



City of Amarillo, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OCTOBER 1, 2019 - SEPTEMBER 30, 2020

CITY OF AMARILLO, TEXAS

Comprehensive Annual Financial Report

Fiscal Year Ended
September 30, 2020

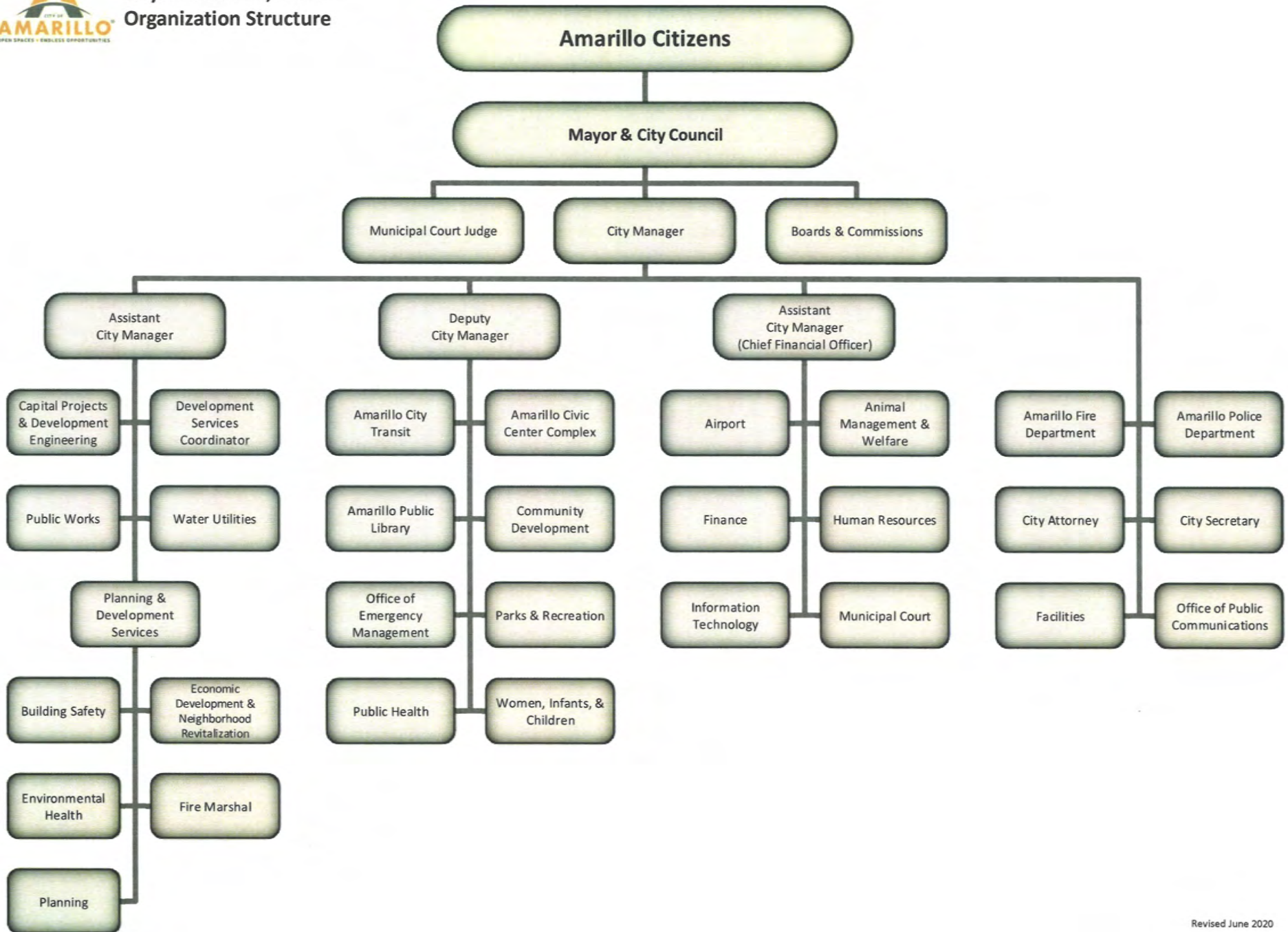


Prepared by:
Finance Department

Laura Storrs
Assistant City Manager



City of Amarillo, Texas Organization Structure



**CITY OF AMARILLO, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2020**

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
Kevin Starbuck
Floyd Hartman
Laura Storrs
Bryan McWilliams
Frances Hibbs
Debbie Reid
Denny Hooper
Jonathan Gresham
Martin Birkenfeld
Michael Kashuba
Jason Mays
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
Director of Utilities
Police Chief
Director of Parks and Recreation
Fire Chief
Information Services Director
City Auditor



Government Finance Officers Association

**Certificate of
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Presented to

**City of Amarillo
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Merrill

Executive Director/CEO

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CITY OF AMARILLO

OFFICE OF THE
CITY MANAGER

February 23, 2021

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, 2020, in compliance with Article III, Section 27 of the City Charter. The purpose of the report is to provide the Mayor, City Council, City Staff, citizens, bond holders, and other interested parties with useful information concerning the City's operations and financial position. The City is responsible for the accuracy, completeness, and fairness of the data presented in this report.

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

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

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

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

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

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

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

Profile of the City of Amarillo:

The City of Amarillo is geographically located within the boundaries of both Potter and Randall Counties in the center of the Panhandle of Texas and now contains an area of 1,042.46 square miles. Located on Interstate Highway 40 at the crossroads of a number of other highways and railroad lines, the City is the trade, banking, transportation, medical services, and marketing center of the entire Panhandle, as well as for portions of New Mexico, Oklahoma, Colorado, and Kansas. The estimated 2020 population is 208,945.

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 2018/19 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 also 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+/Negative 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.

Debt Issuances:

While the City historically uses available funds from the excess of revenues over expenditures to provide for its major capital improvement needs, our capital needs exceeded our ability to generate internal funds for capital. The note on Long-term Obligations in the financial statements, along with the Schedules of Outstanding Debt Issuances in the Supplemental Schedules, give details related to the outstanding debt issuances for the City. The MD&A also gives additional information regarding the several recent debt issuances including the refunding opportunities utilized during FY 2019/20.

Subsequent to the year ending September 30, 2020, the City approved four additional debt issuances that are outlined in the subsequent events note in the financial statements.

The Local Economy:

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

Natural gas and petroleum are major industries in the City of Amarillo and the Panhandle. 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 2020 oil was down 36% at \$37.39 per barrel compared to September 2019 at \$58.48 per barrel⁽¹⁾. Natural gas prices decreased 15% compared to last year. Natural

gas was at \$2.67 per mmbtu last year compared to \$2.28 per mmbtu at September 2020⁽¹⁾. 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 2020⁽¹⁾, there was 1 active drilling rig compared to 9 in 2016⁽¹⁾, 13 in 2017⁽¹⁾, 25 in 2018⁽¹⁾, and 8 in 2019⁽¹⁾.

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 increased slightly from last year at \$101.34 per hundredweight compared to \$99.96 at September 2019⁽¹⁾.

Dairies have become major industries in the Panhandle. Dairies remain profitable; however, September 2020 milk prices were down to \$16.00 per hundredweight compared to \$17.00 at September 2019⁽¹⁾. 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 went down to \$3.70⁽¹⁾ per bushel at September 2020 compared to \$4.05⁽¹⁾ last year.

Wheat prices were up 26% from prior year, at \$4.93 per bushel at September 2020. At September 2011, wheat had significantly increased to \$7.67⁽¹⁾ per bushel and continued to increase to \$8.48 per bushel at September 2012⁽¹⁾. Wheat was at \$6.85 per bushel at September 2013, compared to \$5.95 per bushel at September 2014⁽¹⁾, \$4.43 per bushel at September 2015⁽¹⁾, \$3.23 per bushel at September 2016⁽¹⁾, \$3.77 per bushel at September 2017⁽¹⁾, \$5.40 per bushel at September 2018⁽¹⁾, and 3.89% per bushel at September 2019⁽¹⁾.

Cotton was at \$60.40⁽¹⁾ cents per pound at September 2020 compared to \$74.00⁽¹⁾ cents per pound at September 2019⁽¹⁾, \$74.10⁽¹⁾ cents per pound at September 2018, \$71.40⁽¹⁾ cents per pound at September 2017, \$61.30⁽¹⁾ cents per pound at September 2016, \$66.10⁽¹⁾ cents per pound at September 2015, \$66.90⁽¹⁾ cents per pound at September 2014 and \$83.36 cents per pound in 2013⁽¹⁾. 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 (Amarillo EDC) was created to foster economic development in the City and to manage the revenues from the 0.5% City sales tax increase that Amarillo voters approved in 1989. The mission of Amarillo EDC is to attract businesses to Amarillo which offer highly skilled, highly paid positions; to expand and retain existing local primary businesses in Amarillo; and to create a business environment conducive to entrepreneurship. The Amarillo EDC targets companies whose primary function is to produce goods or services that are then sold outside of the immediate trade area, thereby introducing new monies into the local economy. Economic development strategies are met by implementing aggressive business recruitment programs, local business retention and expansion programs, and promoting the Amarillo EDC and Amarillo, Texas, brands worldwide. The corporation consists of a five-member board appointed by the City Council. Amarillo EDC Operating Fund expenses consist of all administrative, promotional, and marketing costs associated with operating the entity. The Amarillo EDC's Project Fund invests in capital projects, issues job creation grants, loans, and other incentives to local and outside industry to create primary jobs and capital investment in the Amarillo community. The Amarillo EDC has been instrumental in bringing new business and industry to Amarillo and assisting existing companies via a variety of incentive programs that provide grants and loans.

In FY2020, Amarillo EDC approved a location incentive agreement which included 17.1 acres of land and a job creation incentive of up to \$1.5 million with SSI Foods, LLC for the construction of a 75,000 sq. ft. food manufacturing facility which will employ up to 150 full-time employees. Amarillo

EDC also approved a \$1.31 million location incentive agreement with Suspendem Inc. to locate their American operations base in Amarillo and provide up to 150 full-time jobs. Suspendem provides up-tower maintenance solutions for the wind power industry in which Amarillo is a major hub. Amarillo EDC approved a \$1.2 million targeted infrastructure grant contingent upon the City of Amarillo receiving grant funding for a project in North Central Amarillo. Amarillo EDC approved a location incentive agreement of up to \$300,000 with Golden Spread Electric Cooperative, Inc. to expand Amarillo operations and provide additional employment of up to 15 full-time employees. Amarillo EDC also approved a total of \$250,000 for matching funds to access the Texas Workforce Commission High Demand Job Training grant program designed to assist school districts with Career and Technical education programs. Amarillo EDC approved a \$1.0 million location incentive agreement with Sharpened Iron Studios to locate their film & television operations in Amarillo. They will initially hire up to 40 full-time employees and partner with the local community college, Amarillo College, to develop a film and production curriculum which will increase our ability to retain and attract a different faction of the workforce to our community. Lastly, Amarillo EDC approved a location incentive agreement of up to \$300,000 with Panhandle Pure, LLC to start Amarillo operations and provide employment of up to 30 full-time employees. Panhandle Pure will manufacture and distribute bottled water. In addition to these efforts to attract new business to Amarillo, in response to the COVID-19 Pandemic the Amarillo EDC approved a \$1.0 million budget amendment for the #AmarilloIsOpen Program. This program pays up to 200 local businesses \$5,000 to become a marketing partner of the Amarillo EDC. The program was open to applications on a first-come, first-serve basis and marketing materials were supplied to the selected businesses free of charge. This program aimed to communicate locally and nationally that the city of Amarillo is not only open for business but is also a great place to grow a business.

By contractual agreement, Texas Panhandle Regional Development Corporation (TPRDC) acts as the small business financing arm of Amarillo EDC. TPRDC provides small business financing for owner-occupied commercial real estate. This Certified Development Company approved two Small Business Administration 504 loans totaling over \$2.0 million, which leveraged \$1.01 million in bank financing and \$205,500 in owner equity. For the year, this program was responsible for the creation of 22 new jobs. TPRDC also funded six loans in FY2020 totaling \$2.627 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⁽³⁾.

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 (NNSA). The Pantex mission is Securing America as the NNSA's production integrator and provider of the nuclear deterrent to the Department of Defense (DoD); serving the Nuclear Security Enterprise through 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 ⁽²⁾. Approximately 3,203 people are employed at Pantex ⁽³⁾.

In 1998, Bell Textron announced its decision to locate its V-22 Tiltrotor Assembly Center in Amarillo, Texas. The initial capital investment by the AEDC was \$30,000,000 for the construction of a world-class facility. Over the past 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⁽³⁾ workers in Amarillo.

Other manufacturing operations in Amarillo include Owens Corning Fiberglass, which employs about 586⁽³⁾ 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⁽⁹⁾ and employs 172⁽³⁾.

International Paper Company produces containerboard packaging in Amarillo and employs 110⁽³⁾ 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⁽³⁾ workers in its facility. Ben E. Keith, a distributor of food service products, employs 250⁽³⁾ persons. One of our largest single employers is also in the food industry. Tyson Foods has 4,400⁽³⁾ employees operating its plant in northeast Amarillo.

Both ranching and cattle feeding are important to our area. There are several advantages to cattle feeding operations in our area. The area's central location reduces transportation costs. 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⁽⁴⁾. Founded in 1962, Friona Industries owns eight state-of-the-art feedyards in northwestern Texas with a feeding capacity that ranks them as the second largest cattle feeder in the United States⁽⁵⁾.

Amarillo is a regional medical center for a five-state geographic region and the health care industry is one of the largest employers in Amarillo. The Harrington Regional Medical Center in Amarillo was the first specifically designated city hospital district in Texas. From the beginning, the Medical

Center was planned to include health care, the training of doctors and nurses, and medical research programs. The Harrington Regional Medical Center had a 410-acre campus and was supported by the Don and Sybil Harrington Regional Medical Center at Amarillo. The Medical Center's affiliated members include resident (on-campus) and non-resident (off-campus) patient care, patient service research, and education facilities. Each of these members provides vital services to our area⁽⁸⁾.

The Medical Center complex is home to several of our major employers: Baptist St. Anthony's Health Care System (BSA) with 3,200⁽³⁾ employees and Northwest Texas Healthcare System (NWTHS) with 1,860⁽³⁾ employees. Both BSA and NWTHS offer integrated acute care hospitals. BSA offers a full range of medical and surgical services at their acute care patient facility⁽¹¹⁾ located within the Harrington Regional Medical Center. BSA is also a partner in Physicians Surgical Hospitals, LLP, which offers two additional acute care hospital facilities near the Medical Center⁽¹¹⁾. BSA is one of our largest taxpayers.

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

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

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

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

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

Major retail stores draw customers from a wide region 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⁽³⁾ people and Sam's Club employs 150⁽³⁾. United Supermarkets is a large employer and employs a total of 1,604⁽³⁾ in their seven stores in Amarillo. Toot'n Totum has several convenience stores in Amarillo and employs 1,000⁽³⁾.

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⁽³⁾ employees. The American Quarter Horse Association is also headquartered in Amarillo and employs 212⁽³⁾. The Atmos Energy customer support center in Amarillo employs 374⁽³⁾.

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⁽³⁾. Happy State Bank employs 349⁽³⁾. Herring Bank employs 100⁽³⁾ and Bank of America employs 105⁽³⁾.

The Texas Department of Criminal Justice has two prison units in Amarillo and is a major employer. The two prisons provide 813⁽³⁾ 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⁽³⁾ employees. Texas Tech University has a large presence in our community. The Texas Tech Health Science Center in Amarillo has both a medical school and pharmacy school in Amarillo and employs 840⁽³⁾. 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⁽³⁾. 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⁽³⁾ and Davidson Oil Company employs 108⁽³⁾.

The traffic and transportation industry has been important to Amarillo from its beginning in 1887. Amarillo was founded near a bend in the Fort Worth and Denver (FW&D) Railroad tracks, which were under construction. The Burlington Northern Santa Fe Railroad is still one of our major employers with 805⁽³⁾ employees. Trucking is also important to Amarillo. Kimrad Transport, LP, employs 126⁽³⁾, 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⁽⁷⁾. Because of Amarillo's location on Interstate 40, Interstate 27, and State Highway 287, along with attractions in and nearby Amarillo, hospitality and tourism are significant industries. Approximately 9.5 million people travel through Amarillo annually, dining in almost 500 local restaurants. The Amarillo hotel industry has 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⁽³⁾. The construction industry is also a major employer. J. Lee Milligan, Inc. employs 225⁽³⁾ and L. A. Fuller & Sons Construction Inc. employs 115⁽³⁾ 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 anticipated during the recent pandemic. The City had temporary reductions in services mainly related to our Parks and Recreation areas, Libraries, and Civic Center to meet Centers for Disease Control (CDC) requirements. We altered our access to citizens to comply with CDC requirements in most other areas including increased online, telephone, and mail services. 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 was also assigned an A+/Stable rating by Standard & Poor for the Hotel Occupancy Tax Revenue Bonds in 2015 that was changed to A+/Negative in 2020 related to the effects the COVID-19 pandemic had on the hospitality industry.

Sales tax for 2019/20 came in at \$59.8 million, which is approximately \$0.6 million, or 1% more than 2018/19 sales tax of \$59.2 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 did monitor sales tax receipts closely during 2019/20 as the COVID-19 pandemic began to affect the economy. When preparing the 2020/21 budget, the City kept sales tax estimates flat with the revised estimate for 2019/20 of \$58.8 million due to the continued uncertainty related to the pandemic. The City's sales tax collections have come in higher than the budgeted amounts for the first quarter of the 2020/21 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 decrease in 2019/20, recording approximately \$4.9 million, down from \$6.4 million. Hotel occupancy tax saw one of the largest decreases related to the large impact the pandemic had on the hospitality industry. The City had gross hotel occupancy tax receipts of \$5.4 million and rebated \$552 thousand to the convention hotel per the development agreement.

Employment remains stable. Amarillo's unemployment rate is 4.2% compared to 2.7% last year and 2.8% the year before⁽¹⁾. Amarillo's unemployment was better than the state of Texas at 8.3%, and national unemployment at 7.8%⁽¹³⁾.

Water metered sales for 2019/20 increased over the prior year by \$7.8 million or 15.9%, after experiencing a decrease in revenues during 2018/19 as compared to 2017/18. Calendar year 2015 was the 4th wettest year in recorded history, 2017 was the 13th wettest year in recorded history, and 2019 was the 15th wettest year in recorded history. In contrast, the Texas Panhandle received much less precipitation during 2016, 2018 and 2020. Water revenues can be significantly affected by the amount and timing of local rainfall. Rates were increased by 3% for 2016/17, 2017/18, and 2019/20 to support a five-year capital improvement plan. In 2018/19, rates were increased by 7% to support an automated metering infrastructure project and to cover general operations and maintenance. The Water and Sewer Fund netted \$27.4 million in 2017/18, \$7.0 million in 2018/19, and \$24.8 million in 2019/20.

The property tax base continues to grow. As of January 2020, the City had \$13.6 billion in value compared to approximately \$13.1 billion the previous year. In 2019/20, the City had \$197 million in new property values compared to \$199 million in 2018/19.


Building for new construction increased for the 2019/20 fiscal year. The City had \$299.8 million in permits compared to \$173.1 million in 2018/19. Commercial permits increased to \$187.7 million in 2019/20 compared to \$97.1 million in 2018/19. Residential permits also increased to \$112.2 million in 2018/19 compared to \$76.0 million in 2018/19. The City also saw an increase in building related to additions and repairs of \$223.2 million in 2019/20 compared to \$176.7 million in 2018/19. 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 but rose to \$47.3 million in 2019/20.

For 2019/20, the property tax rate increased over the prior year at \$0.38851 per \$100 of taxable values up from \$0.36838 in 2018/19. The increase was to both portions of the tax rate. The increase to the interest and sinking portion of the tax rate was to pay for the debt service associated with a general obligation bond issuance as approved by voters in a November 2016 bond election. The increase to the operations and maintenance portion of the tax rate was to fund 10 new firefighters and 3 new Animal Management and Welfare positions to support new infrastructure approved in the November 2016 bond election and to increase funding for street maintenance. The property tax rate increased by \$0.00563 to \$0.35072 in 2015/16, remained flat in 2016/17, and increased by \$0.01292 to \$0.36364 for 2017/18. For the 2020/21 budget, the property tax rate increased \$0.00830 to \$0.39681 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, a debt issuance to construct a new swimming pool at Thompson Park, and a debt issuance to purchase property on South Johnson Street.

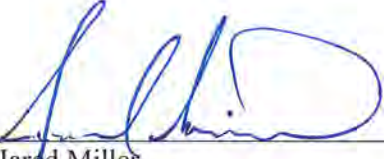
Amarillo continues to enjoy strong sales tax receipts and increasing property values. Amarillo has a very good quality of life and a lot of opportunity. Amarillo has a strong diversified economy with plenty of jobs. The City has major employers and industries for professionals, skilled craftsman, and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

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

Yours very truly,



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



Jared Miller
City Manager
City of Amarillo, Texas

Sources:

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

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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, 2020, 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, 2020, 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, 2020 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 137 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 23, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CMMS CPAs[®] Advisors PLLC

Amarillo, Texas
February 23, 2021

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, 2020. 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, 2020.

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 \$990.3 million (net position). Of this amount, \$914.8 million is invested in capital assets and infrastructure net of related debt and \$33.3 million is restricted for debt service and other purposes. The remaining \$42.2 million is unrestricted net position.
- The City's total net position increased by \$44.5 million. Of this amount, a \$14.5 million increase is attributable to governmental activities, and an increase of \$30.0 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 \$123.7 million. The General Fund's fund balance increased by \$18.8 million. The Capital Projects funds had a decrease in fund balance of \$10.4 million. This decrease was a result of construction being completed on general obligation bond and civic center improvement projects. Increases in fund balance for other governmental funds, which include many grants and special revenue funds, were \$1.9 million.
- At the end of the current fiscal year, the fund balance for the General Fund was \$64.1 million, or 36.2% of total general fund expenditures. Expenditures and transfers out of the General Fund were \$176.8 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 \$60.3 million.
- Net position for the Water and Sewer Fund increased by \$24.7 million. Fiscal year 2020 included a 7% rate increase in water and sewer rates and there was increased consumption due to 2020 being the eighth driest year on record.
- Net position for the Drainage Utility Fund increased by \$1.9 million. Fiscal year 2020 included a 4% rate increase.
- Net position for the Airport Fund increased by \$2.8 million. Federal grant money was received to help Airport operations with loss of revenue due to the COVID-19 pandemic.
- The City issued \$19.6 million in new general obligation debt. \$8.1 million of General Obligation Bonds were issued to address public safety projects approved by voters during a November 2016 bond election. \$8.0 million in Certificates of Obligation were issued for construction of the new Thompson Park Pool facility. \$3.5 million in Tax Notes were issued to acquire properties located at 503 S Johnson through 509 S Johnson for future City use.
- The City issued \$38.3 million in new water and sewer revenue bonds. \$28.5 million in bond proceeds from an issuance through the Texas Water Development Board (TWDB) will be used to implement an advanced metering infrastructure system to improve efficiency and accuracy of the water and sewer system metering operations. The City also received a \$1 million grant from TWDB for this project. \$9.8 million in bonds were issued for refunding of the Water and Sewer Revenue Bonds, Series 2011 to provide debt service savings.

- The City issued \$9.2 million in new drainage revenue bonds. The bond proceeds will be used to fund drainage utility projects throughout the City including the Martin Road Lake project.
- The City also issued \$50.5 million in general obligation refunding bonds to refund several outstanding bonds in order to obtain debt service savings over the life of the remaining bonds.

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 the funds of the City can be divided into three categories: government funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis: Changes in assets over time may serve as a useful indicator of a government's financial position. Prior to the effective date of Statement No. 34 issued by the Governmental Accounting Standards Board, capital assets used in governmental fund activities were accounted for in a "general fixed assets group of accounts" and were not depreciated. Effective with its adoption of Statement No. 34 as of October 1, 2001, the City computed the accumulated depreciation on all governmental activity capital assets, including infrastructure. Therefore, changes in assets of both governmental and business-type activities, including capital assets as well as current assets, provide meaningful information to the reader. The table below reflects the City's net position as of September 30, 2020, compared to the prior year (in thousands):

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

	Governmental Activities		Business-type Activities		Total		Percent 2020
	2020	2019	2020	2019	2020	2019	
Current assets	\$ 191,489	\$ 165,358	\$ 86,834	\$ 78,229	\$ 278,123	\$ 243,587	17.24%
Noncurrent assets	31,469	48,607	87,203	55,268	118,672	103,875	7.36%
Capital assets	515,963	496,885	700,499	693,258	1,216,462	1,190,143	75.39%
Total assets	\$ 738,921	\$ 710,850	\$ 874,336	\$ 826,755	\$ 1,613,257	\$ 1,537,605	100.00%
Deferred outflows of resources	\$ 25,617	\$ 48,583	\$ 8,322	\$ 9,781	\$ 33,939	\$ 58,364	0.00%
Current liabilities	\$ 36,008	\$ 39,985	\$ 42,045	\$ 43,228	\$ 78,053	\$ 83,213	12.75%
Noncurrent liabilities	280,507	320,033	253,492	239,448	533,999	559,481	87.25%
Total liabilities	\$ 316,515	\$ 360,018	\$ 295,537	\$ 282,676	\$ 612,052	\$ 642,694	100.00%
Deferred inflows of resources	\$ 36,587	\$ 2,442	\$ 8,217	\$ 5,019	\$ 44,804	\$ 7,461	0.00%
Net position:							
Net investment in capital assets	\$ 389,564	\$ 396,471	\$ 525,232	\$ 502,604	\$ 914,796	\$ 899,075	92.37%
Reserved/restricted	26,820	30,041	6,164	8,233	32,984	38,274	3.33%
Unrestricted (deficit)	(4,948)	(29,539)	47,508	38,004	42,560	8,465	4.30%
Total net position	\$ 411,436	\$ 396,973	\$ 578,904	\$ 548,841	\$ 990,340	\$ 945,814	100.00%

The net position of the Governmental Activities was \$411.4 million. Of this amount, approximately \$389.6 million is net investment in capital assets. Restricted net position of approximately \$2.0 million, \$2.3 million, and \$22.5 million is restricted for debt service, tax increment financing, and other purposes, respectively. This leaves a deficit unrestricted net position for Governmental Activities of \$4.9 million. Net position of the Business-type Activities, which are comprised of the Water and Sewer Fund, Drainage Utility Fund, and the Airport Fund, totaled \$578.9 million. The unrestricted net position of the Business-type Activities was \$47.5 million and is used to provide working capital and fund capital projects.

The City's overall net position increased by \$44.5 million during the current fiscal year. The following table reflects the elements of this change:

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

	Governmental Activities		Business-type Activities		Total		Percent 2020
	2020	2019	2020	2019	2020	2019	
Revenues							
Program revenues:							
Charges for services	\$ 52,206	\$ 52,586	\$ 100,024	\$ 93,864	\$ 152,230	\$ 146,450	42.44%
Operating grants and contributions	40,413	22,853	6,706	2,714	47,119	25,567	13.13%
Capital grants and contributions	12,677	12,033	4,766	6,422	17,443	18,455	4.86%
General revenues:							
Property taxes	55,360	51,111	-	-	55,360	51,111	15.43%
Other taxes	82,354	83,939	-	-	82,354	83,939	22.95%
Insurance recover/cost	20	6,613	-	-	20	6,613	0.01%
Investment earnings, etc.	2,347	4,655	1,929	3,511	4,276	8,166	1.19%
Total revenues	245,377	233,790	113,425	106,511	358,802	340,301	100.00%
Expenses:							
General/staff services	17,504	18,729	-	-	17,504	18,729	5.57%
Public safety	111,474	113,381	-	-	111,474	113,381	35.47%
Streets/traffic	23,312	24,640	-	-	23,312	24,640	7.42%
Culture and recreation	26,642	29,712	-	-	26,642	29,712	8.48%
Solid waste	18,472	15,403	-	-	18,472	15,403	5.88%
Transit	5,772	6,042	-	-	5,772	6,042	1.84%
Tourism/ economic/urban development	17,963	15,913	-	-	17,963	15,913	5.72%
Information technology	4,470	4,455	-	-	4,470	4,455	1.42%
Interest on long-term debt	5,726	5,735	-	-	5,726	5,735	1.82%
Water and sewer	-	-	63,676	73,216	63,676	73,216	20.26%
Drainage utility	-	-	4,603	3,203	4,603	3,203	1.46%
Airport	-	-	14,662	14,617	14,662	14,617	4.67%
Total expenses	231,335	234,010	82,941	91,036	314,276	325,046	100.00%
Excess (deficiency) before transfers	14,042	(220)	30,484	15,475	44,526	15,255	
Transfers	421	559	(421)	(559)	-	-	
Change in net position	14,463	339	30,063	14,916	44,526	15,255	
Net position, beginning	396,973	396,166	548,841	533,174	945,814	929,340	
Prior period adjustment (see Note 1)	-	468	-	751	-	1,219	
Net position, beginning, as restated	396,973	396,634	548,841	533,925	945,814	930,559	
Net position, ending	\$ 411,436	\$ 396,973	\$ 578,904	\$ 548,841	\$ 990,340	\$ 945,814	

Governmental activities: At September 30, 2020, the net position for the Governmental Activities increased \$14.5 million. Expenses decreased over the prior year \$2.7 million, program revenues increased over the prior year \$17.8 million and general revenues decreased over the prior year \$6.4 million. The first six months of the fiscal year were operations as normal with positive trends in revenues and expenditures in relation to the approved budget. The last six months of the fiscal year the City was operating in response to the COVID-19 pandemic.

The overall net decrease in expenses over the prior year of \$2.7 million are a result of the following. During fiscal year 2019/20, the City added ten new firefighter positions to complete the staffing needed for the addition of a second company to an existing fire station. Animal Management and Welfare added three new positions to staff a medical clinic, Solid Waste operations added eight new positions and Building Safety added one new position to address customer service levels in each area. One new police officer was added and assigned as a school liaison officer and was partially funded by the school district. The City also granted a 2% pay increase for all employees during the fiscal year. There was also additional funding for street maintenance and the Coming Home program aimed at assisting the chronically homeless population in Amarillo. In March, when the COVID-19 pandemic hit, the City took drastic measures to reduce spending in anticipation of impacts on revenue as result of the pandemic. The following measures were implemented in March 2020 and carried through the end of the fiscal year:

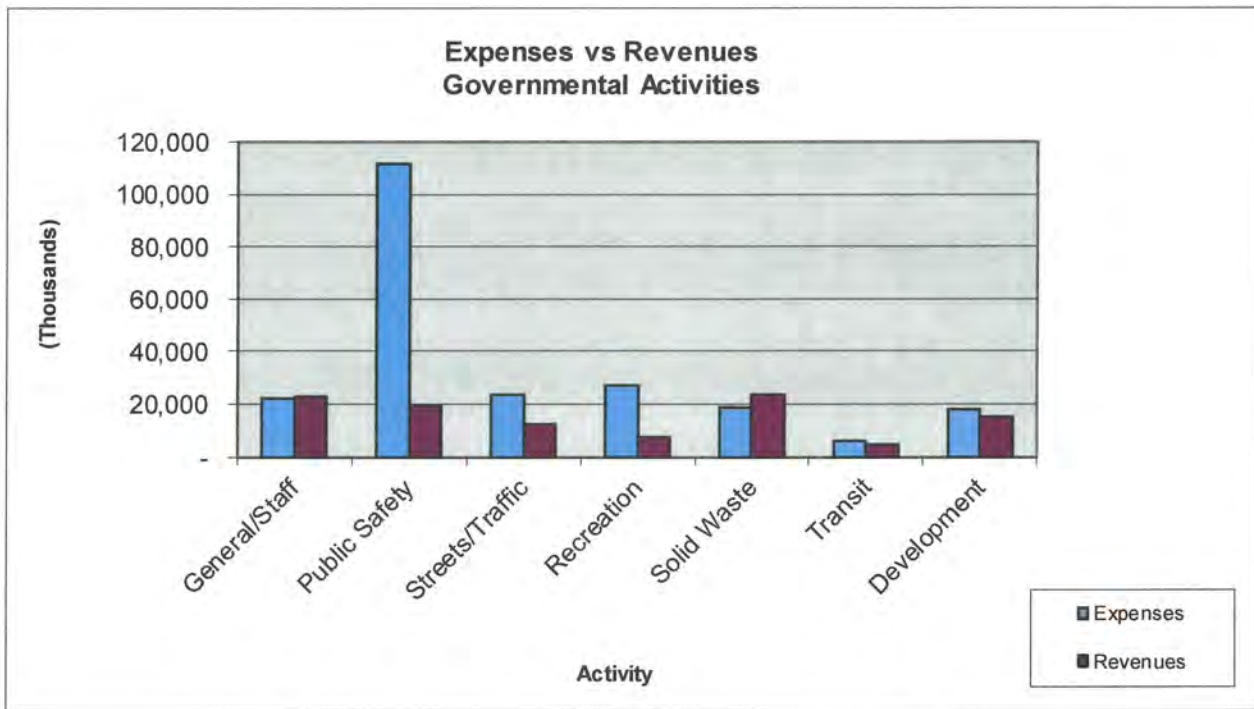
- Hiring freeze on all open unfilled positions
- Postponed or deferred capital purchase not funded by bonds
- Suspended City employee travel
- Evaluated seasonal programs to be stopped or postponed
- Evaluated all planned expenditures for necessity and only approved essential purchases

The approved increases in spending noted above were offset by the drastic reductions due to COVID-19 and resulted in the overall net decrease in expense over the prior year.

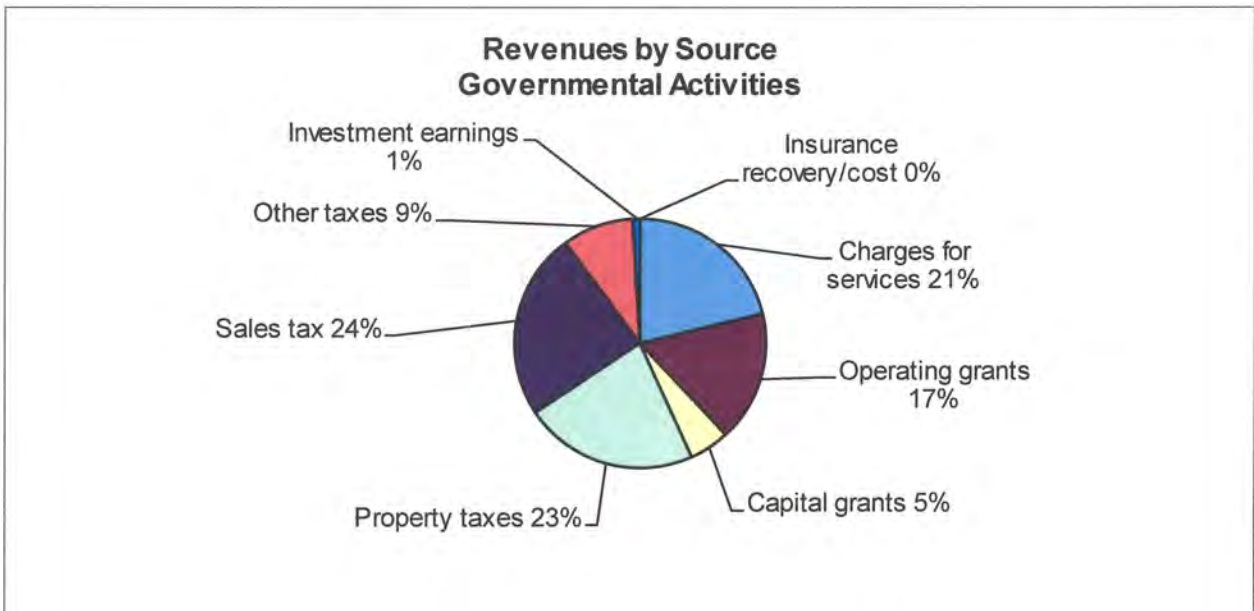
Program revenues increased \$17.8 million over the prior year. These revenues include charges for services, operating and capital grants, and various contributions. Charges for services include fees of the solid waste disposal utility and transit system, revenues of the auditorium-coliseum complex and parks department, along with permits, licenses, and fines. The main reason for the increase was additional grant money received due to the COVID-19 pandemic. Within fiscal year 2020, the Governmental Activities operations received \$15.9 million in additional grant revenues for COVID-19 related expenditures. The remaining amount of increase was due to a rate increase in Solid waste fees for residential and commercial accounts.

General revenues decreased \$6.4 million over the prior year. Property tax revenues increased \$4.2 million due to increases in taxable values and a \$0.02013 increase in the tax rate for operations and maintenance and voter approved debt service. Sales tax increased slightly, even in-the-midst of the COVID-19 pandemic. The City had a large insurance reimbursement in the previous fiscal year, around \$6 million, for major roof damage that caused most of the decrease in General revenues. Many of the other revenues in this area experienced decreases due to the COVID-19 pandemic including Hotel occupancy tax, which decreased \$1.6 million, and Unrestricted investment earnings, which decreased \$2.3 million.

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



The accompanying pie chart entitled *Revenues by Source – Governmental Activities* – reflects the major components of both revenues as described above of \$245.3 million excluding transfers of \$421 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 \$30.1 million.

Net position for the Water and Sewer Fund increased by \$24.7 million. The increase was primarily due to net operating income of \$25.8 million, \$17.9 million more than the previous year. The Water and Sewer Fund also incurred a \$9 million accrued expense in the prior year to account for estimated pollution remediation expenditures. At this point in time, the City does not anticipate additional expenditures related to this situation. Fiscal year 2020 included a 7% rate increase in water and sewer rates in order to build working capital for the purchase of an automated metering infrastructure system and to cover increased operating and capital costs.

Net position for the Drainage Utility Fund increased by \$1.9 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 \$2.1 million for the eighth year of operation.

Net position for the Airport Fund increased by \$2.8 million, \$1.4 million less than the previous year. Airport operating revenues were impacted by the COVID-19 pandemic. Federal grant money was received to help Airport operations with loss of revenue. Intergovernmental revenue received was \$3.9 million more than the previous year. Airport operating expenses were very comparable to the previous year.

90.7% 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.

\$6.2 million of the net position represents resources that are subject to external restrictions on how they may be used. These restrictions primarily represent accounts established in accordance with bond covenants 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, \$47.5 million, is available to meet the City's ongoing obligations to citizens and creditors.

Water and Sewer System: Overall Utility sales and service revenues increased \$8.6 million. The City increased water and sewer rates in fiscal year 2020 7%; 3% toward increased operating maintenance costs and 4% toward the purchase of automated metering infrastructure. Water metered sales also increased due to increased consumption because of less precipitation during the year. The chart below reflects 2020 as the 8th driest while 2019 was the 15th wettest year in recorded history. Water revenues can be significantly affected by the amount and timing of local rainfall.

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

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

* Records go back to 1892.

** Normal precipitation is 20.36".

Drainage Utility: The Drainage Utility Fund completed the eighth year of operation and recorded operating revenues of \$6.3 million with \$4.3 million in operating expenses resulting in net operating income of \$2.1 million. Drainage utility assessment revenue was approximately \$750,000 more than the prior year due to a 4% rate increase. The rate increase is part of an overall Community Investment Program and addresses much needed drainage improvements throughout the City. Some projects are funded with cash, as available, and others have been funded by Drainage Revenue Bonds, which are paid back through debt service payments over the term of the bonds. Drainage Revenue Bonds were issued in 2012/13, 2013/14 and again in 2019/20. The total outstanding debt at year-end for the Drainage Utility Fund was \$17.2 million.

Airport: The Airport has been in the process of improving facilities, and the Federal Aviation Administration (FAA) funds a significant part of the cost of these improvements. The Airport generally attempts to operate on a break-even basis. Fiscal year 2020 was a challenge for Airport operations due to the Covid-19 pandemic. Federal grant money was received for loss in revenues due to the pandemic and helped the Airport end the fiscal year with an increase in net position of \$2.8 million. As compared to prior year, operating revenues were less by \$2.1 million and non-operating revenues, which include grant funding, were more by \$3.5 million. Operating revenues are derived from airlines, fees and commissions, and other building rentals.

Financial Analysis of the City's Funds:

Governmental 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 \$123.7 million, an increase of approximately \$10.3 million from the prior year. Of the total fund balances, approximately half is non-spendable, restricted as to use or committed/assigned by management for specific purposes, which are accounted for in governmental funds established to control the expenditure of the funds for the specific purpose. These funds consist primarily of the Capital Projects Funds and the Compensated Absences Fund, which was established to currently fund the City's liability under its sick and annual leave policy. The remaining unassigned fund balance is available to fund current expenditures or to fund future capital improvements or operating needs. All the unassigned fund balance is accounted for in the General Fund, which is the primary operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$64.1 million, of which \$60.3 million was unassigned.

The fund balance of the General Fund at year end was \$64.1 million, an increase of \$18.8 million. As discussed above in the Government Wide Financial Analysis – Governmental Activities section, the first six months of the year were operations as normal with revenues and expenditures tracking with the approved budget. The last six months of the year the City was responding to the effects of the COVID-19 pandemic. Extreme cuts to spending brought about necessary savings to offset the potential effects of loss of revenue due to the pandemic. The revenue areas that brought about the increase in the fund balance were increase in property tax revenues due to increased values and a slight increase in the property tax rate, sales tax revenues slightly above last year, and additional grant money received related to COVID-19 relief funds.

The fund balance of the Capital Projects Funds at year end was \$39.8 million, a decrease of \$10.4 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 restricted fund balance of \$5.6 million and assigned fund balance of \$34.2 million at September 30, 2020. These funds are restricted and assigned for construction projects in progress and for projects currently in the planning stages and in the City's five-year capital plan.

All Other Governmental Funds had as total fund balance at year-end of \$19.8 million, an increase of \$1.9 million from the prior year. The Other Governmental Funds include the Housing and Urban Development (HUD) Grants fund, Other Grants funds, Public Improvement Districts, Seizure Funds, Other funds, Bonded Debt Service Fund, Compensated Absence Fund, and a Permanent Fund. The HUD Grants Fund accounts for funds administered by the City for the U.S. Department of Housing and Urban Development, including block grants, housing assistance, and various smaller low-income programs. Most of the grants awarded to the City are expenditure driven; thus, for most programs, revenues equal expenditures. The Public Health Grants fund, which is included in the Other Grants funds, had an increase in fund balance of \$1.8 million mainly due to grant funding received related to the COVID-19 pandemic. Expenses related to the pandemic response efforts has continued into the new fiscal year.

