and upkeep of the amenities. All of the enhanced amenities at the Colonies were originally estimated to be approximately \$4.6 million and estimated expenditures for the 2019/2020 fiscal year are approximately \$300 to \$400 thousand. The other PIDs are fully developed and there is not an amount to be paid to the developer.

The City has committed \$181,650 to Center City for downtown redevelopment. Center City works closely with the City, citizens, and the downtown developer to promote and improve the downtown area.

The City previously entered into a development agreement, which was assigned to the Amarillo Local Government Corporation (LGC) in 2011. The Corporation's charge was to work with a developer(s) on the following three downtown initiatives: a convention hotel, a parking garage, and a multi-purpose event venue (MPEV) that will also serve as a minor league ball park. On November 12, 2014, the LGC approved a Convention Center Hotel Agreement and a separate Convention Center Parking Garage Agreement. The developer of the convention hotel will operate the hotel and the LGC will operate the parking facility. The parking garage developer will operate the retail portion of the garage. The hotel agreement includes rebates of State sales and hotel occupancy taxes, rebate of local hotel occupancy taxes and a performance assurance of up to \$2 million to assure a minimum performance of the hotel. On December 22, 2014, the City Council approved Addendum #1 to the Interlocal Local Agreement between the City and LGC confirming that the City will provide public revenue, as necessary, to fund the downtown projects and to fund the hotel performance assurance.



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 11 - COMMITMENTS (CONTINUED)**

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

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

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

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

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

For the Civic Center, the net result of issuing the hotel tax revenue bonds will be fewer funds for future capital for a period of time. The hotel occupancy tax revenue will ultimately need to grow to make up for

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 11 - COMMITMENTS (CONTINUED)**

the projected reductions to the Chamber and Civic Center. Fortunately, the City has significant growth of hotel occupancy tax revenues; with the 2018/2019 fiscal year collections the best year yet with a 3.5% increase over the prior year; and average increases over the previous ten years at 5.5% which includes the 2016/2017 fiscal year which was the only year in this period that reflected a decrease (2.9%).

**NOTE 12 - LONG-TERM OBLIGATIONS**

**Tax Supported Debt**

On February 3, 2011, the City issued the 2011A and 2011B Certificates of Obligation series. The 2011A series was issued in the amount of \$3,750,000 to fund the reconstruction of one of the City's municipal golf courses. The debt service for this issue will be funded by revenue generated from the City golf courses. The maturities range thru 2037 with annual principal payments from \$110,000 to \$245,000 and provide for interest rates ranging from 3.50% to 5.25%. The 2011B series was issued in the amount of \$2,210,000 to fund streetscape improvements in the City's downtown central business district. The streetscape project is part of our "Downtown Strategic Action Plan" for TIRZ #1. Accordingly, the debt service for this issue will be funded by the TIRZ #1 revenue. The maturities range thru 2032 with annual principal payments from \$90,000 to \$170,000 and provide for interest rates ranging from 3.50% to 6.00%.

On April 15, 2010, the City issued \$1,392,000 Recovery Zone Build America Bonds, Series 2010. These bonds were issued at 5.81% with a 45% interest subsidy from the United States Treasury. The maturities range thru 2030 with an average interest coupon of 3.196% (net of the subsidy). The proceeds are to fund the City's portion of the construction of a bridge at Grand and 3rd Street, as well as street and drainage improvements. The annual principal maturities range from \$69,000 to \$88,000.

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 was 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. 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 at rates ranging from 3.50% to 4.00%, and the serial bonds mature annually to August 15, 2022, in amounts ranging from \$455,000 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.

On February 22, 2017, the City issued \$15,110,000 of General Obligation Refunding Bonds for the purpose of the refunding the Combination Tax and Revenue Certificates of Obligation Bonds, Series 2007. The refunding was undertaken to reduce total debt service payments over the next ten years by \$2.7 million and resulted in a present value benefit of \$2.4 million. Interest is payable in semi-annual installments which began May 15, 2017 at a 4.00% interest rate and the term bonds mature annually to May 15, 2027 in amounts ranging from \$1,335,000 to \$1,760,000. The bonds are not subject to optional redemption.

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Tax Supported Debt (Continued)**

The City issued \$21,280,000 of General Obligation Bonds on May 11, 2017 to address public safety and street capital improvement projects approved by voters during a November 2016 bond election. Interest is payable in semi-annual installments which will begin February 15, 2018, at rates ranging from 3.00% to 5.00%, and the serial bonds mature annually to February 15, 2042 in amounts ranging from \$540,000 to \$1,270,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2028, on February 15, 2027, or any date thereafter.

On July 18, 2018, the City issued \$22,145,000 of General Obligation Bonds for the purpose of public safety and street capital improvement projects approved by voters during a November 2016 bond election. Interest is payable in semi-annual installments which will begin February 15, 2019, at rates ranging from 3.125% to 5.00%, and the serial bonds mature annually to February 15, 2041 in amounts ranging from \$535,000 to \$1,325,000 with additional maturities of \$1,685,000 3.00% term bonds due February 15, 2030 and \$2,605,000 3.625% term bonds due February 15, 2043. The City reserved the right to redeem the bonds with maturities on or after February 15, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

The City's General Obligation debt is rated AAA by Standards and Poor's and Aa1 by Moody's.

**Special Assessment Debt**

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 \$40,000 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 \$18,920 to \$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 semi-annually at a rate of 4.28%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$30,000 to \$45,000. The final maturity is February 15, 2028. For the 2008B issue principal and interest are payable semi-annually at a rate of 4.08%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$75,000 to \$110,000. The final maturity is February 15, 2028.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Special Assessment Debt (Continued)**

On April 1, 2014, the City issued \$2,260,000 of Combination Tax and Revenue Certificates of Obligation, Series 2014 for the purpose of financing enhancements of the park facilities in the Greenways Public Improvement District (\$725,000) and the Colonies Public Improvement District (\$1,535,000), respectively. Debt Service is to be funded out of special assessments on properties within each District. The principal and interest are payable in semi-annual installments at rates ranging from 2.25% to 3.625%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$95,000 to \$155,000. The final maturity is August 15, 2034.

In conjunction with the General Obligation Bonds issued on July 18, 2018, the City issued \$3,000,000 of Combination Tax and Revenue Certification of Obligation for the purpose of improving park facilities in the Colonies PID. Interest is payable in semi-annual installments which will begin February 15, 2019, at rates ranging from 3.00% to 4.00%, and the serial bonds mature annually to February 15, 2038 in amounts ranging from \$110,000 to \$205,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

On April 13, 2016, the City issued the Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016 (Series 2016) in the amount of \$11,995,000 to construct and equip the downtown Amarillo parking garage located in the vicinity of the City's convention center facilities. Debt service is to be funded by the Hotel Occupancy Tax. Principal and interest are payable annually at rates ranging from 1.85% to 4.25% and are subject to mandatory redemption in annual amounts ranging from \$320,000 to \$740,000. Final maturity is August 15, 2043.

On March 20, 2018, the City issued the Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018 (Series 2018) in the amount of \$38,835,000 to construct and equip a multiuse facility. Debt service is to be funded by the Hotel Occupancy Tax. Principal and interest are payable annually at rates ranging from 2.80% to 4.15% and are subject to mandatory redemption in annual amounts ranging from \$800,000 to \$1,220,000. Final maturity is August 15, 2033 with additional maturities of \$6,915,000 4.20% term bonds due August 15, 2038 and \$19,120,000 4.40% term bonds due August 15, 2048. The City reserved the right to redeem the bonds with maturities on or after August 15, 2027, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2026, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

**Fleet Services Bonds**

On February 25, 2014, the City issued Tax Notes, Series 2014 in the amount of \$2,650,000. The Notes have a five-year life and are payable in semi-annual installments with interest rates at 2.00%. This issue will be used to fund roll stock in the Fleet Services fleet. The Notes are subject to mandatory redemption in annual amounts of \$455,000. The Notes matured during 2019.

Summary of changes in the governmental activities debt for the year ended September 30, 2019, is as follows:

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

	Tax Supported Debt	Special Assessment Debt and Other Revenue Sources	Fleet Services Debt	Total Government Activities Debt
Principal balances outstanding, October 1, 2018	\$ 66,054,000	\$ 62,286,733	\$ 455,000	\$ 128,795,733
New bond issue	-	-	-	-
Principal maturities	(3,237,000)	(873,037)	(455,000)	(4,565,037)
Balances September 30, 2019	62,817,000	61,413,696	-	124,230,696
Balance of unamortized discount/premium	3,394,938	214,734	-	3,609,672
Net balances, September 30, 2019	<u>\$ 66,211,938</u>	<u>\$ 61,628,430</u>	<u>\$ -</u>	<u>\$ 127,840,368</u>

**Water and Sewer Bonds**

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 \$2,095,000 to \$2,555,000 and provide for interest rates ranging from 1.812% to 3.018%.

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 annually through 2029 in principal amounts ranging from \$2,540,000 to \$3,400,000 and provide for interest rates ranging from 1.591% to 2.587%. The City also issued Combination Tax and Revenue Certificates of Obligation Series 2009C in the amount of \$18,075,000. The Series 2009C bonds mature annually through 2031 with annual principal payment of \$905,000 and provide for a 0% interest rate.

On August 1, 2011, the City issued General Obligation Refunding Bonds, Series 2011 of \$5,605,000 par value to refund \$5,680,000 of the 2003 Waterworks and Sewer System Revenue Bonds. The advance refunding met the requirement of an in-substance defeasance and the applicable bonds were removed from the City's books of account. The refunding was undertaken to reduce the total debt service payments over the next twelve years by \$840,080 and resulted in an economic gain of \$716,618 with a net present value benefit of \$337,772. \$410,000 of the outstanding remaining principal of the 2003 issue was paid off in 2012. The outstanding Series 2011 bonds mature annually through 2023 with principal amounts ranging from \$525,000 to \$575,000 and provide for interest rates ranging from 2.625% to 3.125%.

On August 1, 2011, the City issued the Waterworks and Sewer System New Series Revenue Bonds, New Series 2011 in the amount of \$16,300,000. The Series bonds mature annually through 2031 in principal amounts ranging from \$720,000 to \$1,150,000 and provide for interest rates ranging from 3.00% to 4.125%. The proceeds were used to fund the purchase of Ochiltree County water rights.

On July 10, 2013, the City issued the Waterworks and Sewer System New Series Revenue Bonds, Series 2013 in the amount of \$1,310,000. The Series bonds mature annually through 2023 in principal amounts ranging from \$130,000 to \$135,000 and provide for interest rates ranging from 0.25% to 0.85%. The proceeds will be used to fund the design of the Osage to Arden Road pipeline.

On January 22, 2014, the City issued the Waterworks and Sewer System New Series Revenue Bonds, Series 2014 in the amount of \$8,495,000. The Series 2014 bonds mature annually through 2033 in principal amounts ranging from \$390,000 to \$495,000 and provide for interest rates ranging from 0.36% to 2.62%. These funds will be used for the design and construction of Georgia Street Interceptor project. This project will eliminate a lift station and ensure proper operation of the collection system in the area.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Water and Sewer Bonds (Continued)**

This bond issue will also fund the planning and design for the replacement of Lift Station 32. Included in this financing is an additional amount of \$441,131 of loan forgiveness for a total project of \$8.9 million.

On October 2, 2015, the City issued the City of Amarillo, Texas, Waterworks & Sewer System Refunding Bonds, New Series 2015A (Series 2015A Bonds) in the amount of \$21,145,000. The Series 2015A Bonds refunded the Series 2005, 2006 and 2006A Bonds. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next sixteen years by \$4,259,179 and resulted in an economic gain of \$3,494,212 and the present value benefit of \$2,623,562. The outstanding Series 2015A Bonds mature annually thru 2032 with principal payments ranging from \$375,000 to \$1,730,000 and provide for interest rates ranging from 2.00% to 4.00%.

On October 2, 2015, the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, Series 2015 in the amount of \$17,195,000. The Series 2015 bonds mature annually through 2035 in principal amounts ranging from \$815,000 to \$950,000 and provide for interest rates ranging from 0.50% to 1.59%. These funds will be used for the construction of the Arden Road transmission pipeline project from the Osage water treatment plant to the connection for the Arden Road pump station. This allows the City to move an additional 20 million gallons per day which allows the City to deliver the new water supply from the Potter County well field to the west side of town.

On May 11, 2017 the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, New Series 2017 in the amount of \$31,005,000. The New Series 2017 bonds mature annually through 2037 in principal amounts ranging from \$1,175,000 to \$2,035,000 and provide for interest rates ranging from 3.00% to 5.00%. These funds will be used for the construction of the improvement and extension of the City's waterworks and sewer system as identified through a five year community improvement plan.

On July 19, 2018, the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, New Series 2018A in the amount of \$12,500,000. The New Series 2018A bonds mature annually through 2038 in principal amounts ranging from \$575,000 to \$705,000 and provide for interest rates ranging from 0.36% to 1.60%. These funds will be used for the construction of Lift Station 32. The City reserved the right to redeem the bonds with maturities on or after April 1, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on October 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

On July 19, 2018, the City issued the City of Amarillo, Texas, Waterworks & Sewer System Revenue Bonds, New Series 2018B in the amount of \$14,610,000. The New Series 2018B bonds mature annually through 2034 in principal amounts ranging from \$520,000 to \$845,000 and provide for interest rates ranging from 3.00% to 5.00% with additional maturities of \$1,790,000 3.50% term bonds due April 1, 2036 and \$1,915,000 3.50% term bonds due April 1, 2038. These funds will be used for the improvement and extension of the City's waterworks and sewer system as identified through a five year community improvement plan. The City reserved the right to redeem the bonds with maturities on or after April 1, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Water and Sewer Bonds (Continued)**

A summary of changes in Water and Sewer System bonded debt for the year ended September 30, 2019, is as follows:

<b>Principal outstanding, October 1, 2018</b>	\$ 175,450,000
New Issues	-
Principal maturities	<u>(11,750,000)</u>
<b>Principal outstanding, September 30, 2019</b>	163,700,000
Unamortized redemption premium	<u>3,653,382</u>
<b>Net balances, September 30, 2019</b>	<u><b>\$ 167,353,382</b></u>

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

- A revenue fund, to which all gross revenues are to be credited immediately upon receipt.
- An interest and redemption fund, to be funded by transfers from pledged revenues in approximately equal monthly installments, sufficient to pay the next succeeding interest and principal payments. The 2019/2020 obligation is \$16,019,146. At September 30, 2019, the amount available in this account was \$5,722,319.
- 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, 2019, the combined requirement amounted to \$2,397,030, and the amount available in this account was \$2,397,030.

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, 2019. The City has maintained its tax-exempt status during 2019.

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

On June 11, 2018, Standard & Poor's Rating Services affirmed its AAA rating, with a stable outlook, on the City of Amarillo, Texas Waterworks and Sewer System Revenue Bonds.



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Water Authority Obligations**

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

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. During 2015, the 2005 Series was refunded with the 2014 refunding issue. During 2010, the 1999 issue was refunded with bonds maturing in 2020. At September 30, 2019, the City's proportionate share of the 2010 issue is \$213,418. The City's share of the annual principal amount is \$213,418 providing for interest of rate 3.50%. At September 30, 2019, the City's portion of the 2014 refunding bonds is \$549,878 with a principal amount of \$549,878 providing for an interest rate of 5.00%.

On January 22, 2013, CRMWA issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 in the amount of \$39,505,000 for the advance refunding of the 2005 CRMWA Contract Revenue Series. The 2012 Refunding Bonds will reduce total debt service payments over the next thirteen years by \$5,063,754 with Amarillo's share at \$2,443,576. The refunding resulted in an economic gain of \$4,259,006 with Amarillo's share at \$2,044,083. The City's outstanding portion of this bond issue is \$15,616,925 at September 30, 2019, with principal maturing annually through February 15, 2025, and interest of 5.00%. In total, the payments to CRMWA will remain constant throughout the term of the various bond issues. The City's portion of the principal payments range from \$1,134,779 to \$3,348,405.

During 2006, the member cities of CRMWA agreed to participate in the 2006 CRMWA debt issue. The Contract Revenue Bonds, Series 2006 were issued in the amount of \$49,075,000. During 2015, the 2006 CRMWA issue was partially refunded with the 2014 refunding issue. At September 30, 2019, the City's proportionate share of the 2014 issue is \$8,780,906. The City's portion of the principal payments for the 2014 issue range from \$463,079 to \$1,368,251 with an interest rate of 5.00%.

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 was \$8,573,062. The City's portion of the annual principal payments ranged from \$268,606 to \$951,547 with interest rates of 3.00% to 5.00%. The City's proportionate share of this indebtedness matured during 2019.

During December 2011, CRMWA issued debt in the amount \$81,630,000 to fund the purchase of additional water rights in the Ogallala Aquifer. The City participated in this issue and the City's proportionate share of the bond issue was \$33,536,053. The bonds were issued at a premium and the City's proportionate share was \$3,091,199 with bond issuance cost of \$473,755. The City's portion of the annual principal payments range from \$649,625 to \$2,567,688 with interest rates of 4.00% to 5.00%. At September 30, 2019, the City's proportionate share of the outstanding indebtedness was \$23,293,035. Bonds are secured by a lien on the participating member cities' project payments.

As mentioned above, on November 4, 2014, CRMWA issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in the amount of \$42,165,000 to refund a portion of CRMWA's outstanding Contract Revenue Refunding Bonds, Series 2005 and a portion of the CRMWA's outstanding Contract Revenue Bonds, Series 2006. The 2014 Refunding Bonds will reduce total debt service payments over the next 13 years by \$5,157,098 with Amarillo's share at \$2,437,634. The refunding resulted in an economic gain of \$4,468,378 with Amarillo's share at \$2,139,336. The City's portion of this bond issue was \$20,294,781 with principal maturing annually through February 15, 2027, and an interest rate of 5.00%. In total, the payments to CRMWA will remain constant throughout the term of the various bond issues. As noted above, the City's proportionate share of this indebtedness is \$549,878 at September 30, 2019.



**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Water Authority Obligations (Continued)**

CRMWA issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 in the amount of \$11,465,000 with interest rates ranging from 3.00% - 5.00%. The proceeds were used to advance refund \$13,575,000 of outstanding Contract Revenue Bonds, Series 2009 which had interest rates ranging from 4.00% - 5.00%. The net proceeds of \$14,228,820 (including a \$1,317,090 premium, a debt service reserve contribution of \$1,684,400, less \$237,670 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The refunded portion of the Contract Revenue Bonds, Series 2009 is considered defeased and the liability for those bonds has been removed from the statement of net position. The City's proportionate share of Series 2017 bonds is \$4,290,080 at September 30, 2019.

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

**Summary Information - Long-Term Bonds and Contracts**

A summary of changes in the City's CRMWA debt for the year ended September 30, 2019, is reflected in the following table:

<b>Principal outstanding, October 1, 2018</b>	\$ 58,331,367
Principal maturities	<u>(5,587,125)</u>
<b>Principal outstanding, September 30, 2019</b>	52,744,242
Unamortized redemption discount/premium	<u>6,973,699</u>
<b>Net balances, September 30, 2019</b>	<u>\$ 59,717,941</u>

**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 principal amount of \$1,830,000 and provide for an interest rate of 4.783%.

<b>Principal outstanding, October 1, 2018</b>	\$ 3,570,000
Principal maturities	<u>(1,740,000)</u>
<b>Principal outstanding, September 30, 2019</b>	1,830,000
Unamortized redemption premium	<u>143,552</u>
<b>Net balances, September 30, 2019</b>	<u>\$ 1,973,552</u>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Drainage Utility Bonds**

On December 12, 2012, the City issued \$6,260,000 in Combination Tax and Drainage Utility Revenue Certificates of Obligations (COs). The 2012A issue is mainly for drainage improvements on Farmers Avenue. The 2012A bonds have a final maturity of August 15, 2032. The COs are subject to mandatory redemption in annual amounts ranging from \$250,000 to \$320,000 and provide for an interest rate of 2.00%. In addition to the tax pledge, the Drainage Utility COs have an unlimited net pledge of the Drainage Utility System of 1.25 times net revenue. The City intends to fund the debt entirely from the Drainage Utility and not levy a property tax for the COs. Thus, the debt is structured similar to the Water & Sewer revenue debt.

On April 1, 2014, the City issued \$6,080,000 in Drainage Utility Revenue Bonds. The 2014 issue is mainly for drainage improvements on Martin Road. The 2014 bonds have a final maturity of 2034. The bonds are subject to mandatory redemption in annual amounts ranging from \$265,000 to \$410,000 and provide for interest rates ranging from 3.00% to 3.75%. The bonds have an unlimited net pledge of the Drainage Utility System of 1.25 times net revenue.

<b>Principal outstanding, October 1, 2018</b>	\$ 9,005,000
Principal maturities	<u>(510,000)</u>
<b>Principal outstanding, September 30, 2019</b>	8,495,000
Unamortized redemption premium	<u>80,740</u>
<b>Net balances, September 30, 2019</b>	<u>\$ 8,575,740</u>

**Summary Information - Long-Term Bonds and Contracts**

Bond issues outstanding at September 30, 2019, are summarized in Table 8 below.

	Interest Rates	Final Maturity Date	Principal Amount Outstanding	Annual Principal Installments
City of Amarillo indebtedness				
General Obligation debt				
Payable from tax revenues				
General Obligation Bonds, Series 2009	3.50 - 4.00%	2022	\$ 1,405,000	\$ 455,000 - \$ 485,000
Recovery Zone Build America Bonds, Series 2010	5.81%	2030	852,000	69,000 - 88,000
General Obligation Refunding Bonds, Series 2017	4.00%	2027	12,315,000	1,335,000 - 1,760,000
Certificates of Obligation, Series 2017	3.00 - 3.50%	2037	6,085,000	140,000 - 620,000
General Obligation Bonds, Series 2017	3.00 - 5.00%	2042	20,460,000	540,000 - 1,270,000
General Obligation Bonds, Series 2018	3.125 - 5.00%	2043	21,700,000	535,000 - 1,325,000
Payable from special assessments				
Combination tax/revenue certificates of obligation, Series 2003	3.70%	2023	170,000	40,000 - 45,000
Combination tax/revenue certificates of obligation, Series 2006	4.75%	2026	253,696	18,920 - 43,909
Combination tax/revenue certificates of obligation, Series 2008A	4.28%	2028	335,000	30,000 - 45,000
Combination tax/revenue certificates of obligation, Series 2008B	4.08%	2028	830,000	75,000 - 110,000
Combination tax/revenue certificates of obligation, Series 2014	2.250 - 3.625%	2034	1,820,000	95,000 - 155,000
Combination tax/revenue certificates of obligation, Series 2018	3.00 - 4.00%	2038	2,905,000	110,000 - 205,000
Payable from other sources				
Combination tax/revenue certificates of obligation, Series 2011A	3.50 - 5.25%	2037	2,995,000	110,000 - 245,000
Combination tax/revenue certificates of obligation, Series 2011B	3.50 - 6.00%	2032	1,590,000	90,000 - 170,000
Hotel occupancy tax revenue bonds, Series 2016	1.85 - 4.25%	2043	11,680,000	320,000 - 740,000
Hotel occupancy tax revenue bonds, Series 2018	2.80 - 4.15%	2048	38,835,000	800,000 - 1,220,000

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

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

(Continued)	Interest Rates	Final Maturity Date	Principal Amount Outstanding	Annual Principal Installments
<b>Waterworks and Sewer Bonds</b>				
2011 revenue issuance	3.00 - 4.125%	2031	10,950,000	720,000 - 1,150,000
2013 revenue issuance	0.25 - 0.85%	2023	535,000	130,000 - 135,000
2014 revenue issuance	0.36 - 2.62%	2033	6,170,000	390,000 - 495,000
2015 revenue issuance	0.50 - 1.59%	2035	13,860,000	815,000 - 950,000
2015A revenue refunding issuance	2.00 - 4.00%	2032	14,280,000	375,000 - 1,730,000
2017 revenue issuance	3.00 - 5.00%	2037	28,650,000	1,175,000 - 2,035,000
2018A revenue issuance	0.36 - 1.60%	2038	11,885,000	575,000 - 705,000
2018B revenue issuance	3.00 - 5.00%	2038	13,935,000	520,000 - 845,000
Combination tax/revenue certificates of obligation, Series 2009	1.812 - 3.018%	2028	20,705,000	2,095,000 - 2,555,000
Combination tax/revenue certificates of obligation, Series 2009B	1.591 - 2.587%	2029	29,680,000	2,540,000 - 3,400,000
Combination tax/revenue certificates of obligation, Series 2009C	0.00%	2031	10,860,000	905,000
General Obligation bonds, Series 2011	2.625 - 3.125%	2023	2,190,000	525,000 - 575,000
<b>Airport Bonds</b>				
Combination tax/revenue certificates of obligation, Series 2009A	4.783%	2020	1,830,000	1,830,000
<b>Drainage Bonds</b>				
2014 revenue issuance	3.00 - 3.75%	2034	4,860,000	265,000 - 410,000
Combination tax/revenue certificates of obligation, Series 2012A	2.00%	2032	3,635,000	250,000 - 320,000
<b>Total City of Amarillo issuances</b>			<u>298,255,696</u>	
<b>Canadian River Water Authority indebtedness</b>				
2010 refunding issuance (Conjunctive Use Groundwater)	3.50%	2020	213,418	213,418
2011 revenue issuance	4.00 - 5.00%	2031	23,293,035	649,625 - 2,567,688
2012 refunding issuance	5.00%	2025	15,616,925	1,134,779 - 3,348,405
2014 refunding issuance	5.00%	2027	9,330,784	463,079 - 1,368,251
2017 refunding issuance	3.00 - 5.00%	2029	4,290,080	85,301 - 553,461
<b>Total City share of Water Authority indebtedness</b>			<u>52,744,242</u>	
<b>Total bond issues outstanding</b>			<u>\$ 350,999,938</u>	

*Table 8 - Description of Individual Bond Issues Outstanding*

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

For the Year Ended September 30,	Tax-Supported Debt		Special Assessment and Other Supported Debt		Water & Sewer Debt		Water Authority Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 3,439,000	\$ 2,316,751	\$ 584,643	\$ 448,448	\$ 11,770,000	\$ 4,249,146	\$ 5,837,275
2021	3,575,000	2,177,420	611,325	426,596	12,005,000	4,027,638	6,061,028	2,259,165
2022	3,717,000	2,028,524	638,088	402,750	12,275,000	3,771,135	6,358,023	1,963,299
2023	3,373,000	1,872,071	659,936	378,306	12,580,000	3,467,077	6,674,511	1,650,443
2024	3,515,000	1,728,939	636,875	351,989	12,475,000	3,136,534	7,014,796	1,317,830
2025-2029	15,180,000	6,396,907	3,312,829	1,331,333	61,605,000	10,390,126	17,581,296	2,841,252
2030-2034	10,018,000	4,232,427	2,975,000	639,050	27,675,000	3,891,167	3,217,313	172,857
2035-2039	11,285,000	2,483,906	1,480,000	111,791	13,315,000	842,569	-	-
2040-2044	8,715,000	559,028	-	-	-	-	-	-
	<u>\$ 62,817,000</u>	<u>\$ 23,795,973</u>	<u>\$ 10,898,696</u>	<u>\$ 4,090,263</u>	<u>\$ 163,700,000</u>	<u>\$ 33,775,392</u>	<u>\$ 52,744,242</u>	<u>\$ 12,740,596</u>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

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

For the Year Ended September 30,	Airport Debt		Drainage Debt		Hotel Occupancy Tax Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,830,000	\$ 43,762	\$ 515,000	\$ 230,344	\$ 320,000	\$ 2,057,969	\$ 24,295,918	\$ 11,882,170
2021	-	-	520,000	217,394	1,130,000	2,051,089	23,902,353	11,159,302
2022	-	-	535,000	204,344	1,155,000	2,020,934	24,678,111	10,390,986
2023	-	-	540,000	190,894	1,190,000	1,987,080	25,017,447	9,545,871
2024	-	-	555,000	177,294	1,225,000	1,949,931	25,421,671	8,662,517
2025-2029	-	-	3,000,000	669,106	6,810,000	9,075,728	107,489,125	30,704,452
2030-2034	-	-	2,830,000	249,013	8,240,000	7,642,210	54,955,313	16,826,724
2035-2039	-	-	-	-	7,910,000	4,796,330	33,990,000	8,234,596
2040-2044	-	-	-	-	13,890,000	4,400,278	22,605,000	4,959,306
2045-2048	-	-	-	-	8,645,000	971,520	8,645,000	971,520
	<b>\$ 1,830,000</b>	<b>\$ 43,762</b>	<b>\$ 8,495,000</b>	<b>\$ 1,938,389</b>	<b>\$ 50,515,000</b>	<b>\$ 36,953,069</b>	<b>\$ 350,999,938</b>	<b>\$ 113,337,444</b>

*Table 9 - Annual Debt Service Requirements, Including Interest*

**Provision for Compensated Absences**

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

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

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

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

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

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

The obligation of the City with respect to vested benefits at September 30, 2019, under the annual leave policy was \$10,360,544, compensated time policy was \$1,227,414, and under the sick leave policy was \$9,233,892, and under the individual health retirement account policy was \$2,669,042.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Provision for Compensated Absences (Continued)**

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

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
<b>Balances at October 1, 2018</b>	\$ 22,769,639	\$ 1,270,892
Terminations paid	(2,220,713)	(281,510)
Leave accrued	<u>1,839,676</u>	<u>112,908</u>
<b>Balances at September 30, 2019</b>	<u>\$ 22,388,602</u>	<u>\$ 1,102,290</u>

Of the above obligations, \$1,966,628 in the Government Funds and \$237,483 in the Proprietary Funds are estimated to be current. In prior years, the General Fund has liquidated the compensated absences liability related to governmental funds.

In 1997 the City established a debt service fund to provide for the portion of the liability applicable to the General Fund and certain special revenue funds. The net position in the fund at September 30, 2019, was \$683,801; \$622,587 of the obligation is funded in separate internal service funds and is accrued as a liability of these funds.

**Provision for Landfill Closure and Post-Closure Care Costs**

The City owns a 662-acre rural site, which it operates for solid waste disposal purposes. Based on an amended permit issued by the Texas Commission on Environmental Quality dated August 22, 2007, the site has an estimated total capacity of 43,098,100 tons. It is estimated that 24.2% of the revised capacity was filled at September 30, 2019, and that the landfill has a projected remaining life of approximately 123 years at the current rate of usage. State and federal laws and regulations require the City to place a final cover on the site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The construction as well as the cost of wells, which have been installed for monitoring the underlying water table for any impact on it of ongoing landfill activities, were funded by waste collection and disposal revenues of the City's General Fund, and are included in capital assets of the governmental activities.

Governmental accounting standards require that, for periods beginning after June 15, 1993, governmental entities recognize an accrued liability for the estimated cost of equipment, facilities, and services for closure, and post-closure care expected to result in disbursements near or after the date that the facility stops accepting solid waste. The amount of the liability is based on what it would cost to have all such closure and post-closure care performed in the current year, and is assigned to periods based on cumulative landfill use. The City engaged an independent engineer who estimated the cost of final cover at \$8,145,871 for a 100-acre, two-cell segment. The estimated cost of monitoring the entire 662 acres during the statutory 30-year period is an additional \$1,780,200. Both computations were made in accordance with regulations of the Environmental Protection Agency, which require that the estimates be based on the current cost of hiring third parties to perform the services. The actual cost of these functions, when performed in future years, may differ because of inflation, changes in technology, changes in environmental regulations, or performance of certain of the functions by City personnel and equipment. Considering the change in the Consumer Price Index (CPI) and the addition of the Transfer station, closure costs would be about \$11.5 million and post-closure costs would be about \$3.5 million for a total of \$15 million in today's dollars. Based on the cumulative usage of 10,410,433 tons at September 30, 2019, 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	\$ 2,755,011
Cost of post-closure care and monitoring	<u>827,035</u>
<b>Total estimated accrued liability</b>	<u>\$ 3,582,046</u>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Provision for Landfill Closure and Post-Closure Care Costs (Continued)**

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

Long-term liabilities activity for the year ended September 30, 2019, was as follows:

	Balance Sept. 30, 2018 (restated)	Amortization/ Accretion	Additions	Reductions	Balance Sept. 30, 2019	Due Within One Year
<b>Bonds payable:</b>						
<b>Governmental activities</b>						
General obligation bonds	\$ 58,565,000	\$ -	\$ -	\$ (2,685,000)	\$ 55,880,000	\$ 2,865,000
Recovery Zone Build America bonds	919,000	-	-	(67,000)	852,000	69,000
Tax-supported certificates of obligation	6,570,000	-	-	(485,000)	6,085,000	505,000
Unamortized offering premium	3,812,123	(202,451)	-	-	3,609,672	-
Special assessment and other debt	62,286,733	-	-	(873,037)	61,413,696	904,643
Fleet Services bonds	455,000	-	-	(455,000)	-	-
Premium on Fleet Services bonds	7,567	(7,567)	-	-	-	-
Total governmental activities	<u>132,615,423</u>	<u>(210,018)</u>	<u>-</u>	<u>(4,563,037)</u>	<u>127,840,368</u>	<u>4,343,643</u>
<b>Business-type activities</b>						
Water & sewer bonds	175,450,000	-	-	(11,750,000)	163,700,000	11,770,000
Premium on Water & sewer bonds	3,876,703	(223,321)	-	-	3,653,382	-
Water authority obligations	58,331,367	-	-	(5,587,125)	52,744,242	5,837,260
Premium on Water authority obligations	7,585,873	(612,174)	-	-	6,973,699	-
Airport bonds	3,570,000	-	-	(1,740,000)	1,830,000	1,830,000
Premium on Airport bonds	280,044	(136,492)	-	-	143,552	143,552
Drainage Utility bonds	9,005,000	-	-	(510,000)	8,495,000	515,000
Premium on Drainage Utility bonds	85,681	(4,941)	-	-	80,740	-
Total business-type activities	<u>258,184,668</u>	<u>(976,928)</u>	<u>-</u>	<u>(19,587,125)</u>	<u>237,620,615</u>	<u>20,095,812</u>
Total	<u>390,800,091</u>	<u>(1,186,946)</u>	<u>-</u>	<u>(24,152,162)</u>	<u>365,460,983</u>	<u>24,439,455</u>
<b>Other liabilities:</b>						
<b>Governmental activities</b>						
Compensated absences	22,769,639	-	1,839,676	(2,220,713)	22,388,602	1,966,628
Self-insurance liability	19,786,858	-	695,845	(3,823,967)	16,658,736	6,069,782
Capital lease liability	2,361,867	-	4,174,342	(1,203,623)	5,332,586	1,454,191
Provision for landfill and postclosure care costs	6,286,343	-	-	(2,704,297)	3,582,046	-
Net OPEB liability	40,736,804	-	4,506,090	(3,908,227)	41,334,667	-
Net pension liability	67,040,247	-	56,683,927	(6,995,755)	116,730,421	-
Total governmental activities	<u>158,981,758</u>	<u>-</u>	<u>67,899,880</u>	<u>(20,854,580)</u>	<u>206,027,058</u>	<u>9,490,601</u>
<b>Business-type activities</b>						
Compensated absences	1,270,892	-	112,908	(281,310)	1,102,290	237,483
Other accrued expenses	2,606,671	-	-	(27,987)	2,578,684	-
Net OPEB liability	7,621,226	-	843,020	(731,170)	7,733,076	-
Net pension liability	5,683,972	-	5,628,040	(565,127)	10,746,885	-
Total business-type activities	<u>17,182,761</u>	<u>-</u>	<u>6,583,968</u>	<u>(1,605,794)</u>	<u>22,160,935</u>	<u>237,483</u>
Total	<u>176,164,519</u>	<u>-</u>	<u>74,483,848</u>	<u>(22,460,374)</u>	<u>228,187,993</u>	<u>9,728,084</u>
<b>Total long-term liabilities</b>	<u>\$ 566,964,610</u>	<u>\$ (1,186,946)</u>	<u>\$ 74,483,848</u>	<u>\$ (46,612,536)</u>	<u>\$ 593,648,976</u>	<u>\$ 34,167,539</u>

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 13 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The following tabulation reflects the composition of interfund balances at September 30, 2019.

<u>Receivable Fund</u>		<u>Payable Funds</u>	
General Fund	\$ 4,250,519	Nonmajor Govt. Funds	\$ 1,170,519
		Capital Projects	2,280,000
		Proprietary Funds	800,000
	<u>\$ 4,250,519</u>		<u>\$ 4,250,519</u>
Nonmajor Govt. Funds	\$ 74,630	Nonmajor Govt. Funds	\$ 62,192
		Internal Service	5,211
		General Fund	7,227
	<u>\$ 74,630</u>		<u>\$ 74,630</u>
Internal Service Funds	\$ 3,385,781	Internal Service	\$ 174,974
		Nonmajor Govt. Funds	12,545
		General Fund	698,262
		Capital Projects	2,500,000
	<u>\$ 3,385,781</u>		<u>\$ 3,385,781</u>
Proprietary Funds	\$ 1,530,428	Nonmajor Govt. Funds	\$ 30,428
		Capital Projects	1,500,000
	<u>\$ 1,530,428</u>		<u>\$ 1,530,428</u>

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

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

<u>Transfers Out Fund</u>		<u>Transfers In Fund</u>	
General Fund	\$ 10,044,644	Capital Projects	\$ 8,029,056
		Nonmajor Govt. Funds	1,846,281
		Internal Service	169,307
	<u>\$ 10,044,644</u>		<u>\$ 10,044,644</u>
Capital Projects	\$ 6,901,689	General Fund	\$ 250,064
		Nonmajor Govt. Funds	4,647,792
		Capital Projects	1,693,081
		Internal Service	163,542
		Proprietary Funds	147,210
	<u>\$ 6,901,689</u>		<u>\$ 6,901,689</u>
Nonmajor Govt. Funds	\$ 1,396,770	Nonmajor Govt. Funds	\$ 781,095
		Capital Projects	615,675
	<u>\$ 1,396,770</u>		<u>\$ 1,396,770</u>
Proprietary Funds	\$ 706,165	Internal Service	\$ 1,460
		Capital Projects	704,705
	<u>\$ 706,165</u>		<u>\$ 706,165</u>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

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

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

**NOTE 14 - WATER SUPPLY CONTRACT**

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

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

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, 2019, and for its fiscal year then ended, reflect the following:

<b>Assets</b>	
Cash and cash equivalents	\$ 18,691,255
Due from member cities and other receivable	12,832,325
Inventory	1,012,144
<b>Debt Service Funds</b>	
Restricted cash and cash equivalents	11,682,902
Due from cities	109,158,790
Land	5,236,502
Property, plant and equipment, net of accumulated depreciation	325,764,343



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 14 - WATER SUPPLY CONTRACT (CONTINUED)**

<b>Liabilities and Deferred Revenues</b>	
Current liabilities	15,632,821
Noncurrent liabilities	<u>129,036,571</u>
<b>Net Position</b>	<u><u>\$ 339,708,869</u></u>
<b>Operating Revenues</b>	
User assessments for operations	\$ 14,385,832
<b>Operating Expenses</b>	(16,499,534)
<b>Nonoperating Revenue (Expense)</b>	
Net contributions from member cities	6,367,824
Nonoperating revenues (expenses)	<u>(4,032,885)</u>
	<u>2,334,939</u>
<b>Net Increase (Decrease) in Net Position</b>	<u><u>\$ 221,237</u></u>

CRMWA's debt consists of approximately \$141.4 million related to the underground water project. The CRMWA's annual debt services requirements, including interest, range from \$6.5 million to \$18.4 million with final repayment in 2031. Because certain member cities elected to fund their proportionate shares of these costs on a separate basis, and the City's contractual share of the available lake water is 37.058% and 40.621% of well water. The City's share of this debt is approximately \$53 million. The City's contractual water rights and its proportionate shares of CRMWA's various debt obligations are accounted for as assets and liabilities of its Water and Sewer System.

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

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

**NOTE 15 - HARRINGTON LIBRARY CONSORTIUM**

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 15 - HARRINGTON LIBRARY CONSORTIUM (CONTINUED)**

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, 2019, the Consortium served over 100 libraries. The condensed financial statements of the Consortium at September 30, 2019, and for the year then ended are summarized in the table below.

<b>Balance Sheet</b>	
Cash and other assets, net	\$ 598,507
Current liabilities	<u>(38,864)</u>
Net position	<u>\$ 559,643</u>
<b>Revenues</b>	
Operating revenues	\$ 391,940
Nonoperating revenues (expense)	<u>12,897</u>
Total revenues	404,837
<b>Expenses</b>	
Operating expenses	<u>(422,713)</u>
<b>Change in net position</b>	<u>\$ (17,876)</u>

**NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT**

**Self-Insurance and Risk Management**

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

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

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

**Property:** Property insurance is maintained with commercial carriers, with a self-insured retention per occurrence of \$250,000 and wind/hail is 5% total value per location per occurrence. Total blanket coverage for all buildings and contents including terrorism coverage is \$500 million. The property insurance policy also includes \$50 million in flood and earth-quake coverage and has a Terrorism endorsement. The City has received \$6,682,261 from the insurance carrier.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)**

**Self-Insurance and Risk Management (Continued)**

The City has an endorsement to its property insurance coverage for Fire and Extended Coverage (explosion and damage). Insurance is maintained with commercial carriers to the extent of \$500,000,000 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 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 two claims that exceeded \$1 million self-insurance retention.

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

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

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

**Employee Insurance Fund:** 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 \$750,000 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. Effective January 1, 2016, Aetna Life Insurance Company began providing the plan administration for the medical and dental programs. This change has allowed the City to obtain more favorable discounts with medical providers. Employees have up to one year after services are rendered in which to present their claims for reimbursement. The estimated current liability at September 30, 2019, related to incurred but not reported (IBNR) claims was \$1,809,223. The IBNR estimate was computed by management based on historical patterns and reference to previous actuarial estimates.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)**

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

	<u>2019</u>	<u>2018</u> (restated)
<b>Estimated liabilities at beginning of year</b>	\$ 5,563,967	\$ 4,505,113
Claims during year and changes in estimates	18,519,897	21,664,093
Payments during year	<u>(22,274,641)</u>	<u>(20,605,239)</u>
<b>Estimated liabilities at end of year</b>	<u>\$ 1,809,223</u>	<u>\$ 5,563,967</u>

**Risk Management Fund**

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

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

An actuarial study of the self-insurance liability was done as of September 30, 2019. 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, 2019, to be \$14,849,513.

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

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

	<u>2019</u>	<u>2018</u>
<b>Estimated liability at beginning of year</b>	\$ 14,222,891	\$ 13,536,259
Claims during year and changes in estimates	4,461,599	3,958,957
Payments during year	<u>(3,834,977)</u>	<u>(3,272,325)</u>
<b>Estimated liability at end of year</b>	<u>\$ 14,849,513</u>	<u>\$ 14,222,891</u>

**Litigation**

The City has been named as defendant in a number of other lawsuits or complaints arising out of the ordinary course of conducting its operations. While several of these claims ask for the full amount allowed by state statute, it has been the City's experience that such actions, if pursued, result in losses of amounts substantially less than the claimed amounts. These complaints are similar to complaints resolved in prior years, which settlements comprise the City's historical experience that formed the basis for the actuarial determination of the estimated liability for presented and unrepresented claims payable at September 30, 2019.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)**

**Pollution Remediation Obligation**

**Environmental Liabilities**

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

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

Environmental and engineering consultants retained by the City, in conducting the Audit discovered several violations which were reported to the TCEQ along with recommendations for corrective action. Specifically at one or more locations the consultants identified subsurface soil/wastewater contamination which had escaped from the collapsed/broken VCP. Pursuant to the consultants' recommendations, the City intends to undertake corrective action to remediate the contamination at one or more locations. Although the extent of remediation cannot be fully identified pending further investigation and obtaining bids from qualified contractors to accomplish the work, a preliminary estimate of remediation costs is in range of \$9 Million. Final remediation costs are subject to vary depending upon a number of factors including conditions encountered by the contractor and further investigations.

As a result of the apparent defects in the manufacture of the VCP and the design and installation of the sewer main, the City filed a lawsuit against several parties to recover its monetary damages. Although it is too early to determine the outcome of the litigation, damages recovered may be available to be used to offset the City's costs including those related to remediation.

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

The City ceased pumping treated effluent into the playa and the chloride content of the plume, both originally and currently, is below the federal and state limits for potable water. In fact, the water in the plume is of equal or better quality than that in the City's potable water system, which is rated "Superior" by the Texas Commission on Environmental Quality.

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)**

**Pollution Remediation Obligation (Continued)**

Management believes that GASB 49 does not apply in this instance since there has been no actual pollution by any legal definition of the term. However, the City intends to continue the practice of monitoring the plume, providing replacement wells and treatment systems and pursuing options for remediation in the future. The City has recorded a liability of \$2.7 million to continue the voluntary monitoring and well replacement program throughout this fiscal year. The estimated amount could change in the future as the City evaluates various alternatives.