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

The Internal Service Fund financial statements reflect a net position of \$54.7 million. The purpose of Internal Service Funds is to provide services within a government on a break-even basis. Funds classified as Internal Service are: Fleet Services, Information Services, Risk Management and Employee Insurance. The net income or loss from these Internal Service Funds has been allocated back to the user departments or funds for the Government-wide financial statements. The unrestricted net position of the Internal Service Funds, \$29.2 million at year end, is generally used to replace capital assets.

Net position of the Internal Service Funds increased in fiscal year 2020 by \$3.5 million. The increase was largely due to an additional transfer of \$2.5 million from excess General Fund reserves to the Risk Management fund for strengthening of the net position of the fund.

Capital Assets and Debt Administration:

Capital assets: The City's investment in capital assets as of September 30, 2020, was \$1.2 billion, net of accumulated depreciation. The following tabulation summarizes the City's capital assets at September 30, 2020:

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land, easements and water rights	\$ 45,369	\$ 41,119	\$ 81,239	\$ 82,166	\$ 126,608	\$ 123,285
Infrastructure	164,564	162,717	-	-	164,564	162,717
Library resources	4,537	4,723	-	-	4,537	4,723
Water and sewer other	-	-	454,325	446,634	454,325	446,634
Airport facilities	-	-	68,995	56,921	68,995	56,921
Drainage improvements	-	-	14,042	11,754	14,042	11,754
Buildings and other improvements	205,569	191,909	-	-	205,569	191,909
Equipment and vehicles	42,163	34,759	4,464	4,646	46,627	39,405
Capital Lease Asset	5,570	5,750	-	-	5,570	5,750
Construction in progress	48,191	55,908	77,434	91,137	125,625	147,045
Total capital assets	\$ 515,963	\$ 496,885	\$ 700,499	\$ 693,258	\$ 1,216,462	\$ 1,190,143

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 City's total outstanding debt as of September 30, 2020 was \$382.1 million. The following table shows the City's total principal amounts outstanding under bond agreements as of September 30, 2020:

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

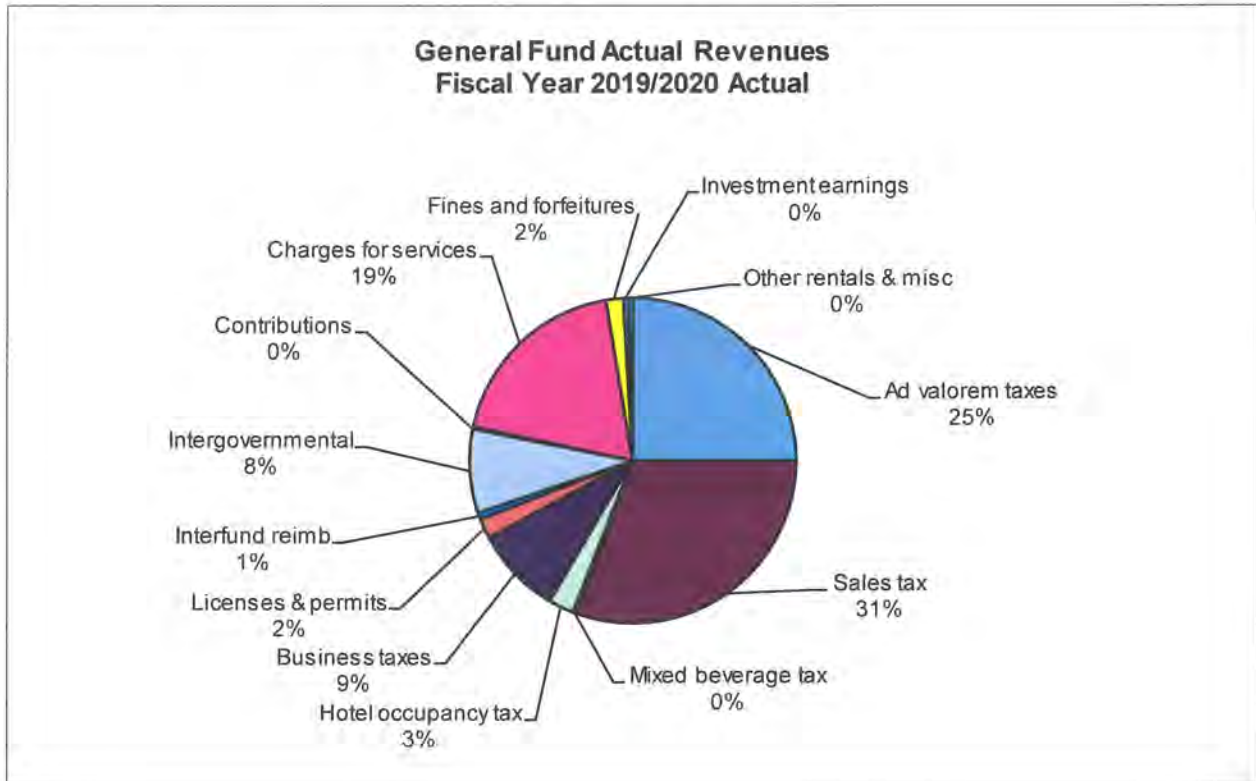
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 61,908	\$ 56,732	\$ -	\$ -	\$ 61,908	\$ 56,732
Certificates of obligation	13,580	6,085	-	-	13,580	6,085
Tax Notes	3,520	-	-	-	3,520	-
Special assessment debt	10,220	10,899	-	-	10,220	10,899
Hotel occupancy tax debt	50,195	50,515	-	-	50,195	50,515
Water and sewer revenue bonds	-	-	178,570	163,700	178,570	163,700
Water authority debt	-	-	46,907	52,744	46,907	52,744
Drainage utility revenue bonds	-	-	17,220	8,495	17,220	8,495
Airport	-	-	-	1,830	-	1,830
Total outstanding debt	\$ 139,423	\$ 124,231	\$ 242,697	\$ 226,769	\$ 382,120	\$ 351,000

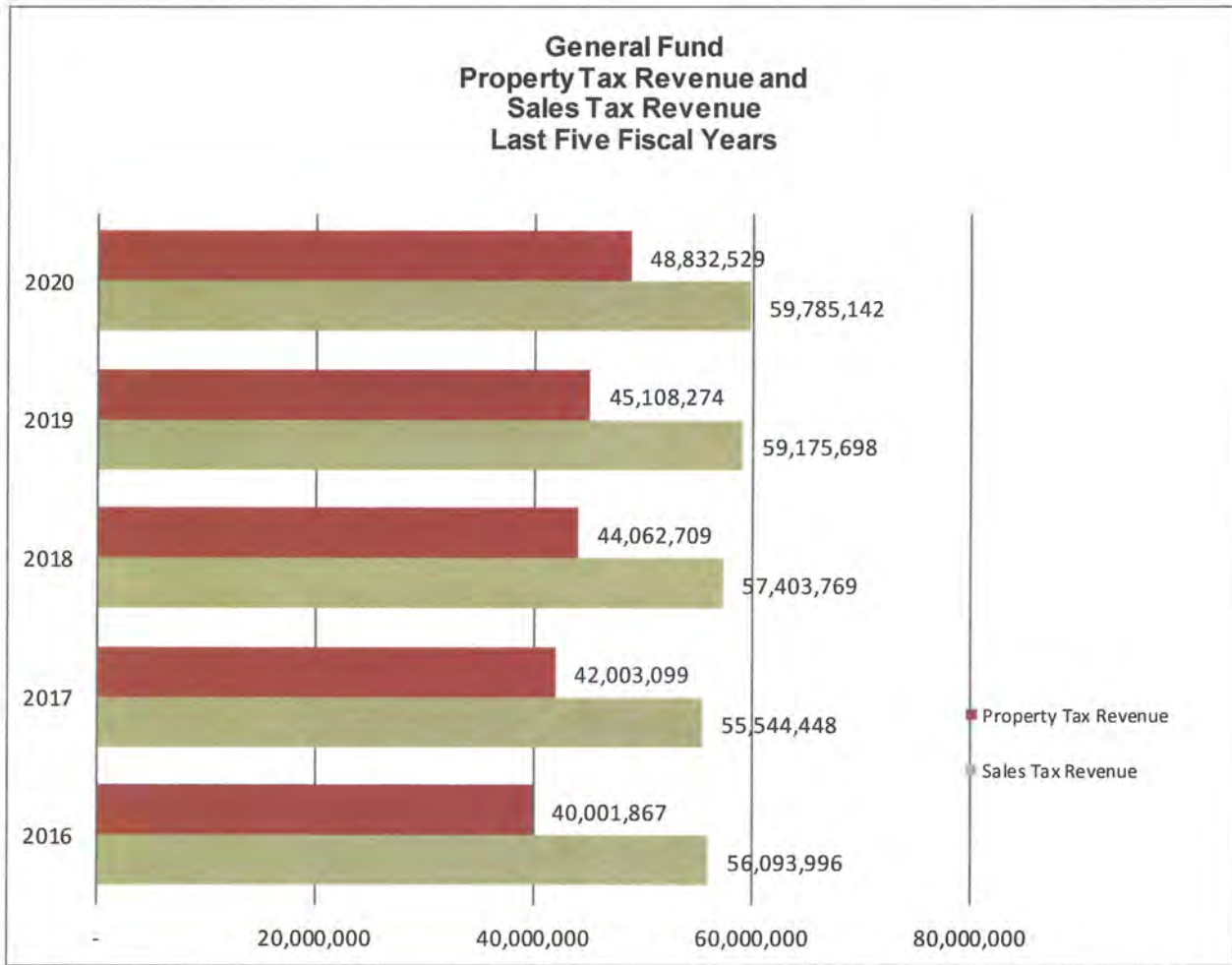
Refer to Notes 11 and 12 in the Notes to Basic Financial Statements for additional information related to long-term debt and other commitments.

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.

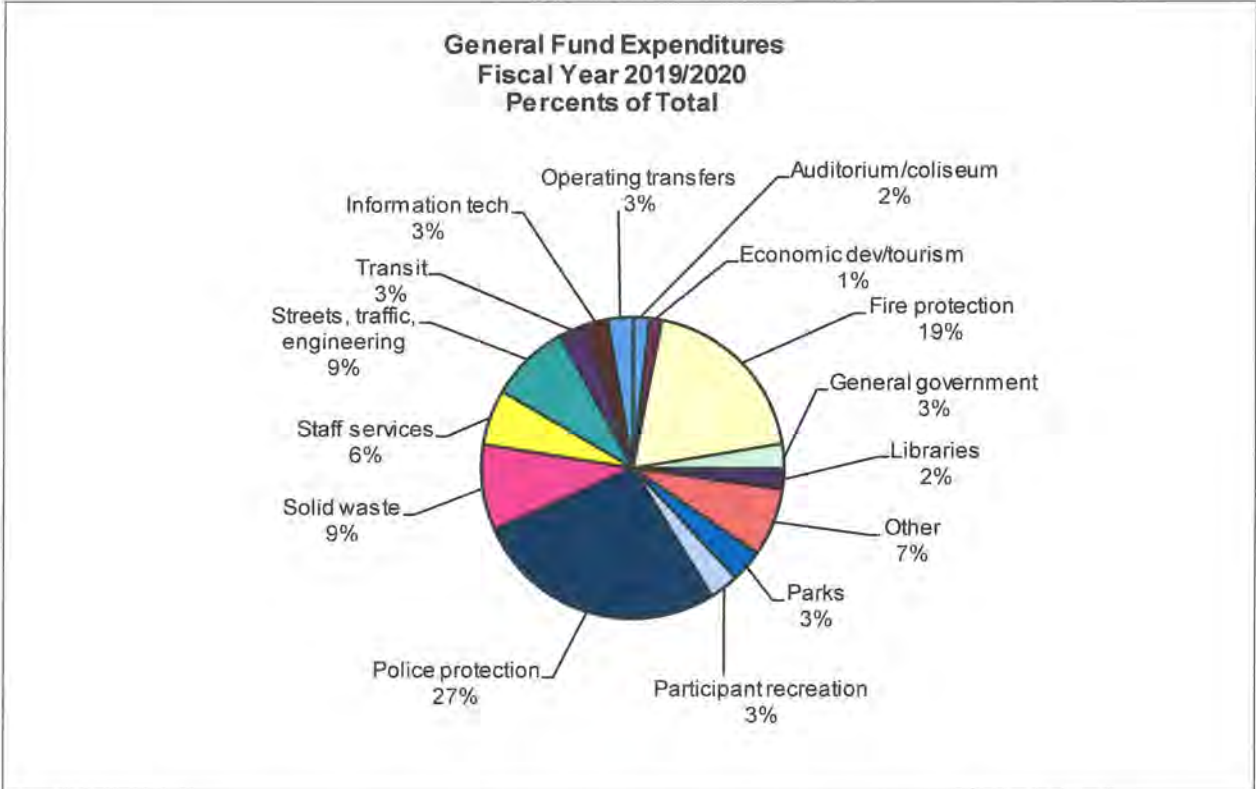
General Fund Revenues: The total General Fund revenues budgeted for fiscal year 2019/20 were \$189.9 million. Certain reclassifications of interdepartmental reimbursements are made from the approved budget for financial reporting purposes. Actual sales tax revenue accounts for 24% of the General Fund total revenue excluding transfers. Sales tax revenues were budgeted for \$60.3 million. Actual sales tax revenues for 2019/20 were \$59.8 million. Sales tax revenues were slightly less than the budgeted amount due to the pandemic. Sales tax receipts have recovered from the pandemic and actual receipts are exceeding the amounts budgeted for the new fiscal year. Another major component of General Fund revenue is ad valorem property taxes. As detailed on page 175, General Fund ad valorem tax collections were budgeted at \$43.4 million. Actual ad valorem taxes were \$44.2 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 \$2.5 million mainly due loss of revenue due to the pandemic. The revenue area affected most by the pandemic was Hotel Occupancy Tax, which has also recovered from the pandemic with actual receipts in the new fiscal year coming in higher than last year. The chart below shows the major sources of total General Fund revenues:





In the above graph you can see the growth rate of the General Fund property tax revenue (ad valorem tax collections) in contrast with the growth rate of sales tax revenue. The sales tax revenue has fared well and has a healthy, positive trend line. The City management keeps a watchful eye on the monthly sales tax to spot any flattening trends that might develop. Ad valorem tax revenues show an increase mainly due to increased property values. The tax rate in effect for the year ending September 30, 2020, was \$0.38851 per \$100 of taxable value, which is greater than the prior year's rate of \$0.36838. The increase was \$0.0175 for operations and maintenance and \$0.00263 for voter approved debt service for certain capital projects. Voters approved the issuance of general obligation bonds in November 2016 to address streets and public safety needs. The total value of properties on the tax roll for fiscal year 2020 was \$15.9 billion, an increase of \$0.6 billion over the prior year.

General Fund Expenditures: The total General Fund operating expenditure budget excluding fund transfers for fiscal year 2019/20 was \$184.2 million. Total actual expenditures and appropriations against the operating budget for 2019/20 were \$172.3 million. This resulted in underspending the budget by \$11.9 million. Major spending cuts across all operational areas due to the COVID-19 pandemic account for the majority of the underspending. 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 \$5.5 million. Actual General Fund transfers during the year were \$5.0 million. The following chart shows the breakdown by functional area of the General Fund actual expenditures for 2019/20:



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 \$392.7 million, with \$258.5 million approved for operation and maintenance functions, \$94.7 million in capital, and \$39.5 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 2020/2021 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 the 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, possibly even more so due to economic conditions from COVID-19; however, the Budget addresses enhancements to employee compensation and restoration of funding to capital projects. Sales tax revenues have fared better than originally anticipated but came in under budget by \$541,858 for fiscal year 2019/2020. The Budget has left sales tax flat for fiscal year 2020/2021 with the reduced amount of \$58.9 million from 2019/2020. Taxable property values remain strong with a 3.5% increase for 2020. These sources of revenue make up the largest percentage of funding for general government expense. 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, and personnel have required we make some difficult choices to balance the Budget.

This Budget represents an \$8.9 million decrease from the prior year. The Budget addresses the **BluePrint for Amarillo**. Budget enhancements focus on funding for capital project including the continuation of year four of the capital improvement program. The current Budget address revenue challenges created by COVID-19 but includes funding for pay enhancements for personnel, funding for compensated absences, increased Solid Waste dumpster repair and maintenance, and increased Fleet replacement to help address an aging fleet.

CONSOLIDATED BUDGET

Our 2020/2021 budget is \$392.7 million, which is a decrease of 2.20%, or \$8.9 million, as compared to our 2019/2020 budget of \$401.6 million.

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

	<u>FY 2019/2020</u>	<u>FY 2020/2021</u>	<u>% Change</u>
General Fund Operating	\$ 188,459,283	\$ 192,199,325	1.98%
Water & Sewer Operating	51,522,427	52,266,594	1.44%
Capital Improvement Projects	99,895,087	94,748,667	-5.15%
Special Revenue Operating	24,111,776	26,894,506	11.54%
Fleet Services Operating	10,948,277	11,942,574	9.08%
Insurance Operating	35,761,467	37,552,355	5.01%
Debt Service	39,266,478	39,489,992	0.57%
Airport Operating	9,602,514	10,546,901	9.83%
Drainage Utility Operating	3,257,336	3,322,742	2.01%
Information Technology Operating	5,832,358	7,420,134	27.22%
Capital Transfers	2,562,867	3,307,214	29.04%
Less: Interfund Transfers	<u>(69,661,634)</u>	<u>(86,984,582)</u>	24.87%
Total Budget	<u>\$ 401,558,236</u>	<u>\$ 392,706,422</u>	<u>-2.20%</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 44%, or \$171.4 million, of our 2020/2021 net Budget. The second largest category is Capital Improvement Projects at \$94.7 million, or 24%, of the net Budget. The City budget reflects a 5% increase in insurance costs related to increasing claims and insurance cost. The increase in risk management costs is related to the premium for property insurance more than doubling from the prior year. Capital reflects a 5% decrease from the prior year but includes the final year of funding for Proposition 1 projects, the continuation of year four of the capital improvement programs, and additional fleet replacements.

Debt Service accounts for just over 10%, or \$39.5 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, an additional bond issue in the Water and Sewer fund and in the Drainage fund to address needed capital infrastructure projects. Fleet Services reflect a 9% increase in operating costs related to increased costs in maintenance and auto parts and an increased reliance on leasing large equipment over outright purchase. Information Technology operating costs increased 27% related to several operating leases across the City being moved into this fund to address new accounting standards.

Special Revenue and Airport operating costs have both increased, 12% and 10%, respectively, due to additional grant funding availability from the CARES Act to help address costs associated with COVID-19.

Property and Sales Taxes

For the 2020/2021 fiscal year, the property tax rate remained flat for operations and maintenance and increased \$0.00830 for the voter approved debt service associated with the approval of Proposition 1 and 2 during the November 8, 2016 bond election. The 2020/2021 rate is \$0.39681 per \$100 taxable value versus the 2019/2020 rate of \$0.38851. 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. City Council increased the operations and maintenance portion of the tax rate in 2019/20 by \$0.01750 in addition to increasing 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 has managed to endure COVID-19 impacts on sales tax receipts for the current year better than originally anticipated at \$59.8 million, which is only down \$541,858 from the approved budget of \$60.3 million. Next year's estimate is flat with the revised estimate for 2019/2020 (\$58.9 million). The sales tax budget of \$58.9 million for the 2020/2021 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 included a 7% water and sewer rate increase, which funded the addition of automated metering infrastructure (4%) and provide for an increase in operating and maintenance (3%). The Budget is resuming year four of the five-year Community Investment Program with 3% rate increase 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 \$35.55, which is very low compared to other Texas cities.

The Budget includes an increase in the Solid Waste rates. Residential and commercial customers will see a 2% increase on their monthly bill. In addition, the tipping fee at the City's landfill was increased by \$1.50/ton. This additional funding will allow the City to increase dumpster repair and maintenance and to address regulatory costs at the landfill. The 2020/2021 fiscal year budget includes a 4% Drainage fee increase. It is anticipated that this will be the fourth of five 4% Drainage fee increases to fund the Community Investment Program.

Employee Staffing

The 2020/2021 Budget consists of 2,234 permanent and 380 part-time employee positions. Permanent positions have decreased by five positions over the current year and part-time positions have increased by 27. As reviewed previously, this year's budget was a challenge due to revenue constraints brought on by COVID-19. There are relatively few position changes except for reclassing positions between departments and several operational changes in the Parks Division. Additionally, at the request of AISD, there were two additional School Liaison Officers that will be partially funded by AISD added to the budget. To continue to make employee safety a priority, two additional Safety Coordinator positions were added to the budget to be partially offset by staffing reductions in the Public Works and Utilities Division. A Build Safety Inspector I has been added to continue to address customer service and an HR Generalist has been added to better serve internal functions of the City. Below is a summary of the staffing changes for permanent positions for the 2020/21 Budget:

Position Title	Department	Full Time
BAS Control Tech I	Airport (Moved to IT)	-1
Admin Specialist I	Building Safety	1
Asst Building Official	Building Safety	-1
Building Inspector I	Building Safety	1
Engineering GIS Coordinator	CP&DE (Moved to IT)	-1
GIS Technician	CP&DE (Moved to IT)	-1
Admin Tech	Fire Civilian (Moved to FMO)	-1
Admin Tech	Fire Marshal (Moved from Fire Civilian)	1
Golf Course Superintendent	Golf	-1
Golf Equip Mechanic	Golf	-1
Greenskeeper II	Golf	-7

Head Golf Professional	Golf	-1
HR Generalist	Human Resources	1
Engineering GIS Coordinator	IT - GIS (Moved from CP&DE)	1
GIS Technician	IT - GIS (Moved from CP&DE/Planning)	2
Infrastructure Engineer	IT - Infrastructure (Moved from Airport)	1
GIS Technician	Planning (Moved to IT)	-1
Police Officer	Police	2
Utility Worker	Solid Waste Collection (Moved to WC)	-1
Electrician I	Surface Water Treatment (moved to WC)	-1
Parks Program Coordinator	Tennis	1
Safety Coordinator	Workers Compensation (Moved from SWC & Surface Water)	2
		<u>-5</u>

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 \$3.3 million. Most of the cost (\$2.3 million) is in the General Fund.

Capital Improvement Program

The 2020/2021 capital budget is \$94,748,667. 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 fifth issue anticipated during 2021. The budget includes an 3% rate increase for Water & Sewer for a bond issue to fund projects from year four of the planned five-year Water & Sewer capital program. The Budget also includes year four 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 fourth of five similarly planned increases. As mentioned before, additional funding from reserves is included to replace aging equipment and vehicles in the City Fleet.

Future Priorities

The 2020/2021 Budget has prioritized enhancements to compensation to employees and funding of capital projects. 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 continue to be a priority for 2021/2022 as the compensated absences fund has been depleted in recent years. 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. The City held an election in November 2020 on a proposed renovation and expansion of the Civic Center. The bond election did not pass. Conversation and direction addressing the needs at 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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 78,354,817	\$ 61,026,016	\$ 139,380,833	\$ 23,096,768
Investments	56,258,462	29,860,937	86,119,399	194,334,602
Receivables, net	27,319,649	19,053,625	46,373,274	9,229,553
Internal balances	24,909,898	(24,909,898)	-	-
Inventories and prepaid expenses	4,647,000	1,602,941	6,249,941	827,121
Other current assets	-	-	-	1,047,712
Total current assets	<u>191,489,826</u>	<u>86,633,621</u>	<u>278,123,447</u>	<u>228,535,756</u>
NONCURRENT ASSETS				
Restricted cash and cash equivalents	22,958,300	87,143,105	110,101,405	16,236,213
Restricted investments	8,510,570	-	8,510,570	-
Receivables, net	-	-	-	43,877,364
Other noncurrent assets	-	59,815	59,815	-
Land and building held for future incentives	-	-	-	7,286,089
Capital assets:				
Land	15,684,374	4,905,347	20,589,721	-
Contributed right of way easements	29,684,318	2,579,669	32,263,987	-
Water rights and contracts, net of amortization	-	73,754,024	73,754,024	-
Infrastructure, net of depreciation	164,564,242	14,042,936	178,607,178	-
Buildings and improvements, net of depreciation	205,568,541	523,319,270	728,887,811	70,056,782
Equipment and vehicles, net of depreciation	42,162,570	4,464,088	46,626,658	274,903
Capital Lease Asset, net of amortization	5,570,806	-	5,570,806	-
Library resources, net of depreciation	4,537,129	-	4,537,129	-
Construction in progress	48,191,099	77,433,931	125,625,030	995,232
Total noncurrent assets	<u>547,431,949</u>	<u>787,702,185</u>	<u>1,335,134,134</u>	<u>138,726,583</u>
TOTAL ASSETS	<u>\$ 738,921,775</u>	<u>\$ 874,335,806</u>	<u>\$ 1,613,257,581</u>	<u>\$ 367,262,339</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows	\$ 25,616,623	\$ 8,322,712	\$ 33,939,335	\$ 2,621,497
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 25,616,623</u>	<u>\$ 8,322,712</u>	<u>\$ 33,939,335</u>	<u>\$ 2,621,497</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 20,246,138	\$ 21,640,155	\$ 41,886,293	\$ 1,140,249
Unearned revenue	-	25,650	25,650	-
Current portion of long-term obligations	5,960,000	6,061,019	12,021,019	9,758,395
Estimated liability for self-insured losses, current portion	6,048,285	-	6,048,285	-
Bonded debt current maturity	-	14,145,000	14,145,000	-
Current portion of capital lease liability	1,744,024	-	1,744,024	-
Current portion of compensated absences	2,009,263	173,402	2,182,665	-
Total current liabilities	<u>36,007,710</u>	<u>42,045,226</u>	<u>78,052,936</u>	<u>10,898,644</u>
NONCURRENT LIABILITIES				
Liabilities payable from restricted assets	-	-	-	145,701
Noncurrent portion of long-term obligations	137,776,999	236,040,711	373,817,710	59,913,196
Other accrued expenses	-	2,567,106	2,567,106	-
Capital lease liability	3,129,761	-	3,129,761	-
Estimated liabilities for:				
Compensated absences, net	21,703,256	1,039,099	22,742,355	155,443
Self-insured losses, net of current portion	10,911,658	-	10,911,658	-
Landfill closure and postclosure care	4,692,643	-	4,692,643	-
Net OPEB liability	42,223,533	7,899,369	50,122,902	66,629
Net pension liability	60,069,164	5,946,015	66,015,179	785,080
Total noncurrent liabilities	<u>280,507,014</u>	<u>253,492,300</u>	<u>533,999,314</u>	<u>61,066,049</u>
TOTAL LIABILITIES	<u>\$ 316,514,724</u>	<u>\$ 295,537,526</u>	<u>\$ 612,052,250</u>	<u>\$ 71,964,693</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows	\$ 36,587,525	\$ 8,217,289	\$ 44,804,814	\$ 131,019
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 36,587,525</u>	<u>\$ 8,217,289</u>	<u>\$ 44,804,814</u>	<u>\$ 131,019</u>
NET POSITION				
Net investment in capital assets	\$ 389,564,377	\$ 525,232,133	\$ 914,796,510	\$ 59,343,536
Restricted for:				
Debt service	2,000,474	6,163,507	8,163,981	6,334,261
Tax increment financing	2,252,955	-	2,252,955	-
Other purposes	22,570,735	-	22,570,735	9,756,251
Unrestricted (deficit)	(4,952,392)	47,508,063	42,555,671	222,354,076
TOTAL NET POSITION	<u>\$ 411,436,149</u>	<u>\$ 578,903,703</u>	<u>\$ 990,339,852</u>	<u>\$ 297,788,124</u>

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

**CITY OF AMARILLO, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 4,761,710	\$ 4,521,235	\$ 11,493,562	\$ 1,384,763
Staff services	12,742,088	5,102,638	-	446
Public safety and health				
Police protection	52,857,603	1,461,641	645,463	-
Fire protection	36,715,743	2,275,538	90,915	-
Other	21,900,066	6,684,929	8,285,932	(207,305)
Streets, traffic and engineering	23,312,421	971,425	120,189	11,324,990
Culture and recreation				
Auditorium/coliseum	6,966,803	1,668,886	398,004	-
Libraries	4,276,960	106,484	34,555	-
Parks	8,555,361	2,219,698	8,834	-
Participant recreation	6,842,713	3,035,664	14,386	-
Solid waste	18,472,117	23,361,603	-	-
Transit	5,771,823	511,227	4,263,530	98,302
Information technology	4,469,708	-	-	-
Economic development/Tourism	3,150,026	-	226,250	-
Urban redevelopment/housing	14,813,413	284,546	14,831,232	75,874
Interest on long-term debt	5,726,472	-	-	-
Total governmental activities	<u>231,335,027</u>	<u>52,205,514</u>	<u>40,412,852</u>	<u>12,677,070</u>
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	63,675,508	84,147,350	-	3,629,687
Drainage Utility	4,602,834	6,357,689	-	3,900
Airport	14,662,163	9,518,458	6,706,126	1,132,167
Total business-type activities	<u>82,940,505</u>	<u>100,023,497</u>	<u>6,706,126</u>	<u>4,765,754</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 314,275,532</u>	<u>\$ 152,229,011</u>	<u>\$ 47,118,978</u>	<u>\$ 17,442,824</u>
COMPONENT UNITS				
Amarillo Hospital District	\$ 30,108,105	\$ 17,853,204	\$ 327,141	\$ -
Amarillo Economic Development Corporation	43,053,405	4,287,496	-	(117,626)
Amarillo-Potter Events District	2,314,374	-	-	-
Amarillo Housing Finance Corporation	-	92	-	-
Amarillo Health Facilities Corporation	-	-	-	-
Amarillo Local Government Corporation	2,224,775	-	314,877	-
TOTAL COMPONENT UNITS	<u>\$ 77,700,659</u>	<u>\$ 22,140,792</u>	<u>\$ 642,018</u>	<u>\$ (117,626)</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 20)

NET POSITION, BEGINNING OF YEAR, RESTATED

NET POSITION, END OF YEAR

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ 12,637,850	\$ -	\$ 12,637,850	\$ -
(7,639,004)	-	(7,639,004)	-
(50,750,499)	-	(50,750,499)	-
(34,349,290)	-	(34,349,290)	-
(7,136,510)	-	(7,136,510)	-
(10,895,817)	-	(10,895,817)	-
(4,899,913)	-	(4,899,913)	-
(4,135,921)	-	(4,135,921)	-
(6,326,829)	-	(6,326,829)	-
(3,792,663)	-	(3,792,663)	-
4,889,486	-	4,889,486	-
(898,764)	-	(898,764)	-
(4,469,708)	-	(4,469,708)	-
(2,923,776)	-	(2,923,776)	-
378,239	-	378,239	-
(5,726,472)	-	(5,726,472)	-
<u>(126,039,591)</u>	<u>-</u>	<u>(126,039,591)</u>	<u>-</u>
-	24,101,529	24,101,529	-
-	1,758,755	1,758,755	-
-	2,694,588	2,694,588	-
-	<u>28,554,872</u>	<u>28,554,872</u>	<u>-</u>
<u>(126,039,591)</u>	<u>28,554,872</u>	<u>(97,484,719)</u>	<u>-</u>
-	-	-	(11,927,760)
-	-	-	(38,883,535)
-	-	-	(2,314,374)
-	-	-	92
-	-	-	-
-	-	-	(1,909,898)
-	-	-	<u>(55,035,475)</u>
49,633,223	-	49,633,223	-
5,726,974	-	5,726,974	-
59,785,142	-	59,785,142	19,943,667
727,691	-	727,691	-
4,879,165	-	4,879,165	-
16,961,374	-	16,961,374	2,343,334
2,347,563	1,928,874	4,276,437	7,972,852
20,000	-	20,000	-
421,237	(421,237)	-	-
<u>140,502,369</u>	<u>1,507,637</u>	<u>142,010,006</u>	<u>30,259,853</u>
<u>14,462,778</u>	<u>30,062,509</u>	<u>44,525,287</u>	<u>(24,775,622)</u>
<u>396,973,371</u>	<u>548,841,194</u>	<u>945,814,565</u>	<u>324,158,380</u>
-	-	-	(1,594,634)
<u>396,973,371</u>	<u>548,841,194</u>	<u>945,814,565</u>	<u>322,563,746</u>
<u>\$ 411,436,149</u>	<u>\$ 578,903,703</u>	<u>\$ 990,339,852</u>	<u>\$ 297,788,124</u>

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

CITY OF AMARILLO, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2020

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 27,818,244	\$ 9,393,296	\$ 17,151,712	\$ 54,363,252
Restricted cash and cash equivalents	1,323,782	19,703,088	1,856,577	22,883,447
Investments, at fair values	19,086,367	6,261,620	4,250,000	29,597,987
Restricted investments	-	8,510,570	-	8,510,570
Receivables, net of allowances for uncollectibles				
Property taxes	275,948	-	32,749	308,697
Accounts	4,026,749	75,401	119,886	4,222,036
Accrued interest	112,907	33,222	2,390	148,519
Other accrued revenue	1,637,551	-	-	1,637,551
Due from other funds unrestricted	1,712,936	-	205,199	1,918,135
Due from other governments	16,973,038	-	1,553,610	18,526,648
Inventory of supplies	1,390,445	-	-	1,390,445
Prepaid items	303,478	-	63,494	366,972
Advances to other funds	623,752	-	-	623,752
TOTAL ASSETS	\$ 75,285,197	\$ 43,977,197	\$ 25,235,617	\$ 144,498,011
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers payable	\$ 274,002	\$ 1,692,683	\$ 389,258	\$ 2,355,943
Accounts payable	2,514,484	980,438	657,024	4,151,946
Accrued expenditures	7,209,786	56,207	58,424	7,324,417
Deposits	9,289	921,433	1,268,955	2,199,677
Due to other funds - unrestricted	81,812	465,000	1,314,229	1,861,041
Due to other governments	909,211	-	22,028	931,239
Unearned revenues - other	64,501	-	440,493	504,994
Advances from other funds	-	-	1,247,504	1,247,504
Total liabilities	11,063,085	4,115,761	5,397,915	20,576,761
Deferred inflows of resources				
Unavailable property taxes	159,588	-	19,288	178,876
Total deferred inflows of resources	159,588	-	19,288	178,876
FUND BALANCES				
Nonspendable:				
Prepaid items	303,478	-	51,945	355,423
Inventory	1,390,445	-	-	1,390,445
Property taxes	116,360	-	13,461	129,821
Advances to other funds	623,752	-	-	623,752
Corpus or principal	-	-	17,693	17,693
Restricted for:				
Debt service	-	-	1,912,160	1,912,160
Capital projects	-	5,627,302	-	5,627,302
Special purposes	1,323,782	-	17,424,556	18,748,338
Committed for:				
Compensated absences	-	-	398,599	398,599
Assigned for:				
Capital projects	-	34,234,134	-	34,234,134
Unassigned	60,304,707	-	-	60,304,707
Total fund balances	64,062,524	39,861,436	19,818,414	123,742,374
TOTAL LIABILITIES AND FUND BALANCES	\$ 75,285,197	\$ 43,977,197	\$ 25,235,617	\$ 144,498,011

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, 2020**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS

\$ 123,742,374

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.

29,278,801

515,963,079

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, 2019	\$ 496,885,215
Net current year additions	62,743,025
Net current year deletions	<u>(43,665,161)</u>
Capital assets, net September 30, 2020	<u>\$ 515,963,079</u>

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:

(176,339,867)

Long-term debt	\$ 143,736,999
Compensated absence	23,036,440
Capital lease	4,873,785
Landfill closure and postclosure	<u>4,692,643</u>
	<u>\$ 176,339,867</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 \$57,744,298, a deferred resource outflow in the amount of \$17,674,838, and a deferred resource inflow in the amount of \$32,663,260.

(72,732,720)

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 \$40,138,420, a deferred resource outflow in the amount of \$5,785,909, and a deferred resource inflow in the amount of \$1,426,184.