**Federal and State Grant Programs**

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

**NOTE 17 - CONDUIT DEBT OBLIGATIONS**

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

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

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

**NOTE 18 - TAX ABATEMENTS AND ECONOMIC INCENTIVES**

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 18 - TAX ABATEMENTS AND ECONOMIC INCENTIVES (CONTINUED)**

The City has three categories of economic development agreements:

- **Tax Abatements** – Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer’s property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were \$556,823 in fiscal year 2019.
- **General Economic Development** – The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property, sales, or hotel tax received by the City, may result in fee reductions such as utility charges or building inspection fees, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. For fiscal year 2019, the City rebated \$750,484 in hotel taxes.
- **Tax Increment Financing** – The City has adopted two Tax Increment Financing zones (TIFs) under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are more fully described in Note 22. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. For fiscal year 2019, the City made \$311,804 in payments for TIF obligations, \$50,000 in incentive payments and \$480,540 in property tax rebates from general TIF resources.

**NOTE 19 - AMARILLO HOSPITAL DISTRICT**

**Significant Accounting Policies**

*Financial Reporting Entity*

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)**

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

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

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

**Agreements with Respect to Hospital Sale**

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

In return, the District will make indigent care payments to the buyer, payable in quarterly installments, for the next 25 years. The payments were \$8,000,000 per year through May 1999. Thereafter, through May 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, 2019, and 2018, the District recognized approximately \$5,453,000 and \$5,447,000, 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 an almost identical agreement called the Health Care Services Agreement (HCA). The District remitted approximately \$12,712,000 on November 20, 2006 to fund the Medicaid UPL program. The original agreement has been extended thirty-six times and as of September 30, 2019, is prepaid through May 8, 2020. The District has provided \$76.2 million in funding to the Medicaid program versus \$93.7 million in indigent care payments that would have been due under the contract.

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

**Waiver under Section 1115 of the Social Security Act**

The District agreed to participate in a waiver under Section 1115 of the Social Security Act that is designed to build on existing Texas health care reforms and to redesign health care delivery in the state administered through the Amarillo Department of Public Health. The waiver consists of two components: the Uncompensated Care (UC) program and the Delivery System Reform Incentive Payments (DSRIP) program, which is a five-year program and is currently in its seventh year. The only requirement in year one was to submit a plan, while subsequent years required process and outcome metrics. The District has made intergovernmental transfers on behalf of this program of \$7.6 million. On November 15, 2018, the District approved a transfer of \$123,000 for year seven.

**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



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)**

**Deposits and Investments (Continued)**

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, 2019, are as follows:

	Fair Value		Total	Weighted Average Maturity (Years) <small>(excluding securities lending)</small>
	Unrestricted Assets	Restricted Assets		
Investment Securities				
U.S. Treasury obligations	\$ 41,616,309	\$ -	\$ 41,616,309	0.41
U.S. Government and government-sponsored agencies	98,912,710	-	98,912,710	4.03
Municipal bonds	14,730,418	-	14,730,418	0.63
Total investment securities	155,259,437	-	155,259,437	5.07
No-load U.S. Treasury-only mutual funds	26,477,370	-	26,477,370	-
Total investments	181,736,807	-	181,736,807	5.07
Deduct: Cash equivalents	(26,477,370)	-	(26,477,370)	-
<b>Net investments for financial reporting</b>	<b>\$ 155,259,437</b>	<b>\$ -</b>	<b>\$ 155,259,437</b>	<b>5.07</b>

**Tobacco Settlement**

During 1998 the State of Texas settled litigation against certain tobacco manufacturers, which entitles political subdivisions with legal responsibility for providing indigent healthcare services to a portion of the settlement proceeds. As a result of the settlement, in 1998 the District received a distribution of approximately \$2.9 million based on a per capita calculation (1990 federal census). Subsequent distributions have been made based on each subdivision's total unreimbursed indigent healthcare expenditures for the calendar year immediately preceding the year of distribution. As the various calculations are not determinable by the District, these revenues are not accrued. In 2019 and 2018, the District received approximately \$356,000 and \$357,000, respectively, in tobacco settlement funds.

**Employee Retirement Benefits**

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

The District recorded a net pension liability of \$1,742,727. Significant actuarial assumptions used in the valuations include a rate of return on investments of 7.5%. GASB 68 also requires the District to disclose the sensitivity of the net pension liability to changes in the discount rate by disclosing what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%), \$3,858,716, or one percentage point higher (8.5%), \$(83,552). Compensation increases do not apply due to the plan being frozen. For the year ended September 30, 2019, the District made a contribution of \$1,500,000 to the AHD Plan. Subsequent to year end, the District made a contribution of \$500,000 to the AHD 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

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)**

**Employee Retirement Benefits (Continued)**

or termination. At October 1, 2017, the plan had 116 participants classified as "active" under this provision, although the plan was "frozen" as it relates to District participants, as well as 368 retirees and 211 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.

Northwest Texas Healthcare System (Northwest) provides the tobacco prevention services and the pediatric sub-specialty care services in the community. Pediatric sub-specialty care is provided through Texas Tech. Northwest provides tobacco prevention and control services through a contract with the Harrington Cancer and Health Foundation. The District has approved a resolution to make monthly payments on behalf of NWTX to the Medicaid program of \$123,000 through September 30, 2019.

**Financial Statements**

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

**NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION**

**Significant Accounting Policies**

*Operations*

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

The mission of AEDC is to attract businesses to Amarillo which offer highly skilled, highly paid positions, to expand and retain existing local businesses in Amarillo, and to create a business environment conducive to entrepreneurship. The AEDC targets companies whose primary function is to produce

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Significant Accounting Policies (Continued)**

*Operations (Continued)*

goods or services that are then sold outside of the immediate trade area, thereby introducing new monies into the local economy. This strategy is met by implementing aggressive business recruitment programs, local business retention and expansion programs, and promoting AEDC and Amarillo, Texas, brands worldwide.

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

**Measurement Focus, Basis of Accounting, and Financial Statement Preparation**

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

Investments are valued at fair 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 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.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Deposits and Investments (Continued)**

A summary of the AEDC's investment securities at September 30, 2019, is as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
<b>Investments</b>		
CDARs	\$ 26,530,000	.28
Money market mutual funds	<u>22,418,542</u>	<u>-</u>
Total investments at fair value	48,948,542	.28
Deduct: Classified as cash equivalents for financial reporting	<u>(22,418,542)</u>	<u>-</u>
<b>Net investments</b>	<u>\$ 26,530,000</u>	<u>.28</u>

**Economic Development Loans**

As one type of economic development project, the AEDC has made a number of loans to industrial enterprises under arrangements that waive up to 100% of the stated interest on such loans if job creation targets are met. These maximum allowances are recognized as development expenses in the period in which the loans are made. In addition to interest waivers, a provision has been made for uncollectible loans, including amounts related to the individual credits based on managements' analysis, as well as a provision for unidentified risks.

An analysis of loans and the related valuations allowances at September 30, 2019, are as follows:

Principal balances	\$ 45,471,795
Allowance for uncollectible accounts	<u>-</u>
<b>Loans, net of allowances</b>	<u>\$ 45,471,795</u>

Interest accrued and receivable on loans is \$1,984,989 at September 30, 2019.

**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, 2019, the direct financing leases were converted to notes receivable.

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. All job creation goals were met during the fiscal year ended September 30, 2019 and Bell Helicopter invoked their purchase option.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Direct Financing Leases (Continued)**

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 annual rentals, in the amount of \$528,500 could be fully waived if job creation goals are met. This lease was converted to a note receivable on January 1, 2019.

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 creation goals are met. This lease was converted to a note receivable on January 1, 2019.

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. This lease was converted to a note receivable on January 1, 2019.

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. This lease was converted to a note receivable on January 1, 2019.

In fiscal year 2011, a project was completed for a total cost of \$31,749,325. The lease for this project commences on June 14, 2011. The rental term for this project is 20 years, beginning on the date the lease commenced. The resulting annual rentals in the amount of \$2,811,214 could be fully waived if job creation goals are met. This lease was converted to a note receivable on January 1, 2019.

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, a project was completed for a tenant in which, subject to job creation targets, the tenant has the option to acquire the property in 2029, for \$1. The rental term for this project is 20 years beginning on the date the lease commenced. The resulting annual rentals in the amount of \$630,000 could be fully waived if job creation goals are met. At September 30, 2019, AEDC's net investment in this lease, less discount for jobs credits, was \$4,820,233.

In 1997, AEDC completed acquisition and renovation of a property for an industrial tenant in which, subject to job creation targets, the tenant has the option to acquire the property in 2006, and every third year thereafter, for an amount equal to AEDC's initial investment reduced by subsequent rentals. During 2011, AEDC amended the agreement with this tenant and advanced additional funds to the company for improvements. The additional amount advanced was approximately \$166,000. The terms of the loan were changed to extend payments on the loan through August 2020 and allow for three additional three-year successive terms to acquire the property as previously described. In 2019, the tenant exercised the option to acquire the property; thus, at September 30, 2019, AEDC's net investment in this lease, less discount for job credits, was \$-0-.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Direct Financing Leases (Continued)**

In fiscal year 2015, a project was completed for a tenant in which a building and surrounding improvements in the Centerport complex were constructed for a total cost of \$9,607,823 with related land valued at \$390,240. As part of a location incentive agreement between the tenant and AEDC, the tenant was given a \$4,500,000 loan incentive credit, making the total lease amount \$5,498,063. Also as part this transaction, the tenant transferred ownership of a building and land property in downtown Amarillo to the City of Amarillo, and the City of Amarillo subsequently obtained an appraisal that valued the downtown property at \$5,020,000. The lease for this project commenced on March 31, 2015. The term for this project is four years, beginning on the date the lease commenced. The resulting annual rentals in the amount of \$1,374,516 could be full waived if job creation goals are met and if the tenant does not cease operations in the facility during the four-year contract term. In 2019, the tenant satisfied the terms of the agreement; thus, at September 30, 2019, AEDC's net investment in this lease, less discount for job credits, was \$-0-.

In fiscal year 2015, approximately 48 acres of land in AEDC's Centerport complex was deeded to a wind tower manufacturer. The lease for this project commences on November 15, 2021. The rental term for this project is seven years, beginning on the date that the lease commences. The resulting annual rental of \$274,286 could be fully or partially waived if job creation goals are met. At September 30, 2019, AEDC's net investment in this lease, less discount for job credits, is \$1,209,790.

In 2017, AEDC released constructed assets to the wind tower manufacturer. The lease for this portion of the project also commences on November 15, 2021 with a rental term of seven years. The annual rent of \$471,429 could be fully or partially waived if job creation goals are met. At September 30, 2019, AEDC's net investment in this portion of the lease, less discount for job credits, is \$2,303,387.

**Year ending September 30**

2020	\$ 630,000
2021	630,000
2022	1,375,715
2023	1,375,715
2024	1,375,715
Future years	<u>6,132,855</u>
	<u>\$ 11,520,000</u>

**Operating Lease Activities**

The AEDC has other operating leases for office and warehouse space to unrelated third parties. During 2019, they received \$529,000 on those leases.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**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, 2019, the AEDC's property, plant, and equipment were as follows:

Buildings and improvements	\$ 12,081,247
Vehicles and equipment	27,889
Construction in progress	134,661
Accumulated depreciation	<u>(3,377,321)</u>
<b>Total capital assets</b>	<b><u>\$ 8,866,476</u></b>

**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, 2019, was \$69,244.

**Long-Term Debt**

In June 2017, AEDC issued its Taxable Sales Tax Revenue Refunding Bonds, Series 2017, dated June 20, 2017, in the face amount of \$22,480,000. The 2017 issue refunded the 2007 bond issue. The 2017 Series has annual principal amounts ranging from \$1,925,000 to \$2,305,000. Annual debt requirements range from approximately \$2,377,000 to \$2,382,000 through August 15, 2027. Interest rates on the outstanding bonds range from 2.039% to 3.183%. Scheduled principal payments are as follows: 2020, \$1,925,000; 2021, \$1,965,000; 2022, \$2,010,000; 2023, \$2,060,000; 2024, \$2,115,000 and thereafter \$6,715,000. The principal outstanding at September 30, 2019 was \$16,790,000.

At the time of refunding there was \$23,345,000 of outstanding Taxable Sales Tax Revenue Refunding and Improvement Bonds, Series 2007. The refunding was undertaken to reduce total debt service payments over the next ten years by approximately \$4,141,000 and resulted in an economic benefit of approximately \$3,557,000. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from AEDC's financial statements.

In June 2019, AEDC issued its Taxable Sales Tax Revenue Refunding Bonds, Series 2019, dated June 18, 2019, in the face amount of \$27,680,000. The 2019 issue refunded the 2009 bond issue. The 2019 Series has annual principal amounts ranging from \$2,180,000 to \$2,865,000. Annual debt requirements range from approximately \$2,957,000 to \$2,961,000 through August 15, 2030. Interest rates on the outstanding bonds range from 2.40% to 3.24%. Scheduled principal payments are as follows: 2020, \$2,180,000; 2021, \$2,235,000; 2022, \$2,290,000; 2023, \$2,350,000; 2024, \$2,410,000 and thereafter \$15,965,000.

At the time of the refunding there was \$28,130,000 of outstanding Taxable Sales Tax Revenue Bonds, Series 2009. The refunding was undertaken to reduce total debt service payments over the next 12 years by approximately \$6,004,000 and resulted in an economic benefit of approximately \$5,114,000. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from AEDC's financial statements.

AEDC's bonds are rated "AA-" by Standard & Poor's Ratings Services.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Commitments**

At September 30, 2019, AEDC had outstanding commitments to make grants or extend credit to qualifying enterprises, in the amount of approximately \$92,000,000.

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

AEDC has committed approximately \$69 million to a university. Subsequent to September 30, 2019 AEDC has been notified that the university has met all required provisions for \$30 million over the next five years. An additional \$6 million has been committed to Bell Helicopter for a delivery center. Additionally, they have committed to a local pharmaceutical group \$13 million to assist with job retention and creation. AEDC has paid approximately \$2.9 million, leaving a commitment of \$10.1 million. Another \$3.0 million has been committed to the expansion of the Thrive scholarship program. The current commitment is approximately \$2.9 million. AEDC has committed approximately \$1.3 million and another \$260,000 to business to assist with job creation and retention. In addition, AEDC has committed \$550,000 to the WTAMU Enterprise Center Accelerator Program. Other various commitments outstanding are approximately \$2 million.

**Net OPEB Liability**

For the fiscal year ended September 30, 2019, AEDC's net OPEB liability is \$65,516. Considering the annual expense less pay-as-you-go cost for retirees and trust contributions the result was an increase in the net OPEB liability of \$5,233 for the year ended September 30, 2019.

**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 21 - AMARILLO-POTTER EVENTS VENUE DISTRICT**

**Significant Accounting Policies**

The Venue District is a governmental entity created by enabling resolutions of the City and Potter County (the County) in September 1997. In January 1998, the voters of the City and the County approved the proposed project, which consists of constructing a livestock arena at the county fair grounds to be used for livestock shows, sporting events, agricultural expositions and other civic or charitable events, together with expansion of the City's Civic Center to provide additional exhibit hall space and meeting rooms.

The construction of the livestock arena has been financed by citizen contributions, together with bonds serviced by a 2% hotel occupancy tax and a 5% tax on short-term auto rentals, both of which taxes were approved by the voters on January 17, 1998. The City has agreed to pay lease rentals, if necessary, to cover any shortfall in the tax revenues available for the debt service.

The Venue District is governed by a seven-member Board of Directors, four of whom are appointed by the Mayor of the City and three of whom are appointed by the County Judge of the County. The budget is subject to approval by both the City Council and the County Commissioner's Court. The City serves as fiscal agent for the Venue District, performing various administrative services under a contract providing that it will be reimbursed for its cost of providing the services.



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 21 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)**

**Significant Accounting Policies (Continued)**

The Venue District is considered to be a component unit of the City's financial reporting entity because of its oversight responsibility with respect to management, as well as its financial accountability with respect to debt service.

**Measurement Focus, Basis of Accounting, and Financial Statement Preparation**

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

Taxes collected by hotels and rental agencies are due to the Venue District by the tenth of the month following collection. Such taxes are recognized as revenues when collected by the remitters.

Depreciation is provided for on the straight-line method over the estimated useful lives of the facilities. The primary depreciable asset of the Venue District at September 30, 2019, was a livestock arena, and its estimated useful life is 40 years.

**Physical Facilities**

A livestock arena and special events center (the Center) has been constructed on fairground property owned by the County and has a total capacity of 10,000 persons. The total construction cost of the facility was approximately \$12.8 million. When completed as of June 1, 2000, the Center was leased on a rent-free basis to the local nonprofit fair association.

In January 2002 construction began on a 65,000 square foot addition to the City's Civic Center, together with additional paved parking. The total construction cost of this facility was \$9.6 million. Cost in excess of the funds provided by the Venue District's bonds and available revenues are to be paid by the City with proceeds of its hotel-motel taxes earmarked for this expansion.

**Financing**

In December 1998, the Venue District issued sales tax and lease revenue bonds in the face amount of \$10 million, secured by a pledge of the Venue District's tax revenues, as well as by a lease agreement from the City secured by its hotel occupancy taxes, to be applicable if there is a shortfall in the Venue District's revenues available for debt service. In November 2000, the Venue District issued additional bonds in the face amount of \$6,750,000. On November 10, 2005, the Venue District issued \$6,425,000 in Special Tax and Lease Revenue Refunding Bonds (Series 2005) for a refunding of \$6,340,000 of outstanding Special Tax and Lease Revenue Bonds, Series 2000. On September 20, 2016, the Venue District issued \$5,085,000 in Special Tax and Lease Revenue Refunding Bonds for a refunding of \$5,105,000 of the Series 2005 outstanding bonds. The refunding was undertaken to reduce debt service payments by approximately \$327,000 over the next 30 years. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Venue District's financial statements. The principal amount outstanding at September 30, 2019, on the 2016 bond issue was \$4,705,000 and the unamortized bond premium was \$239,658.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2019**

**NOTE 21 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)**

**Financing (Continued)**

In August 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 \$652,000 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, 2019, on the bond issues was \$4,945,000.

**Commitments**

The District added an addendum to its agreement with Amarillo Tri-State Exposition, which provides that a monthly sum will be paid in consideration of management and operation of the Events Center. The monthly sum paid is subject to annual appropriation. On August 28, 2018, the District's Board approved an annual appropriation in the amount of \$328,248 for the year ending September 30, 2019, to Amarillo Tri-State Exposition. Additionally, the District's Board approved \$1,119,960 for the Amarillo Tri-State participation and \$355,609 for event development in its normal budgetary process.

The District has made a similar commitment to the City. In the lease addendum with the City, the District agreed to a monthly sum in consideration of management and operation of the District's addition to the Civic Center. The payment to the City is also subject to annual appropriation. On August 28, 2018, the District's Board approved an appropriation in the amount of \$398,004 through the year ending September 30, 2019, to the City in its normal budgetary process. Additionally, the District's Board approved \$200,000 for Civic Center improvements in its normal budgetary process.

**Financial Statements**

Separately issued financial statements for this entity may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

**NOTE 22 - AMARILLO HOUSING FINANCE CORPORATION**

In 1996 AHFC issued bonds in the amount of \$15,700,000 under authority of the Texas Housing Finance Corporation Act, and entered into a trustee investment arrangement in which the proceeds are to be invested in GNMA and FHLMC certificates secured by the mortgage loans originated under a lending program prescribed by the Act. On February 1, 1999 the AHFC refunded \$5,500,000 and called \$3,260,000 of this issue. The remaining bonds are payable solely from the Trust Estate, and are not general obligations of either the AHFC or the City. A similar issuance was made in a prior year in the amount of \$8,700,000.

On February 28, 2000 the AHFC issued \$15,000,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trustee investment arrangement in which proceeds are invested in GNMA and FNMA certificates. In 2003 the AHFC issued \$10,000,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trustee investment arrangement in which proceeds are invested in GNMA and FNMA certificates.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 22 - AMARILLO HOUSING FINANCE CORPORATION (CONTINUED)**

In December 2007, the Housing Finance Corporation converted its \$5.6 million mortgage bond allocation to \$4 million in Mortgage Credit Certificates (MCC). MCCs allow first-time homebuyers to take a tax credit of up to \$2,000 a year on their income tax return for a portion of the mortgage interest paid during the year and the taxpayer is still allowed to deduct the balance of the mortgage interest as an itemized deduction. Also, MCCs work in any interest-rate environment. The program ended in December 2009. In total, the City utilized \$2,730,817 of the \$4 million in MCCs available.

**Financial Statements**

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

**NOTE 23 - TAX INCREMENT REINVESTMENT ZONE #1**

The Tax Increment Reinvestment Zone Number One (TIRZ #1) was created in FY 2007 pursuant to the Texas Tax Increment Financing Act, Tax Code, Chapter 311. The purpose of the zone is to promote the development of or redevelopment of certain contiguous geographic areas in the City.

TIRZ #1 enters into economic development agreements designed to promote development and redevelopment within TIRZ #1, spur economic improvement, stimulate commercial activity, generate additional sales tax and hotel tax and enhance the property tax base and economic vitality of TIRZ #1. These programs abate or rebate property taxes, sales tax, and hotel tax, and also include incentive payments and reductions in fees that are not tied to taxes. TIRZ #1's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to TIRZ #1. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

TIRZ #1 has one category of economic development agreements:

- Tax Increment Financing – TIRZ #1 has adopted two Tax Increment Financing zones (TIFs) under Chapter 311 of the Texas Tax Code. TIRZ #1 enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. TIRZ #1 enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. For 2019, TIRZ #1 made \$480,540 in property tax rebates from general TIF resources.

At September 30, 2019, TIRZ #1 has the following commitments outstanding:

During 2017, the TIRZ #1 Board approved a \$125,000 community projects grant for wayfinding signage. At September 30, 2019, no amounts have been disbursed and a commitment of \$125,000 remains.

On May 10, 2018, the TIRZ #1 Board approved a \$50,000 community projects grant to West Texas A&M University at 800 S. Harrison for improvements. At September 30, 2019, no amounts have been disbursed and a \$50,000 commitment remains.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 23 - TAX INCREMENT REINVESTMENT ZONE #1 (CONTINUED)**

On December 4, 2018, the TIRZ #1 Board approved a \$35,000 community projects grant to the owners of 300 SW 10<sup>th</sup> Street for improvements. At September 30, 2019, no amounts have been disbursed and a \$35,000 commitment remains.

On August 22, 2019, the TIRZ #1 Board approved a \$50,000 community projects grant to Happy State Bank at 701 S Taylor for streetscapes. At September 30, 2019, no amounts have been disbursed and a \$50,000 commitment remains.

In FY 2017, the TIRZ #1 Board, through the Center City program, approved a \$50,000 allocation for the Jabeen Indian at 906 S Jackson. As of September 30, 2019, no disbursements have been made and a \$50,000 commitment remains.

In FY 2018, the TIRZ #1 Board, through the Center City program, approved a \$50,000 allocation to Amarillo Hardware for 501 S Grant. As of September 30, 2019, no disbursements have been made and a \$50,000 commitment remains.

On December 4, 2018, the TIRZ #1 Board, through the Center City program, approved a \$50,000 allocation for 300 SW 10<sup>th</sup> Street. At September 30, 2019, no amounts have been disbursed.

The TIRZ #1 agreed to support the Potter County Courthouse renovation project with a debt issuance of \$1,234,605. The TIRZ #1 participation agreement with Potter County was amended November 16, 2010 and the funding obligation for the Courthouse was \$745,426. On June 16, 2011, the TIRZ #1 Board amended the agreement to add \$198,000 to the agreement. The TIRZ #1 has agreed to do landscaping and streetscaping around the new Courthouse. The City of Amarillo issued approximately \$2.2 million in Certificates of Obligation in February 2011 using an unlimited pledge of TIRZ #1 revenue for the Courthouse project and other streetscape improvements in downtown Amarillo.

The TIRZ #1 Board approved approximately \$2.7 million for the streetscape improvements for the Amarillo Convention Hotel, parking structure, and multi-purpose event venue. On January 14, 2016, the TIRZ #1 Board voted to increase the participation in the downtown projects from \$2.7 million to \$4.387 million. The increase of \$1.687 million is in the form of a loan to the Amarillo Local Government Corporation (LGC) with the original commitment of \$2.7 million remaining as a grant. On the same date, the Board agreed to fund the retail portion of the parking garage construction and a portion of the streetscape and amended the TIRZ #1 Project and Financing Plan accordingly. As of September 30, 2019, TIRZ #1 has advanced \$1,687,000 to LGC and \$137,342 of accrued interest has been added to the outstanding principal balance, for a total outstanding balance of \$1,824,342. During FY 2017, the City loaned TIRZ #1 \$1,500,000 to assist TIRZ #1 with its obligation to fund \$3.45 million for the retail space associated with the parking garage project and approximately \$930,000 of streetscape improvements. As of September 30, 2019, the outstanding balance on this loan is \$1,371,378.

**Financial Statements**

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

**NOTE 24 - AMARILLO LOCAL GOVERNMENT CORPORATION**

In March 2011, the Corporation was organized as a public nonprofit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the development of the geographic area of the City, including the vicinity of the downtown area, in

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 24 - AMARILLO LOCAL GOVERNMENT CORPORATION**

furtherance of the promotions, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism and economic development in the City. The Corporation was created under the provisions of Subchapter D of Chapter 431, Texas Transportation Code and the Texas Nonprofit Corporation Law, Chapter 22, Business Organizations Code.

LGC is governed by a seven-member Board of Directors appointed by the City Council. LGC's annual operating budget, as well as projects undertaken by it, is subject to approval by the City Council.

The City leased land to the LGC to build a convention hotel and parking garage. The term of the ground lease is for eighty (80) years. The LGC entered into a lease and development agreement with Supreme Bright Amarillo II, LLC to construct a full-service convention center hotel with 225 rooms and approximately 17,000 square feet of configurable meeting space. Construction of the hotel by the developer was substantially completed and commencement of operations occurred on September 8, 2017.

Pursuant to the lease and development agreement, LGC owns the hotel during the lease term and leases the hotel to the developer for eighty (80) years. Upon expiration or termination of the lease, ownership of the hotel transfers from LGC to the City. At September 30, 2017, LGC recorded \$40,700,000 in contributed capital and capital assets for the hotel. During the lease term, the developer will receive all revenue from the hotel and will be responsible for all operating and maintenance costs. The agreement includes a performance assurance clause of up to \$2 million, to be funded, if necessary, to assure a minimum performance of the hotel for a limited time surrounding the opening of it. As of September 30, 2019, the City has not had to fund any amount of the \$2 million performance assurance clause. The LGC, the City, and TIRZ #1 have agreed not to incentivize another comparable hotel in the downtown area for five years.

July 1, 2017, LGC completed construction of a 750-space parking garage adjacent to the hotel. The cost of the parking garage was \$16,947,568. LGC owns the parking garage and will operate the parking facility and retain all parking fee revenue. At the end of the eighty year ground lease, ownership of the parking garage will transfer from LGC to the City. The hotel developer will have 150 reserved spaces in the garage and has agreed to pay \$120,000 a year in parking rent and an annual base rent of \$1,000, adjusted annually by CPI. LGC will operate the retail portion of the parking garage and will retain the revenue therefrom.

**Financial Statements**

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

**NOTE 25 - TAX INCREMENT REINVESTMENT ZONE #2**

The Tax Increment Reinvestment Zone Number Two (TIRZ #2) was created November 8, 2016 through an Ordinance of the City of Amarillo in accordance with the Tax Incentive Financing Act, codified at Chapter 311 of the Texas Tax Code. TIRZ #2 will terminate no later than November 8, 2046. The purpose of the zone is to promote the development of or redevelopment of certain contiguous geographic areas in the City.

**Financial Statements**

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

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 26 - NEW GASB PRONOUNCEMENTS**

GASB has issued several new pronouncements that the City has reviewed for application.

GASB Statement No. 84, *Fiduciary Activities*, the objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. GASB No. 84 is effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 85, *Omnibus 2017*, the objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB 85 is effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The City implemented this statement in FY 2019.

GASB Statement No. 87, *Leases*, the objective of this statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The City implemented this statement in FY 2019.

GASB Statement No. 89, *Accounting For Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of *Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 26 - NEW GASB PRONOUNCEMENTS (CONTINUED)**

recognized as an expense in the period in which the cost incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The City implemented this statement in FY 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No.91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with the conduit debt obligations; and improving required not disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuer's conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting debt service of conduit debt obligations also should disclose information about the amount recognized and how the liability changed during the reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**NOTE 27 - SUBSEQUENT EVENTS**

The City evaluated for inclusion as a subsequent event disclosure those events that occurred prior to February 25, 2020, the date the financial statements were issued.

On January 28, 2020, the City Council authorized the purchase of 509 Jackson Street in Downtown Amarillo in the amount of \$3.85 million dollars.

On February 11, 2020, the City Council called a general obligation bond election for the voters to consider a \$275 million improvement project for the City's convention center facilities to be funded by ad valorem taxes.

This information is an integral part of the accompanying basic financial statements.



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## REQUIRED SUPPLEMENTARY INFORMATION

Certain information that is not a part of the basic financial statements but, nevertheless, is considered to be an important part of a governmental entity's financial report, must be presented immediately after the notes to the basic financial statements. This information includes the following:

Budgetary comparison schedules for the General Fund and each major special revenue fund that has a legally adopted annual budget: Under these criteria, the budgetary comparison schedule of the General Fund is presented in this section.

Pension trend data: The City's Net Pension Liability and Required Contributions for the Texas Municipal Retirement System, as well as the Firemen's Relief and Retirement Fund for City of Amarillo firefighters, is included in this section.

Postemployment trend data: The City's Net OPEB Liability and Required Contributions, is included in this section.

**CITY OF AMARILLO, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	Adjustments to Budgetary Basis	
<b>REVENUES</b>					
Ad valorem taxes	\$ 44,683,407	\$ 44,683,407	\$ 45,108,274	\$ -	\$ 424,867
Sales taxes	58,359,200	58,359,200	59,175,698	-	816,498
Mixed beverage taxes	874,765	874,765	954,629	-	79,864
Hotel occupancy taxes	7,077,079	6,570,750	6,458,248	-	(112,222)
Gross receipts bus. taxes	19,442,305	19,442,305	17,350,836	-	(2,091,469)
Licenses and permits	3,688,290	3,534,174	3,534,174	-	(154,116)
Interfund reimbursement	1,872,474	1,872,474	1,879,045	-	6,571
Intergovernmental revenue	4,997,248	5,442,266	4,902,180	-	(540,086)
Contributions from citizens	10,000	101,816	78,098	-	(23,718)
Charges for services	37,379,459	37,404,459	36,460,898	-	(943,561)
Fines and forfeitures	5,106,200	5,106,200	4,443,011	-	(663,189)
Investment earnings	910,751	910,751	1,424,731	-	513,980
Other rentals and commissions	440,434	440,434	609,697	-	169,263
Miscellaneous revenues	237,946	237,947	281,290	-	43,343
<b>Total revenues</b>	<b>185,079,508</b>	<b>185,134,784</b>	<b>182,660,809</b>	<b>-</b>	<b>(2,473,975)</b>
<b>EXPENDITURES</b>					
Auditorium/coliseum	3,074,327	3,997,234	3,672,282	4,184	320,768
Tourism	2,671,948	2,671,948	2,607,820	(64,000)	128,128
Fire protection	33,296,055	33,695,300	33,477,238	(69,933)	197,995
General government	5,063,438	5,177,774	4,658,071	11,004	508,699
Libraries	4,197,806	4,236,535	4,111,262	14,097	111,176
Public safety and health	12,637,938	12,409,003	12,092,698	(4,835)	321,140
Parks	8,114,350	8,351,187	7,618,272	(14,504)	737,419
Participant recreation	7,801,340	7,638,348	6,950,038	(23,832)	712,142
Police protection	48,560,379	48,548,905	47,245,482	15,927	1,287,496
Solid waste	15,086,195	15,041,583	16,743,174	(397,783)	(1,303,808)
Staff services	11,133,257	11,246,487	11,017,616	(13,605)	282,476
Information technology	4,135,885	4,454,886	4,454,886	-	-
Streets traffic and engineering	16,999,128	15,419,191	15,692,906	9,783	746,502
Transit	6,136,602	5,176,600	5,380,196	(7,151)	803,555
<b>Total expenditures</b>	<b>179,808,648</b>	<b>180,054,981</b>	<b>175,721,941</b>	<b>(540,648)</b>	<b>4,873,688</b>
Excess (deficiency) of revenues over (under) expenditures	<b>5,270,860</b>	<b>5,079,803</b>	<b>6,938,868</b>	<b>540,648</b>	<b>2,399,713</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	193,515	193,515	250,064	-	56,549
Transfers to other funds	(7,890,756)	(8,206,270)	(10,044,644)	-	(1,838,374)
Total other financing sources (uses)	(7,697,241)	(8,012,755)	(9,794,580)	-	(1,781,825)
Net change in fund balances	(2,426,381)	(2,912,952)	(2,855,712)	560,648	617,888
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>48,049,604</b>	<b>48,049,604</b>	<b>48,087,221</b>	<b>(37,617)</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 45,623,223</b>	<b>\$ 45,116,652</b>	<b>\$ 45,231,509</b>	<b>\$ 503,031</b>	<b>\$ 617,888</b>

Note 1 - The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP), unrealized investment gain (loss) is recognized for GAAP basis only and interfund loan transactions treated as transfers for budget basis.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**SEPTEMBER 30, 2019**

	2018 <sup>(1)</sup>	2017 <sup>(1)</sup>	2016 <sup>(1)</sup>	2015 <sup>(1)</sup>	2014 <sup>(1)</sup>
<b>Total Pension Liability</b>					
Service cost	\$ 12,336,149	\$ 12,122,087	\$ 11,329,118	\$ 10,715,246	\$ 9,500,808
Interest (on the total pension liability)	31,164,809	30,060,764	29,137,163	28,509,723	27,566,183
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(2,072,564)	783,263	(1,733,915)	2,896,352	(425,198)
Change of assumptions	-	-	-	7,637,919	-
Benefit payments, including refunds of employee contributions	(28,145,055)	(25,288,785)	(25,602,958)	(25,769,544)	(21,770,206)
<b>Net change in Total Pension Liability</b>	<b>13,283,339</b>	<b>17,677,329</b>	<b>13,129,408</b>	<b>23,989,696</b>	<b>14,871,587</b>
<b>Total Pension Liability - Beginning</b>	<b>469,605,335</b>	<b>451,928,006</b>	<b>438,798,598</b>	<b>414,808,902</b>	<b>399,937,315</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 482,888,674</b>	<b>\$ 469,605,335</b>	<b>\$ 451,928,006</b>	<b>\$ 438,798,598</b>	<b>\$ 414,808,902</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 10,870,728	\$ 9,999,142	\$ 8,727,306	\$ 8,989,606	\$ 8,771,979
Contributions - employee	6,126,621	5,977,591	5,573,830	5,589,314	5,307,168
Net investment income	(12,811,240)	53,245,620	25,057,057	563,574	21,096,607
Benefit payments, including refunds of employee contributions	(28,145,055)	(25,288,785)	(25,602,958)	(25,769,544)	(21,770,206)
Administrative expense	(247,841)	(276,145)	(283,170)	(343,321)	(220,283)
Other	(12,949)	(13,995)	(15,257)	(16,957)	(18,110)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(24,219,736)</b>	<b>43,643,428</b>	<b>13,456,808</b>	<b>(10,987,328)</b>	<b>13,167,155</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>428,104,463</b>	<b>384,461,035</b>	<b>371,004,227</b>	<b>381,991,555</b>	<b>368,824,400</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 403,884,727</b>	<b>\$ 428,104,463</b>	<b>\$ 384,461,035</b>	<b>\$ 371,004,227</b>	<b>\$ 381,991,555</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 79,003,947</b>	<b>\$ 41,500,872</b>	<b>\$ 67,466,971</b>	<b>\$ 67,794,371</b>	<b>\$ 32,817,347</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	83.64%	91.16%	85.07%	84.55%	92.09%
<b>Covered Payroll</b>	<b>\$ 87,181,265</b>	<b>\$ 85,306,707</b>	<b>\$ 79,614,328</b>	<b>\$ 79,785,899</b>	<b>\$ 75,816,680</b>
<b>Net Position Liability as a Percentage of Covered Payroll</b>	90.62%	48.65%	84.74%	84.97%	43.29%

<sup>(1)</sup> Amounts are based on the Texas Municipal Retirement System Plan year end December 31  
Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 10,835,851	\$ 10,572,971	\$ 8,973,486	\$ 8,571,738	\$ 8,723,824
Contributions in relation to the actuarially determined contribution	10,835,851	10,572,971	8,888,138	8,545,939	8,723,824
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,348</u>	<u>\$ 25,799</u>	<u>\$ -</u>
<b>Covered payroll</b>	<u>\$ 88,422,191</u>	<u>\$ 86,398,268</u>	<u>\$ 84,792,191</u>	<u>\$ 77,629,583</u>	<u>\$ 76,977,081</u>
<b>Contributions as a percentage of covered payroll</b>	12.25%	12.24%	10.48%	11.01%	11.33%

Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2019**

**NOTE 1 - VALUATION DATE**

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

**NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES**

The following methods and assumptions are used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	2.5%
Individual salary increases	3.50% to 10.5%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experienced study of the period 2010-2014
Mortality	RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**NOTE 3 - OTHER INFORMATION**

There were no benefit changes during the year.

**CITY OF AMARILLO, TEXAS  
FIREMEN'S RELIEF AND RETIREMENT FUND  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
SEPTEMBER 30, 2019**

	2018 <sup>(1)</sup>	2017 <sup>(1)</sup>	2016 <sup>(1)</sup>	2015 <sup>(1)</sup>	2014 <sup>(1)</sup>
<b>Total Pension Liability</b>					
Service cost	\$ 5,368,316	\$ 4,945,627	\$ 4,755,411	\$ 3,983,821	\$ 3,830,597
Interest (on the total pension liability)	15,169,042	15,134,536	14,501,797	13,596,993	13,071,902
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(3,093,038)	-	4,740,472	-
Change of assumptions	-	7,650,803	-	4,770,803	-
Benefit payments, including refunds of employee contributions	(12,366,342)	(11,610,516)	(11,465,839)	(11,340,691)	(10,131,932)
<b>Net change in Total Pension Liability</b>	<b>8,171,016</b>	<b>13,027,412</b>	<b>7,791,369</b>	<b>15,751,398</b>	<b>6,770,567</b>
<b>Total Pension Liability - Beginning</b>	<b>203,068,750</b>	<b>190,041,338</b>	<b>182,249,969</b>	<b>166,498,571</b>	<b>159,728,004</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 211,239,766</b>	<b>\$ 203,068,750</b>	<b>\$ 190,041,338</b>	<b>\$ 182,249,969</b>	<b>\$ 166,498,571</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 3,969,255	\$ 3,879,330	\$ 3,635,605	\$ 3,559,287	\$ 3,311,865
Contributions - employee	2,636,704	2,576,969	2,509,970	2,456,814	2,286,471
Net investment income	(3,233,190)	24,077,154	13,708,943	12,177,834	6,499,411
Gain (loss) due to difference in projected vs. actual earnings	-	-	-	(12,274,477)	-
Benefit payments, including refunds of employee contributions	(12,366,342)	(11,610,516)	(11,465,839)	(11,340,691)	(10,131,932)
Administrative expense	(86,128)	(76,383)	(80,849)	(436,742)	(90,633)
Other	705	2,147	30,991	50,173	5,165
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(9,078,996)</b>	<b>18,848,701</b>	<b>8,338,821</b>	<b>(5,807,802)</b>	<b>1,880,347</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>171,845,403</b>	<b>152,996,702</b>	<b>144,657,881</b>	<b>150,465,683</b>	<b>148,585,336</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 162,766,407</b>	<b>\$ 171,845,403</b>	<b>\$ 152,996,702</b>	<b>\$ 144,657,881</b>	<b>\$ 150,465,683</b>
<b>City's Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 48,473,359</b>	<b>\$ 31,223,347</b>	<b>\$ 37,044,636</b>	<b>\$ 37,592,088</b>	<b>\$ 16,032,888</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>77.05%</b>	<b>84.62%</b>	<b>80.51%</b>	<b>79.37%</b>	<b>90.37%</b>
<b>Covered Payroll</b>	<b>\$ 20,282,338</b>	<b>\$ 19,822,841</b>	<b>\$ 19,307,515</b>	<b>\$ 18,902,215</b>	<b>\$ 17,588,238</b>
<b>Net Position Liability as a Percentage of Covered Payroll</b>	<b>238.99%</b>	<b>157.51%</b>	<b>191.87%</b>	<b>198.88%</b>	<b>91.16%</b>

<sup>(1)</sup> Amounts are based on the Firemen's Relief and Retirement Plan year end December 31

Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
FIREMEN'S RELIEF AND RETIREMENT FUND  
SCHEDULE OF CONTRIBUTIONS  
SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 3,980,186	\$ 3,913,039	\$ 3,827,547	\$ 3,576,216	\$ 3,432,058
Contributions in relation to the actuarially determined contribution	<u>3,980,186</u>	<u>3,913,039</u>	<u>3,827,547</u>	<u>3,576,216</u>	<u>3,432,058</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Covered payroll</b>	<u>\$ 20,311,090</u>	<u>\$ 20,057,182</u>	<u>\$ 19,892,208</u>	<u>\$ 18,890,426</u>	<u>\$ 18,288,556</u>
<b>Contributions as a percentage of covered payroll</b>	19.60%	19.51%	19.24%	18.91%	18.77%

Information to present a ten-year history is not readily available.

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
 FIREMEN'S RELIEF AND RETIREMENT FUND  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2019**

**NOTE 1 - ACTUARIAL METHODS AND ASSUMPTIONS**

The information presented in the required supplementary schedules was determined as part of the biennial actuarial valuations. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2017
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	43.5 years
Asset calculation method	Smoothed market value method
<b>Actuarial assumptions:</b>	
Investment rate of return	7.50%
Inflation	2.50%
Projected salary increases	3.50%
Contribution rate:	
City of Amarillo	19.57%
Employees	13.00%
Mortality rate	RP-2000 mortality table projected to 2024 using scale AA, male and female rates

**NOTE 2 - EMPLOYER CONTRIBUTIONS**

Employer fiscal year contributions are actuarially determined in the preceding valuation. The range of recommended contributions was based on amortization of the actuarial accrued liability over a period ranging from 10 to 30 years. The amortization period as of December 31, 2017, was approximately 43.5 years, taking into account the contributions made between January 1, 2017, and December 31, 2017. The amortization method was the level dollar method and the amortization period is an open amortization period. The annual contributions for the Plan years ending December 31, 2018 and 2017 were approximately \$4,000,000 and \$3,900,000, respectively.

**NOTE 3 - CHANGE IN ASSUMPTIONS**

The rate of return on the actuarial value of assets was lowered from 8.00% to 7.50%. The rate of increase in total payroll was lowered from 4.00% to 3.50%. The rate of inflation was lowered from 3.00% to 2.50%.

**NOTE 4 - OTHER INFORMATION - PLAN AMENDMENTS EFFECTIVE JANUARY 1, 2018**

Under the Plan, firefighters can retire at age 50 with 20 years of service and receive either (1) a monthly retirement benefit equal to 3.45% of the firefighters highest average salary multiplied by the firefighter's total years of service, if hired prior to January 1, 2018 or (2) a monthly retirement benefit equal to the sum of (a) 3.25% of the firefighter's highest average salary multiplied by the firefighter's years of service up to a maximum of 20 years and (b) 2.50% of the firefighter's highest average salary multiplied by the firefighter's years of service in excess of 20 years, if hired on or after January 1, 2018. A firefighter's highest average salary is greater of (1) the firefighter's highest five-year average salary for any period prior to retirement or (2) the firefighter's highest three-year average salary prior to January 1, 2018.