(35,778,695)

27,303,177

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	\$ 504,994
Accrued interest payable	(923,446)
Internal balances	24,909,898
Intra-entity receivables	2,179,542
Prepaid insurance	<u>632,189</u>
	<u>\$ 27,303,177</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 411,436,149

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, 2020**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Ad valorem taxes	\$ 48,832,529	\$ -	\$ 5,726,974	\$ 54,559,503
Sales taxes	59,785,142	-	-	59,785,142
Mixed beverage taxes	727,691	-	-	727,691
Hotel occupancy taxes	4,879,165	-	-	4,879,165
Gross receipts business taxes	16,961,374	-	-	16,961,374
License and permits	3,875,490	-	-	3,875,490
Interfund revenues	1,284,850	-	-	1,284,850
Intergovernmental revenues	16,318,692	2,311,811	23,551,330	42,181,833
Citizen contributions	510,535	-	15,074	525,609
Construction participation	-	4,748,060	75,874	4,823,934
Revenue from participating taxing entities	-	-	1,497,439	1,497,439
Other entity participations	-	-	226,250	226,250
Charges for services	37,107,624	213,214	2,702,480	40,023,318
Fines and forfeitures	3,261,667	-	1,417,447	4,679,114
Investment earnings	908,657	590,624	213,386	1,712,667
Other rentals and commissions	803,091	699,600	-	1,502,691
Miscellaneous	161,281	968	340,480	502,729
Total revenues	<u>195,417,788</u>	<u>8,564,277</u>	<u>35,766,734</u>	<u>239,748,799</u>
EXPENDITURES				
Current				
General government	4,693,933	-	-	4,693,933
Staff services	10,476,501	-	445,585	10,922,086
Public safety and health				
Police protection	47,842,422	3,149,060	661,841	51,653,323
Fire protection	34,114,433	10,798	-	34,125,231
Other	12,873,595	-	7,752,869	20,626,464
Streets, traffic and engineering	15,027,982	-	-	15,027,982
Culture and recreation				
Auditorium - coliseum	3,045,245	-	190,123	3,235,368
Libraries	3,852,568	-	167	3,852,735
Parks	6,056,579	-	987,184	7,043,763
Participant recreation	5,584,645	-	21,158	5,605,803
Solid waste	16,279,660	153,451	-	16,433,111
Transit system	4,847,793	-	-	4,847,793
Urban redevelopment and housing	-	-	14,842,540	14,842,540
Information technology	4,469,708	-	-	4,469,708
Economic development/tourism	2,371,536	10,132	900,724	3,282,392
Capital outlay	218,660	37,022,962	787,343	38,028,965
Debt service				
Principal retirement	-	-	4,291,913	4,291,913
Interest and fiscal charges	-	-	4,803,026	4,803,026
Bond issuance costs	-	192,557	-	192,557
Termination vacation and sick leave pay	-	-	1,512,308	1,512,308
Total expenditures	<u>171,755,260</u>	<u>40,538,960</u>	<u>37,196,781</u>	<u>249,491,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,662,528</u>	<u>(31,974,683)</u>	<u>(1,430,047)</u>	<u>(9,742,202)</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	211,791	2,819,134	4,584,964	7,615,889
Transfers to other funds	(5,043,278)	(1,194,871)	(1,283,042)	(7,521,191)
Proceeds from Insurance	-	20,000	-	20,000
Payment to refunded escrow agent	-	(2,885,000)	(3,910,783)	(6,795,783)
Issuance of long-term debt	-	22,480,000	3,800,000	26,280,000
Bond premium	-	330,632	110,783	441,415
Total other financing sources (uses)	<u>(4,831,487)</u>	<u>21,569,895</u>	<u>3,301,922</u>	<u>20,040,330</u>
Net change in fund balances	<u>18,831,041</u>	<u>(10,404,788)</u>	<u>1,871,875</u>	<u>10,298,128</u>
FUND BALANCES, BEGINNING OF YEAR	<u>45,231,483</u>	<u>50,266,224</u>	<u>17,946,539</u>	<u>113,444,246</u>
FUND BALANCES, END OF YEAR	<u>\$ 64,062,524</u>	<u>\$ 39,861,436</u>	<u>\$ 19,818,414</u>	<u>\$ 123,742,374</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, 2020**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 10,298,128

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. 3,517,333

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 2020 capital outlays, issuance of long-term debt, and debt principal payments is to increase net position. 27,369,792

Capital outlay	\$ 38,028,965
Residual value of assets disposed of	316,582
Library books additions	293,186
Contributed capital	4,172,221
Issuance of long-term debt	(26,280,000)
Refunding of long-term debt	6,795,783
Premium on bonds net issuance costs	(248,858)
Long-term debt principal payments	4,291,913
	<u>\$ 27,369,792</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. (22,167,728)

GASB 68 requires that certain expenditures be derecognized and recorded instead as deferred outflows of resources. Of these previously deferred outflows, (\$9,101,191) were recognized in the current year as expenditures, decreasing the change in net position. Contributions made after the measurement date of December 31, 2019 caused the change in the ending net position to increase by \$9,341,258. The City's investment gains (losses) over related pension expense were (\$52,315,546), differences in expected and actual experience and changes in assumptions were (\$4,781,166), and the decrease in expense of \$54,819,146 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 (\$2,037,499). (2,037,499)

GASB 75 requires that certain expenditures be derecognized and recorded instead as deferred outflows of resources. Of these previously deferred outflows, (\$1,517,619) were recognized in the current year as expenditures, decreasing the change in net position. Contributions made after the measurement date of December 31, 2019 caused the change in the ending net position to increase by \$1,517,645. The City's investment gains (losses) over related other postemployment benefits (OPEB) expense were (\$1,686,263), changes in assumptions were \$3,404,004 and the increase in expense of (\$844,971) 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 \$872,796. 872,796

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. (3,390,044)

Compensated absences	\$ (1,270,426)
Unearned revenue	800,694
Net loss of internal service funds	
allocated to business-type activities	(573,297)
Landfill closure and post-closure care	(1,110,597)
Accrued interest payable	(923,446)
Deferred amount for issuance	
premiums/costs	(312,972)
	<u>\$ (3,390,044)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 14,462,778

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

**CITY OF AMARILLO, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2020**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 52,620,864	\$ 4,673,220	\$ 3,731,932	\$ 61,026,016	\$ 23,991,565
Investments, at fair values	21,560,042	3,512,450	4,788,445	29,860,937	26,660,475
Accounts receivable, net	7,514,058	966,296	894,791	9,375,145	845,862
Accrued interest receivable	167,550	-	18,495	186,045	73,266
Other accrued revenue	5,793,239	-	110,713	5,903,952	-
Due from other funds	31,509	-	-	31,509	2,625,234
Due from other governments	-	-	3,556,974	3,556,974	-
Inventory of supplies	-	-	-	-	159,398
Prepaid expenses	1,443,774	-	159,167	1,602,941	2,097,999
Total current assets	89,131,036	9,151,966	13,260,517	111,543,519	56,453,799
NONCURRENT ASSETS					
Restricted cash and cash equivalents	76,864,466	10,227,291	51,348	87,143,105	74,853
Other noncurrent assets	59,815	-	-	59,815	-
Capital assets					
Land	2,040,262	87,744	2,777,341	4,905,347	-
Contributed right of way easements	1,804,175	775,494	-	2,579,669	-
Underground water rights	58,332,683	-	-	58,332,683	-
Accumulated depletion - underground water rights	(9,745,094)	-	-	(9,745,094)	-
Water supply contract	50,336,389	-	-	50,336,389	-
Accumulated amortization - water supply contract	(25,169,954)	-	-	(25,169,954)	-
Pipelines and plant	704,603,117	-	-	704,603,117	-
Accumulated depreciation - pipelines and plant	(250,279,114)	-	-	(250,279,114)	-
Runways, buildings and improvements	-	-	176,472,402	176,472,402	-
Accumulated depreciation - runways, buildings and improvements	-	-	(107,477,135)	(107,477,135)	-
Improvements	-	14,965,479	-	14,965,479	6,663,240
Accumulated depreciation - improvements	-	(922,543)	-	(922,543)	(5,342,996)
Equipment and vehicles	4,781,850	41,834	8,854,276	13,677,960	78,357,586
Accumulated depreciation - equipment and vehicles	(3,736,203)	(23,807)	(5,453,862)	(9,213,872)	(55,392,300)
Capital lease	-	-	-	-	8,436,121
Accumulated amortization	-	-	-	-	(2,865,315)
Construction in progress	67,985,407	7,541,070	1,907,454	77,433,931	455,252
Total capital assets, net of accumulated depreciation	600,953,518	22,465,271	77,080,476	700,499,265	30,311,588
Total noncurrent assets	677,877,799	32,692,562	77,131,824	787,702,185	30,386,441
TOTAL ASSETS	\$ 767,008,835	\$ 41,844,528	\$ 90,392,341	\$ 899,245,704	\$ 86,840,240
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows	\$ 7,059,112	\$ 288,035	\$ 975,565	\$ 8,322,712	\$ 2,155,874
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 7,059,112	\$ 288,035	\$ 975,565	\$ 8,322,712	\$ 2,155,874

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, 2020

	<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>	
LIABILITIES					
CURRENT LIABILITIES					
Vouchers payable	\$ 3,038,775	\$ 8,790	\$ 151,977	\$ 3,199,542	\$ 1,228,975
Accounts payable	731,241	187,968	96,201	1,015,410	679,536
Accrued expenses	11,559,527	151,419	201,925	11,912,871	419,450
Deferred revenue	-	-	25,650	25,650	-
Deposits	1,038,738	-	27,796	1,066,534	-
Consumer security deposits	4,444,518	-	-	4,444,518	-
Share of Water Authority debt - current	6,061,019	-	-	6,061,019	-
Due to other funds - unrestricted	1,280	-	-	1,280	2,712,556
Estimated liability for incurred losses	-	-	-	-	6,048,285
Bonded debt current maturity	13,290,000	855,000	-	14,145,000	-
Current portion of capital lease liability	-	-	-	-	1,744,024
Current portion of compensated absences	134,210	13,526	25,666	173,402	93,361
Total current liabilities	<u>40,299,308</u>	<u>1,216,703</u>	<u>529,215</u>	<u>42,045,226</u>	<u>12,926,187</u>
NONCURRENT LIABILITIES					
Bonded debt, net of current	171,311,031	17,380,283	-	188,691,314	-
Water Authority debt, net of current	47,349,397	-	-	47,349,397	-
Provision for compensated absences, net	778,770	31,358	228,971	1,039,099	582,718
Other accrued expenses	2,567,106	-	-	2,567,106	-
Estimated liabilities for incurred loss, net	-	-	-	-	10,911,658
Capital lease liability	-	-	-	-	3,129,761
Net OPEB liability	6,019,760	591,450	1,288,159	7,899,369	2,085,113
Net pension liability	4,799,932	213,000	933,083	5,946,015	2,324,866
Total noncurrent liabilities	<u>232,825,996</u>	<u>18,216,091</u>	<u>2,450,213</u>	<u>253,492,300</u>	<u>19,034,116</u>
TOTAL LIABILITIES	<u>\$ 273,125,304</u>	<u>\$ 19,432,794</u>	<u>\$ 2,979,428</u>	<u>\$ 295,537,526</u>	<u>\$ 31,960,303</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows	\$ 6,747,647	\$ 349,724	\$ 1,119,918	\$ 8,217,289	\$ 2,319,207
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 6,747,647</u>	<u>\$ 349,724</u>	<u>\$ 1,119,918</u>	<u>\$ 8,217,289</u>	<u>\$ 2,319,207</u>
NET POSITION					
Net investment in capital assets	\$ 433,810,572	\$ 14,341,085	\$ 77,080,476	\$ 525,232,133	\$ 25,437,803
Restricted for debt service	5,995,965	116,194	51,348	6,163,507	74,853
Unrestricted	54,388,459	7,892,766	10,136,736	72,417,961	29,203,948
TOTAL NET POSITION	<u>\$ 494,194,996</u>	<u>\$ 22,350,045</u>	<u>\$ 87,268,560</u>	<u>603,813,601</u>	<u>\$ 54,716,604</u>
Amounts due governmental activities for allocable share of net expenses of certain internal service funds				(24,909,898)	
TOTAL NET POSITION OF BUSINESS- TYPE ACTIVITIES IN STATEMENT OF NET POSITION				<u>\$ 578,903,703</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, 2020**

	<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>	
OPERATING REVENUES					
Airfield fees and commissions	\$ -	\$ -	\$ 823,735	\$ 823,735	\$ -
Charges for services	-	-	-	-	1,947,582
Employees' benefit plan contributions	-	-	-	-	5,873,955
Internal charges	-	-	-	-	50,989,699
Miscellaneous revenues	-	-	-	-	153
Other building and ground rentals	-	-	1,674,401	1,674,401	-
Rents and miscellaneous	(291,299)	-	-	(291,299)	-
Tap fees and frontage charges	331,639	-	-	331,639	-
Terminal building area rental	-	-	6,087,449	6,087,449	-
Utility sales and service	83,280,330	-	-	83,280,330	-
Drainage utility assessments	-	6,339,811	-	6,339,811	-
Total operating revenues	<u>83,320,670</u>	<u>6,339,811</u>	<u>8,585,585</u>	<u>98,246,066</u>	<u>58,811,389</u>
OPERATING EXPENSES					
Salaries, wages and fringe benefits	14,123,864	1,124,934	3,603,178	18,851,976	5,777,009
Supplies	1,687,910	741,311	569,784	2,999,005	4,092,210
Fuel and oil	-	-	-	-	1,909,682
Fuel and power	3,573,897	-	428,620	4,002,517	-
Contractual services	6,666,801	880,851	1,561,221	9,108,873	4,845,731
Water Authority charges	4,348,316	-	-	4,348,316	-
Other charges	12,308,265	1,204,980	2,858,394	16,371,639	5,432,486
Claim and loss adjustments	-	-	-	-	25,451,307
Depreciation	14,782,725	313,533	5,751,939	20,848,197	8,412,366
Total operating expenses	<u>57,491,778</u>	<u>4,265,609</u>	<u>14,773,136</u>	<u>76,530,523</u>	<u>55,920,791</u>
Operating income (loss)	<u>25,828,892</u>	<u>2,074,202</u>	<u>(6,187,551)</u>	<u>21,715,543</u>	<u>2,890,598</u>
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) in disposal of property	24,344	-	-	24,344	(305,745)
Grants-in-aid	-	-	6,706,126	6,706,126	-
Intergovernmental revenue	802,336	17,878	-	820,214	-
Passenger facility charge	-	-	815,726	815,726	-
Interest earnings	1,651,675	117,821	132,717	1,902,213	595,184
Change in value of investments	-	-	26,661	26,661	39,712
Other miscellaneous revenues	-	-	117,147	117,147	154,532
Interest expense and fiscal charges	(6,757,027)	(337,225)	110,973	(6,983,279)	(183,481)
Total nonoperating revenues (expenses)	<u>(4,278,672)</u>	<u>(201,526)</u>	<u>7,909,350</u>	<u>3,429,152</u>	<u>300,202</u>
Income (loss) before contributions and transfers	21,550,220	1,872,676	1,721,799	25,144,695	3,190,800

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, 2020

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
AFTER NONOPERATING REVENUES (EXPENSES)					
Capital contributions	\$ 3,629,687	\$ 3,900	\$ 1,132,167	\$ 4,765,754	\$ -
Transfers from other funds	-	-	-	-	2,781,099
Transfers to other funds	(420,998)	(39)	(200)	(421,237)	(2,454,566)
Change in net position	24,758,909	1,876,537	2,853,766	29,489,212	3,517,333
NET POSITION, BEGINNING OF YEAR	<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>
NET POSITION, END OF YEAR	<u>\$ 494,194,996</u>	<u>\$ 22,350,045</u>	<u>\$ 87,268,560</u>	<u>\$ 603,813,601</u>	<u>\$ 54,716,604</u>
Allocation of net expenses of certain internal service funds to business-type activities				(24,909,898)	
NET POSITION OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET POSITION				<u>\$ 578,903,703</u>	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Net Position of Proprietary Funds to the Statement of Activities					
Total net change in fund balances - proprietary funds				\$ 29,489,212	
Internal service fund allocation for proprietary funds				573,297	
Change in net position for primary government business-type activities				<u>\$ 30,062,509</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, 2020**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from third parties	\$ 84,103,677	\$ 6,278,913	\$ 7,901,821	\$ 98,284,411	\$ -
Cash received from City departments	-	-	-	-	60,096,559
Cash payments to suppliers for goods and services	(29,189,592)	(2,927,204)	(6,589,779)	(38,706,575)	(16,515,628)
Cash payments to employees	(14,023,631)	(1,116,423)	(3,560,817)	(18,700,871)	(5,664,949)
Cash payments for claims and loss adjustments	-	-	-	-	(25,150,100)
Net cash provided (used) by operating activities	<u>40,890,454</u>	<u>2,235,286</u>	<u>(2,248,775)</u>	<u>40,876,965</u>	<u>12,765,882</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(420,998)	(39)	(200)	(421,237)	(2,454,566)
Transfers from other funds	-	-	-	-	2,781,099
Sales to other departments	-	17,878	-	17,878	-
Amounts borrowed/repaid from other funds	998,919	-	-	998,919	2,532,371
Intergovernmental revenue	802,336	-	-	802,336	-
Amounts loaned to other funds	(798,720)	500,000	-	(298,720)	760,547
Cash payments received for passenger facility charge	-	-	815,726	815,726	-
Net cash provided (used) by noncapital financing activities	<u>581,537</u>	<u>517,839</u>	<u>815,526</u>	<u>1,914,902</u>	<u>3,619,451</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(22,973,451)	(1,501,372)	(3,520,683)	(27,995,506)	(5,963,538)
Capital grants received	3,539,028	-	8,737,202	12,276,230	-
Issuance of bonds	84,739,208	10,179,524	-	94,918,732	-
Principal paid on bond maturities	(67,285,000)	(515,000)	(1,830,000)	(69,630,000)	-
Principal paid on proportionate share of Water Authority debt	(5,837,260)	-	-	(5,837,260)	-
Principal paid on capital lease	-	-	-	-	(1,704,679)
Interest expense	(7,479,239)	(303,140)	(43,763)	(7,826,142)	(183,481)
Proceeds from insurance	-	-	-	-	154,532
Proceeds from sale of capital assets	24,344	-	-	24,344	56,662
Net cash provided (used) by capital and related financing activities	<u>(15,272,370)</u>	<u>7,860,012</u>	<u>3,342,756</u>	<u>(4,069,602)</u>	<u>(7,640,504)</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, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water and Sewer	Drainage Utility	Airport	Total	
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investment securities	\$ 24,075,000	\$ 5,500,000	\$ 3,500,000	\$ 33,075,000	\$ 29,560,000
Purchase of investment securities	(12,640,914)	(3,750,000)	(3,750,436)	(20,141,350)	(28,575,502)
Interest and gains on investments	1,600,507	123,955	124,756	1,849,218	676,989
Net cash provided (used) by investing activities	13,034,593	1,873,955	(125,680)	14,782,868	1,661,487
Net increase (decrease) in cash and cash equivalents	39,234,214	12,487,092	1,783,827	53,505,133	10,406,316
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	90,251,116	2,413,419	1,999,453	94,663,988	13,660,102
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 129,485,330</u>	<u>\$ 14,900,511</u>	<u>\$ 3,783,280</u>	<u>\$ 148,169,121</u>	<u>\$ 24,066,418</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 25,828,892	\$ 2,074,202	\$ (6,187,551)	\$ 21,715,543	\$ 2,890,598
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	14,782,725	313,533	5,751,939	20,848,197	8,412,366
(Increase) decrease in accounts receivable	63,445	(60,898)	(802,337)	(799,790)	1,285,170
(Increase) decrease in deferred outflows	772,901	41,869	197,450	1,012,220	469,680
(Increase) decrease in other accrued revenue	(719,653)	-	118,100	(601,553)	-
(Increase) decrease in prepaid expenses	(53,398)	-	(135,517)	(188,915)	(847,146)
(Increase) decrease in inventories	-	-	-	-	55,433
Increase (decrease) in vouchers payable	325,079	(107,673)	(714,767)	(497,361)	554,274
Increase (decrease) in accounts payable	(761,740)	7,611	(344,746)	(1,098,875)	(49,713)
Increase (decrease) in accrued operating expenses	(8,589)	10,304	23,270	24,985	114,032
Increase (decrease) in deferred inflows	2,714,901	201,907	641,962	3,558,770	1,324,707
Increase (decrease) in customer deposits	1,439,215	-	473	1,439,688	-
Increase (decrease) in provision for compensated absences	54,417	5,138	50,656	110,211	53,492
Increase (decrease) in net OPEB liability	126,724	12,451	27,118	166,293	43,895
Increase (decrease) in net pension liability	(3,662,887)	(263,158)	(874,825)	(4,800,870)	(1,842,113)
Increase (decrease) in IBNR accrual	-	-	-	-	270,302
Increase (decrease) in other accrued expenses	(11,578)	-	-	(11,578)	-
Increase (decrease) in estimated claims liabilities	-	-	-	-	30,905
Net cash provided (used) by operating activities	<u>\$ 40,890,454</u>	<u>\$ 2,235,286</u>	<u>\$ (2,248,775)</u>	<u>\$ 40,876,965</u>	<u>\$ 12,765,882</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Amortization of bond premiums	\$ (676,824)	\$ (4,982)	\$ (143,552)	\$ (825,358)	\$ -
Decreases (increases) in fair values of investments	(195,013)	-	-	(195,013)	(39,712)
Capital contributions to/from other funds	-	3,900	-	3,900	-
Investment premium/discount amortization	86,942	6,152	-	93,094	-

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, 2020

	Private- Purpose Trust Funds	Post Employment Benefits Trust Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 31,954	\$ 260,016	\$ 460,325
Investments, at fair values	-	21,106,149	-
TOTAL ASSETS	<u>\$ 31,954</u>	<u>\$ 21,366,165</u>	<u>\$ 460,325</u>
LIABILITIES			
Due to agencies	\$ -	\$ -	\$ 460,325
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,325</u>
NET POSITION			
Held for other governments, individuals, entities	\$ 31,954	\$ -	\$ -
Net position restricted for OPEB	-	21,366,165	-
TOTAL NET POSITION	<u>\$ 31,954</u>	<u>\$ 21,366,165</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, 2020

	Private- Purpose Trust Funds	Post Employment Benefits Trust Fund
ADDITIONS		
Employer Contributions	\$ -	\$ 6,546,866
Investment income (loss)	182	3,491,565
Total additions	<u>182</u>	<u>10,038,431</u>
DEDUCTIONS		
Benefits paid	<u>-</u>	<u>3,909,807</u>
Total deductions	<u>-</u>	<u>3,909,807</u>
Change in net position	<u>182</u>	<u>6,128,624</u>
NET POSITION, BEGINNING OF YEAR	<u>31,772</u>	<u>15,237,541</u>
NET POSITION, END OF YEAR	<u>\$ 31,954</u>	<u>\$ 21,366,165</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, 2020

	<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>
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 4,306,617	\$ 15,844,654	\$ 2,318,851	\$ 139,200	\$ 4,535	\$ 482,911	\$ 23,096,768
Investments	163,909,588	27,645,000	2,750,000	-	30,014	-	194,334,602
Receivables, net	4,600	8,969,757	244,138	-	-	11,058	9,229,553
Inventories and prepaid expenses	784,441	-	42,680	-	-	-	827,121
Other current assets	1,037,712	10,000	-	-	-	-	1,047,712
Total current assets	<u>170,042,958</u>	<u>52,469,411</u>	<u>5,355,669</u>	<u>139,200</u>	<u>34,549</u>	<u>493,969</u>	<u>228,535,756</u>
NONCURRENT ASSETS							
Restricted cash and cash equivalents	9,756,251	5,804,840	675,122	-	-	-	16,236,213
Receivables, net	-	43,877,364	-	-	-	-	43,877,364
Other noncurrent assets	-	-	-	-	-	-	-
Land and building held for future incentives	16,800	7,269,289	-	-	-	-	7,286,089
Capital assets:							
Buildings and improvements, net of depreciation	4,760	8,277,951	9,430,702	-	-	52,343,369	70,056,782
Equipment and vehicles, net of depreciation	-	62,779	8,281	-	-	203,843	274,903
Construction in process	-	995,232	-	-	-	-	995,232
Total noncurrent assets	<u>9,777,811</u>	<u>66,287,455</u>	<u>10,114,105</u>	<u>-</u>	<u>-</u>	<u>52,547,212</u>	<u>138,726,583</u>
TOTAL ASSETS	<u>\$ 179,820,769</u>	<u>\$ 118,756,866</u>	<u>\$ 15,469,774</u>	<u>\$ 139,200</u>	<u>\$ 34,549</u>	<u>\$ 53,041,181</u>	<u>\$ 367,262,339</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	\$ -	\$ -	\$ 533,247	\$ -	\$ -	\$ -	\$ 533,247
Deferred outflows on net OPEB liability	-	7,702	-	-	-	-	7,702
Deferred outflows on net pension liability	2,000,000	80,548	-	-	-	-	2,080,548
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,000,000</u>	<u>\$ 88,250</u>	<u>\$ 533,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,621,497</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, 2020

	<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>
LIABILITIES AND NET POSITION							
CURRENT LIABILITIES							
Accounts payable and accrued expenses	\$ 17,912	\$ 895,619	\$ 204,738	\$ -	\$ -	\$ 21,980	\$ 1,140,249
Current portion of long-term obligations	18,395	9,200,000	540,000	-	-	-	9,758,395
Total current liabilities	<u>36,307</u>	<u>10,095,619</u>	<u>744,738</u>	<u>-</u>	<u>-</u>	<u>21,980</u>	<u>10,898,644</u>
NONCURRENT LIABILITIES							
Liabilities payable from restricted assets - accrued interest	-	145,701	-	-	-	-	145,701
Noncurrent portion of long-term obligations	-	48,915,000	8,818,654	-	-	2,179,542	59,913,196
Net pension liability	785,080	-	-	-	-	-	785,080
Net OPEB liability	-	66,629	-	-	-	-	66,629
Estimated liabilities							
Compensated absences	-	155,443	-	-	-	-	155,443
Total noncurrent liabilities	<u>785,080</u>	<u>49,282,773</u>	<u>8,818,654</u>	<u>-</u>	<u>-</u>	<u>2,179,542</u>	<u>61,066,049</u>
TOTAL LIABILITIES	<u>821,387</u>	<u>59,378,392</u>	<u>9,563,392</u>	<u>-</u>	<u>-</u>	<u>2,201,522</u>	<u>71,964,693</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflow	118,149	12,870	-	-	-	-	131,019
Total deferred inflows of resources	<u>118,149</u>	<u>12,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,019</u>
NET POSITION							
Net investment in capital assets	21,560	8,340,730	613,576	-	-	50,367,670	59,343,536
Restricted for:							
Debt service	-	5,659,139	675,122	-	-	-	6,334,261
Other purposes	9,756,251	-	-	-	-	-	9,756,251
Unrestricted	171,103,422	45,453,985	5,150,931	139,200	34,549	471,989	222,354,076
TOTAL NET POSITION	<u>\$ 180,881,233</u>	<u>\$ 59,453,854</u>	<u>\$ 6,439,629</u>	<u>\$ 139,200</u>	<u>\$ 34,549</u>	<u>\$ 50,839,659</u>	<u>\$ 297,788,124</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, 2020

	<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>
EXPENSES							
Functions/Programs:							
Public health	\$ 30,108,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,108,105
Economic development/industrial	-	41,829,495	-	-	-	2,224,775	44,054,270
Economic development/Tourism	-	-	1,966,269	-	-	-	1,966,269
Interest on long term debt	-	1,223,910	348,105	-	-	-	1,572,015
Total program expenses	<u>30,108,105</u>	<u>43,053,405</u>	<u>2,314,374</u>	<u>-</u>	<u>-</u>	<u>2,224,775</u>	<u>77,700,659</u>
PROGRAM REVENUES							
Intergovernmental revenues - operating	327,141	-	-	-	-	314,877	642,018
Charges for services / Local Provider Participation	17,853,204	3,721,157	-	-	-	-	21,574,361
Gain (loss) on disposal of property	-	556,339	-	-	-	-	556,339
Miscellaneous	-	10,000	-	92	-	-	10,092
Total program revenues	<u>18,180,345</u>	<u>4,287,496</u>	<u>-</u>	<u>92</u>	<u>-</u>	<u>314,877</u>	<u>22,782,810</u>
Net (expense) revenue	<u>(11,927,760)</u>	<u>(38,765,909)</u>	<u>(2,314,374)</u>	<u>92</u>	<u>-</u>	<u>(1,909,898)</u>	<u>(54,917,849)</u>
GENERAL REVENUES							
Sales taxes	-	19,943,667	-	-	-	-	19,943,667
Gross receipts business taxes	-	-	2,343,334	-	-	-	2,343,334
Investment earnings (loss)	7,356,525	555,989	59,075	773	490	-	7,972,852
Total general revenues	<u>7,356,525</u>	<u>20,499,656</u>	<u>2,402,409</u>	<u>773</u>	<u>490</u>	<u>-</u>	<u>30,259,853</u>
CONTRIBUTED CAPITAL							
Change in net position	<u>(4,571,235)</u>	<u>(18,383,879)</u>	<u>88,035</u>	<u>865</u>	<u>490</u>	<u>(1,909,898)</u>	<u>(24,775,622)</u>
NET POSITION, BEGINNING OF YEAR	<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>
PRIOR PERIOD ADJUSTMENT (NOTE 20)	<u>-</u>	<u>(1,594,634)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,594,634)</u>
NET POSITION, BEGINNING OF YEAR, RESTATED	<u>185,452,468</u>	<u>77,837,733</u>	<u>6,351,594</u>	<u>138,335</u>	<u>34,059</u>	<u>52,749,557</u>	<u>322,563,746</u>
NET POSITION, END OF YEAR	<u>\$ 180,881,233</u>	<u>\$ 59,453,854</u>	<u>\$ 6,439,629</u>	<u>\$ 139,200</u>	<u>\$ 34,549</u>	<u>\$ 50,839,659</u>	<u>\$ 297,788,124</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, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition and Scope of Reporting Entity

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

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

Discretely Presented Component Units

Amarillo Hospital District

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

The District currently collaborates with Northwest Texas Healthcare System to ensure both parties best allocate their resources for the provision of care to the low income and needy residents in their community. As part of this collaboration, Northwest has proposed that the District fund payments to Northwest under the Medicaid program ("Medicaid"). Accordingly, the District suspended the "Indigent Care Agreement," which was part of the sales agreement and replaced it with an almost identical agreement called the "Health Care Services Agreement." With the suspension of the "Indigent Care Agreement," the District was no longer obligated to make indigent care payments. However, the District funded Northwest Texas Hospital's Medicaid program. The "Indigent Care Agreement" was amended to extend the suspension through May 8, 2021. The District is prepaid through May 8, 2020 and has provided \$76.2 million in funding to the Medicaid program versus \$93.7 million in indigent care payments that would have been due under the contract. On May 17, 2016, Northwest Texas Healthcare System exercised an option to extend the term of the "Indigent Care Agreement" until May 7, 2036. The "Indigent Care Agreement" indicated that if the extension occurred then the contractual consideration would be periodically adjusted by a consumer price index (CPI) factor. On May 6, 2020, both parties agreed to an amount to satisfy all CPI adjustments prior to May 8, 2020 and the quarterly amount the District would begin paying on May 8, 2020.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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 January 28, 2020 meeting, the District set the mandatory payment rate for the 2020 fiscal year at 2.22% of net patient revenue as reported in the 2017 American Hospital Association Annual Survey of Hospitals. The mandatory payments are deposited into the LPPF. The funds may be used to support the nonfederal share of payments described in Section 295A.103(c)(1) of the Health and Safety Code. The LPPF is broad based as it applies to all nonpublic hospitals located in Amarillo Hospital District that provide inpatient hospital services. The formula for calculating the mandatory payments is the same for each hospital (2.22% of net position revenues). No hospitals are held harmless or exempt from paying the mandatory payments.

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

Amarillo Economic Development Corporation

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

Amarillo-Potter Events Venue District

The Amarillo-Potter Events Venue District (Venue District) was established in January 1998, upon the approval of the voters of the City of Amarillo and Potter County to create a vehicle for financing a livestock arena and expansion of the Civic Center. 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 OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition and Scope of Reporting Entity (Continued)

City serves as fiscal agent for AHFC. AHFC is considered to be a part of the City's financial reporting entity, because the City Council appoints its Board of Directors and has discretion over their terms of office as well as the programs and activities of the Corporation. The Boards are not substantially the same, nor does AHFC provide services to the City.

Amarillo Local Government Corporation

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

Amarillo Health Facilities Corporation

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

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, 2020

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, 2020

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, 2020

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.

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interfund Receivable and, Payables

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

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

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

Inventories, Prepaid and Unearned Revenue

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

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

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

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.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

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)

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

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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)

Compensated Absence (Continued)

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.

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, 2020, 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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 of Resources

Deferred charge on refunding	\$ 2,375,404
Deferred outflow related to the net pension liability	
TMRS	9,389,853
FRRF	15,530,147
Deferred outflow related to the OPEB liability	<u>6,643,931</u>

Total Deferred Outflows of Resources **\$ 33,939,335**

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, 2020, the City had four 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 and unavailable property taxes.

Deferred Inflows of Resources

Deferred gain on refunding	\$ 2,015,500
Deferred inflow related to the net pension liability	
TMRS	17,164,437
FRRF	23,560,087
Deferred inflow related to the net OPEB liability	1,885,914
Unavailable property taxes	<u>178,876</u>

Total Deferred Inflows of Resources **\$ 44,804,814**

Net Position

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

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

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

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

Fund Balances

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

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

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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 (Continued)

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.

Change in Accounting Estimate

During 2020, the City changed the methodology used to estimate the liability for Landfill closure and post closure cost. The new methodology is based on cubic yards to calculate remaining capacity. The change in methodology increased the estimated liability \$1,110,597 from the prior year. The liability at September 30, 2020 was \$4,692,643. See Note 12 for additional disclosure.

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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

Budgetary Information (Continued)

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, 2020, 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, 2020, for General Fund are \$722,091, for Special Revenue Funds are \$678,810, for Capital Project Funds are \$2,918,365 for Water and Sewer Fund are \$320,464, for Airport Fund are \$981,570, for Fleet Services Fund are \$3,199,027, for Information Services Fund are \$14,617, for Risk Management Fund are \$87,201.

Deficit Fund Equity

During the fiscal year ended September 30, 2020, the Home Investment Partnership Program Fund had a fund deficit of \$1, the Coming Home Fund had a fund deficit of \$2, the Miscellaneous Special Revenue Fund, Court Security Fund, had a \$6 fund deficit and the Justice Assistant Grant Fund had a fund deficit of \$2, the Selective Traffic Enforcement Program Fund had a fund deficit of \$2, the COVID-19 Relief Fund had a fund deficit of \$1.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

Under the Revised Statutes of the State of Texas, all deposits, to the extent not insured by the Federal Deposit Insurance Corporation (FDIC), must be collateralized by securities or insured by a bond. At September 30, 2020, demand deposit and time deposits held by the depository institution, before reduction for checks issued and not presented, were in the total amount of \$28,470,798. The accounts are collateralized by pledged securities of \$35,700,001. The City has a secondary depository institution with demand deposits of \$98,768. 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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2020, the weighted-average maturity of the City's total investment securities was 0.70 years.

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

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

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

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

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

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

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

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2020, and the corresponding weighted average maturity is shown in Table 1 below:

	Fair Value		Total	Weighted Average Maturity (Years)
	Unrestricted Assets	Restricted Assets		
Investment Securities				
U.S. Treasury Obligations	\$ 23,247,361	\$ -	\$ 23,247,361	0.66
U.S. Government Sponsored Agencies	39,688,802	1,010,570	40,699,372	0.95
Total investment securities	62,936,163	1,010,570	63,946,733	0.85
No-load U.S. Treasury-only mutual funds	119,374,086	108,126,286	227,500,372	-
Total investments	182,310,249	109,136,856	291,447,105	0.19
Add: Time deposits with original maturities over three months	23,183,236	7,500,000	30,683,236	0.40
Total investments	205,493,485	116,636,856	322,130,341	0.21
Deduct: Cash equivalents	(119,374,086)	(108,126,286)	(227,500,372)	-
Net investments for financial reporting	\$ 86,119,399	\$ 8,510,570	\$ 94,629,969	0.70

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, 2020**

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

	<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>
September 30, 2020:				
Certificates of Deposit	\$ 30,683,236	\$ -	\$ 30,683,236	\$ -
U.S. government and agency obligations	63,946,733	63,946,733	-	-
Mutual funds - money market	<u>227,500,372</u>	<u>-</u>	<u>227,500,372</u>	<u>-</u>
Total	<u>\$ 322,130,341</u>	<u>\$ 63,946,733</u>	<u>\$ 258,183,608</u>	<u>\$ -</u>

For the valuation of certain U.S. government and agency obligations and taxable municipal bonds at September 30, 2020, 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, 2020, 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	\$ 21,106,149	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, 2020.

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.

The combined tax rate of the 2019 tax roll for the 2019/20 fiscal year was \$0.38851 per \$100 of assessed valuation, resulting in a tax levy in the amount of \$50,290,705 on taxable value of \$13,616,633,451.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 5 – TAXES (CONTINUED)

Property taxes receivable at September 30, 2020, are reflected in Table 2 below:

<u>Year of Levy</u>	
2020	\$ 440,684
2019	204,265
2018	127,433
2017	85,932
2016	73,712
2015	64,300
2014	59,213
2013	53,491
2012	47,768
2011	53,712
2010	41,288
2009	33,754
2008	27,234
2007	22,565
Prior	<u>70,309</u>
Total taxes receivable	1,405,660
Less: Allowance for estimated uncollectible portion	<u>1,096,963</u>
Net taxes receivable	308,697
Less: Provisions for collections deferred over 60 days	<u>178,876</u>
Amount available (reserved in accordance with City ordinances)	<u>\$ 129,821</u>

Table 2 – Taxes Receivable at September 30, 2020

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>
<u>General Fund</u>			
Hotel occupancy tax account	\$ 1,323,782	\$ -	\$ 1,323,782
Total bond debt service/retirement	<u>\$ 1,323,782</u>	<u>\$ -</u>	<u>\$ 1,323,782</u>
<u>Bonded Debt Service Fund</u>			
Bond interest and redemption	\$ 1,914,910	\$ 2,750	\$ 1,912,160
Total bond debt service/retirement	<u>\$ 1,914,910</u>	<u>\$ 2,750</u>	<u>\$ 1,912,160</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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

	<u>Restricted Assets</u>	<u>Related Liabilities</u>	<u>Restricted Net Position</u>
<u>General Construction Fund</u>			
Bond proceed account	\$ 7,954,290	\$ 7,954,290	\$ -
Total bond debt service/retirement	<u>\$ 7,954,290</u>	<u>\$ 7,954,290</u>	<u>\$ -</u>
<u>Civic Center Improvement Fund</u>			
Bond proceed account	\$ 6,004,882	\$ 377,580	\$ 5,627,302
Total bond debt service/retirement	<u>\$ 6,004,882</u>	<u>\$ 377,580</u>	<u>\$ 5,627,302</u>
<u>GO Bond Construction Fund</u>			
Bond proceed account	\$ 14,257,792	\$ 14,257,792	\$ -
Total bond debt service/retirement	<u>\$ 14,257,792</u>	<u>\$ 14,257,792</u>	<u>\$ -</u>
<u>Water Sewer System</u>			
Bond escrow and proceed accounts	\$ 70,868,501	\$ 70,868,501	\$ -
Revenue bond interest and redemption	3,580,823	-	3,580,823
Revenue bond reserve	2,415,142	-	2,415,142
Total bond debt service/retirement	<u>\$ 76,864,466</u>	<u>\$ 70,868,501</u>	<u>\$ 5,995,965</u>
<u>Airport</u>			
PFC funds	\$ 50,818	\$ -	\$ 50,818
Revenue bond interest and redemption	530	-	530
Total bond debt service/retirement	<u>\$ 51,348</u>	<u>\$ -</u>	<u>\$ 51,348</u>
<u>Drainage Utility</u>			
Bond interest and redemption	\$ 116,194	\$ -	\$ 116,194
Bond proceed account	10,111,097	10,111,097	-
Total bond debt service/retirement	<u>\$ 10,227,291</u>	<u>\$ 10,111,097</u>	<u>\$ 116,194</u>
<u>Fleet</u>			
Bond interest and redemption	\$ 74,853	\$ -	\$ 74,853
Total bond debt service/retirement	<u>\$ 74,853</u>	<u>\$ -</u>	<u>\$ 74,853</u>

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, 2020

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	Balances October 1, 2019	Additions	Deletions	Balances September 30, 2020
Capital assets used by governmental activities, at cost				
Capital assets, not being depreciated				
Land	\$ 15,607,065	\$ 88,458	\$ 11,149	\$ 15,684,374
Contributed ROW easements	25,512,097	4,172,221	-	29,684,318
Capital projects in process	55,907,693	37,469,870	45,186,464	48,191,099
Total capital assets, not being depreciated	<u>97,026,855</u>	<u>41,730,549</u>	<u>45,197,613</u>	<u>93,559,791</u>
Capital assets, being depreciated				
Infrastructure	301,554,693	7,941,658	-	309,496,351
Building and other improvements	359,439,357	27,629,931	268,510	386,800,778
Equipment and vehicles	105,255,122	16,527,615	1,577,487	120,205,250
Capital leases	7,190,244	1,245,878	-	8,436,122
Library collections	8,066,522	293,186	481,696	7,878,012
Total capital assets, being depreciated	<u>781,505,938</u>	<u>53,638,268</u>	<u>2,327,693</u>	<u>832,816,513</u>
Less accumulated depreciation for:				
Infrastructure	138,838,042	6,094,067	-	144,932,109
Buildings and other improvements	167,529,891	13,970,854	268,508	181,232,237
Equipment and vehicles	70,495,760	8,327,500	780,580	78,042,680
Capital leases	1,440,074	1,708,905	283,663	2,865,316
Library collections	3,343,811	478,768	481,696	3,340,883
Total accumulated depreciation	<u>381,647,578</u>	<u>30,580,094</u>	<u>1,814,447</u>	<u>410,413,225</u>
Total capital assets, being depreciated, net	<u>399,858,360</u>	<u>23,058,174</u>	<u>513,246</u>	<u>422,403,288</u>
Net capital assets used by governmental activities	<u>496,885,215</u>	<u>64,788,723</u>	<u>45,710,859</u>	<u>515,963,079</u>
Capital assets used by business-type activities, at cost:				
Enterprise funds				
Water and sewer				
Land	2,040,262	-	-	2,040,262
Construction in progress	66,204,539	22,972,694	21,191,826	67,985,407
Contributed ROW Easements	1,713,516	90,659	-	1,804,175
Total capital assets, not being depreciated	<u>69,958,317</u>	<u>23,063,353</u>	<u>21,191,826</u>	<u>71,829,844</u>
Capital assets, being depreciated				
Water rights and contracts	108,669,072	-	-	108,669,072
Buildings and improvements	683,446,448	21,156,669	-	704,603,117
Equipment and vehicles	4,860,698	35,911	114,759	4,781,850
Total capital assets, being depreciated	<u>796,976,218</u>	<u>21,192,580</u>	<u>114,759</u>	<u>818,054,039</u>
Less accumulated depreciation for:				
Water rights and contracts	33,808,227	1,106,821	-	34,915,048
Buildings and improvements	236,811,478	13,467,636	-	250,279,114
Equipment and vehicles	3,642,695	208,268	114,760	3,736,203
Total accumulated depreciation	<u>274,262,400</u>	<u>14,782,725</u>	<u>114,760</u>	<u>288,930,365</u>
Total capital assets, being depreciated net	<u>522,713,818</u>	<u>6,409,855</u>	<u>(1)</u>	<u>529,123,674</u>
Net capital assets used by Water and Sewer	<u>592,672,135</u>	<u>29,473,208</u>	<u>21,191,825</u>	<u>600,953,518</u>
Drainage utility				
Land	2,010	85,734	-	87,744
Contributed ROW easements	771,594	3,900	-	775,494
Construction in progress	8,732,752	2,046,235	3,237,917	7,541,070
Total capital assets, not being depreciated	<u>9,506,356</u>	<u>2,135,869</u>	<u>3,237,917</u>	<u>8,404,308</u>
Capital assets, being depreciated				
Building and improvements	12,365,644	2,599,835	-	14,965,479
Equipment and vehicles	34,348	7,486	-	41,834
Total capital assets, being depreciated	<u>12,399,992</u>	<u>2,607,321</u>	<u>-</u>	<u>15,007,313</u>
Less accumulated depreciation for:				
Building and improvements	612,119	310,424	-	922,543
Equipment and vehicles	20,699	3,108	-	23,807
Total accumulated depreciation	<u>632,818</u>	<u>313,532</u>	<u>-</u>	<u>946,350</u>
Total capital assets, being depreciated net	<u>11,767,174</u>	<u>2,293,789</u>	<u>-</u>	<u>14,060,963</u>
Net capital assets used by Drainage utility	<u>21,273,530</u>	<u>4,429,658</u>	<u>3,237,917</u>	<u>22,465,271</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 7 - CAPITAL ASSETS (CONTINUED)

	Balances October 1, 2019	Additions	Deletions	Balances September 30, 2020
Airport				
Land	2,777,341	-	-	2,777,341
Construction in progress	16,199,682	3,494,886	17,787,114	1,907,454
Total capital assets, not being depreciated	<u>18,977,023</u>	<u>3,494,886</u>	<u>17,787,114</u>	<u>4,684,795</u>
Capital assets, being depreciated				
Building and improvements	159,110,945	17,361,457	-	176,472,402
Equipment and vehicles	8,420,400	451,453	17,577	8,854,276
Total capital assets, being depreciated	<u>167,531,345</u>	<u>17,812,910</u>	<u>17,577</u>	<u>185,326,678</u>
Less accumulated depreciation for:				
Building and improvements	102,189,991	5,287,144	-	107,477,135
Equipment and vehicles	5,006,499	464,795	17,432	5,453,862
Total accumulated depreciation	<u>107,196,490</u>	<u>5,751,939</u>	<u>17,432</u>	<u>112,930,997</u>
Total capital assets, being depreciated net	<u>60,334,855</u>	<u>12,060,971</u>	<u>145</u>	<u>72,395,681</u>
Net capital assets used by Airport	79,311,878	15,555,857	17,787,259	77,080,476
Net capital assets used by business type activities	<u>693,257,543</u>	<u>49,458,723</u>	<u>42,217,001</u>	<u>700,499,265</u>
Government-wide net capital assets	<u>\$ 1,190,142,758</u>	<u>\$ 114,247,446</u>	<u>\$ 87,927,860</u>	<u>\$ 1,216,462,344</u>

Table 4 - Capital Asset Activity

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

Governmental activities	
General government	\$ 49,386
Staff services	1,588,303
Police protection	541,389
Fire protection	999,056
Other public safety and health	1,081,709
Streets, traffic and engineering	8,926,640
Culture and recreation	6,935,481
Solid waste services	1,117,363
Transit services	<u>928,401</u>
Total governmental fund departments	22,167,728
Internal service fund depreciation allocable to governmental activities based on predominant usage	<u>8,412,366</u>
Total governmental activities	\$ 30,580,094
Business-type activities	
Water and sewer system	\$ 14,782,725
Drainage utility	313,532
Airport	<u>5,751,939</u>
Total business-type activities	\$ 20,848,196

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

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Water and Sewer System Capital Assets (Continued)

is not allocating water from this source. The related infrastructure recorded on the City's books for CRMWA assets at September 30, 2020, is \$50 million. The related amortized cost of these assets is \$25 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. The related amortized cost of these assets is \$9,745,094.

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, 2020.

Drainage Capital Assets

The Drainage Utility Fund currently has \$7,541,070 in construction in progress as of September 30, 2020. It also had right of way easements of \$775,494, equipment and vehicles of \$41,834, infrastructural of \$14,965,479, and land of \$87,744.

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, 2020:

Buildings and improvements	\$41,791,993
Other depreciable capital assets	5,929,917
Accumulated depreciation	<u>(2,418,743)</u>
Assets under operating lease	<u>\$45,303,167</u>

More information about this lease is included in Note 11.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 8 - LEASES (CONTINUED)

The following is a schedule by years of minimum future rentals to be received from such noncancelable operating leases as of September 30, 2020:

<u>Year Ended September 30,</u>	
2021	\$ 533,333
2022	400,000
2023	400,000
2024	400,000
2025	400,000
2026-2030	2,000,000
2031-2035	2,000,000
2036-2040	<u>1,200,000</u>
Total minimum future rentals	<u><u>\$ 7,333,333</u></u>

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 \$603,250 for the year ended September 30, 2020. The City renegotiated the four-year operating lease with Club Car for golf cars. Monthly lease expense is \$22,720 for October 2020 through December 2020, \$26,784 for January 2021 through December 2021, and \$22,720 for January 2022 through June 2022. The total cost of the lease is \$1,093,218. Annual lease payments are \$309,216 for FY 2021 and \$216,672 for 2022. Total costs for the lease were \$350,441 for the year ended September 30, 2020. 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 2021 through 2038, and \$6,000 for FY 2039. Total costs for the lease were \$18,000 for the year ended September 30, 2020. The City leases land to LGC for downtown development. See Note 24 for details regarding the lease.

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>	
2021	\$ 327,216
2022	234,672
2023	18,000
2024	18,000
2025	18,000
2026-2030	90,000
2031-2035	90,000
2036-2040	<u>60,000</u>
Total minimum future minimum lease payments	<u><u>\$ 855,888</u></u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 8 – LEASES (CONTINUED)

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 2021, and \$42,558 for 2022. Total costs for the lease were \$170,232 for the year ended September 30, 2020.

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 2021, 2022, and \$35,172 for 2023. Total costs for the lease were \$140,685 for the year ended September 30, 2020.

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 2021 and 2022. Total costs for the lease were \$44,587 for the year ended September 30, 2020.

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 2021 and \$437,516 for 2022. Total costs for the lease were \$447,000 for the year ended September 30, 2020.

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 2021, 2022, 2023, and \$63,727 for 2024. Total costs for the lease were \$95,590 for the year ended September 30, 2020.

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 2021, 2022, 2023, and \$65,149 for 2024. Total costs for the lease were \$195,449 for the year ended September 30, 2020.

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 2021, 2022, and 2023. Total costs for the lease were \$50,108 for the year ended September 30, 2020.

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 2021, 2022, and 2023. Total costs for the lease were \$74,496 for the year ended September 30, 2020.

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 2021, 2022, and 2023. Total costs for the lease were \$116,226 for the year ended September 30, 2020.

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 \$293,466 for the year ended September 30, 2020.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 8 - LEASES (CONTINUED)

Capital Leases (Continued)

In 2020, the City entered into a five-year lease purchase agreement with Caterpillar Financial Services Corporation for a compacter with monthly lease expense of \$15,861 and a total cost of \$951,660. Annual lease payments are \$190,332 for FY 2021, 2022, 2023, and 2024. Total costs for the lease were \$190,332 for the year ended September 30, 2020.

In 2020, the City entered into a five-year lease purchase agreement with Dell Financial Services Corporation for an Isilon storage array with annual lease expense of \$69,988 and a total cost of \$349,941. Annual lease payments are \$69,988 for FY 2021, 2022, 2023, and 2024. Total costs for the lease were \$69,988 for the year ended September 30, 2020.

Following is a summary of future minimum lease payments under these capital leases as of September 30, 2020:

<u>Year Ended September 30,</u>	
2021	\$ 1,888,159
2022	1,751,001
2023	1,120,826
2024	<u>389,196</u>
	5,149,182
Less: imputed interest	<u>(275,397)</u>
Present value of capital leases	4,873,785
Less: current maturities of capital lease obligations	<u>(1,744,024)</u>
Long-term capital lease obligations	<u>\$ 3,129,761</u>

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, 2020, were as follows:

	<u>TMRS</u>	<u>FRRF</u>	<u>Total</u>
Total pension liability	\$ 496,613,541	\$ 216,112,804	\$ 712,726,345
Fiduciary net position	<u>453,171,605</u>	<u>193,539,561</u>	<u>646,711,166</u>
City's net pension liability	<u>\$ 43,441,936</u>	<u>\$ 22,573,243</u>	<u>\$ 66,015,179</u>
City's net pension liability as a percentage of total pension liability	<u>8.75%</u>	<u>10.45%</u>	<u>9.26%</u>
Deferred outflows of resources	\$ 9,389,853	\$ 15,530,147	\$ 24,920,000
Deferred inflow of resources	<u>\$ 17,164,437</u>	<u>\$ 23,560,087</u>	<u>\$ 40,724,524</u>
Pension expense	<u>\$ 801,337</u>	<u>\$ 1,385,853</u>	<u>\$ 2,187,190</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

The City's total payroll for the fiscal year ended September 30, 2020, was \$110,002,910. Covered for the two plans was as follows:

TMRS	\$ 88,362,233
FRRF	<u>20,101,508</u>
Total covered payroll	<u>\$ 108,463,741</u>

Including current employees, annuitants and terminated employees entitled to future benefits, the City had 4,173 members of TMRS and 501 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.

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 2020</u>	<u>Plan Year 2019</u>
Employee deposit rate	7%	7%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating	100% repeating
Annuity increase (to retirees)	0% of CPI	0% of CPI

Upon joining the Plan, the City granted its employees monetary credits of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (currently 200% for City of Amarillo employees) of the employee's accumulated contributions. In addition, the City can grant as often as annually another type of monetary credit referred to as an updated service credit. The updated

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Texas Municipal Retirement System (TMRS)(Continued)

Benefits Provided (Continued)

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, 2019, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,208
Inactive employees entitled to but not yet receiving benefits	1,140
Active employees	<u>1,825</u>
Total employees	<u><u>4,173</u></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 12.18% and 12.21% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$10,802,270.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

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

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Texas Municipal Retirement System (TMRS)(Continued)

Actuarial Assumptions (Continued)

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, 2019, 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 2018 and 2019 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended 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>
Global equity	30.0%	5.30%
Core fixed income	10.0%	1.25%
Non-core fixed income	20.0%	4.14%
Real estate	10.0%	4.00%
Real return	10.0%	3.85%
Absolute return	10.0%	3.48%
Private equity	<u>10.0%</u>	7.75%
Total	<u>100.0%</u>	

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2018	\$ 482,888,674	\$ 403,884,727	\$ 79,003,947
Changes for the year:			
Service cost	12,476,747	-	12,476,747
Interest	32,015,252	-	32,015,252
Change of benefit terms	-	-	-
Difference between expected and actual experience	(2,973,382)	-	(2,973,382)
Changes of assumptions	1,860,274	-	1,860,274
Contributions - employer	-	10,762,444	(10,762,444)
Contributions - employee	-	6,185,896	(6,185,896)
Net investment income	-	62,355,975	(62,355,975)
Benefit payments, including refunds of employee contributions	(29,654,024)	(29,654,024)	-
Administrative expense	-	(352,814)	352,814
Other changes	-	(10,599)	10,599
Net changes	13,724,867	49,286,878	(35,562,011)
Balance at December 31, 2019	\$ 496,613,541	\$ 453,171,605	\$ 43,441,936

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	\$ 105,116,564	\$ 43,441,936	\$ (7,924,874)

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

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.

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

For the year ended September 30, 2020, the City recognized pension expense of \$801,337.

At September 30, 2020, 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	\$ 183,827	\$ 3,193,751
Changes in actuarial assumptions	1,368,138	-
Difference between projected and actual investment earnings	-	13,970,686
Contributions subsequent to the measurement date	<u>7,837,888</u>	<u>-</u>
Total	<u>\$ 9,389,853</u>	<u>\$ 17,164,437</u>

The \$7,837,888 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, 2021. 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,

2021	\$ (4,782,288)
2022	(4,904,651)
2023	1,093,219
2024	<u>(7,018,752)</u>
Total	<u>\$(15,612,472)</u>

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, 2020

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, 2020**

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, 2019, the measurement date, are as follows:

Active:	
Vested	41
Nonvested	<u>230</u>
	<u>271</u>
Terminated:	
Nonvested	-
Retired:	
Vested	5
Pensioners:	
Service retirement	193
Disability retirement	4
Spouses/children	<u>28</u>
	<u>225</u>
Total participants	<u><u>501</u></u>

Contributions

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

The City employer contribution rate was 18.83% of the firefighters' gross pay starting January 2014 and was increased to 19.57% starting January 2017, and was increased to 19.82% starting January 2020. 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 Fire Department of the City and he is not entitled to any

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Contributions (Continued)

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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial report as of December 31, 2019.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all prior periods included in the measurement:

Inflation	2.75%
Salary increases	3.00%, plus promotion, step and longevity increases that vary by service
Investment rate	7.50%, net of pension plan investment expense, including inflation

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighing the expected future net real rates of return by the target asset allocation percentage (currently resulting in 5.00%) and by adding expected inflation (2.75%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Equities		
Large/mid cap domestic	58.50%	6.05%
Small cap domestic	11.60%	6.55%
International cap	4.80%	7.05%
Fixed income and cash	<u>25.10%</u>	1.45%
Total	<u>100.00%</u>	
Weighted Average		5.00%

Change in Assumptions

Salary increases were lowered from 3.50% to 3.00%, plus promotion, step longevity increases that vary by service. The rate of inflation was increased to 2.75% from 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. No projection of cash flows used to determine the discount rate because the December 31, 2019 actuarial valuation showed that expected contributions would pay the normal cost amortize the unfunded actuarial liability (UAAL) in 38 years.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Discount Rate (Continued)

Because of the 38-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was applied to all periods of projected benefit payments as the discount rate to determine total pension liability.

Changes in Net Pension Liability

The changes in net pension liability 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, 2018	\$ 211,239,766	\$ 162,766,407	\$ 48,473,359
Changes for the year:			
Service cost	5,556,209	-	5,556,209
Interest	15,778,264	-	15,778,264
Change of benefit terms	-	-	-
Difference between expected and actual experience	(6,269,191)	-	(6,269,191)
Changes of assumptions	2,646,016	-	2,646,016
Contributions - employer	-	3,933,863	(3,933,863)
Contributions - employee	-	2,613,196	(2,613,196)
Net investment income	-	37,111,511	(37,111,511)
Gain or (Loss) due to difference in projected vs. actual earnings	-	-	-
Benefit payments, including refunds of employee contributions	(12,838,260)	(12,838,260)	-
Administrative expense	-	(67,113)	67,113
Other changes	-	19,957	(19,957)
Net changes	4,873,038	30,773,154	(25,900,116)
Balance at December 31, 2019	\$ 216,112,804	\$ 193,539,561	\$ 22,573,243

Table 6 - FRRF Net Pension Liability

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

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

Changes in Net Pension Liability

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
City's net pension liability	\$ 48,613,831	\$ 22,573,243	\$ 721,235

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Pension Plan Fiduciary Net Position

the pension plan's basis of accounting and policies is available in a separately issued FRRF financial report. This report, and further details concerning the plan, is available by contacting the Board of Trustees, Firemen's Relief and Retirement Fund, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

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

For the year ended September 30, 2020, the City recognized pension expense of \$1,385,853.

At September 30, 2020, 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	\$ 2,426,622	\$ 7,682,726
Changes in actuarial assumptions	10,136,037	-
Difference between projected and actual investment earnings	-	15,877,361
Contributions subsequent to the measurement date	<u>2,967,488</u>	<u>-</u>
Total	<u>\$ 15,530,147</u>	<u>\$ 23,560,087</u>

The \$2,967,488 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, 2021. 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,

2021	\$ (3,786,603)
2022	(3,316,381)
2023	(907,066)
2024	(4,087,543)
2025	944,942
Thereafter	<u>155,223</u>
Total	<u>\$(10,997,428)</u>

Deferred Compensation Plan

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 9 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Deferred Compensation Plan (Continued)

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

NOTE 10 -DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Administration

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

Plan Membership

As of October 1, 2019, the valuation date of the Plan, the plan membership data is as follows:

Active employees	1,745
Retirees	<u>727</u>
Total	<u>2,472</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 only obtain dependent coverage at retirement, only if the employee was receiving dependent coverage immediately prior to retirement. The applicable contribution rate is based on the employee's service at retirement.

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

A divorced spouse of an employee must be dropped within 31 calendar days of divorce.

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

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

NOTE 10 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Eligibility Requirements (Continued)

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

Benefits Provided

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

Contributions

In January 2013, the City began prefunding a portion of its Other Postemployment Benefits (OPEB) liability via an irrevocable multi-employer agent OPEB trust (PEB Trust) in addition to pay-as-you-go costs. Assets in the PEB Trust can only be used to fund other postemployment benefits, such as medical costs for eligible retirees, and any eligible spouse or children. The increased prefunding contributions to 2.43% of payroll into the OPEB Trust (approximately \$2.6 million) and pay-as-you-go cost of approximately \$4 million for a total contribution at December 31, 2019 of approximately \$6.6 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 2020**

Retiree Range of Monthly Health Premium Rates

Retiree only	\$ 179.19 – \$ 533.73
Retiree and spouse	\$ 358.39 – \$ 1,067.42
Retiree and children	\$ 322.55 – \$ 796.91
Retiree and family	\$ 501.75 – \$ 1,220.96

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, 2020**

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, 2019, 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, 2020, were as follows:

Total OPEB Liability	\$ 71,489,073
OPEB Plan Fiduciary Net Position	<u>21,366,171</u>
Net OPEB Liability	<u>\$ 50,122,902</u>

Plan Fiduciary Net Position as a percentage of The Total OPEB Liability	29.89%
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<u>Asset Class</u>	<u>Target Asset Allocation</u>
Bank Insured Deposit/Cash	1.22%
Equities	50.21%
Mutual Funds	<u>48.57%</u>
	<u>100.00%</u>

Actuarial Assumptions

The total OPEB liability in the October 1, 2019 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, 2019
Measurement date	December 31, 2019
Fiscal year end	September 30, 2020
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 3.50% for FRRF
Discount rate	6.43% (partial pre-funding)
Healthcare cost trend rate	7.50%

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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, 2019	\$ 64,305,284	\$ 15,237,541	\$ 49,067,743
Changes for the year:			
Service cost	2,000,869	-	2,000,869
Interest on the total OPEB liability	4,137,785	-	4,137,785
Changes of benefits	-	-	-
Difference between expected and actual experience	(724,960)	-	(724,960)
Changes in assumptions	5,679,902	-	5,679,902
Employer contributions	-	2,635,573	(2,635,573)
Plan member contributions	-	-	-
Net investment income	-	3,493,057	(3,493,057)
Benefit payments, including employee refunds	(3,909,807)	-	(3,909,807)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	7,183,789	6,128,630	1,055,159
Balances as of September 30, 2020	\$ 71,489,073	\$ 21,366,171	\$ 50,122,902

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 6.43%.

	<u>1% Increase</u>	<u>Current Discount Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$ 43,390,602	\$ 50,122,902	\$ 57,914,928

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

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

	<u>1% Increase</u>	<u>Current Healthcare Discount Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$ 56,514,534	\$ 50,122,902	\$ 44,754,973

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

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, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2019.

For the year ended September 30, 2020, the City recognized total OPEB expense of \$(1,089,904).

At September 30, 2020, 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	\$ -	\$ 606,114
Changes in actuarial assumptions	4,748,771	529,103
Differences between projected and actual investment earnings	<u>-</u>	<u>750,697</u>
Total as of measurement date	\$ 4,748,771	\$ 1,885,914
Contributions paid to subsequent to the measurement date	<u>1,895,160</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 6,643,931</u>	<u>\$ 1,885,914</u>

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

Year ended September 30,

2021	\$	558,504
2022		558,504
2023		695,429
2024		254,024
2025		715,103
Thereafter		<u>81,293</u>
Total		<u>\$ 2,862,857</u>

Payable to OPEB Plan

At September 30, 2020, the City reported a payable of \$-0- for the outstanding amount of contributions to the Plan required for the year ended September 30, 2020.

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, 2020

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 2020-21.

However, the City has appropriated \$867,861 of its available Fund Balance in the City's 2020-21 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, 2020, 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, 2020	City's Remaining Committed
Governmental activities					
Street improvements	\$ 20,953,242	\$ 22,860,373	\$ 2,428,049	\$ 96,297	\$ 424,621
General construction	25,050,279	66,885,640	62,740,828	9,966,049	10,939,418
Solid waste improvements	4,644,196	-	-	89,457	4,554,739
Civic Center improvements	8,794,257	7,007,830	7,007,830	6,722,787	2,071,470
GO Bond Construction	50,398,776	11,073,029	3,012,009	31,202,050	11,135,706
Total - governmental fund activities	109,840,750	107,826,872	75,188,716	48,076,640	29,125,954
Internal service fund projects					
Information services	2,288,134	813,464	809,114	260,511	2,023,273
Fleet Services	2,261,382	-	-	194,740	2,066,642
Total - all governmental-type activities	114,390,266	108,640,336	75,997,830	48,531,891	33,215,869
Business-type activities					
Water and sewer system improvements	197,327,724	39,707,578	6,128,923	79,138,271	84,610,798
Airport	9,206,775	6,330,168	1,423,258	1,907,454	2,392,411
Drainage utility	20,958,910	1,343,531	1,305,093	7,541,069	13,379,403
Total - all business-type activities	227,493,409	47,381,277	8,857,274	88,586,794	100,382,612
Total - all city project	\$ 341,883,675	\$ 156,021,613	\$ 84,855,104	\$ 137,118,685	\$ 133,598,481

Table 7 – Unfinished Construction Projects

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 11 - COMMITMENTS (CONTINUED)

The City currently has eleven Public Improvement Districts (PIDs). Ten of the eleven PIDs are located in residential areas of the City and the last PID is located in a business park. One of the eleven PIDs has recently been dissolved and there are no further commitments as of September 30, 2020. These PIDs were established to provide and maintain enhanced amenities beyond what the City would normally approve in a standard development. Most of these amenities take the form of linear parks with walkways, additional landscaping, special features such as bridges and clock towers and special lighting. Since the residents adjacent to these amenities benefit more than the general public, the residents adjacent to the enhanced areas pay special assessments each year for these enhanced amenities.

The PIDs are responsible for the maintenance and ongoing upkeep of these enhanced facilities along with the original cost of the improvements. The City has issued Certificates of Obligations to pay for improvements at the Greenways Public Improvement District. The first issue was for \$600,000 in 2001; the second issue was for \$620,000 in 2003 which have since been refunded, a third issue was for \$600,000 in 2008 which have since been refunded, and a fourth issue of \$725,000 in 2014. 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 2020, there was approximately \$1,017,247 due the developer of the Greenways for unreimbursed improvements.

The City is obligated to issue additional debt and pay the developer when there are sufficient property owners to support the debt service payments. All of the enhanced amenities at the Greenways were originally estimated to be approximately \$2.5 million and there are no estimated expenditures for the 2020/2021 fiscal year.

The Colonies Public Improvement District also has approximately \$3.1 million of unreimbursed costs to the developer for enhanced amenities. The City issued Certificates of Obligations to reimburse the developer for enhancements.

The bonds were issued during 2006 in the amount of \$585,000, which have since been refunded, \$1,500,000 during 2008, which have since been refunded \$1,535,000 in 2014, and \$3,000,000 in 2018. The special assessments paid by the residents will be used to pay the debt service associated with this issue. The City is obligated to issue debt when there are sufficient property owners to support the debt to pay the developer along with the ongoing maintenance and upkeep of the amenities. All of the enhanced amenities at the Colonies were originally estimated to be approximately \$4.6 million and estimated expenditures for the 2020/2021 fiscal year are approximately \$400 thousand. The other PIDs are fully developed and there is not an amount to be paid to the developer or are in process of being developed and no amounts are to be paid to the developer as of September 30, 2020.

The City has committed \$236,500 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.

In 2012, the City approved to refund Local HOT revenues not to exceed 20 years or \$15,251,258. The Embassy Suites became eligible for the refunds in 2017. Refund payments for September 30, 2020 and 2019, were \$552,008 and \$750,484, respectively. Refunds to date total \$1,898,589.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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 were 65% occupancy rate and an average daily room rate (ADR) of \$130, prior to the opening of the MPEV. After the opening of the MPEV, the criteria changed to 63% occupancy and \$125 average daily rate. The City 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 included bond proceeds, reserves from the Civic Center Improvement Fund, General Construction Fund, TIRZ #1, and an additional funding from Center City. On February 2, 2016, the City Council amended the loan agreement between the City and TIRZ #1 authorizing a loan of \$1.85 million. During April 2016, the City issued approximately \$12 million in hotel occupancy tax revenue bonds to fund the parking garage. The parking garage was opened on July 1, 2017.

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

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 Convention and Visitor's Bureau (CVB) to promote tourism and conventions in the City. The remaining half percent is used to subsidize events. Generally, the 3.5% for the Civic Center Complex is more than enough to offset the loss, and the balance is transferred to the Civic Center Improvement Fund for future capital needs.

For the Civic Center, the net result of issuing the hotel tax revenue bonds will be fewer funds for future capital for a period of time. The hotel occupancy tax revenue will ultimately need to grow to make up for the projected reductions to the CVB. Fortunately, the City has started to see recovery from the decreased

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 11 - COMMITMENTS (CONTINUED)

hotel occupancy tax (HOT) revenues during 2019/2020 COVID-19 pandemic. HOT revenues were down 25% in 2019/2020 versus 2018/2019. The first quarter of 2020/2021 has however, seen an increased HOT revenue over the first quarter of 2019/2020 that occurred before the pandemic began. Average increases over the previous ten years have been over 2% even with the 25% decrease in 2019/2020 and a 3% decrease in 2016/2017. These are the only two years in this period that reflect a decrease.

NOTE 12 - LONG-TERM OBLIGATIONS

Tax Supported Debt

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 \$70,000 to \$88,000.

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 \$1,390,000 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.

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 \$570,000 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 \$560,000 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.

On May 1, 2020, the City issued the City of Amarillo, Texas General Obligation Refunding Bonds, Series 2020 (Refunding Series 2020 Bonds) in the total amount of \$50,450,000. The amount of the Refunding Series 2020 Bonds supported by tax revenue is \$960,000. The Bonds refunded \$52,080,783 of the City's existing debt. The refunding consisted of \$950,000 of tax supported debt, \$5,845,783 of special assessment and other revenue sources debt, and \$45,285,000 of water and sewer debt. The Refunding Series 2020 Bonds refunded \$950,000 of the 2009 General Obligation Refunding Bonds. The refunded

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Tax Supported Debt (Continued)

bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next three years by \$45,680 and resulted in an economic gain of \$38,348. The outstanding Refunding Series 2020 Bonds mature annually thru 2022 with principal payments ranging from \$470,000 to \$490,000 and provide for an interest rate of 2.00%.

On May 1, 2020, the City issued the City of Amarillo, Texas General Obligation Bonds, Series 2020 (GO Series 2020) in the total amount of \$8,100,000 for the purpose of constructing and improving public safety facilities. Interest is payable in semi-annual installments which will begin February 15, 2021, at rates ranging from 2.00% to 5.00%. The serial bonds mature annually through 2041 in amounts ranging from \$75,000 to \$440,000. The term bonds mature annually through 2045 in amounts ranging from \$450,000 to \$485,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2028, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2027, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

On May 1, 2020, the City issued the City of Amarillo, Texas Combination Tax and Revenue Certificates of Obligation, Series 2020 (CO Series 2020) in the total amount of \$8,000,000 for the purpose of constructing and improving park and recreation facilities. Interest is payable in semi-annual installments which will begin February 15, 2021, at rates ranging from 2.00% to 5.00%. The serial bonds mature annually through 2036 in amounts ranging from \$80,000 to \$280,000. The term bonds mature annually through 2050 in amounts ranging from \$285,000 to \$400,000. The City reserved the right to redeem the bonds with maturities on or after February 15, 2028, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2027, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

On May 1, 2020, the City issued the City of Amarillo, Texas Tax Notes, Series 2020 (Notes Series 2020) in the total amount of \$3,520,000 for the purpose of acquiring land for municipal facilities. Interest is payable in semi-annual installments which will begin February 15, 2021, at rates ranging from 2.00% to 3.00% ranging in amounts from \$455,000 to \$545,000. The notes mature annually through 2027. The notes will not be subject to optional redemption.

On May 1, 2020, the City's General Obligation debt is rated AAA negative by Standards and Poor's.

Special Assessment Debt

On April 1, 2014, the City issued \$2,260,000 of Combination Tax and Revenue Certificates of Obligation, Series 2014 for the purpose of financing enhancements of the park facilities in the Greenways Public Improvement District (\$725,000) and the Colonies Public Improvement District (\$1,535,000), respectively. Debt Service is to be funded out of special assessments on properties within each District. The principal and interest are payable in semi-annual installments at rates ranging from 3.00% to 3.625%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$100,000 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Special Assessment Debt (Continued)

On April 13, 2016, the City issued the Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016 (Series 2016) in the amount of \$11,995,000 to construct and equip the downtown Amarillo parking garage located in the vicinity of the City's convention center facilities. Debt service is to be funded by the Hotel Occupancy Tax. Principal and interest are payable annually at rates ranging from 2.35% to 4.25% and are subject to mandatory redemption in annual amounts ranging from \$330,000 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.

As discussed above, the City issued the Refunding Series 2020 Bonds in the total amount of \$50,450,000. The amount of the Refunding Series 2020 Bonds supported by special assessment and other sources revenue is \$5,700,000. The Refunding Series 2020 Bonds refunded \$170,000 of the Series 2003 Certificates of Obligation, \$230,738 of the Series 2006 Certificates of Obligation, \$305,000 of the Series 2008A Certificates of Obligation, \$755,000 of the Series 2008B Certificates of Obligation, \$2,885,000 of the Series 2011A Certificates of Obligation, and \$1,500,000 of the Series 2011B Certificates of Obligation Bonds. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next eighteen years by \$1,497,571 and resulted in an economic gain of \$1,346,586. The outstanding Refunding Series 2020 Bonds mature annually thru 2037 with principal payments ranging from \$105,000 to \$200,000 and provide for interest rates ranging from 2.00% to 3.00%. The City reserved the right to redeem the bonds with maturities on or after February 15, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

Summary of changes in the governmental activities debt for the year ended September 30, 2020, is as follows:

	Tax Supported Debt	Special Assessment Debt and Other Revenue Sources	Total Government Activities Debt
Principal balances outstanding, October 1, 2019	\$ 62,817,000	\$ 61,413,696	\$ 124,230,696
New bond issue	20,580,000	5,700,000	26,280,000
Debt refunded	(950,000)	(5,845,783)	(6,795,783)
Principal maturities	(3,439,000)	(852,913)	(4,291,913)
Balances September 30, 2020	79,008,000	60,415,000	139,423,000
Balance of unamortized discount/premium	3,206,179	390,191	3,596,370
Net balances, September 30, 2020	<u>\$ 82,214,179</u>	<u>\$ 60,805,191</u>	<u>\$ 143,019,370</u>

Water and Sewer Bonds

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Water and Sewer Bonds (Continued)

On July 10, 2013, the City issued the Waterworks and Sewer System New Series Revenue Bonds, Series 2013 in the amount of \$1,310,000. The Series bonds mature annually through 2023 in principal amounts of \$135,000 and provide for interest rates ranging from 0.52% 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 \$400,000 to \$495,000 and provide for interest rates ranging from 1.09% to 2.62%. These funds will be used for the design and construction of Georgia Street Interceptor project. This project will eliminate a lift station and ensure proper operation of the collection system in the area. This bond issue will also fund the planning and design for the replacement of Lift Station 32. Included in this financing is an additional amount of \$441,131 of loan forgiveness for a total project of \$8.9 million.

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

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 \$820,000 to \$950,000 and provide for interest rates ranging from 0.33% 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 \$1,235,000 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 0.51% 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Water and Sewer Bonds (Continued)

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 \$535,000 to \$845,000 and provide for interest rates ranging from 4.00% to 5.00% with additional maturities of \$1,790,000 3.50% term bonds due April 1, 2036 and \$1,915,000 3.50% term bonds due April 1, 2038. These funds will be used for the improvement and extension of the City's waterworks and sewer system as identified through a five year community improvement plan. The City reserved the right to redeem the bonds with maturities on or after April 1, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

As discussed above, the City issued the Refunding Series 2020 Bonds in the total amount of \$50,450,000. The amount of the Refunding Series 2020 Bonds supported by water and sewer revenue is \$43,880,000. The Refunding Series 2020 Bonds refunded \$16,480,000 of the Series 2009 Certificates of Obligation, \$27,140,000 of the Series 2009B Certificates of Obligation, and \$1,665,000 of the Series 2011 General Obligation Bonds. At September 30, 2020, the Series 2009 Certificates of Obligation has an outstanding balance of \$2,130,000. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next ten years by \$2,807,342 and resulted in an economic gain of \$2,492,547. The outstanding Refunding Series 2020 Bonds mature annually thru 2029 with principal payments ranging from \$530,000 to \$3,275,000 and provide for interest rates ranging from 2.00% to 3.00%. The City reserved the right to redeem the bonds with maturities on or after February 15, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

On May 1, 2020, the City issued the City of Amarillo, Texas, Waterworks and Sewer System Revenue Refunding Bonds, Series 2020A (Series 2020A Bonds) in the amount of \$9,775,000 with a premium of \$642,656. The Series 2020A Bonds refunded \$10,230,000 of the Water and Sewer Revenue Bonds, Series 2011. The refunded bonds are considered defeased and have been removed from the City's books. The refunding was undertaken to reduce total debt service payments over the next eleven years by \$1,485,127 and resulted in an economic gain of \$1,351,098. The outstanding Refunding Series 2020 Bonds mature annually thru 2031 with principal payments ranging from \$790,000 to \$1,040,000 and provide for interest rates ranging from 2.00% to 3.00%. The City reserved the right to redeem the bonds with maturities on or after April 1, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2028, or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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, 2020, is as follows:

Principal outstanding, October 1, 2019	\$ 163,700,000
New Issues	82,155,000
Debt refunded	(53,285,000)
Principal maturities	<u>(14,000,000)</u>
Principal outstanding, September 30, 2020	178,570,000
Unamortized redemption premium	<u>6,031,031</u>
Net balances, September 30, 2020	<u>\$ 184,601,031</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 2020/2021 obligation is \$17,074,298. At September 30, 2020, the amount available in this account was \$3,580,823.
- 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, 2020, the combined requirement amounted to \$2,415,142, and the amount available in this account was \$2,415,142.

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 2020.

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, 2020

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.

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 \$13,578,626 at September 30, 2020, 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, 2020, the City's proportionate share of the 2014 issue is \$7,759,288. 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 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, 2020, the City's proportionate share of the outstanding indebtedness was \$21,688,230. Bonds are secured by a lien on the participating member cities' project payments.

The CRMWA Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 matured during 2020.

CRMWA issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 in the amount of \$11,465,000 with interest rates ranging from 3.00% - 5.00%. The proceeds were used to advance refund \$13,575,000 of outstanding Contract Revenue Bonds, Series 2009 which had interest rates ranging from 3.00% - 5.00%. The net proceeds of \$14,228,820 (including a \$1,317,090 premium, a debt service reserve contribution of \$1,684,400, less \$237,670 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The refunded portion of the Contract Revenue Bonds, Series 2009 is considered defeased and the liability for those bonds has been removed from the statement of net position. The City's proportionate share of Series 2017 bonds is \$3,880,823 at September 30, 2020.

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Water Authority Obligations (Continued)

A summary of changes in the City's CRMWA debt for the year ended September 30, 2020, is reflected in the following table:

Principal outstanding, October 1, 2019	\$ 52,744,242
Principal maturities	<u>(5,837,276)</u>
Principal outstanding, September 30, 2020	46,906,966
Unamortized redemption discount/premium	<u>6,503,450</u>
Net balances, September 30, 2020	<u>\$ 53,410,416</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 matured during 2020.

Principal outstanding, October 1, 2019	\$ 1,830,000
Principal maturities	<u>(1,830,000)</u>
Net balances, September 30, 2020	<u>\$ -</u>

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 \$255,000 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.

On July 1, 2020, the City issued the City of Amarillo, Texas, Drainage Utility System Revenue Bonds, Series 2020 (Series 2020 Bonds) in the amount of \$9,240,000. The Series 2020 Bonds mature annually thru 2040 with principal payments ranging from \$335,000 to \$550,000 and provide for interest rates ranging from 2.00% to 5.00%. The City reserved the right to redeem the bonds with maturities on or after August 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

Principal outstanding, October 1, 2019	\$ 8,495,000
New issue	9,240,000
Principal maturities	<u>(515,000)</u>
Principal outstanding, September 30, 2020	17,220,000
Unamortized redemption premium	<u>1,015,283</u>
Net balances, September 30, 2020	<u>\$ 18,235,283</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Summary Information - Long-Term Bonds and Contracts

Bond issues outstanding at September 30, 2020, are summarized in Table 8 below.

	Interest Rates	Final Maturity Date	Principal Amount Outstanding	Annual Principal Installments
City of Amarillo indebtedness				
General Obligation debt				
Payable from tax revenues				
Recovery Zone Build America Bonds, Series 2010	5.81%	2030	\$ 783,000	\$ 70,000 - \$ 88,000
General Obligation Refunding Bonds, Series 2017	4.00%	2027	10,980,000	1,390,000 - 1,760,000
Certificates of Obligation, Series 2017	3.00 - 3.50%	2037	5,580,000	140,000 - 620,000
General Obligation Bonds, Series 2017	3.00 - 5.00%	2042	19,920,000	570,000 - 1,270,000
General Obligation Bonds, Series 2018	3.125 - 5.00%	2043	21,165,000	560,000 - 1,325,000
General Obligation Bonds, Series 2020	2.00 - 5.00%	2045	8,100,000	75,000 - 485,000
General Obligation Refunding Bonds, Series 2020	2.00%	2022	960,000	470,000 - 490,000
Certificates of Obligation, Series 2020	2.00 - 5.00%	2050	8,000,000	80,000 - 400,000
Tax Notes, Series 2020	2.00 - 3.00%	2027	3,520,000	455,000 - 545,000
Payable from special assessments				
Combination tax/revenue certificates of obligation, Series 2014	3.00 - 3.625%	2034	1,725,000	100,000 - 155,000
Combination tax/revenue certificates of obligation, Series 2018	3.00 - 4.00%	2038	2,795,000	110,000 - 205,000
General Obligation Refunding Bonds, Series 2020	2.00%	2028	1,380,000	140,000 - 195,000
Payable from other sources				
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2037	2,860,000	130,000 - 200,000
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2032	1,460,000	105,000 - 140,000
Hotel occupancy tax revenue bonds, Series 2016	2.35 - 4.25%	2043	11,360,000	330,000 - 740,000
Hotel occupancy tax revenue bonds, Series 2018	2.80 - 4.15%	2048	38,835,000	800,000 - 1,220,000
Waterworks and Sewer Bonds				
2013 revenue issuance	0.52 - 0.85%	2023	405,000	135,000 - 135,000
2014 revenue issuance	1.09 - 2.62%	2033	5,780,000	400,000 - 495,000
2015 revenue issuance	0.33 - 1.59%	2035	13,045,000	820,000 - 950,000
2015A revenue refunding issuance	2.25 - 4.00%	2032	12,900,000	375,000 - 1,730,000
2017 revenue issuance	3.00 - 5.00%	2037	27,475,000	1,235,000 - 2,035,000
2018A revenue issuance	0.51 - 1.60%	2038	11,310,000	575,000 - 705,000
2018B revenue issuance	4.00 - 5.00%	2038	13,415,000	535,000 - 975,000
2020 revenue issuance	0.00%	2040	28,500,000	1,425,000 - 1,425,000
2020A revenue issuance	2.00 - 3.00%	2031	9,775,000	790,000 - 1,040,000
Combination tax/revenue certificates of obligation, Series 2009	2.14%	2021	2,130,000	2,130,000 - 2,130,000
Combination tax/revenue certificates of obligation, Series 2009C	0.00%	2031	9,955,000	905,000 - 905,000
General Obligation Refunding Bonds, Series 2020	2.00 - 3.00%	2029	43,880,000	530,000 - 3,275,000
Drainage Bonds				
2014 revenue issuance	3.00 - 3.75%	2034	4,595,000	265,000 - 410,000
2020 revenue issuance	2.00 - 5.00%	2040	9,240,000	335,000 - 550,000
Combination tax/revenue certificates of obligation, Series 2012A	2.00%	2032	3,385,000	255,000 - 320,000
Total City of Amarillo issuances			335,213,000	
Canadian River Water Authority indebtedness				
2011 revenue issuance	4.00 - 5.00%	2031	21,688,230	649,625 - 2,567,888
2012 refunding issuance	5.00%	2025	13,578,625	1,134,779 - 3,348,405
2014 refunding issuance	5.00%	2027	7,759,288	463,079 - 1,368,251
2017 refunding issuance	3.00 - 5.00%	2029	3,880,823	85,301 - 553,461
Total City share of Water Authority indebtedness			46,906,966	
Total bond issues outstanding			\$ 382,119,966	

Table 8 - Description of Individual Bond Issues Outstanding

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

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

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

For the Year Ended September 30,	Tax-Supported Debt		Special Assessment and Other Supported Debt		Water & Sewer Debt		Water Authority Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 4,190,000	\$ 2,794,639	\$ 640,000	\$ 290,403	\$ 13,290,000	\$ 3,784,301	\$ 6,061,028	\$ 2,259,165
2022	4,462,000	2,523,261	685,000	249,894	13,610,000	3,373,194	6,358,023	1,963,299
2023	4,128,000	2,358,558	695,000	233,482	13,890,000	3,092,540	6,674,511	1,650,443
2024	4,295,000	2,191,901	665,000	216,432	13,760,000	2,803,153	7,014,796	1,317,830
2025	4,472,000	2,015,378	680,000	199,332	14,065,000	2,506,050	4,987,093	967,090
2026-2030	16,886,000	7,544,827	3,230,000	734,458	61,650,000	7,922,896	15,161,891	2,018,636
2031-2035	13,375,000	5,259,928	2,635,000	328,851	32,275,000	3,149,048	649,624	28,383
2036-2040	14,995,000	3,078,847	990,000	40,587	16,030,000	462,579	-	-
2041-2045	12,205,000	936,166	-	-	-	-	-	-
	<u>\$ 79,008,000</u>	<u>\$ 28,703,505</u>	<u>\$ 10,220,000</u>	<u>\$ 2,293,439</u>	<u>\$ 178,570,000</u>	<u>\$ 27,093,761</u>	<u>\$ 46,906,966</u>	<u>\$ 10,204,846</u>

For the Year Ended September 30,	Drainage Debt		Hotel Occupancy Tax Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 855,000	\$ 513,852	\$ 1,130,000	\$ 2,051,089	\$ 26,166,028	\$ 11,693,446
2022	885,000	484,144	1,155,000	2,020,934	27,155,023	10,614,729
2023	905,000	456,694	1,190,000	1,987,080	27,482,511	9,778,797
2024	935,000	428,494	1,225,000	1,949,931	27,894,796	8,907,741
2025	965,000	395,494	1,265,000	1,909,453	26,434,093	7,992,797
2026-2030	5,405,000	1,432,244	7,065,000	8,822,406	109,397,891	28,475,467
2031-2035	4,600,000	581,831	8,575,000	7,305,849	62,109,624	16,653,890
2036-2040	2,670,000	162,000	8,250,000	4,462,977	42,935,000	8,206,990
2041-2045	-	-	13,720,000	3,794,241	25,925,000	4,730,407
2046-2049	-	-	6,620,000	591,141	6,620,000	591,141
	<u>\$ 17,220,000</u>	<u>\$ 4,454,753</u>	<u>\$ 50,195,000</u>	<u>\$ 34,895,101</u>	<u>\$ 382,119,966</u>	<u>\$ 107,645,405</u>

Table 9 - Annual Debt Service Requirements, Including Interest

Provision for Compensated Absences

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

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

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

Provision for Compensated Absences (Continued)

Full-time Civilian employees hired prior to October 1, 2007 and Fire Fighters and Police Officers who are eligible to retire will be allowed to convert any available sick leave, above the 90 days sick leave paid at retirement 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, 2020, under the annual leave policy was \$11,093,273, compensated time policy was \$1,304,561, and under the sick leave policy was \$9,673,909, and under the individual health retirement account policy was \$2,853,277.