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT (OPEB)  
SCHEDULE OF NET OPEB LIABILITY AND RELATED RATIOS (1)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability	\$ 64,305,284	\$ 61,979,142	\$ 59,119,728
Plan fiduciary net position	<u>15,237,541</u>	<u>13,621,113</u>	<u>9,478,461</u>
Net OPEB liability (asset)	\$ 49,067,743	\$ 48,358,029	\$ 49,641,267
Plan fiduciary net position as a percentage of the total OPEB liability	23.70%	21.98%	16.03%
Covered payroll	\$ 100,300,000	\$ 97,400,000	\$ 99,700,000
Net OPEB liability (asset) as a percentage of covered payroll	49.22%	49.65%	49.79%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

**CITY OF AMARILLO, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT (OPEB)  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (1)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Measurement Year Ended August 31,</u>	
	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability:</b>		
Service cost	\$ 1,955,516	\$ 1,832,510
Interest	4,138,657	3,944,418
Changes of benefit terms	-	-
Difference between expected and actual experience	-	-
Changes of assumptions	(745,063)	-
Benefits payments	<u>(3,022,968)</u>	<u>(2,917,514)</u>
<b>Net change in total OPEB liability</b>	2,326,142	2,859,414
<b>Total OPEB liability-beginning</b>	<u>61,979,142</u>	<u>59,119,728</u>
<b>Total OPEB liability-ending (a)</b>	<u>\$ 64,305,284</u>	<u>\$ 61,979,142</u>
<b>Plan fiduciary net position:</b>		
Contributions-employer	\$ 2,700,901	\$ 2,647,545
Net investment income	(1,084,473)	1,495,107
Benefits payments	-	-
Administrative expense	-	-
Other	-	-
<b>Net change in plan fiduciary net position</b>	1,616,428	4,142,652
<b>Plan fiduciary net position-beginning</b>	<u>13,621,113</u>	<u>9,478,461</u>
<b>Plan fiduciary net position-ending (b)</b>	<u>\$ 15,237,541</u>	<u>\$ 13,621,113</u>
<b>City's net OPEB liability-ending (a)-(b)</b>	<u>\$ 49,067,743</u>	<u>\$ 48,358,029</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	23.70%	21.98%
<b>Covered payroll</b>	\$ 100,300,000	\$ 97,400,000
<b>Net OPEB liability as a percentage of covered payroll</b>	48.92%	49.65%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT (OPEB)  
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS (1)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>
Actuarial determined contribution	\$ 2,700,901	\$ 2,647,545
Contributions in relation to the actuarially determined contribution	<u>2,700,901</u>	<u>2,647,545</u>
Contribution deficiency (excess)	\$ -	\$ -
 Covered Payroll	 100,300,000	 97,400,000
 Contributions as a percentage of covered- payroll	 2.69%	 2.72%
 Annual money weighted rate of return, net of investment expenses	 -0.32%	 13.84%
 <b>Allocation</b>		
Bank Insured Deposit	0.66%	2.50%
Equities	51.36%	50.37%
Mutual Funds	<u>47.98%</u>	<u>47.13%</u>
Peb Trust of Texas	100.00%	100.00%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

**CITY OF AMARILLO, TEXAS  
OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2019**

**NOTE 1 - METHODS AND ASSUMPTIONS**

The following methods and assumptions are used to determine contribution rates:

<b>Valuation Date</b>	October 1, 2017
<b>Measurement Date</b>	December 31, 2018
<b>Benefits Valued</b>	Pre-65 and Post-65 medical and prescription drug benefits
<b>Long-Term Rate of Return</b>	7.50%
<b>Discount Rates</b>	6.75% (partial pre-funding)
<b>Healthcare cost trend rate</b>	8.00%
<b>Payroll Growth Rate</b>	3.00% for TMRS & AEDC, 4.00% for FRRF
<b>Termination Rates</b>	
<ul style="list-style-type: none"> <li>• TMRS and AEDC participants</li> </ul>	For the first 10 years of service, the base table rates vary by gender, entry age, and length of service. These tables were selected based on the December 31, 2016 TMRS Actuarial Valuation, City experience and long-term expectations.
<b>Mortality Rates</b>	
<ul style="list-style-type: none"> <li>• TMRS and AEDC participants <ul style="list-style-type: none"> <li>—Healthy Pre-Retirement</li> <li>—Healthy Post-Retirement</li> <li>—Disabled</li> </ul> </li> <li>• FRRF participants</li> </ul>	<p>The mortality rates used in the pension plan in which the employee, retiree or beneficiary is assumed to participate.</p> <p>Gender-distinct fully-generational RP-2000 Combined Healthy Mortality Table with Blue-Collar Adjustment projected using scale BB multiplied by 54.5% for males and 51.5% for females.</p> <p>Gender-distinct fully-generational RP-2000 Combined Healthy Mortality Table with Blue-Collar Adjustment projected using scale BB multiplied by 109% for males and 103% for females.</p> <p>Gender-distinct fully-generational RP-2000 Combined Healthy Mortality Table with Blue-Collar Adjustment projected using scale BB multiplied by 109% for males and 103% for females with a 3-year set-forward for both males and females and a 3% minimum mortality rate.</p> <p>RP-2000 Combined Healthy Mortality Table projected to 2024 using scale AA.</p>
<b>Post-Retirement Medical Plan Change</b>	Effective January 1, 2015, all inactive participants age 65 or older electing a post-retirement medical benefit with the City will receive a stipend of \$150 per month toward their cost of medical coverage. The \$150 stipend is not expected by the City to increase, and is a fixed variable in our model.

**CITY OF AMARILLO, TEXAS  
OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
SEPTEMBER 30, 2019**

**NOTE 1 - METHODS AND ASSUMPTIONS**

**Dependent Status**

- Spouse Age Differential
- Children

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

**Per Capita Claims and Administrative Costs**

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

- Claims experience, stop loss fees and administration costs for actives and retirees from January 1, 2015 to October 31, 2017.
- Claims experience was adjusted for plan values, healthcare cost trend, and age-sex differences between active employees and retirees.

**Healthcare Cost Trend Rates**

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

**Actuarial Cost Methods**

Entry Age Normal level percent of pay. Investment gains/losses are amortized over 5 years, liability gains/losses are amortized over Average Working Lifetime, and Plan changes are recognized immediately.

**Actuarial Value of Assets  
City Contributions  
Dental Benefits**

Market Value  
2.43% of total covered payroll  
Premiums contributed by retirees, disabled participants and dependents for dental coverage are assumed to equal or exceed their expected dental per capita claims costs. Therefore, dental coverage was not valued in this valuation.

**NOTE 2 - OTHER INFORMATION**

There were no benefit changes during the year.

The following changes were made as of October 1, 2017:

- Healthcare Cost Trend Rates were updated from 9.00% in 2016 stepping down to 5.00% in 2024, to 8.50% in 2018 stepping down to 5.00% in 2025

**CITY OF AMARILLO, TEXAS  
OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
SEPTEMBER 30, 2019**

**NOTE 2 - OTHER INFORMATION (CONTINUED)**

- Mortality Rates were updated based on changes in the December 31, 2016 TMRS and December 31, 2015 FRRF Actuarial Valuations
- Disability Rates were added
- The discount rate methodology and Actuarial Cost Method were updated according to the new GASB 74 and 75 accounting standard

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. This category includes the following funds:

**Grant funds:** These funds are used to account for the receipt and expenditure of funds received under various federal and state assistance programs.

**Public improvement districts:** These funds are used to account for assessments levied against residential lots in various public improvement districts, the use of which is restricted for maintenance of beautification and recreational facilities.

**Seizures funds:** These funds are used, to account for crime seizure proceeds awarded to the City, the use of which is restricted to law enforcement purposes.

**Other:** These funds include:

**Court Technology Fund:** Fees collected by the Municipal Court under state laws which restrict the use of the proceeds to technological enhancements for the Court.

**Court Security Fund:** Fees collected by the Municipal Court under state laws which restrict the use of the proceeds to court security activities and cost for the Court.

**LEOSE Training Program:** Fees collected by the Municipal Court under state laws for the purpose of providing continuing education for law enforcement and fire officers.

**Homeland Security Program:** The homeland security programs provide the Emergency Management Department with professional services and equipment, which allows the City to be operationally equipped and trained to respond to emergencies through the purchase of equipment, training, and exercises with the goal of improving the preparedness of local responders.

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

**Photo Enforcement:** Fees collected from red-light traffic violations that are restricted by State law to be used only for traffic intersection improvements.

**Public Library Bush Collection:** Funds received and restricted for the purchase and maintenance of items in the William Henry Bush Collection.

**Library Trust:** Various funds received for the sole benefit of the Amarillo Public Library.

**Flood Hazard:** Fees collected for playa lake development.

**Centennial Plaza Trust:** Funds received for improvements at the Amarillo City Hall/Civic Center Complex.

**Civic Amarillo:** Funds accumulated and used by the Amarillo Civic Center for the in-house promotion of events.



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**Other (Continued):**

**Zoo Trust:** Funds received and restricted for operations and improvements at the Amarillo Zoo.

**Centennial Celebration:** Funds received and restricted for the City's centennial celebration.

**Keep Amarillo Beautiful:** Funds received for improvements to the Amarillo area.

**Tax Increment Reinvestment Zone #1:** Blended component unit created to promote the development of or redevelopment of certain contiguous geographic areas in the City.

**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, 2019**

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
<b>ASSETS</b>					
Cash and cash equivalents	\$ 690,936	\$ 8,651,855	\$ 2,300,510	\$ 649,189	\$ 4,153,931
Investments, at fair values	-	-	-	-	1,750,000
Receivables, net of allowances for uncollectibles					
Property taxes	-	-	-	-	-
Accounts	97,040	24,479	5,927	-	-
Accrued Interest	-	-	-	-	3,388
Due from other funds unrestricted	49,539	17,863	-	7,228	-
Due from other governments	700,855	838,589	-	-	21,397
Prepaid items	3,312	8,163	-	602	-
Restricted cash and cash equivalents	-	-	-	-	-
Restricted investments	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,541,682</b>	<b>\$ 9,540,949</b>	<b>\$ 2,306,437</b>	<b>\$ 657,019</b>	<b>\$ 5,928,716</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers payable	\$ 183,358	\$ 442,859	\$ 26,282	\$ 152,492	\$ 68,975
Accounts payable	316,267	204,184	31,000	-	376,571
Accrued expenditures	6,629	-	-	-	21,164
Deposits	-	-	-	-	1,268,955
Due to other funds - unrestricted	496,774	505,000	1,000	2,054	270,856
Due to other governments	145	-	-	22,108	-
Unearned revenues - other	70,649	-	-	-	-
Unearned revenues - property taxes	-	-	-	-	-
Advance from other funds	-	-	-	-	1,310,522
<b>Total liabilities</b>	<b>1,073,822</b>	<b>1,152,043</b>	<b>58,282</b>	<b>176,654</b>	<b>3,317,043</b>
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid items	2,484	5,472	-	602	-
Uncollected taxes	-	-	-	-	-
Corpus or Principal	-	-	-	-	-
Restricted for:					
Debt Service	-	-	-	-	-
Special purposes	439,828	8,383,434	2,248,155	479,763	2,611,673
Committed for:					
Compensated Absences	25,548	-	-	-	-
<b>Total fund balances</b>	<b>467,860</b>	<b>8,388,906</b>	<b>2,248,155</b>	<b>480,365</b>	<b>2,611,673</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,541,682</b>	<b>\$ 9,540,949</b>	<b>\$ 2,306,437</b>	<b>\$ 657,019</b>	<b>\$ 5,928,716</b>

See Independent Auditor's Report.

<u>Bonded Debt Service Fund</u>	<u>Compensated Absences Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 190,641	\$ 17,694	\$ 16,654,756
-	499,410	-	2,249,410
21,594	-	-	21,594
-	-	-	127,446
-	1,847	-	5,235
-	-	-	74,630
-	-	-	1,560,841
-	-	-	12,077
3,044,663	-	-	3,044,663
-	-	-	-
<u>\$ 3,066,257</u>	<u>\$ 691,898</u>	<u>\$ 17,694</u>	<u>\$ 23,750,652</u>
\$ -	\$ -	\$ -	\$ 873,966
2,752	8,817	1	939,592
-	-	-	27,793
-	-	-	1,268,955
-	-	-	1,275,684
-	-	-	22,253
-	-	-	70,649
14,699	-	-	14,699
-	-	-	1,310,522
<u>17,451</u>	<u>8,817</u>	<u>1</u>	<u>5,804,113</u>
-	-	-	8,558
6,895	-	-	6,895
-	-	17,693	17,693
3,041,911	-	-	3,041,911
-	-	-	14,162,853
-	683,081	-	708,629
<u>3,048,806</u>	<u>683,081</u>	<u>17,693</u>	<u>17,946,539</u>
<u>\$ 3,066,257</u>	<u>\$ 691,898</u>	<u>\$ 17,694</u>	<u>\$ 23,750,652</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
<b>REVENUES</b>					
Ad valorem taxes - for debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	11,629,897	6,658,979	-	-	173,491
Citizen contributions	-	-	-	-	9,001
Construction participation	69,137	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	1,076,355
Charges for services	13,840	150,847	2,116,016	-	542,601
Fines and forfeitures	-	-	-	217,350	1,358,733
Investment earnings	8,101	142,099	637	6,127	159,011
Miscellaneous	52,681	703	-	-	-
Total revenues	<u>11,773,656</u>	<u>6,952,628</u>	<u>2,116,653</u>	<u>223,477</u>	<u>3,321,192</u>
<b>EXPENDITURES</b>					
Police protection	-	199,562	-	165,275	-
Other public safety and health	-	5,097,914	-	-	1,702,276
Staff services	-	331,133	-	-	-
Auditorium - coliseum	-	-	-	-	331,248
Library	-	-	-	-	115
Parks	-	-	832,206	-	-
Participation recreation	-	-	-	-	23,109
Urban redevelopment and housing	12,665,085	-	-	-	-
Capital outlay	-	50,624	-	160,749	74,420
Debt service principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Economic Development & Tourism	-	-	-	-	741,267
Termination vacation and sick leave pay	-	-	-	-	-
Total expenditures	<u>12,665,085</u>	<u>5,679,233</u>	<u>832,206</u>	<u>326,024</u>	<u>2,872,435</u>
Excess (deficiency) of revenues over (under) expenditures	(891,429)	1,273,395	1,284,447	(102,547)	448,757
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	139,362	52,878	-	-	79,541
Transfers to other funds	(500)	(200,674)	(611,041)	-	(584,555)
Net change in fund balances	(752,567)	1,125,599	673,406	(102,547)	(56,257)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,220,427</u>	<u>7,263,307</u>	<u>1,575,085</u>	<u>582,912</u>	<u>2,667,930</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	(336)	-	-
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>	<u>1,220,427</u>	<u>7,263,307</u>	<u>1,574,749</u>	<u>582,912</u>	<u>2,667,930</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 467,860</u>	<u>\$ 8,388,906</u>	<u>\$ 2,248,155</u>	<u>\$ 480,365</u>	<u>\$ 2,611,673</u>

See Independent Auditor's Report.

<u>Bonded Debt Service Fund</u>	<u>Compensated Absences Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 5,218,010	\$ -	\$ -	\$ 5,218,010
-	-	-	18,464,367
-	-	-	9,001
-	-	-	69,137
-	-	-	1,076,355
-	-	-	2,823,304
-	-	-	1,576,083
45,965	15,837	-	377,777
<u>-</u>	<u>-</u>	<u>-</u>	<u>53,384</u>
<u>5,263,975</u>	<u>15,837</u>	<u>-</u>	<u>29,667,418</u>
-	-	-	364,837
-	-	-	6,800,190
11,030	-	-	342,163
-	-	-	331,248
-	-	-	115
-	-	-	832,206
-	-	-	23,109
-	-	-	12,665,085
-	-	-	285,793
4,110,037	-	-	4,110,037
5,043,070	-	-	5,043,070
-	-	-	741,267
<u>-</u>	<u>2,126,448</u>	<u>-</u>	<u>2,126,448</u>
<u>9,164,137</u>	<u>2,126,448</u>	<u>-</u>	<u>33,665,568</u>
(3,900,162)	(2,110,611)	-	(3,998,150)
5,603,386	1,400,000	-	7,275,167
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,396,770)</u>
1,703,224	(710,611)	-	1,880,247
<u>1,345,582</u>	<u>1,393,692</u>	<u>17,693</u>	<u>16,066,628</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(336)</u>
<u>1,345,582</u>	<u>1,393,692</u>	<u>17,693</u>	<u>16,066,292</u>
<u>\$ 3,048,806</u>	<u>\$ 683,081</u>	<u>\$ 17,693</u>	<u>\$ 17,946,539</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
OTHER GRANT FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2019**

	<u>Special Revenue Funds</u>			<u>Total Other Grant Funds</u>
	<u>Public Health Grants</u>	<u>Justice Grants</u>	<u>Miscellaneous Grants</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,302,616	\$ 13,093	\$ 336,146	\$ 8,651,855
Receivables, net of allowances for uncollectibles				
Accounts	4,199	20,188	92	24,479
Due from other funds unrestricted	5,211	-	12,652	17,863
Due from other governments	716,249	38,855	83,485	838,589
Prepaid items	5,472	-	2,691	8,163
<b>TOTAL ASSETS</b>	<u>\$ 9,033,747</u>	<u>\$ 72,136</u>	<u>\$ 435,066</u>	<u>\$ 9,540,949</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers payable	\$ 110,822	\$ -	\$ 332,037	\$ 442,859
Accounts payable	164,019	22,136	18,029	204,184
Due to other funds - unrestricted	370,000	50,000	85,000	505,000
Total liabilities	<u>644,841</u>	<u>72,136</u>	<u>435,066</u>	<u>1,152,043</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	5,472	-	-	5,472
Restricted:				
Special purposes	8,383,434	-	-	8,383,434
Total fund balances	<u>8,388,906</u>	<u>-</u>	<u>-</u>	<u>8,388,906</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 9,033,747</u>	<u>\$ 72,136</u>	<u>\$ 435,066</u>	<u>\$ 9,540,949</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
OTHER GRANT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Special Revenue Funds</u>			<u>Total Other Grants Funds</u>
	<u>Public Health Grants</u>	<u>Justice Grants</u>	<u>Miscellaneous Grants</u>	
<b>REVENUES</b>				
Intergovernmental revenues	\$ 5,605,431	\$ 204,428	\$ 849,120	\$ 6,658,979
Charges for services	150,847	-	-	150,847
Investment earnings	142,099	-	-	142,099
Miscellaneous	593	-	110	703
Total revenues	<u>5,898,970</u>	<u>204,428</u>	<u>849,230</u>	<u>6,952,628</u>
<b>EXPENDITURES</b>				
Other public safety and health	4,640,761	-	457,153	5,097,914
Staff services	-	-	331,133	331,133
Police protection	-	199,562	-	199,562
Capital outlay	-	44,676	5,948	50,624
Total expenditures	<u>4,640,761</u>	<u>244,238</u>	<u>794,234</u>	<u>5,679,233</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,258,209</u>	<u>(39,810)</u>	<u>54,996</u>	<u>1,273,395</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	37,861	15,017	52,878
Operating transfers to other funds	(130,661)	-	(70,013)	(200,674)
Net change in fund balances	1,127,548	(1,949)	-	1,125,599
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>7,261,358</u>	<u>1,949</u>	<u>-</u>	<u>7,263,307</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 8,388,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,388,906</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
PUBLIC IMPROVEMENT DISTRICTS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2019**

	<u>Greenways at Hillside</u>	<u>Heritage Hills</u>	<u>Brennan Boulevard</u>	<u>The Colonies</u>	<u>Tutbury</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 497,800	\$ 318,068	\$ 8,952	\$ 814,471	\$ 35,061
Accounts receivable	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 497,800</u>	<u>\$ 318,068</u>	<u>\$ 8,952</u>	<u>\$ 814,471</u>	<u>\$ 35,061</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	31,000	-	-	-
Vouchers payable	339	335	-	14,113	816
Total liabilities	<u>339</u>	<u>31,335</u>	<u>-</u>	<u>14,113</u>	<u>816</u>
<b>FUND BALANCES</b>					
Restricted for:					
Special purposes	<u>497,461</u>	<u>286,733</u>	<u>8,952</u>	<u>800,358</u>	<u>34,245</u>
Total fund balances	<u>497,461</u>	<u>286,733</u>	<u>8,952</u>	<u>800,358</u>	<u>34,245</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 497,800</u>	<u>\$ 318,068</u>	<u>\$ 8,952</u>	<u>\$ 814,471</u>	<u>\$ 35,061</u>

See Independent Auditor's Report.

<u>Point West</u>	<u>Quail Creek</u>	<u>Vineyards</u>	<u>Redstone</u>	<u>Townsquare</u>	<u>Pinnacle</u>	<u>Total</u>
\$ 208,558	\$ 10,232	\$ 8,362	\$ 1,166	\$ 397,177	\$ 663	\$ 2,300,510
2,704	1,450	1,100	-	-	673	5,927
<u>\$ 211,262</u>	<u>\$ 11,682</u>	<u>\$ 9,462</u>	<u>\$ 1,166</u>	<u>\$ 397,177</u>	<u>\$ 1,336</u>	<u>\$ 2,306,437</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
-	-	-	-	-	-	31,000
9,422	586	-	-	335	336	26,282
<u>9,422</u>	<u>586</u>	<u>-</u>	<u>-</u>	<u>335</u>	<u>1,336</u>	<u>58,282</u>
201,840	11,096	9,462	1,166	396,842	-	2,248,155
<u>201,840</u>	<u>11,096</u>	<u>9,462</u>	<u>1,166</u>	<u>396,842</u>	<u>-</u>	<u>2,248,155</u>
<u>\$ 211,262</u>	<u>\$ 11,682</u>	<u>\$ 9,462</u>	<u>\$ 1,166</u>	<u>\$ 397,177</u>	<u>\$ 1,336</u>	<u>\$ 2,306,437</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
PUBLIC IMPROVEMENT DISTRICTS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Greenways at Hillside</u>	<u>Heritage Hills</u>	<u>Brennan Boulevard</u>	<u>The Colonies</u>	<u>Tutbury</u>
<b>REVENUES</b>					
Charges for services	\$ 646,854	\$ 161,143	\$ -	\$ 1,054,712	\$ 16,296
Investment earnings	619	-	-	18	-
Total revenues	<u>647,473</u>	<u>161,143</u>	<u>-</u>	<u>1,054,730</u>	<u>16,296</u>
<b>EXPENDITURES</b>					
Parks	346,409	35,476	-	374,993	9,946
Bond issuance cost	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>346,409</u>	<u>35,476</u>	<u>-</u>	<u>374,993</u>	<u>9,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>301,064</u>	<u>125,667</u>	<u>-</u>	<u>679,737</u>	<u>6,350</u>
<b>OTHER FINANCING SOURCES</b>					
Issuance of long-term debt	-	-	-	-	-
Premium on bond	-	-	-	-	-
Transfer from other funds	-	-	-	-	-
Transfer to other funds	<u>(142,338)</u>	<u>-</u>	<u>-</u>	<u>(468,703)</u>	<u>-</u>
Net change in fund balances	158,726	125,667	-	211,034	6,350
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>338,735</u>	<u>161,066</u>	<u>8,952</u>	<u>589,324</u>	<u>27,895</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, BEGINNING OF YEAR, RESTATED</b>	<u>338,735</u>	<u>161,066</u>	<u>8,952</u>	<u>589,324</u>	<u>27,895</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 497,461</u>	<u>\$ 286,733</u>	<u>\$ 8,952</u>	<u>\$ 800,358</u>	<u>\$ 34,245</u>

See Independent Auditor's Report.

<u>Point West</u>	<u>Quail Creek</u>	<u>Vineyards</u>	<u>Redstone</u>	<u>Townsquare</u>	<u>Pinnacle</u>	<u>Total</u>
\$ 52,007	\$ 10,150	\$ 7,950	\$ -	\$ 166,231	\$ 673	\$ 2,116,016
-	-	-	-	-	-	637
<u>52,007</u>	<u>10,150</u>	<u>7,950</u>	<u>-</u>	<u>166,231</u>	<u>673</u>	<u>2,116,653</u>
49,887	8,787	5,494	8	869	337	832,206
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>49,887</u>	<u>8,787</u>	<u>5,494</u>	<u>8</u>	<u>869</u>	<u>337</u>	<u>832,206</u>
2,120	1,363	2,456	(8)	165,362	336	1,284,447
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(611,041)
<u>2,120</u>	<u>1,363</u>	<u>2,456</u>	<u>(8)</u>	<u>165,362</u>	<u>336</u>	<u>673,406</u>
199,720	9,733	7,006	1,174	231,480	-	1,575,085
-	-	-	-	-	(336)	(336)
<u>199,720</u>	<u>9,733</u>	<u>7,006</u>	<u>1,174</u>	<u>231,480</u>	<u>(336)</u>	<u>1,574,749</u>
<u>\$ 201,840</u>	<u>\$ 11,096</u>	<u>\$ 9,462</u>	<u>\$ 1,166</u>	<u>\$ 396,842</u>	<u>\$ -</u>	<u>\$ 2,248,155</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
SEIZURE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2019**

	<u>Federal APD Seized Property</u>	<u>Local Seized Property</u>	<u>Texas Narcotics Seized Property</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 405,325	\$ 223,764	\$ 20,100	\$ 649,189
Prepaid items	-	-	602	602
Due from other funds	7,228	-	-	7,228
<b>TOTAL ASSETS</b>	<u>\$ 412,553</u>	<u>\$ 223,764</u>	<u>\$ 20,702</u>	<u>\$ 657,019</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds - unrestricted	\$ 2,054	\$ -	\$ -	\$ 2,054
Due to other governments	-	1,889	20,219	22,108
Vouchers payable	150,580	1,912	-	152,492
Total liabilities	<u>152,634</u>	<u>3,801</u>	<u>20,219</u>	<u>176,654</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	-	-	602	602
Restricted for:				
Special purposes	259,919	219,963	(119)	479,763
Total fund balances	<u>259,919</u>	<u>219,963</u>	<u>483</u>	<u>480,365</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 412,553</u>	<u>\$ 223,764</u>	<u>\$ 20,702</u>	<u>\$ 657,019</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
SEIZURE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Federal APD Seized Property</u>	<u>Local Seized Property</u>	<u>Texas Narcotics Seized Property</u>	<u>Total</u>
<b>REVENUES</b>				
Investment earnings	\$ 3,927	\$ 2,019	\$ 181	\$ 6,127
Seized property revenue	124,948	92,402	-	217,350
Total revenues	<u>128,875</u>	<u>94,421</u>	<u>181</u>	<u>223,477</u>
<b>EXPENDITURES</b>				
Police protection	106,137	59,136	2	165,275
Capital outlay	160,749	-	-	160,749
Total expenditures	<u>266,886</u>	<u>59,136</u>	<u>2</u>	<u>326,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,011)</u>	<u>35,285</u>	<u>179</u>	<u>(102,547)</u>
Net change in fund balances	(138,011)	35,285	179	(102,547)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>397,930</u>	<u>184,678</u>	<u>304</u>	<u>582,912</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 259,919</u>	<u>\$ 219,963</u>	<u>\$ 483</u>	<u>\$ 480,365</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
MISCELLANEOUS SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2019**

	<u>Court Technology</u>	<u>Court Security</u>	<u>LEOSE Training Program</u>	<u>Homeland Security</u>	<u>Cable Capital Facilities</u>	<u>Photo Enforcement</u>	<u>Public Library Bush Collection</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 55,325	\$ 7,441	\$ 24,925	\$ 1,920	\$ 19,673	\$ 1,282,148	\$ 50,823
Accrued interest receivable	-	-	-	-	-	-	-
Investments, at fair values	-	-	-	-	-	-	-
Due from other governments	-	-	-	21,397	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 55,325</u>	<u>\$ 7,441</u>	<u>\$ 24,925</u>	<u>\$ 23,317</u>	<u>\$ 19,673</u>	<u>\$ 1,282,148</u>	<u>\$ 50,823</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,234	\$ -
Accounts payable	-	7,447	-	12,479	-	338,180	-
Accrued expenditures	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Due to other funds - unrestricted	-	-	-	10,000	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>7,447</u>	<u>-</u>	<u>22,479</u>	<u>-</u>	<u>393,414</u>	<u>-</u>
<b>FUND BALANCES</b>							
Restricted:							
Special purposes	55,325	(6)	24,925	838	19,673	888,734	50,823
Total fund balances	<u>55,325</u>	<u>(6)</u>	<u>24,925</u>	<u>838</u>	<u>19,673</u>	<u>888,734</u>	<u>50,823</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 55,325</u>	<u>\$ 7,441</u>	<u>\$ 24,925</u>	<u>\$ 23,317</u>	<u>\$ 19,673</u>	<u>\$ 1,282,148</u>	<u>\$ 50,823</u>

See Independent Auditor's Report.

<u>Library Trust</u>	<u>Flood Hazard</u>	<u>Civic Amarillo</u>	<u>Zoo Trust</u>	<u>Centennial Celebration</u>	<u>Tax Increment Reinvestment Zone #1</u>	<u>Tax Increment Reinvestment Zone #2</u>	<u>Total</u>
\$ 74,383	\$ 1,076,977	\$ 517,853	\$ 144,059	\$ 20,674	\$ 793,534	\$ 84,196	\$ 4,153,931
-	856	-	-	-	2,532	-	3,388
-	1,250,000	-	-	-	500,000	-	1,750,000
-	-	-	-	-	-	-	21,392
<u>\$ 74,383</u>	<u>\$ 2,327,833</u>	<u>\$ 517,853</u>	<u>\$ 144,059</u>	<u>\$ 20,674</u>	<u>\$ 1,296,066</u>	<u>\$ 84,196</u>	<u>\$ 5,928,716</u>
\$ -	\$ -	\$ 2,341	\$ -	\$ -	\$ 11,400	\$ -	\$ 68,975
-	-	-	2	-	-	18,463	376,571
-	-	8,662	-	-	12,502	-	21,164
-	1,268,955	-	-	-	-	-	1,268,955
-	-	-	-	-	260,856	-	270,856
-	-	-	-	-	1,310,522	-	1,310,522
-	1,268,955	11,003	2	-	1,595,280	18,463	3,317,043
<u>74,383</u>	<u>1,058,878</u>	<u>506,850</u>	<u>144,057</u>	<u>20,674</u>	<u>(299,214)</u>	<u>65,733</u>	<u>2,611,673</u>
<u>74,383</u>	<u>1,058,878</u>	<u>506,850</u>	<u>144,057</u>	<u>20,674</u>	<u>(299,214)</u>	<u>65,733</u>	<u>2,611,673</u>
<u>\$ 74,383</u>	<u>\$ 2,327,833</u>	<u>\$ 517,853</u>	<u>\$ 144,059</u>	<u>\$ 20,674</u>	<u>\$ 1,296,066</u>	<u>\$ 84,196</u>	<u>\$ 5,928,716</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
MISCELLANEOUS SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Court Technology</u>	<u>Court Security</u>	<u>LEOSE Training Program</u>	<u>Homeland Security</u>	<u>Cable Capital Facilities</u>	<u>Photo Enforcement</u>
<b>REVENUES</b>						
Intergovernmental revenues - operating	\$ -	\$ -	\$ 23,124	\$ 152,367	\$ -	\$ -
Citizen contributions	-	-	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	-	-
Charges for services	127,358	-	-	-	-	-
Fines and forfeitures	-	95,521	-	-	-	1,263,212
Investment earnings	-	-	-	-	-	22,097
<b>Total revenues</b>	<u>127,358</u>	<u>95,521</u>	<u>23,124</u>	<u>152,367</u>	<u>-</u>	<u>1,285,309</u>
<b>EXPENDITURES</b>						
Other public safety and health	305,844	175,062	39,478	90,793	-	1,091,099
Auditorium - Coliseum	-	-	-	-	-	-
Library	-	-	-	-	-	-
Participant recreation	-	-	-	-	-	-
Economic development/tourism	-	-	-	-	-	-
Capital outlay	-	-	-	61,620	-	12,800
<b>Total expenditures</b>	<u>305,844</u>	<u>175,062</u>	<u>39,478</u>	<u>152,413</u>	<u>-</u>	<u>1,103,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(178,486)</u>	<u>(79,541)</u>	<u>(16,354)</u>	<u>(46)</u>	<u>-</u>	<u>181,410</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers to other funds	-	-	-	-	-	(30,000)
Transfers from other funds	-	79,541	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>79,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Net change in fund balances	<u>(178,486)</u>	<u>-</u>	<u>(16,354)</u>	<u>(46)</u>	<u>-</u>	<u>151,410</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>233,811</u>	<u>(6)</u>	<u>41,279</u>	<u>884</u>	<u>19,673</u>	<u>737,324</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 55,325</u>	<u>\$ (6)</u>	<u>\$ 24,925</u>	<u>\$ 838</u>	<u>\$ 19,673</u>	<u>\$ 888,734</u>

See Independent Auditor's Report.

Public Library Bush Collection	Library Trust	Flood Hazard	Civic Amarillo	Zoo Trust	Centennial Celebration	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,491
-	1,365	-	-	7,636	-	-	-	9,001
-	-	-	-	-	-	973,620	102,735	1,076,355
-	-	-	372,151	43,092	-	-	-	542,601
-	-	-	-	-	-	-	-	1,358,733
1,072	-	41,768	-	-	-	94,074	-	159,011
<u>1,072</u>	<u>1,365</u>	<u>41,768</u>	<u>372,151</u>	<u>50,728</u>	<u>-</u>	<u>1,067,694</u>	<u>102,735</u>	<u>3,321,192</u>
-	-	-	-	-	-	-	-	1,702,276
-	-	-	331,248	-	-	-	-	331,248
-	115	-	-	-	-	-	-	115
-	-	-	-	23,109	-	-	-	23,109
-	-	-	-	-	-	683,693	57,574	741,267
-	-	-	-	-	-	-	-	74,420
-	115	-	331,248	23,109	-	683,693	57,574	2,872,435
<u>1,072</u>	<u>1,250</u>	<u>41,768</u>	<u>40,903</u>	<u>27,619</u>	<u>-</u>	<u>384,001</u>	<u>45,161</u>	<u>448,757</u>
-	-	-	-	-	-	(554,555)	-	(584,555)
-	-	-	-	-	-	-	-	79,541
-	-	-	-	-	-	(554,555)	-	(505,014)
<u>1,072</u>	<u>1,250</u>	<u>41,768</u>	<u>40,903</u>	<u>27,619</u>	<u>-</u>	<u>(170,554)</u>	<u>45,161</u>	<u>(56,257)</u>
<u>49,751</u>	<u>73,133</u>	<u>1,017,110</u>	<u>465,947</u>	<u>116,438</u>	<u>20,674</u>	<u>(128,660)</u>	<u>20,572</u>	<u>2,667,930</u>
<u>\$ 50,823</u>	<u>\$ 74,383</u>	<u>\$ 1,058,878</u>	<u>\$ 506,850</u>	<u>\$ 144,057</u>	<u>\$ 20,674</u>	<u>\$ (299,214)</u>	<u>\$ 65,733</u>	<u>\$ 2,611,673</u>

See Independent Auditor's Report.

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## 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 Assessments** – To account for the construction of streets and alleys which are financed primarily by property owner participation.

**Street Improvement Fund** – To account for improvements being made to major thoroughfares and the storm sewer system of the City financed by general revenues, augmented in some instances by property owner participation.

**Golf Course Improvement Fund** – To account for the portion of green fees designated for improvements to the public golf courses.

**Solid Waste Disposal Improvement Fund** – To account for costs of improvements to the City's solid waste disposal facilities, which in recent years have been financed primarily by general revenues.

**T-Anchor-Bivins Improvement Fund** – To account for sales of City land, the proceeds of which are designated for future betterments to the historic Bivins home, which is owned and rented by the City to the Amarillo Chamber of Commerce and other community service organizations.

**Civic Center Improvement Fund** – To account for improvements to Civic Center Convention Annex facilities, financed by motel tax receipts.

**Animal Shelter Improvement Fund** - To account for improvements to the Animal Shelter facilities.

**Park Improvement Fund** – To account for various Parks projects funded by the General Fund and other contributions and revenues.

**GO Bond Construction Fund** – To account for the construction of street and public safety improvement projects as approved by voters in the November 2016 bond election.

**CITY OF AMARILLO, TEXAS  
CAPITAL PROJECTS FUND  
SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES  
SEPTEMBER 30, 2019**

	<u>General Construction Fund</u>	<u>Street Assessments Fund</u>	<u>Street Improvement Fund</u>	<u>Golf Course Improvement Fund</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,432,435	\$ 568,255	\$ 786,804	\$ 15,969
Restricted cash and cash equivalents	337,511	-	-	-
Investments, at fair values	8,003,125	-	500,000	-
Restricted investments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Construction in progress	-	-	-	-
Accounts receivable	56,222	-	-	-
Accrued interest receivable	43,830	-	666	-
<b>TOTAL ASSETS</b>	<u>\$ 10,873,123</u>	<u>\$ 568,255</u>	<u>\$ 1,287,470</u>	<u>\$ 15,969</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Vouchers payable	\$ 260,233	\$ 1	\$ -	\$ (3)
Accounts payable	83,258	-	-	-
Accrued expenditures	75,928	-	-	-
Refundable security deposit	-	110,575	-	-
Due to other funds - unrestricted	-	-	-	30,000
<b>Total liabilities</b>	<u>419,419</u>	<u>110,576</u>	<u>-</u>	<u>29,997</u>
<b>FUND BALANCES</b>				
Restricted for:				
Capital projects	-	-	-	-
Assigned for:				
Capital projects	10,453,704	457,679	1,287,470	(14,028)
<b>Total fund balances</b>	<u>10,453,704</u>	<u>457,679</u>	<u>1,287,470</u>	<u>(14,028)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 10,873,123</u>	<u>\$ 568,255</u>	<u>\$ 1,287,470</u>	<u>\$ 15,969</u>

See Independent Auditor's Report.

<u>Solid Waste Disposal Improvement Fund</u>	<u>T-Anchor Bivins Improvement Fund</u>	<u>Civic Center Improvement Fund</u>	<u>Animal Shelter Improvement Fund</u>	<u>Park Improvement Fund</u>	<u>GO Bond Const Fund</u>	<u>Total</u>
\$ 1,971,512	\$ 233,608	\$ -	\$ 3,207	\$ 708,844	\$ 5,726	\$ 6,726,360
-	-	3,409,344	-	-	26,421,089	30,167,944
3,498,970	-	-	-	-	-	12,002,095
-	-	7,735,622	-	-	6,000,000	13,735,622
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	460	56,682
18,497	-	33,763	-	-	7,245	104,001
<u>\$ 5,488,979</u>	<u>\$ 233,608</u>	<u>\$ 11,178,729</u>	<u>\$ 3,207</u>	<u>\$ 708,844</u>	<u>\$ 32,434,520</u>	<u>\$ 62,792,704</u>
\$ -	\$ 1	\$ 499,620	\$ -	\$ -	\$ 4,607,863	\$ 5,367,715
-	-	43,717	-	(1)	552,218	679,192
4,290	-	8,780	-	-	-	88,998
-	-	-	-	-	-	110,575
-	-	-	-	-	6,250,000	6,280,000
<u>4,290</u>	<u>1</u>	<u>552,117</u>	<u>-</u>	<u>(1)</u>	<u>11,410,081</u>	<u>12,526,480</u>
-	-	10,626,612	-	-	-	10,626,612
<u>5,484,689</u>	<u>233,607</u>	<u>-</u>	<u>3,207</u>	<u>708,845</u>	<u>21,024,439</u>	<u>39,639,612</u>
<u>5,484,689</u>	<u>233,607</u>	<u>10,626,612</u>	<u>3,207</u>	<u>708,845</u>	<u>21,024,439</u>	<u>50,266,224</u>
<u>\$ 5,488,979</u>	<u>\$ 233,608</u>	<u>\$ 11,178,729</u>	<u>\$ 3,207</u>	<u>\$ 708,844</u>	<u>\$ 32,434,520</u>	<u>\$ 62,792,704</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
CAPITAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>General Construction Fund</u>	<u>Street Assessments Fund</u>	<u>Street Improvement Fund</u>	<u>Golf Course Improvement Fund</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 325,290	\$ -	\$ -	\$ -
Charges for services	-	-	-	221,989
Construction participations	3,010,099	1,836,420	-	-
Miscellaneous	60,902	-	-	-
Investment earnings	265,156	1,351	34,113	-
Total revenues	<u>3,661,447</u>	<u>1,837,771</u>	<u>34,113</u>	<u>221,989</u>
<b>EXPENDITURES</b>				
Public Safety	782,195	-	-	-
Solid waste	-	-	-	-
Economic development/tourism	7,369	-	-	-
Capital outlay	7,190,876	1,850,025	1,052,883	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>7,980,440</u>	<u>1,850,025</u>	<u>1,052,883</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,318,993)</u>	<u>(12,254)</u>	<u>(1,018,770)</u>	<u>221,989</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(1,566,262)	-	(263,862)	(251,188)
Transfers from other funds	5,364,142	-	637,000	13,425
Proceeds from Insurance	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-
Premium on bonds	-	-	-	-
Total other financing sources and uses	<u>3,797,880</u>	<u>-</u>	<u>373,138</u>	<u>(237,763)</u>
Net change in fund balances	<u>(521,113)</u>	<u>(12,254)</u>	<u>(645,632)</u>	<u>(15,774)</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>10,974,817</u>	<u>469,933</u>	<u>1,933,102</u>	<u>1,746</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 10,453,704</u>	<u>\$ 457,679</u>	<u>\$ 1,287,470</u>	<u>\$ (14,028)</u>

See Independent Auditor's Report.

<u>Solid Waste Disposal Improvement Fund</u>	<u>T-Anchor Bivins Improvement Fund</u>	<u>Civic Center Improvement Fund</u>	<u>Animal Shelter Improvement Fund</u>	<u>Park Improvement Fund</u>	<u>GO Bond Const Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,290
-	-	-	-	-	-	221,989
-	-	2,230,360	-	-	151,380	7,228,259
-	-	-	-	-	-	60,902
<u>101,826</u>	<u>3,403</u>	<u>659,543</u>	<u>-</u>	<u>12,251</u>	<u>824,400</u>	<u>1,902,043</u>
<u>101,826</u>	<u>3,403</u>	<u>2,889,903</u>	<u>-</u>	<u>12,251</u>	<u>975,780</u>	<u>9,738,483</u>
-	-	-	-	-	-	782,195
3,239	-	-	-	-	-	3,239
-	-	10,459	-	-	-	17,828
369,123	-	31,688,541	-	-	17,805,277	59,956,725
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>372,362</u>	<u>-</u>	<u>31,699,000</u>	<u>-</u>	<u>-</u>	<u>17,805,277</u>	<u>60,759,987</u>
<u>(270,536)</u>	<u>3,403</u>	<u>(28,809,097)</u>	<u>-</u>	<u>12,251</u>	<u>(16,829,497)</u>	<u>(51,021,504)</u>
(364,249)	-	(4,443,877)	-	(12,251)	-	(6,901,689)
1,000,000	-	2,582,847	-	-	1,445,101	11,042,515
-	-	6,612,636	-	-	-	6,612,636
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>635,751</u>	<u>-</u>	<u>4,751,606</u>	<u>-</u>	<u>(12,251)</u>	<u>1,445,101</u>	<u>10,753,462</u>
365,215	3,403	(24,057,491)	-	-	(15,384,396)	(40,268,042)
<u>5,119,474</u>	<u>230,204</u>	<u>34,684,103</u>	<u>3,207</u>	<u>708,845</u>	<u>36,408,835</u>	<u>90,534,266</u>
<u>\$ 5,484,689</u>	<u>\$ 233,607</u>	<u>\$ 10,626,612</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 21,024,439</u>	<u>\$ 50,266,224</u>

See Independent Auditor's Report.



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## INTERNAL SERVICE FUNDS

**Fleet Services Fund** – To account for the revenues and cost of operations of a central motor pool which includes all City-owned vehicles except fire trucks and buses. Vehicles are rented to using departments at estimated cost of usage. The original equipment was contributed to Fleet Services upon its organization on October 1, 1973. Effective with the 1994/95 year, the City adopted a policy of financing additions, as well as replacements, out of Fleet Services' net earnings from user charges.

**Information Services Fund** – To account for the revenues and costs of operations of the City's data processing system. Charges to using departments are based on estimated cost of providing the service, including depreciation on equipment. This fund was established October 1, 1979, upon transfer of the necessary equipment from the general fixed assets of the City.

**Risk Management Fund** – To account for funds accumulated from operating transfers and from assessments of the various City departments for the purpose of self-insuring liability, workmen's compensation, unemployment claims, and miscellaneous other risks.

**Employee Insurance Funds** – To account for self-insured medical and dental benefits together with life insurance for employees, retirees and covered dependents. Additionally, employee contributions to the flexible benefits plan and related expenditures are accounted for within these funds.