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

	Governmental Funds	Proprietary Funds
Balances at October 1, 2019	\$ 22,388,602	\$ 1,102,290
Terminations paid	(1,550,077)	(65,330)
Leave accrued	<u>2,873,994</u>	<u>175,541</u>
Balances at September 30, 2020	<u>\$ 23,712,519</u>	<u>\$ 1,212,501</u>

Of the above obligations, \$2,009,263 in the Government Funds and \$173,402 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, 2020, was \$373,076; \$676,079 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 or 89,787,477 cubic yards. It is estimated that 30.90% of the revised capacity was filled at September 30, 2020, and that the landfill has a projected remaining life of approximately 144 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

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

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 \$11.6 million and post-closure costs would be about \$3.5 million for a total of \$15.1 million in today's dollars. During fiscal year 2019/2020, the City determined a change in accounting estimate needed to occur on the calculation of estimated accrued liability. Previously tonnage was used for the total capacity, the capacity used, and the remaining capacity. It was determined that cubic yards were a more accurate way to measure capacity for estimated liability purposes due to the compaction rate, which varies from year to year, being a factor in when tonnage is used. Based on the cumulative usage of 27,773,916 cubic yards at September 30, 2020, together with the estimated 89,787,477-cubic yard capacity of the landfill, the accrued liability consists of the following elements:

Provision for final cover costs	\$ 3,609,190
Cost of post-closure care and monitoring	<u>1,083,453</u>
Total estimated accrued liability	<u>\$ 4,692,643</u>

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

Long-term liabilities activity for the year ended September 30, 2020, was as follows:

	Balance Sept. 30, 2019	Amortization/ Accretion	Additions	Reductions	Balance Sept. 30, 2020	Due Within One Year
Bonds payable:						
Governmental activities						
General obligation bonds	\$ 55,880,000	\$ -	\$ 20,580,000	\$ (3,815,000)	\$ 72,645,000	\$ 3,600,000
Recovery Zone Build America bonds	852,000	-	-	(69,000)	783,000	70,000
Tax-supported certificates of obligation	6,085,000	-	-	(505,000)	5,580,000	\$20,000
Unamortized offering premium	3,609,672	(290,217)	994,544	-	4,313,999	-
Special assessment and other debt	61,413,696	-	5,700,000	(6,698,696)	60,415,000	1,770,000
Total governmental activities	<u>127,840,368</u>	<u>(290,217)</u>	<u>27,274,544</u>	<u>(11,087,696)</u>	<u>143,736,999</u>	<u>5,960,000</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 12 - LONG-TERM OBLIGATIONS (CONTINUED)

	Balance Sept. 30, 2019	Amortization/ Accretion	Additions	Reductions	Balance Sept. 30, 2020	Due Within One Year
Business-type activities						
Water & sewer bonds	163,700,000	-	82,155,000	(67,285,000)	178,570,000	13,290,000
Premium on Water & sewer bonds	3,653,382	(206,558)	2,584,207	-	6,031,031	-
Water authority obligations	52,744,242	-	-	(5,837,276)	46,906,966	-
Premium on Water authority obligations	6,973,699	(460,638)	(9,611)	-	6,503,450	-
Airport bonds	1,830,000	-	-	(1,830,000)	-	-
Premium on Airport bonds	143,552	(143,552)	-	-	-	-
Drainage Utility bonds	8,495,000	-	9,240,000	(515,000)	17,220,000	855,000
Premium on Drainage Utility bonds	80,740	(4,981)	939,524	-	1,015,283	-
Total business-type activities	237,620,615	(815,729)	94,909,120	(75,467,276)	256,246,730	14,145,000
Total	365,460,983	(1,105,946)	122,183,664	(86,554,972)	399,983,729	20,105,000
Other liabilities:						
Governmental activities						
Compensated absences	22,388,602	-	2,873,994	(1,550,077)	23,712,519	2,009,263
Self-insurance liability	16,658,736	-	301,207	-	16,959,943	6,048,285
Capital lease liability	5,332,586	-	995,388	(1,454,189)	4,873,785	1,744,024
Provision for landfill and postclosure care costs	3,582,046	-	1,110,597	-	4,692,643	-
Net OPEB liability	41,334,667	-	-	888,866	42,223,533	-
Net pension liability	116,730,421	-	55,595,546	(112,256,803)	60,069,164	-
Total governmental activities	206,027,058	-	60,876,732	(114,372,203)	152,531,587	9,801,572
Business-type activities						
Compensated absences	1,102,290	-	175,541	(65,330)	1,212,501	173,402
Other accrued expenses	2,578,684	-	-	(11,578)	2,567,106	-
Net OPEB liability	7,733,076	-	-	166,293	7,899,369	-
Net pension liability	10,746,885	-	5,905,211	(10,706,081)	5,946,015	-
Total business-type activities	22,160,935	-	6,080,752	(10,616,696)	17,624,991	173,402
Total	228,187,993	-	66,957,484	(124,988,899)	170,156,578	9,974,974
Total long-term liabilities	\$ 593,648,976	\$ (1,105,946)	\$ 189,141,148	\$ (211,543,871)	\$ 570,140,307	\$ 30,079,974

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

NOTE 13 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following tabulation reflects the composition of interfund balances at September 30, 2020.

Receivable Fund		Payable Funds	
General Fund	\$ 1,712,936	Nonmajor Govt. Funds	\$ 1,158,760
		Capital Projects	465,000
		Internal Service	87,896
		Proprietary Funds	1,280
	<u>\$ 1,712,936</u>		<u>\$ 1,712,936</u>
Nonmajor Govt. Funds	\$ 205,199	Nonmajor Govt. Funds	\$ 123,387
		General Fund	81,812
	<u>\$ 205,199</u>		<u>\$ 205,199</u>
Internal Service Funds	\$ 2,625,234	Internal Service	\$ 2,624,660
		Nonmajor Govt. Funds	574
	<u>\$ 2,625,234</u>		<u>\$ 2,625,234</u>
Proprietary Funds	\$ 31,509	Nonmajor Govt. Funds	\$ 31,509
	<u>\$ 31,509</u>		<u>\$ 31,509</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

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

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

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

<u>Transfers Out Fund</u>		<u>Transfers In Fund</u>	
General Fund	\$ 5,043,278	Capital Projects	\$ 2,122,717
		Nonmajor Govt. Funds	2,692,577
		Internal Service	227,984
	<u>\$ 5,043,278</u>		<u>\$ 5,043,278</u>
Capital Projects	\$ 1,194,871	General Fund	\$ 200,323
		Nonmajor Govt. Funds	820,176
		Capital Projects	135,162
		Internal Service	39,210
	<u>\$ 1,194,871</u>		<u>\$ 1,194,871</u>
Nonmajor Govt. Funds	\$ 1,283,042	Nonmajor Govt. Funds	\$ 751,217
		Capital Projects	517,703
		General Fund	8,952
		Internal Service	5,170
	<u>\$ 1,283,042</u>		<u>\$ 1,283,042</u>
Proprietary Funds	\$ 421,237	Nonmajor Govt. Funds	\$ 321,000
		Internal Service	56,685
		Capital Projects	43,552
	<u>\$ 421,237</u>		<u>\$ 421,237</u>
Internal Service	\$ 2,454,566	Internal Service	\$ 2,452,050
		General Fund	2,516
	<u>\$ 2,454,566</u>		<u>\$ 2,454,566</u>

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

NOTE 14 - WATER SUPPLY CONTRACT

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

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 14 - WATER SUPPLY CONTRACT (CONTINUED)

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

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

Each city is assessed for operating costs, which are accounted for by the City as an operating expense. Each member may sell part or all of its rights under the contract to other members of the aqueduct system.

The last audited financial statements of CRMWA, as of September 30, 2020, and for its fiscal year then ended, reflect the following:

Assets	
Cash and cash equivalents	\$ 8,227,448
Investments	12,625,954
Due from member cities and other receivable	13,343,851
Inventory	923,166
Debt Service Funds	
Restricted cash and cash equivalents	10,760,598
Due from cities	95,754,517
Land	5,493,666
Property, plant and equipment, net of accumulated depreciation	322,709,609
Liabilities and Deferred Revenues	
Current liabilities	16,660,995
Noncurrent liabilities	<u>114,529,375</u>
Net Position	<u>\$ 338,648,439</u>
Operating Revenues	
User assessments for operations	\$ 12,772,582
Operating Expenses	(15,029,631)
Nonoperating Revenue (Expense)	
Net contributions from member cities	5,741,319
Nonoperating revenues (expenses)	<u>(4,544,700)</u>
	<u>1,196,619</u>
Net Increase (Decrease) in Net Position	<u>\$ (1,060,430)</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 14 - WATER SUPPLY CONTRACT (CONTINUED)

CRMWA's debt service consists of approximately \$141.9 million related to the underground water project. The CRMWA's annual debt services requirements, including interest, range from \$6.5 million to \$18.2 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 \$47 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 chair of two of its committees and a representative of the Harrington User Group.

The original funding for the Consortium was a grant from a local charitable organization, the Harrington Foundation. Continuing operations are financed through user fees from the members and from subscribing libraries in the region. During the year ended September 30, 2020, the Consortium served over 100 libraries. The condensed financial statements of the Consortium at September 30, 2020, and for the year then ended are summarized in the table below.

Balance Sheet	
Cash and other assets, net	\$ 592,397
Current liabilities	<u>(42,410)</u>
Net position	<u>\$ 549,987</u>
Revenues	
Operating revenues	\$ 401,694
Nonoperating revenues (expense)	<u>6,532</u>
Total revenues	408,226
Expenses	
Operating expenses	<u>(417,882)</u>
Change in net position	<u>\$ (9,656)</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT

Self-Insurance and Risk Management

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

The City of Amarillo has a blanket all risk property insurance policy with a \$500,000,000 policy limit. The blanket feature allows this limit to be used for one occurrence. Thus, if a property's scheduled value was not sufficient to cover a loss, the entire blanket would be used to cover the loss. The schedule of values and the coverage have been increasing over the last three years as property is added to the schedule, and replacement values have increased with increases in construction costs. Settlements of insurance have not exceeded coverage in the past three years.

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

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 in the prior years.

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

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, 2020, related to incurred but not reported (IBNR) claims was \$1,840,128. The IBNR estimate was computed by management based on historical patterns and reference to previous actuarial estimates.

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

	<u>2020</u>	<u>2019</u>
Estimated liabilities at beginning of year	\$ 1,809,223	\$ 5,563,967
Claims during year and changes in estimates	22,442,671	18,519,897
Payments during year	<u>(22,411,766)</u>	<u>(22,274,641)</u>
Estimated liabilities at end of year	<u>\$ 1,840,128</u>	<u>\$ 1,809,223</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, 2020. 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, 2020, to be \$15,119,815.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

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>2020</u>	<u>2019</u>
Estimated liability at beginning of year	\$ 14,849,513	\$ 14,222,891
Claims during year and changes in estimates	3,008,636	4,461,599
Payments during year	<u>(2,738,334)</u>	<u>(3,834,977)</u>
Estimated liability at end of year	<u>\$ 15,119,815</u>	<u>\$ 14,849,513</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, 2020.

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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 16 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)

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.

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

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

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.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

NOTE 17 - CONDUIT DEBT OBLIGATIONS (CONTINUED)

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

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

NOTE 18 - TAX ABATEMENTS AND ECONOMIC INCENTIVES

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

The City has three categories of economic development agreements:

- Tax Abatements – Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were \$587,429 in fiscal year 2020.
- 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 2020, the City rebated \$552,008 in hotel taxes and \$45,858 in sales 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 2020, the City made \$437,974 in payments for TIF obligations, \$100,000 in incentive payments and \$544,884 in property tax rebates from general TIF resources.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 19 - AMARILLO HOSPITAL DISTRICT

Significant Accounting Policies

Financial Reporting Entity

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Agreements with Respect to Hospital Sale

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

In return, the District will make indigent care payments to the buyer, payable in quarterly installments, for the next 25 years. The payments were \$8,000,000 per year through May 1999. Thereafter, through May 2006, payments varied between \$6,000,000 to \$8,000,000 per year, adjusted for inflation. Subsequent to May 2006, the payments per year will generally be equal to the lesser of the payments per year made in 2005 or 2006. For the year ended September 30, 2020, the District recognized approximately \$5,453,000 in indigent care expenses relating to the agreement.

The District currently collaborates with Northwest Texas Healthcare System to ensure both parties best allocate their resources for the provision of care to the low income and needy residents in their community. As part of this collaboration, Northwest has proposed that the District fund payments to Northwest under the Medicaid program ("Medicaid"). On November 9, 2006, the District temporarily suspended the "Indigent Care Agreement," dated May 7, 1996, for the period from November 9, 2006 through November 8, 2008, and replaced it with an almost identical agreement called the

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Agreements with Respect to Hospital Sale (Continued)

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 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. 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 \$8.3 million.

Deposits and Investments

The District's funds are required to be invested in accordance with the Public Funds Investment Act. Bank deposits are collateralized by FDIC insurance or by pledged collateral. Governmental accounting standards require the categorization of investments to give an indication of the level of risk assumed. Based on the applicable criteria, a summary of the District's investment securities at September 30, 2020, are as follows:

	<u>Fair Value</u>			<u>Weighted Average Maturity (Years)</u> <small>(excluding securities lending)</small>
	<u>Unrestricted Assets</u>	<u>Restricted Assets</u>	<u>Total</u>	
Investment Securities				
U.S. Treasury obligations	\$ 29,982,920	\$ -	\$ 29,982,920	0.17
U.S. Government and government-sponsored agencies	119,212,873		119,212,873	4.86
Municipal bonds	14,713,795		14,713,795	0.61
Total investment securities	163,909,588	-	163,909,588	5.64
No-load U.S. Treasury-only mutual funds	12,203,324		12,203,324	-
Total investments	176,112,912	-	176,112,912	5.64
Deduct: Cash equivalents	(12,203,324)	-	(12,203,324)	
Net investments for financial reporting	<u>\$ 163,909,588</u>	<u>\$ -</u>	<u>\$ 163,909,588</u>	<u>5.64</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Tobacco Settlement

During 1998 the State of Texas settled litigation against certain tobacco manufacturers, which entitles political subdivisions with legal responsibility for providing indigent healthcare services to a portion of the settlement proceeds. As a result of the settlement, in 1998 the District received a distribution of approximately \$2.9 million based on a per capita calculation (1990 federal census). Subsequent distributions have been made based on each subdivision's total unreimbursed indigent healthcare expenditures for the calendar year immediately preceding the year of distribution. As the various calculations are not determinable by the District, these revenues are not accrued. In 2020 the District received approximately \$327,000, in tobacco settlement funds.

Employee Retirement Benefits

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

The District recorded a net pension liability of \$785,080. 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%), \$2,808,691, or one percentage point higher (8.5%), \$(965,718). Compensation increases do not apply due to the plan being frozen.

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

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

Commitments and Contingencies

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

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

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

NOTE 19 - AMARILLO HOSPITAL DISTRICT (CONTINUED)

Commitments and Contingencies (Continued)

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, 2020.

Financial Statements

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

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION

Significant Accounting Policies

Operations

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

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

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

Prior Period Adjustment

AEDC restated 2019 Net Position by \$1,594,634 to correct the balance of notes receivable amended in the prior year.

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.

**CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020**

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

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

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

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

Property and equipment are recorded at cost, and donated property is recorded at fair value at date of receipt. Property and equipment consists primarily of hangars and related improvements located at the City's airport, as to which the estimated useful lives are 30 years. Depreciation is provided on the straight-line method. Assets restricted by interest and sinking fund indenture agreements are segregated, and are presented as restricted assets.

Deposits and Investments

The AEDC's cash and investments are managed by the City, which accounts for its liquid assets and its receipts and disbursements as one of its agency funds. The AEDC's uninvested cash is held in the City's depository in the City's name as agent for AEDC. All such cash is insured by the Federal Deposit Insurance Corporation and other insurers.

The AEDC's investments are administered by City management under terms of an investment policy and strategy that has been updated to conform to the latest amendments to the Texas Public Funds Investment Act.

A summary of the AEDC's investment securities at September 30, 2020, is as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Investments		
CDARs	\$ 27,645,000	.29
Money market mutual funds	<u>20,261,548</u>	<u>-</u>
Total investments at fair value	47,906,548	.29
Deduct: Classified as cash equivalents for financial reporting	<u>(20,261,548)</u>	<u>-</u>
Net investments	<u>\$ 27,645,000</u>	<u>.29</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Economic Development Loans

As one type of economic development project, the AEDC has made a number of loans to industrial enterprises under arrangements that waive up to 100% of the stated interest on such loans if job creation targets are met. These maximum allowances are recognized as development expenses in the period in which the loans are made. In addition to interest waivers, a provision has been made for uncollectible loans, including amounts related to the individual credits based on managements' analysis, as well as a provision for unidentified risks.

In August 1998, Bell Helicopter, the world's leading producer of helicopters, announced its selection of Amarillo as the site for its new tiltrotor helicopter plant, based partly on incentives offered by AEDC. The original incentive package included manufacturing facilities financed by AEDC sales-tax-backed bonds up to a total amount of \$34 million, as well as industrial revenue bonds up to a total amount of \$8 million, plus cash of up to \$5 million for site acquisition and employee training and relocation. Bell's obligations under the agreements are sufficient to service the construction debt, but if job creation goals are met, the resulting incentive credits could fully discharge Bell's payment obligations.

During 2019, all of the remaining Bell leases were converted to notes receivable. As with the leases, all payments can be waived if job credit requirements are met. As of September 30, 2020, the notes receivable consists of five notes for different projects:

- Phase 2 was for an expansion of the aircraft assembly building at an original cost of \$10,570,000. The original net investment of the note receivable on September 30, 2019 was \$2,548,944. The annual note payment is \$528,500 through 2025 and on September 30, 2020 there is \$2,226,234 payable.
- Phase 3 was an expansion to Bell's facilities at a cost of \$14,234,368. The original net investment of the note receivable on September 30, 2019 was \$3,896,855. The annual note payment is \$711,718 through 2026 and on September 30, 2020 there is \$3,499,750 payable.
- Phase 4 was an expansion to Bell's facilities at a cost of \$15,028,921. The original net investment of the note receivable on September 30, 2019 was \$4,114,374. The annual note payment is \$751,446 through 2026 and on September 30, 2020 there is \$3,695,104 payable.
- Phase 6 was an expansion to Bell's facilities at a cost of \$22,242,454. The original net investment of the note receivable on September 30, 2019 was \$10,568,696. The annual note payment is \$1,366,249 through 2030 and on September 30, 2020 there is \$10,055,711 payable.
- Phase 7 was an expansion to Bell's facilities at a cost of \$31,749,325. The original net investment of the note receivable on September 30, 2019 was \$15,725,318. The annual note payment is \$1,912,360 through 2031 and on September 30, 2020 there is \$15,082,546 payable.
- 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.

The AEDC has other loans receivable in addition to the Bell loans receivable. At September 30, 2020, there were two loans outstanding to other enterprises of \$4,448,559, there were Enterprize program loans of \$679,797 and another note receivable of \$681,507 for the repayment of a prior grant.

**CITY OF AMARILLO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended September 30, 2020**

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Economic Development Loans (Continued)

An analysis of loans and the related valuations allowances at September 30, 2020, are as follows:

Principal balances	\$ 40,369,208
Allowance for uncollectible accounts	<u> -</u>
Loans, net of allowances	<u>\$ 40,369,208</u>

Interest accrued and receivable on loans is \$1,084,134 at September 30, 2020.

Direct Financing Leases

In fiscal year 2009, a project was completed for a tenant in which, subject to job creation targets, the tenant has the option to acquire the property in 2029, for \$1. The rental term for this project is 20 years beginning on the date the lease commenced. The resulting annual rentals in the amount of \$630,000 could be fully waived if job creation goals are met. At September 30, 2020, AEDC's net investment in this lease, less discount for jobs credits, was \$4,450,800.

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, 2020, 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 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, 2020, AEDC's net investment in this portion of the lease, less discount for job credits, is \$2,303,387.

Year ending September 30

2021	\$ 630,000
2022	1,375,715
2023	1,375,715
2024	1,375,715
2025	1,375,715
Future years	<u>4,757,140</u>
	<u>\$ 10,890,000</u>

Capital Assets

As part of its economic development program, the AEDC has constructed a number of improvements on property leased from the City's airport for the purpose of subleasing to qualifying enterprises.

Additionally, it holds equipment needed for administrative purposes. At September 30, 2020, the AEDC's property, plant, and equipment were as follows:

Buildings and improvements	\$ 11,978,746
Vehicles and equipment	155,478
Construction in progress	995,232
Accumulated depreciation	<u>(3,793,494)</u>
Total capital assets	<u>\$ 9,335,962</u>

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Operating Lease Activities

The AEDC has other operating leases for office and warehouse space to unrelated third parties. During 2020, they received \$537,406 on those leases.

Grants Payable

During 2020, Texas Tech University System (the University) met the requirements for payment of the first stages of a \$69 million commitment, making \$30 million of the commitment payable. AEDC paid \$12 million of the commitment in 2020 and has accrued the additional \$18 million to be paid over four years in installments of \$5,000,000 for 2021 and 2022 and \$4,000,000 for 2023 and 2024.

Employee Retirement Benefits

As of October 1, 2019, the AEDC discontinued their money purchase pension plan and began participating in the City's TMRS plan. AEDC has no pension liability as of September 30, 2020 due to the measurement date for plan being December 30, 2019.

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 \$1,965,000 to \$2,305,000. Annual debt requirements range from approximately \$2,377,000 to \$2,382,000 through August 15, 2027. Interest rates on the outstanding bonds range from 2.263% to 3.183%. Scheduled principal payments are as follows: 2021, \$1,965,000; 2022, \$2,010,000; 2023, \$2,060,000; 2024, \$2,115,000; 2025, \$2,170,000; and thereafter \$4,545,000. The principal outstanding at September 30, 2020 was \$14,865,000.

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 \$2,235,000 to \$2,865,000. Annual debt requirements range from approximately \$2,956,000 to \$2,961,000 through August 15, 2030. Interest rates on the outstanding bonds range from 2.53% to 3.24%. Scheduled principal payments are as follows: 2021, \$2,235,000; 2022, \$2,290,000; 2023, \$2,350,000; 2024, \$2,410,000; 2025, \$2,470,000 and thereafter \$13,495,000. The principal outstanding at September 30, 2020 was \$25,250,000.

At the time of the refunding there was \$28,130,000 of outstanding Taxable Sales Tax Revenue Bonds, Series 2009. The refunding was undertaken to reduce total debt service payments over the next 12 years by approximately \$6,004,000 and resulted in an economic benefit of approximately \$5,114,000. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from AEDC's financial statements.

AEDC's bonds are rated "AA-" by Standard & Poor's Ratings Services.

Commitments

At September 30, 2020, AEDC had outstanding commitments to make grants or extend credit to qualifying enterprises, in the amount of approximately \$66,000,000.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 20 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)

Commitments (Continued)

AEDC has committed approximately \$39 million to a university. An additional \$6 million has been committed to Bell Helicopter for a delivery center. Additionally, they have committed to a local pharmaceutical group \$13 million to assist with job retention and creation. AEDC has paid approximately \$3.2 million, leaving a commitment of \$9.8 million. Another \$3.0 million has been committed to the expansion of the THRIVE scholarship program at a local college. The current commitment is approximately \$2.7 million. In 2019, additional commitments to businesses of approximately \$1.5 million were made. \$40,000 has been paid on these commitments. In 2020, commitments of approximately \$3.8 million have been made to local businesses. Additionally, \$1.2 million was committed to the City for infrastructure development. Other various commitments to local entities outstanding are approximately \$2.1 million.

Net OPEB Liability

For the fiscal year ended September 30, 2020, AEDC's net OPEB liability is \$66,629. 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 \$1,113 for the year ended September 30, 2020.

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.

The Venue District is considered to be a component unit of the City's financial reporting entity because of its oversight responsibility with respect to management, as well as its financial accountability with respect to debt service.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 21 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Preparation

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

Taxes collected by hotels and rental agencies are due to the Venue District by the tenth of the month following collection. Such taxes are recognized as revenues when collected by the remitters.

Depreciation is provided for on the straight-line method over the estimated useful lives of the facilities. The primary depreciable asset of the Venue District at September 30, 2020, 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, 2020, on the 2016 bond issue was \$4,590,000 and the unamortized bond premium was \$233,654.

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, 2020, on the bond issues was \$4,535,000.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 21 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)

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 12, 2019, the District's Board approved an annual appropriation in the amount of \$560,000 for the year ending September 30, 2020, to Amarillo Tri-State Exposition. Additionally, the District's Board approved \$300,937 for the Amarillo Tri-State participation and \$355,000 for event development in its normal budgetary process.

The District has made a similar commitment to the City. In the lease addendum with the City, the District agreed to a monthly sum in consideration of management and operation of the District's addition to the Civic Center. The payment to the City is also subject to annual appropriation. On August 12, 2019, the District's Board approved an appropriation in the amount of \$398,004 through the year ending September 30, 2020, to the City in its normal budgetary process. Additionally, the District's Board approved \$150,000 for Civic Center improvements in its normal budgetary process.

Financial Statements

Separately issued financial statements for this entity may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

NOTE 22 - AMARILLO HOUSING FINANCE CORPORATION

In 1996 AHFC issued bonds in the amount of \$15,700,000 under authority of the Texas Housing Finance Corporation Act, and entered into a trustee investment arrangement in which the proceeds are to be invested in GNMA and FHLMC certificates secured by the mortgage loans originated under a lending program prescribed by the Act. On February 1, 1999 the AHFC refunded \$5,500,000 and called \$3,260,000 of this issue. The remaining bonds are payable solely from the Trust Estate, and are not general obligations of either the AHFC or the City. A similar issuance was made in a prior year in the amount of \$8,700,000.

On February 28, 2000 the AHFC issued \$15,000,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trustee investment arrangement in which proceeds are invested in GNMA and FNMA certificates. In 2003 the AHFC issued \$10,000,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trustee investment arrangement in which proceeds are invested in GNMA and FNMA certificates.

In December 2007, the Housing Finance Corporation converted its \$5.6 million mortgage bond allocation to \$4 million in Mortgage Credit Certificates (MCC). MCCs allow first-time homebuyers to take a tax credit of up to \$2,000 a year on their income tax return for a portion of the mortgage interest paid during the year and the taxpayer is still allowed to deduct the balance of the mortgage interest as an itemized deduction. Also, MCCs work in any interest-rate environment. The program ended in December 2009. In total, the City utilized \$2,730,817 of the \$4 million in MCCs available.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 22 - AMARILLO HOUSING FINANCE CORPORATION (CONTINUED)

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 2020, TIRZ #1 made \$544,884 in property tax rebates from general TIF resources.

At September 30, 2020, TIRZ #1 has the following commitments outstanding:

During 2020, the TIRZ #1 board approved an increase in commitment of \$150,100 for one community project, approved one new community project for \$150,000, had one project withdrawn or lapsed for \$35,000. At September 30, 2020, a commitment of \$525,100 remains for community projects.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 23 - TAX INCREMENT REINVESTMENT ZONE #1 (CONTINUED)

During 2020, the TIRZ #1 board approved two new Center City Main Street projects for \$100,000, completed two community projects for \$100,000, and had two projects withdrawn or lapsed for \$100,000. At September 30, 2020, a commitment of \$50,000 remains for Center City Main Street Projects.

The TIRZ #1 Board approved approximately \$2.7 million for the streetscape improvements for the Amarillo Convention Hotel, parking structure, and multi-purpose event venue. On January 14, 2016, the TIRZ #1 Board voted to increase the participation in the downtown projects from \$2.7 million to \$4.387 million. The increase of \$1.687 million is in the form of a loan to the Amarillo Local Government Corporation (LGC) with the original commitment of \$2.7 million remaining as a grant. On the same date, the Board agreed to fund the retail portion of the parking garage construction and a portion of the streetscape and amended the TIRZ #1 Project and Financing Plan accordingly. As of September 30, 2020, TIRZ #1 has advanced \$1,687,000 to LGC and \$205,668 of accrued interest has been added to the outstanding principal balance, for a total outstanding balance of \$1,892,667. 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, 2020, the outstanding balance on this loan is \$1,310,521.

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 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, 2020, 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.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 24 - AMARILLO LOCAL GOVERNMENT CORPORATION (CONTINUED)

July 1, 2017, LGC completed construction of a 750-space parking garage adjacent to the hotel. The cost of the parking garage was \$16,947,568. LGC owns the parking garage and will operate the parking facility and retain all parking fee revenue. At the end of the eighty year ground lease, ownership of the parking garage will transfer from LGC to the City. The hotel developer will have 150 reserved spaces in the garage and has agreed to pay \$120,000 a year in parking rent and an annual base rent of \$1,000, adjusted annually by CPI. LGC will operate the retail portion of the parking garage and will retain the revenue therefrom.

Financial Statements

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

NOTE 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.

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, 2019. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

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

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 26 - NEW GASB PRONOUNCEMENTS (CONTINUED)

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, 2021. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

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, 2019. 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, 2021. 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, 2020

NOTE 26 - NEW GASB PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about (1) the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and (8) Terminology used to refer to derivative instruments. The requirements of this Statement are effective as follows (1)The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2)The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Earlier application is encouraged and is permitted by topic. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 26 - NEW GASB PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement achieves that objective by (1) establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions (2) requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The City is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are financially administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The City has implemented these two requirements in FY 20. All other requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted. The City is evaluating the effect of this statement on their financial statements.

CITY OF AMARILLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended September 30, 2020

NOTE 27 - SUBSEQUENT EVENTS

The City evaluated for inclusion as a subsequent event disclosure those events that occurred prior to February 23, 2021, the date the financial statements were issued.

On November 30, 2020, the City purchased property in Downtown Amarillo in the amount of \$4.75 million.

On December 9, 2020, the City purchased 850 Martin Road property for \$1.5 million.

On January 15, 2021, the City's General Obligation debt was rated AAA negative by Standard and Poor's.

On January 28, 2021, the City of Amarillo sold the \$57,155,000 General Obligation Bonds, Series 2021 with a true interest cost of 1.586% for the final issuance of the 2016 voter approved bonds. The proceeds will be used to fund the final phase of Proposition 1 projects for streets. Also, on January 28, 2021, the City also sold the \$1,050,000 Combination Tax and Revenue Certificates of Obligation, Series 2021 with a true interest cost of 1.419%. The proceeds will be used to pay the developer of the Greenways PID for park amenities and the debt service will be paid with Greenways PID assessments.

On January 28, 2021, the City's Drainage Utility Revenue was rated AAA negative by Standard and Poor's.

On January 28, 2021, the City's new series 2021 Waterworks and Sewer System Revenue debt was rated AAA negative by Standard and Poor's.

On February 2, 2021, the City sold the \$28,500,000 Waterworks and Sewer System Revenue Bonds, New Series 2021 with a true interest cost of 1.374%. The proceeds will be used to fund the fourth year of a five-year capital improvement plan.

On February 2, 2021, the City sold the \$10,100,000 Drainage Utility System Revenue Bonds, Series 2021 with a true interest cost of 1.410%. The proceeds will be used to fund the fourth year of a five-year capital improvement plan.

With the anticipated spread of COVID-19 coronavirus, various economic uncertainties exist which are likely to negatively impact the City. Other financial impact could occur through such potential impact is unknown at this time.

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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, 2020

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
REVENUES						
Ad valorem taxes	\$ 47,837,304	\$ 47,837,304	\$ 48,832,529	\$ -	\$ 48,832,529	\$ 995,225
Sales taxes	60,327,000	60,327,000	59,785,142	-	59,785,142	(541,858)
Mixed beverage taxes	1,024,930	1,024,930	727,691	-	727,691	(297,239)
Hotel occupancy taxes	7,292,462	6,417,367	4,879,165	-	4,879,165	(1,538,202)
Gross receipts bus. taxes	18,082,413	18,082,413	16,961,374	-	16,961,374	(1,121,039)
Licenses and permits	3,873,219	3,873,219	3,875,490	-	3,875,490	2,271
Interfund reimbursement	1,848,521	1,848,521	1,284,850	-	1,284,850	(563,671)
Intergovernmental revenue	4,955,830	5,012,705	16,318,692	-	16,318,692	11,305,987
Contributions from citizens	10,000	64,841	510,535	-	510,535	445,694
Charges for services	38,686,492	38,686,492	37,107,624	-	37,107,624	(1,578,868)
Fines and forfeitures	4,617,600	4,617,600	3,261,667	-	3,261,667	(1,355,933)
Investment earnings	1,039,193	1,039,193	908,657	-	908,657	(130,536)
Other rentals and commissions	839,362	839,362	803,091	-	803,091	(36,271)
Miscellaneous revenues	262,970	262,970	161,281	-	161,281	(101,689)
Total revenues	190,697,296	189,933,917	195,417,788	-	195,417,788	5,483,871
EXPENDITURES						
Auditorium/coliseum	4,041,391	4,050,390	3,162,587	(4,104)	3,158,483	891,907
Tourism	2,604,604	2,700,604	2,371,536	54,850	2,426,386	274,218
Fire protection	34,916,580	34,849,373	34,120,033	439,279	34,559,312	290,061
General government	5,312,131	5,284,641	4,693,933	(35,526)	4,658,407	626,234
Libraries	4,157,087	4,174,275	3,852,568	(14,097)	3,838,471	335,804
Public safety and health	13,515,315	13,541,080	12,873,595	17,727	12,891,322	649,758
Parks	6,887,683	6,948,730	6,069,974	502	6,070,476	878,254
Participant recreation	7,226,547	7,237,965	5,584,645	(2,937)	5,581,708	1,656,257
Police protection	49,599,122	49,327,080	47,878,005	27,600	47,905,605	1,421,475
Solid waste	17,200,739	17,237,085	16,279,660	52,639	16,332,299	904,786
Staff services	11,461,218	11,553,341	10,476,501	(11,048)	10,465,453	1,087,888
Information technology	4,126,134	4,469,708	4,469,708	-	4,469,708	-
Streets traffic and engineering	17,787,971	17,092,709	15,027,982	16,370	15,044,352	2,048,357
Transit	5,789,903	5,804,987	4,894,533	49,151	4,943,684	861,303
Total expenditures	184,626,425	184,271,968	171,755,260	590,406	172,345,666	11,926,302
Excess (deficiency) of revenues over (under) expenditures	6,070,871	5,661,949	23,662,528	(590,406)	23,072,122	17,410,173
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	230,724	266,991	211,791	-	211,791	(55,200)
Transfers to other funds	(5,681,379)	(5,536,822)	(5,043,278)	-	(5,043,278)	493,544
Total other financing sources (uses)	(5,450,655)	(5,269,831)	(4,831,487)	-	(4,831,487)	438,344
Net change in fund balances	620,216	392,118	18,831,041	(590,406)	18,240,635	17,848,517
FUND BALANCE, BEGINNING OF YEAR	45,193,866	45,193,866	45,231,483	(37,617)	45,193,866	-
FUND BALANCE, END OF YEAR	\$ 45,814,082	\$ 45,585,984	\$ 64,062,524	\$ (628,023)	\$ 63,434,501	\$ 17,848,517

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

	2019 ⁽¹⁾	2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾
Total Pension Liability						
Service cost	\$ 12,476,747	\$ 12,336,149	\$ 12,122,087	\$ 11,329,118	\$ 10,715,246	\$ 9,500,808
Interest (on the total pension liability)	32,015,252	31,164,809	30,060,764	29,137,163	28,509,723	27,566,183
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(2,973,382)	(2,072,564)	783,263	(1,733,915)	2,896,352	(425,198)
Change of assumptions	1,860,274	-	-	-	7,637,919	-
Benefit payments, including refunds of employee contributions	(29,654,024)	(28,145,055)	(25,288,785)	(25,602,958)	(25,769,544)	(21,770,206)
Net change in Total Pension Liability	13,724,867	13,283,339	17,677,329	13,129,408	23,989,696	14,871,587
Total Pension Liability - Beginning	482,888,674	469,605,335	451,928,006	438,798,598	414,808,902	399,937,315
Total Pension Liability - Ending (a)	\$ 496,613,541	\$ 482,888,674	\$ 469,605,335	\$ 451,928,006	\$ 438,798,598	\$ 414,808,902
Plan Fiduciary Net Position						
Contributions - employer	\$ 10,762,444	\$ 10,870,728	\$ 9,999,142	\$ 8,727,306	\$ 8,989,606	\$ 8,771,979
Contributions - employee	6,185,896	6,126,621	5,977,591	5,573,830	5,589,314	5,307,168
Net investment income	62,355,975	(12,811,240)	53,245,620	25,057,057	563,574	21,096,607
Benefit payments, including refunds of employee contributions	(29,654,024)	(28,145,055)	(25,288,785)	(25,602,958)	(25,769,544)	(21,770,206)
Administrative expense	(352,814)	(247,841)	(276,145)	(283,170)	(343,321)	(220,283)
Other	(10,599)	(12,949)	(13,995)	(15,257)	(16,957)	(18,110)
Net Change in Plan Fiduciary Net Position	49,286,878	(24,219,736)	43,643,428	13,456,808	(10,987,328)	13,167,155
Plan Fiduciary Net Position - Beginning	403,884,727	428,104,463	384,461,035	371,004,227	381,991,555	368,824,400
Plan Fiduciary Net Position - Ending (b)	\$ 453,171,605	\$ 403,884,727	\$ 428,104,463	\$ 384,461,035	\$ 371,004,227	\$ 381,991,555
Net Pension Liability - Ending (a) - (b)	\$ 43,441,936	\$ 79,003,947	\$ 41,500,872	\$ 67,466,971	\$ 67,794,371	\$ 32,817,347
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.25%	83.64%	91.16%	85.07%	84.55%	92.09%
Covered Payroll	\$ 88,362,233	\$ 87,181,265	\$ 85,306,707	\$ 79,614,328	\$ 79,785,899	\$ 75,816,680
Net Pension Liability as a Percentage of Covered Payroll	49.16%	90.62%	48.65%	84.74%	84.97%	43.29%

⁽¹⁾ Amounts are based on the Texas Municipal Retirement System Plan year end December 31
Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
 TEXAS MUNICIPAL RETIREMENT SYSTEM
 SCHEDULE OF CONTRIBUTIONS
 SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 10,802,270	\$ 10,835,851	\$ 10,572,971	\$ 8,973,486	\$ 8,571,738	\$ 8,723,824
Contributions in relation to the actuarially determined contribution	<u>10,802,270</u>	<u>10,835,851</u>	<u>10,572,971</u>	<u>8,888,138</u>	<u>8,545,939</u>	<u>8,723,824</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,348</u>	<u>\$ 25,799</u>	<u>\$ -</u>
Covered payroll	<u>\$ 88,362,233</u>	<u>\$ 88,422,191</u>	<u>\$ 86,398,268</u>	<u>\$ 84,792,191</u>	<u>\$ 77,629,583</u>	<u>\$ 76,977,081</u>
Contributions as a percentage of covered payroll	12.22%	12.25%	12.24%	10.48%	11.01%	11.33%

Information to present a ten-year history is not readily available.

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020**

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	26 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Individual salary increases	3.50% to 11.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experienced study of the period 2014-2018.
Mortality	RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment for male and female rates multiplied by 109% and 103%, respectively, 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, 2020

	2019 ⁽¹⁾	2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾
Total Pension Liability						
Service cost	\$ 5,556,209	\$ 5,368,316	\$ 4,945,627	\$ 4,755,411	\$ 3,983,821	\$ 3,830,597
Interest (on the total pension liability)	15,778,264	15,169,042	15,134,536	14,501,797	13,596,993	13,071,902
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(6,269,191)	-	(3,093,038)	-	4,740,472	-
Change of assumptions	2,646,016	-	7,650,803	-	4,770,803	-
Benefit payments, including refunds of employee contributions	(12,838,260)	(12,366,342)	(11,610,516)	(11,465,839)	(11,340,691)	(10,131,932)
Net change in Total Pension Liability	4,873,038	8,171,016	13,027,412	7,791,369	15,751,398	6,770,567
Total Pension Liability - Beginning	211,239,766	203,068,750	190,041,338	182,249,969	166,498,571	159,728,004
Total Pension Liability - Ending (a)	\$ 216,112,804	\$ 211,239,766	\$ 203,068,750	\$ 190,041,338	\$ 182,249,969	\$ 166,498,571
Plan Fiduciary Net Position						
Contributions - employer	\$ 3,933,863	\$ 3,969,255	\$ 3,879,330	\$ 3,635,605	\$ 3,559,287	\$ 3,311,865
Contributions - employee	2,613,196	2,636,704	2,576,969	2,509,970	2,456,814	2,286,471
Net investment income	37,111,511	(3,233,190)	24,077,154	13,708,943	12,177,834	6,499,411
Gain (loss) due to difference in projected vs. actual earnings	-	-	-	-	(12,274,477)	-
Benefit payments, including refunds of employee contributions	(12,838,260)	(12,366,342)	(11,610,516)	(11,465,839)	(11,340,691)	(10,131,932)
Administrative expense	(67,113)	(86,128)	(76,383)	(80,849)	(436,742)	(90,633)
Other	19,957	705	2,147	30,991	50,173	5,165
Net Change in Plan Fiduciary Net Position	30,773,154	(9,078,996)	18,848,701	8,338,821	(5,807,802)	1,880,347
Plan Fiduciary Net Position - Beginning	162,766,407	171,845,403	152,996,702	144,657,881	150,465,683	148,585,336
Plan Fiduciary Net Position - Ending (b)	\$ 193,539,561	\$ 162,766,407	\$ 171,845,403	\$ 152,996,702	\$ 144,657,881	\$ 150,465,683
City's Net Pension Liability - Ending (a) - (b)	\$ 22,573,243	\$ 48,473,359	\$ 31,223,347	\$ 37,044,636	\$ 37,592,088	\$ 16,032,888
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.55%	77.05%	84.62%	80.51%	79.37%	90.37%
Covered Payroll	\$ 20,101,508	\$ 20,282,338	\$ 19,822,841	\$ 19,307,515	\$ 18,902,215	\$ 17,588,238
Net Pension Liability as a Percentage of Covered Payroll	112.30%	238.99%	157.51%	191.87%	198.88%	91.16%

⁽¹⁾ Amounts are based on the Firemen's Relief and Retirement Plan year end December 31
 Information to present a ten-year history is not readily available.

**CITY OF AMARILLO, TEXAS
FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 4,146,702	\$ 3,980,186	\$ 3,913,039	\$ 3,827,547	\$ 3,576,216	\$ 3,432,058
Contributions in relation to the actuarially determined contribution	<u>4,146,702</u>	<u>3,980,186</u>	<u>3,913,039</u>	<u>3,827,547</u>	<u>3,576,216</u>	<u>3,432,058</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 20,798,929</u>	<u>\$ 20,311,090</u>	<u>\$ 20,057,182</u>	<u>\$ 19,892,208</u>	<u>\$ 18,890,426</u>	<u>\$ 18,288,556</u>
Contributions as a percentage of covered payroll	19.94%	19.60%	19.51%	19.24%	18.91%	18.77%

Information to present a ten-year history is not readily available.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
 FIREMEN'S RELIEF AND RETIREMENT FUND
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2020**

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, 2019
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	38 years
Asset calculation method	Smoothed market value method
Actuarial assumptions:	
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Inflation	2.75%
Projected salary increases	3.00%, plus promotion, step and longevity increases that vary by service
Contribution rate:	
City of Amarillo	19.57%
Employees	13.00%
Mortality rate	PubS-2010 (public safety) total dataset mortality tables for employees and retirees (sex distinct), using the MP-2019 projection scale

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

Salary increases were lowered from 3.50% to 3.0%, plus promotion, step and longevity increases that vary by service. The rate of inflation was increased to 2.75% from 2.5%.