**CITY OF AMARILLO, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 4,423,605	\$ 996,377	\$ 4,092,420	\$ 4,073,409	\$ 13,585,811
Investments at fair value	8,280,060	3,323,364	12,023,575	3,991,520	27,618,519
Receivables (net of allowances for uncollectibles)					
Accounts	28	307	591,881	1,538,816	2,131,032
Accrued interest	49,312	20,146	57,312	15,040	141,810
Other accrued revenue					
Due from other funds	1,501,925	511,954	501,192	870,710	3,385,781
Inventory of supplies at cost	209,137	5,694	-	-	214,831
Prepaid expenses	-	374,640	876,213	-	1,250,853
Total current assets	<u>14,464,067</u>	<u>5,232,482</u>	<u>18,142,593</u>	<u>10,489,495</u>	<u>48,328,637</u>
<b>NONCURRENT ASSETS</b>					
Restricted cash and cash equivalents	74,291	-	-	-	74,291
Capital assets					
Improvements	768,005	5,895,235	-	-	6,663,240
Accumulated depreciation	(269,453)	(4,331,657)	-	-	(4,601,110)
Equipment	321,299	3,389,786	16,256	4,975	3,732,316
Accumulated depreciation	(319,562)	(3,388,669)	(14,293)	(4,075)	(3,726,599)
Vehicles	70,175,105	-	-	-	70,175,105
Accumulated depreciation	(46,214,557)	-	-	-	(46,214,557)
Capital lease asset	2,836,558	4,353,685	-	-	7,190,243
Accumulated amortization	(841,379)	(598,694)	-	-	(1,440,073)
Construction in progress	98,384	-	-	-	98,384
Total capital assets, net of accum. depreciation and amortization	<u>26,554,400</u>	<u>5,319,686</u>	<u>1,963</u>	<u>900</u>	<u>31,876,949</u>
Total noncurrent assets	<u>26,628,691</u>	<u>5,319,686</u>	<u>1,963</u>	<u>900</u>	<u>31,951,240</u>
<b>TOTAL ASSETS</b>	<u>\$ 41,092,758</u>	<u>\$ 10,552,168</u>	<u>\$ 18,144,556</u>	<u>\$ 10,490,395</u>	<u>\$ 80,279,877</u>
<b>DEFERRED OUTFLOWS</b>	<u>\$ 1,047,473</u>	<u>\$ 1,340,351</u>	<u>\$ 15,373</u>	<u>\$ 222,357</u>	<u>\$ 2,625,554</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Vouchers payable	\$ 438,419	\$ 95,721	\$ 61,940	\$ 78,621	\$ 674,701
Accounts payable	46,248	5	282,424	400,573	729,250
Accrued expenses	134,768	145,342	5,756	19,552	305,418
Due to other funds	-	-	-	180,185	180,185
Estimated liability for incurred losses	-	-	4,260,559	1,809,223	6,069,782
Current portion of capital lease liability	558,106	896,085	-	-	1,454,191
Current portion of compensated absences	15,279	81,042	-	488	96,809
Total current liabilities	<u>1,192,820</u>	<u>1,218,195</u>	<u>4,610,679</u>	<u>2,488,642</u>	<u>9,510,336</u>
<b>NONCURRENT LIABILITIES</b>					
Provision for compensated absences, net	251,313	203,992	36,855	33,618	525,778
Estimated liability for incurred losses, net of current portion	-	-	10,588,954	-	10,588,954
Capital lease liability	1,473,027	2,405,368	-	-	3,878,395
Net OPEB liability	1,025,516	883,219	24,534	107,949	2,041,218
Net pension liability	1,646,914	2,139,779	16,814	363,472	4,166,979
Total noncurrent liabilities	<u>4,396,770</u>	<u>5,632,358</u>	<u>10,667,157</u>	<u>505,039</u>	<u>21,201,324</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,589,590</u>	<u>\$ 6,850,553</u>	<u>\$ 15,277,836</u>	<u>\$ 2,993,681</u>	<u>\$ 30,711,660</u>
<b>DEFERRED INFLOWS</b>	<u>\$ 354,800</u>	<u>\$ 536,111</u>	<u>27,717</u>	<u>\$ 75,872</u>	<u>\$ 994,500</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 24,523,267	\$ 2,018,233	\$ 1,963	\$ 900	\$ 26,544,363
Restricted for debt service	74,291	-	-	-	74,291
Unrestricted	11,598,283	2,487,622	2,852,413	7,642,299	24,580,617
<b>TOTAL NET POSITION</b>	<u>\$ 36,195,841</u>	<u>\$ 4,505,855</u>	<u>\$ 2,854,376</u>	<u>\$ 7,643,199</u>	<u>\$ 51,199,271</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ -	\$ -	\$ -	\$ 1,602,066	\$ 1,602,066
Internal charges	16,763,953	6,859,746	7,021,702	18,859,503	49,504,904
Employee contributions	-	-	-	5,840,096	5,840,096
Miscellaneous	-	-	-	171	171
Total operating revenues	<u>16,763,953</u>	<u>6,859,746</u>	<u>7,021,702</u>	<u>26,301,836</u>	<u>56,947,237</u>
<b>OPERATING EXPENSES</b>					
Salaries, wages, fringes	2,676,592	3,005,550	124,026	356,976	6,163,144
Supplies	3,204,031	445,723	735,676	45,047	4,430,477
Fuel and oil	2,552,736	-	-	-	2,552,736
Contractual services	474,497	1,907,026	295,636	1,872,720	4,549,879
Claims, net of settlements	-	-	4,461,599	18,519,897	22,981,496
Other charges	1,081,234	249,728	2,028,651	1,569,448	4,929,061
Depreciation	7,490,808	807,383	332	66	8,298,589
Total operating expenses	<u>17,479,898</u>	<u>6,415,410</u>	<u>7,645,920</u>	<u>22,364,154</u>	<u>53,905,382</u>
Operating income (loss)	<u>(715,945)</u>	<u>444,336</u>	<u>(624,218)</u>	<u>3,937,682</u>	<u>3,041,855</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest earnings	238,904	66,351	325,933	146,503	777,691
Changes in value of investments	37,871	16,375	74,560	44,423	173,229
Interest and fiscal charges	(42,515)	(68,166)	-	-	(110,681)
Gain (loss) on property sales	(225,858)	(1,287,980)	-	-	(1,513,838)
Miscellaneous revenues	234,274	-	-	-	234,274
Total nonoperating revenues (expenses)	<u>242,676</u>	<u>(1,273,420)</u>	<u>400,493</u>	<u>190,926</u>	<u>(439,325)</u>
Income (loss) before contributions and transfers	<u>(473,269)</u>	<u>(829,084)</u>	<u>(223,725)</u>	<u>4,128,608</u>	<u>2,602,530</u>
<b>TRANSFERS</b>					
TO MUNICIPALITY - CASH	-	-	-	-	-
FROM MUNICIPALITY - CASH	312,466	21,843	-	-	334,309
Change in net position	<u>(160,803)</u>	<u>(807,241)</u>	<u>(223,725)</u>	<u>4,128,608</u>	<u>2,936,839</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>					
	<u>36,154,227</u>	<u>5,608,396</u>	<u>3,078,101</u>	<u>3,515,146</u>	<u>48,355,870</u>
<b>PRIOR PERIOD ADJUSTMENT</b>					
	<u>202,417</u>	<u>(295,300)</u>	<u>-</u>	<u>(555)</u>	<u>(93,438)</u>
<b>TOTAL NET POSITION AT BEGINNING OF YEAR, RESTATED</b>					
	<u>36,356,644</u>	<u>5,313,096</u>	<u>3,078,101</u>	<u>3,514,591</u>	<u>48,262,432</u>
<b>NET POSITION AT END OF YEAR</b>					
	<u>\$ 36,195,841</u>	<u>\$ 4,505,855</u>	<u>\$ 2,854,376</u>	<u>\$ 7,643,199</u>	<u>\$ 51,199,271</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals</u>
<b>CASH FLOWS FROM</b>					
<b>OPERATING ACTIVITIES</b>					
Cash received from City departments	\$ 16,763,953	\$ 6,859,916	\$ 7,184,978	\$ 25,931,242	\$ 56,740,089
Cash payments to suppliers for goods and services	(7,478,672)	(2,943,702)	(3,041,542)	(3,531,615)	(16,995,531)
Cash payments to employees	(2,543,038)	(2,784,305)	(110,841)	(346,764)	(5,784,948)
Cash payments for claims and loss adjustments	-	-	(3,834,977)	(22,274,641)	(26,109,618)
Net cash provided (used) by operating activities	<u>6,742,243</u>	<u>1,131,909</u>	<u>197,618</u>	<u>(221,778)</u>	<u>7,849,992</u>
<b>CASH FLOWS FROM NONCAPITAL</b>					
<b>FINANCING ACTIVITIES</b>					
Transfers from other funds	312,466	21,843	-	-	334,309
Amounts borrowed/repaid from other funds	-	-	-	(487)	(487)
Amounts loaned to other funds	<u>(1,501,925)</u>	<u>(510,800)</u>	<u>(501,192)</u>	<u>(693,976)</u>	<u>(3,207,893)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,189,459)</u>	<u>(488,957)</u>	<u>(501,192)</u>	<u>(694,463)</u>	<u>(2,874,071)</u>
<b>CASH FLOWS FROM CAPITAL</b>					
<b>FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(5,176,228)	(73,049)	-	-	(5,249,277)
Principal paid on bond maturities	(455,000)	-	-	-	(455,000)
Principal paid on capital lease	(425,232)	(767,645)	-	-	(1,192,877)
Interest expense	(51,243)	(68,166)	-	-	(119,409)
Proceeds from sale of equipment	<u>512,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,393</u>
Net cash provided (used) by capital financing activities	<u>(5,595,310)</u>	<u>(908,860)</u>	<u>-</u>	<u>-</u>	<u>(6,504,170)</u>
<b>CASH FLOWS FROM INVESTING</b>					
<b>ACTIVITIES</b>					
Proceeds from sales and maturities of investment securities	10,500,000	1,750,000	11,750,000	6,700,000	30,700,000
Purchase of investment securities	(8,765,243)	(3,002,797)	(11,982,290)	(2,499,792)	(26,250,122)
Interest and gains (losses) on investments	<u>258,391</u>	<u>69,439</u>	<u>335,761</u>	<u>168,713</u>	<u>832,304</u>
Net cash provided (used) by investing activities	<u>1,993,148</u>	<u>(1,183,358)</u>	<u>103,471</u>	<u>4,368,921</u>	<u>5,282,182</u>
Net increase (decrease) in cash and cash equivalents	1,950,622	(1,449,266)	(200,103)	3,452,680	3,753,933
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>2,547,274</u>	<u>2,445,643</u>	<u>4,292,523</u>	<u>620,729</u>	<u>9,906,169</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 4,497,896</u>	<u>\$ 996,377</u>	<u>\$ 4,092,420</u>	<u>\$ 4,073,409</u>	<u>\$ 13,660,102</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
INTERNAL SERVICE FUNDS  
STATEMENT OF CASH FLOWS, CONTINUED  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (715,945)	\$ 444,336	\$ (624,218)	\$ 3,937,682	\$ 3,041,855
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	7,490,808	807,383	332	66	8,298,589
(Increase) decrease in accounts receivable	-	170	163,276	(370,594)	(207,148)
(Increase) decrease in deferred outflows	(478,388)	(719,075)	(37,424)	(101,360)	(1,336,247)
(Increase) decrease in inventories	24,780	822	-	-	25,602
(Increase) decrease in prepaid expenses	-	(374,640)	(206,642)	-	(581,282)
Increase (decrease) in vouchers payable	(235,479)	33,830	329	(93,638)	(294,958)
Increase (decrease) in accounts payable	44,525	(1,237)	224,734	49,238	317,260
Increase (decrease) in accrued expenses	8,980	14,077	81	(31,484)	(8,346)
Increase (decrease) in deferred inflows	(68,815)	(114,498)	(6,319)	(16,418)	(206,050)
Increase (decrease) in provision for compensated absences	(21,863)	(29,620)	238	7,901	(43,344)
Increase (decrease) in estimated claims liabilities	-	-	-	(3,754,744)	(3,754,744)
Increase (decrease) in net OPEB liability	14,834	12,774	355	1,561	29,524
Increase (decrease) in net pension liability	678,806	1,057,587	56,254	150,012	1,942,659
Increase (decrease) in IBNR accrual	-	-	626,622	-	626,622
Net cash provided (used) by operating activities	<u>\$ 6,742,243</u>	<u>\$ 1,131,909</u>	<u>\$ 197,618</u>	<u>\$ (221,778)</u>	<u>\$ 7,849,992</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Decreases (increases) in fair values of investments	\$ (37,871)	\$ (16,375)	\$ (74,560)	\$ (44,423)	\$ (173,229)
Transfers (to) from other funds - investments	-	-	-	-	-
Capital lease	742,945	-	-	-	742,945
Amortization of bond premium	(7,566)	-	-	-	(7,566)

See Independent Auditor's Report.

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## **GENERAL FUND**

The General Fund accounts for all unrestricted resources except those required to be accounted for in another fund. The revenues and expenditures of the Transit System, Solid Waste Department and the Auditorium-Coliseum are accounted for in this fund.



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**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
BALANCE SHEET  
SEPTEMBER 30, 2019**

**ASSETS**

Cash and cash equivalents	\$ 5,083,107
Restricted cash and cash equivalents	1,584,121
Investments at fair value	34,911,144
Receivables (net of allowances for uncollectibles)	
Property taxes	228,374
Solid waste and other	3,543,141
Accrued interest	226,639
Other accrued revenue	1,638,392
Due from other funds	4,250,519
Due from other governments	5,795,614
Inventory of supplies	1,160,490
Prepaid items	10,608
Advances to other funds	655,261
<b>TOTAL ASSETS</b>	<b><u>\$ 59,087,410</u></b>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Vouchers payable	\$ 2,560,790
Accounts payable	2,877,033
Accrued expenditures	6,457,694
Deposits	14,661
Due to other funds - unrestricted	705,488
Due to other governments	929,127
Unearned revenue - property taxes	158,844
Unearned revenues - other	152,264
Total liabilities	<u>13,855,901</u>

**FUND BALANCE**

Nonspendable:	
Inventory	1,160,490
Prepaid items	10,608
Property taxes	69,530
Restricted for:	
Special purpose	1,584,121
Committed for:	
Advances to other funds	655,261
Unassigned	41,751,499
Total fund balance	<u>45,231,509</u>

<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 59,087,410</u></b>
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See Independent Auditor's Report.

**CITY OF AMARILLO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
SEPTEMBER 30, 2019**

<b>REVENUES</b>	
Taxes	\$ 129,047,685
License and permits	3,534,174
Interfund revenues	1,879,045
Intergovernmental revenues	4,902,180
Contributions - citizens	78,098
Charges for services	36,460,898
Fines and forfeitures	4,443,011
Investment earnings	1,424,731
Other rentals and commissions	609,697
Miscellaneous	281,290
	<hr/>
Total revenues	182,660,809
<b>EXPENDITURES</b>	
Current	
General government	4,658,071
Staff services	11,017,616
Public safety and health	
Police protection	47,245,482
Fire protection	33,477,238
Other	12,089,990
Streets, traffic and engineering	15,691,637
Culture and recreation	
Auditorium-coliseum	3,672,282
Libraries	4,111,262
Parks	7,615,172
Participant recreation	6,944,595
Solid waste	16,558,568
Transit system	5,380,196
Information technology	4,454,886
Economic development/tourism	2,607,820
Capital outlay	197,126
	<hr/>
Total expenditures	175,721,941
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<hr/> 6,938,868
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers from other funds	250,064
Transfers to other funds	(10,044,644)
	<hr/>
Net change in fund balance	(2,855,712)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<hr/> 48,087,221
<b>FUND BALANCE, END OF YEAR</b>	<hr/> <u>\$ 45,231,509</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES  
YEAR ENDED SEPTEMBER 30, 2019**

	Actual revenue	Budget	Variance with final budget positive (negative)
<b>TAXES</b>			
General property taxes			
Ad valorem tax collections	\$ 40,797,783	\$ 40,363,969	\$ 433,814
Penalty and interest on delinquent taxes	263,053	272,000	(8,947)
Water & sewer utility	4,047,438	4,047,438	-
General sales tax	59,175,698	58,359,200	816,498
Mixed beverage tax	954,629	874,765	79,864
Hotel occupancy tax	7,208,732	7,077,029	131,703
Hotel occupancy tax rebate	(750,484)	(506,559)	(243,925)
Gross receipts business taxes:			
Electric utility	8,222,133	9,700,665	(1,478,532)
Telephone utility	938,232	956,411	(18,179)
Gas utility	2,479,968	2,984,762	(504,794)
Cable television	1,974,509	1,989,719	(15,210)
Water & Sewer utility	3,735,994	3,810,748	(74,754)
Total taxes	<u>129,047,685</u>	<u>129,930,147</u>	<u>(882,462)</u>
<b>LICENSES AND PERMITS</b>			
Food and beverage establishments			
Liquor, beer and wine licenses	99,379	100,000	(621)
Restaurant permits	774,298	815,000	(40,702)
Food handler permits	42,170	40,000	2,170
Miscellaneous occupational			
Occupational and business	123,453	106,310	17,143
Group care	7,313	0	7,313
Transient bus licenses	1,175	2,200	(1,025)
Solicitation permits	3,726	7,200	(3,474)
Building and structures			
Building permits	1,590,925	1,717,280	(126,355)
Electrical permits	122,060	110,000	12,060
Plumbing and gas permits	378,141	413,000	(34,859)
Heating and air permits	140,840	135,000	5,840
Sewage disposal permits	220,454	218,000	2,454
Mobile home parks	30,240	24,300	5,940
Total licenses and permits	<u>3,534,174</u>	<u>3,688,290</u>	<u>(154,116)</u>
<b>INTERFUND REVENUES</b>			
Airport animal control	18,000	18,000	-
Communication services	-	10,000	(10,000)
Sales to other funds	1,248,778	1,187,360	61,418
Other interfund reimbursements	612,267	657,114	(44,847)
Total interfund revenue	<u>1,879,045</u>	<u>1,872,474</u>	<u>6,571</u>
<b>INTERGOVERNMENTAL REVENUES</b>			
General government			
Auditorium operating assistance	398,004	398,004	-
Public safety and health			
Emergency management participations	279,419	299,024	(19,605)
Other	620,190	367,018	253,172
Solid waste	52,460	375,000	(322,540)
State shared revenues	50,746	52,000	(1,254)
Transit			
Federal/state operating assistance	3,501,361	3,751,220	(249,859)
Total intergovernmental revenues	<u>4,902,180</u>	<u>5,442,266</u>	<u>(540,086)</u>
<b>CONTRIBUTIONS FROM CITIZENS</b>			
Donations unrestricted	78,098	101,816	(23,718)

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
<b>CHARGES FOR SERVICES</b>			
General government			
Zoning, planning application fees	78,553	115,338	(36,785)
Sale of city publications	38	30	8
Construction and development fees	147,058	187,220	(40,162)
Staff services			
Indirect cost reimbursement	1,719,720	1,809,590	(89,870)
Business type fund administrative fees			
Water & sewer administrative	1,457,898	1,457,898	-
Airport	175,790	175,790	-
Other administrative fees			
Weed mowing contract	280,681	425,000	(144,319)
Weed bad debt adjustment	(259,346)	(380,000)	120,654
Wrecker service contract	46,305	53,000	(6,695)
Fiscal agent fees	144,539	160,629	(16,090)
Technology fees	208,801	163,004	45,797
Public safety and health			
Police liaison officer	1,004,070	969,611	34,459
AECC participations	1,029,114	1,003,672	25,442
EMS support	154,200	154,200	-
Warrant fees	488,214	533,300	(45,086)
Traffic accident reports	36,416	43,000	(6,584)
Airport fire service fee	1,914,289	1,914,289	-
Fire inspections	102,896	105,600	(2,704)
Animal shelter fees	168,832	154,913	13,919
Vital statistics fee	297,155	250,000	47,155
Miscellaneous health department fees	1,012	1,500	(488)
Culture & recreation			
Auditorium rentals	1,495,551	1,468,790	26,761
Auditorium concessions	373,930	330,204	43,726
Auditorium advertising	2,119	-	2,119
Auditorium box office	358,464	339,500	18,964
Library late fees	86,061	95,000	(8,939)
Library copy charges	33,304	30,000	3,304
Nonresident library fees	13,357	12,000	1,357
Baseball field rentals	46,442	73,300	(26,858)
Golf green fees	1,000,102	1,375,000	(374,898)
Golf membership fees	182,392	230,000	(47,608)
Golf other	1,757,345	2,033,735	(276,390)
Swimming pool fees	116,754	160,614	(43,860)
Tennis center fees	8,234	7,008	1,226
Warford Center	30,150	73,000	(22,850)
Zoo admission fees	216,980	262,750	(45,770)
Rifle range fees	64,453	123,500	(59,047)
Entry and tournament fees	253,905	311,185	(57,280)
Admission fees	18,882	17,300	1,582
Solid waste			
Collection & disposal fees	17,315,293	17,638,000	(322,707)
Landfill charges	3,224,409	2,550,000	674,409
Recyclable materials	19,476	71,000	(51,524)
Forfeited discounts	442,694	405,000	37,694
Transit			
Passenger revenue	118,134	160,759	(42,625)
Demand response	18,304	40,289	(21,985)
Miscellaneous transit revenue	47,928	298,941	(251,013)
Total charges for services	<u>36,460,898</u>	<u>37,404,459</u>	<u>(943,561)</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED  
YEAR ENDED SEPTEMBER 30, 2019

	Actual revenue	Budget	Variance with final budget positive (negative)
<b>FINES AND FORFEITURES</b>			
Traffic fines	3,160,049	3,771,300	(611,251)
Misdemeanor fees	343,653	328,900	14,753
Parking fines	192,476	134,900	57,576
Court Fees	3,170	3,000	170
Other court revenue	74,670	93,040	(18,370)
Miscellaneous fines	178,394	208,360	(29,966)
State court costs	490,599	566,700	(76,101)
Total fines and forfeitures	<u>4,443,011</u>	<u>5,106,200</u>	<u>(663,189)</u>
<b>INVESTMENT EARNINGS</b>			
Interest earnings	1,424,731	910,751	513,980
Total investment earnings	<u>1,424,731</u>	<u>910,751</u>	<u>513,980</u>
<b>OTHER RENTALS AND COMMISSIONS</b>			
Amusement park commissions	87,536	96,483	(8,947)
Municipal building rents	263,891	238,590	25,301
MPEV rents	175,000	-	175,000
Surface land rents	36,144	36,620	(476)
Miscellaneous concessions	47,126	68,741	(21,615)
Total rental/commissions	<u>609,697</u>	<u>440,434</u>	<u>169,263</u>
<b>MISCELLANEOUS</b>			
Use of money and property:			
Miscellaneous revenues	238,722	176,580	62,142
Sales to outside utilities	33,330	40,000	(6,670)
Appraisal district refunds	-	5,617	(5,617)
Discounts earned	7,004	1,500	5,504
Sale of property and gains	9,878	14,250	(4,372)
Bad debt/exp recovery	(7,644)	-	(7,644)
Total miscellaneous	<u>281,290</u>	<u>237,947</u>	<u>43,343</u>
<b>TOTAL REVENUES</b>	<u>\$ 182,660,809</u>	<u>\$ 185,134,784</u>	<u>\$ (2,473,975)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS)  
YEAR ENDED SEPTEMBER 30, 2019**

	Salaries, wages and fringe benefits	Supplies	Contractual services
<b>GENERAL GOVERNMENT</b>			
Mayor and council	\$ 2,668	\$ 5,313	\$ 32,236
City manager	1,278,055	16,480	159,288
Office of public communication	240,218	21,244	27,852
City secretary	220,055	88,371	617
Municipal court	1,091,256	40,626	53,931
Judicial	442,191	3,688	39,815
Office of Civic Hearing	25,683	11	5,041
Planning and zoning	690,981	13,616	30,732
Total general government	<u>3,991,107</u>	<u>189,349</u>	<u>349,512</u>
<b>STAFF SERVICES</b>			
Financial administration			
Director of finance	546,279	26,542	594,250
Accounting	945,340	40,664	174,713
Benefits	261,097	-	-
Purchasing	552,610	16,268	36,450
Central stores	325,060	3,007	18,058
Information technology	-	-	-
Legal	1,049,398	63,991	293,545
Personnel			
Human resources	641,222	172,370	153,428
Safety and training	293,873	13,278	9,655
Radio communications	285,200	21,474	403,634
Occupancy			
Custodial operations	1,068,730	429,699	26,499
Building maintenance	1,680,499	53,190	514,330
Total staff services	<u>7,649,308</u>	<u>840,483</u>	<u>2,224,562</u>
<b>PUBLIC SAFETY AND HEALTH</b>			
Police			
Police	36,863,776	1,434,900	3,165,582
Civilian personnel	3,204,698	-	1,952,095
Total police protection	<u>40,068,474</u>	<u>1,434,900</u>	<u>5,117,677</u>
Fire protection			
Fire operations	28,665,061	1,611,647	1,323,940
Civilian personnel	1,544,774	31,518	33,750
Total fire protection	<u>30,209,835</u>	<u>1,643,165</u>	<u>1,357,690</u>
Other			
Building safety	1,968,949	42,515	573,462
Animal management and welfare	2,236,586	439,112	271,081
Emergency services	249,663	43,206	52,924
AECC	4,141,108	86,257	238,163
Environmental health	1,047,096	45,192	143,258
Vital statistics	50,712	11,596	1,278
Total other	<u>9,694,114</u>	<u>667,878</u>	<u>1,280,166</u>
Total public safety and health	<u>79,972,423</u>	<u>3,745,943</u>	<u>7,755,533</u>

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Other charges	Total	Capital outlay	Total (GAAP) basis
\$ 34,021	\$ 74,238	\$ -	\$ 74,238
22,349	1,476,172	-	1,476,172
5,805	295,119	-	295,119
8,030	317,073	-	317,073
26,932	1,212,745	-	1,212,745
5,943	491,637	-	491,637
32	30,767	-	30,767
24,991	760,320	-	760,320
<u>128,103</u>	<u>4,658,071</u>	<u>-</u>	<u>4,658,071</u>
8,766	1,175,837	-	1,175,837
6,486	1,167,203	-	1,167,203
4,283	265,380	-	265,380
4,986	610,314	-	610,314
2,639	348,764	-	348,764
4,454,886	4,454,886	-	4,454,886
25,824	1,432,758	-	1,432,758
13,411	980,431	-	980,431
6,536	323,342	-	323,342
18,520	728,828	-	728,828
10,957	1,535,885	-	1,535,885
200,855	2,448,874	-	2,448,874
<u>4,758,149</u>	<u>15,472,502</u>	<u>-</u>	<u>15,472,502</u>
594,875	42,059,133	-	42,059,133
29,556	5,186,349	-	5,186,349
<u>624,431</u>	<u>47,245,482</u>	<u>-</u>	<u>47,245,482</u>
248,276	31,848,924	-	31,848,924
18,272	1,628,314	-	1,628,314
<u>266,548</u>	<u>33,477,238</u>	<u>-</u>	<u>33,477,238</u>
(6,666)	2,578,260	-	2,578,260
45,810	2,992,589	-	2,992,589
114,270	460,063	-	460,063
271,534	4,737,062	-	4,737,062
21,360	1,256,906	2,708	1,259,614
1,524	65,110	-	65,110
<u>447,832</u>	<u>12,089,990</u>	<u>2,708</u>	<u>12,092,698</u>
<u>1,338,811</u>	<u>92,812,710</u>	<u>2,708</u>	<u>92,815,418</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS), CONTINUED  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Salaries, wages and fringe benefits</u>	<u>Supplies</u>	<u>Contractual services</u>
<b>STREETS, TRAFFIC &amp; ENGINEERING</b>			
Street maintenance	4,374,485	259,354	4,924,270
Traffic engineering	492,968	13,459	42,800
Traffic field operations	899,922	2,009,721	664,573
Public works	505,186	4,822	60,196
Capital projects and development	1,060,966	59,436	153,627
Total streets, traffic, engineering	<u>7,333,527</u>	<u>2,346,792</u>	<u>5,845,466</u>
<b>CULTURE &amp; RECREATION</b>			
Auditorium - coliseum			
Civic Center operations	983,682	417,178	168,216
Civic Center administration	420,304	12,528	67,477
Box office operations	272,844	4,756	38,277
Civic Center sports	112,021	357,521	70,869
Globe News Center	130,069	100,358	18,883
Library operations	3,101,304	653,283	175,567
Parks			
Parks administration	502,054	33,188	125,437
Park maintenance	3,579,667	1,762,576	1,401,830
Senior services	46,441	1,743	29,493
Participant recreation			
Golf Operations	2,354,802	1,462,130	920,341
Warford Center	368,292	48,735	40,333
Zoo	352,370	96,745	33,277
Swimming pools	232,630	96,979	56,040
Tennis center	25,295	23,653	44,412
Parks and recreation programs	564,551	40,185	63,723
Total culture and recreation	<u>13,046,326</u>	<u>5,111,558</u>	<u>3,254,175</u>
<b>SOLID WASTE</b>			
Solid waste collection	5,449,936	295,877	5,639,516
Solid waste disposal	2,070,765	255,402	2,242,849
Total solid waste	<u>7,520,701</u>	<u>551,279</u>	<u>7,882,365</u>
<b>TRANSIT</b>			
Fixed route	2,180,052	403,010	26,521
Demand response	892,010	243,536	44,274
Transit Administration	282,959	20,618	9,614
Transit maintenance	481,531	283,497	39,670
Total transit	<u>3,836,552</u>	<u>950,661</u>	<u>120,079</u>
<b>ECONOMIC DEVELOPMENT</b>			
Tourism support	-	-	2,607,820
Total economic development	<u>-</u>	<u>-</u>	<u>2,607,820</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>\$ 123,349,944</u>	<u>\$ 13,736,065</u>	<u>\$ 30,039,512</u>

See Independent Auditor's Report.

<u>Other charges</u>	<u>Total</u>	<u>Capital outlay</u>	<u>Total (GAAP) basis</u>
42,875	9,600,984	1,269	9,602,253
41,139	590,366	-	590,366
11,522	3,585,738	-	3,585,738
5,819	576,023	-	576,023
64,497	1,338,526	-	1,338,526
<u>165,852</u>	<u>15,691,637</u>	<u>1,269</u>	<u>15,692,906</u>
340,564	1,909,640	-	1,909,640
63,569	563,878	-	563,878
54,488	370,365	-	370,365
812	541,223	-	541,223
37,866	287,176	-	287,176
181,108	4,111,262	-	4,111,262
5,980	666,659	3,100	669,759
122,641	6,866,714	-	6,866,714
4,122	81,799	-	81,799
28,778	4,766,051	5,443	4,771,494
10,922	468,282	-	468,282
12,858	495,250	-	495,250
12,384	398,033	-	398,033
4,722	98,082	-	98,082
50,438	718,897	-	718,897
<u>931,252</u>	<u>22,343,311</u>	<u>8,543</u>	<u>22,351,854</u>
325,739	11,711,068	184,606	11,895,674
278,484	4,847,500	-	4,847,500
<u>604,223</u>	<u>16,558,568</u>	<u>184,606</u>	<u>16,743,174</u>
315,835	2,925,418	-	2,925,418
98,063	1,277,883	-	1,277,883
28,822	342,013	-	342,013
30,184	834,882	-	834,882
<u>472,904</u>	<u>5,380,196</u>	<u>-</u>	<u>5,380,196</u>
-	2,607,820	-	2,607,820
-	2,607,820	-	2,607,820
<u>\$ 8,399,294</u>	<u>\$ 175,524,815</u>	<u>\$ 197,126</u>	<u>\$ 175,721,941</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2019**

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances
<b>GENERAL GOVERNMENT</b>				
Mayor and council	\$ 74,238	\$ -	\$ 74,238	\$ -
City manager	1,476,172	-	1,476,172	439
Office of public communication	295,119	-	295,119	-
City secretary	317,073	-	317,073	26,495
Municipal court	1,212,745	-	1,212,745	-
Judicial	491,637	-	491,637	-
Office of Civil Hearing	30,767	-	30,767	-
Planning and zoning	760,320	-	760,320	-
Total general government	<u>4,658,071</u>	<u>-</u>	<u>4,658,071</u>	<u>26,934</u>
<b>STAFF SERVICES</b>				
Financial administration				
Director of finance	1,175,837	-	1,175,837	-
Accounting	1,167,203	-	1,167,203	-
Benefits	265,380	-	265,380	-
Purchasing	610,314	-	610,314	12,000
Central stores	348,764	-	348,764	-
Information technology	4,454,886	-	4,454,886	-
Legal	1,432,758	-	1,432,758	6,914
Personnel				
Human resources	980,431	-	980,431	-
Safety and training	323,342	-	323,342	-
Radio communications	728,828	-	728,828	2,710
Occupancy				
Custodial operations	1,535,885	-	1,535,885	2,510
Building maintenance	2,448,874	-	2,448,874	2,573
Total staff services	<u>15,472,502</u>	<u>-</u>	<u>15,472,502</u>	<u>26,707</u>
<b>PUBLIC SAFETY AND HEALTH</b>				
Police				
Police	42,059,133	-	42,059,133	22,836
Civilian personnel	5,186,349	-	5,186,349	-
Miscellaneous police programs	-	-	-	-
Total police protection	<u>47,245,482</u>	<u>-</u>	<u>47,245,482</u>	<u>22,836</u>
Fire Protection				
Fire operations	31,848,924	-	31,848,924	95,792
Civilian personnel	1,628,314	-	1,628,314	-
Total fire protection	<u>33,477,238</u>	<u>-</u>	<u>33,477,238</u>	<u>95,792</u>
Other				
Building safety	2,578,260	-	2,578,260	-
Animal management and welfare	2,992,589	-	2,992,589	2,732
Emergency services	460,063	-	460,063	-
AECC	4,737,062	-	4,737,062	-
Environmental health	1,256,906	2,708	1,259,614	14,274
Vital statistics	65,110	-	65,110	2,010
Total other	<u>12,089,990</u>	<u>2,708</u>	<u>12,092,698</u>	<u>19,016</u>
Total public safety and health	<u>92,812,710</u>	<u>2,708</u>	<u>92,815,418</u>	<u>137,644</u>

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Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
\$ -	\$ 74,238	\$ 82,694	\$ 82,700	\$ 8,462
-	1,475,733	1,392,505	1,478,180	2,447
36,000	331,119	340,013	342,952	11,833
-	290,578	399,971	402,845	112,267
-	1,212,745	1,381,249	1,395,758	183,013
-	491,637	553,407	555,809	64,172
-	30,767	-	-	(30,767)
1,938	762,258	913,599	919,530	157,272
37,938	4,669,075	5,063,438	5,177,774	508,699
-	1,175,837	1,121,192	1,194,493	18,656
-	1,167,203	1,211,203	1,178,820	11,617
-	265,380	248,613	251,865	(13,515)
6,762	605,076	610,049	616,769	11,693
-	348,764	362,981	367,544	18,780
-	4,454,886	4,135,885	4,454,886	-
-	1,425,844	1,124,839	1,135,834	(290,010)
1,058	981,489	993,427	1,039,753	58,264
-	323,342	310,751	314,355	(8,987)
3,767	729,885	724,595	728,303	(1,582)
1,357	1,534,732	1,670,416	1,684,679	149,947
158	2,446,459	2,755,191	2,774,072	327,613
13,102	15,458,897	15,269,142	15,741,373	282,476
38,380	42,074,677	43,329,022	43,280,201	1,205,524
383	5,186,732	5,231,357	5,268,704	81,972
-	-	-	-	-
38,763	47,261,409	48,560,379	48,548,905	1,287,496
22,170	31,775,302	31,732,537	32,024,888	249,586
3,689	1,632,003	1,563,518	1,580,412	(51,591)
25,859	33,407,305	33,296,055	33,605,300	197,995
-	2,578,260	2,864,264	2,573,009	(5,251)
863	2,990,720	3,076,681	3,100,618	109,898
-	460,063	509,481	512,372	52,309
3,518	4,740,580	4,719,729	4,757,881	17,301
-	1,245,340	1,406,611	1,403,066	157,726
9,800	72,900	61,172	62,057	(10,843)
14,181	12,087,863	12,637,938	12,409,003	321,140
78,803	92,756,577	94,494,372	94,563,208	1,806,631

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS, CONTINUED  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>
<b>STREETS, TRAFFIC &amp; ENGINEERING</b>				
Street maintenance	9,600,984	1,269	9,602,253	11,360
Traffic engineering	590,366	-	590,366	222
Traffic field operations	3,585,738	-	3,585,738	-
Public works	576,023	-	576,023	-
Capital projects and development	1,338,526	-	1,338,526	23,672
Total streets, traffic, engineering	<u>15,691,637</u>	<u>1,269</u>	<u>15,692,906</u>	<u>35,254</u>
<b>CULTURE &amp; RECREATION</b>				
Auditorium - coliseum				
Civic Center operations	1,909,640	-	1,909,640	-
Civic Center administration	563,878	-	563,878	-
Box office operations	370,365	-	370,365	-
Civic Center sports	541,223	-	541,223	-
Globe News Center	287,176	-	287,176	-
Library operations	4,111,262	-	4,111,262	-
Parks				
Parks administration	666,659	3,100	669,759	5,749
Park maintenance	6,866,714	-	6,866,714	16,363
Senior services	81,799	-	81,799	-
Participant Recreation				
Golf Operations	4,766,051	5,443	4,771,494	-
Warford Center	468,282	-	468,282	16,290
Zoo	495,250	-	495,250	916
Swimming pools	398,033	-	398,033	9,063
Tennis center	98,082	-	98,082	-
Parks and recreation programs	718,897	-	718,897	500
Total culture and recreation	<u>22,343,311</u>	<u>8,543</u>	<u>22,351,854</u>	<u>48,881</u>
<b>SOLID WASTE</b>				
Solid waste collection	11,711,068	184,606	11,895,674	392,278
Solid waste disposal	4,847,500	-	4,847,500	8,205
Total solid waste	<u>16,558,568</u>	<u>184,606</u>	<u>16,743,174</u>	<u>400,483</u>
<b>TRANSIT</b>				
Fixed route	2,925,418	-	2,925,418	11,619
Demand response	1,277,883	-	1,277,883	-
Transit Administration	342,013	-	342,013	-
Transit maintenance	834,882	-	834,882	-
Total transit	<u>5,380,196</u>	<u>-</u>	<u>5,380,196</u>	<u>11,619</u>
<b>ECONOMIC DEVELOPMENT</b>				
Tourism support	2,607,820	-	2,607,820	64,000
Economic development	-	-	-	-
Total economic development	<u>2,607,820</u>	<u>-</u>	<u>2,607,820</u>	<u>64,000</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>\$ 175,524,815</u>	<u>\$ 197,126</u>	<u>\$ 175,721,941</u>	<u>\$ 751,522</u>
<b>OPERATING TRANSFERS:</b>				
Operating Transfers to Other Funds	\$ 10,044,644	\$ -	\$ 10,044,644	\$ -
Operating Transfers from Other Funds	(250,064)	-	(250,064)	-
<b>TOTALS INCLUDING TRANSFERS</b>	<u>\$ 185,319,395</u>	<u>\$ 197,126</u>	<u>\$ 185,516,521</u>	<u>\$ 751,522</u>

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<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
44,161	9,635,054	10,335,706	9,739,445	104,391
-	590,144	684,589	688,465	98,321
-	3,585,738	3,894,802	3,906,597	320,859
-	576,023	506,659	511,785	(64,238)
876	1,315,730	1,577,372	1,602,899	287,169
<u>45,037</u>	<u>15,702,689</u>	<u>16,999,128</u>	<u>16,449,191</u>	<u>746,502</u>
3,490	1,913,130	2,126,767	2,139,192	226,062
694	564,572	569,989	575,448	10,876
-	370,365	375,263	377,491	7,126
-	541,223	508,789	509,939	(31,284)
-	287,176	393,519	395,164	107,988
14,097	4,125,359	4,197,806	4,236,535	111,176
2,283	666,293	513,501	684,992	18,699
5,325	6,855,676	7,487,872	7,531,017	675,341
-	81,799	112,977	145,178	63,379
-	4,771,494	5,061,893	5,081,111	309,617
1,735	453,727	493,815	490,482	36,755
-	494,334	562,555	570,233	75,899
-	388,970	496,726	421,968	32,998
-	98,082	107,359	107,359	9,277
1,202	719,599	1,078,992	967,195	247,596
<u>28,826</u>	<u>22,331,799</u>	<u>24,087,823</u>	<u>24,233,304</u>	<u>1,901,505</u>
-	11,503,396	10,330,518	10,263,493	(1,239,903)
2,700	4,841,995	4,755,677	4,778,090	(63,905)
<u>2,700</u>	<u>16,345,391</u>	<u>15,086,195</u>	<u>15,041,583</u>	<u>(1,303,808)</u>
-	2,913,799	2,826,427	2,848,696	(65,103)
-	1,277,883	1,769,033	1,779,706	501,823
4,468	346,481	424,387	427,364	80,883
-	834,882	1,116,755	1,120,834	285,952
<u>4,468</u>	<u>5,373,045</u>	<u>6,136,602</u>	<u>6,176,600</u>	<u>803,555</u>
-	2,543,820	2,671,948	2,671,948	128,128
-	-	-	0	-
-	2,543,820	2,671,948	2,671,948	128,128
<u>\$ 210,874</u>	<u>\$ 175,181,293</u>	<u>\$ 179,808,648</u>	<u>\$ 180,054,981</u>	<u>\$ 4,873,688</u>
\$ -	\$ 10,044,644	\$ 7,890,756	\$ 8,206,270	\$ (1,838,374)
-	(250,064)	(193,515)	(193,515)	56,549
<u>\$ 210,874</u>	<u>\$ 184,975,873</u>	<u>\$ 187,505,889</u>	<u>\$ 188,067,736</u>	<u>\$ 3,091,863</u>

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## **STATEMENTS OF WATER AND SEWER FUND**

This fund accounts for the provision of water and sewer services to residents and commercial enterprises of the City and proximate area. Water is obtained from a number of city-owned well fields, as well as from an allocation of surface water from the Canadian River and underground water from the northeast sector of the Panhandle, both provided by the Canadian River Municipal Water Authority.



**CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019**

**ASSETS**

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 35,164,365
Investments, at fair values	32,886,057
Accounts receivable, net of allowances	7,577,503
Accrued interest receivable	224,453
Other accrued revenue	5,073,586
Due from other funds	1,030,428
Prepaid expenses	1,603,474
Total current assets	<u>83,559,866</u>
<b>NONCURRENT ASSETS</b>	
Restricted cash and cash equivalents	55,086,751
Other noncurrent asset	67,494
Capital assets	
Land	2,040,262
Contributed right of way easements	1,713,516
Underground water rights	58,332,683
Accumulated depletion - underground water rights	(9,404,381)
Water supply contract	50,336,389
Accumulated amortization - water supply contract	(24,403,846)
Pipelines and plant	683,446,448
Accumulated depreciation - pipelines and plant	(236,811,478)
Equipment and vehicles	4,860,698
Accumulated depreciation - equipment and vehicles	(3,642,695)
Construction in progress	66,204,539
Total capital assets net of accumulated depreciation	<u>592,672,135</u>
Total noncurrent assets	<u>647,826,380</u>
<b>TOTAL ASSETS</b>	<u>\$ 731,386,246</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows	\$ 8,278,493
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 8,278,493</u>
	<b>LIABILITIES</b>
<b>CURRENT LIABILITIES</b>	
Vouchers payable	\$ 2,713,696
Accounts payable	1,492,979
Accrued expenses	11,920,231
Due to Other Funds	800,000
Deposits	38,738
Consumer security deposits	4,005,303
Share of water authority debt, current	5,837,260
Bonded debt current maturity	11,770,000
Current portion of provision for compensated absences	194,987
Total current liabilities	<u>38,773,194</u>
<b>NONCURRENT LIABILITIES</b>	
Bonded debt, net of current	155,583,382
Water authority debt, net of current	53,880,681
Other accrued expenses	2,578,684
Provision for compensated absences, net	663,576
Net OPEB liability	5,893,036
Net pension liability	8,462,819
Total noncurrent liabilities	<u>227,062,178</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 265,835,372</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows	\$ 4,393,280
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 4,393,280</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 412,568,214
Restricted for debt service	8,119,349
Unrestricted	48,748,524
<b>TOTAL NET POSITION</b>	<u>\$ 469,436,087</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2019**

<b>OPERATING REVENUES</b>	
Utility sales and service	\$ 74,684,864
Tap fees and frontage charges	430,966
Rents and miscellaneous	(83,919)
Total operating revenues	75,031,911
<b>OPERATING EXPENSES</b>	
Salaries, wages and fringe benefits	15,180,072
Supplies	1,644,628
Fuel and power	3,955,978
Contractual services	15,245,320
Water authority charges	5,269,514
Other charges	11,642,064
Depreciation	14,246,222
Total operating expenses	67,183,798
Operating income	7,848,113
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Gain (loss) on disposal of property	(29,745)
Intergovernmental revenue	1,073,237
Interest earnings	3,124,262
Interest and fiscal charges	(6,470,440)
Total nonoperating revenue (expenses)	(2,302,686)
Income before contributions and transfers	5,545,427
Capital contributions	2,098,738
Transfers to other funds	(670,665)
Change in net position	6,973,500
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>462,429,987</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>32,600</b>
<b>TOTAL NET POSITION, BEGINNING OF YEAR, RESTATED</b>	<b>462,462,587</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$ 469,436,087</b>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from third parties	\$ 75,340,604
Cash payments to suppliers for goods and services	(30,247,703)
Cash payments to employees	(14,518,465)
Net cash provided (used) by operating activities	<u>30,574,436</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Amounts loaned to / borrowed from other funds	(170,645)
Intergovernmental revenue	1,073,237
Transfers to other funds	(670,665)
Net cash provided (used) by noncapital financing activities	<u>231,927</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(31,047,544)
Capital grants received	1,924,662
Principal paid on bond maturities	(11,750,000)
Principal paid on proportionate share of Water Authority debt	(5,587,125)
Interest expense	(7,299,466)
Proceeds from sale of capital assets	336,205
Net cash provided (used) by capital and related financing activities	<u>(53,423,268)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investment securities	32,750,000
Purchase of investment securities	(16,309,173)
Interest and gains on investments	2,797,278
Net cash provided (used) by investing activities	<u>19,238,105</u>
Net decrease in cash and cash equivalents	(3,378,800)
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>93,629,916</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 90,251,116</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 7,848,113
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	14,246,222
(Increase) decrease in accounts receivable	(110,672)
(Increase) decrease in deferred outflows	(2,724,416)
(Increase) decrease in other accrued revenue	322,050
(Increase) decrease in prepaid expenses	1,617
Increase (decrease) in vouchers payable	(57,239)
Increase (decrease) in accounts payable	(220,254)
Increase (decrease) in accrued operating expenses	7,808,408
Increase (decrease) in deferred inflows	(391,019)
Increase (decrease) in customer deposits	97,315
Increase (decrease) in provision for compensated absences	(165,755)
Increase (decrease) in net OPEB liability	85,237
Increase (decrease) in net pension liability	3,862,816
Increase (decrease) in other accrued expenses	(27,987)
Net cash provided (used) by operating activities	<u>\$ 30,574,436</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	
Amortization of bond premiums	\$ (752,871)
Increases in fair values of investments	(329,678)
Interest expense capitalized	-
Capital contributions	174,076
Investment premium/discount amortization	(10,150)

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED SEPTEMBER 30, 2019**

<b>UTILITY SALES AND SERVICE</b>	
Water metered sales	\$ 48,906,889
Sewer charges	23,765,730
Industrial waste charges	176,986
Forfeited discounts	1,333,844
Sale of reclaimed water	499,316
Water service charges	713,819
Net loss on bad debts	(948,984)
Lab fees	114,374
Liquid waste disposal	122,890
	<hr/>
Total utility sales and service	74,684,864
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<b>TAP FEES AND FRONTAGE CHARGES</b>	
Water tap fees	232,827
Sewer tap fees	93,201
Water frontage charges	10,550
Sewer frontage charges	3,013
Grease trap fees	91,375
	<hr/>
Total tap fees and frontage charges	430,966
	<hr/>
<b>RENTS AND MISCELLANEOUS</b>	
Rents and miscellaneous	(83,919)
	<hr/>
Total rents and miscellaneous	(83,919)
	<hr/>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 75,031,911</b>
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CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT  
YEAR ENDED SEPTEMBER 30, 2019

WATER AND SEWER SYSTEM FUND DEPARTMENT	<u>Salaries, Wages &amp; Fringe Benefits</u>	<u>Supplies</u>	<u>Fuel and Power</u>
Water production	\$ 600,201	\$ 41,820	\$ 1,546,580
Water transmission	487,503	34,108	1,208,297
Surface water treatment	1,754,005	441,080	66,399
Water distribution	3,159,098	91,559	823
Water - general	-	5	-
Wastewater collection	1,928,231	189,018	179,080
Wastewater treatment	2,387,616	403,099	931,021
Environmental laboratory	1,283,994	180,256	23,778
Sewer - general	-	-	-
Utility billing	2,047,377	228,442	-
Director of utilities - administration	347,942	15,045	-
Capital projects development and engineering	1,184,105	20,196	-
	<u>\$ 15,180,072</u>	<u>\$ 1,644,628</u>	<u>\$ 3,955,978</u>

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<u>Water Authority Charges</u>	<u>Contractual Services</u>	<u>Other Charges</u>	<u>Depreciation/ Amortization</u>	<u>Total Current Year</u>
\$ -	\$ 676,689	\$ 234,022	\$ 3,856,226	\$ 6,955,538
-	171,197	161,927	2,946,088	5,009,120
5,269,514	549,379	322,920	706,505	9,109,802
-	1,424,590	62,295	2,359,038	7,097,403
-	124,942	7,059,316	-	7,184,263
-	9,813,027	53,780	2,006,618	14,169,754
-	1,098,366	369,099	2,184,368	7,373,569
-	147,353	116,438	107,483	1,859,302
-	-	3,164,651	-	3,164,651
-	1,049,051	38,317	52,612	3,415,799
-	88,650	12,219	27,284	491,140
-	102,076	47,080	-	1,353,457
<u>\$ 5,269,514</u>	<u>\$ 15,245,320</u>	<u>\$ 11,642,064</u>	<u>\$ 14,246,222</u>	<u>\$ 67,183,798</u>

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## STATEMENTS OF DRAINAGE UTILITY FUND

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



**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY FUND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 2,343,651
Investments, at fair values	5,263,170
Accounts receivable	910,813
Due from other funds	500,000
Total current assets	9,017,634

**NONCURRENT ASSETS**

Restricted cash and cash equivalents	69,768
Capital assets	
Land	2,010
Contributed right of way easements	771,594
Infrastructure	12,365,644
Accumulated depreciation - infrastructure	(612,119)
Equipment and vehicles	34,348
Accumulated depreciation - equipment and vehicles	(20,699)
Construction in progress	8,732,752
Total capital assets net of accumulated depreciation	21,273,530
Total noncurrent assets	21,343,298

**TOTAL ASSETS**

**\$ 30,360,932**

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows	\$ 329,904
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**TOTAL DEFERRED OUTFLOWS OF RESOURCES**

**\$ 329,904**

**LIABILITIES**

**CURRENT LIABILITIES**

Vouchers payable	116,463
Accounts payable	180,357
Accrued expenses	72,615
Accrued interest	29,433
Bonded debt current maturity	515,000
Current portion of provision for compensated absences	17,072
Total current liabilities	930,940

**NONCURRENT LIABILITIES**

Bonded debt net of current	8,060,740
Provision for compensated absences, net	22,674
Net OPEB liability	578,999
Net pension liability	476,158
Total noncurrent liabilities	9,138,571

**TOTAL LIABILITIES**

**\$ 10,069,511**

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows	147,817
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**TOTAL DEFERRED INFLOWS OF RESOURCES**

**\$ 147,817**

**NET POSITION**

Net investment in capital assets	\$ 12,697,790
Restricted for debt service	69,768
Unrestricted	7,705,950

**TOTAL NET POSITION**

See Independent Auditor's Report.

**\$ 20,473,508**

**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2019**

<b>OPERATING REVENUES</b>	
Drainage utility assessments	\$ 5,481,632
Forfeited discounts	100,547
Total operating revenues	<u>5,582,179</u>
<b>OPERATING EXPENSES</b>	
Salaries, wages and fringe benefits	1,295,842
Supplies	144,769
Contractual services	882,488
Other charges	475,056
Depreciation	165,056
Total operating expenses	<u>2,963,211</u>
Operating income (loss)	<u>2,618,968</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest earnings	201,484
Sales to other departments	12,583
Interest and fiscal charges	<u>(239,733)</u>
Total nonoperating revenue (expenses)	<u>(25,666)</u>
Income before contributions and transfers	2,593,302
Capital contributions	508,440
Transfers from other funds	147,210
Transfers to other funds	<u>(35,500)</u>
Change in net position	3,213,452
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<u>17,260,087</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>(31)</u>
<b>TOTAL NET POSITION, BEGINNING OF YEAR, RESTATED</b>	<u>17,260,056</u>
<b>TOTAL NET POSITION, END OF YEAR</b>	<u><u>\$ 20,473,508</u></u>

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**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from third parties	\$ 5,036,709
Cash payments to suppliers for goods and services	(1,421,611)
Cash payments to employees	<u>(1,239,562)</u>
Net cash provided (used) by operating activities	<u>2,375,536</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	147,210
Sales to other departments	12,583
Transfers to other funds	(35,500)
Amounts borrowed from other funds	<u>(500,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(375,707)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(2,932,536)
Principal paid on bond maturities	(510,000)
Interest expense	<u>(246,305)</u>
Net cash provided (used) by capital and related financing activities	<u>(3,688,841)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investment securities	6,250,000
Purchase of investment securities	(5,753,050)
Interest and gains on investments	<u>159,484</u>
Net cash provided (used) by investing activities	<u>656,434</u>
Net increase (decrease) in cash and cash equivalents	(1,032,578)
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>3,445,997</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 2,413,419</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ 2,618,968
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	165,056
(Increase) decrease in accounts receivable	(545,470)
(Increase) decrease in deferred outflows	(201,453)
Increase (decrease) in vouchers payable	18,971
Increase (decrease) in accounts payable	61,731
Increase (decrease) in accrued operating expenses	14,072
Increase (decrease) in deferred inflows	(26,506)
Increase (decrease) in provision for compensated absences	(15,729)
Increase (decrease) in net OPEB liability	8,374
Increase (decrease) in net pension liability	<u>277,522</u>
Net cash provided (used) by operating activities	<u>\$ 2,375,536</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	
Amortization of bond premiums	\$ (4,941)
Investment premium/discount amortization	3,616

See Independent Auditor's Report.

## **AIRPORT FUND**

This fund accounts for the operation of the Amarillo International Airport. In addition to providing runways, a passenger terminal and related facilities, the Airport includes improvements built by the federal government for an air force base on land which was returned to the City in 1967 and 1970. These facilities, together with later additions, are leased to commercial tenants for warehousing, manufacturing, and aircraft-related activities.

**CITY OF AMARILLO, TEXAS  
AIRPORT FUND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019**

**ASSETS**

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,955,123
Investments at fair value	4,509,380
Receivables (net of allowances for uncollectibles)	
Accounts	92,454
Accrued interest	12,356
Other accrued revenue	228,813
Prepaid expenses	23,650
Due from other governments	4,313,086
Total current assets	<u>11,134,862</u>
<b>NONCURRENT ASSETS</b>	
Restricted cash and cash equivalents	44,330
Capital assets	
Land	2,777,341
Runways, buildings and improvements	159,110,945
Accumulated depreciation - runways, buildings and improvements	(102,189,991)
Equipment and vehicles	8,420,400
Accumulated depreciation - equipment and vehicles	(5,006,499)
Construction in progress	16,199,682
Total capital assets, net of accumulated depreciation	<u>79,311,878</u>
Total noncurrent assets	<u>79,356,208</u>
<b>TOTAL ASSETS</b>	<u>\$ 90,491,070</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows	\$ 1,173,015
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,173,015</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Vouchers payable	\$ 866,744
Accounts payable	440,947
Accrued expenses	189,839
Deposits	27,323
Bonded debt current maturity	1,973,552
Current portion of provision for compensated absences	25,424
Total current liabilities	<u>3,523,829</u>
<b>NONCURRENT LIABILITIES</b>	
Provision for compensated absences, net	178,557
Net OPEB liability	1,261,041
Net pension liability	1,807,908
Total noncurrent liabilities	<u>3,247,506</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 6,771,335</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows	\$ 477,956
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 477,956</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 77,338,326
Restricted for debt service	44,330
Unrestricted	7,032,138
<b>TOTAL NET POSITION</b>	<u>\$ 84,414,794</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
AIRPORT FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2019**

<b>OPERATING REVENUES</b>	
Airfield fees and commissions	\$ 894,784
Terminal building revenue	8,020,295
Other building revenue	1,741,376
	<hr/>
Total operating revenues	10,656,455
<b>OPERATING EXPENSES</b>	
Salaries, wages and fringes	3,627,273
Supplies	525,439
Fuel and power	512,020
Contractual services	1,731,353
Other charges	2,970,139
Depreciation	5,267,590
	<hr/>
Total operating expenses	14,633,814
Operating loss	<hr/> (3,977,359)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Passenger facility charge	1,398,694
Interest earnings	158,957
Capital grants	2,713,821
Change in value of investments	26,043
Interest expense	16,583
Other miscellaneous revenue	138,432
	<hr/>
Net nonoperating revenues (expenses)	4,452,530
Net loss before contributions	475,171
<b>CAPITAL CONTRIBUTIONS</b>	3,815,168
Change in net position	4,290,339
<b>NET POSITION AT BEGINNING OF YEAR</b>	<hr/> 79,405,616
<b>PRIOR PERIOD ADJUSTMENT</b>	<hr/> 718,839
<b>TOTAL NET POSITION, BEGINNING OF YEAR, RESTATED</b>	<hr/> 80,124,455
<b>NET POSITION AT END OF YEAR</b>	<hr/> <hr/> \$ 84,414,794

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
AIRPORT FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from third parties	\$ 10,795,084
Cash payments to suppliers for goods and services	(5,065,219)
Cash payments to employees	(3,413,763)
Net cash provided (used) by operating activities	<u>2,316,102</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash payments received for passenger facility charge	<u>1,398,694</u>
Net cash provided (used) by noncapital financing activities	<u>1,398,694</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(7,611,932)
Principal paid on bond maturities	(1,740,000)
Capital grants received	3,599,325
Interest expense	(131,023)
Net cash provided (used) by capital and related financing activities	<u>(5,883,630)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investment securities	8,250,000
Purchase of investment securities	(7,260,589)
Interest and gains on investments	162,603
Net cash provided (used) by investing activities	<u>1,152,014</u>
Net increase (decrease) in cash and cash equivalents	(1,016,820)
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>3,016,273</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 1,999,453</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (3,977,359)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	5,267,590
(Increase) decrease in accounts receivable	69,228
(Increase) decrease in other accrued	69,120
(Increase) decrease in prepaid expenses	25,215
(Increase) decrease in deferred outflows	(645,305)
Increase (decrease) in vouchers payable	576,922
Increase (decrease) in accounts payable	270,614
Increase (decrease) in accrued operating expenses	(199,019)
Increase (decrease) in deposits received	281
(Increase) decrease in deferred inflows	(94,881)
Increase (decrease) in provision for compensated absences	12,882
Increase (decrease) in net OPEB obligation	18,239
Increase (decrease) in net pension obligation	922,575
Net cash provided (used) by operating activities	<u>\$ 2,316,102</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	
Bond premium amortization	\$ (136,492)
Decrease (increase) in fair value of investments	(26,043)

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
AIRPORT FUND  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED SEPTEMBER 30, 2019**

<b>AIRFIELD FEES AND COMMISSIONS</b>	
Landing fees	\$ 758,025
Military fuel flowage commission	136,759
Total airfield fees and commissions	<u>894,784</u>
<b>TERMINAL BUILDING REVENUES</b>	
Airline rentals	2,419,152
Restaurant commissions	218,650
Other terminal building rentals	122,416
Car rental agencies	2,132,619
Auto parking concession	3,127,458
Total terminal building revenues	<u>8,020,295</u>
<b>OTHER BUILDING REVENUES</b>	
Lease rentals	
Bell Helicopter	508,980
Krams, Inc.	302,580
Leading Edge	455,682
Fixed base operator	-
Other building rentals	192,456
Ground rentals	243,178
Advertising commissions	38,500
Total other building revenues	<u>1,741,376</u>
<b>TOTAL OPERATING REVENUES</b>	<u><u>\$ 10,656,455</u></u>

See Independent Auditor's Report.



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## COMBINING SCHEDULES

### Grant Programs

The City participates in the following types of federal, federal-pass-through and state financial assistance programs, many of which benefit the entire 26-county region known as the Panhandle of Texas:

**HUD Programs:** These grants, funded by the U. S. Department of Housing and Urban Development, include both block grants and housing and emergency shelter assistance grants for the benefit of low and moderate-income persons.

**Public Health:** These funds account for grants received for public health purposes within the city-bi-county public health district, received primarily through the U.S. Department of Agriculture, U.S. Department of Health and Human Services, and Texas Department of State Health Services.

**Justice:** These grants are received from the U.S. Department of Justice for assistance in both local and Panhandle area crime control, as well as from the Department of Transportation for traffic safety purposes.

**Other:** The City's transportation planning department administers grants from the U.S. Department of Transportation for general transportation planning. The City's emergency management department administers grants from the U.S. Department of Energy for planning with respect to the Pantex plant east of the City. The City occasionally receives assistance from various outside sources to offset the cost on the City to respond to disasters. The City's parks department administers a summer lunch program for low-income children funded by the U.S. Department of Agriculture.

### Agency and Private-Purpose Trust Funds

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

#### Agency Fund

**Civic Center Operations:** Accounts for individual events at the City of Amarillo Civic Center. Funds are held in these accounts until events occur and are balanced and closed out.

#### Private-Purpose Trust Funds

**Centennial Parkway:** Donations for trees and landscaping along Airport Boulevard.

**Indigent Dog Bite Victim:** Donations for health-related services for qualifying indigent dog bite victims.

**Amarillo Industrial Development Corporation:** Promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare.

**CITY OF AMARILLO, TEXAS  
HOUSING AND URBAN DEVELOPMENT GRANTS  
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES  
SEPTEMBER 30, 2019**

	<b>Community Development Block Grant</b>	<b>Housing Assistance Payments Program</b>	<b>Home Investment Partnership Program</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 108,274	\$ 487,013	\$ 43,954
Accounts receivable	26,391	-	70,649
Due from other funds	-	47,758	-
Due from other governments	176,882	3,569	340,570
Prepaid items	-	456	-
<b>TOTAL ASSETS</b>	<b>\$ 311,547</b>	<b>\$ 538,796</b>	<b>\$ 455,173</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 47,110	\$ 40,361	\$ 222,117
Accrued expenditures	-	-	-
Due to other funds - unrestricted	183,713	33,973	56,692
Due to other governments	145	-	-
Unearned revenue	-	-	70,649
Vouchers payable	69,162	8,021	105,716
Total liabilities	300,130	82,355	455,174
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	-	456	-
Restricted for:			
Special purposes	11,417	430,437	(1)
Committed for:			
Compensated absences	-	25,548	-
Total fund balances	11,417	456,441	(1)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 311,547</b>	<b>\$ 538,796</b>	<b>\$ 455,173</b>

See Independent Auditor's Report.

<u>Shelter Plus Care/ Permanent Housing</u>	<u>Supportive/ Transitional Housing</u>	<u>Coming Home</u>	<u>Emergency Shelter</u>	<u>HMIS</u>	<u>Total</u>
\$ 16,768	\$ 12,794	\$ 6,066	\$ -	\$ 16,067	\$ 690,936
-	-	-	-	-	97,040
-	-	1,022	-	759	49,539
90,628	26,378	-	-	62,828	700,855
-	828	-	-	2,028	3,312
<u>\$ 107,396</u>	<u>\$ 40,000</u>	<u>\$ 7,088</u>	<u>\$ -</u>	<u>\$ 81,682</u>	<u>\$ 1,541,682</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,679	\$ 316,267
-	-	6,629	-	-	6,629
107,396	40,000	-	-	75,000	496,774
-	-	-	-	-	145
-	-	-	-	-	70,649
-	-	459	-	-	183,358
<u>107,396</u>	<u>40,000</u>	<u>7,088</u>	<u>-</u>	<u>81,679</u>	<u>1,073,822</u>
-	-	-	-	2,028	2,484
-	-	-	-	(2,025)	439,828
-	-	-	-	-	25,548
-	-	-	-	3	467,860
<u>\$ 107,396</u>	<u>\$ 40,000</u>	<u>\$ 7,088</u>	<u>\$ -</u>	<u>\$ 81,682</u>	<u>\$ 1,541,682</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
HOUSING AND URBAN DEVELOPMENT GRANTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Community Development Block Grant</u>	<u>Housing Assistance Payments Program</u>	<u>Home Investment Partnership Program</u>
<b>REVENUES</b>			
Grants-in-aid - capital	\$ 1,506,175	\$ 8,878,751	\$ 742,420
Charges for services	9,393	-	4,447
Construction participations	69,137	-	-
Investment earnings	-	8,101	-
Miscellaneous revenues	-	36,803	-
Total revenues	<u>1,584,705</u>	<u>8,923,655</u>	<u>746,867</u>
<b>EXPENDITURES</b>			
Urban redevelopment/housing	<u>1,580,933</u>	<u>9,679,496</u>	<u>746,868</u>
Total expenditures	<u>1,580,933</u>	<u>9,679,496</u>	<u>746,868</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,772</u>	<u>(755,841)</u>	<u>(1)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to other fund	-	-	-
Operating transfer from other fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,772	(755,841)	(1)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>7,645</u>	<u>1,212,282</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 11,417</u>	<u>\$ 456,441</u>	<u>\$ (1)</u>

See Independent Auditor's Report.

<u>Shelter Plus Care/ Permanent Housing</u>	<u>Supportive/ Transitional Housing</u>	<u>Coming Home</u>	<u>Emergency Shelter</u>	<u>HMIS</u>	<u>Total</u>
\$ 400,233	\$ 26,378	\$ -	\$ 13,112	\$ 62,828	\$ 11,629,897
-	-	-	-	-	13,840
-	-	-	-	-	69,137
-	-	-	-	-	8,101
-	-	15,878	-	-	52,681
<u>400,233</u>	<u>26,378</u>	<u>15,878</u>	<u>13,112</u>	<u>62,828</u>	<u>11,773,656</u>
<u>400,233</u>	<u>26,378</u>	<u>155,240</u>	<u>13,112</u>	<u>62,825</u>	<u>12,665,085</u>
<u>400,233</u>	<u>26,378</u>	<u>155,240</u>	<u>13,112</u>	<u>62,825</u>	<u>12,665,085</u>
<u>-</u>	<u>-</u>	<u>(139,362)</u>	<u>-</u>	<u>3</u>	<u>(891,429)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>-</u>	<u>(500)</u>
<u>-</u>	<u>-</u>	<u>139,362</u>	<u>-</u>	<u>-</u>	<u>139,362</u>
<u>-</u>	<u>-</u>	<u>139,362</u>	<u>(500)</u>	<u>-</u>	<u>138,862</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>3</u>	<u>(752,567)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>1,220,427</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 467,860</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
PUBLIC HEALTH GRANTS  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES  
SEPTEMBER 30, 2019**

	<b>Public Health</b>	<b>Women, Infants &amp; Children</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,294,519	\$ 8,097	\$ 8,302,616
Accounts receivable	4,028	171	4,199
Other prepaid expenses	2,766	2,706	5,472
Due from other funds - unrestricted	5,211	-	5,211
Due from other governments	287,033	429,216	716,249
<b>TOTAL ASSETS</b>	<b>\$ 8,593,557</b>	<b>\$ 440,190</b>	<b>\$ 9,033,747</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 105,407	\$ 58,612	\$ 164,019
Due to other funds - unrestricted	-	370,000	370,000
Accrued Expenses	-	-	-
Vouchers payable	106,566	4,256	110,822
Total liabilities	211,973	432,868	644,841
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	2,766	2,706	5,472
Restricted:			
Special purposes	8,378,818	4,616	8,383,434
Total fund balances	8,381,584	7,322	8,388,906
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,593,557</b>	<b>\$ 440,190</b>	<b>\$ 9,033,747</b>

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, 2019**

	<u>Public Health</u>	<u>Women, Infants &amp; Children</u>	<u>Total</u>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 4,127,452	\$ 1,477,979	\$ 5,605,431
Charges for services	150,847	-	150,847
Investment earnings	142,099	-	142,099
Miscellaneous revenues	-	593	593
Total revenues	<u>4,420,398</u>	<u>1,478,572</u>	<u>5,898,970</u>
<b>EXPENDITURES</b>			
Other public safety and health	<u>3,294,233</u>	<u>1,346,528</u>	<u>4,640,761</u>
Total expenditures	<u>3,294,233</u>	<u>1,346,528</u>	<u>4,640,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,126,165</u>	<u>132,044</u>	<u>1,258,209</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers to other fund	<u>-</u>	<u>(130,661)</u>	<u>(130,661)</u>
Total other financing sources and uses	<u>-</u>	<u>(130,661)</u>	<u>(130,661)</u>
Net change in fund balances	1,126,165	1,383	1,127,548
<b>FUND BALANCES, AT BEGINNING OF YEAR</b>	<u>7,255,419</u>	<u>5,939</u>	<u>7,261,358</u>
<b>FUND BALANCES, AT END OF YEAR</b>	<u>\$ 8,381,584</u>	<u>\$ 7,322</u>	<u>\$ 8,388,906</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
JUSTICE GRANTS  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES  
SEPTEMBER 30, 2019**

	<u>Justice Assistant Grant</u>	<u>Selective Traffic Enforcement Program</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,948	\$ 11,145	\$ 13,093
Accounts receivable	20,188	-	20,188
Due from other governments	-	38,855	38,855
<b>TOTAL ASSETS</b>	<u>\$ 22,136</u>	<u>\$ 50,000</u>	<u>\$ 72,136</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 22,136	\$ -	\$ 22,136
Vouchers payable	-	-	-
Due to other funds - unrestricted	-	50,000	50,000
Total liabilities	<u>22,136</u>	<u>50,000</u>	<u>72,136</u>
<b>FUND BALANCES</b>			
Restricted:			
Special purposes	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 22,136</u>	<u>\$ 50,000</u>	<u>\$ 72,136</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
JUSTICE GRANTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Justice Assistance Grant</u>	<u>Selective Traffic Enforcement Program</u>	<u>Total</u>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 44,675	\$ 159,753	\$ 204,428
Total revenues	<u>44,675</u>	<u>159,753</u>	<u>204,428</u>
<b>EXPENDITURES</b>			
Police protection	1,948	197,614	199,562
Capital outlay	44,676	-	44,676
Total expenditures	<u>46,624</u>	<u>197,614</u>	<u>244,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,949)</u>	<u>(37,861)</u>	<u>(39,810)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other fund	-	37,861	37,861
Total other financing sources and uses	<u>-</u>	<u>37,861</u>	<u>37,861</u>
Net change in fund balances	(1,949)	-	(1,949)
<b>FUND BALANCES, AT BEGINNING OF YEAR</b>	<u>1,949</u>	<u>-</u>	<u>1,949</u>
<b>FUND BALANCES, AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
 MISCELLANEOUS GRANTS  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES  
 SEPTEMBER 30, 2019

	<u>Urban Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,977	\$ 3,784
Accounts receivable	-	92
Prepaid expense	450	2,241
Due from other funds	-	-
Due from other governments	<u>60,946</u>	<u>22,539</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 74,373</u></u>	<u><u>\$ 28,656</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable	\$ 14,373	\$ 3,656
Due to other funds - unrestricted	60,000	25,000
Vouchers payable	<u>-</u>	<u>-</u>
Total liabilities	<u>74,373</u>	<u>28,656</u>
<b>FUND BALANCES</b>		
Restricted:		
Special purposes	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 74,373</u></u>	<u><u>\$ 28,656</u></u>

See Independent Auditor's Report.

<u>Disaster Assistance</u>	<u>Summer Lunch Program</u>	<u>Total</u>
\$ -	\$ 319,385	\$ 336,146
-	-	92
-	-	2,691
-	12,652	12,652
-	-	83,485
<u>\$ -</u>	<u>\$ 332,037</u>	<u>\$ 435,066</u>
\$ -	\$ -	\$ 18,029
-	-	85,000
-	332,037	332,037
-	332,037	435,066
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ 332,037</u>	<u>\$ 435,066</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
MISCELLANEOUS GRANTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Urban Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>
<b>REVENUES</b>		
Intergovernmental revenues	\$ 331,133	\$ 200,043
Donations	<u>-</u>	<u>-</u>
Total revenues	<u>331,133</u>	<u>200,043</u>
<b>EXPENDITURES</b>		
Other public safety and health	-	124,082
Staff services	331,133	-
Capital outlay	<u>-</u>	<u>5,948</u>
Total expenditures	<u>331,133</u>	<u>130,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>70,013</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers to other fund	-	(70,013)
Operating transfers from other fund	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>(70,013)</u>
Net change in fund balances	-	-
<b>FUND BALANCES, AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

<u>Disaster Assistance</u>	<u>Summer Lunch Program</u>	<u>Total</u>
\$ -	\$ 317,944	\$ 849,120
-	110	110
-	318,054	849,230
-	333,071	457,153
-	-	331,133
-	-	5,948
-	333,071	794,234
-	(15,017)	54,996
-	-	(70,013)
-	15,017	15,017
-	15,017	(54,996)
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY FUNDS  
 SEPTEMBER 30, 2019**

	<u>Centennial Parkway</u>	<u>Indigent Dog Bite Victim</u>	<u>Amarillo Industrial Development Corporation</u>	<u>Total Private-Purpose Trust Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,472	\$ 5,008	\$ 24,292	\$ 31,772
Investments, at fair values	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,292</u>	<u>\$ 31,772</u>
<b>NET POSITION</b>				
Held in trust for private purposes	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,292</u>	<u>\$ 31,772</u>
<b>TOTAL NET POSITION</b>	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,292</u>	<u>\$ 31,772</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUNDS  
 SEPTEMBER 30, 2019**

	<u>Centennial Parkway</u>	<u>Indigent Dog Bite Victim</u>	<u>Amarillo Industrial Development Corporation</u>	<u>Total Private-Purpose Trust Funds</u>
<b>ADDITIONS:</b>				
Employer Contributions	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	520	520
Total additions	<u>-</u>	<u>-</u>	<u>520</u>	<u>520</u>
<b>DEDUCTIONS:</b>				
Benefits payments	-	-	-	-
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>-</u>	<u>-</u>	<u>520</u>	<u>520</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>2,472</u>	<u>5,008</u>	<u>23,772</u>	<u>31,252</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,292</u>	<u>\$ 31,772</u>

See Independent Auditor's Report.



CITY OF AMARILLO, TEXAS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>CIVIC CENTER OPERATIONS</b>				
Assets				
Cash and cash equivalents	\$ 939,410	\$ 4,463,318	\$ 4,614,468	\$ 788,260
Total assets	<u>\$ 939,410</u>	<u>\$ 4,463,318</u>	<u>\$ 4,614,468</u>	<u>\$ 788,260</u>
Liabilities				
Due to other agencies	\$ 939,410	\$ 4,463,318	\$ 4,614,468	\$ 788,260
Total liabilities	<u>\$ 939,410</u>	<u>\$ 4,463,318</u>	<u>\$ 4,614,468</u>	<u>\$ 788,260</u>

See Independent Auditor's Report.

## SUPPLEMENTARY INFORMATION

The following schedules are presented for the purpose of additional analysis and are not a required part of comprehensive annual financial report. The following types of information are included:

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

**CITY OF AMARILLO, TEXAS**  
**SCHEDULE OF INVESTMENTS - BY FUNDS**  
**SEPTEMBER 30, 2019**

	No-Load Mutual Funds	Taxable Municipal Bonds			U.S. Treasury Obligations		
		Amortized Cost	Par Value	Fair Values	Amortized Cost	Par Value	Fair Values
<b>GOVERNMENTAL FUNDS</b>							
Unrestricted:							
General Fund	\$ 4,242,943	\$ -	\$ -	\$ -	\$ 1,981,200	\$ 2,000,000	\$ 1,985,460
Housing and Urban Development Grants Funds	2,171	-	-	-	-	-	-
Seizure Funds	6,880	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	769,294	-	-	-	-	-	-
Compensated Absences	7,969	-	-	-	-	-	-
General Obligation Debt	-	-	-	-	-	-	-
Public Improvement Districts	29,581	-	-	-	-	-	-
Capital Projects Funds	3,653,067	-	-	-	2,490,350	2,500,000	2,502,530
Miscellaneous special revenue	6,400,947	-	-	-	-	-	-
<b>Total Unrestricted</b>	<b>15,112,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,471,550</b>	<b>4,500,000</b>	<b>4,487,990</b>
Restricted:							
General Obligation Debt	2,526,565	-	-	-	-	-	-
General Construction Fund	337,511	-	-	-	-	-	-
Civic Center Improvement Fund	3,409,344	-	-	-	-	-	-
GO Bond Construction Fund	26,421,089	-	-	-	-	-	-
Bonded Debt Service Fund	3,044,663	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	-	-	-	-	-	-	-
<b>Total Restricted</b>	<b>35,739,172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Governmental Funds</b>	<b>50,852,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,471,550</b>	<b>4,500,000</b>	<b>4,487,990</b>
<b>PROPRIETARY FUNDS</b>							
<b>ENTERPRISE FUNDS</b>							
Unrestricted:							
Water and Sewer Fund	35,013,867	-	-	-	13,047,311	13,000,000	13,054,900
Airport Fund	1,533,740	-	-	-	1,245,175	1,250,000	1,251,265
Drainage Utility	1,916,644	-	-	-	741,284	750,000	746,775
<b>Total Unrestricted</b>	<b>38,464,251</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,033,770</b>	<b>15,000,000</b>	<b>15,052,940</b>
Restricted:							
Water and Sewer Fund	55,086,751	-	-	-	-	-	-
Airport Fund	44,330	-	-	-	-	-	-
Drainage Utility	69,768	-	-	-	-	-	-
<b>Total Restricted</b>	<b>55,200,849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Enterprise Funds</b>	<b>93,665,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,033,770</b>	<b>15,000,000</b>	<b>15,052,940</b>
<b>INTERNAL SERVICE FUNDS</b>							
Unrestricted:							
Fleet Services	4,142,127	-	-	-	1,007,783	1,000,000	1,008,980
Information Services	630,026	-	-	-	503,891	500,000	504,490
Risk Management	3,461,407	-	-	-	1,981,200	2,000,000	1,985,460
Employee Insurance	1,504,986	-	-	-	988,379	1,000,000	995,700
<b>Total Unrestricted</b>	<b>9,738,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,481,253</b>	<b>4,500,000</b>	<b>4,494,630</b>
Restricted:							
Fleet Services	74,291	-	-	-	-	-	-
<b>Total Internal Service Funds</b>	<b>9,812,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,481,253</b>	<b>4,500,000</b>	<b>4,494,630</b>
<b>TOTALS - ALL FUNDS</b>	<b>\$ 154,329,961</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,986,573</b>	<b>\$ 24,000,000</b>	<b>\$ 24,035,560</b>

See Independent Auditor's Report.

U.S. Government and Government-Sponsored Agencies		Total Investments at Fair Values	Add Time Deposits	Less Cash Equivalents	Total Investments
Interest Bearing Obligations Par Values	Fair Values				
\$ 29,980,000	30,022,326	\$ 36,250,729	\$ 2,903,358	\$ (4,242,943)	\$ 34,911,144
-	-	2,171	-	(2,171)	-
-	-	6,880	-	(6,880)	-
-	-	769,294	500,000	(769,294)	500,000
500,000	499,410	507,379	-	(7,969)	499,410
-	-	-	-	-	-
-	-	29,581	-	(29,581)	-
6,250,000	6,249,565	12,405,162	3,250,000	(3,653,067)	12,002,095
-	-	6,400,947	1,250,000	(6,400,947)	1,250,000
<u>36,730,000</u>	<u>36,771,301</u>	<u>56,372,143</u>	<u>7,903,358</u>	<u>(15,112,852)</u>	<u>49,162,649</u>
-	-	2,526,565	-	(2,526,565)	-
-	-	337,511	-	(337,511)	-
4,735,000	4,735,622	8,144,966	3,000,000	(3,409,344)	7,735,622
-	-	26,421,089	6,000,000	(26,421,089)	6,000,000
-	-	3,044,663	-	(3,044,663)	-
-	-	-	-	-	-
<u>4,735,000</u>	<u>4,735,622</u>	<u>40,474,794</u>	<u>9,000,000</u>	<u>(35,739,172)</u>	<u>13,735,622</u>
<u>41,465,000</u>	<u>41,506,923</u>	<u>96,846,937</u>	<u>16,903,358</u>	<u>(50,852,024)</u>	<u>62,898,271</u>
18,215,000	18,331,157	66,399,924	1,500,000	(35,013,867)	32,886,057
2,000,000	2,008,115	4,793,120	1,250,000	(1,533,740)	4,509,380
2,500,000	2,516,395	5,179,814	2,000,000	(1,916,644)	5,263,170
<u>22,715,000</u>	<u>22,855,667</u>	<u>76,372,858</u>	<u>4,750,000</u>	<u>(38,464,251)</u>	<u>42,658,607</u>
-	-	55,086,751	-	(55,086,751)	-
-	-	44,330	-	(44,330)	-
-	-	69,768	-	(69,768)	-
-	-	55,200,849	-	(55,200,849)	-
<u>22,715,000</u>	<u>22,855,667</u>	<u>131,573,707</u>	<u>4,750,000</u>	<u>(93,665,100)</u>	<u>42,658,607</u>
3,500,000	3,521,080	8,672,187	3,750,000	(4,142,127)	8,280,060
1,060,000	1,068,874	2,203,390	1,750,000	(630,026)	3,323,364
7,000,000	7,038,115	12,484,982	3,000,000	(3,461,407)	12,023,575
1,500,000	1,495,820	3,996,506	1,500,000	(1,504,986)	3,991,520
<u>13,060,000</u>	<u>13,123,889</u>	<u>27,357,065</u>	<u>10,000,000</u>	<u>(9,738,546)</u>	<u>27,618,519</u>
-	-	74,291	-	(74,291)	-
<u>13,060,000</u>	<u>13,123,889</u>	<u>27,431,356</u>	<u>10,000,000</u>	<u>(9,812,837)</u>	<u>27,618,519</u>
<u>\$ 77,240,000</u>	<u>\$ 77,486,479</u>	<u>\$ 255,852,000</u>	<u>\$ 31,653,358</u>	<u>\$ (154,329,961)</u>	<u>\$ 133,175,397</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
AD VALOREM TAXES RECEIVABLE BY ROLL YEAR  
SEPTEMBER 30, 2019**

<u>Roll Year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
2019	\$ 401,265	\$ 51,288	\$ 452,553
2018	162,670	20,596	183,266
2017	105,094	11,783	116,877
2016	84,723	6,520	91,243
2015	71,080	5,777	76,857
2014	64,061	5,467	69,528
2013	54,403	5,079	59,482
2012	48,243	4,587	52,830
2011	52,608	5,357	57,965
2010	48,095	4,898	52,993
2009	36,173	3,684	39,857
2008	30,044	631	30,675
2007	25,487	584	26,071
2006	24,335	588	24,923
2005 & Prior	<u>58,608</u>	<u>1,110</u>	<u>59,718</u>
Total taxes receivable	1,266,889	127,949	1,394,838
Allowance for uncollectible taxes	<u>1,038,515</u>	<u>106,355</u>	<u>1,144,870</u>
Net taxes receivable	228,374	21,594	249,968
Provision for deferred collections	<u>158,844</u>	<u>14,699</u>	<u>173,543</u>
<b>Net taxes available for current expenditure</b>	<u><u>\$ 69,530</u></u>	<u><u>\$ 6,895</u></u>	<u><u>\$ 76,425</u></u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
SCHEDULE OF CHANGES IN TAXES AVAILABLE  
YEAR ENDED SEPTEMBER 30, 2019**

<b>TAXES AVAILABLE, BEGINNING, Net</b>	<u>\$ 79,703</u>
<b>REVENUES</b>	
Taxes levied	46,446,992
Adjustments	<u>(146,012)</u>
Tax levy net of adjustments	46,300,980
Decrease in allowance for uncollectible taxes	122,930
Increase in provision for deferred collections	<u>(161,111)</u>
Net revenues	46,262,799
<b>COLLECTIONS</b>	<u>(46,266,077)</u>
Net increase (decrease) in taxes available	<u>(3,278)</u>
<b>TAXES AVAILABLE, ENDING, Net</b>	<u>\$ 76,425</u>
<b>TOTAL AD VALOREM TAXES:</b>	
Ad valorem taxes - property tax rolls	\$ 40,797,783
Penalty and interest	263,053
Payment in lieu of property tax	<u>4,047,438</u>
Total General Fund tax revenues	45,108,274
Debt Service	<u>5,218,010</u>
<b>TOTAL TAX REVENUES</b>	<u>\$ 50,326,284</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**COMBINED SCHEDULE OF OUTSTANDING DEBT ISSUANCES**  
**SEPTEMBER 30, 2019**

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates on Outstanding Maturities</u>
<b>GENERAL OBLIGATION DEBT:</b>			
<i>Serviced by Tax Revenues:</i>			
General Obligation Bonds, Series 2009	09/03/09	08/15/22	3.50 - 4.00%
Recovery Zone Build America Bonds, Series 2010	04/15/10	08/15/30	5.81%
General Obligation Refunding Bonds, Series 2017	02/22/17	03/15/27	4.00%
Certificates of Obligation, Series 2017	02/22/17	02/15/37	3.00 - 3.50%
General Obligation Bonds, Series 2017	05/11/17	02/15/42	3.00 - 5.00%
General Obligation Bonds, Series 2018	07/18/18	02/15/43	3.125 - 5.00%
<i>Serviced by special assessments and other revenue sources:</i>			
Public Improvement Districts:			
Combination Tax and Revenues Certificates of Obligation			
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%
Series 2014 (\$615,000 Greenways, \$1,300,000 Colonies)	04/01/14	08/15/34	2.250 - 3.625%
Series 2018 Colonies	07/18/18	05/15/38	3.00 - 4.00%
Golf Course Supported:			
Series 2011A	02/03/11	02/15/37	3.50 - 5.25%
Tax Increment Reinvestment Zone #1 Supported:			
Series 2011B	02/03/11	02/15/32	3.50 - 6.00%
Total debt serviced by property taxes, including special assessment and other revenue sources			
<i>Serviced by Fleet Services Fund Revenue (an Internal Service Fund):</i>			
Combination Tax and Revenue Certificates of Obligation, 2012B	12/12/12	08/15/18	1.250%
Tax Notes, Series 2014	02/25/14	08/15/19	2.00%
Total debt serviced by Fleet Services Funds revenue			
<b>REVENUE OBLIGATION DEBT:</b>			
<i>Serviced by Water and Sewer Revenues:</i>			
Waterworks and Sewer Revenue, 2011	08/30/11	04/01/31	3.00 - 4.125%
General Obligation Bonds, Series 2011	08/30/11	04/01/23	2.625 - 3.125%
Waterworks and Sewer Revenue, 2013	07/10/13	04/01/23	0.25 - 0.85%
Waterworks and Sewer Revenue, 2014	01/22/14	04/01/33	0.36 - 2.62%
Waterworks and Sewer Revenue, 2015	10/02/15	04/01/35	0.50 - 1.59%
Waterworks and Sewer Revenue, 2015A	10/02/15	04/01/32	2.00 - 4.00%
Waterworks and Sewer Revenue, 2017	05/11/17	04/01/37	3.00 - 5.00%
Waterworks and Sewer Revenue, 2018A	07/19/18	04/01/38	0.36 - 1.60%
Waterworks and Sewer Revenue, 2018B	07/19/18	04/01/38	3.00 - 5.00%
Combination Tax and Revenues Certificates of Obligation			
Waterworks and Sewer Tax and Revenue, 2009	04/01/09	03/15/28	1.812 - 3.018%
Waterworks and Sewer Tax and Revenue 2009B	12/29/09	03/15/29	1.591 - 2.587%
Waterworks and Sewer Tax and Revenue 2009C	02/02/10	03/13/31	0.00%
Total bonds serviced by Water and Sewer revenues			
<i>Serviced by Airport Revenue:</i>			
Airport Tax and Revenue, 2009A	09/03/09	02/15/20	4.783%
<i>Serviced by Drainage Fund Revenue:</i>			
Combination Tax and Revenue Certificates of Obligation, 2012A	12/12/12	08/15/32	2.00%
Drainage Revenue, 2014	04/01/14	08/15/34	3.00 - 5.75%
Total debt serviced by Drainage Fund revenue			
<i>Serviced by Hotel Occupancy Tax :</i>			
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016	04/13/16	08/15/43	1.85 - 4.25%
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018	03/20/18	08/15/48	2.80 - 4.15%
<b>Total bonds payable*</b>			

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

\*\* Total interest of \$49,501 less 45% offset subsidy from the United States Treasury.

The debt schedule required by Section 140.08 of the Texas Local Government Code is located at <http://www.amarillo.gov/home/showdocument?id=4093>

See Independent Auditor's Report.