**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, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability	\$ 71,489,073	\$ 64,305,284	\$ 61,979,142	\$ 59,119,728
Plan fiduciary net position	<u>21,366,171</u>	<u>15,237,541</u>	<u>13,621,113</u>	<u>9,478,461</u>
Net OPEB liability (asset)	\$ 50,122,902	\$ 49,067,743	\$ 48,358,029	\$ 49,641,267
Plan fiduciary net position as a percentage of the total OPEB liability	29.89%	23.70%	21.98%	16.03%
Covered payroll	\$ 88,500,000	\$ 100,300,000	\$ 97,400,000	\$ 99,700,000
Net OPEB liability (asset) as a percentage of covered payroll	56.64%	49.22%	49.65%	49.79%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

**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, 2020**

	<u>Measurement Year Ended August 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 2,000,869	\$ 1,955,516	\$ 1,832,510
Interest	4,137,785	4,138,657	3,944,418
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(724,960)	-	-
Changes of assumptions	5,679,902	(745,063)	-
Benefits payments	<u>(3,909,807)</u>	<u>(3,022,968)</u>	<u>(2,917,514)</u>
Net change in total OPEB liability	7,183,789	2,326,142	2,859,414
Total OPEB liability-beginning	<u>64,305,284</u>	<u>61,979,142</u>	<u>59,119,728</u>
Total OPEB liability-ending (a)	<u><u>\$ 71,489,073</u></u>	<u><u>\$ 64,305,284</u></u>	<u><u>\$ 61,979,142</u></u>
Plan fiduciary net position:			
Contributions-employer	\$ 2,635,573	\$ 2,700,901	\$ 2,647,545
Net investment income	3,493,057	(1,084,473)	1,495,107
Benefits payments	-	-	-
Administrative expense	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	6,128,630	1,616,428	4,142,652
Plan fiduciary net position-beginning	<u>15,237,541</u>	<u>13,621,113</u>	<u>9,478,461</u>
Plan fiduciary net position-ending (b)	<u><u>\$ 21,366,171</u></u>	<u><u>\$ 15,237,541</u></u>	<u><u>\$ 13,621,113</u></u>
City's net OPEB liability-ending (a)-(b)	<u><u>\$ 50,122,902</u></u>	<u><u>\$ 49,067,743</u></u>	<u><u>\$ 48,358,029</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	29.88%	23.70%	21.98%
Covered payroll	\$ 88,500,000	\$ 100,300,000	\$ 97,400,000
Net OPEB liability as a percentage of covered payroll	56.64%	48.92%	49.65%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT (OPEB)
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS (1)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial determined contribution	\$ 2,635,573	\$ 2,700,901	\$ 2,647,545
Contributions in relation to the actuarially determined contribution	<u>2,635,573</u>	<u>2,700,901</u>	<u>2,647,545</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
 Covered Payroll	 88,500,000	 100,300,000	 97,400,000
 Contributions as a percentage of covered-payroll	 2.98%	 2.69%	 2.72%
 Annual money weighted rate of return, net of investment expenses	 21.09%	 -7.24%	 13.84%
Allocation			
Bank Insured Deposit / Cash	1.22%	0.66%	2.50%
Equities	50.21%	51.36%	50.37%
Mutual Funds	<u>48.57%</u>	<u>47.98%</u>	<u>47.13%</u>
Peb Trust of Texas	100.00%	100.00%	100.00%

(1) This schedule is intended to show 10 years-additional information will be presented as it becomes available.

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020**

NOTE 1 - METHODS AND ASSUMPTIONS

The following methods and assumptions are used to determine contribution rates:

Valuation Date	October 1, 2019
Measurement Date	December 31, 2019
Benefits Valued	Pre-65 and Post-65 medical and prescription drug benefits
Long-Term Rate of Return	7.50%
Discount Rates	6.43% (partial pre-funding)
Healthcare cost trend rate	7.50%
Payroll Growth Rate	3.00% for TMRS & AEDC, 3.50% for FRRF
Termination Rates	
<ul style="list-style-type: none"> • TMRS and AEDC participants 	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.
<ul style="list-style-type: none"> • FRRF Participants 	Table T-1 from the Actuary's Pension Handbook as applied in the January 1, 2014 and December 31, 2015 FRRF Actuarial Valuation.
Mortality Rates	
<ul style="list-style-type: none"> • TMRS and AEDC participants 	The mortality rates used in the pension plan in which the employee, retiree or beneficiary is assumed to participate.
<ul style="list-style-type: none"> —Healthy Pre-Retirement 	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.
<ul style="list-style-type: none"> —Healthy Post-Retirement 	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.
<ul style="list-style-type: none"> —Disabled 	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.
<ul style="list-style-type: none"> • FRRF participants 	RP-2000 Combined Healthy Mortality Table projected to 2024 using scale AA.

**CITY OF AMARILLO, TEXAS
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
SEPTEMBER 30, 2020**

NOTE 1 - METHODS AND ASSUMPTIONS (CONTINUED)

Post-Retirement Medical Plan Change	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.
Dependent Status	
<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> - 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	Market Value
City Contributions	2.43% of total covered payroll
Dental Benefits	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, 2019:

- Healthcare Cost Trend Rates were updated from 8.50% in 2018 stepping down to 5.00% in 2024, to 7.50% in 2019 stepping down to 5.00% in 2025.
- Discount rate was changed from 6.75% to 6.43%

See Independent Auditor's Report

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. This category includes the following funds:

Grant funds: These funds are used to account for the receipt and expenditure of funds received under various federal and state assistance programs.

Public improvement districts: These funds are used to account for assessments levied against residential lots in various public improvement districts, the use of which is restricted for maintenance of beautification and recreational facilities.

Seizures funds: These funds are used, to account for crime seizure proceeds awarded to the City, the use of which is restricted to law enforcement purposes.

Other: These funds include:

Court Technology Fund: Fees collected by the Municipal Court under state laws which restrict the use of the proceeds to technological enhancements for the Court.

Court Security Fund: Fees collected by the Municipal Court under state laws which restrict the use of the proceeds to court security activities and cost for the Court.

LEOSE Training Program: Fees collected by the Municipal Court under state laws for the purpose of providing continuing education for law enforcement and fire officers.

Homeland Security Program: The homeland security programs provide the Emergency Management Department with professional services and equipment, which allows the City to be operationally equipped and trained to respond to emergencies through the purchase of equipment, training, and exercises with the goal of improving the preparedness of local responders.

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

Photo Enforcement: Fees collected from red-light traffic violations that are restricted by State law to be used only for traffic intersection improvements.

Public Library Bush Collection: Funds received and restricted for the purchase and maintenance of items in the William Henry Bush Collection.

Library Trust: Various funds received for the sole benefit of the Amarillo Public Library.

Flood Hazard: Fees collected for playa lake development.

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, 2020**

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
ASSETS					
Cash and cash equivalents	\$ 1,573,037	\$ 7,985,646	\$ 2,664,222	\$ 417,353	\$ 4,120,689
Investments, at fair values	-	2,000,000	-	-	2,250,000
Receivables, net of allowances for uncollectibles					
Property taxes	-	-	-	-	-
Accounts	96,893	4,028	7,457	-	11,508
Accrued Interest	-	-	-	-	1,166
Other accrued revenue	-	1,224	-	-	-
Due from other funds unrestricted	26,061	97,326	-	23,479	-
Due from other governments	511,012	1,042,598	-	-	-
Prepaid items	59,646	3,246	-	602	-
Restricted cash and cash equivalents	-	-	-	-	-
Restricted investments	-	-	-	-	-
TOTAL ASSETS	\$ 2,266,649	\$ 11,134,068	\$ 2,671,679	\$ 441,434	\$ 6,383,363
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 62,360	\$ 247,232	\$ 23,786	\$ 1,698	\$ 54,182
Accounts payable	120,913	208,892	5,445	-	319,028
Accrued expenditures	31,084	-	14,563	-	12,777
Deposits	-	-	-	-	1,268,955
Due to other funds - unrestricted	773,327	446,000	1,000	10,884	83,018
Due to other governments	(80)	-	-	22,108	-
Unearned revenues - other	440,493	-	-	-	-
Advance from other funds	-	-	-	-	1,247,504
Total liabilities	1,428,097	902,124	44,794	34,690	2,985,464
Deferred inflows of resources					
Unearned revenues - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable					
Prepaid items	49,332	2,011	-	602	-
Uncollected taxes	-	-	-	-	-
Corpus or Principal					
Restricted for:					
Debt Service	-	-	-	-	-
Special purposes	763,697	10,229,933	2,626,885	406,142	3,397,899
Committed for:					
Compensated Absences	25,523	-	-	-	-
Total fund balances	838,552	10,231,944	2,626,885	406,744	3,397,899
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,266,649	\$ 11,134,068	\$ 2,671,679	\$ 441,434	\$ 6,383,363

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>
\$ -	\$ 373,071	\$ 17,694	\$ 17,151,712
-	-	-	4,250,000
32,749	-	-	32,749
-	-	-	119,886
-	-	-	1,166
-	-	-	1,224
58,333	-	-	205,199
-	-	-	1,553,610
-	-	-	63,494
1,856,577	-	-	1,856,577
-	-	-	-
<u>\$ 1,947,659</u>	<u>\$ 373,071</u>	<u>\$ 17,694</u>	<u>\$ 25,235,617</u>
\$ -	\$ -	\$ -	\$ 389,258
2,750	(5)	1	657,024
-	-	-	58,424
-	-	-	1,268,955
-	-	-	1,314,229
-	-	-	22,028
-	-	-	440,493
-	-	-	1,247,504
<u>2,750</u>	<u>(5)</u>	<u>1</u>	<u>5,397,915</u>
19,288	-	-	19,288
<u>19,288</u>	<u>-</u>	<u>-</u>	<u>19,288</u>
-	-	-	51,945
13,461	-	-	13,461
-	-	17,693	17,693
1,912,160	-	-	1,912,160
-	-	-	17,424,556
-	373,076	-	398,599
<u>1,925,621</u>	<u>373,076</u>	<u>17,693</u>	<u>19,818,414</u>
<u>\$ 1,947,659</u>	<u>\$ 373,071</u>	<u>\$ 17,694</u>	<u>\$ 25,235,617</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, 2020

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
REVENUES					
Ad valorem taxes - for debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	14,831,233	8,391,816	-	-	328,281
Citizen contributions	-	-	-	-	15,074
Construction participation	75,874	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	1,497,439
Other entity participations	-	-	-	-	-
Charges for services	41,049	79,498	2,266,498	-	315,435
Fines and forfeitures	-	-	-	115,573	1,301,874
Investment earnings	3,566	69,905	1,946	2,170	113,369
Miscellaneous	243,497	22,535	-	-	74,448
Total revenues	15,195,219	8,563,754	2,268,444	117,743	3,645,920
EXPENDITURES					
Police protection	-	554,645	-	107,196	-
Other public safety and health	-	6,501,056	-	-	1,251,813
Staff services	-	434,933	-	-	-
Auditorium - coliseum	-	-	-	-	190,123
Library	-	-	-	-	167
Parks	-	-	987,184	-	-
Participation recreation	-	-	-	-	21,158
Urban redevelopment and housing	14,842,540	-	-	-	-
Capital outlay	-	128,585	300,000	68,464	290,294
Debt service principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Economic Development & Tourism	-	-	-	-	900,724
Termination vacation and sick leave pay	-	-	-	-	-
Total expenditures	14,842,540	7,619,219	1,287,184	175,660	2,654,279
Excess (deficiency) of revenues over (under) expenditures	352,679	944,535	981,260	(57,917)	991,641
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	167,976	1,121,974	-	-	85,959
Issuance of long-term debt	-	-	1,380,000	-	1,460,000
Premium on bond	-	-	80,783	-	40,000
Payment to refunded escrow agent	-	-	(1,460,783)	-	(1,500,000)
Loans to outside entities	-	-	-	-	-
Transfers to other funds	(149,963)	(223,471)	(602,530)	(15,704)	(291,374)
Net change in fund balances	370,692	1,843,038	378,730	(73,621)	786,226
FUND BALANCES, BEGINNING OF YEAR	467,860	8,388,906	2,248,155	480,365	2,611,673
FUND BALANCES, END OF YEAR	\$ 838,552	\$ 10,231,944	\$ 2,626,885	\$ 406,744	\$ 3,397,899

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>
\$ 5,726,974	\$ -	\$ -	\$ 5,726,974
-	-	-	23,551,330
-	-	-	15,074
-	-	-	75,874
-	-	-	1,497,439
226,250	-	-	226,250
-	-	-	2,702,480
-	-	-	1,417,447
20,127	2,303	-	213,386
-	-	-	340,480
<u>5,973,351</u>	<u>2,303</u>	<u>-</u>	<u>35,766,734</u>
-	-	-	661,841
-	-	-	7,752,869
10,652	-	-	445,585
-	-	-	190,123
-	-	-	167
-	-	-	987,184
-	-	-	21,158
-	-	-	14,842,540
-	-	-	787,343
4,291,913	-	-	4,291,913
4,803,026	-	-	4,803,026
-	-	-	900,724
-	1,512,308	-	1,512,308
<u>9,105,591</u>	<u>1,512,308</u>	<u>-</u>	<u>37,196,781</u>
(3,132,240)	(1,510,005)	-	(1,430,047)
2,009,055	1,200,000	-	4,584,964
960,000	-	-	3,800,000
(10,000)	-	-	110,783
(950,000)	-	-	(3,910,783)
-	-	-	-
-	-	-	(1,283,042)
(1,123,185)	(310,005)	-	1,871,875
<u>3,048,806</u>	<u>683,081</u>	<u>17,693</u>	<u>17,946,539</u>
<u>\$ 1,925,621</u>	<u>\$ 373,076</u>	<u>\$ 17,693</u>	<u>\$ 19,818,414</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
OTHER GRANT FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020**

	<u>Special Revenue Funds</u>			<u>Total Other Grant Funds</u>
	<u>Public Health Grants</u>	<u>Justice Grants</u>	<u>Miscellaneous Grants</u>	
ASSETS				
Cash and cash equivalents	\$ 7,972,351	\$ 4,231	\$ 9,064	\$ 7,985,646
Investments at fair value	2,000,000	-	-	2,000,000
Receivables, net of allowances for uncollectibles				
Accounts	4,028	-	-	4,028
Other accrued revenue	1,224	-	-	1,224
Due from other funds unrestricted	-	-	97,326	97,326
Due from other governments	781,523	114,809	146,266	1,042,598
Prepaid items	2,011	-	1,235	3,246
TOTAL ASSETS	<u>\$ 10,761,137</u>	<u>\$ 119,040</u>	<u>\$ 253,891</u>	<u>\$ 11,134,068</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers payable	\$ 190,670	\$ 54,040	\$ 2,522	\$ 247,232
Accounts payable	188,608	4	20,280	208,892
Due to other funds - unrestricted	150,000	65,000	231,000	446,000
Total liabilities	<u>529,278</u>	<u>119,044</u>	<u>253,802</u>	<u>902,124</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	2,011	-	-	2,011
Restricted:				
Special purposes	10,229,848	(4)	89	10,229,933
Total fund balances	<u>10,231,859</u>	<u>(4)</u>	<u>89</u>	<u>10,231,944</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,761,137</u>	<u>\$ 119,040</u>	<u>\$ 253,891</u>	<u>\$ 11,134,068</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, 2020**

	<u>Special Revenue Funds</u>			<u>Total Other Grants Funds</u>
	<u>Public Health Grants</u>	<u>Justice Grants</u>	<u>Miscellaneous Grants</u>	
REVENUES				
Intergovernmental revenues	\$ 6,496,530	\$ 605,846	\$ 1,289,440	\$ 8,391,816
Other entity participations	-	-	-	-
Charges for services	79,498	-	-	79,498
Investment earnings	69,815	-	90	69,905
Miscellaneous	2,500	-	20,035	22,535
Total revenues	<u>6,648,343</u>	<u>605,846</u>	<u>1,309,565</u>	<u>8,563,754</u>
EXPENDITURES				
Other public safety and health	5,711,298	-	789,758	6,501,056
Staff services	-	-	434,933	434,933
Police protection	-	554,645	-	554,645
Capital outlay	8,291	87,294	33,000	128,585
Total expenditures	<u>5,719,589</u>	<u>641,939</u>	<u>1,257,691</u>	<u>7,619,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>928,754</u>	<u>(36,093)</u>	<u>51,874</u>	<u>944,535</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,033,173	36,089	52,712	1,121,974
Operating transfers to other funds	(118,974)	-	(104,497)	(223,471)
Net change in fund balances	1,842,953	(4)	89	1,843,038
FUND BALANCES, BEGINNING OF YEAR	<u>8,388,906</u>	<u>-</u>	<u>-</u>	<u>8,388,906</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,231,859</u>	<u>\$ (4)</u>	<u>\$ 89</u>	<u>\$ 10,231,944</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC IMPROVEMENT DISTRICTS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020**

	<u>Greenways at Hillside</u>	<u>Heritage Hills</u>	<u>Brennan Boulevard</u>	<u>The Colonies</u>	<u>Tutbury</u>
ASSETS					
Cash and cash equivalents	\$ 277,946	\$ 604,627	\$ -	\$ 928,958	\$ 41,412
Accounts receivable	-	-	-	-	-
TOTAL ASSETS	<u>\$ 277,946</u>	<u>\$ 604,627</u>	<u>\$ -</u>	<u>\$ 928,958</u>	<u>\$ 41,412</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	576	575	-	-	618
Accrued expenses	-	-	-	14,563	-
Vouchers payable	13,140	-	-	9,821	-
Total liabilities	<u>13,716</u>	<u>575</u>	<u>-</u>	<u>24,384</u>	<u>618</u>
FUND BALANCES					
Restricted for:					
Special purposes	<u>264,230</u>	<u>604,052</u>	<u>-</u>	<u>904,574</u>	<u>40,794</u>
Total fund balances	<u>264,230</u>	<u>604,052</u>	<u>-</u>	<u>904,574</u>	<u>40,794</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 277,946</u>	<u>\$ 604,627</u>	<u>\$ -</u>	<u>\$ 928,958</u>	<u>\$ 41,412</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>
\$ 228,732	\$ 6,805	\$ 12,633	\$ 548	\$ 561,649	\$ 912	\$ 2,664,222
4,207	1,750	1,500	-	-	-	7,457
<u>\$ 232,939</u>	<u>\$ 8,555</u>	<u>\$ 14,133</u>	<u>\$ 548</u>	<u>\$ 561,649</u>	<u>\$ 912</u>	<u>\$ 2,671,679</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
620	618	1,820	-	618	-	5,445
-	-	-	-	-	-	14,563
-	249	-	-	-	576	23,786
<u>620</u>	<u>867</u>	<u>1,820</u>	<u>-</u>	<u>618</u>	<u>1,576</u>	<u>44,794</u>
<u>232,319</u>	<u>7,688</u>	<u>12,313</u>	<u>548</u>	<u>561,031</u>	<u>(664)</u>	<u>2,626,885</u>
<u>232,319</u>	<u>7,688</u>	<u>12,313</u>	<u>548</u>	<u>561,031</u>	<u>(664)</u>	<u>2,626,885</u>
<u>\$ 232,939</u>	<u>\$ 8,555</u>	<u>\$ 14,133</u>	<u>\$ 548</u>	<u>\$ 561,649</u>	<u>\$ 912</u>	<u>\$ 2,671,679</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, 2020**

	<u>Greenways at Hillside</u>	<u>Heritage Hills</u>	<u>Brennan Boulevard</u>	<u>The Colonies</u>	<u>Tutbury</u>
REVENUES					
Charges for services	\$ 643,533	\$ 317,184	\$ -	\$ 1,054,201	\$ 16,296
Investment earnings	791	-	-	1,155	-
Total revenues	<u>644,324</u>	<u>317,184</u>	<u>-</u>	<u>1,055,356</u>	<u>16,296</u>
EXPENDITURES					
Parks	412,553	30,865	-	491,564	9,747
Bond issuance cost	-	-	-	-	-
Capital outlay	300,000	-	-	-	-
Total expenditures	<u>712,553</u>	<u>30,865</u>	<u>-</u>	<u>491,564</u>	<u>9,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,229)</u>	<u>286,319</u>	<u>-</u>	<u>563,792</u>	<u>6,549</u>
OTHER FINANCING SOURCES					
Issuance of long-term debt	430,000	-	-	950,000	-
Premium on bond	45,000	-	-	35,783	-
Payment to refunded escrow agent	(475,000)	-	-	(985,783)	-
Transfer from other funds	-	-	-	-	-
Transfer to other funds	<u>(134,002)</u>	<u>-</u>	<u>(8,952)</u>	<u>(459,576)</u>	<u>-</u>
Net change in fund balances	(202,231)	286,319	(8,952)	104,216	6,549
FUND BALANCES, BEGINNING OF YEAR	<u>497,461</u>	<u>286,733</u>	<u>8,952</u>	<u>800,358</u>	<u>34,245</u>
PRIOR PERIOD ADJUSTMENT	<u>(31,000)</u>	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING OF YEAR, RESTATED	<u>466,461</u>	<u>317,733</u>	<u>8,952</u>	<u>800,358</u>	<u>34,245</u>
FUND BALANCES, END OF YEAR	<u>\$ 264,230</u>	<u>\$ 604,052</u>	<u>\$ -</u>	<u>\$ 904,574</u>	<u>\$ 40,794</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	\$ 7,750	\$ -	\$ 165,377	\$ -	\$ 2,266,498
-	-	-	-	-	-	1,946
<u>52,007</u>	<u>10,150</u>	<u>7,750</u>	<u>-</u>	<u>165,377</u>	<u>-</u>	<u>2,268,444</u>
21,528	13,558	4,899	618	1,188	664	987,184
-	-	-	-	-	-	-
-	-	-	-	-	-	300,000
<u>21,528</u>	<u>13,558</u>	<u>4,899</u>	<u>618</u>	<u>1,188</u>	<u>664</u>	<u>1,287,184</u>
30,479	(3,408)	2,851	(618)	164,189	(664)	981,260
-	-	-	-	-	-	1,380,000
-	-	-	-	-	-	80,783
-	-	-	-	-	-	(1,460,783)
-	-	-	-	-	-	-
-	-	-	-	-	-	(602,530)
30,479	(3,408)	2,851	(618)	164,189	(664)	378,730
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>\$ 232,319</u>	<u>\$ 7,688</u>	<u>\$ 12,313</u>	<u>\$ 548</u>	<u>\$ 561,031</u>	<u>\$ (664)</u>	<u>\$ 2,626,885</u>

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
SEIZURE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020**

	Federal APD Seized Property	Local Seized Property	Texas Narcotics Seized Property	Total
ASSETS				
Cash and cash equivalents	\$ 152,094	\$ 245,074	\$ 20,185	\$ 417,353
Prepaid items	-	-	602	602
Due from other funds	-	23,479	-	23,479
TOTAL ASSETS	\$ 152,094	\$ 268,553	\$ 20,787	\$ 441,434
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds - unrestricted	\$ 949	\$ 9,935	\$ -	\$ 10,884
Due to other governments	-	1,889	20,219	22,108
Vouchers payable	1,699	-	(1)	1,698
Total liabilities	2,648	11,824	20,218	34,690
 FUND BALANCES				
Nonspendable				
Prepaid items	-	-	602	602
Restricted for:				
Special purposes	149,446	256,729	(33)	406,142
Total fund balances	149,446	256,729	569	406,744
TOTAL LIABILITIES AND FUND BALANCES	\$ 152,094	\$ 268,553	\$ 20,787	\$ 441,434

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, 2020**

	<u>Federal APD Seized Property</u>	<u>Local Seized Property</u>	<u>Texas Narcotics Seized Property</u>	<u>Total</u>
REVENUES				
Investment earnings	\$ 1,156	\$ 926	\$ 88	\$ 2,170
Seized property revenue	<u>28,969</u>	<u>86,604</u>	<u>-</u>	<u>115,573</u>
Total revenues	<u>30,125</u>	<u>87,530</u>	<u>88</u>	<u>117,743</u>
EXPENDITURES				
Police protection	56,430	50,764	2	107,196
Capital outlay	<u>68,464</u>	<u>-</u>	<u>-</u>	<u>68,464</u>
Total expenditures	<u>124,894</u>	<u>50,764</u>	<u>2</u>	<u>175,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,769)</u>	<u>36,766</u>	<u>86</u>	<u>(57,917)</u>
OTHER FINANCING SOURCES (USES)				
Transfer to other fund	<u>(15,704)</u>	<u>-</u>	<u>-</u>	<u>(15,704)</u>
Total other financing sources and (uses)	<u>(15,704)</u>	<u>-</u>	<u>-</u>	<u>(15,704)</u>
Net change in fund balances	(110,473)	36,766	86	(73,621)
FUND BALANCES, BEGINNING OF YEAR				
	<u>259,919</u>	<u>219,963</u>	<u>483</u>	<u>480,365</u>
FUND BALANCES, END OF YEAR				
	<u>\$ 149,446</u>	<u>\$ 256,729</u>	<u>\$ 569</u>	<u>\$ 406,744</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
MISCELLANEOUS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020**

	Court Technology	Court Security	LEOSE Training Program	Homeland Security	Cable Capital Facilities	Photo Enforcement	Public Library Bush Collection
ASSETS							
Cash and cash equivalents	\$ 46,278	\$ 8,827	\$ 38,461	\$ 13,363	\$ 19,673	\$ 1,371,493	\$ 51,199
Accounts receivable	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-
Investments, at fair values	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 46,278	\$ 8,827	\$ 38,461	\$ 13,363	\$ 19,673	\$ 1,371,493	\$ 51,199
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,182	\$ -
Accounts payable	-	8,833	-	12,479	-	297,714	-
Accrued expenditures	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Due to other funds - unrestricted	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	-	8,833	-	12,479	-	351,896	-
FUND BALANCES							
Restricted:							
Special purposes	46,278	(6)	38,461	884	19,673	1,019,597	51,199
Total fund balances	46,278	(6)	38,461	884	19,673	1,019,597	51,199
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,278	\$ 8,827	\$ 38,461	\$ 13,363	\$ 19,673	\$ 1,371,493	\$ 51,199

See Independent Auditor's Report.

Library Trust	Flood Hazard	Civic Amarillo	Zoo Trust	Centennial Celebration	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Total
\$ 74,904	\$ 1,102,634	\$ 541,430	\$ 141,440	\$ 20,674	\$ 527,277	\$ 163,036	\$ 4,120,689
-	-	-	-	-	11,508	-	11,508
-	210	-	-	-	956	-	1,166
-	1,250,000	-	-	-	1,000,000	-	2,250,000
-	-	-	-	-	-	-	-
<u>\$ 74,904</u>	<u>\$ 2,352,844</u>	<u>\$ 541,430</u>	<u>\$ 141,440</u>	<u>\$ 20,674</u>	<u>\$ 1,539,741</u>	<u>\$ 163,036</u>	<u>\$ 6,383,363</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,182
-	-	-	2	-	-	-	319,028
-	-	809	-	-	11,968	-	12,777
-	1,268,955	-	-	-	-	-	1,268,955
-	-	-	-	-	83,018	-	83,018
-	-	-	-	-	1,247,504	-	1,247,504
-	1,268,955	809	2	-	1,342,490	-	2,985,464
<u>74,904</u>	<u>1,083,889</u>	<u>540,621</u>	<u>141,438</u>	<u>20,674</u>	<u>197,251</u>	<u>163,036</u>	<u>3,397,899</u>
<u>74,904</u>	<u>1,083,889</u>	<u>540,621</u>	<u>141,438</u>	<u>20,674</u>	<u>197,251</u>	<u>163,036</u>	<u>3,397,899</u>
<u>\$ 74,904</u>	<u>\$ 2,352,844</u>	<u>\$ 541,430</u>	<u>\$ 141,440</u>	<u>\$ 20,674</u>	<u>\$ 1,539,741</u>	<u>\$ 163,036</u>	<u>\$ 6,383,363</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, 2020**

	<u>Court Technology</u>	<u>Court Security</u>	<u>LEOSE Training Program</u>	<u>Homeland Security</u>	<u>Cable Capital Facilities</u>	<u>Photo Enforcement</u>
REVENUES						
Intergovernmental revenues - operating	\$ -	\$ -	\$ 23,336	\$ 304,945	\$ -	\$ -
Citizen contributions	-	-	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	-	-
Charges for services	87,388	-	-	-	-	-
Fines and forfeitures	-	84,154	-	-	-	1,217,720
Investment earnings	-	-	-	-	-	7,739
Miscellaneous revenues	-	-	-	-	-	-
Total revenues	<u>87,388</u>	<u>84,154</u>	<u>23,336</u>	<u>304,945</u>	<u>-</u>	<u>1,225,459</u>
EXPENDITURES						
Other public safety and health	96,322	167,117	9,800	17,601	-	960,973
Auditorium - Coliseum	-	-	-	-	-	-
Library	-	-	-	-	-	-
Participant recreation	-	-	-	-	-	-
Economic development/tourism	-	-	-	-	-	-
Capital outlay	-	-	-	290,294	-	-
Total expenditures	<u>96,322</u>	<u>167,117</u>	<u>9,800</u>	<u>307,895</u>	<u>-</u>	<u>960,973</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,934)</u>	<u>(82,963)</u>	<u>13,536</u>	<u>(2,950)</u>	<u>-</u>	<u>264,486</u>
OTHER FINANCING SOURCES (USES)						
Transfers to other funds	(113)	-	-	-	-	(133,623)
Issuance of long-term debt	-	-	-	-	-	-
Premium on bond	-	-	-	-	-	-
Payment to refunded escrow agent	-	-	-	-	-	-
Transfers from other funds	-	82,963	-	2,996	-	-
Total other financing sources and uses	<u>(113)</u>	<u>82,963</u>	<u>-</u>	<u>2,996</u>	<u>-</u>	<u>(133,623)</u>
Net change in fund balances	<u>(9,047)</u>	<u>-</u>	<u>13,536</u>	<u>46</u>	<u>-</u>	<u>130,863</u>
FUND BALANCES, BEGINNING OF YEAR	<u>55,325</u>	<u>(6)</u>	<u>24,925</u>	<u>838</u>	<u>19,673</u>	<u>888,734</u>
FUND BALANCES, END OF YEAR	<u>\$ 46,278</u>	<u>\$ (6)</u>	<u>\$ 38,461</u>	<u>\$ 884</u>	<u>\$ 19,673</u>	<u>\$ 1,019,597</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 328,281
-	688	-	-	14,386	-	-	-	15,074
-	-	-	-	-	-	1,339,763	157,676	1,497,439
-	-	-	223,894	4,153	-	-	-	315,435
-	-	-	-	-	-	-	-	1,301,874
376	-	25,011	-	-	-	80,243	-	113,369
-	-	-	-	-	-	74,448	-	74,448
<u>376</u>	<u>688</u>	<u>25,011</u>	<u>223,894</u>	<u>18,539</u>	<u>-</u>	<u>1,494,454</u>	<u>157,676</u>	<u>3,645,920</u>
-	-	-	-	-	-	-	-	1,251,813
-	-	-	190,123	-	-	-	-	190,123
-	167	-	-	-	-	-	-	167
-	-	-	-	21,158	-	-	-	21,158
-	-	-	-	-	-	840,351	60,373	900,724
-	-	-	-	-	-	-	-	290,294
<u>-</u>	<u>167</u>	<u>-</u>	<u>190,123</u>	<u>21,158</u>	<u>-</u>	<u>840,351</u>	<u>60,373</u>	<u>2,654,279</u>
<u>376</u>	<u>521</u>	<u>25,011</u>	<u>33,771</u>	<u>(2,619)</u>	<u>-</u>	<u>654,103</u>	<u>97,303</u>	<u>991,641</u>
-	-	-	-	-	-	(157,638)	-	(291,374)
-	-	-	-	-	-	1,460,000	-	1,460,000
-	-	-	-	-	-	40,000	-	40,000
-	-	-	-	-	-	(1,500,000)	-	(1,500,000)
-	-	-	-	-	-	-	-	85,959
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,638)</u>	<u>-</u>	<u>(205,415)</u>
<u>376</u>	<u>521</u>	<u>25,011</u>	<u>33,771</u>	<u>(2,619)</u>	<u>-</u>	<u>496,465</u>	<u>97,303</u>	<u>786,226</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>
<u>\$ 51,199</u>	<u>\$ 74,904</u>	<u>\$ 1,083,889</u>	<u>\$ 540,621</u>	<u>\$ 141,438</u>	<u>\$ 20,674</u>	<u>\$ 197,251</u>	<u>\$ 163,036</u>	<u>\$ 3,397,899</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, 2020**

	<u>General Construction Fund</u>	<u>Street Assessments Fund</u>	<u>Street Improvement Fund</u>	<u>Golf Course Improvement Fund</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,631,304	\$ 1,350,220	\$ 942,865	\$ 3
Restricted cash and cash equivalents	7,954,290	-	-	-
Investments, at fair values	3,509,850	-	-	-
Restricted investments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Construction in progress	-	-	-	-
Accounts receivable	75,401	-	-	-
Accrued interest receivable	23,678	-	-	-
TOTAL ASSETS	<u>\$ 15,194,523</u>	<u>\$ 1,350,220</u>	<u>\$ 942,865</u>	<u>\$ 3</u>
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Vouchers payable	\$ 83,202	\$ -	\$ -	\$ -
Accounts payable	14,888	-	1	-
Accrued expenditures	46,567	-	-	-
Refundable security deposit	-	921,433	-	-
Due to other funds - unrestricted	-	-	-	-
Total liabilities	<u>144,657</u>	<u>921,433</u>	<u>1</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Capital projects	-	-	-	-
Assigned for:				
Capital projects	<u>15,049,866</u>	<u>428,787</u>	<u>942,864</u>	<u>3</u>
Total fund balances	<u>15,049,866</u>	<u>428,787</u>	<u>942,864</u>	<u>3</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,194,523</u>	<u>\$ 1,350,220</u>	<u>\$ 942,865</u>	<u>\$ 3</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>
\$ 2,517,695	\$ 234,800	\$ -	\$ 3,207	\$ 708,845	\$ 4,357	\$ 9,393,296
-	-	3,491,006	-	-	8,257,792	19,703,088
2,751,770	-	-	-	-	-	6,261,620
-	-	2,510,570	-	-	6,000,000	8,510,570
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	75,401
5,320	-	3,306	-	-	918	33,222
<u>\$ 5,274,785</u>	<u>\$ 234,800</u>	<u>\$ 6,004,882</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 14,263,067</u>	<u>\$ 43,977,197</u>
\$ -	\$ -	\$ 102,082	\$ -	\$ -	\$ 1,507,399	\$ 1,692,683
-	-	275,498	-	-	690,051	980,438
9,640	-	-	-	-	-	56,207
-	-	-	-	-	-	921,433
-	-	-	-	-	465,000	465,000
<u>9,640</u>	<u>-</u>	<u>377,580</u>	<u>-</u>	<u>-</u>	<u>2,662,450</u>	<u>4,115,761</u>
-	-	5,627,302	-	-	-	5,627,302
<u>5,265,145</u>	<u>234,800</u>	<u>-</u>	<u>3,207</u>	<u>708,845</u>	<u>11,600,617</u>	<u>34,234,134</u>
<u>5,265,145</u>	<u>234,800</u>	<u>5,627,302</u>	<u>3,207</u>	<u>708,845</u>	<u>11,600,617</u>	<u>39,861,436</u>
<u>\$ 5,274,785</u>	<u>\$ 234,800</u>	<u>\$ 6,004,882</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 14,263,067</u>	<u>\$ 43,977,197</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, 2020**

	General Construction Fund	Street Assessments Fund	Street Improvement Fund	Golf Course Improvement Fund
REVENUES				
Intergovernmental revenues	\$ 2,311,811	\$ -	\$ -	\$ -
Charges for services	-	-	-	213,214
Construction participations	292,816	4,455,244	-	-
Miscellaneous	968	-	-	-
Gain on sale of assets	287,269	-	-	-
Investment earnings	154,107	2,155	7,230	-
Total revenues	<u>3,046,971</u>	<u>4,457,399</u>	<u>7,230</u>	<u>213,214</u>
EXPENDITURES				
Public Safety	3,149,060	-	-	-
Fire protection	-	-	-	-
Solid waste	-	-	-	-
Economic development/tourism	10,132	-	-	-
Capital outlay	7,981,161	4,486,291	10,489	-
Bond issuance costs	121,136	-	-	-
Total expenditures	<u>11,261,489</u>	<u>4,486,291</u>	<u>10,489</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,214,518)</u>	<u>(28,892)</u>	<u>(3,259)</u>	<u>213,214</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(29,058)	-	(341,347)	(227,175)
Transfers from other funds	1,085,527	-	-	27,992
Payment to refunded escrow agent	-	-	-	(2,885,000)
Proceeds from Insurance	-	-	-	-
Proceeds from issuance of long-term debt	11,520,000	-	-	2,860,000
Premium on bonds	234,211	-	-	25,000
Total other financing sources and uses	<u>12,810,680</u>	<u>-</u>	<u>(341,347)</u>	<u>(199,183)</u>
Net change in fund balances	4,596,162	(28,892)	(344,606)	14,031
FUND BALANCES, BEGINNING OF YEAR	<u>10,453,704</u>	<u>457,679</u>	<u>1,287,470</u>	<u>(14,028)</u>
FUND BALANCES, END OF YEAR	<u>\$ 15,049,866</u>	<u>\$ 428,787</u>	<u>\$ 942,864</u>	<u>\$ 3</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,311,811
-	-	-	-	-	-	213,214
-	-	-	-	-	-	4,748,060
-	-	-	-	-	-	968
-	-	-	-	-	412,331	699,600
<u>64,986</u>	<u>1,193</u>	<u>124,356</u>	<u>-</u>	<u>4,291</u>	<u>232,306</u>	<u>590,624</u>
<u>64,986</u>	<u>1,193</u>	<u>124,356</u>	<u>-</u>	<u>4,291</u>	<u>644,637</u>	<u>8,564,277</u>
-	-	-	-	-	-	3,149,060
-	-	-	-	-	10,798	10,798
153,451	-	-	-	-	-	153,451
-	-	-	-	-	-	10,132
131,079	-	6,092,496	-	-	18,321,446	37,022,962
-	-	-	-	-	71,421	192,557
<u>284,530</u>	<u>-</u>	<u>6,092,496</u>	<u>-</u>	<u>-</u>	<u>18,403,665</u>	<u>40,538,960</u>
<u>(219,544)</u>	<u>1,193</u>	<u>(5,968,140)</u>	<u>-</u>	<u>4,291</u>	<u>(17,759,028)</u>	<u>(31,974,683)</u>
-	-	(593,000)	-	(4,291)	-	(1,194,871)
-	-	1,541,830	-	-	163,785	2,819,134
-	-	-	-	-	-	(2,885,000)
-	-	20,000	-	-	-	20,000
-	-	-	-	-	8,100,000	22,480,000
-	-	-	-	-	71,421	330,632
<u>-</u>	<u>-</u>	<u>968,830</u>	<u>-</u>	<u>(4,291)</u>	<u>8,335,206</u>	<u>21,569,895</u>
<u>(219,544)</u>	<u>1,193</u>	<u>(4,999,310)</u>	<u>-</u>	<u>-</u>	<u>(9,423,822)</u>	<u>(10,404,788)</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>\$ 5,265,145</u>	<u>\$ 234,800</u>	<u>\$ 5,627,302</u>	<u>\$ 3,207</u>	<u>\$ 708,845</u>	<u>\$ 11,600,617</u>	<u>\$ 39,861,436</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, 2020**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 8,378,700	\$ 2,327,257	\$ 5,255,736	\$ 8,029,872	\$ 23,991,565
Investments at fair value	8,297,005	3,006,875	11,058,295	4,298,300	26,660,475
Receivables (net of allowances for uncollectibles)					
Accounts	28	-	371,372	474,462	845,862
Accrued interest	25,131	12,264	25,264	10,607	73,266
Other accrued revenue					
Due from other funds	-	734	2,452,050	172,450	2,625,234
Inventory of supplies at cost	155,142	4,256	-	-	159,398
Prepaid expenses	-	343,420	1,754,579	-	2,097,999
Total current assets	<u>16,856,006</u>	<u>5,694,806</u>	<u>20,917,296</u>	<u>12,985,691</u>	<u>56,453,799</u>
NONCURRENT ASSETS					
Restricted cash and cash equivalents	74,853	-	-	-	74,853
Capital assets					
Improvements	768,005	5,895,235	-	-	6,663,240
Accumulated depreciation	(291,353)	(5,051,643)	-	-	(5,342,996)
Equipment	321,299	2,924,996	16,257	4,975	3,267,527
Accumulated depreciation	(285,975)	(2,390,229)	(14,626)	(4,141)	(2,694,971)
Vehicles	75,090,059	-	-	-	75,090,059
Accumulated depreciation	(52,697,329)	-	-	-	(52,697,329)
Capital lease asset	3,760,490	4,675,631	-	-	8,436,121
Accumulated amortization	(1,546,073)	(1,319,242)	-	-	(2,865,315)
Construction in progress	194,741	260,511	-	-	455,252
Total capital assets, net of accum. depreciation and amortization	<u>25,313,864</u>	<u>4,995,259</u>	<u>1,631</u>	<u>834</u>	<u>30,311,588</u>
Total noncurrent assets	<u>25,388,717</u>	<u>4,995,259</u>	<u>1,631</u>	<u>834</u>	<u>30,386,441</u>
TOTAL ASSETS	<u>\$ 42,244,723</u>	<u>\$ 10,690,065</u>	<u>\$ 20,918,927</u>	<u>\$ 12,986,525</u>	<u>\$ 86,840,240</u>
DEFERRED OUTFLOWS	<u>\$ 910,768</u>	<u>\$ 1,064,641</u>	<u>\$ (1,263)</u>	<u>\$ 181,728</u>	<u>\$ 2,155,874</u>
LIABILITIES					
CURRENT LIABILITIES					
Vouchers payable	\$ 551,354	\$ 272,267	\$ 35,444	\$ 369,910	\$ 1,228,975
Accounts payable	331,471	17,481	25,648	304,936	679,536
Accrued expenses	182,465	169,744	6,319	60,922	419,450
Due to other funds	-	(1,280)	-	2,713,836	2,712,556
Estimated liability for incurred losses	-	-	4,208,157	1,840,128	6,048,285
Current portion of capital lease liability	753,486	990,538	-	-	1,744,024
Current portion of compensated absences	22,352	71,009	-	-	93,361
Total current liabilities	<u>1,841,128</u>	<u>1,519,759</u>	<u>4,275,568</u>	<u>5,289,732</u>	<u>12,926,187</u>
NONCURRENT LIABILITIES					
Provision for compensated absences, net	238,777	268,737	39,457	35,747	582,718
Estimated liability for incurred losses, net of current portion	-	-	10,911,658	-	10,911,658
Capital lease liability	1,462,973	1,666,788	-	-	3,129,761
Net OPEB liability	1,047,569	902,212	25,062	110,270	2,085,113
Net pension liability	1,003,241	1,136,930	(36,529)	221,224	2,324,866
Total noncurrent liabilities	<u>3,752,560</u>	<u>3,974,667</u>	<u>10,939,648</u>	<u>367,241</u>	<u>19,034,116</u>
TOTAL LIABILITIES	<u>\$ 5,593,688</u>	<u>\$ 5,494,426</u>	<u>\$ 15,215,216</u>	<u>\$ 5,656,973</u>	<u>\$ 31,960,303</u>
DEFERRED INFLOWS	<u>\$ 831,441</u>	<u>\$ 1,247,236</u>	<u>\$ 64,553</u>	<u>\$ 175,977</u>	<u>\$ 2,319,207</u>
NET POSITION					
Net investment in capital assets	\$ 23,097,405	\$ 2,337,933	\$ 1,631	\$ 834	\$ 25,437,803
Restricted for debt service	74,853	-	-	-	74,853
Unrestricted	13,558,104	2,675,111	5,636,264	7,334,469	29,203,948
TOTAL NET POSITION	<u>\$ 36,730,362</u>	<u>\$ 5,013,044</u>	<u>\$ 5,637,895</u>	<u>\$ 7,335,303</u>	<u>\$ 54,716,604</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, 2020**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 1,947,582	\$ 1,947,582
Internal charges	17,219,890	6,983,884	6,456,744	20,329,181	50,989,699
Employee contributions	-	-	-	5,873,955	5,873,955
Miscellaneous	-	-	-	153	153
Total operating revenues	<u>17,219,890</u>	<u>6,983,884</u>	<u>6,456,744</u>	<u>28,150,871</u>	<u>58,811,389</u>
OPERATING EXPENSES					
Salaries, wages, fringes	2,393,838	2,949,574	113,706	319,891	5,777,009
Supplies	3,346,777	79,519	630,361	35,553	4,092,210
Fuel and oil	1,909,682	-	-	-	1,909,682
Contractual services	528,968	2,263,673	207,550	1,845,540	4,845,731
Claims, net of settlements	-	-	3,008,636	22,442,671	25,451,307
Other charges	1,208,546	312,632	2,422,968	1,488,340	5,432,486
Depreciation	7,339,044	1,072,924	332	66	8,412,366
Total operating expenses	<u>16,726,855</u>	<u>6,678,322</u>	<u>6,383,553</u>	<u>26,132,061</u>	<u>55,920,791</u>
Operating income (loss)	<u>493,035</u>	<u>305,562</u>	<u>73,191</u>	<u>2,018,810</u>	<u>2,890,598</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	182,968	61,221	235,857	115,138	595,184
Changes in value of investments	6,455	1,170	21,881	10,206	39,712
Interest and fiscal charges	(53,682)	(129,799)	-	-	(183,481)
Gain (loss) on property sales	(283,633)	(22,112)	-	-	(305,745)
Miscellaneous revenues	131,732	22,800	-	-	154,532
Total nonoperating revenues (expenses)	<u>(16,160)</u>	<u>(66,720)</u>	<u>257,738</u>	<u>125,344</u>	<u>300,202</u>
Income (loss) before contributions and transfers	476,875	238,842	330,929	2,144,154	3,190,800
TRANSFERS					
TO MUNICIPALITY - CASH	-	(2,516)	-	(2,452,050)	(2,454,566)
FROM MUNICIPALITY - CASH	57,646	270,863	2,452,590	-	2,781,099
Change in net position	<u>534,521</u>	<u>507,189</u>	<u>2,783,519</u>	<u>(307,896)</u>	<u>3,517,333</u>
NET POSITION AT BEGINNING OF YEAR					
	<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>
NET POSITION AT END OF YEAR					
	<u>\$ 36,730,362</u>	<u>\$ 5,013,044</u>	<u>\$ 5,637,895</u>	<u>\$ 7,335,303</u>	<u>\$ 54,716,604</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals</u>
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Cash received from City departments	\$ 17,219,890	\$ 6,984,191	\$ 6,677,253	\$ 29,215,225	\$ 60,096,559
Cash payments to suppliers for goods and services	(6,490,186)	(2,429,144)	(4,422,517)	(3,173,781)	(16,515,628)
Cash payments to employees	(2,411,511)	(2,867,481)	(109,884)	(276,073)	(5,664,949)
Cash payments for claims and loss adjustments	-	-	(2,738,334)	(22,411,766)	(25,150,100)
Net cash provided (used) by operating activities	<u>8,318,193</u>	<u>1,687,566</u>	<u>(593,482)</u>	<u>3,353,605</u>	<u>12,765,882</u>
CASH FLOWS FROM NONCAPITAL					
FINANCING ACTIVITIES					
Transfers from other funds	57,646	270,863	2,452,590	-	2,781,099
Transfers to other funds	-	(2,516)	-	(2,452,050)	(2,454,566)
Amounts borrowed/repaid from other funds	-	(1,280)	-	2,533,651	2,532,371
Amounts loaned to other funds	1,501,925	511,220	(1,950,858)	698,260	760,547
Net cash provided (used) by noncapital financing activities	<u>1,559,571</u>	<u>778,287</u>	<u>501,732</u>	<u>779,861</u>	<u>3,619,451</u>
CASH FLOWS FROM CAPITAL					
FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(5,514,874)	(448,664)	-	-	(5,963,538)
Principal paid on capital lease	(738,606)	(966,073)	-	-	(1,704,679)
Interest expense	(53,682)	(129,799)	-	-	(183,481)
Insurance proceeds	131,732	22,800	-	-	154,532
Proceeds from sale of equipment	56,662	-	-	-	56,662
Net cash provided (used) by capital financing activities	<u>(6,118,768)</u>	<u>(1,521,736)</u>	<u>-</u>	<u>-</u>	<u>(7,640,504)</u>
CASH FLOWS FROM INVESTING					
ACTIVITIES					
Proceeds from sales and maturities of investment securities	8,750,000	3,310,000	13,000,000	4,500,000	29,560,000
Purchase of investment securities	(8,779,715)	(3,000,000)	(12,015,325)	(4,780,462)	(28,575,502)
Interest and gains (losses) on investments	226,376	76,763	270,391	103,459	676,989
Net cash provided (used) by investing activities	<u>196,661</u>	<u>386,763</u>	<u>1,255,066</u>	<u>(177,003)</u>	<u>1,661,487</u>
Net increase (decrease) in cash and cash equivalents	3,955,657	1,330,880	1,163,316	3,956,463	10,406,316
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>4,497,896</u>	<u>996,377</u>	<u>4,092,420</u>	<u>4,073,409</u>	<u>13,660,102</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 8,453,553</u>	<u>\$ 2,327,257</u>	<u>\$ 5,255,736</u>	<u>\$ 8,029,872</u>	<u>\$ 24,066,418</u>