Bond Issuances				2019-20 Maturities		
Authorized	Issued	Retired	Outstanding	Principal	Interest	Total
\$ 4,825,000	\$ 4,825,000	\$ 3,420,000	\$ 1,405,000	\$ 455,000	\$ 52,763	\$ 507,763
1,392,000	1,392,000	540,000	852,000	69,000	27,226 **	96,226
15,110,000	15,110,000	2,795,000	12,315,000	1,335,000	492,600	1,827,600
6,940,000	6,940,000	835,000	6,085,000	505,000	178,475	683,475
21,280,000	21,280,000	820,000	20,460,000	540,000	748,619	1,288,619
22,145,000	22,145,000	445,000	21,700,000	535,000	817,068	1,352,068
620,000	620,000	450,000	170,000	40,000	6,290	46,290
585,000	585,000	331,304	253,696	34,643	11,303	45,946
600,000	600,000	265,000	335,000	30,000	13,696	43,696
1,500,000	1,500,000	670,000	830,000	75,000	32,334	107,334
2,260,000	2,260,000	440,000	1,820,000	95,000	58,219	153,219
3,000,000	3,000,000	95,000	2,905,000	110,000	100,481	210,481
3,750,000	3,750,000	755,000	2,995,000	110,000	142,425	252,425
2,210,000	2,210,000	620,000	1,590,000	90,000	83,700	173,700
86,217,000	86,217,000	12,501,304	73,715,696	4,023,643	2,765,199	6,788,842
2,790,000	2,790,000	2,790,000	-	-	-	-
2,650,000	2,650,000	2,650,000	-	-	-	-
5,440,000	5,440,000	5,440,000	-	-	-	-
16,300,000	16,300,000	5,350,000	10,950,000	720,000	420,838	1,140,838
5,605,000	5,605,000	3,415,000	2,190,000	525,000	64,450	589,450
1,310,000	1,310,000	775,000	535,000	130,000	3,160	133,160
8,495,000	8,495,000	2,325,000	6,170,000	390,000	120,090	510,090
17,195,000	17,195,000	3,335,000	13,860,000	815,000	147,102	962,102
21,145,000	21,145,000	6,865,000	14,280,000	1,380,000	467,069	1,847,069
31,005,000	31,005,000	2,355,000	28,650,000	1,175,000	1,128,044	2,303,044
12,500,000	12,500,000	615,000	11,885,000	575,000	138,877	713,877
14,610,000	14,610,000	675,000	13,935,000	520,000	568,225	1,088,225
38,885,000	38,885,000	18,180,000	20,705,000	2,095,000	535,941	2,630,941
47,400,000	47,400,000	17,720,000	29,680,000	2,540,000	655,350	3,195,350
18,075,000	18,075,000	7,215,000	10,860,000	905,000	-	905,000
232,525,000	232,525,000	68,825,000	163,700,000	11,770,000	4,249,146	16,019,146
16,140,000	16,140,000	14,310,000	1,830,000	1,830,000	43,762	1,873,762
6,260,000	6,260,000	2,625,000	3,635,000	250,000	72,700	322,700
6,080,000	6,080,000	1,220,000	4,860,000	265,000	137,644	422,644
12,340,000	12,340,000	3,845,000	8,495,000	515,000	230,344	745,344
11,995,000	11,995,000	315,000	11,680,000	320,000	451,836	771,836
38,835,000	38,835,000	-	38,835,000	-	1,606,133	1,606,133
\$ 403,492,000	\$ 403,492,000	\$ 105,236,304	\$ 298,255,696	\$ 18,458,643	\$ 9,346,420	\$ 27,805,063

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**SEPTEMBER 30, 2019**

	General Obligation Bonds and Tax Revenues Certificates of Obligations (Serviced by Tax Revenues)				Tax and Revenues Certificates of Obligations (Serviced by Special Assessments)				Water and Sewer Revenue Bonds (Debt Serviced by Water and Sewer Revenues)				
	Principal	Interest	Treasury Subsidy	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019-2020	\$ 5,439,000	\$ 2,339,026	\$ (22,275)	\$ 5,755,751	\$ 584,643	\$ 448,448	\$ 1,033,091	\$ 11,770,000	\$ 4,249,146	\$ 16,019,146	\$ 12,005,000	\$ 4,027,638	\$ 16,032,638
2020-2021	3,575,000	2,197,892	(20,472)	5,752,420	611,325	436,596	1,047,921	12,275,000	3,771,135	16,046,135	12,580,000	3,467,077	16,047,077
2021-2022	3,717,000	2,047,165	(18,641)	5,745,524	638,088	402,750	1,040,838	12,475,000	3,136,534	15,611,534	13,550,000	2,802,245	16,352,245
2022-2023	3,373,000	1,888,830	(16,759)	5,245,071	659,936	378,306	1,038,242	12,815,000	2,439,315	15,254,315	13,550,000	2,077,704	15,627,704
2023-2024	3,515,000	1,743,789	(14,850)	5,243,939	636,875	351,989	988,864	13,550,000	1,703,535	15,253,535	10,030,000	1,367,428	11,397,428
2024-2025	3,662,000	1,592,406	(12,890)	5,241,516	663,909	324,846	988,755	13,550,000	1,095,474	14,645,474	6,825,000	936,516	7,761,516
2025-2026	3,818,000	1,434,483	(10,876)	5,241,607	663,920	295,806	959,726	13,550,000	752,820	14,302,820	4,980,000	620,700	5,600,700
2026-2027	3,986,000	1,269,676	(8,837)	5,246,839	680,000	266,825	946,825	13,550,000	495,958	14,045,958	4,290,000	379,992	4,669,992
2027-2028	1,818,000	1,109,170	(6,720)	2,920,450	720,000	236,176	956,176	12,320,000	261,828	12,581,828	3,560,000	155,345	3,715,345
2028-2029	1,896,000	1,035,047	(4,550)	2,926,497	585,000	207,681	792,681	10,030,000	45,402	10,075,402	1,680,000	-	1,680,000
2029-2030	1,958,000	970,674	(2,300)	2,926,374	605,000	181,894	786,894	6,825,000	-	6,825,000	-	-	6,825,000
2030-2031	1,925,000	908,638	-	2,833,638	640,000	154,731	794,731	6,910,000	-	6,910,000	-	-	6,910,000
2031-2032	1,980,000	849,397	-	2,829,397	665,000	125,363	790,363	4,980,000	-	4,980,000	-	-	4,980,000
2032-2033	2,040,000	786,472	-	2,826,472	520,000	99,425	619,425	4,670,000	-	4,670,000	-	-	4,670,000
2033-2034	2,115,000	719,547	-	2,834,547	545,000	77,638	622,638	4,290,000	-	4,290,000	-	-	4,290,000
2034-2035	2,180,000	649,022	-	2,829,022	405,000	34,684	439,684	4,410,000	-	4,410,000	-	-	4,410,000
2035-2036	2,255,000	574,700	-	2,829,700	425,000	36,413	461,413	3,560,000	-	3,560,000	-	-	3,560,000
2036-2037	2,335,000	497,019	-	2,832,019	445,000	17,106	462,106	3,665,000	-	3,665,000	-	-	3,665,000
2037-2038	2,220,000	420,038	-	2,640,038	205,000	3,586	208,586	1,680,000	-	1,680,000	-	-	1,680,000
2038-2039	2,295,000	343,128	-	2,638,128	-	-	-	-	-	-	-	-	-
2039-2040	2,380,000	262,772	-	2,642,772	-	-	-	-	-	-	-	-	-
2040-2041	2,460,000	179,578	-	2,639,578	-	-	-	-	-	-	-	-	-
2041-2042	2,550,000	92,663	-	2,642,663	-	-	-	-	-	-	-	-	-
2042-2043	1,325,000	24,010	-	1,349,010	-	-	-	-	-	-	-	-	-
2043-2044	-	-	-	-	-	-	-	-	-	-	-	-	-
2044-2045	-	-	-	-	-	-	-	-	-	-	-	-	-
2045-2046	-	-	-	-	-	-	-	-	-	-	-	-	-
2046-2047	-	-	-	-	-	-	-	-	-	-	-	-	-
2047-2048	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 62,817,000</b>	<b>\$ 23,935,142</b>	<b>\$ (139,170)</b>	<b>\$ 86,612,972</b>	<b>\$ 10,898,696</b>	<b>\$ 4,090,263</b>	<b>\$ 14,988,959</b>	<b>\$ 163,700,000</b>	<b>\$ 33,775,392</b>	<b>\$ 197,475,392</b>	<b>\$ 163,700,000</b>	<b>\$ 33,775,392</b>	<b>\$ 197,475,392</b>

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

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
 COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY, CONTINUED  
 SEPTEMBER 30, 2019

	Airport Bonds (Debt Serviced by Airport Revenues)			Drainage Utility Bonds (Debt Serviced by Drainage Revenues)			Hotel Occupancy Tax (Revenue Bonds)		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019-2020	\$ 1,830,000	\$ 43,762	\$ 1,873,762	\$ 515,000	\$ 230,344	\$ 745,344	\$ 320,000	\$ 2,057,969	\$ 2,377,969
2020-2021	-	-	-	520,000	217,394	737,394	1,130,000	2,051,089	3,181,089
2021-2022	-	-	-	535,000	204,344	739,344	1,155,000	2,020,934	3,175,934
2022-2023	-	-	-	540,000	190,894	730,894	1,190,000	1,987,080	3,177,080
2023-2024	-	-	-	555,000	177,294	732,294	1,225,000	1,949,931	3,174,931
2024-2025	-	-	-	565,000	163,294	728,294	1,265,000	1,909,453	3,174,453
2025-2026	-	-	-	580,000	149,044	729,044	1,310,000	1,865,823	3,175,823
2026-2027	-	-	-	600,000	134,394	734,394	1,360,000	1,819,133	3,179,133
2027-2028	-	-	-	620,000	119,244	739,244	1,410,000	1,767,782	3,177,782
2028-2029	-	-	-	635,000	103,131	738,131	1,465,000	1,713,338	3,178,338
2029-2030	-	-	-	650,000	86,181	736,181	1,520,000	1,656,131	3,176,131
2030-2031	-	-	-	675,000	68,369	743,369	1,585,000	1,596,028	3,181,028
2031-2032	-	-	-	700,000	49,394	749,394	1,645,000	1,531,744	3,176,744
2032-2033	-	-	-	395,000	29,694	424,694	1,710,000	1,464,440	3,174,440
2033-2034	-	-	-	410,000	15,374	425,374	1,780,000	1,393,867	3,173,867
2034-2035	-	-	-	-	-	-	1,855,000	1,319,770	3,174,770
2035-2036	-	-	-	-	-	-	1,935,000	1,241,595	3,176,595
2036-2037	-	-	-	-	-	-	2,020,000	1,160,048	3,180,048
2037-2038	-	-	-	-	-	-	2,100,000	1,074,917	3,174,917
2038-2039	-	-	-	-	-	-	2,195,000	986,417	3,181,417
2039-2040	-	-	-	-	-	-	2,285,000	890,782	3,175,782
2040-2041	-	-	-	-	-	-	2,385,000	791,225	3,176,225
2041-2042	-	-	-	-	-	-	2,490,000	687,304	3,177,304
2042-2043	-	-	-	-	-	-	2,595,000	578,810	3,173,810
2043-2044	-	-	-	-	-	-	1,940,000	465,740	2,405,740
2044-2045	-	-	-	-	-	-	2,025,000	380,380	2,405,380
2045-2046	-	-	-	-	-	-	2,110,000	291,380	2,401,380
2046-2047	-	-	-	-	-	-	2,205,000	198,440	2,403,440
2047-2048	-	-	-	-	-	-	2,305,000	101,419	2,406,419
<b>Totals</b>	<b>\$ 1,830,000</b>	<b>\$ 43,762</b>	<b>\$ 1,873,762</b>	<b>\$ 8,495,000</b>	<b>\$ 1,938,389</b>	<b>\$ 10,433,389</b>	<b>\$ 50,515,000</b>	<b>\$ 36,953,069</b>	<b>\$ 87,468,069</b>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
 SCHEDULE OF DEBT AT SEPTEMBER 30, 2019  
 AS REQUIRED BY SECTION 1401, TEXAS LOCAL GOVERNMENT CODE

	Final Maturity Date	Bond Issuances		
		Authorized	Issued	Outstanding
<b>GENERAL OBLIGATION DEBT:</b>				
<i>Serviced by Tax Revenues:</i>				
General Obligation Bonds, Series 2009	08/15/22	\$ 4,825,000	\$ 4,825,000	\$ 1,405,000
Recovery Zone Build America Bonds, Series 2010	08/15/30	1,392,000	1,392,000	852,000
General Obligation Refunding Bonds, Series 2017	05/15/27	15,110,000	15,110,000	12,315,000
Certificates of Obligation, Series 2017	02/15/37	6,940,000	6,940,000	6,085,000
General Obligation Bonds, Series 2017	02/15/42	21,280,000	21,280,000	20,460,000
General Obligation Bonds, Series 2018	02/15/43	22,145,000	22,145,000	21,700,000
<i>Serviced by special assessments and other revenue sources:</i>				
Public Improvement Districts:				
Combination Tax and Revenues Certificates of Obligation				
Series 2003 Greenways	08/15/23	620,000	620,000	170,000
Series 2006 Colonias	02/15/26	585,000	585,000	253,696
Series 2008A Greenways	02/15/28	600,000	600,000	335,000
Series 2008B Colonias	02/15/28	1,500,000	1,500,000	830,000
Series 2014 (\$615,000 Greenways, \$1,300,000 Colonias)	08/15/34	2,260,000	2,260,000	1,820,000
Series 2018 Colonias	05/15/38	3,000,000	3,000,000	2,905,000
Golf Course Supported:				
Series 2011A	02/15/37	3,750,000	3,750,000	2,995,000
Tax Increment Reinvestment Zone #1 Supported:				
Series 2011B	02/15/32	2,210,000	2,210,000	1,490,000
Total debt serviced by property taxes, including special assessment and other revenue sources		86,217,000	86,217,000	73,715,696
<i>Serviced by Fleet Services Fund Revenue (an Internal Service Fund):</i>				
Combination Tax and Revenue Certificates of Obligation, 2012B	08/15/18	2,790,000	2,790,000	-
Tax Notes, Series 2014	08/15/19	2,650,000	2,650,000	-
Total debt serviced by Fleet Services Funds revenue		5,440,000	5,440,000	-
<b>REVENUE OBLIGATION DEBT:</b>				
<i>Serviced by Water and Sewer Revenues:</i>				
Waterworks and Sewer Revenue, 2011	04/01/31	16,300,000	16,300,000	10,950,000
General Obligation Bonds, Series 2011	04/01/23	5,605,000	5,605,000	2,199,000
Waterworks and Sewer Revenue, 2013	04/01/23	1,310,000	1,310,000	535,000
Waterworks and Sewer Revenue, 2014	04/01/23	8,495,000	8,495,000	6,170,000
Waterworks and Sewer Revenue, 2015	04/01/35	17,193,000	17,193,000	13,860,000
Waterworks and Sewer Revenue, 2015A	04/01/32	21,145,000	21,145,000	14,280,000
Waterworks and Sewer Revenue, 2017	04/01/37	31,005,000	31,005,000	28,650,000
Waterworks and Sewer Revenue, 2018A	04/01/38	12,500,000	12,500,000	11,885,000
Waterworks and Sewer Revenue, 2018B	04/01/38	14,610,000	14,610,000	13,935,000
Combination Tax and Revenues Certificates of Obligation				
Waterworks and Sewer Tax and Revenue, 2009	05/15/28	38,885,000	38,885,000	20,705,000
Waterworks and Sewer Tax and Revenue 2009B	05/15/29	47,400,000	47,400,000	29,680,000
Waterworks and Sewer Tax and Revenue 2009C	05/15/31	18,075,000	18,075,000	10,860,000
Total bonds serviced by Water and Sewer revenues		232,525,000	232,525,000	163,700,000
<i>Serviced by Airport Revenue:</i>				
Airport Tax and Revenue, 2009A	02/15/20	16,140,000	16,140,000	1,850,000
<i>Serviced by Drainage Fund Revenue:</i>				
Combination Tax and Revenue Certificates of Obligation, 2012A	08/15/32	6,260,000	6,260,000	3,635,000
Drainage Revenue, 2014	08/15/34	6,080,000	6,080,000	4,860,000
Total debt serviced by Drainage Fund revenue		12,340,000	12,340,000	8,495,000
<i>Serviced by Hotel Occupancy Tax:</i>				
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016	08/15/43	11,995,000	11,995,000	11,680,000
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018	08/15/48	38,835,000	38,835,000	38,835,000
<b>Total bonds payable*</b>		<b>\$ 403,492,000</b>	<b>\$ 403,492,000</b>	<b>\$ 298,255,696</b>
<b>DEBT PER CAPITA</b>				
Total debt serviced by ad valorem taxes				\$ 62,817,000
Total debt serviced by ad valorem taxes per capita				
<b>RATINGS</b>				
General Obligation Debt - Standard & Poor's AAA				
Waterworks and Sewer System Bonds - Standard & Poor's AAA, Moody's Aa1				
Drainage Utility System Revenue Bonds - Standard & Poor's AAA				
Hotel Occupancy Tax Revenue Bonds - Standard & Poor's A+/Stable				

\* Does not include the City's proportionate share of the Canadian River Water Authority indebtedness.  
 \*\* Joint interest of \$35,794 less 45% offset rebated from the United States Treasury.  
 \*\*\* Includes acquisition of land and rights of way.

See Independent Auditor's Report.

Total Principal and Interest Requirement			Bond Proceeds		Stated Purpose
Principal	Interest	Total	Spent	Unspent	
\$ 455,000	\$ 52,765	\$ 507,765	\$ 4,825,000	\$ -	Refund outstanding debt
69,000	27,226 **	96,226	1,392,000	-	Public information and construction of public facilities
1,335,000	492,600	1,827,600	15,110,000	-	Refund outstanding debt
505,000	178,475	683,475	6,689,522	250,678	Acquiring a two-way radio communications system for public safety
540,000	748,619	1,288,619	12,372,825	8,907,175	Acquiring, constructing, improving and maintaining streets, public safety facilities, and library facilities
535,000	817,068	1,352,068	-	22,145,000	Acquiring, constructing, improving and maintaining streets and public safety facilities
40,000	6,290	46,290	620,000	-	Acquiring, constructing, improving and equipping park facilities
34,643	11,503	46,146	585,000	-	Acquiring, constructing, improving and equipping park facilities
30,000	13,696	43,696	600,000	-	Acquiring, constructing, improving and equipping park facilities
75,000	32,334	107,334	1,500,000	-	Acquiring, constructing, improving and equipping park facilities
95,000	38,219	133,219	2,260,000	-	Acquiring, constructing, improving and equipping park facilities
110,000	100,481	210,481	5,000,000	-	Acquiring, constructing, improving and equipping park facilities
110,000	142,425	252,425	3,750,000	-	Improvements, renovations and equipping of the Ross Rodgers Golf Course
90,000	83,700	173,700	2,210,000	-	Acquiring, construction, improving, renovating and equipping street improvements
4,025,643	2,765,199	6,788,842	54,914,147	31,302,853	
-	-	-	2,790,000	-	Acquiring rolling stock, equipment and vehicles for the municipal garage department
-	-	-	2,650,000	-	Acquiring rolling stock, equipment and vehicles for the municipal garage department
-	-	-	5,440,000	-	
720,000	420,838	1,140,838	16,300,000	-	Purchase of 32,000 acre feet of water rights
525,000	64,450	589,450	5,605,000	-	Refund outstanding debt
130,000	3,160	133,160	1,510,000	-	Improvement and extension of the City's waterworks and sewer system
390,000	120,090	510,090	4,892,425	3,602,577	Improvement and extension of the City's waterworks and sewer system
815,000	147,102	962,102	17,195,000	-	Improvement and extension of the City's waterworks and sewer system
1,380,000	467,069	1,847,069	21,145,000	-	Refund outstanding debt
1,175,000	1,128,044	2,303,044	21,030,961	9,974,039	Improvement and extension of the City's waterworks and sewer system
575,000	138,877	713,877	368,590	12,231,410	Improvement and extension of the City's waterworks and sewer system
520,000	368,225	1,088,225	14,610,000	-	Improvement and extension of the City's waterworks and sewer system
2,095,000	533,941	2,630,941	38,076,912	808,088	Improvement and extension of the City's waterworks and sewer system
2,540,000	653,350	3,193,350	46,524,166	875,854	Improvement and extension of the City's waterworks and sewer system
905,000	-	905,000	18,075,000	-	Improvement and extension of the City's waterworks and sewer system
11,770,000	4,249,146	16,019,146	205,053,052	27,091,948	
1,830,000	43,762	1,873,762	16,140,000	-	Improvements to the Rick Husband International Airport
250,000	72,700	322,700	5,260,000	-	Acquiring, improving, constructing and equipping municipal drainage facilities
265,000	157,644	422,644	6,080,000	-	Acquiring, improving, constructing and equipping municipal drainage facilities***
515,000	230,344	745,344	12,340,000	-	
320,000	451,836	771,836	11,995,000	-	Construct and equip a downtown Amarillo parking garage
-	1,606,133	1,606,133	38,835,000	-	Construct, improve, enlarge, equip, operate and maintain municipal buildings to use a multiuse facility
\$ 18,458,643	\$ 9,540,420	\$ 27,805,063	\$ 344,697,199	\$ 58,794,801	

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Amount		
	Amount Authorized	Previously Issued	Unissued Balance
Streets	\$ 89,495,000	\$ 52,340,000	\$ 37,155,000
Public Safety	\$ 20,080,000	\$ 11,980,000	\$ 8,100,000

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
BOND PRINCIPAL REPAYMENT SCHEDULE  
SEPTEMBER 30, 2019**

<u>Fiscal Year Ending 09/30</u>	<u>Principal Repayment Schedule</u>	<u>Bonds Remaining Unpaid at End of Year</u>	<u>Percent of Principal Retired</u>
2019	11,770,000	151,930,000	7.19%
2020	12,005,000	139,925,000	14.52%
2021	12,275,000	127,650,000	22.02%
2022	12,580,000	115,070,000	29.71%
2023	12,475,000	102,595,000	37.33%
2024	12,815,000	89,780,000	45.16%
2025	13,090,000	76,690,000	53.15%
2026	13,350,000	63,340,000	61.31%
2027	12,320,000	51,020,000	68.83%
2028	10,030,000	40,990,000	74.96%
2029	6,825,000	34,165,000	79.13%
2030	6,910,000	27,255,000	83.35%
2031	4,980,000	22,275,000	86.39%
2032	4,670,000	17,605,000	89.25%
2033	4,290,000	13,315,000	91.87%
2034	4,410,000	8,905,000	94.56%
2035	3,560,000	5,345,000	96.73%
2036	3,665,000	1,680,000	98.97%
2037	1,680,000	-	100.00%
	<u>\$ 163,700,000</u>		

See Independent Auditor's Report.

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

Fiscal Years Ended September 30,

	2019	2018	2017	2016	2015	2014	2013
<b>OPERATING REVENUES</b>	\$ 75,031,911	\$ 82,295,583	\$ 73,938,069	\$ 72,825,637	\$ 64,436,968	\$ 72,343,366	\$ 70,809,219
<b>OPERATING EXPENSES <sup>(1)</sup></b>							
Personal services	15,180,072	13,920,177	14,467,892	12,388,873	11,472,684	11,594,856	11,646,845
Supplies	1,644,628	1,513,845	1,350,992	1,440,246	1,472,230	1,428,923	1,408,294
Contractual & other services	36,112,876	27,151,239	26,742,886	25,349,012	23,470,695	23,818,470	22,080,097
Total expenses	52,937,576	42,585,261	42,561,770	39,178,131	36,415,609	36,842,249	35,135,236
<b>NONOPERATING REVENUES (EXPENSES) <sup>(2)</sup></b>	1,926,334	1,483,214	(894,801)	(1,660,100)	1,413,510	1,182,273	(3,401,054)
<b>NET AVAILABLE FOR DEBT SERVICE</b>	\$ 24,020,669	\$ 41,193,536	\$ 30,481,498	\$ 31,987,406	\$ 29,434,869	\$ 36,683,390	\$ 32,272,929
<b>ANNUAL DEBT SERVICE</b>							
Principal	\$ 11,770,000	\$ 11,750,000	\$ 10,440,000	\$ 9,100,000	\$ 8,065,000	\$ 7,940,000	\$ 7,490,000
Interest	4,249,146	4,224,902	3,727,268	2,744,260	3,077,633	3,186,396	3,157,712
<b>TOTAL DEBT SERVICE</b>	\$ 16,019,146	\$ 15,974,902	\$ 14,167,268	\$ 11,844,260	\$ 11,142,633	\$ 11,126,396	\$ 10,647,712
Coverage	1.50x	2.58x	2.15x	2.70x	2.64x	3.30x	3.03x

(1) Excludes depreciation

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

**NET POSITION  
(As of SEPTEMBER 30, 2019)**

Net Investment in Capital Assets	\$ 412,568,214
Restricted for Revenue Bond Debt Retirement	8,119,349
Unrestricted	48,748,524
<b>Total Net Position</b>	<b>\$ 469,436,087</b>

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,						
	2019	2018	2017	2016	2015	2014	2013
Waterworks and sewer system in service	\$ 800,729,996	\$ 774,822,377	\$ 762,431,484	\$ 732,454,402	\$ 720,136,925	\$ 705,779,908	\$ 668,716,261
Reserve for depreciation	(274,262,400)	(260,392,682)	(246,260,152)	(231,801,728)	(217,817,127)	(203,635,685)	(190,129,416)
Net plant in service	526,467,596	514,429,695	516,171,332	500,652,674	502,319,798	502,144,223	478,586,845
Plus construction in progress	66,204,539	61,608,812	42,055,348	39,321,320	24,886,619	12,169,588	34,064,799
Net plant in service and coming on line	592,672,135	576,038,507	558,226,680	539,973,994	527,206,417	514,313,811	512,651,644
Plus restricted assets and other noncurrent assets and deferred items	59,039,458	79,831,178	55,466,473	45,871,105	31,645,460	34,446,021	24,000,067
Plus working capital	56,556,672	60,376,904	66,173,794	59,024,455	64,534,177	74,220,979	66,127,977
Total assets	<u>708,268,265</u>	<u>716,246,589</u>	<u>679,866,947</u>	<u>644,869,554</u>	<u>623,386,054</u>	<u>622,980,811</u>	<u>602,779,688</u>
Other noncurrent liabilities	227,062,178	242,066,602	228,699,627	212,855,741	208,856,127	221,508,391	222,216,207
Plus liabilities payable from restricted assets	11,770,000	11,750,000	10,440,000	9,100,000	8,065,000	7,940,000	7,490,000
Total obligations	<u>238,832,178</u>	<u>253,816,602</u>	<u>239,139,627</u>	<u>221,955,741</u>	<u>216,921,127</u>	<u>229,448,391</u>	<u>229,706,207</u>
City's equity in system	<u>\$ 469,436,087</u>	<u>\$ 462,429,987</u>	<u>\$ 440,727,320</u>	<u>\$ 422,913,813</u>	<u>\$ 406,464,927</u>	<u>\$ 393,532,420</u>	<u>\$ 373,073,481</u>

**COVERAGE OF DEBT SERVICE REQUIREMENT**

Net System Income Available for Debt Service for Fiscal Year Ended 9/30/2019	24,020,669
Average Annual Principal and Interest Requirements (2020-2037)	10,393,442
Coverage of Average Annual Requirements by 2019 Net Revenues	2.31 x
Maximum Principal and Interest Requirements, 2023	16,047,077
Coverage of Maximum Requirements by 2019 Net Revenues	1.50 x

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEMS  
HISTORICAL FINANCIAL DATA  
WATER AND SEWER FUND OPERATIONS**

	<b>Fiscal Years Ended September 30,</b>						
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>OPERATING REVENUES</b>							
Water sales	\$ 48,906,889	\$ 55,209,141	\$ 48,620,594	\$ 48,676,840	\$ 41,199,939	\$ 47,606,516	\$ 46,968,390
Sewer charges	23,765,730	23,629,503	21,570,449	20,860,554	20,340,925	21,024,451	20,419,533
Industrial surcharges	299,876	223,978	280,702	250,874	271,604	265,140	316,450
Forfeited discounts - water	1,333,844	1,310,310	1,241,421	1,300,605	862,854	1,242,531	1,168,146
Sale of reclaimed water	499,316	433,467	512,347	529,786	622,529	574,786	598,131
Water service charges	713,819	1,370,966	1,373,862	1,270,238	991,326	1,240,897	1,184,191
Water tap fees	232,827	212,343	218,965	206,829	165,887	177,324	153,754
Sewer tap fees	93,201	54,418	88,051	72,057	46,177	63,596	61,124
Grease tap fees	91,375	-	-	-	-	-	-
Water frontage charges	10,550	1,210	-	6,283	37,288	1,925	16,628
Sewer frontage charges	3,013	3,432	3,437	2,726	18,080	4,928	8,208
Net loss on bad debts	(948,984)	(392,544)	(203,659)	(535,164)	(420,863)	(88,378)	(503,962)
Lab fees	114,374	111,643	149,495	148,173	148,168	156,239	143,814
Miscellaneous	(83,919)	127,716	82,405	35,836	153,054	73,411	274,812
Total operating revenues	<u>75,031,911</u>	<u>82,295,583</u>	<u>73,938,069</u>	<u>72,825,637</u>	<u>64,436,968</u>	<u>72,343,366</u>	<u>70,809,219</u>
<b>OPERATING EXPENSES</b>							
Salaries, wages and fringe benefits	15,180,072	13,920,177	14,467,892	12,388,873	11,472,684	11,594,856	11,646,845
Supplies	1,644,628	1,513,845	1,350,992	1,440,246	1,472,230	1,428,923	1,408,294
Fuel and power	3,955,978	4,582,045	4,618,493	4,174,521	4,246,205	4,933,966	4,398,162
Surface water	5,269,514	5,896,428	6,974,102	6,624,214	5,347,061	5,427,970	4,851,074
Other contractual charges	15,245,320	5,881,144	5,063,458	4,900,080	4,703,899	4,554,358	4,329,654
Other charges	11,642,064	10,791,622	10,086,833	9,650,197	9,173,530	8,902,176	8,501,207
Depreciation	14,246,222	14,196,462	14,550,803	14,154,802	14,238,259	13,637,200	13,378,612
Less: interfund reimbursements	(1,073,237)	(1,414,897)	(1,182,621)	(668,881)	(673,849)	(568,755)	(651,429)
Total operating expenses	<u>66,110,561</u>	<u>55,366,826</u>	<u>55,929,952</u>	<u>52,664,052</u>	<u>49,980,019</u>	<u>49,910,694</u>	<u>47,862,419</u>
Operating income	<u>8,921,350</u>	<u>26,928,757</u>	<u>18,008,117</u>	<u>20,161,585</u>	<u>14,456,949</u>	<u>22,432,672</u>	<u>22,946,800</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Capital contributions	2,098,738	4,027,924	5,226,486	2,616,854	5,105,521	3,603,324	369,472
Interest earnings	3,124,262	1,590,073	394,951	420,213	356,274	259,941	209,901
Disposition of property	(29,745)	829,031	24,654	12,669	3,417,620	3,816,207	57,883
Interest expense & fiscal charges	(6,470,440)	(5,376,745)	(4,918,141)	(5,661,205)	(5,825,441)	(6,190,969)	(6,881,192)
Total nonoperating revenues (expenses)	<u>(1,277,185)</u>	<u>1,070,283</u>	<u>727,950</u>	<u>(2,611,469)</u>	<u>3,053,974</u>	<u>1,488,503</u>	<u>(6,243,936)</u>
Total income before transfers	7,644,165	27,999,040	18,736,067	17,550,116	17,510,923	23,921,175	16,702,864
<b>TRANSFERS FROM (TO) OTHER FUNDS</b>							
	<u>(670,665)</u>	<u>(553,859)</u>	<u>(922,560)</u>	<u>(1,101,230)</u>	<u>(2,499,153)</u>	<u>(250,456)</u>	<u>(172,512)</u>
<b>NET INCOME</b>	<u>\$ 6,973,500</u>	<u>\$ 27,445,181</u>	<u>\$ 17,813,507</u>	<u>\$ 16,448,886</u>	<u>\$ 15,011,770</u>	<u>\$ 23,670,719</u>	<u>\$ 16,530,352</u>

See Independent Auditor's Report.



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

	Fiscal Years Ended September 30,						
	2019	2018	2017	2016	2015	2014	2013
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	\$ 35,164,365	\$ 14,805,768	\$ 15,498,647	\$ 15,496,358	\$ 19,471,699	\$ 24,640,561	\$ 26,378,742
Investments - at fair market value	32,886,057	48,987,054	57,098,741	50,749,952	48,461,977	52,948,308	40,279,863
Receivables (net of allowance for uncollectibles):							
Accounts	7,577,503	7,497,259	5,638,133	5,498,742	5,749,728	5,197,701	5,969,328
Accrued interest	224,453	237,301	174,472	132,048	94,835	100,484	71,974
Other accrued revenue	5,073,586	5,395,636	3,354,388	3,642,645	4,458,946	4,152,861	4,489,465
Due from other funds	1,030,428	29,355	34,957	-	-	-	-
Prepaid expenses	1,603,474	1,309,727	1,434,753	1,472,893	893,326	928,415	933,853
Total current assets	<u>83,559,866</u>	<u>78,262,100</u>	<u>83,234,091</u>	<u>76,992,638</u>	<u>79,130,511</u>	<u>87,968,330</u>	<u>78,123,225</u>
<b>NONCURRENT ASSETS</b>							
Restricted cash	55,086,751	78,824,148	50,391,049	40,771,986	29,549,585	32,371,275	23,672,965
Other noncurrent receivable	-	-	-	(1)	7,902	309,407	327,102
Other noncurrent asset	67,494	75,632	83,414	90,854	98,037	153,385	-
Interfund advance receivable	-	-	715,043	-	-	-	-
Capitol assets							
Land, easements and water rights	62,086,461	61,912,385	61,585,830	60,954,487	59,444,991	58,993,887	59,163,418
Accumulated depletion water rights	(9,404,381)	(8,626,612)	(7,848,843)	(7,071,535)	(6,310,311)	(5,588,870)	(4,863,498)
Supply contract	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389
Accumulated amortization	(24,403,846)	(23,639,832)	(22,875,817)	(22,111,802)	(21,345,694)	(20,581,680)	(19,817,665)
Pipelines and other improvements	683,446,448	658,274,445	646,180,868	616,942,368	606,102,721	592,221,300	554,949,517
Accumulated depreciation	(236,811,478)	(224,523,751)	(212,025,705)	(199,183,126)	(186,711,321)	(174,143,586)	(162,185,069)
Equipment	4,860,698	4,299,158	4,328,397	4,221,158	4,252,824	4,228,332	4,266,937
Accumulated depreciation	(3,642,695)	(3,602,487)	(3,509,787)	(3,435,265)	(3,449,801)	(3,321,549)	(3,263,184)
Construction in progress	66,204,539	61,608,812	42,055,348	39,321,320	24,886,619	12,169,588	34,064,799
Total capital assets, net	<u>592,672,135</u>	<u>576,038,507</u>	<u>558,226,680</u>	<u>539,973,994</u>	<u>527,206,417</u>	<u>514,313,811</u>	<u>512,651,644</u>
Total noncurrent assets	<u>647,826,380</u>	<u>654,938,287</u>	<u>609,416,186</u>	<u>580,836,833</u>	<u>556,861,941</u>	<u>547,147,878</u>	<u>536,651,711</u>
<b>TOTAL ASSETS</b>	<u>\$ 731,386,246</u>	<u>\$ 733,200,387</u>	<u>\$ 692,650,277</u>	<u>\$ 657,829,471</u>	<u>\$ 635,992,452</u>	<u>\$ 635,116,208</u>	<u>\$ 614,774,936</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>							
Deferred outflow of resources	\$ 8,278,493	\$ 5,898,163	\$ 4,425,767	\$ 5,032,417	\$ 2,024,929	\$ 1,966,685	\$ -
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>\$ 8,278,493</u>	<u>\$ 5,898,163</u>	<u>\$ 4,425,767</u>	<u>\$ 5,032,417</u>	<u>\$ 2,024,929</u>	<u>\$ 1,966,685</u>	<u>\$ -</u>

See Independent Auditor's Report.

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

	<b>Fiscal Years Ended September 30,</b>						
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Vouchers payable	\$ 2,713,696	\$ 2,770,935	\$ 2,805,349	\$ 2,990,501	\$ 587,641	\$ 1,548,271	\$ 683,404
Accounts payable	1,492,979	1,713,233	1,651,160	1,090,247	1,988,469	737,303	448,080
Accrued expenses	11,920,231	3,988,170	2,507,563	3,337,958	2,533,123	2,415,764	2,142,244
Deposits	38,738	46,045	42,014	41,075	43,353	43,758	36,899
Consumer security deposits	4,005,303	3,900,681	3,778,466	3,670,027	3,622,203	3,478,194	3,361,020
Compensated absences, current	194,987	179,111	213,205	220,629	253,107	237,424	228,074
Proportionate share of water authority indebtedness - current installments	5,837,260	5,287,021	6,062,540	5,467,746	5,246,984	5,236,637	5,095,527
Due to other funds	800,000	-	-	1,150,000	321,454	50,000	-
Revenue bonds - current maturities	11,770,000	11,750,000	10,440,000	9,100,000	8,065,000	7,940,000	7,490,000
<b>Total current liabilities</b>	<b>38,773,194</b>	<b>29,635,196</b>	<b>27,500,297</b>	<b>27,068,183</b>	<b>22,661,334</b>	<b>21,687,351</b>	<b>19,485,248</b>
<b>NONCURRENT LIABILITIES</b>							
Revenue bonds - less current maturities and unamortized issuance costs	155,583,382	167,576,703	151,406,891	128,872,057	122,510,609	130,639,582	128,779,108
Proportionate share of water authority indebtedness - less current installments	53,880,681	60,630,219	66,586,546	73,178,176	79,148,283	86,416,820	88,758,210
Other accrued expenses	2,578,684	2,606,671	2,628,280	2,615,459	2,646,300	2,783,256	2,979,023
Provision for accrued sick and annual leave	663,576	845,207	803,399	881,816	1,013,225	1,113,512	1,148,127
Net OPEB liability	5,893,036	5,807,799	-	-	-	-	-
Net pension liability	8,462,819	4,600,003	7,274,511	7,308,233	3,537,710	555,221	551,739
<b>Total noncurrent liabilities</b>	<b>227,062,178</b>	<b>242,066,602</b>	<b>228,699,627</b>	<b>212,855,741</b>	<b>208,856,127</b>	<b>221,508,391</b>	<b>222,216,207</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 265,835,372</b>	<b>\$ 271,701,798</b>	<b>\$ 256,199,924</b>	<b>\$ 239,923,924</b>	<b>\$ 231,517,461</b>	<b>\$ 243,195,742</b>	<b>\$ 241,701,455</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred outflow of resources	\$ 4,393,280	\$ 4,966,765	\$ 148,800	\$ 24,151	\$ 34,993	\$ 354,734	\$ -
<b>TOTAL DEFERRED INFLOWS</b>	<b>\$ 4,393,280</b>	<b>\$ 4,966,765</b>	<b>\$ 148,800</b>	<b>\$ 24,151</b>	<b>\$ 34,993</b>	<b>\$ 354,734</b>	<b>\$ -</b>
<b>NET POSITION</b>							
Net investment in capital assets	\$ 412,568,214	\$ 402,151,812	\$ 367,784,175	\$ 358,232,452	\$ 336,363,074	\$ 312,096,698	\$ 300,642,476
Restricted for debt service	8,119,349	7,466,900	6,337,577	5,895,549	6,325,536	6,322,034	5,559,288
Unrestricted	48,748,524	52,811,275	66,605,568	58,785,812	63,776,317	75,113,688	66,871,717
<b>TOTAL NET POSITION</b>	<b>\$ 469,436,087</b>	<b>\$ 462,429,987</b>	<b>\$ 440,727,320</b>	<b>\$ 422,913,813</b>	<b>\$ 406,464,927</b>	<b>\$ 393,532,420</b>	<b>\$ 373,073,481</b>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY  
CONDENSED SCHEDULE OF OPERATIONS  
YEAR ENDED SEPTEMBER 30, 2019**

	2019	2018	2017	2016	2015	2014	2013
<b>OPERATING REVENUES</b>	\$ 5,582,179	\$ 5,548,081	\$ 5,540,485	\$ 5,524,655	\$ 5,460,345	\$ 5,469,629	\$ 4,990,113
<b>OPERATING EXPENSES</b>							
Personal services	1,295,842	1,274,096	1,309,766	801,198	688,868	671,575	553,212
Contractual & other services	882,488	905,611	957,723	1,001,318	884,299	900,228	645,280
Other supplies and expenses	144,769	145,645	185,836	141,555	193,957	128,371	102,203
Other charges	475,056	487,240	436,002	422,951	305,297	515,919	425,868
Depreciation	165,056	143,798	117,147	98,921	97,205	212	-
Total expenses	2,963,211	2,956,390	3,006,474	2,465,943	2,169,626	2,216,305	1,726,563
<b>NONOPERATING REVENUES (EXPENSES)</b>	214,067	112,399	55,918	88,416	110,934	98,922	83,822
<b>NET AVAILABLE FOR DEBT SERVICE</b>	\$ 2,833,035	\$ 2,704,090	\$ 2,589,929	\$ 3,147,128	\$ 3,401,653	\$ 3,352,246	\$ 3,347,372
<b>NUMBER OF CUSTOMERS</b>	71,952	72,118	67,742	69,315	69,861	69,769	69,474

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

**COVERAGE AND FUND BALANCE**

	2019	2018	2017	2016	2015	2014	2013
Net System Income Available for Debt Service	\$ 2,833,035	\$ 2,704,090	\$ 2,589,929	\$ 3,147,128	\$ 3,401,653	\$ 3,352,246	\$ 3,347,372
Average Annual Principal and Interest Requirements (2020-2034)	695,559	699,158	702,334	715,957	728,104	739,393	420,988
Coverage of Average Annual Requirements	4.07x	3.87x	3.69x	4.40x	4.67x	4.53x	7.95x
Maximum Principal and Interest Requirements, 2032	749,394	753,144	753,144	947,544	947,544	953,848	438,498
Coverage of Maximum Requirements	3.78x	3.59x	3.44x	3.32x	3.59x	3.51x	7.63x

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
SCHEDULE OF INSURANCE COVERAGE-ALL FUNDS  
SEPTEMBER 30, 2019**

<u>Property Covered</u>	<u>Type of Coverage</u>	<u>Self-Insured Retention</u>	<u>Limits of Liability</u>
General Fund Departments: Buildings & Contents	Fire and extended coverage	\$250,000	* \$500,000,000
Water and Sewer Utility: Buildings & Contents	Fire and extended coverage	\$250,000	* \$500,000,000
Airport: Buildings & Contents	Fire and extended coverage	\$250,000	* \$500,000,000
Amarillo Hospital District Buildings & Contents	Fire and extended coverage	\$250,000	* \$619,311
Polygraph Examiners	Bond		\$5,000
Law Enforcement Liability Insurance	Law Enforcement Coverage	\$100,000	\$6,000,000
City Council, City Manager, City Attorney, and Selected Division Directors & Department Heads	24 hour accident protection for business travel		\$250,000/\$1,250,000
Fire and extended coverage	Explosion and damage	\$250,000	\$500,000,000
Professional liability	Med Mal and Gen Liability Public Health and Clinic	\$25,000	\$2,000,000/\$5,000,000
Cyber Security	Cyber Security Failure/Privacy Event Management	\$25,000	\$3,000,000
Worker's Compensation All City Employees	Injury to City Workers	\$1,500,000	Statutory
Individual Stop Loss Health Plan Participants	Health Insurance	\$750,000	Unlimited

**SURETY BONDS OF PRINCIPAL OFFICIALS**

*BONDS REQUIRED BY CITY CHARTER:*

<u>Official</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Jared Miller	City Manager	\$50,000

*OTHER*

Excess of \$50,000 under the City of Amarillo Self-Insurance Plan. Statutory limits of liability

\* These amounts reflect total property insured, the total policy has a \$500 million limit. Effective 07/01/2018, hail and wind losses have a 5% deductible per structure location, with a minimum of \$50,000 per location.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
 PUBLIC HEALTH FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
 YEAR ENDED SEPTEMBER 30, 2019

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances	Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
Revenues:									
Public Health	\$ 4,420,398	\$ -	\$ 4,420,398	\$ -	\$ -	\$ 4,420,398	\$ 4,755,222	\$ 4,755,222	\$ (334,824)
	<u>\$ 4,420,398</u>	<u>\$ -</u>	<u>\$ 4,420,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,420,398</u>	<u>\$ 4,755,222</u>	<u>\$ 4,755,222</u>	<u>\$ (334,824)</u>
Expenditures:									
Public Health	\$ 3,294,233	\$ -	\$ 3,294,233	\$ -	\$ -	\$ 3,294,233	\$ 3,760,972	\$ 3,760,972	\$ 466,739
	<u>\$ 3,294,233</u>	<u>\$ -</u>	<u>\$ 3,294,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,294,233</u>	<u>\$ 3,760,972</u>	<u>\$ 3,760,972</u>	<u>\$ 466,739</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
 LAW ENFORCEMENT OFFICERS STANDARDS AND EDUCATION (LEOSE) TRAINING FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
 YEAR ENDED SEPTEMBER 30, 2019

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances	Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
Revenues:									
LEOSE Training	\$ 23,124	\$ -	\$ 23,124	\$ -	\$ -	\$ 23,124	\$ 26,310	\$ 26,310	\$ (3,186)
	<u>\$ 23,124</u>	<u>\$ -</u>	<u>\$ 23,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,124</u>	<u>\$ 26,310</u>	<u>\$ 26,310</u>	<u>\$ (3,186)</u>
Expenditures:									
LEOSE Training	\$ 39,478	\$ -	\$ 39,478	\$ -	\$ -	\$ 39,478	\$ 22,500	\$ 44,500	\$ 5,022
	<u>\$ 39,478</u>	<u>\$ -</u>	<u>\$ 39,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,478</u>	<u>\$ 22,500</u>	<u>\$ 44,500</u>	<u>\$ 5,022</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
 LOCAL SEIZED PROPERTY FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
 YEAR ENDED SEPTEMBER 30, 2019

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances	Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
Revenues:									
Local Seized Property	\$ 94,421	\$ -	\$ 94,421	\$ -	\$ -	\$ 94,421	\$ -	\$ -	\$ 94,421
	\$ 94,421	\$ -	\$ 94,421	\$ -	\$ -	\$ 94,421	\$ -	\$ -	\$ 94,421
Expenditures:									
Local Seized Property	\$ 59,136	\$ -	\$ 59,136	\$ 27,804	\$ -	\$ 31,332	\$ 90,350	\$ 90,350	\$ 59,018
	\$ 59,136	\$ -	\$ 59,136	\$ 27,804	\$ -	\$ 31,332	\$ 90,350	\$ 90,350	\$ 59,018

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
 COMPENSATED ABSENCES FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
 YEAR ENDED SEPTEMBER 30, 2019

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances	Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
Revenues:									
Compensated Absences	\$ 1,415,837	\$ -	\$ 1,415,837	\$ -	\$ -	\$ 1,415,837	\$ 27,600	\$ 27,600	\$ 1,388,237
	<u>\$ 1,415,837</u>	<u>\$ -</u>	<u>\$ 1,415,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,415,837</u>	<u>\$ 27,600</u>	<u>\$ 27,600</u>	<u>\$ 1,388,237</u>
Expenditures:									
Compensated Absences	\$ 2,126,448	\$ -	\$ 2,126,448	\$ -	\$ -	\$ 2,126,448	\$ 1,666,878	\$ 1,666,878	\$ (459,570)
	<u>\$ 2,126,448</u>	<u>\$ -</u>	<u>\$ 2,126,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,126,448</u>	<u>\$ 1,666,878</u>	<u>\$ 1,666,878</u>	<u>\$ (459,570)</u>

See Independent Auditor's Report.