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS, CONTINUED
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Fleet Services</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 493,035	\$ 305,562	\$ 73,191	\$ 2,018,810	\$ 2,890,598
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	7,339,044	1,072,924	332	66	8,412,366
(Increase) decrease in accounts receivable	-	307	220,509	1,064,354	1,285,170
(Increase) decrease in deferred outflows	136,705	275,710	16,636	40,629	469,680
(Increase) decrease in inventories	53,995	1,438	-	-	55,433
(Increase) decrease in prepaid expenses	-	31,220	(878,366)	-	(847,146)
Increase (decrease) in vouchers payable	112,935	176,546	(26,496)	291,289	554,274
Increase (decrease) in accounts payable	285,224	17,476	(256,776)	(95,637)	(49,713)
Increase (decrease) in accrued expenses	47,697	24,402	563	41,370	114,032
Increase (decrease) in deferred inflows	476,641	711,125	36,836	100,105	1,324,707
Increase (decrease) in provision for compensated absences	(5,463)	54,712	2,602	1,641	53,492
Increase (decrease) in estimated claims liabilities	-	-	-	30,905	30,905
Increase (decrease) in net OPEB liability	22,053	18,993	528	2,321	43,895
Increase (decrease) in net pension liability	(643,673)	(1,002,849)	(53,343)	(142,248)	(1,842,113)
Increase (decrease) in IBNR accrual	-	-	270,302	-	270,302
Net cash provided (used) by operating activities	<u>\$ 8,318,193</u>	<u>\$ 1,687,566</u>	<u>\$ (593,482)</u>	<u>\$ 3,353,605</u>	<u>\$ 12,765,882</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Decreases (increases) in fair values of investments	\$ (6,455)	\$ (1,170)	\$ (21,881)	\$ (10,206)	\$ (39,712)

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, 2020**

ASSETS

Cash and cash equivalents	\$ 27,818,244
Restricted cash and cash equivalents	1,323,782
Investments at fair value	19,086,367
Receivables (net of allowances for uncollectibles)	
Property taxes	275,948
Solid waste and other	4,026,749
Accrued interest	112,907
Other accrued revenue	1,637,551
Due from other funds	1,712,936
Due from other governments	16,973,038
Inventory of supplies	1,390,445
Prepaid items	303,478
Advances to other funds	623,752
TOTAL ASSETS	\$ 75,285,197

LIABILITIES AND FUND BALANCE

LIABILITIES

Vouchers payable	\$ 274,002
Accounts payable	2,514,484
Accrued expenditures	7,209,786
Deposits	9,289
Due to other funds - unrestricted	81,812
Due to other governments	909,211
Unearned revenues - other	64,501
Total liabilities	<u>11,063,085</u>

Deferred inflows of resources

Unavailable property taxes	159,588
Total deferred inflows of resources	<u>159,588</u>

FUND BALANCE

Nonspendable:	
Inventory	1,390,445
Prepaid items	303,478
Property taxes	116,360
Restricted for:	
Special purpose	1,323,782
Committed for:	
Advances to other funds	623,752
Unassigned	<u>60,304,707</u>
Total fund balance	<u>64,062,524</u>

TOTAL LIABILITIES AND FUND BALANCE	\$ 75,285,197
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See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2020**

REVENUES	
Taxes	\$ 131,185,901
License and permits	3,875,490
Interfund revenues	1,284,850
Intergovernmental revenues	16,318,692
Contributions - citizens	510,535
Charges for services	37,107,624
Fines and forfeitures	3,261,667
Investment earnings	908,657
Other rentals and commissions	803,091
Miscellaneous	161,281
	<hr/>
Total revenues	195,417,788
EXPENDITURES	
Current	
General government	4,693,933
Staff services	10,476,501
Public safety and health	
Police protection	47,842,422
Fire protection	34,114,433
Other	12,873,595
Streets, traffic and engineering	15,027,982
Culture and recreation	
Auditorium-coliseum	3,045,245
Libraries	3,852,568
Parks	6,056,579
Participant recreation	5,584,645
Solid waste	16,279,660
Transit system	4,847,793
Information technology	4,469,708
Economic development/tourism	2,371,536
Capital outlay	218,660
	<hr/>
Total expenditures	171,755,260
EXCESS OF REVENUES OVER EXPENDITURES	<hr/> 23,662,528
OTHER FINANCING SOURCES (USES)	
Transfers from other funds	211,791
Transfers to other funds	(5,043,278)
	<hr/>
Net change in fund balance	18,831,041
FUND BALANCE, BEGINNING OF YEAR	<hr/> 45,231,483
FUND BALANCE, END OF YEAR	<hr/> <hr/> \$ 64,062,524

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES
YEAR ENDED SEPTEMBER 30, 2020**

	Actual revenue	Budget	Variance with final budget positive (negative)
TAXES			
General property taxes			
Ad valorem tax collections	\$ 44,219,194	\$ 43,433,213	\$ 785,981
Penalty and interest on delinquent taxes	335,041	272,000	63,041
Water & sewer utility	4,278,294	4,132,091	146,203
General sales tax	59,785,142	60,327,000	(541,858)
Mixed beverage tax	727,691	1,024,930	(297,239)
Hotel occupancy tax	5,431,173	7,292,462	(1,861,289)
Hotel occupancy tax rebate	(552,008)	(875,095)	323,087
Gross receipts business taxes:			
Electric utility	7,583,335	8,712,718	(1,129,383)
Telephone utility	870,476	631,674	238,802
Gas utility	2,522,229	2,425,262	96,967
Cable television	1,759,296	2,021,334	(262,038)
Water & Sewer utility	4,226,038	4,291,425	(65,387)
Total taxes	<u>131,185,901</u>	<u>133,689,014</u>	<u>(2,503,113)</u>
LICENSES AND PERMITS			
Food and beverage establishments			
Liquor, beer and wine licenses	107,241	100,000	7,241
Restaurant permits	805,776	825,000	(19,224)
Food handler permits	47,312	35,000	12,312
Miscellaneous occupational			
Occupational and business	119,708	129,379	(9,671)
Group care	7,953	6,000	1,953
Transient bus licenses	850	2,272	(1,422)
Solicitation permits	1,155	7,200	(6,045)
Building and structures			
Building permits	1,849,939	1,806,734	43,205
Electrical permits	82,220	117,531	(35,311)
Plumbing and gas permits	366,375	445,391	(79,016)
Heating and air permits	175,758	145,461	30,297
Sewage disposal permits	261,541	225,000	36,541
Mobile home parks	49,662	28,251	21,411
Total licenses and permits	<u>3,875,490</u>	<u>3,873,219</u>	<u>2,271</u>
INTERFUND REVENUES			
Airport animal control	18,000	18,000	-
Communication services	-	-	-
Sales to other funds	817,193	1,187,360	(370,167)
Other interfund reimbursements	449,657	643,161	(193,504)
Total interfund revenue	<u>1,284,850</u>	<u>1,848,521</u>	<u>(563,671)</u>
INTERGOVERNMENTAL REVENUES			
General government			
Auditorium operating assistance	398,004	398,004	-
Public safety and health			
Emergency management participations	10,802,204	349,878	10,452,326
Other	234,132	166,875	67,257
Solid waste	199,255	375,000	(175,745)
State shared revenues	37,900	51,000	(13,100)
Transit			
Federal/state operating assistance	4,647,197	3,671,948	975,249
Total intergovernmental revenues	<u>16,318,692</u>	<u>5,012,705</u>	<u>11,305,987</u>
CONTRIBUTIONS FROM CITIZENS			
Donations unrestricted	510,535	64,841	445,694

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
CHARGES FOR SERVICES			
General government			
Zoning, planning application fees	75,186	101,000	(25,814)
Sale of city publications	-	130	(130)
Construction and development fees	167,244	103,820	63,424
Staff services			
Indirect cost reimbursement	1,792,723	1,810,221	(17,498)
Business type fund administrative fees			
Water & sewer administrative	1,652,772	1,652,772	-
Airport	159,569	159,569	-
Other administrative fees			
Weed mowing contract	215,897	425,000	(209,103)
Weed bad debt adjustment	(366,431)	(411,338)	44,907
Wrecker service contract	39,095	53,000	(13,905)
Fiscal agent fees	130,909	159,150	(28,241)
Technology fees	187,035	190,000	(2,965)
Public safety and health			
Police liason officer	1,105,332	1,022,180	83,152
AECC participations	1,055,774	1,089,501	(33,727)
EMS support	79,200	79,200	-
Warrant fees	340,575	530,900	(190,325)
Traffic accident reports	22,149	43,000	(20,851)
Airport fire service fee	1,997,267	1,997,267	-
Fire inspections	95,895	105,600	(9,705)
Animal shelter fees	101,296	168,412	(67,116)
Vital statistics fee	268,649	279,400	(10,751)
Miscellaneous health department fees	1,066	1,500	(434)
Culture & recreation			
Auditorium rentals	914,485	1,493,540	(579,055)
Auditorium concessions	283,385	347,521	(64,136)
Auditorium box office	229,065	334,500	(105,435)
Library late fees	52,665	95,000	(42,335)
Library copy charges	24,425	30,000	(5,575)
Nonresident library fees	8,922	12,000	(3,078)
Baseball field rentals	32,390	96,830	(64,440)
Golf green fees	934,972	1,112,000	(177,028)
Golf membership fees	186,844	200,000	(13,156)
Golf other	1,577,345	1,851,000	(273,655)
Swimming pool fees	155	142,389	(142,234)
Tennis center fees	13,580	12,958	622
Warford Center	34,317	73,000	(38,683)
Zoo admission fees	141,722	262,750	(121,028)
Rifle range fees	57,442	123,500	(66,058)
Entry and tournament fees	148,953	323,635	(174,682)
Admission fees	17,378	17,300	78
Solid waste			
Collection & disposal fees	19,203,791	18,999,631	204,160
Landfill charges	3,622,875	2,864,000	758,875
Recyclable materials	28,745	71,800	(43,055)
Forfeited discounts	345,406	405,000	(59,594)
Transit			
Passenger revenue	70,318	153,917	(83,599)
Demand response	13,795	35,240	(21,445)
Miscellaneous transit revenue	43,447	68,697	(25,250)
Total charges for services	<u>37,107,624</u>	<u>38,686,492</u>	<u>(1,578,868)</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED
YEAR ENDED SEPTEMBER 30, 2020

	Actual revenue	Budget	Variance with final budget positive (negative)
FINES AND FORFEITURES			
Traffic fines	2,300,082	3,357,500	(1,057,418)
Misdemeanor fees	235,794	338,700	(102,906)
Parking fines	143,383	171,600	(28,217)
Court Fees	2,015	3,800	(1,785)
Other court revenue	104,695	79,900	24,795
Miscellaneous fines	120,165	142,300	(22,135)
State court costs	355,533	523,800	(168,267)
Total fines and forfeitures	<u>3,261,667</u>	<u>4,617,600</u>	<u>(1,355,933)</u>
INVESTMENT EARNINGS			
Interest earnings	908,657	1,039,193	(130,536)
Total investment earnings	<u>908,657</u>	<u>1,039,193</u>	<u>(130,536)</u>
OTHER RENTALS AND COMMISSIONS			
Amusement park commissions	45,906	96,483	(50,577)
Municipal building rents	214,991	256,602	(41,611)
MPEV rents	491,667	400,000	91,667
Surface land rents	41,182	38,500	2,682
Miscellaneous concessions	9,345	47,777	(38,432)
Total rental/commissions	<u>803,091</u>	<u>839,362</u>	<u>(36,271)</u>
MISCELLANEOUS			
Use of money and property:			
Miscellaneous revenues	148,589	199,103	(50,514)
Sales to outside utilities	5,510	40,000	(34,490)
Appraisal district refunds	-	5,617	(5,617)
Discounts earned	5,823	4,000	1,823
Sale of property and gains	7,151	14,250	(7,099)
Bad debt/exp recovery	(5,792)	-	(5,792)
Total miscellaneous	<u>161,281</u>	<u>262,970</u>	<u>(101,689)</u>
TOTAL REVENUES	<u>\$ 195,417,788</u>	<u>\$ 189,933,917</u>	<u>\$ 5,483,871</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS)
YEAR ENDED SEPTEMBER 30, 2020**

	Salaries, wages and fringe benefits	Supplies	Contractual services
GENERAL GOVERNMENT			
Mayor and council	\$ 2,573	\$ 6,386	\$ 23,334
City manager	1,353,224	18,532	161,445
Office of public communication	347,627	13,077	12,281
City secretary	229,190	57,038	683
Municipal court	964,683	33,512	36,499
Judicial	442,215	2,210	39,980
Office of Civic Hearing	54,449	-	34,914
Planning and zoning	734,652	6,845	20,143
Total general government	<u>4,128,613</u>	<u>137,600</u>	<u>329,279</u>
STAFF SERVICES			
Financial administration			
Director of finance	519,305	11,648	582,820
Accounting	981,495	28,472	173,443
Benefits	263,839	538	-
Purchasing	549,342	6,932	29,364
Central stores	303,620	1,862	18,420
Information technology	-	-	-
Legal	1,088,756	59,127	236,363
Personnel			
Human resources	639,486	131,300	128,060
Safety and training	277,219	11,521	1,924
Radio communications	262,210	28,074	137,077
Occupancy			
Custodial operations	1,081,452	89,052	23,089
Building maintenance	1,609,556	343,423	572,987
Total staff services	<u>7,576,280</u>	<u>711,949</u>	<u>1,903,547</u>
PUBLIC SAFETY AND HEALTH			
Police			
Police	37,523,667	1,113,957	3,343,232
Civilian personnel	3,360,006	5,588	1,922,310
Total police protection	<u>40,883,673</u>	<u>1,119,545</u>	<u>5,265,542</u>
Fire protection			
Fire operations	29,640,421	1,300,907	1,391,727
Civilian personnel	1,478,089	33,848	38,176
Total fire protection	<u>31,118,510</u>	<u>1,334,755</u>	<u>1,429,903</u>
Other			
Building safety	2,201,479	59,860	622,701
Animal management and welfare	1,933,154	783,828	282,140
Emergency services	314,276	33,151	48,778
AECC	4,179,862	89,685	257,620
Environmental health	1,178,269	22,566	157,870
Vital statistics	51,651	15,979	6,037
Total other	<u>9,858,691</u>	<u>1,005,069</u>	<u>1,375,146</u>
Total public safety and health	<u>81,860,874</u>	<u>3,459,369</u>	<u>8,070,591</u>

See Independent Auditor's Report.

Other charges	Total	Capital outlay	Total (GAAP) basis
\$ 25,537	\$ 57,830	\$ -	\$ 57,830
12,934	1,546,135	-	1,546,135
6,101	379,086	-	379,086
14,798	301,709	-	301,709
14,142	1,048,836	-	1,048,836
3,050	487,455	-	487,455
-	89,363	-	89,363
21,879	783,519	-	783,519
<u>98,441</u>	<u>4,693,933</u>	<u>-</u>	<u>4,693,933</u>
3,835	1,117,608	-	1,117,608
7,097	1,190,507	-	1,190,507
4,263	268,640	-	268,640
7,549	593,187	-	593,187
(5,316)	318,586	-	318,586
4,469,708	4,469,708	-	4,469,708
15,040	1,399,286	-	1,399,286
9,175	908,021	-	908,021
4,958	295,622	-	295,622
36,824	464,185	-	464,185
13,665	1,207,258	-	1,207,258
187,635	2,713,601	-	2,713,601
<u>4,754,433</u>	<u>14,946,209</u>	<u>-</u>	<u>14,946,209</u>
501,685	42,482,541	35,583	42,518,124
71,977	5,359,881	-	5,359,881
<u>573,662</u>	<u>47,842,422</u>	<u>35,583</u>	<u>47,878,005</u>
210,208	32,543,263	5,600	32,548,863
21,057	1,571,170	-	1,571,170
<u>231,265</u>	<u>34,114,433</u>	<u>5,600</u>	<u>34,120,033</u>
136,185	3,020,225	-	3,020,225
39,068	3,038,190	-	3,038,190
137,858	534,063	-	534,063
309,501	4,836,668	-	4,836,668
11,529	1,370,234	-	1,370,234
548	74,215	-	74,215
<u>634,689</u>	<u>12,873,595</u>	<u>-</u>	<u>12,873,595</u>
<u>1,439,616</u>	<u>94,830,450</u>	<u>41,183</u>	<u>94,871,633</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS), CONTINUED
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Salaries, wages and fringe benefits</u>	<u>Supplies</u>	<u>Contractual services</u>
STREETS, TRAFFIC & ENGINEERING			
Street maintenance	4,325,434	241,953	4,720,658
Traffic engineering	1,333,033	1,904,758	619,032
Public works	555,235	26,295	13,055
Capital projects and development	1,050,835	20,120	99,517
Total streets, traffic, engineering	<u>7,264,537</u>	<u>2,193,126</u>	<u>5,452,262</u>
CULTURE & RECREATION			
Auditorium - coliseum			
Civic Center operations	851,456	154,336	148,626
Civic Center administration	418,030	5,643	49,993
Box office operations	231,749	922	29,064
Civic Center sports	80,999	368,958	41,700
Globe News Center	131,559	89,582	12,363
MPEV	-	-	-
Library operations	3,071,586	472,507	158,690
Parks			
Parks administration	649,266	45,288	38,196
Park maintenance	3,312,214	516,981	1,318,650
Senior services	60,463	925	5,581
Participant recreation			
Golf Operations	2,134,655	983,628	995,486
Warford Center	241,908	40,635	11,049
Zoo	307,245	86,545	26,539
Swimming pools	143,685	31,311	17,059
Tennis center	26,681	24,835	42,957
Parks and recreation programs	259,300	16,193	50,319
Total culture and recreation	<u>11,920,796</u>	<u>2,838,289</u>	<u>2,946,272</u>
SOLID WASTE			
Solid waste collection	5,810,949	452,753	5,155,479
Solid waste disposal	1,685,877	191,268	2,298,594
Total solid waste	<u>7,496,826</u>	<u>644,021</u>	<u>7,454,073</u>
TRANSIT			
Fixed route	1,977,173	204,003	24,848
Demand response	817,836	134,878	31,613
Transit Administration	352,207	35,408	29,679
Transit maintenance	529,778	261,149	10,599
Total transit	<u>3,676,994</u>	<u>635,438</u>	<u>96,739</u>
ECONOMIC DEVELOPMENT			
Tourism support	-	-	2,371,536
Total economic development	<u>-</u>	<u>-</u>	<u>2,371,536</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 123,924,920</u>	<u>\$ 10,619,792</u>	<u>\$ 28,624,299</u>

See Independent Auditor's Report.

<u>Other charges</u>	<u>Total</u>	<u>Capital outlay</u>	<u>Total (GAAP) basis</u>
47,669	9,335,714	-	9,335,714
47,722	3,904,545	-	3,904,545
6,516	601,101	-	601,101
16,150	1,186,622	-	1,186,622
<u>118,057</u>	<u>15,027,982</u>	<u>-</u>	<u>15,027,982</u>
265,438	1,419,856	25,295	1,445,151
54,301	527,967	-	527,967
39,509	301,244	-	301,244
1,012	492,669	29,136	521,805
70,005	303,509	22,166	325,675
-	-	40,745	40,745
149,785	3,852,568	-	3,852,568
10,676	743,426	-	743,426
97,833	5,245,678	13,395	5,259,073
506	67,475	-	67,475
53,727	4,167,496	-	4,167,496
13,245	306,837	-	306,837
14,444	434,773	-	434,773
11,561	203,616	-	203,616
3,267	97,740	-	97,740
48,371	374,183	-	374,183
<u>833,680</u>	<u>18,539,037</u>	<u>130,737</u>	<u>18,669,774</u>
373,578	11,792,759	-	11,792,759
311,162	4,486,901	-	4,486,901
<u>684,740</u>	<u>16,279,660</u>	<u>-</u>	<u>16,279,660</u>
286,702	2,492,726	-	2,492,726
91,084	1,075,411	-	1,075,411
29,262	446,556	-	446,556
31,574	833,100	46,740	879,840
<u>438,622</u>	<u>4,847,793</u>	<u>46,740</u>	<u>4,894,533</u>
-	2,371,536	-	2,371,536
-	2,371,536	-	2,371,536
<u>\$ 8,367,589</u>	<u>\$ 171,536,600</u>	<u>\$ 218,660</u>	<u>\$ 171,755,260</u>

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2020**

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances
GENERAL GOVERNMENT				
Mayor and council	\$ 57,830	\$ -	\$ 57,830	\$ -
City manager	1,546,135	-	1,546,135	-
Office of public communication	379,086	-	379,086	36,000
City secretary	301,709	-	301,709	-
Municipal court	1,048,836	-	1,048,836	-
Judicial	487,455	-	487,455	-
Office of Civil Hearing	89,363	-	89,363	-
Planning and zoning	783,519	-	783,519	1,938
Total general government	<u>4,693,933</u>	<u>-</u>	<u>4,693,933</u>	<u>37,938</u>
STAFF SERVICES				
Financial administration				
Director of finance	1,117,608	-	1,117,608	-
Accounting	1,190,507	-	1,190,507	-
Benefits	268,640	-	268,640	-
Purchasing	593,187	-	593,187	6,762
Central stores	318,586	-	318,586	-
Information technology	4,469,708	-	4,469,708	-
Legal	1,399,286	-	1,399,286	-
Personnel				
Human resources	908,021	-	908,021	1,058
Safety and training	295,622	-	295,622	-
Radio communications	464,185	-	464,185	3,767
Occupancy				
Custodial operations	1,207,258	-	1,207,258	1,357
Building maintenance	2,713,601	-	2,713,601	158
Total staff services	<u>14,946,209</u>	<u>-</u>	<u>14,946,209</u>	<u>13,102</u>
PUBLIC SAFETY AND HEALTH				
Police				
Police	42,482,541	35,583	42,518,124	38,380
Civilian personnel	5,359,881	-	5,359,881	383
Miscellaneous police programs	-	-	-	-
Total police protection	<u>47,842,422</u>	<u>35,583</u>	<u>47,878,005</u>	<u>38,763</u>
Fire Protection				
Fire operations	32,543,263	5,600	32,548,863	22,170
Civilian personnel	1,571,170	-	1,571,170	3,689
Total fire protection	<u>34,114,433</u>	<u>5,600</u>	<u>34,120,033</u>	<u>25,859</u>
Other				
Building safety	3,020,225	-	3,020,225	-
Animal management and welfare	3,038,190	-	3,038,190	863
Emergency services	534,063	-	534,063	-
AECC	4,836,668	-	4,836,668	3,518
Environmental health	1,370,234	-	1,370,234	-
Vital statistics	74,215	-	74,215	9,800
Total other	<u>12,873,595</u>	<u>-</u>	<u>12,873,595</u>	<u>14,181</u>
Total public safety and health	<u>94,830,450</u>	<u>41,183</u>	<u>94,871,633</u>	<u>78,803</u>

See Independent Auditor's Report.

<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
\$ -	\$ 57,830	\$ 83,202	\$ 83,202	\$ 25,372
-	1,546,135	1,507,238	1,507,953	(38,182)
2,412	345,498	402,319	366,002	20,504
-	301,709	408,821	409,821	108,112
-	1,048,836	1,375,567	1,380,565	331,729
-	487,455	505,763	506,443	18,988
-	89,363	117,179	117,396	28,033
-	781,581	912,042	913,259	131,678
<u>2,412</u>	<u>4,658,407</u>	<u>5,312,131</u>	<u>5,284,641</u>	<u>626,234</u>
-	1,117,608	1,251,192	1,248,777	131,169
-	1,190,507	1,190,445	1,194,028	3,521
-	268,640	257,680	258,605	(10,035)
2,054	588,479	623,579	626,269	37,790
-	318,586	372,147	374,505	55,919
-	4,469,708	4,126,134	4,469,708	-
-	1,399,286	1,213,200	1,215,558	(183,728)
-	906,963	1,014,917	1,057,702	150,739
-	295,622	336,976	338,196	42,574
-	460,418	736,855	738,128	277,710
-	1,205,901	1,288,098	1,294,413	88,512
-	2,713,443	3,176,129	3,207,160	493,717
<u>2,054</u>	<u>14,935,161</u>	<u>15,587,352</u>	<u>16,023,049</u>	<u>1,087,888</u>
65,698	42,545,442	44,203,252	43,915,277	1,369,835
665	5,360,163	5,395,870	5,411,803	51,640
-	-	-	-	-
<u>66,363</u>	<u>47,905,605</u>	<u>49,599,122</u>	<u>49,327,080</u>	<u>1,421,475</u>
464,954	32,991,647	33,185,319	33,113,554	121,907
184	1,567,665	1,731,261	1,735,819	168,154
<u>465,138</u>	<u>34,559,312</u>	<u>34,916,580</u>	<u>34,849,373</u>	<u>290,061</u>
3,123	3,023,348	3,176,344	3,184,869	161,521
28,766	3,066,093	3,324,149	3,330,872	264,779
-	534,063	534,652	535,220	1,157
-	4,833,150	4,885,480	4,891,457	58,307
19	1,370,253	1,491,947	1,495,418	125,165
-	64,415	102,743	103,244	38,829
<u>31,908</u>	<u>12,891,322</u>	<u>13,515,315</u>	<u>13,541,080</u>	<u>649,758</u>
<u>563,409</u>	<u>95,356,239</u>	<u>98,031,017</u>	<u>97,717,533</u>	<u>2,361,294</u>

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>
STREETS, TRAFFIC & ENGINEERING				
Street maintenance	9,335,714	-	9,335,714	44,161
Traffic engineering	3,904,545	-	3,904,545	-
Traffic field operations	-	-	-	-
Public works	601,101	-	601,101	-
Capital projects and development	1,186,622	-	1,186,622	876
Total streets, traffic, engineering	<u>15,027,982</u>	<u>-</u>	<u>15,027,982</u>	<u>45,037</u>
CULTURE & RECREATION				
Auditorium - coliseum				
Civic Center operations	1,419,856	25,295	1,445,151	3,490
Civic Center administration	527,967	-	527,967	694
Box office operations	301,244	-	301,244	-
Civic Center sports	492,669	29,136	521,805	-
Globe News Center	303,509	22,166	325,675	-
MPEV	-	40,745	40,745	-
Library operations	3,852,568	-	3,852,568	14,097
Parks				
Parks administration	743,426	-	743,426	2,283
Park maintenance	5,245,678	13,395	5,259,073	5,325
Senior services	67,475	-	67,475	-
Participant Recreation				
Golf Operations	4,167,496	-	4,167,496	-
Warford Center	306,837	-	306,837	1,735
Zoo	434,773	-	434,773	-
Swimming pools	203,616	-	203,616	-
Tennis center	97,740	-	97,740	-
Parks and recreation programs	374,183	-	374,183	1,202
Total culture and recreation	<u>18,539,037</u>	<u>130,737</u>	<u>18,669,774</u>	<u>28,826</u>
SOLID WASTE				
Solid waste collection	11,792,759	-	11,792,759	-
Solid waste disposal	4,486,901	-	4,486,901	2,700
Total solid waste	<u>16,279,660</u>	<u>-</u>	<u>16,279,660</u>	<u>2,700</u>
TRANSIT				
Fixed route	2,492,726	-	2,492,726	-
Demand response	1,075,411	-	1,075,411	-
Transit Administration	446,556	-	446,556	4,468
Transit maintenance	833,100	46,740	879,840	-
Total transit	<u>4,847,793</u>	<u>46,740</u>	<u>4,894,533</u>	<u>4,468</u>
ECONOMIC DEVELOPMENT				
Tourism support	2,371,536	-	2,371,536	-
Economic development	-	-	-	-
Total economic development	<u>2,371,536</u>	<u>-</u>	<u>2,371,536</u>	<u>-</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 171,536,600</u>	<u>\$ 218,660</u>	<u>\$ 171,755,260</u>	<u>\$ 210,874</u>
OPERATING TRANSFERS:				
Operating Transfers to Other Funds	\$ 5,043,278	\$ -	\$ 5,043,278	\$ -
Operating Transfers from Other Funds	(211,791)	-	(211,791)	-
TOTALS INCLUDING TRANSFERS	<u>\$ 176,368,087</u>	<u>\$ 218,660</u>	<u>\$ 176,586,747</u>	<u>\$ 210,874</u>

See Independent Auditor's Report.

<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
41,403	9,332,956	11,069,446	10,376,307	1,043,351
20,004	3,924,549	4,595,685	4,582,470	657,921
-	-	-	-	-
-	601,101	619,620	620,442	19,341
-	1,185,746	1,503,220	1,513,490	327,744
<u>61,407</u>	<u>15,044,352</u>	<u>17,787,971</u>	<u>17,092,709</u>	<u>2,048,357</u>
-	1,441,661	1,878,373	1,883,379	441,718
80	527,353	595,485	597,409	70,056
-	301,244	364,618	365,621	64,377
-	521,805	594,647	595,071	73,266
-	325,675	383,268	383,910	58,235
-	40,745	225,000	225,000	184,255
-	3,838,471	4,157,087	4,174,275	335,804
690	741,833	732,975	734,333	(7,500)
7,420	5,261,168	6,065,596	6,094,318	833,150
-	67,475	89,112	120,079	52,604
-	4,167,496	4,628,751	4,637,654	470,158
-	305,102	449,273	449,733	144,631
-	434,773	626,154	626,767	191,994
-	203,616	531,554	531,915	328,299
-	97,740	111,392	111,392	13,652
-	372,981	879,423	880,504	507,523
<u>8,190</u>	<u>18,649,138</u>	<u>22,312,708</u>	<u>22,411,360</u>	<u>3,762,222</u>
19,380	11,812,139	12,154,363	12,181,535	369,396
35,959	4,520,160	5,046,376	5,055,550	535,390
<u>55,339</u>	<u>16,332,299</u>	<u>17,200,739</u>	<u>17,237,085</u>	<u>904,786</u>
-	2,492,726	2,790,599	2,799,828	307,102
14,000	1,089,411	1,438,247	1,441,313	351,902
1,800	443,888	571,412	572,127	128,239
37,819	917,659	989,645	991,719	74,060
<u>53,619</u>	<u>4,943,684</u>	<u>5,789,903</u>	<u>5,804,987</u>	<u>861,303</u>
54,850	2,426,386	2,604,604	2,700,604	274,218
-	-	-	-	-
<u>54,850</u>	<u>2,426,386</u>	<u>2,604,604</u>	<u>2,700,604</u>	<u>274,218</u>
<u>\$ 801,280</u>	<u>\$ 172,345,666</u>	<u>\$ 184,626,425</u>	<u>\$ 184,271,968</u>	<u>\$ 11,926,302</u>
\$ -	\$ 5,043,278	\$ 5,681,379	\$ 5,536,822	\$ 493,544
-	(211,791)	(230,724)	(266,991)	(55,200)
<u>\$ 801,280</u>	<u>\$ 177,177,153</u>	<u>\$ 190,077,080</u>	<u>\$ 189,541,799</u>	<u>\$ 12,364,646</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, 2020**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 52,620,864
Investments, at fair values	21,560,042
Accounts receivable, net of allowances	7,514,058
Accrued interest receivable	167,550
Other accrued revenue	5,793,239
Due from other funds	31,509
Prepaid expenses	1,443,774
Total current assets	<u>89,131,036</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	76,864,466
Other noncurrent asset	59,815
Capital assets	
Land	2,040,262
Contributed right of way easements	1,804,175
Underground water rights	58,332,683
Accumulated depletion - underground water rights	(9,745,094)
Water supply contract	50,336,389
Accumulated amortization - water supply contract	(25,169,954)
Pipelines and plant	704,603,117
Accumulated depreciation - pipelines and plant	(250,279,114)
Equipment and vehicles	4,781,850
Accumulated depreciation - equipment and vehicles	(3,736,203)
Construction in progress	67,985,407
Total capital assets net of accumulated depreciation	<u>600,953,518</u>
Total noncurrent assets	<u>677,877,799</u>
TOTAL ASSETS	<u>\$ 767,008,835</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	\$ 7,059,112
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 7,059,112</u>
	LIABILITIES
CURRENT LIABILITIES	
Vouchers payable	\$ 3,038,775
Accounts payable	731,241
Accrued expenses	11,559,527
Due to Other Funds	1,280
Deposits	1,038,738
Consumer security deposits	4,444,518
Share of water authority debt, current	6,061,019
Bonded debt current maturity	13,290,000
Current portion of provision for compensated absences	134,210
Total current liabilities	<u>40,299,308</u>
NONCURRENT LIABILITIES	
Bonded debt, net of current	171,311,031
Water authority debt, net of current	47,349,397
Other accrued expenses	2,567,106
Provision for compensated absences, net	778,770
Net OPEB liability	6,019,760
Net pension liability	4,799,932
Total noncurrent liabilities	<u>232,825,996</u>
TOTAL LIABILITIES	<u>\$ 273,125,304</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	\$ 6,747,647
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 6,747,647</u>
NET POSITION	
Net investment in capital assets	\$ 433,810,572
Restricted for debt service	5,995,965
Unrestricted	54,388,459
TOTAL NET POSITION	<u>\$ 494,194,996</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, 2020**

OPERATING REVENUES	
Utility sales and service	\$ 83,280,330
Tap fees and frontage charges	331,639
Rents and miscellaneous	<u>(291,299)</u>
Total operating revenues	<u>83,320,670</u>
OPERATING EXPENSES	
Salaries, wages and fringe benefits	14,123,864
Supplies	1,687,910
Fuel and power	3,573,897
Contractual services	6,666,801
Water authority charges	4,348,316
Other charges	12,308,265
Depreciation	<u>14,782,725</u>
Total operating expenses	<u>57,491,778</u>
Operating income	<u>25,828,892</u>
NONOPERATING REVENUES (EXPENSES)	
Gain (loss) on disposal of property	24,344
Intergovernmental revenue	802,336
Interest earnings	1,651,675
Interest and fiscal charges	<u>(6,757,027)</u>
Total nonoperating revenue (expenses)	<u>(4,278,672)</u>
Income before contributions and transfers	21,550,220
Capital contributions	3,629,687
Transfers to other funds	<u>(420,998)</u>
Change in net position	24,758,909
TOTAL NET POSITION, BEGINNING OF YEAR	<u>469,436,087</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 494,194,996</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 84,103,677
Cash payments to suppliers for goods and services	(29,189,592)
Cash payments to employees	(14,023,631)
Net cash provided (used) by operating activities	<u>40,890,454</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(420,998)
Amounts loaned to or repaid from other funds	998,919
Intergovernmental revenue	802,336
Amounts borrowed from or repaid to other funds	(798,720)
Net cash provided (used) by noncapital financing activities	<u>581,537</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(22,973,451)
Capital grants received	3,539,028
Principal paid on bond maturities	(67,285,000)
Principal paid on proportionate share of Water Authority debt	(5,837,260)
Proceeds from issuance of bonds	84,739,208
Interest expense	(7,479,239)
Proceeds from sale of capital assets	24,344
Net cash provided (used) by capital and related financing activities	<u>(15,272,370)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	24,075,000
Purchase of investment securities	(12,640,914)
Interest and gains on investments	1,600,507
Net cash provided (used) by investing activities	<u>13,034,593</u>
Net increase in cash and cash equivalents	39,234,214
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>90,251,116</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 129,485,330</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 25,828,892
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	14,782,725
(Increase) decrease in accounts receivable	63,445
(Increase) decrease in deferred outflows	772,901
(Increase) decrease in other accrued revenue	(719,653)
(Increase) decrease in prepaid expenses	(53,398)
Increase (decrease) in vouchers payable	325,079
Increase (decrease) in accounts payable	(761,740)
Increase (decrease) in accrued operating expenses	(8,589)
Increase (decrease) in deferred inflows	2,714,901
Increase (decrease) in customer deposits	1,439,215
Increase (decrease) in provision for compensated absences	54,417
Increase (decrease) in net OPEB liability	126,724
Increase (decrease) in net pension liability	(3,662,887)
Increase (decrease) in other accrued expenses	(11,578)
Net cash provided (used) by operating activities	<u>\$ 40,890,454</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Amortization of bond premiums	\$ (676,824)
Increases in fair values of investments	(195,013)
Investment premium/discount amortization	86,942