CITY OF AMARILLO, TEXAS  
 COURT TECHNOLOGY AND COURT SECURITY FUNDS  
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
 YEAR ENDED SEPTEMBER 30, 2019

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances	Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
Revenues:									
Court Technology	\$ 127,358	\$ -	\$ 127,358	\$ -	\$ -	\$ 127,358	\$ 142,600	\$ 142,600	\$ (15,242)
Court Security	175,062	-	175,062	-	-	175,062	152,300	152,300	22,762
	<u>\$ 302,420</u>	<u>\$ -</u>	<u>\$ 302,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,420</u>	<u>\$ 294,900</u>	<u>\$ 294,900</u>	<u>\$ 7,520</u>
Expenditures:									
Court Technology	\$ 305,844	\$ -	\$ 305,844	\$ 9,142	\$ -	\$ 296,702	\$ 332,640	\$ 332,640	\$ 35,938
Court Security	175,062	-	175,062	-	-	175,062	148,942	153,942	(21,120)
	<u>\$ 480,906</u>	<u>\$ -</u>	<u>\$ 480,906</u>	<u>\$ 9,142</u>	<u>\$ -</u>	<u>\$ 471,764</u>	<u>\$ 481,582</u>	<u>\$ 486,582</u>	<u>\$ 14,818</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
PUBLIC IMPROVEMENT DISTRICTS  
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2019

	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
<b>Revenues:</b>									
Greenways at Hillside	\$ 647,473	\$ -	\$ 647,473	\$ -	\$ -	\$ 647,473	\$ 643,474	\$ 643,474	\$ 3,999
Heritage Hills	161,143	-	161,143	-	-	161,143	160,784	160,784	359
The Colonies	1,054,730	-	1,054,730	-	-	1,054,730	911,889	911,889	142,841
Tutbury	16,296	-	16,296	-	-	16,296	16,419	16,419	(123)
Point West	52,007	-	52,007	-	-	52,007	52,000	52,000	7
Quail Creek	10,150	-	10,150	-	-	10,150	10,162	10,162	(12)
Vineyards	7,950	-	7,950	-	-	7,950	7,950	7,950	-
Redstone	-	-	-	-	-	-	-	-	-
Townsquare	166,231	-	166,231	-	-	166,231	166,164	166,164	67
Pinnacle	673	-	673	-	-	673	-	-	673
	<u>\$ 2,116,653</u>	<u>\$ -</u>	<u>\$ 2,116,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,116,653</u>	<u>\$ 1,968,842</u>	<u>\$ 1,968,842</u>	<u>\$ 147,811</u>
<b>Expenditures:</b>									
Greenways at Hillside	\$ 488,747	\$ -	\$ 488,747	\$ -	\$ -	\$ 488,747	\$ 618,125	\$ 618,125	\$ 129,378
Heritage Hills	35,476	-	35,476	-	-	35,476	63,755	63,755	28,279
The Colonies	843,696	-	843,696	-	-	843,696	832,168	832,168	(11,528)
Tutbury	9,946	-	9,946	-	-	9,946	9,494	10,494	548
Point West	49,887	-	49,887	-	-	49,887	26,068	51,068	1,181
Quail Creek	8,787	-	8,787	-	-	8,787	7,047	9,047	260
Vineyards	5,494	-	5,494	-	-	5,494	3,738	5,738	244
Redstone	8	-	8	-	-	8	-	100	92
Townsquare	869	-	869	-	-	869	83,043	83,043	82,174
Pinnacle	337	-	337	-	-	337	-	-	(337)
	<u>\$ 1,443,247</u>	<u>\$ -</u>	<u>\$ 1,443,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,443,247</u>	<u>\$ 1,643,438</u>	<u>\$ 1,673,538</u>	<u>\$ 230,291</u>

See Independent Auditor's Report

CITY OF AMARILLO, TEXAS  
 BONDED DEBT SERVICE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
 YEAR ENDED SEPTEMBER 30, 2019

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances	Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
Revenues:									
Bonded Debt Service	\$ 10,867,361	\$ -	\$ 10,867,361	\$ -	\$ -	\$ 10,867,361	\$ 8,596,587	\$ 8,596,587	\$ 2,270,774
	\$ 10,867,361	\$ -	\$ 10,867,361	\$ -	\$ -	\$ 10,867,361	\$ 8,596,587	\$ 8,596,587	\$ 2,270,774
Expenditures:									
Bonded Debt Service	\$ 9,164,137	\$ -	\$ 9,164,137	\$ -	\$ -	\$ 9,164,137	\$ 9,174,286	\$ 9,174,286	\$ 10,149
	\$ 9,164,137	\$ -	\$ 9,164,137	\$ -	\$ -	\$ 9,164,137	\$ 9,174,286	\$ 9,174,286	\$ 10,149

See Independent Auditor's Report.

## 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial information and well-being have changed over time.	249-254
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	255-261
<b>Debt Capacity</b> 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.	262-266
<b>Demographic and Economic Information</b> 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.	267-268
<b>Operating Information</b> 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.	269-273
<b>Waterworks and Sewer System Information</b> These schedules contain information about how the City's Waterworks and Sewer System financial information relates to services and activities provided.	274-277
<b>Drainage Utility Information</b> These schedules contain information about how the City's Drainage Utility financial information relates to services and activities provided.	278
<b>Hotel Occupancy Tax Information</b> These schedules contains information about how the City's Hotel Occupancy Tax financial information relates to services and activities provided.	279-281

**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 No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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**CITY OF AMARILLO, TEXAS**  
**NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)  
 (unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 432,567,629	\$ 386,319,847	\$ 369,427,169	\$ 366,307,710	\$ 359,487,691	\$ 330,139,447	\$ 329,550,783	\$ 320,390,991	\$ 308,957,310	\$ 309,160,316
Restricted for:										
Debt service	3,621,710	1,993,391	5,538,062	3,782,207	526,239	340,688	2,364,008	1,763,860	1,706,708	1,476,611
Tax increment financing	1,650,395	1,650,395	1,623,164	2,515,936	2,544,254	-	-	-	-	-
Capital outlay	-	-	-	1,650,895	-	-	-	-	-	-
Other purposes	29,378,545	26,918,100	8,398,866	5,484,949	7,497,255	8,519,242	6,673,794	3,812,464	-	-
Unrestricted	(70,244,908)	(20,715,856)	(47,062,287)	(28,863,282)	(3,248,802)	22,331,048	16,714,594	35,119,387	55,475,614	69,367,279
Total governmental activities net position	\$ 396,973,371	\$ 396,165,877	\$ 337,924,974	\$ 350,878,255	\$ 366,806,637	\$ 361,330,425	\$ 355,303,179	\$ 361,086,702	\$ 366,139,632	\$ 380,004,206
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 502,604,330	\$ 483,457,427	\$ 444,384,784	\$ 433,391,146	\$ 411,804,458	\$ 387,227,804	\$ 371,302,208	\$ 369,612,040	\$ 355,790,591	\$ 325,209,714
Restricted for:										
Debt service	8,233,447	7,652,378	6,588,837	6,089,304	6,758,270	6,991,523	5,879,001	5,702,750	6,020,692	436,303
Capital outlay	-	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	38,003,417	42,064,112	58,053,615	49,991,605	53,143,232	64,018,501	57,194,184	42,852,895	38,722,071	43,205,956
Total business-type activities net position	\$ 548,841,194	\$ 533,173,917	\$ 509,027,236	\$ 489,467,081	\$ 471,715,960	\$ 458,177,828	\$ 434,375,393	\$ 418,167,685	\$ 400,533,354	\$ 368,851,973
<b>Primary Government</b>										
Net investment in capital assets	\$ 935,171,959	\$ 869,777,274	\$ 813,811,955	\$ 799,698,856	\$ 771,292,149	\$ 717,367,251	\$ 700,852,991	\$ 690,803,031	\$ 664,747,901	\$ 634,370,030
Restricted for:										
Debt service	11,855,157	9,645,769	12,136,899	9,864,537	7,234,509	7,272,211	8,243,009	7,466,610	7,727,400	1,912,914
Tax increment financing	1,650,395	1,650,395	1,623,164	2,515,936	2,544,254	-	-	-	-	-
Capital outlay	-	-	-	1,650,695	-	-	-	-	-	-
Other purposes	29,378,545	26,918,100	8,398,866	5,484,949	7,497,255	8,519,242	6,673,794	3,812,464	-	-
Unrestricted	(32,241,491)	(21,348,256)	(10,991,328)	(21,128,363)	(49,834,430)	(86,349,549)	(73,908,778)	(77,972,282)	(94,197,685)	(112,573,235)
Total primary government net assets	\$ 945,814,565	\$ 929,339,794	\$ 846,952,210	\$ 840,343,336	\$ 838,522,597	\$ 819,508,253	\$ 789,678,572	\$ 779,254,387	\$ 766,672,986	\$ 748,556,179
<b>Component Units</b>										
Net investment in capital assets	\$ 61,735,665	\$ 64,798,720	\$ 67,407,683	\$ 12,468,562	\$ 13,044,463	\$ 13,283,298	\$ 21,800,738	\$ 13,340,320	\$ 14,778,882	\$ 16,057,848
Restricted for:										
Debt service	7,071,045	5,485,866	979,053	12,119,502	1,017,858	979,502	1,097,604	1,079,681	1,064,112	860,609
Other purposes	11,997,330	51,942,802	3,950,662	3,643,106	3,389,316	3,389,240	3,542,472	4,611,677	5,356,212	11,699,766
Unrestricted	243,354,340	238,880,978	241,347,726	258,911,431	252,763,455	284,447,222	279,147,996	295,372,881	290,751,762	279,771,608
Total component units activities net position	\$ 324,158,380	\$ 361,108,366	\$ 313,685,122	\$ 286,243,001	\$ 270,215,092	\$ 302,099,762	\$ 296,588,810	\$ 314,404,259	\$ 311,950,968	\$ 307,789,831

See Independent Auditor's Report.

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

Expenses	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental activities:</b>										
General government and administration	\$ 23,184,118	\$ 20,001,400	\$ 21,064,801	\$ 20,851,218	\$ 18,757,862	\$ 17,893,464	\$ 19,044,399	\$ 18,230,072	\$ 17,568,368	\$ 18,553,336
Public safety and health	113,380,917	106,934,135	109,098,944	104,181,567	93,806,629	92,148,544	93,496,408	87,643,282	82,193,776	80,634,623
Streets, traffic and engineering	24,640,143	23,373,741	23,588,460	21,874,716	20,553,851	20,235,525	20,897,358	21,680,105	20,357,268	20,189,342
Culture and recreation	29,712,341	29,070,736	27,387,507	26,367,544	24,954,457	25,225,798	26,495,404	25,807,855	24,380,362	24,297,915
Solid waste	15,402,955	17,489,426	15,390,078	13,834,793	13,746,125	13,812,405	13,950,138	13,734,078	13,212,467	12,960,933
Transit	6,042,060	5,665,669	5,446,446	5,567,243	5,312,266	5,073,359	5,614,558	5,121,742	4,702,836	4,919,193
Economic development	3,237,465	3,841,058	6,558,819	12,211,918	3,314,067	3,006,491	3,083,969	2,847,958	5,269,868	2,586,912
Urban redevelopment/housing	12,675,458	11,312,847	12,969,762	11,168,871	10,716,405	11,294,368	12,304,610	11,779,399	11,667,515	11,611,626
Interest on long-term debt	5,735,225	5,363,761	5,146,654	2,371,915	2,045,175	2,045,764	2,138,731	2,217,767	2,330,205	1,532,615
Total governmental activities expenses	234,010,682	223,052,773	224,651,471	218,429,785	193,206,437	190,735,718	197,225,575	189,062,258	181,702,665	177,286,495
<b>Business-type activities</b>										
Water and Sewer	73,215,660	62,223,013	61,909,502	59,713,515	58,079,468	56,086,587	60,199,606	58,290,626	52,872,999	52,401,135
Drainage Utility	3,202,944	2,958,630	3,042,378	2,563,644	2,402,313	2,384,447	1,745,262	46,588	-	-
Airport	14,617,231	14,581,119	13,593,479	12,824,993	11,165,622	11,196,882	10,563,835	10,388,942	8,479,899	8,803,465
Total business-type activities expenses	91,035,835	79,762,762	78,545,359	75,102,152	71,648,403	70,567,916	72,508,703	68,726,156	61,352,898	61,204,600
<b>Total primary government expenses</b>	\$ 325,046,517	\$ 302,815,535	\$ 303,196,830	\$ 293,531,937	\$ 264,855,440	\$ 261,303,634	\$ 269,734,278	\$ 251,788,414	\$ 243,055,563	\$ 238,491,095
<b>Component units</b>										
Amarillo Hospital District	\$ 59,547,140	\$ 22,809,856	\$ 10,991,668	\$ 8,482,293	\$ 9,731,182	\$ 9,350,267	\$ 8,739,162	\$ 8,510,747	\$ 9,333,545	\$ 9,056,490
Amarillo Economic Development Corporation	24,173,802	17,164,756	30,773,567	21,490,466	28,156,467	19,201,869	24,134,763	20,091,297	16,939,339	13,705,551
Amarillo-Potter Events District	3,228,142	3,136,507	2,210,341	2,875,890	2,192,003	2,354,523	3,268,540	3,102,810	2,345,524	2,363,221
Amarillo Housing Finance Corporation	-	-	-	-	-	-	-	-	1,576	1,653
Amarillo Health Facilities Corporation	-	270	-	-	-	-	-	1,270,527	204,518	34,414
Tax Increment Reinvestment Zone #1	2,042,521	2,022,256	311,006	64,084	125,610	34,253	16,353	90,985	1,500	-
Amarillo Local Government Corporation	-	-	-	-	-	-	-	-	-	-
Total component units activities expenses	\$ 88,991,605	\$ 45,133,039	\$ 44,286,582	\$ 32,912,773	\$ 40,805,262	\$ 29,944,914	\$ 36,158,818	\$ 33,066,366	\$ 28,826,002	\$ 31,061,329
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Fees, Fines, and Charges for Services:										
General government and administration	\$ 9,875,597	\$ 9,686,712	\$ 9,866,838	\$ 9,086,885	\$ 10,177,354	\$ 9,632,962	\$ 10,071,778	\$ 10,023,088	\$ 10,255,745	\$ 10,725,176
Public safety and health	10,808,393	10,216,819	9,675,793	8,930,524	9,033,256	9,589,994	8,880,952	7,593,497	7,552,299	7,764,312
Streets, traffic and engineering	1,686,803	1,149,616	1,316,207	882,924	972,519	737,912	804,886	804,886	748,018	618,399
Culture and recreation	8,820,423	10,330,913	7,006,781	6,707,749	6,823,312	6,661,622	6,639,290	5,823,436	5,289,633	5,058,398
Solid waste	20,971,831	20,522,012	20,011,490	19,468,049	20,078,845	20,562,446	19,638,891	18,644,949	18,234,773	17,226,650
Transit	356,401	202,330	193,226	188,419	194,725	231,571	207,492	213,849	214,665	203,175
Economic development	-	-	-	-	-	30,076	20,500	-	-	-
Urban redevelopment/housing	66,632	100,229	233,577	73,079	174,352	119,859	119,742	95,458	295,074	188,392
Operating grants and contributions	22,853,120	23,646,610	26,127,954	20,392,663	21,744,742	20,748,100	20,149,389	19,723,706	19,858,342	21,439,450
Capital grants and contributions	12,033,363	12,970,962	13,245,080	10,481,151	27,847,438	8,032,159	9,572,638	12,081,594	3,444,571	7,298,486
Total governmental activities program revenues	87,472,625	88,826,203	87,676,916	76,201,313	97,146,543	76,510,386	76,038,384	75,514,443	65,874,120	70,522,268

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED**  
 (accrual basis of accounting)  
 (Unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Business-type activities</b>										
Water and Sewer	76,075,403	84,539,511	75,145,344	73,507,187	68,528,437	76,728,328	71,518,531	70,233,887	69,628,237	55,089,408
Drainage Utility	5,594,762	5,548,081	5,540,635	5,581,158	5,553,357	5,556,487	5,075,594	-	-	-
Airport	12,193,581	11,424,284	10,764,718	9,790,456	9,890,031	9,532,883	9,115,320	8,398,066	7,815,427	7,568,658
Operating grants and contributions	2,713,821	588,563	25,692	-	-	-	-	-	-	-
Capital grants and contributions	6,422,346	7,245,540	7,328,325	4,907,514	5,265,171	6,406,495	2,745,466	7,898,835	8,418,304	13,903,432
Total business-type activities program revenues	102,999,913	109,345,979	98,804,714	93,786,315	89,736,996	98,224,193	88,452,911	86,530,788	85,854,368	76,561,498
<b>Total primary government revenues</b>	<b>\$ 190,472,538</b>	<b>\$ 198,172,182</b>	<b>\$ 186,481,660</b>	<b>\$ 169,987,698</b>	<b>\$ 186,883,539</b>	<b>\$ 174,734,579</b>	<b>\$ 164,491,495</b>	<b>\$ 162,045,231</b>	<b>\$ 151,728,488</b>	<b>\$ 147,083,766</b>
<b>Component units</b>										
Amarillo Hospital District	\$ 11,935,272	\$ 65,045,092	\$ 33,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amarillo Economic Development Corporation	3,834,920	5,339,886	5,547,126	10,865,721	4,616,898	5,819,504	6,222,671	7,777,947	4,745,415	2,905,176
Amarillo-Potter Events District	106,359	107,267	71,947	56,342	67,366	86,937	82,982	47,192	1,320	-
Amarillo Housing Finance Corporation	123	5,527	190	267	-	-	299	338	388	24,652
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	-	-	-	-	-	-	-	-	-	-
Amarillo Local Government Corporation	442,852	388,524	4,607,037	10,621,715	466,461	-	-	-	2,232,500	34,414
Operating grants and contributions	355,752	356,636	277,338	193,111	206,218	228,068	208,998	278,842	239,737	441,057
Capital grants and contributions	-	-	40,700,000	39,736	97,087	368,755	162,109	28,667	39,837	6,381
Total component units revenue	\$ 16,675,278	\$ 71,242,932	\$ 51,236,949	\$ 21,776,892	\$ 5,454,030	\$ 6,403,550	\$ 6,877,059	\$ 8,132,886	\$ 7,249,197	\$ 3,411,660
<b>Net (Expense) Revenue</b>	<b>\$ (146,538,057)</b>	<b>\$ (134,226,570)</b>	<b>\$ (136,974,525)</b>	<b>\$ (142,228,402)</b>	<b>\$ (96,060,294)</b>	<b>\$ (114,225,332)</b>	<b>\$ (121,186,991)</b>	<b>\$ (113,547,815)</b>	<b>\$ (115,838,545)</b>	<b>\$ (106,764,227)</b>
Governmental activities	11,964,078	29,583,217	20,259,355	18,684,163	18,088,393	27,656,277	15,944,208	17,804,632	24,591,470	15,356,898
Business-type activities	\$ (134,573,979)	\$ (104,643,353)	\$ (116,715,170)	\$ (123,544,239)	\$ (77,971,901)	\$ (86,569,055)	\$ (105,242,783)	\$ (95,743,183)	\$ (91,247,075)	\$ (91,407,329)
<b>Total primary government net expense</b>	<b>\$ (47,256,116)</b>	<b>\$ (42,591,872)</b>	<b>\$ (10,681,019)</b>	<b>\$ (8,249,546)</b>	<b>\$ (9,489,516)</b>	<b>\$ (8,093,155)</b>	<b>\$ (8,497,101)</b>	<b>\$ (8,203,238)</b>	<b>\$ (9,063,971)</b>	<b>\$ (9,509,052)</b>
<b>Component units</b>										
Amarillo Hospital District	(20,338,882)	(11,824,870)	(25,226,441)	(10,624,745)	(23,477,930)	(13,842,654)	(17,583,046)	(11,762,554)	(12,193,924)	(15,800,375)
Amarillo Economic Development Corporation	(5,121,783)	(3,029,240)	(2,138,394)	(2,819,488)	(2,724,637)	(2,271,588)	(3,185,558)	(3,055,018)	(2,364,204)	(2,363,221)
Amarillo-Potter Events District	123	5,527	190	267	-	-	299	338	(1,188)	22,979
Amarillo Housing Finance Corporation	-	(270)	-	-	-	-	-	-	-	-
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	(1,599,609)	(1,634,026)	41,996,031	10,557,631	340,851	(34,253)	(16,253)	(1,270,527)	2,027,982	(34,414)
Amarillo Local Government Corporation	\$ (72,316,327)	\$ 26,108,993	\$ 6,930,367	\$ (11,135,881)	\$ (35,351,232)	\$ (23,541,364)	\$ (29,281,759)	\$ (34,382,584)	\$ (21,576,805)	\$ (27,684,083)
<b>Total component units net expense</b>	<b>\$ (72,316,327)</b>	<b>\$ 26,108,993</b>	<b>\$ 6,930,367</b>	<b>\$ (11,135,881)</b>	<b>\$ (35,351,232)</b>	<b>\$ (23,541,364)</b>	<b>\$ (29,281,759)</b>	<b>\$ (34,382,584)</b>	<b>\$ (21,576,805)</b>	<b>\$ (27,684,083)</b>
<b>General Revenues</b>										
<b>and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes, levied for general purposes	\$ 45,893,341	\$ 44,631,498	\$ 42,347,617	\$ 40,480,567	\$ 38,126,812	\$ 36,463,697	\$ 33,548,566	\$ 33,235,011	\$ 30,599,301	\$ 30,638,635
Property taxes, levied for debt services	5,218,010	4,504,109	2,789,543	2,822,783	2,812,168	2,865,530	2,875,654	2,846,831	2,750,167	2,737,072
Sales taxes	59,175,698	57,403,769	55,544,448	56,093,996	55,482,697	54,413,835	52,126,017	48,256,664	46,033,627	42,171,836
Mixed beverage taxes	954,629	893,587	816,149	830,426	805,136	751,825	595,016	533,575	602,075	585,739

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED**  
 (accrual basis of accounting)  
 (Unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental activities (continued):</b>										
Hotel occupancy taxes	6,458,248	6,355,676	6,591,586	6,777,185	6,341,559	5,937,402	5,691,138	5,602,181	4,782,868	4,399,887
Gross receipts business taxes	17,350,836	18,208,762	17,962,785	16,778,557	18,226,564	18,284,594	16,712,223	16,100,508	15,912,628	15,302,905
Unrestricted investment earnings	4,655,471	2,650,804	1,268,229	843,358	775,685	674,798	567,298	735,449	1,111,192	1,288,039
Income (expense) from use and disposition of property									(272,849)	480,281
Other	7,171,591	(292,622)	1,197,273	42,453	3,469,385	1,383,230	672,355	387,328	444,962	246,795
<b>Total governmental activities</b>	<b>146,877,824</b>	<b>134,555,583</b>	<b>128,717,630</b>	<b>124,649,325</b>	<b>126,040,306</b>	<b>120,774,911</b>	<b>112,788,247</b>	<b>107,117,547</b>	<b>101,963,971</b>	<b>97,851,179</b>
<b>Business-type activities</b>										
Unrestricted investment earnings	3,510,746	1,806,398	498,073	487,381	402,780	304,150	238,073	217,027	273,550	536,222
Income (expense) from use and disposition of property									6,974,932	14,646
Other	(558,955)	292,622	(1,197,273)	(1,420,423)	(2,283,911)	(740,430)	25,427	(387,328)	(668,571)	(59,449)
<b>Total business-type activities</b>	<b>2,951,791</b>	<b>2,099,020</b>	<b>(699,200)</b>	<b>(933,042)</b>	<b>(1,881,131)</b>	<b>(436,280)</b>	<b>263,500</b>	<b>(170,301)</b>	<b>7,179,911</b>	<b>491,419</b>
<b>Total primary government</b>	<b>\$ 149,829,615</b>	<b>\$ 136,454,603</b>	<b>\$ 128,018,430</b>	<b>\$ 123,716,283</b>	<b>\$ 124,159,175</b>	<b>\$ 120,338,631</b>	<b>\$ 113,051,747</b>	<b>\$ 106,947,246</b>	<b>\$ 109,143,882</b>	<b>\$ 98,342,598</b>
<b>Component Units</b>										
Property taxes, levied for general purposes	-	-	-	-	-	71,400	76,810	589,735	468,051	437,886
Property taxes, levied for debt services	-	-	-	-	-	-	-	-	-	-
Sales taxes	19,725,232	19,134,590	18,514,816	18,697,999	18,494,232	18,137,944	17,375,339	16,085,554	15,344,542	14,057,279
Gross receipts business taxes	3,120,780	2,970,579	2,840,646	2,917,154	2,758,826	2,650,714	2,589,164	2,295,432	2,159,203	2,909,281
Unrestricted investment earnings	12,520,329	(772,223)	(340,235)	5,548,637	7,667,923	6,866,063	(5,992,233)	7,365,154	7,774,146	11,514,863
<b>Total component units activities</b>	<b>\$ 35,366,341</b>	<b>\$ 21,332,946</b>	<b>\$ 21,015,227</b>	<b>\$ 27,163,790</b>	<b>\$ 28,926,981</b>	<b>\$ 27,724,121</b>	<b>\$ 14,049,080</b>	<b>\$ 26,834,975</b>	<b>\$ 25,737,942</b>	<b>\$ 28,019,269</b>
<b>Change in Net Position</b>										
Governmental activities	339,767	129,013	(8,256,895)	(17,579,077)	29,980,012	6,549,579	(8,398,744)	(6,239,268)	(12,864,574)	(8,913,048)
Business-type activities	14,915,369	31,682,237	19,560,155	17,751,121	16,207,262	27,219,997	16,207,708	17,634,331	31,681,381	15,848,317
<b>Total primary government</b>	<b>\$ 15,255,636</b>	<b>\$ 31,811,250</b>	<b>\$ 11,303,260</b>	<b>\$ 172,044</b>	<b>\$ 46,187,274</b>	<b>\$ 33,769,576</b>	<b>\$ 7,808,964</b>	<b>\$ 11,204,063</b>	<b>\$ 17,816,807</b>	<b>\$ 6,935,269</b>
<b>Total component units</b>	<b>\$ (36,949,986)</b>	<b>\$ 47,441,939</b>	<b>\$ 27,965,594</b>	<b>\$ 16,027,909</b>	<b>\$ (6,430,251)</b>	<b>\$ 4,182,757</b>	<b>\$ (13,232,679)</b>	<b>\$ 2,455,291</b>	<b>\$ 8,161,137</b>	<b>\$ 333,186</b>

Source: Comprehensive Annual Financial Reports

See Independent Auditor's Report.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298,680
Nonspendable:										
Prepaid items	10,608	34,874	31,933	21,203	7,727	7,742	7,742	7,742	6,742	-
Inventory	1,160,490	1,398,034	1,178,590	1,681,954	1,902,433	1,402,375	1,553,581	1,546,717	1,804,245	-
Uncollected taxes	69,530	74,195	75,466	45,820	55,145	80,686	94,493	70,967	81,905	-
Advances to other funds	655,261	685,689	715,043	-	-	-	-	-	-	-
Committed for:										
Encumbrances	-	-	-	-	-	-	-	295,059	147,740	-
Unreserved/unassigned	41,751,499	45,894,428	43,861,641	46,330,873	49,338,042	54,441,526	50,057,344	44,344,080	41,767,102	41,303,934
<b>Total general fund</b>	<b>\$ 43,647,388</b>	<b>\$ 48,087,220</b>	<b>\$ 45,862,673</b>	<b>\$ 48,079,850</b>	<b>\$ 51,303,347</b>	<b>\$ 55,932,329</b>	<b>\$ 51,713,160</b>	<b>\$ 46,264,565</b>	<b>\$ 43,807,734</b>	<b>\$ 41,600,614</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,010,434
Unreserved, reported in:										
Debt service fund	-	-	-	-	-	-	-	-	-	210,081
Capital projects	-	-	-	-	-	-	-	-	-	39,348,787
Special revenue funds	-	-	-	-	-	-	-	-	-	2,656,334
Compensated absences fund	-	-	-	-	-	-	-	-	-	14,222,386
Undesignated	-	-	-	-	-	-	-	-	-	-
Nonexpendable:										
Prepaid items	8,558	4,538	7,248	10,769	7,332	29,855	628,025	652,712	639,354	-
Uncollected taxes	6,895	5,508	5,648	3,818	4,784	7,087	12,727	6,509	5,740	-
Corpus or principal	17,693	17,693	-	-	-	-	-	-	-	-
Restricted for:										
Debt service fund	3,041,911	1,340,072	1,090,928	904,204	796,880	691,778	534,276	373,156	246,574	-
Capital projects	10,628,612	-	-	-	-	-	-	3,671,462	-	-
Special purposes	14,163,853	13,286,529	10,016,563	8,634,696	10,150,588	7,827,464	6,673,794	3,812,464	2,824,678	-
Committed for:										
Compensated absences	708,629	1,412,287	3,550,232	4,915,277	6,728,693	8,670,659	10,003,888	11,500,973	12,779,761	-
Assigned for:										
Capital projects	39,639,612	90,534,266	62,308,575	44,245,744	42,456,749	38,633,437	32,781,310	33,889,784	38,271,781	-
<b>Total all other governmental funds</b>	<b>\$ 68,212,763</b>	<b>\$ 106,600,893</b>	<b>\$ 76,979,194</b>	<b>\$ 58,704,508</b>	<b>\$ 60,155,026</b>	<b>\$ 55,860,280</b>	<b>\$ 50,634,024</b>	<b>\$ 53,909,060</b>	<b>\$ 54,767,888</b>	<b>\$ 57,448,022</b>

Effective FY 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which resulted in a change in the presentation from prior years.  
Source: Information obtained from the City's Comprehensive Annual Financial Reports.

See Independent Auditor's Report.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Taxes	\$ 134,265,695	\$ 131,438,612	\$ 125,707,610	\$ 123,284,814	\$ 121,355,081	\$ 118,344,966	\$ 111,212,385	\$ 105,101,533	\$ 100,984,407	\$ 95,672,000
License and permits	3,554,174	3,500,746	3,379,143	3,234,237	2,975,922	3,799,014	3,514,170	2,315,185	2,284,564	2,260,499
Interfund revenues	1,879,045	1,297,732	1,362,765	919,710	1,069,410	943,522	1,675,119	1,584,965	1,557,653	1,478,752
Intergovernmental revenues	23,691,837	24,773,874	29,116,583	21,872,713	26,222,168	19,960,514	21,945,515	24,719,942	20,510,802	25,396,992
Grants-in-aid	-	-	-	-	-	-	-	-	-	-
Citizen contributions	87,099	49,768	187,497	24,864	125,848	208,255	45,638	10,144	22,898	6,000
Construction participation	7,297,396	9,864,048	8,743,879	5,077,744	11,089,007	2,098,232	3,976,610	4,685,053	1,761,885	2,816,377
Revenue from participating taxing entities	1,076,355	746,065	640,129	653,152	600,778	622,483	594,974	-	-	-
Other entity participations	-	-	-	100,000	175,000	797,009	820,676	808,345	944,425	856,721
Charges for services	39,506,191	38,900,157	36,274,459	34,678,170	35,331,237	55,168,838	34,034,663	31,985,474	31,291,822	30,025,565
Fines and forfeitures	6,019,094	6,549,307	6,487,410	5,699,964	6,232,407	6,484,837	5,427,467	6,166,381	5,846,225	6,235,025
Investment earnings	3,704,551	2,159,031	1,042,999	682,885	626,119	560,545	448,256	566,680	890,296	1,007,601
Other rentals and commissions	609,697	482,908	479,190	491,669	426,880	421,119	418,222	382,306	839,170	858,951
Miscellaneous	395,576	1,806,518	477,337	487,816	1,273,997	820,590	671,097	671,563	814,676	526,107
<b>Total revenues</b>	<b>222,066,710</b>	<b>221,467,766</b>	<b>213,899,010</b>	<b>197,210,438</b>	<b>208,123,814</b>	<b>190,829,814</b>	<b>185,294,792</b>	<b>178,091,571</b>	<b>167,748,823</b>	<b>167,140,590</b>
<b>Expenditures</b>										
General government and administration	20,472,736	18,623,409	18,851,886	19,367,655	17,162,756	16,573,732	16,107,002	15,098,294	14,875,816	14,925,037
Public safety and health	116,451,569	112,510,824	112,018,659	106,379,423	101,486,359	98,724,098	92,887,532	89,501,953	86,844,050	83,263,087
Culture and recreation	23,529,989	23,393,886	21,952,536	20,776,190	19,644,639	19,823,954	19,333,878	19,010,912	18,154,024	17,765,568
Solid waste	16,361,807	15,293,540	14,132,745	13,019,526	13,045,407	12,258,612	11,311,765	11,063,271	10,532,391	10,970,280
Transit system	5,380,196	5,038,578	4,716,811	4,633,595	4,520,534	4,402,888	4,267,016	3,957,518	3,506,527	3,762,267
Urban development and housing	12,665,085	11,661,271	13,078,306	11,107,318	10,816,542	11,635,914	12,261,800	11,942,850	11,578,796	11,694,718
Economic development/tourism	3,366,915	3,975,529	6,558,819	3,314,069	3,083,069	3,006,491	3,083,069	2,847,968	3,369,868	2,586,912
Capital outlay	60,439,644	52,636,028	28,575,975	18,251,480	31,873,059	12,663,897	20,736,339	20,385,363	18,503,130	24,381,672
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	4,110,037	2,841,509	2,399,051	2,080,659	1,968,331	1,841,467	1,763,860	1,706,708	1,476,611	1,371,563
Interest and fiscal changes	5,043,070	3,475,426	1,758,596	1,513,688	1,612,507	1,600,512	1,673,168	1,730,024	1,602,908	1,532,615
Bond issuance cost	-	1,660,652	-	-	-	-	-	-	-	-
Termination vacation and sick leave pay	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>270,147,496</b>	<b>253,219,562</b>	<b>225,417,442</b>	<b>211,198,719</b>	<b>207,406,635</b>	<b>183,894,478</b>	<b>184,979,169</b>	<b>178,557,666</b>	<b>173,995,690</b>	<b>173,710,901</b>
Excess of revenues over (under) expenditures	(48,080,786)	(32,151,796)	(11,518,432)	(13,988,281)	(717,219)	6,953,336	315,623	433,905	(6,246,867)	(6,570,311)
<b>Other financing sources (uses):</b>										
Transfers from other funds	18,567,746	10,780,866	12,532,317	12,826,493	17,890,716	13,954,164	11,308,054	10,120,249	10,266,422	7,274,581
Transfers to other funds	(18,343,103)	(11,490,194)	(12,349,445)	(13,728,025)	(20,067,648)	(14,371,713)	(12,065,339)	(10,383,489)	(10,375,070)	(7,583,483)
Other	-	-	(1,760,719)	(1,377,970)	1,185,474	622,640	-	-	-	-
Payment to refunded bond escrow agent	6,612,636	-	(17,265,000)	(401,232)	-	(55,000)	-	-	(77,500)	-
Bond premium	-	927,566	2,897,768	-	-	-	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	2,260,000	-	-	-	-
Issuance of long-term debt	-	-	-	11,995,000	-	-	-	-	-	-
Total other financing sources (uses)	6,837,279	64,198,038	27,375,941	9,314,266	(1,051,458)	2,510,091	(757,285)	(213,240)	5,773,852	1,058,098
<b>Net change in fund balances</b>	<b>(41,243,507)</b>	<b>(32,046,242)</b>	<b>(15,857,509)</b>	<b>(4,674,015)</b>	<b>(334,239)</b>	<b>9,445,427</b>	<b>(441,662)</b>	<b>(220,665)</b>	<b>(473,015)</b>	<b>(5,512,232)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	4.365%	3.149%	2.112%	1.863%	2.040%	2.010%	2.093%	2.173%	2.019%	1.940%

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*		Sales Taxes	Mixed Beverage Taxes	Hotel Occupancy Taxes	Gross Receipts Business Taxes	Total Taxes
	General Fund	Debt Service					
2010	30,474,571	2,737,072	42,171,836	585,729	4,399,887	15,302,905	95,672,009
2011	30,903,042	2,750,167	46,033,627	602,075	4,782,868	15,912,628	100,984,407
2012	32,361,774	2,846,831	48,256,664	533,575	5,002,181	16,100,508	105,101,533
2013	33,212,357	2,875,654	52,126,017	595,016	5,691,118	16,712,223	111,212,385
2014	36,091,780	2,865,530	54,413,835	751,825	5,937,402	18,284,594	118,344,966
2015	37,686,657	2,812,468	55,482,697	805,136	6,341,559	18,226,564	121,355,081
2016	40,001,867	2,822,783	56,093,996	810,426	6,777,185	16,778,557	123,284,814
2017	42,003,099	2,789,543	55,544,448	816,149	6,610,423 (1)	17,962,785	125,726,447
2018	44,062,709	4,504,109	57,403,769	893,587	6,932,936 (2)	18,208,762	132,005,872
2019	45,108,274	5,218,010	59,175,698	954,629	7,208,732 (3)	17,350,836	135,016,179
<b>Change</b>							
2010-2019	48.02%	90.64%	40.32%	62.98%	63.84%	13.38%	41.12%

**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.)

(3) \$750,484 was rebated during the year ended September 30, 2019.

(2) \$577,260 was rebated during the year ended September 30, 2018.

(1) \$18,837 was rebated during the year ended September 30, 2017.

See Independent Auditor's Report.

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

Fiscal Year	Business		Total Assessed Value	Less:		Taxable Value	Total Direct Tax Rate
	Real Estate	Personal		Tax-Exempt Property			
2010	10,147,687,093	1,413,365,790	11,561,052,883	1,569,701,314	9,991,351,569	0.31009	
2011	10,299,410,694	1,351,284,199	11,650,694,893	1,594,987,161	10,055,707,732	0.31009	
2012	10,737,236,627	1,379,495,572	12,116,732,199	1,858,785,870	10,257,946,329	0.32009	
2013	10,941,419,006	1,417,493,921	12,358,912,927	1,902,510,338	10,456,402,589	0.32009	
2014	11,063,215,720	1,510,766,292	12,573,982,012	1,813,527,841	10,760,454,171	0.34009	
2015	11,489,089,001	1,579,344,589	13,068,433,590	1,968,378,872	11,100,054,718	0.34509	
2016	11,896,261,823	1,650,461,901	13,546,723,724	2,004,664,460	11,542,059,264	0.35072	
2017	12,372,427,053	1,767,776,977	14,140,204,030	2,074,738,931	12,065,465,099	0.35072	
2018	13,069,862,666	1,820,657,962	14,890,520,628	2,102,746,587	12,787,774,041	0.36364	
2019	13,472,051,057	1,842,147,371	15,314,198,428	2,165,143,672	13,149,054,756	0.36838	

**Source:** Potter and Randall Counties

**Notes:** Property in Potter County and Randall County is reassessed annually. The counties assess property at approximately 100% of actual value for business personal property and 100% for real estate property. Tax rates are per \$100 of taxable value.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES, LAST TEN FISCAL YEARS**  
 (rate per \$100 of assessed value)  
 (unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates							
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Amarillo Independent School District and County Education District 20	Amarillo College District	Canyon Independent School District	River Road Independent School District	Potter County	Randall County	Highland Park Independent School District	Bushland Independent School District
2010	0.28239	0.02770	0.31009	1.17000	0.18413	1.29000	1.31700	0.59627	0.36062	1.18544	1.24950
2011	0.28279	0.02730	0.31009	1.17000	0.18996	1.29000	1.36000	0.59911	0.36890	1.18252	1.26862
2012	0.29230	0.02779	0.32009	1.17000	0.18938	1.29000	1.35000	0.63350	0.37756	1.17289	1.26960
2013	0.29276	0.02733	0.32009	1.17000	0.19950	1.26500	1.35000	0.62707	0.38430	1.16744	1.26960
2014	0.31335	0.02674	0.34009	1.18900	0.19950	1.22800	1.35000	0.63402	0.39241	1.16750	1.29440
2015	0.31915	0.02594	0.34509	1.18900	0.20750	1.21500	1.35000	0.63402	0.39914	1.16190	1.29000
2016	0.32566	0.02506	0.35072	1.18900	0.20750	1.26000	1.35000	0.66402	0.40605	1.16190	1.26804
2017	0.32698	0.02374	0.35072	1.18900	0.20750	1.26500	1.35000	0.67000	0.41473	1.16190	1.23777
2018	0.32698	0.03666	0.36364	1.23900	0.20750	1.26500	1.35000	0.68500	0.43126	1.18590	1.23371
2019	0.32698	0.04140	0.36838	1.16900	0.22790	1.23000	1.27650	0.70100	0.44126	1.10330	1.16371

The maximum tax rate provided by City charter is \$1.80, of which \$1.30 may be levied for general purposes; the remaining \$0.50 may be used only for waterworks purposes.

Taxes are assessed by the Potter-Randall Appraisal District. The City of Amarillo collected its own taxes until July 1, 1996, when Potter and Randall Counties assumed collection responsibilities for all entities within their boundaries. Taxes are due October 1, and become delinquent February 1. Delinquent taxes are subject to 12% to 18% per annum interest plus a penalty of 5% to 10% in accordance with statutes.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO  
(unaudited)**

Taxpayer	2019			2010		
	Taxable Value	Rank	Percent of Total City Taxable Value	Taxable Value	Rank	Percent of Total City Taxable Value
Southwestern Public Service	\$ 148,659,501	1	1.131%	\$ 67,288,338	3	0.673%
BSA Hospital LLC	140,723,797	2	1.070%	-	-	0.000%
Bell Helicopter Textron	139,623,171	3	1.062%	-	-	0.000%
Walmart	100,647,452	4	0.765%	84,745,991	1	0.848%
Northwest Texas Healthcare	88,405,319	5	0.672%	84,248,799	2	0.843%
BNSF Railway Company	86,691,016	6	0.659%	44,526,236	6	0.446%
Atmos Energy	82,732,169	7	0.629%	27,059,006	10	0.271%
Case Properties	80,130,586	8	0.609%	33,345,624	9	0.334%
Amarillo Mall LLC	63,402,195	9	0.482%	63,971,623	4	0.640%
Amarillo Economic Development Corp.	52,040,896	10	0.396%	-	-	0.000%
Southwestern Bell Telephone Company	-	-	0.000%	37,795,299	7	0.378%
Amarillo National Bank	-	-	0.000%	36,860,135	8	0.369%
Ben E. Keilh	-	-	0.000%	47,954,689	5	0.480%
Total taxable value of ten largest taxpayers	983,056,102		7.476%	527,795,740		5.283%
Total taxable value of other taxpayers	12,165,998,654		92.524%	9,463,555,829		94.717%
Total taxable value of all taxpayers	\$ 13,149,054,756		100.000%	\$ 9,991,351,569		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	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	29,523,733	29021939	98.30	420687.17	29442626.17	99.73
2010	30,409,776	29,913,203	98.37	390,743	30,303,946	99.65
2011	30,639,878	30,277,693	98.82	339,267	30,616,960	99.93
2012	32,159,248	31,738,183	98.69	378,323	32,116,506	99.87
2013	32,832,489	32,397,075	98.67	405,916	32,802,991	99.91
2014	35,664,675	35,179,859	98.64	347,756	35,527,615	99.62
2015	37,270,434	36,762,612	98.64	301,165	37,063,777	99.45
2016	39,236,666	38,751,501	98.76	242,202	38,993,703	99.38
2017	40,948,124	40,559,556	99.05	167,080	40,726,636	99.46
2018	44,623,248	44,198,870	99.05	-	44,198,870	99.05
2019	46,446,992	45,951,750	98.93	-	45,951,750	98.93

Sources: Potter and Randall County Tax Offices

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**TAXABLE SALES BY CATEGORY, LAST TEN CALENDAR YEARS**  
 (in \$1,000s)  
 (unaudited)

	Calendar Year									
	2019*	2018	2017	2016	2015	2014	2013	2012	2011	2010
Agriculture/Forestry/Fishing/Hunting	\$ 6,159	\$ 2,789	\$ 2,419	\$ 1,367	\$ 1,476	\$ 1,071	\$ 1,334	\$ 1,071	\$ 1,334	\$ 1,217
Mining/Quarrying/Oil and Gas	13,269	5,144	9,000	11,988	8,200	5,868	8,995	5,868	8,995	8,828
Utilities	159,126	156,533	149,903	156,120	150,770	137,345	148,600	137,345	148,600	156,654
Construction	111,987	116,092	122,327	110,173	89,718	81,497	83,862	81,497	83,862	66,604
Manufacturing	82,002	81,103	90,534	82,295	77,664	77,449	70,539	77,449	70,539	65,543
Wholesale Trade	199,242	193,212	188,942	208,636	236,453	186,694	161,328	186,694	161,328	145,841
Retail Trade	1,680,577	1,653,926	1,696,032	1,671,704	1,638,624	1,553,612	1,477,297	1,553,612	1,477,297	1,420,094
Transportation/Warehousing	1,886	2,401	1,869	2,172	2,515	2,984	3,109	2,984	3,109	3,030
Information	155,029	132,821	120,784	114,629	90,646	82,132	82,826	82,132	82,826	74,283
Finance/Insurance	12,360	16,611	18,717	11,743	12,400	11,606	13,495	11,606	13,495	9,152
Real Estate/Rental Leasing	41,613	38,724	45,984	49,989	46,176	47,476	37,928	47,476	37,928	29,209
Professional/Scientific/Technical Services	37,380	42,381	50,199	52,731	43,229	45,820	38,356	45,820	38,356	34,318
Management of Companies/Enterprises	416	87	63	55	87	78	53	78	53	1,064
Admin/Support/Waste Mgmt/Remediation	69,873	69,586	75,056	75,386	70,433	65,733	49,585	65,733	49,585	47,502
Educational Services	3,857	4,266	5,066	5,215	5,718	5,752	5,843	5,752	5,843	5,566
Health Care/Social Assistance	13,311	11,676	12,071	14,855	16,032	2,565	2,576	2,565	2,576	2,366
Arts/Entertainment/Recreation	32,405	28,180	25,915	24,343	22,781	25,854	23,972	25,854	23,972	22,939
Accommodation/Food Services	470,498	451,961	427,280	407,862	391,312	381,756	360,977	381,756	360,977	339,900
Other Services	100,053	95,247	101,633	103,099	101,357	95,569	86,502	95,569	86,502	80,946
Public Administration	302	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported
Other	-	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported
<b>All Industries **</b>	<b>\$ 3,191,345</b>	<b>\$ 3,102,940</b>	<b>\$ 3,144,331</b>	<b>\$ 3,104,918</b>	<b>\$ 2,811,806</b>	<b>\$ 2,868,621</b>	<b>\$ 2,674,728</b>	<b>\$ 2,868,621</b>	<b>\$ 2,674,728</b>	<b>\$ 2,515,459</b>
City direct sales tax rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

\*Note: State taxable sales information is not available for the 2019 Calendar Year

\*\* All Industries is a total of all industries reported and not reported.

Note: Reported sales tax includes only amounts subject to state sales tax

Source: State of Texas <https://ourcpa.cpa.state.tx.us/allocation/HistSales.jsp>

See Independent Auditor's Report.

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

<u>Fiscal Year</u>	<u>City* Direct Rate</u>	<u>State</u>
2010	2.0	6.25
2011	2.0	6.25
2012	2.0	6.25
2013	2.0	6.25
2014	2.0	6.25
2015	2.0	6.25
2016	2.0	6.25
2017	2.0	6.25
2018	2.0	6.25
2019	2.0	6.25

Sources: City Budget Office and Department of Finance

Note: The City sales tax rate may be changed only with the approval of the state legislature.

\* The Amarillo Economic Development Corporation is funded with 1/2 percent sales tax.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT, AS OF SEPTEMBER 30, 2019**  
(unaudited)

	Net Debt Outstanding	Percent Applicable	Applicable Debt Outstanding
Amarillo Independent School District	\$ 236,757,497	98.83%	\$ 233,987,434
Amarillo College District	74,955,471	100.00%	74,955,471
Amarillo Hospital District	-	100.00%	-
Canyon Independent School District	169,745,000	38.68%	65,657,366
River Road Independent School District	10,954,655	25.16%	2,756,191
Potter County	71,678,224	76.11%	54,554,296
Randall County	4,352,428	63.96%	2,783,813
Highland Park Independent School District	19,405,000	45.82%	8,891,371
Bushland Independent School District	2,700,753	25.33%	684,101
Total overlapping debt			444,270,043
City of Amarillo*			50,515,000
<b>Total direct and overlapping debt</b>			<b>\$ 494,785,043</b>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Municipal Advisory Council, October 2017.  
Debt outstanding data provided by each governmental unit.

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Amarillo. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

\* City of Amarillo outstanding debt includes all governmental activities debt.

See Independent Auditor's Report.

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

Fiscal Year	Governmental Activities										Business-Type Activities		
	Tax-Supported Debt	Special Assessment/Other Debt	Percentage of Actual Taxable Value of Property	Per Capita	Hotel Occupancy Debt	Fleet Services Debt	Water & Sewer Revenue Debt	Water Authority Debt	Airport Debt	Drainage Utility Debt	Total Primary Government	Percentage of Personal Income	Per Capita
2010	30,003,761	3,165,183	0.33%	\$73.94	-	-	123,551,627	70,916,608	15,964,670	-	243,602,049	2.71%	1,277.44
2011	28,681,635	8,887,123	0.37%	\$92.00	-	-	146,642,250	67,293,952	14,653,382	-	266,158,342	2.78%	1,360.27
2012	17,295,528	8,561,848	0.35%	\$84.48	-	-	141,119,981	98,802,409	13,288,789	-	289,068,555	2.93%	1,487.17
2013	25,863,061	8,225,620	0.33%	\$73.62	-	-	136,269,108	93,853,737	11,870,892	-	284,260,870	2.75%	1,447.83
2014	24,689,792	10,394,472	0.33%	\$76.83	-	-	138,579,582	91,653,457	10,520,217	5,819,993	291,572,752	2.71%	1,469.61
2015	23,117,340	9,962,182	0.29%	\$65.61	-	-	130,575,609	84,395,267	8,967,258	10,969,250	271,223,762	2.42%	1,357.86
2016	21,473,662	9,482,840	0.26%	\$53.70	11,995,000	3,236,856	137,972,057	78,645,922	7,338,808	10,287,436	279,523,656	2.44%	1,387.70
2017	49,212,399	9,041,972	0.46%	\$287.25	11,995,000	1,400,862	168,468,919	72,649,086	5,634,868	9,595,524	327,998,630	2.85%	1,617.35
2018	69,642,292	11,680,564	0.64%	\$397.03	50,830,000	462,565	179,326,703	65,917,240	3,850,044	9,090,681	390,800,089	3.31%	1,907.94
2019	66,211,938	11,113,430	0.59%	\$373.78	50,515,000	-	167,353,382	59,717,941	1,973,552	8,575,740	365,460,983	2.86%	1,766.57

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General bonded debt outstanding*										
Tax supported debt	\$ 66,211,938	\$ 69,642,292	\$ 49,212,399	\$ 21,477,662	\$ 23,117,340	\$ 24,689,792	\$ 25,863,061	\$ 27,395,528	\$ 28,681,635	\$ 30,003,761
Special assessment/other debt	61,628,430	62,510,564	21,036,972	21,477,840	9,962,182	10,394,472	8,735,620	8,361,848	8,887,123	3,165,383
Water & Sewer bonds	167,353,382	179,336,703	161,846,891	137,972,057	130,575,609	138,379,882	136,269,108	141,119,981	146,642,250	123,551,627
Airport Bonds	1,973,552	3,850,044	5,634,868	7,338,808	8,967,238	10,329,217	11,870,892	13,288,789	14,653,382	15,964,670
Drainage Utility Bonds	8,575,740	9,090,681	9,595,524	10,287,436	10,963,250	11,394,596	5,819,993	-	-	-
Fleet Services Bonds	-	462,565	1,400,862	2,323,931	3,236,856	4,139,636	2,358,459	-	-	-
<b>Total</b>	<b>305,743,042</b>	<b>324,882,849</b>	<b>248,727,516</b>	<b>200,877,734</b>	<b>186,828,495</b>	<b>199,919,295</b>	<b>190,407,133</b>	<b>190,266,146</b>	<b>198,864,390</b>	<b>172,685,441</b>
Percentage of estimated actual property value	2.33%	2.54%	2.06%	1.74%	1.68%	1.86%	1.82%	1.85%	1.98%	1.73%
Per capita	1,477.93	1,586.13	1,226.47	997.26	935.34	1,007.65	969.80	978.86	1,016.35	905.56
Less: Amounts set aside to repay general debt	3,048,806	1,345,380	1,096,576	908,022	801,664	698,865	547,903	381,665	252,314	216,923
Total net debt applicable to debt limit	302,694,236	323,537,269	247,630,940	199,969,712	186,026,831	199,220,430	189,860,130	189,884,481	198,612,076	172,468,518
Legal debt limit	1,531,419,843	1,489,052,063	1,414,020,403	1,354,672,372	1,306,843,359	1,257,398,201	1,235,891,293	1,211,673,220	1,165,069,489	1,156,105,288
<b>Legal debt margin</b>	<b>\$ 1,228,725,607</b>	<b>\$ 1,165,514,794</b>	<b>\$ 1,166,389,463</b>	<b>\$ 1,154,702,660</b>	<b>\$ 1,120,816,528</b>	<b>\$ 1,058,177,771</b>	<b>\$ 1,046,031,163</b>	<b>\$ 1,021,788,739</b>	<b>\$ 966,457,413</b>	<b>\$ 983,636,770</b>
Debt service as a percentage of noncapital expenditures	5.68%	4.42%	2.89%	2.91%	3.26%	2.89%	3.13%	3.10%	3.14%	3.01%

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

\* Excludes Water Authority Debt

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION, LAST TEN FISCAL YEARS**  
 (Unaudited)

	9/30/2019 (2019 Tax Roll)	9/30/2018 (2018 Tax Roll)	9/30/2017 (2017 Tax Roll)	9/30/2016 (2016 Tax Roll)	9/30/2015 (2015 Tax Roll)	9/30/2014 (2014 Tax Roll)	9/30/2013 (2013 Tax Roll)	9/30/2012 (2012 Tax Roll)	9/30/2011 (2011 Tax Roll)	9/30/2010 (2010 Tax Roll)
<b>Assessed value, tax roll</b>	\$ 15,314,198,428	\$ 14,890,520,628	\$ 14,140,204,030	\$ 13,546,723,724	\$ 13,068,433,590	\$ 12,571,982,012	\$ 12,358,912,927	\$ 12,116,732,199	\$ 11,650,694,893	\$ 11,561,052,883
Debt limit - 10% of assessed roll	\$ 1,531,419,843	\$ 1,489,052,063	\$ 1,414,020,403	\$ 1,354,672,372	\$ 1,306,843,359	\$ 1,257,398,201	\$ 1,235,891,293	\$ 1,211,673,220	\$ 1,165,069,489	\$ 1,156,105,288
Amount of debt applicable to debt limit:										
Total bonded debt	274,052,849	324,882,849	248,727,516	200,877,734	186,828,495	197,890,283	190,906,350	196,770,210	199,371,918	172,718,529
Less: Assets in Debt Service Funds (net)	3,048,806	1,345,580	1,096,576	908,022	801,664	698,865	547,003	381,665	252,314	216,923
Waterworks revenue bonds	102,685,000	106,525,000	84,415,000	57,120,000	45,145,000	47,750,000	41,900,000	42,565,000	44,850,000	35,620,000
	105,733,806	107,870,580	85,511,576	58,028,022	45,946,664	48,448,865	42,447,003	42,946,665	45,102,314	35,836,923
Total amount of debt applicable to debt limit	168,319,043	217,012,269	163,215,940	142,849,712	140,881,831	149,441,418	148,459,347	147,823,545	154,269,604	136,881,606
<b>Pro forma legal debt margin</b>	\$ 1,363,100,800	\$ 1,272,039,794	\$ 1,250,804,463	\$ 1,211,822,660	\$ 1,165,961,528	\$ 1,107,936,783	\$ 1,087,431,946	\$ 1,063,849,675	\$ 1,010,799,885	\$ 1,019,223,682

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)

Fiscal Year	Water Revenue Bonds						
	Total Revenue	Less:		Net Available Revenue	Principal	Debt Service	
		Operating Expenses	CRMWA Interest			Interest	Coverage
2010	55,502,109	34,436,713	3,172,696	17,892,700	5,350,000	2,884,844	2.17
2011	76,794,307	34,139,162	2,978,655	39,676,490	7,210,000	2,998,168	3.89
2012	70,242,785	34,117,020	4,252,077	31,873,688	7,290,000	3,232,174	3.03
2013	71,728,432	35,135,236	4,320,267	32,272,929	7,490,000	3,157,712	3.03
2014	76,988,269	36,842,249	3,462,630	36,683,390	7,490,000	3,186,396	3.44
2015	68,884,711	36,415,609	3,034,233	29,434,869	8,065,000	3,077,633	2.64
2016	73,927,400	39,178,131	2,761,863	31,987,406	9,100,000	2,744,260	2.70
2017	75,540,295	42,561,770	2,497,027	30,481,498	10,440,000	3,727,269	2.15
2018	86,129,584	42,585,261	2,350,787	41,193,536	11,750,000	4,224,902	2.58
2019	79,199,665	52,937,576	2,241,420	24,020,669	11,770,000	4,249,148	1.50

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

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)
2010	190,695	9,450,900	37,403	34.3	32,704	5.5%
2011	195,666	10,088,700	39,413	33.5	33,043	5.6%
2012	194,375	10,399,700	40,337	33.6	33,306	5.1%
2013	196,336	10,536,500	40,691	33.5	33,419	4.7%
2014	198,402	11,155,000	42,760	33.4	33,591	3.8%
2015	199,744	11,335,200	43,296	33.5	33,695	3.1%
2016	201,430	11,329,800	43,025	33.4	33,615	3.3%
2017	202,800	11,687,500	44,111	33.7	33,141	3.1%
2018	204,828	12,268,400	46,131	33.7	32,722	2.8%
2019	206,876	12,766,953	47,769	*	32,498	2.7%

**Sources:**

1. Population estimates prepared by City of Amarillo Planning Department (2010 provided by Census 2010). (Amarillo grows by an average of 1% or 2% annually.)
2. Personal income and per capita income figures obtained from U.S. Department of Commerce's Bureau of Economic Analysis, MSA Area Income Summary. The 2010 through 2018 figures were updated based on new estimates during November 2019. To calculate 2019 figures, Planning Department staff used an average of increases from the previous two years.
3. Median age obtained from 2010 Census and American Community Survey 1-Year (2018) and 5-Year (2011-2017) estimates.
4. School enrollment was provided by Amarillo Independent School District.
5. Unemployment rates obtained from Local Area Unemployment Statistics (LAUS) Report from Texas Labor Market Information (texaslmi.com) for August each year shown.

\* Median age was not available for these years.

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**PRINCIPAL EMPLOYERS, CURRENT YEAR AND NINE YEARS AGO**  
**(unaudited)**

Employer	2019			2010		
	Employees	Rank	Percent of Total City MSA* Employment	Employees	Rank	Percent of Total City MSA Employment
Amarillo Independent School District	5,364	1	3.499%	-	-	-
Tyson Foods Inc.	4,400	2	2.089%	3,768	1	2.994%
CNS Pantex	3,203	3	2.087%	-	-	-
BSA Health system	3,200	4	2.870%	2,626	2	2.087%
Northwest Texas Hospital	1,860	5	1.213%	1,489	3	1.183%
United Supermarket	1,604	6	0.786%	864	7	0.686%
Walmart	1,359	7	0.887%	847	9	0.673%
Amarillo VA Health Center	1,215	8	0.793%	-	-	-
Affiliated Foods	1,205	9	0.786%	848	8	0.674%
Toot 'n Totum	1,000	10	0.652%	-	-	-
Xcel Energy	-	-	0.000%	920	6	0.731%
Bell Helicopter, Inc.	-	-	0.000%	1,104	4	0.877%
Western national Life Insurance	-	-	0.000%	980	5	0.779%
Burlington Northern Santa Fe	-	-	0.000%	769	10	0.611%
Total employees of the principal employers	24,410		15.924%	14,215		11.293%
Total employees of other employers	128,885		84.076%	111,641		88.703%
Total Amarillo MSA* employment	153,295		100.000%	125,856		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) at September 2018.

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>GENERAL GOVERNMENT</b>										
Mayor and council	5	5	5	5	5	5	5	5	5	5
City manager	6	6	9	7	6	6	6	6	6	6
City secretary	2	2	2	5	4	4	3	3	2	2
Judicial	4	5	5	5	4	4	4	-	-	-
Municipal court and office of civil hearings	28	26	26	26	26	25	25	29	29	29
Planning and zoning	10	11	9	8	7	7	7	7	7	7
Public Communications	4	3	-	-	-	-	-	-	-	-
<b>STAFF SERVICES</b>										
Financial administration	7	6	6	5	5	5	5	5	5	5
Director of Finance	15	16	16	18	18	16	16	16	14	14
Accounting	-	-	-	-	-	3	3	3	3	3
Payroll	-	-	-	-	-	-	-	-	-	-
Health Plan Administration	4	4	4	4	5	5	5	5	5	5
Purchasing	9	9	9	9	9	9	9	9	8	8
Central stores	7	7	7	8	8	8	7	7	8	8
Municipal office services	-	-	-	-	-	-	-	-	3	3
Legal	10	10	10	10	9	9	9	9	8	8
Human Resources and Risk Management	13	13	13	13	14	12	12	12	12	12
Emergency Management and Communications	9	9	9	9	9	9	13	13	12	12
Occupancy	26	26	26	27	28	27	27	27	25	25
Custodial operations	31	31	30	27	26	26	25	25	24	24
Building maintenance										
<b>PUBLIC SAFETY AND HEALTH</b>										
Police										
Police	370	365	375	375	365	358	346	335	317	317
Civilian personnel	71	69	62	60	58	57	57	56	56	71
Fire Protection										
Fire	269	264	263	263	259	259	251	247	244	244
Civilian personnel	19	19	18	18	18	18	18	17	15	15
Other										
Building safety	34	31	34	35	34	34	34	33	32	32
Animal control	43	37	37	39	38	33	26	26	26	26
Emergency services									1	-
Amarillo Emergency Comm. Center	69	69	66	67	70	71	71	71	65	66
Environmental health	88	15	16	14	14	14	14	14	14	14
Vital statistics	1	1	1	1	1	1	1	1	1	1
<b>STREETS, TRAFFIC &amp; ENGINEERING</b>										
Street maintenance	97	97	97	100	101	99	99	108	108	108
Traffic engineering	47	47	44	45	46	46	46	46	46	46
Traffic field operations	22	22	22	23	22	22	22	22	22	22
Public works	4	4	4	3	-	-	-	-	-	-
Capital projects and development engineering	20	20	19	19	23	23	21	21	21	21
<b>CULTURE &amp; RECREATION</b>										
Auditorium Coliseum										
Civic Center operations	22	22	22	23	23	23	23	23	23	23

See Independent Auditor's Report.

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

Function/Program	Budgeted Positions as of September 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Civic Center promotions	5	5	5	5	5	5	4	4	4	4
Box office operations	12	12	12	12	12	12	12	12	12	12
Civic Center Sports	2	2	2	2	2	2	2	2	2	2
Globe News Center	3	3	3	3	3	3	3	3	3	3
Library operations	77	77	77	77	78	78	78	78	78	78
Parks and Recreation	287	287	290	271	268	267	268	264	257	257
Golf	93	91	51	51	56	56	56	56	47	47
<b>SOLID WASTE</b>										
Solid waste collection	105	105	104	110	130	110	110	110	107	108
Solid waste disposal	44	44	42	35	35	37	37	37	36	36
<b>TRANSIT</b>										
Transit	65	67	67	67	66	65	63	62	59	59
<b>Total General Fund</b>	<b>1,989</b>	<b>1,968</b>	<b>1,919</b>	<b>1,904</b>	<b>1,890</b>	<b>1,873</b>	<b>1,842</b>	<b>1,819</b>	<b>1,772</b>	<b>1,788</b>
<b>WATER &amp; SEWER SYSTEM</b>										
Water Production	85	9	9	9	9	9	9	8	7	7
Water Transmission	8	8	8	8	8	8	8	8	8	8
Surface Water Treatment	31	31	30	29	29	29	29	29	29	29
Water Distribution	65	65	65	65	65	59	59	58	58	58
Wastewater Collection	38	38	38	38	38	38	36	34	34	34
Wastewater Treatment	47	33	54	55	54	54	54	54	52	52
Environmental Laboratory	21	22	19	19	20	20	20	20	20	19
Utility Billing	40	40	34	34	32	32	31	31	29	29
Director of Utilities	5	5	4	3	21	21	20	19	19	17
Capital projects and development engineering	19	19	20	20	-	-	-	-	-	-
<b>Total Water &amp; Sewer System</b>	<b>289</b>	<b>290</b>	<b>281</b>	<b>281</b>	<b>285</b>	<b>283</b>	<b>267</b>	<b>262</b>	<b>257</b>	<b>254</b>
<b>AIRPORT</b>	54	57	57	57	57	59	58	59	62	62
<b>DRAINAGE UTILITY</b>	32	31	29	28	26	22	17	-	-	-
<b>INFORMATION SERVICES</b>	34	33	42	41	40	40	34	34	29	28
<b>FLEET SERVICES</b>	45	45	45	50	53	53	53	53	53	53
<b>SELF INSURANCE</b>	1	1	1	2	-	-	-	-	-	-
<b>CITY CARE CLINIC</b>	5	5	6	7	8	8	8	8	8	8
<b>SPECIAL REVENUE</b>										
Library	-	-	-	-	-	-	-	2	5	5
Police Grant	-	-	-	-	-	-	-	-	-	6
Urban Planning/Traffic Grants	6	5	8	7	7	7	7	7	7	7
Health Grants	83	83	83	81	81	79	81	81	76	72
Court Security Fund	3	3	3	3	3	-	-	-	2	2
Community Development and Housing	21	17	17	17	18	21	20	20	18	18
Emergency Management	1	1	3	3	3	3	4	5	7	7
<b>Total Special Revenue</b>	<b>114</b>	<b>109</b>	<b>114</b>	<b>113</b>	<b>112</b>	<b>110</b>	<b>112</b>	<b>115</b>	<b>115</b>	<b>117</b>
<b>Total</b>	<b>2,563</b>	<b>2,536</b>	<b>2,494</b>	<b>2,483</b>	<b>2,461</b>	<b>2,436</b>	<b>2,391</b>	<b>2,360</b>	<b>2,296</b>	<b>2,310</b>

Source: City Annual Budgets

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

See Independent Auditor's Report.

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Staff services:										
Annual number of purchase orders	2,293	2,217	2,319	2,516	2,487	2,315	2,300	2,258	2,235	2,293
Public safety and health:										
Annual calls for police services	101,221	106,701	104,920	126,628	125,747	126,888	128,704	135,381	132,509	137,405
Annual calls for fire services	22,892	22,340	20,544	11,516	17,905	19,820	18,182	19,556	18,832	16,495
Paratransit:										
Residential - new	445	549	533	639	433	494	611	556	600	535
Residential - additions & repairs	1,174	1,212	1,248	1,341	3,874	11,121	15,033	1,686	2,173	2,010
Commercial - new	59	74	64	81	68	59	51	56	51	54
Commercial - additions & repairs	397	430	524	351	370	484	367	296	359	354
Mobile homes	40	45	68	99	37	45	45	39	29	41
Roof	4,321	2,909	3,599	2,049	2,390	9,367	13,594	868	1,329	1,185
Value of construction:										
Residential - new	75,984,672	150,148,301	137,369,554	161,251,256	115,442,577	125,256,568	147,496,017	136,045,085	143,974,309	128,042,161
Residential - additions & repairs	15,583,819	19,471,785	19,890,333	20,732,224	45,172,631	132,112,233	150,002,607	18,676,854	25,752,823	24,136,709
Commercial - new	97,694,708	138,924,022	138,613,396	192,613,720	171,237,650	112,400,600	66,384,691	56,715,644	48,331,131	109,596,401
Commercial - additions & repairs	161,100,012	86,983,319	102,244,992	65,319,537	56,305,643	98,010,940	54,908,626	50,067,552	79,922,243	96,129,977
Mobile homes	1,760,500	2,475,700	3,928,988	4,466,117	2,695,606	1,917,724	1,078,432	1,043,758	935,288	1,296,730
Roof	40,279,466	51,632,414	40,442,631	33,572,908	25,457,433	112,435,900	132,120,404	5,271,512	9,732,006	7,913,915
Culture and recreation:										
Civic Center event days	1,534	1,406	1,493	1,582	1,640	1,626	1,665	1,811	1,986	2,244
Civic Center annual attendance	600,311	637,979	583,474	607,909	572,382	603,276	650,239	607,940	656,533	672,178
Library volumes loaned annually	1,652,490	1,643,675	1,565,039	1,582,208	1,507,588	1,376,801	1,577,915	1,294,367	1,752,006	1,495,169
Annual swimming pool attendance	43,519	53,623	51,200	55,506	54,388	41,321	53,450	56,338	60,981	58,485
Tennis Center attendance	24,793	21,358	28,900	33,305	31,086	31,086	28,546	32,078	32,859	30,096
Records of golf played annually (2 courses)	66,604	72,762	85,318	88,316	90,339	90,122	97,153	90,201	88,089	86,177
Rifle range attendance	5,190	8,254	8,744	9,505	7,541	7,802	9,000	7,857	6,548	4,468
Solid Waste:										
Tons of waste collected	161,815	132,594	154,964	156,197	161,199	158,402	158,500	166,750	154,900	150,000
Tons of waste landfill	266,655	251,322	228,360	234,989	243,339	262,678	258,000	220,000	212,350	213,500
Transit:										
Fixed route route - in miles	646,784	634,309	578,614	541,121	506,212	688,498	675,549	672,524	686,118	674,307
Passengers served - fixed route services	266,161	286,610	306,013	302,010	332,206	371,656	372,533	386,042	367,480	330,647
Demand response passengers	52,529	54,020	50,849	47,403	35,317	39,606	39,737	39,774	35,062	29,709
Water and Sewer:										
Active water accounts	70,277	71,136	73,348	72,272	71,029	70,441	70,161	70,151	69,754	69,358
Average daily production--gallons	39,877,924	46,161,550	43,407,570	43,058,000	37,627,170	43,702,583	44,174,721	46,148,634	51,308,710	42,921,918
Plant capacity--gallons:										
Boilers:										
Pumping	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
24th Street:										
Pumping	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
14th Street:										
Pumping	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Storage	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Alder Road:										
Pumping	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Storage	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

See Independent Auditor's Report.

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Purification Plant:</b>										
Pumping	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	116,000,000	116,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Overhead Storage	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Surface water allocation--gallons	2,415,080,000	2,415,080,000	2,415,080,000	-	-	-	-	-	1,885,234,000	3,018,347,000
Roberts County (CRMWA) Allocation	9,131,110,000	9,131,110,000	9,131,110,000	9,133,110,000	9,133,110,000	8,603,656,000	8,603,656,000	8,603,656,000	8,827,731,000	7,280,016,000
Active sewer accounts	69,446	70,661	70,071	69,999	69,166	69,039	68,111	68,020	67,634	67,281
<b>Plant capacity--gallons:</b>										
North treatment--per day	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Southwest treatment--per day	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Daily average of sewage treated--gallons	16,564,000	16,978,082	16,885,581	16,149,175	15,464,118	16,340,652	16,349,951	16,121,705	17,887,000	17,653,660
Daily average of reclaimed water sold to industry--gallons	8,801,000	8,139,726	8,992,127	9,671,427	9,872,674	9,065,214	9,763,656	10,750,432	13,150,184	12,678,301
<b>Airport</b>										
Major airlines	3	4	3	3	3	3	3	3	4	4
Scheduled daily flights	36	35	32	32	37	37	42	42	42	41
Airline passengers explained	367,628	358,819	373,885	341,359	334,635	375,268	401,200	404,032	415,775	403,752
Airlines cleared daily--average	157	172	177	169	148	165	172	178	229	236
Total tower operations(24 hours FAA Control Tower)	57,610	62,896	64,540	54,271	60,099	62,784	70,642	79,541	82,441	86,140

Source: Various City departments

\* Information was not available for these years.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS  
 (unaudited)

Function/Program	Fiscal Year																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Public Safety and Health:											Police stations	1	1	1	1	1	1	1	1	1	1	Fire stations	13	13	13	13	13	13	13	12	12	11	Number of fire hydrants	4,255	4,228	4,102	4,102	4,024	3,940	3,864	3,761	3,732	3,671	Number of outdoor warning sirens	92	90	89	89	88	88	90	90	89	86	Streets, traffic and engineering:											Streets - paved (miles)	937.00	934.02	939.87	939.87	936.22	930.40	923.50	920.99	912.86	911.12	Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Police stations	1	1	1	1	1	1	1	1	1	1	Fire stations	13	13	13	13	13	13	13	12	12	11	Number of fire hydrants	4,255	4,228	4,102	4,102	4,024	3,940	3,864	3,761	3,732	3,671	Number of outdoor warning sirens	92	90	89	89	88	88	90	90	89	86	Streets, traffic and engineering:											Streets - paved (miles)	937.00	934.02	939.87	939.87	936.22	930.40	923.50	920.99	912.86	911.12	Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2											
Fire stations	13	13	13	13	13	13	13	12	12	11	Number of fire hydrants	4,255	4,228	4,102	4,102	4,024	3,940	3,864	3,761	3,732	3,671	Number of outdoor warning sirens	92	90	89	89	88	88	90	90	89	86	Streets, traffic and engineering:											Streets - paved (miles)	937.00	934.02	939.87	939.87	936.22	930.40	923.50	920.99	912.86	911.12	Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																						
Number of fire hydrants	4,255	4,228	4,102	4,102	4,024	3,940	3,864	3,761	3,732	3,671	Number of outdoor warning sirens	92	90	89	89	88	88	90	90	89	86	Streets, traffic and engineering:											Streets - paved (miles)	937.00	934.02	939.87	939.87	936.22	930.40	923.50	920.99	912.86	911.12	Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																	
Number of outdoor warning sirens	92	90	89	89	88	88	90	90	89	86	Streets, traffic and engineering:											Streets - paved (miles)	937.00	934.02	939.87	939.87	936.22	930.40	923.50	920.99	912.86	911.12	Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																												
Streets, traffic and engineering:											Streets - paved (miles)	937.00	934.02	939.87	939.87	936.22	930.40	923.50	920.99	912.86	911.12	Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																							
Streets - paved (miles)	937.00	934.02	939.87	939.87	936.22	930.40	923.50	920.99	912.86	911.12	Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																		
Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	83.13	Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																													
Alleys (miles)	514.79	512.71	496.18	496.18	493.08	488.66	483.99	480.70	476.59	476.01	Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																								
Miles of storm sewers	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46	118.99	Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																			
Number of street lights	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765	10,742	Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																														
Number of signalized locations	271	271	271	269	268	267	265	264	261	261	Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																									
Number of traffic signs installed	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010	34,167	Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																				
Culture and recreation:											Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																															
Civic Center (auditorium, coliseum, convention annex, center)—in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																										
Number of libraries	5	5	5	5	5	5	5	5	5	5	Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																					
Total library holdings	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,473	544,719	516,281	Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																
Number of parks and playgrounds	64	64	64	64	64	64	64	64	65	65	Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																											
Parks—number of acres	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927	2,927	Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																						
Number of swimming pools	3	4	3	3	3	3	3	3	3	3	Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																	
Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2	Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																												
Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2	Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																																							
Other recreational facilities:											Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																																																		
Soccer fields	44	44	44	44	44	44	44	44	65	65	Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																																																													
Jogging trails (miles)	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45	38.45	Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																																																																								
Baseball and softball fields	26	26	26	26	26	32	32	32	30	30	Tennis courts	32	32	32	32	32	32	32	32	37	37	Solid waste:											Number of solid waste customers, residential	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459	61,267	Number of solid waste customers, commercial	5,241	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,743	3,718	Landfill acreage	662	662	662	662	662	662	662	662	662	662	Transit:											Number of buses in service	20	16	17	17	17	17	17	17	19	17	Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																																																																																			
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Number of vans in service	31	14	14	11	11	13	13	13	11	13	Water and Sewer:											Miles of water mains:											Transmission, well collection, and transfer	195.8	195.8	181.41	181.41	181.41	178.94	178.40	138.00	138.00	120.00	Distribution	1,183.36	1,176.70	1,165.53	1,165.53	1,135.82	1,129.75	1,120.31	1,109.66	1,106.00	1,082.00	Number of water wells	141	135	126	126	126	126	122	120	117	106	Miles of sanitary sewers	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36	931.90	Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																																																																																																																																																																											
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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)**

<b>Fiscal Year Ended September 30</b>	<b>Number of Customers</b>	
	<b>Water</b>	<b>Sewer</b>
2010	69,358	67,281
2011	69,754	67,654
2012	70,151	68,020
2013	70,161	68,111
2014	70,441	69,039
2015	71,029	69,166
2016	72,272	69,999
2017	72,348	70,071
2018	73,136	70,661
2019	70,277	69,446

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	
2010	42,921,918	79,300,000	1,091	932	3,671
2011	51,308,710	88,700,000	1,106	943	3,732
2012	46,103,000	92,100,000	1,110	944	3,761
2013	44,131,039	84,500,000	1,120	955	3,864
2014	43,702,583	80,400,000	1,130	963	3,940
2015	37,590,000	65,970,000	1,136	968	4,024
2016	39,826,296	80,123,000	1,166	985	4,102
2017	44,748,000	75,980,000	1,166	985	4,102
2018	49,077,500	77,970,000	1,177	998	4,228
2019	39,929,737	72,561,390	1,183	1,003	4,255

Maximum Water Production Capacity (from Water Plant and Wells)	128.0 million gallons per day
Maximum or Peak Usage to Date	93.6 million gallons
Overhead Storage Capacity	8.5 million gallons
Ground Storage Capacity	74.3 million gallons

**TEN LARGEST WATER CUSTOMERS AND AVERAGE MONTHLY USE (thousand gallons)**

1. Xcel Energy	393,734
2. Tyson Fresh Meats	119,047
3. Texas Department of Corrections	77,872
4. City of Amarillo	39,177
5. City of Canyon	34,016
6. Owens Corning	23,563
7. Plains Dairy	19,157
8. Asarco	13,774
9. BSA Hospital LLC	8,483
10. Northwest Texas Healthcare	7,331

**CAPACITY OF SEWER TREATMENT PLANTS**

(Two plants combined)	28.00 million gallons per day
Average daily sewage treated	16.56 million gallons per day

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
WATER RATES  
SEPTEMBER 30, 2019  
(Unaudited)**

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

<b>Meter Size</b>	<b>Rates Per Month</b>	
	<b>Inside City</b>	<b>Outside City</b>
5/8"	\$ 14.33	\$ 21.49
1"	19.23	28.85
1-1/2"	24.64	36.97
2"	38.29	57.43
3"	140.84	211.27
4"	178.74	268.11
6"	267.25	400.88
8" and larger	368.45	552.67

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

	<b>Inside City</b>	<b>Outside City</b>
<i>Residential</i>		
3,001-10,000	2.56	3.84
Over 10,000	3.34	5.02
Over 30,000	4.95	7.43
Over 50,000	5.63	8.45
<i>Commercial</i>		
Over 3,000	2.92	4.38

Source: City of Amarillo Ordinance Number 7761 effective October 1, 2018.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
SEWER RATES  
SEPTEMBER 30, 2019  
(Unaudited)**

<b>Base Amount</b>	<b>Rates Per Month</b>
<b>Meter Size</b>	
5/8"	\$ 16.23
1"	16.76
1-1/2"	17.20
2"	18.67
3"	21.11
4"	30.86
6"	45.41
8" and larger	60.02

**Additional Charge by Volume**

Commercial accounts are charged on total water used with a rate of \$2.10 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 \$1.93 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons.

Source: City of Amarillo Ordinance Number 7761 effective October 1, 2018.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY  
Top Ten Drainage Customers  
(unaudited)**

<u>Customer Name</u>	<u>2019</u>		
	<u>Total ERUs</u>	<u>Rank</u>	<u>Monthly Drainage Fee</u>
Burlington Northern	21,325	1	\$ 57,790
City of Amarillo	3,635	2	9,850
Amarillo ISD	1,921	3	5,208
Potter County	1,517	4	4,112
Wal Mart	1,401	5	3,798
Canyon ISD	3,794	6	2,150
Milligan Real Estate LLC	738	7	2,000
BSA Hospital LLC	694	8	1,880
Chapmann GR Limited	542	9	1,470
Lowes Home Center Inc.	444	10	1,204
<b>Total</b>	<b>36,011</b>		<b>\$ 89,462</b>

**Residential Rates**

Residential Rates are based on statistical evaluation of land parcel impervious area for single-family properties. The equivalent residential unit (ERU) rate is \$2.71 per ERU per month.

<u>Classification</u>	<u>Equivalent Residential Units</u>	<u>Monthly Fee</u>
Tier 1 Less than 2,072 square feet impervious area	.068 ERU	1.84
Tier 2 2,072 - 3,236 square feet impervious area	1.00 ERU	2.71
Tier 3 Greater than 3,236 square feet impervious area	1.51 ERU	4.09

**Commercial Rates**

Total ERUs for commercial property is based on the impervious area for each parcel divided by 2,800 square feet with a minimum of ERU. The monthly Drainage Utility charge for commercial property is calculated by multiplying the total number of ERUs for parcel by the ERU monthly billing rate.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**HOTEL OCCUPANCY TAX**  
(unaudited)

**HISTORICAL TAX COLLECTIONS**

<u>Fiscal Year</u>	<u>Total 7%</u>
2010	4,399,887
2011	4,782,868
2012	5,002,181
2013	5,691,118
2014	5,937,402
2015	6,341,559
2016	6,777,185
2017	6,610,423 *
2018	6,932,936 **
2019	7,208,732 ***

**CONDENSED STATEMENT OF OPERATIONS OF HOTEL OCCUPANCY TAX FUND**

	<u>Fiscal Year Ended September 30,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Revenues:</b>					
Pledged Hotel Taxes	\$ 7,208,732	\$ 6,932,936	\$ 6,610,423	\$ 6,777,185	\$ 6,341,559
Number of Rooms	6,851	7,050	6,715	6,690	6,007
Maximum Annual Debt Service (2039)	\$ 3,181,417	\$ 3,181,417	\$ 775,288	\$ 775,288	\$ 775,288
Debt Service Coverage (x)	2.27 x	2.18 x	8.53 x	8.74 x	8.18 x

Note: The maximum annual debt service and Debt Service Coverage for FY 2015-2012 are presented as comparative information only. The Hotel Occupancy Tax Bonds were issued April 13, 2016.

\*\*\* \$750,484 was rebated during fiscal year September 30, 2019.

\*\* \$577,260 was rebated during fiscal year September 30, 2018.

\* \$18,837 was rebated during fiscal year September 30, 2017.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
HOTEL TAXPAYERS  
(unaudited)

NAME OF TAXPAYER	TOTAL 2019 COLLECTIONS	CAPACITY	% OF TOTAL COLLECTIONS
AMARILLO INN AND SUITES	14,788	236	0.002051469
AMARELLO MOTEL	3,710	31	0.000514671
AMARILLO VALUE INN	7,787	62	0.001080238
AMERICA'S BEST VALUE INN & SUITES	45,231	100	0.006274736
AMMONX DRENEL	2,916	2	0.000404501
ASHMORE INN	121,377	138	0.016907381
ASTRO MOTEL	3,544	20	0.000491583
BAYMONT SUITES AMARILLO EAST	103,526	114	0.014361671
BAYMONT SUITES AMARILLO WEST	1,766	108	0.000244989
BEST WESTERN PLUS - MEDICAL CENTER	62,856	80	0.008719765
BEST WESTERN - SANTA FE INN	102,721	54	0.014249996
BIG TEXAN INN	38,837	54	0.005387677
BUDGET INN	3,903	40	0.000541411
BODKIN PROPERTY	575	1	0.000541411
BRIZZOLARA KAY	508	12	0.005602458
CAMELOT INN	39,530	71	0.00548379
CANDLEWOOD SUITES	73,322	96	0.010171663
CHAVEZ MADELINE	168	1	2.33336E-05
CIVIC CENTER INN	2,001	58	0.000277638
COMFORT INN & SUITES EAST	135,351	94	0.018776612
COMFORT INN & SUITES WEST	127,094	71	0.017631166
COMFORT SUITES WESTERN PLAZA	102,545	83	0.014225593
COMFORT SUITES SOUTH	91,810	70	0.012736366
COUNTRY INN & SUITES	163,013	80	0.022613987
COURTYARD MARRIOTT MEDICAL CENTER	142,020	89	0.019701796
COURTYARD MARRIOTT AMARILLO DOWNTOWN	249,756	107	0.034647457
COWBOY INN	3,683	19	0.00051087
CRAIG RETIREMENT COMMUNITY	128	2	1.76889E-05
DAVIS CAMILLE	703	1	9.74906E-05
DAYS INN (MEDICAL CENTER)	43,082	50	0.005976562
DAYS INN EAST	106,386	119	0.014758465
DELUX INN	1,241	20	0.000172218
DRURY INN	371,436	163	0.05152762
ECONOMY INN	1,225	20	0.000169977
EMBASSY SUITES AMARILLO	574,527	226	0.079701468
ESTEES MOTEL	913	12	0.000126646
EXECUTIVE INN	55,047	107	0.007636359
EXPRESS INN	3,964	16	0.000549876
EXTEND A STAY	39,693	97	0.005506422
EXTENDED STAY AMERICA	62,011	92	0.008602492
EURANK DORIS	619	1	8.58709E-05
FAIRFIELD INN AND SUITES AIRPORT	184,956	79	0.025658069
FAIRFIELD INN AND SUITES WEST	122,654	74	0.017015208
FIESTA MOTEL	3,610	20	0.000500822
FIFTH SEASONS	56,730	119	0.007869884
HAMPTON INN & SUITES EAST	254,580	127	0.035316677
HAMPTON INN & SUITES WEST	124,902	64	0.017327052
HERITAGE HOUSE BED & BREAKFAST	754	3	0.000104599
HILLCREST MOTEL	2,363	16	0.000327873
HILTON GARDEN INN	185,298	90	0.025705445
HOLIDAY INN EXPRESS & SUITES EAST	107,766	69	0.014949866
HOLIDAY INN EXPRESS & SUITES SOUTH	115,540	68	0.016028365
HOLIDAY INN EXPRESS & SUITES WEST	265,854	123	0.036880652
HOLIDAY INN EXPRESS & SUITES WOLFEN	219,701	90	0.030478135
HOLIDAY INN WEST MEDICAL CENTER	247,236	151	0.034297878
HOLIDAY INN EAST	79,670	69	0.011052241
HOME2 SUITES	189,541	92	0.026294149
HOMWOOD SUITES	165,296	92	0.022930763
INTERSTATE MOTEL	6,092	22	0.000845114
I.A CASITA DEL SOL	422	3	5.85462E-05
I.A KIVA HOTEL	8,455	185	0.001172922
I.A QUENTA INN & SUITES MID-CITY	195,537	130	0.02712595

See Independent Auditor's Report

CITY OF AMARILLO, TEXAS  
HOTEL TAXPAYERS  
(unaudited)

NAME OF TAXPAYER	TOTAL 2019 COLLECTIONS	CAPACITY	% OF TOTAL COLLECTIONS
LA QUINTA MOTOR INN AIRPORT	100,468	85	0.013937456
LA QUINTA MOTOR INN MEDICAL CENTER	90,858	128	0.012604322
LUXURY INN SUITES	12,456	90	0.001727996
MCDANIEL NIKKIE	1,701	1	0.000233908
MCKASKLE KATHY	548	1	7.60131E-05
MARTY ADAM	53	1	7.35244E-06
MENDOZA RICK	3,708	2	0.000514341
MICROTTEL INN AND SUITE	44,960	45	0.006237104
MID CENTURY MEETS FARMHOUSE	502	1	6.96567E-05
MITCHELL JAKE	452	1	6.27191E-05
MOTEL 6 CANYON DRIVE	28,859	63	0.004003472
MOTEL 6 AIRPORT	73,885	121	0.010249759
MOTEL 6 WEST	77,976	107	0.010817241
MY PLACE HOTEL	76,000	63	0.010543164
NATIONAL CORP	78	1	1.08192E-05
I HOTEL	11,455	137	0.001589153
PALO DURO INN	1,068	10	0.000148129
PERKINS PERRY	384	1	5.33038E-05
QUALITY INN EAST	54,793	114	0.007601136
QUALITY INN WEST	21,269	114	0.002950547
QUALITY INN WEST MEDICAL CENTER	93,459	103	0.012965124
RAMA MOTEL	1,099	32	0.000152426
RED ROOF INN AMARILLO EAST	35,476	106	0.004921457
RED ROOF INN WEST	71,749	116	0.009953451
REDWOOD MOTEL	2,525	18	0.000350226
RELAX INN	37,956	90	0.005265393
RESIDENCE INN AMARILLO	131,317	78	0.018217021
ROUTE 66 INN MOTEL	12,960	36	0.001797922
ROYAL INN	410	16	5.69231E-05
SILVER SPUR MOTEL	2,375	21	0.000329472
SLEEP INN AIRPORT	39,420	53	0.00546855
SLEEP IN AND SUITES WEST MEDICAL CENTER	84,128	63	0.011670628
SPRINGHILL SUITES AMARILLO	227,791	102	0.031587899
STAR LODGE	1,041	16	0.000144395
STATER BRICE	699	1	9.69745E-05
STAYBRIDGE SUITES	138,555	97	0.019221115
SUNDOWN MOTEL	2,337	24	0.000324258
SUPER 8 CENTRAL	39,294	72	0.005451104
SUPER 8 EAST	61,276	60	0.008500476
SUPER 8 WEST	30,895	50	0.004285917
SUNSET TERRACE	414	1	5.73865E-05
TEAM HOUSING	39	1	5.44913E-06
TOWNHOUSE MOTEL	2,023	24	0.000280601
TRIP SPOTS LLC	4,287	3	0.00059478
TRU BY HILTON AMARILLO WEST	108,240	90	0.015015672
VALUE PLACE	32,034	96	0.004443966
WAGON WHEEL MOTEL	1,281	21	0.00017767
YANKEE TRACE	1,256	1	0.000174239
	<u>7,308,493</u>	<u>6,989</u>	

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