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
SCHEDULE OF OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 2020**

UTILITY SALES AND SERVICE	
Water metered sales	\$ 56,701,641
Sewer charges	24,928,246
Industrial waste charges	214,324
Forfeited discounts	1,161,657
Sale of reclaimed water	356,420
Water service charges	634,740
Net loss on bad debts	(985,117)
Lab fees	102,539
Liquid waste disposal	165,880
	<hr/>
Total utility sales and service	83,280,330
	<hr/>
TAP FEES AND FRONTAGE CHARGES	
Water tap fees	157,322
Sewer tap fees	66,438
Water frontage charges	12,704
Sewer frontage charges	-
Grease trap fees	95,175
	<hr/>
Total tap fees and frontage charges	331,639
	<hr/>
RENTS AND MISCELLANEOUS	
Rents and miscellaneous	(291,299)
	<hr/>
Total rents and miscellaneous	(291,299)
	<hr/>
TOTAL OPERATING REVENUE	\$ 83,320,670
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**CITY OF AMARILLO, TEXAS
WATER AND SEWER SYSTEM FUND
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
YEAR ENDED SEPTEMBER 30, 2020**

WATER AND SEWER SYSTEM FUND DEPARTMENT	Salaries, Wages & Fringe Benefits	Supplies	Fuel and Power
Water production	\$ 563,358	\$ 30,554	\$ 1,414,633
Water transmission	468,002	39,782	1,087,078
Surface water treatment	1,622,176	500,964	83,969
Water distribution	2,732,905	93,986	647
Water - general	-	2,363	-
Wastewater collection	1,698,563	168,505	221,919
Wastewater treatment	2,335,657	420,126	746,163
Environmental laboratory	1,033,078	150,569	19,488
Sewer - general	-	-	-
Utility billing	2,152,422	241,584	-
Director of utilities - administration	484,040	25,080	-
Capital projects development and engineering	1,033,663	14,397	-
	<u>\$ 14,123,864</u>	<u>\$ 1,687,910</u>	<u>\$ 3,573,897</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>
\$ -	\$ 781,719	\$ 142,879	\$ 3,401,801	\$ 6,334,944
-	235,311	97,616	3,237,356	5,165,145
4,348,316	727,565	282,464	739,970	8,305,424
-	1,374,077	54,468	2,475,665	6,731,748
-	125,041	7,697,429	-	7,824,833
-	765,714	46,353	2,443,940	5,344,994
-	1,273,825	298,466	2,194,001	7,268,238
-	169,223	34,621	142,046	1,549,025
-	-	3,589,130	-	3,589,130
-	1,121,082	27,406	50,378	3,592,872
-	5,038	9,851	97,568	621,577
-	88,206	27,582	-	1,163,848
<u>\$ 4,348,316</u>	<u>\$ 6,666,801</u>	<u>\$ 12,308,265</u>	<u>\$ 14,782,725</u>	<u>\$ 57,491,778</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, 2020**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 4,673,220
Investments, at fair values	3,512,450
Accounts receivable	<u>966,296</u>
Total current assets	<u>9,151,966</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	10,227,291
Capital assets	
Land	87,744
Contributed right of way easements	775,494
Infrastructure	14,965,479
Accumulated depreciation - infrastructure	(922,543)
Equipment and vehicles	41,834
Accumulated depreciation - equipment and vehicles	(23,807)
Construction in progress	<u>7,541,070</u>
Total capital assets net of accumulated depreciation	<u>22,465,271</u>
Total noncurrent assets	<u>32,692,562</u>
TOTAL ASSETS	<u>\$ 41,844,528</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	<u>\$ 288,035</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 288,035</u>
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	8,790
Accounts payable	187,968
Accrued expenses	82,919
Accrued interest	68,500
Bonded debt current maturity	855,000
Current portion of provision for compensated absences	<u>13,526</u>
Total current liabilities	<u>1,216,703</u>
NONCURRENT LIABILITIES	
Bonded debt net of current	17,380,283
Provision for compensated absences, net	31,358
Net OPEB liability	591,450
Net pension liability	<u>213,000</u>
Total noncurrent liabilities	<u>18,216,091</u>
TOTAL LIABILITIES	<u>\$ 19,432,794</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	<u>349,724</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 349,724</u>
NET POSITION	
Net investment in capital assets	\$ 14,341,085
Restricted for debt service	116,194
Unrestricted	<u>7,892,766</u>
TOTAL NET POSITION	<u>\$ 22,350,045</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2020**

OPERATING REVENUES	
Drainage utility assessments	\$ 6,220,367
Forfeited discounts	<u>119,444</u>
Total operating revenues	<u>6,339,811</u>
OPERATING EXPENSES	
Salaries, wages and fringe benefits	1,124,934
Supplies	741,311
Contractual services	880,851
Other charges	1,204,980
Depreciation	<u>313,533</u>
Total operating expenses	<u>4,265,609</u>
Operating income (loss)	<u>2,074,202</u>
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	117,821
Sales to other departments	17,878
Interest and fiscal charges	<u>(337,225)</u>
Total nonoperating revenue (expenses)	<u>(201,526)</u>
Income before contributions and transfers	1,872,676
Capital contributions	3,900
Transfers to other funds	<u>(39)</u>
Change in net position	1,876,537
TOTAL NET POSITION, BEGINNING OF YEAR	<u>20,473,508</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 22,350,045</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 6,278,913
Cash payments to suppliers for goods and services	(2,927,204)
Cash payments to employees	(1,116,423)
Net cash provided (used) by operating activities	<u>2,235,286</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Sales to other departments	17,878
Transfers to other funds	(39)
Amounts loaned to or repaid to other funds	500,000
Net cash provided (used) by noncapital financing activities	<u>517,839</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(1,501,372)
Principal paid on bond maturities	(515,000)
Interest expense	(303,140)
Proceeds from issuance of bonds	10,179,524
Net cash provided (used) by capital and related financing activities	<u>7,860,012</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	5,500,000
Purchase of investment securities	(3,750,000)
Interest and gains on investments	123,955
Net cash provided (used) by investing activities	<u>1,873,955</u>
Net increase (decrease) in cash and cash equivalents	12,487,092
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>2,413,419</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 14,900,511</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 2,074,202
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	313,533
(Increase) decrease in accounts receivable	(60,898)
(Increase) decrease in deferred outflows	41,869
Increase (decrease) in vouchers payable	(107,673)
Increase (decrease) in accounts payable	7,611
Increase (decrease) in accrued operating expenses	10,304
Increase (decrease) in deferred inflows	201,907
Increase (decrease) in provision for compensated absences	5,138
Increase (decrease) in net OPEB liability	12,451
Increase (decrease) in net pension liability	(263,158)
Net cash provided (used) by operating activities	<u>\$ 2,235,286</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Amortization of bond premiums	\$ (4,982)
Capital contributions	3,900
Investment premium/discount amortization	6,152

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, 2020**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 3,731,932
Investments at fair value	4,788,445
Receivables (net of allowances for uncollectibles)	
Accounts	894,791
Accrued interest	18,495
Other accrued revenue	110,713
Prepaid expenses	159,167
Due from other governments	3,556,974
Total current assets	<u>13,260,517</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	51,348
Capital assets	
Land	2,777,341
Runways, buildings and improvements	176,472,402
Accumulated depreciation - runways, buildings and improvements	(107,477,135)
Equipment and vehicles	8,854,276
Accumulated depreciation - equipment and vehicles	(5,453,862)
Construction in progress	1,907,454
Total capital assets, net of accumulated depreciation	<u>77,080,476</u>
Total noncurrent assets	<u>77,131,824</u>
TOTAL ASSETS	<u>\$ 90,392,341</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows	\$ 975,565
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 975,565</u>
LIABILITIES	
CURRENT LIABILITIES	
Vouchers payable	\$ 151,977
Accounts payable	96,201
Accrued expenses	201,925
Deferred revenue	25,650
Deposits	27,796
Current portion of provision for compensated absences	25,666
Total current liabilities	<u>529,215</u>
NONCURRENT LIABILITIES	
Provision for compensated absences, net	228,971
Net OPEB liability	1,288,159
Net pension liability	933,083
Total noncurrent liabilities	<u>2,450,213</u>
TOTAL LIABILITIES	<u>\$ 2,979,428</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows	\$ 1,119,918
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 1,119,918</u>
NET POSITION	
Net investment in capital assets	\$ 77,080,476
Restricted for debt service	51,348
Unrestricted	10,136,736
TOTAL NET POSITION	<u>\$ 87,268,560</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, 2020**

OPERATING REVENUES	
Airfield fees and commissions	\$ 823,735
Terminal building revenue	6,087,449
Other building revenue	<u>1,674,401</u>
Total operating revenues	<u>8,585,585</u>
OPERATING EXPENSES	
Salaries, wages and fringes	3,603,178
Supplies	569,784
Fuel and power	428,620
Contractual services	1,561,221
Other charges	2,858,394
Depreciation	<u>5,751,939</u>
Total operating expenses	<u>14,773,136</u>
Operating loss	<u>(6,187,551)</u>
NONOPERATING REVENUES (EXPENSES)	
Passenger facility charge	815,726
Interest earnings	132,717
Capital grants	6,706,126
Change in value of investments	26,661
Interest expense	110,973
Other miscellaneous revenue	<u>117,147</u>
Net nonoperating revenues (expenses)	<u>7,909,350</u>
Net income before contributions	1,721,799
CAPITAL CONTRIBUTIONS	1,132,167
TRANSFERS TO OTHER FUNDS	(200)
TRANSFERS FROM OTHER FUNDS	<u>-</u>
Change in net position	2,853,766
NET POSITION AT BEGINNING OF YEAR	<u>84,414,794</u>
NET POSITION AT END OF YEAR	<u>\$ 87,268,560</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
AIRPORT FUND
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from third parties	\$ 7,901,821
Cash payments to suppliers for goods and services	(6,589,779)
Cash payments to employees	(3,560,817)
Net cash provided (used) by operating activities	<u>(2,248,775)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash payments received for passenger facility charge	815,726
Transfers to other funds	(200)
Net cash provided (used) by noncapital financing activities	<u>815,526</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(3,520,683)
Principal paid on bond maturities	(1,830,000)
Capital grants received	8,737,202
Interest expense	(43,763)
Net cash provided (used) by capital and related financing activities	<u>3,342,756</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investment securities	3,500,000
Purchase of investment securities	(3,750,436)
Interest and gains on investments	124,756
Net cash provided (used) by investing activities	<u>(125,680)</u>
Net increase (decrease) in cash and cash equivalents	1,783,827
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>1,999,453</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 3,783,280</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (6,187,551)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	5,751,939
(Increase) decrease in accounts receivable	(802,337)
(Increase) decrease in other accrued	118,100
(Increase) decrease in prepaid expenses	(135,517)
(Increase) decrease in deferred outflows	197,450
Increase (decrease) in vouchers payable	(714,767)
Increase (decrease) in accounts payable	(344,746)
Increase (decrease) in accrued operating expenses	23,270
Increase (decrease) in deposits received	473
(Increase) decrease in deferred inflows	641,962
Increase (decrease) in provision for compensated absences	50,656
Increase (decrease) in net OPEB obligation	27,118
Increase (decrease) in net pension obligation	(874,825)
Net cash provided (used) by operating activities	<u>\$ (2,248,775)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Bond premium amortization	\$ (143,552)

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
AIRPORT FUND
SCHEDULE OF OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 2020**

AIRFIELD FEES AND COMMISSIONS	
Landing fees	\$ 712,007
Military fuel flowage commission	111,728
	<u>823,735</u>
TERMINAL BUILDING REVENUES	
Airline rentals	2,776,512
Restaurant commissions	138,676
Other terminal building rentals	130,425
Car rental agencies	1,247,410
Auto parking concession	1,794,426
	<u>6,087,449</u>
OTHER BUILDING REVENUES	
Lease rentals	
Bell Helicopter	497,419
Krams, Inc.	305,099
Leading Edge	295,754
Fixed base operator	314,661
Other building rentals	216,863
Ground rentals	23,605
Advertising commissions	21,000
	<u>1,674,401</u>
TOTAL OPERATING REVENUES	<u><u>\$ 8,585,585</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, 2020**

	<u>Community Development Block Grant</u>	<u>Housing Assistance Payments Program</u>	<u>Home Investment Partnership Program</u>
ASSETS			
Cash and cash equivalents	\$ 144,666	\$ 1,187,628	\$ 33,407
Accounts receivable	27,153	-	69,740
Due from other funds	21,543	839	-
Due from other governments	233,258	910	14,457
Prepaid items	17,597	31,735	825
TOTAL ASSETS	<u>\$ 444,217</u>	<u>\$ 1,221,112</u>	<u>\$ 118,429</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 69,151	\$ 33,577	\$ 9,510
Accrued expenditures	-	-	-
Due to other funds - unrestricted	258,850	27,601	51,056
Due to other governments	(80)	-	-
Unearned revenue	17,597	353,156	69,740
Vouchers payable	66,835	92	(11,876)
Total liabilities	<u>412,353</u>	<u>414,426</u>	<u>118,430</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	17,597	31,735	-
Restricted for:			
Special purposes	14,267	749,428	(1)
Committed for:			
Compensated absences	-	25,523	-
Total fund balances	<u>31,864</u>	<u>806,686</u>	<u>(1)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 444,217</u>	<u>\$ 1,221,112</u>	<u>\$ 118,429</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>
\$ 4,320	\$ -	\$ 195,598	\$ 4,810	\$ 2,608	\$ 1,573,037
-	-	-	-	-	96,893
-	-	-	-	3,679	26,061
10,680	-	-	183,285	68,422	511,012
-	-	6,176	-	3,313	59,646
<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 201,774</u>	<u>\$ 188,095</u>	<u>\$ 78,022</u>	<u>\$ 2,266,649</u>
\$ -	\$ -	158	\$ -	\$ 8,517	\$ 120,913
-	-	25,717	5,367	-	31,084
15,000	-	175,820	180,000	65,000	773,327
-	-	-	-	-	(80)
-	-	-	-	-	440,493
-	-	81	2,728	4,500	62,360
<u>15,000</u>	<u>-</u>	<u>201,776</u>	<u>188,095</u>	<u>78,017</u>	<u>1,428,097</u>
-	-	-	-	-	49,332
-	-	(2)	-	5	763,697
-	-	-	-	-	25,523
-	-	(2)	-	5	838,552
<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 201,774</u>	<u>\$ 188,095</u>	<u>\$ 78,022</u>	<u>\$ 2,266,649</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, 2020**

	<u>Community Development Block Grant</u>	<u>Housing Assistance Payments Program</u>	<u>Home Investment Partnership Program</u>
REVENUES			
Grants-in-aid - capital	\$ 1,921,113	\$ 11,304,103	\$ 919,377
Charges for services	24,627	-	16,422
Construction participations	75,874	-	-
Investment earnings	-	3,566	-
Miscellaneous revenues	-	47,316	-
Total revenues	<u>2,021,614</u>	<u>11,354,985</u>	<u>935,799</u>
EXPENDITURES			
Urban redevelopment/housing	<u>1,851,204</u>	<u>11,004,740</u>	<u>935,799</u>
Total expenditures	<u>1,851,204</u>	<u>11,004,740</u>	<u>935,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>170,410</u>	<u>350,245</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfer to other fund	(149,963)	-	-
Operating transfer from other fund	-	-	-
Total other financing sources (uses)	<u>(149,963)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	20,447	350,245	-
FUND BALANCES, BEGINNING OF YEAR	<u>11,417</u>	<u>456,441</u>	<u>(1)</u>
FUND BALANCES, END OF YEAR	<u>\$ 31,864</u>	<u>\$ 806,686</u>	<u>\$ (1)</u>

See Independent Auditor's Report

Shelter Plus Care/ Permanent Housing	Supportive/ Transitional Housing	Coming Home	Emergency Shelter	HMIS	Total
\$ 136,569	\$ 8,863	\$ 91,622	\$ 235,464	\$ 214,122	\$ 14,831,233
-	-	-	-	-	41,049
-	-	-	-	-	75,874
-	-	-	-	-	3,566
-	-	195,681	-	500	243,497
<u>136,569</u>	<u>8,863</u>	<u>287,303</u>	<u>235,464</u>	<u>214,622</u>	<u>15,195,219</u>
<u>136,569</u>	<u>8,863</u>	<u>455,281</u>	<u>235,464</u>	<u>214,620</u>	<u>14,842,540</u>
<u>136,569</u>	<u>8,863</u>	<u>455,281</u>	<u>235,464</u>	<u>214,620</u>	<u>14,842,540</u>
-	-	(167,978)	-	2	352,679
-	-	-	-	-	(149,963)
-	-	167,976	-	-	167,976
-	-	167,976	-	-	18,013
-	-	(2)	-	2	370,692
-	-	-	-	3	467,860
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 838,552</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
PUBLIC HEALTH GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SEPTEMBER 30, 2020**

	Public Health	Women, Infants & Children	Total
ASSETS			
Cash and cash equivalents	\$ 7,968,529	\$ 3,822	\$ 7,972,351
Investments	2,000,000	-	2,000,000
Accounts receivable	4,028	-	4,028
Other accrued revenue	1,224	-	1,224
Other prepaid expenses	1,582	429	2,011
Due from other governments	575,697	205,826	781,523
TOTAL ASSETS	\$ 10,551,060	\$ 210,077	\$ 10,761,137
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	137,127	51,481	\$ 188,608
Due to other funds - unrestricted	-	150,000	150,000
Vouchers payable	187,425	3,245	190,670
Total liabilities	324,552	204,726	529,278
FUND BALANCES			
Nonspendable:			
Prepaid items	1,582	429	2,011
Restricted:			
Special purposes	10,224,926	4,922	10,229,848
Total fund balances	10,226,508	5,351	10,231,859
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,551,060	\$ 210,077	\$ 10,761,137

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, 2020**

	<u>Public Health</u>	<u>Women, Infants & Children</u>	<u>Total</u>
REVENUES			
Intergovernmental revenues	\$ 5,179,017	\$ 1,317,513	\$ 6,496,530
Charges for services	79,498	-	79,498
Investment earnings	69,815	-	69,815
Miscellaneous revenues	2,500	-	2,500
Total revenues	<u>5,330,830</u>	<u>1,317,513</u>	<u>6,648,343</u>
EXPENDITURES			
Other public safety and health	4,505,731	1,205,567	5,711,298
Capital outlay	8,291	-	8,291
Total expenditures	<u>4,514,022</u>	<u>1,205,567</u>	<u>5,719,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>816,808</u>	<u>111,946</u>	<u>928,754</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers to other fund	(5,057)	(113,917)	(118,974)
Transfers from other fund	1,033,173	-	1,033,173
Total other financing sources and uses	<u>1,028,116</u>	<u>(113,917)</u>	<u>914,199</u>
Net change in fund balances	1,844,924	(1,971)	1,842,953
FUND BALANCES, AT BEGINNING OF YEAR	<u>8,381,584</u>	<u>7,322</u>	<u>8,388,906</u>
FUND BALANCES, AT END OF YEAR	<u>\$ 10,226,508</u>	<u>\$ 5,351</u>	<u>\$ 10,231,859</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
JUSTICE GRANTS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SEPTEMBER 30, 2020**

	Justice Assistant Grant	Selective Traffic Enforcement Program	Total
ASSETS			
Cash and cash equivalents	\$ 790	\$ 3,441	\$ 4,231
Accounts receivable	-	-	-
Due from other governments	83,250	31,559	114,809
TOTAL ASSETS	\$ 84,040	\$ 35,000	\$ 119,040
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2	2	\$ 4
Vouchers payable	54,040	-	54,040
Due to other funds - unrestricted	30,000	35,000	65,000
Total liabilities	84,042	35,002	119,044
FUND BALANCES			
Restricted:			
Special purposes	(2)	(2)	(4)
Total fund balances	(2)	(2)	(4)
TOTAL LIABILITIES AND FUND BALANCES	\$ 84,040	\$ 35,000	\$ 119,040

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, 2020**

	<u>Justice Assistance Grant</u>	<u>Selective Traffic Enforcement Program</u>	<u>Total</u>
REVENUES			
Intergovernmental revenues	\$ 461,236	\$ 144,610	\$ 605,846
Total revenues	<u>461,236</u>	<u>144,610</u>	<u>605,846</u>
EXPENDITURES			
Police protection	373,944	180,701	554,645
Capital outlay	<u>87,294</u>	<u>-</u>	<u>87,294</u>
Total expenditures	<u>461,238</u>	<u>180,701</u>	<u>641,939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2)</u>	<u>(36,091)</u>	<u>(36,093)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other fund	<u>-</u>	<u>36,089</u>	<u>36,089</u>
Total other financing sources and uses	<u>-</u>	<u>36,089</u>	<u>36,089</u>
Net change in fund balances	(2)	(2)	(4)
FUND BALANCES, AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, AT END OF YEAR	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (4)</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
 MISCELLANEOUS GRANTS
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
 SEPTEMBER 30, 2020

	<u>Urban Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>
ASSETS		
Cash and cash equivalents	\$ 3,532	\$ 26
Accounts receivable	-	-
Prepaid expense	269	277
Due from other funds	-	-
Due from other governments	<u>127,519</u>	<u>18,747</u>
TOTAL ASSETS	<u>\$ 131,320</u>	<u>\$ 19,050</u>
LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 16,231	\$ 4,049
Due to other funds - unrestricted	115,000	15,000
Accrued expenditures	-	-
Vouchers payable	<u>-</u>	<u>-</u>
Total liabilities	<u>131,231</u>	<u>19,049</u>
FUND BALANCES		
Restricted:		
Special purposes	<u>89</u>	<u>1</u>
Total fund balances	<u>89</u>	<u>1</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 131,320</u>	<u>\$ 19,050</u>

See Independent Auditor's Report.

<u>COVID-19 Relief</u>	<u>Summer Lunch Program</u>	<u>Total</u>
\$ 5,195	\$ 311	\$ 9,064
-	-	-
-	689	1,235
97,326	-	97,326
-	-	146,266
<u>\$ 102,521</u>	<u>\$ 1,000</u>	<u>\$ 253,891</u>
\$ -		\$ 20,280
100,000	1,000	231,000
-	-	-
<u>2,522</u>	<u>-</u>	<u>2,522</u>
<u>102,522</u>	<u>1,000</u>	<u>253,802</u>
<u>(1)</u>	<u>-</u>	<u>89</u>
<u>(1)</u>	<u>-</u>	<u>89</u>
<u>\$ 102,521</u>	<u>\$ 1,000</u>	<u>\$ 253,891</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, 2020**

	<u>Urban Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>
REVENUES		
Intergovernmental revenues	\$ 539,429	\$ 236,526
Investment income	90	-
Donations	-	-
Total revenues	<u>539,519</u>	<u>236,526</u>
EXPENDITURES		
Other public safety and health	-	203,525
Staff services	434,933	-
Capital outlay	-	33,000
Total expenditures	<u>434,933</u>	<u>236,525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>104,586</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)		
Transfers to other fund	(104,497)	-
Operating transfers from other fund	-	-
Total other financing sources and uses	<u>(104,497)</u>	<u>-</u>
Net change in fund balances	89	1
FUND BALANCES, AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
FUND BALANCES, AT END OF YEAR	<u>\$ 89</u>	<u>\$ 1</u>

See Independent Auditor's Report.

<u>COVID-19 Relief</u>	<u>Summer Lunch Program</u>	<u>Total</u>
\$ 513,485	\$ -	\$ 1,289,440
-	-	90
20,035	-	20,035
<u>533,520</u>	<u>-</u>	<u>1,309,565</u>
586,233	-	789,758
-	-	434,933
-	-	33,000
<u>586,233</u>	<u>-</u>	<u>1,257,691</u>
<u>(52,713)</u>	<u>-</u>	<u>51,874</u>
-	-	(104,497)
52,712	-	52,712
<u>52,712</u>	<u>-</u>	<u>(51,785)</u>
(1)	-	89
-	-	-
<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 89</u>

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
COMBINING STATEMENT OF FIDUCIARY FUNDS
SEPTEMBER 30, 2020**

	<u>Centennial Parkway</u>	<u>Indigent Dog Bite Victim</u>	<u>Amarillo Industrial Development Corporation</u>	<u>Total Private-Purpose Trust Funds</u>
ASSETS				
Cash and cash equivalents	\$ 2,472	\$ 5,008	\$ 24,474	\$ 31,954
Investments, at fair values	-	-	-	-
TOTAL ASSETS	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,474</u>	<u>\$ 31,954</u>
NET POSITION				
Held in trust for private purposes	\$ 2,472	\$ 5,008	\$ 24,474	\$ 31,954
TOTAL NET POSITION	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,474</u>	<u>\$ 31,954</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	<u>Centennial Parkway</u>	<u>Indigent Dog Bite Victim</u>	<u>Amarillo Industrial Development Corporation</u>	<u>Total Private-Purpose Trust Funds</u>
ADDITIONS:				
Employer Contributions	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	182	182
Total additions	-	-	182	182
DEDUCTIONS:				
Benefits payments	-	-	-	-
Supplies	-	-	-	-
Reimbursement	-	-	-	-
Change in investment value	-	-	-	-
Operating transfers to other funds	-	-	-	-
Total deductions	-	-	-	-
Change in net assets	-	-	182	182
NET POSITION, BEGINNING OF YEAR	<u>2,472</u>	<u>5,008</u>	<u>24,292</u>	<u>31,772</u>
NET POSITION, END OF YEAR	<u>\$ 2,472</u>	<u>\$ 5,008</u>	<u>\$ 24,474</u>	<u>\$ 31,954</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, 2020**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
CIVIC CENTER OPERATIONS				
Assets				
Cash and cash equivalents	\$ 788,260	\$ 3,019,644	\$ 3,347,579	\$ 460,325
Total assets	<u>\$ 788,260</u>	<u>\$ 3,019,644</u>	<u>\$ 3,347,579</u>	<u>\$ 460,325</u>
Liabilities				
Due to other agencies	\$ 788,260	\$ 3,019,644	\$ 3,347,579	\$ 460,325
Total liabilities	<u>\$ 788,260</u>	<u>\$ 3,019,644</u>	<u>\$ 3,347,579</u>	<u>\$ 460,325</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, 2020

	No-Load Mutual Funds	Taxable Municipal Bonds			U.S. Treasury Obligations		
		Amortized Cost	Par Value	Fair Values	Amortized Cost	Par Value	Fair Values
GOVERNMENTAL FUNDS							
Unrestricted:							
General Fund	\$ 24,427,560	\$ -	\$ -	\$ -	\$ 4,005,886	\$ 4,000,000	\$ 4,051,641
Housing and Urban Development Grants Funds	2,188	-	-	-	-	-	-
Seizure Funds	6,932	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	523,556	-	-	-	-	-	-
Compensated Absences	8,029	-	-	-	-	-	-
General Obligation Debt	-	-	-	-	-	-	-
Public Improvement Districts	1,031,537	-	-	-	-	-	-
Capital Projects Funds	6,379,876	-	-	-	1,000,854	1,000,000	1,003,070
Miscellaneous special revenue	8,811,362	-	-	-	-	-	-
Total Unrestricted	41,191,040	-	-	-	5,006,740	5,000,000	5,054,711
Restricted:							
General Obligation Debt	1,847,667	-	-	-	-	-	-
General Construction Fund	7,954,292	-	-	-	-	-	-
Civic Center Improvement Fund	2,898,667	-	-	-	497,583	500,000	504,490
GO Bond Construction Fund	8,257,792	-	-	-	-	-	-
Total Restricted	20,958,418	-	-	-	497,583	500,000	504,490
Total Governmental Funds	62,149,458	-	-	-	5,504,323	5,500,000	5,559,201
PROPRIETARY FUNDS							
ENTERPRISE FUNDS							
Unrestricted:							
Water and Sewer Fund	51,612,332	-	-	-	9,030,014	9,000,000	9,119,030
Airport Fund	3,304,673	-	-	-	2,501,688	2,500,000	2,530,595
Drainage Utility	14,295,112	-	-	-	-	-	-
Total Unrestricted	69,212,117	-	-	-	11,531,702	11,500,000	11,649,625
Restricted:							
Water and Sewer Fund	76,864,494	-	-	-	-	-	-
Airport Fund	530	-	-	-	-	-	-
Drainage Utility	116,194	-	-	-	-	-	-
Total Restricted	76,981,218	-	-	-	-	-	-
Total Enterprise Funds	146,193,335	-	-	-	11,531,702	11,500,000	11,649,625
INTERNAL SERVICE FUNDS							
Unrestricted:							
Fleet Services	7,674,806	-	-	-	1,996,020	2,000,000	2,012,050
Information Services	1,886,581	-	-	-	500,427	500,000	501,535
Risk Management	4,996,111	-	-	-	2,491,281	2,500,000	2,515,970
Employee Insurance	4,525,228	-	-	-	995,167	1,000,000	1,008,980
Total Unrestricted	19,082,726	-	-	-	5,982,895	6,000,000	6,038,535
Restricted:							
Fleet Services	74,853	-	-	-	-	-	-
Total Internal Service Funds	19,157,579	-	-	-	5,982,895	6,000,000	6,038,535
TOTALS - ALL FUNDS	\$ 227,500,372	\$ -	\$ -	\$ -	\$ 23,018,920	\$ 23,000,000	\$ 23,247,361

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				
\$ 13,000,000	\$ 13,101,490	\$ 41,580,691	\$ 1,933,236	\$ (24,427,560)	\$ 19,086,367
-	-	2,188	-	(2,188)	-
-	-	6,932	-	(6,932)	-
-	-	523,556	1,000,000	(523,556)	1,000,000
-	-	8,029	-	(8,029)	-
-	-	-	-	-	-
-	-	1,031,537	-	(1,031,537)	-
3,000,000	3,008,550	10,391,496	2,250,000	(6,379,876)	6,261,620
		8,811,362	3,250,000	(8,811,362)	3,250,000
<u>16,000,000</u>	<u>16,110,040</u>	<u>62,355,791</u>	<u>8,433,236</u>	<u>(41,191,040)</u>	<u>29,597,987</u>
-	-	1,847,667	-	(1,847,667)	-
-	-	7,954,292	-	(7,954,292)	-
500,000	506,080	3,909,237	1,500,000	(2,898,667)	2,510,570
-	-	8,257,792	6,000,000	(8,257,792)	6,000,000
<u>500,000</u>	<u>506,080</u>	<u>21,968,988</u>	<u>7,500,000</u>	<u>(20,958,418)</u>	<u>8,510,570</u>
<u>16,500,000</u>	<u>16,616,120</u>	<u>84,324,779</u>	<u>15,933,236</u>	<u>(62,149,458)</u>	<u>38,108,557</u>
11,640,000	11,941,012	72,672,374	500,000	(51,612,332)	21,560,042
1,000,000	1,007,850	6,843,118	1,250,000	(3,304,673)	4,788,445
1,500,000	1,512,450	15,807,562	2,000,000	(14,295,112)	3,512,450
<u>14,140,000</u>	<u>14,461,312</u>	<u>95,323,054</u>	<u>3,750,000</u>	<u>(69,212,117)</u>	<u>29,860,937</u>
-	-	76,864,494	-	(76,864,494)	-
-	-	530	-	(530)	-
-	-	116,194	-	(116,194)	-
-	-	76,981,218	-	(76,981,218)	-
<u>14,140,000</u>	<u>14,461,312</u>	<u>172,304,272</u>	<u>3,750,000</u>	<u>(146,193,335)</u>	<u>29,860,937</u>
2,000,000	2,034,955	11,721,811	4,250,000	(7,674,806)	8,297,005
500,000	505,340	2,893,456	2,000,000	(1,886,581)	3,006,875
5,500,000	5,542,325	13,054,406	3,000,000	(4,996,111)	11,058,295
1,500,000	1,539,320	7,073,528	1,750,000	(4,525,228)	4,298,300
<u>9,500,000</u>	<u>9,621,940</u>	<u>34,743,201</u>	<u>11,000,000</u>	<u>(19,082,726)</u>	<u>26,660,475</u>
-	-	74,853	-	(74,853)	-
<u>9,500,000</u>	<u>9,621,940</u>	<u>34,818,054</u>	<u>11,000,000</u>	<u>(19,157,579)</u>	<u>26,660,475</u>
<u>\$ 40,140,000</u>	<u>\$ 40,699,372</u>	<u>\$ 291,447,105</u>	<u>\$ 30,683,236</u>	<u>\$ (227,500,372)</u>	<u>\$ 94,629,969</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
AD VALOREM TAXES RECEIVABLE BY ROLL YEAR
SEPTEMBER 30, 2020

<u>Roll Year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
2020	\$ 382,568	\$ 58,116	\$ 440,684
2019	181,115	23,150	204,265
2018	113,112	14,321	127,433
2017	77,269	8,663	85,932
2016	68,445	5,267	73,712
2015	59,466	4,834	64,300
2014	54,557	4,656	59,213
2013	48,923	4,568	53,491
2012	43,621	4,147	47,768
2011	48,748	4,964	53,712
2010	37,472	3,816	41,288
2009	30,634	3,120	33,754
2008	26,674	560	27,234
2007	22,060	505	22,565
2006 & Prior	68,910	1,399	70,309
Total taxes receivable	1,263,574	142,086	1,405,660
Allowance for uncollectible taxes	987,626	109,337	1,096,963
Net taxes receivable	275,948	32,749	308,697
Provision for deferred collections	159,588	19,288	178,876
Net taxes available for current expenditure	\$ 116,360	\$ 13,461	\$ 129,821

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
SCHEDULE OF CHANGES IN TAXES AVAILABLE
YEAR ENDED SEPTEMBER 30, 2020**

TAXES AVAILABLE, BEGINNING, Net	<u>\$ 76,425</u>
REVENUES	
Taxes levied	50,290,705
Adjustments	<u>93,029</u>
Tax levy net of adjustments	50,383,734
Decrease in allowance for uncollectible taxes	47,907
Increase in provision for deferred collections	<u>(5,332)</u>
Net revenues	50,426,309
COLLECTIONS	<u>(50,372,913)</u>
Net increase (decrease) in taxes available	<u>53,396</u>
TAXES AVAILABLE, ENDING, Net	<u><u>\$ 129,821</u></u>
TOTAL AD VALOREM TAXES:	
Ad valorem taxes - property tax rolls	\$ 44,219,194
Penalty and interest	335,041
Payment in lieu of property tax	<u>4,278,294</u>
Total General Fund tax revenues	48,832,529
Debt Service	<u>5,726,974</u>
TOTAL TAX REVENUES	<u><u>\$ 54,559,503</u></u>

See Independent Auditor's Report

CITY OF AMARILLO, TEXAS
 COMBINED SCHEDULE OF OUTSTANDING DEBT ISSUANCES
 SEPTEMBER 30, 2020

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates on Outstanding Maturities</u>
GENERAL OBLIGATION DEBT:			
<i>Serviced by Tax Revenues:</i>			
Recovery Zone Build America Bonds, Series 2010	04/15/10	08/15/30	5.81%
General Obligation Refunding Bonds, Series 2017	02/22/17	05/15/27	4.00%
Certificates of Obligation, Series 2017	02/22/17	02/15/37	3.00 - 3.50%
General Obligation Bonds, Series 2018	05/11/17	02/15/42	3.00 - 5.00%
General Obligation Bonds, Series 2018	07/18/18	02/15/43	3.125 - 5.00%
General Obligation Bonds, Series 2020	05/12/20	02/15/45	2.00 - 5.00%
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/22	2.00%
Certificates of Obligation, Series 2020	05/12/20	02/15/50	2.00 - 5.00%
Tax Notes, Series 2020	05/12/20	02/15/27	2.00 - 3.00%
<i>Serviced by special assessments and other revenue sources:</i>			
Public Improvement Districts:			
Combination Tax and Revenues Certificates of Obligation			
Series 2014 (\$555,000 Greenways, \$1,170,000 Colonies)	04/01/14	08/15/34	2.25 - 3.625%
Series 2018 Colonies	07/18/18	05/15/38	3.00 - 4.00%
General Obligation Refunding Bonds, Series 2020 (\$430,000 Greenways, \$950,000 Colonies)	05/12/20	02/15/28	2.00%
Golf Course Supported:			
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/37	2.00 - 2.50%
Tax Increment Reinvestment Zone #1 Supported:			
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/32	2.00 - 3.00%
Total debt serviced by property taxes, including special assessment and other revenue sources			
REVENUE OBLIGATION DEBT:			
<i>Serviced by Water and Sewer Revenues:</i>			
Waterworks and Sewer Revenue, 2013	07/10/13	04/01/23	0.25 - 0.85%
Waterworks and Sewer Revenue, 2014	01/22/14	04/01/33	0.36 - 2.62%
Waterworks and Sewer Revenue, 2015	10/02/15	04/01/35	0.50 - 1.59%
Waterworks and Sewer Revenue, 2015A	10/02/15	04/01/32	2.00 - 4.00%
Waterworks and Sewer Revenue, 2017	05/11/17	04/01/37	3.00 - 5.00%
Waterworks and Sewer Revenue, 2018A	07/19/18	04/01/38	0.36 - 1.60%
Waterworks and Sewer Revenue, 2018B	07/19/18	04/01/38	3.00 - 5.00%
Waterworks and Sewer Revenue, 2020	07/14/20	04/01/40	0.00%
Waterworks and Sewer Revenue, 2020A	05/12/20	04/01/31	2.00 - 3.00%
Combination Tax and Revenues Certificates of Obligation			
Waterworks and Sewer Tax and Revenue, 2009	04/01/09	05/15/21	2.14%
Waterworks and Sewer Tax and Revenue 2009C	02/02/10	05/15/31	0.00%
General Obligation Refunding Bonds, Series 2020	05/12/20	02/15/29	2.00 - 3.00%
Total bonds serviced by Water and Sewer revenues			
<i>Serviced by Drainage Fund Revenue:</i>			
Combination Tax and Revenue Certificates of Obligation, 2012A	12/12/12	08/15/32	2.00%
Drainage Revenue, 2014	04/01/14	08/15/34	3.00 - 3.75%
Drainage Revenue, 2020	07/14/20	08/15/40	2.00 - 5.00%
Total debt serviced by Drainage Fund revenue			
<i>Serviced by Hotel Occupancy Tax:</i>			
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016	04/13/16	08/15/43	1.85 - 4.25%
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018	03/20/18	08/15/48	2.80 - 4.15%
Total debt serviced by Hotel Occupancy Tax			
Total bonds payable*			

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

** Total interest of \$45,492 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
1,392,000	1,392,000	609,000	783,000	70,000	25,020 **	95,020
15,110,000	15,110,000	4,130,000	10,980,000	1,390,000	439,200	1,829,200
6,940,000	6,940,000	1,360,000	5,580,000	520,000	163,100	683,100
21,280,000	21,280,000	1,360,000	19,920,000	570,000	723,569	1,293,569
22,145,000	22,145,000	980,000	21,165,000	560,000	789,694	1,349,694
8,100,000	8,100,000	-	8,100,000	75,000	266,997	341,997
960,000	960,000	-	960,000	470,000	18,393	488,393
8,000,000	8,000,000	-	8,000,000	80,000	269,417	349,417
3,520,000	3,520,000	-	3,520,000	455,000	99,250	554,250
2,260,000	2,260,000	535,000	1,725,000	100,000	55,369	155,369
3,000,000	3,000,000	205,000	2,795,000	110,000	96,631	206,631
1,380,000	1,380,000	-	1,380,000	195,000	31,247	226,247
2,860,000	2,860,000	-	2,860,000	130,000	71,581	201,581
1,460,000	1,460,000	-	1,460,000	105,000	35,575	140,575
<u>98,407,000</u>	<u>98,407,000</u>	<u>9,179,000</u>	<u>89,228,000</u>	<u>4,830,000</u>	<u>3,085,043</u>	<u>7,915,043</u>
1,310,000	1,310,000	905,000	405,000	135,000	2,835	137,835
8,495,000	8,495,000	2,715,000	5,780,000	400,000	117,087	517,087
17,195,000	17,195,000	4,150,000	13,045,000	820,000	146,695	966,695
21,145,000	21,145,000	8,245,000	12,900,000	1,405,000	439,469	1,844,469
31,005,000	31,005,000	3,530,000	27,475,000	1,235,000	1,069,294	2,304,294
12,500,000	12,500,000	1,190,000	11,310,000	575,000	136,807	711,807
14,610,000	14,610,000	1,195,000	13,415,000	535,000	552,625	1,087,625
28,500,000	28,500,000	-	28,500,000	1,425,000	-	1,425,000
9,775,000	9,775,000	-	9,775,000	805,000	208,179	1,013,179
2,130,000	2,130,000	-	2,130,000	2,130,000	45,561	2,175,561
18,075,000	18,075,000	8,120,000	9,955,000	905,000	-	905,000
43,880,000	43,880,000	-	43,880,000	2,920,000	1,065,749	3,985,749
<u>208,620,000</u>	<u>208,620,000</u>	<u>30,050,000</u>	<u>178,570,000</u>	<u>13,290,000</u>	<u>3,784,301</u>	<u>17,074,301</u>
6,260,000	6,260,000	2,875,000	3,385,000	255,000	67,700	322,700
6,080,000	6,080,000	1,485,000	4,595,000	265,000	149,694	414,694
9,240,000	9,240,000	-	9,240,000	335,000	296,458	631,458
<u>21,580,000</u>	<u>21,580,000</u>	<u>4,360,000</u>	<u>17,220,000</u>	<u>855,000</u>	<u>513,852</u>	<u>1,368,852</u>
11,995,000	11,995,000	635,000	11,360,000	330,000	444,956	774,956
38,835,000	38,835,000	-	38,835,000	800,000	1,606,133	2,406,133
50,830,000	50,830,000	635,000	50,195,000	1,130,000	2,051,089	3,181,089
<u>\$ 379,437,000</u>	<u>\$ 379,437,000</u>	<u>\$ 44,224,000</u>	<u>\$ 335,213,000</u>	<u>\$ 20,105,000</u>	<u>\$ 9,434,285</u>	<u>\$ 29,539,285</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
SEPTEMBER 30, 2020

	General Obligation Bonds and Tax Revenues Certificates of Obligations (Serviced by Tax Revenues)				Tax and Revenues Certificates of Obligation (Serviced by Special Assessments)			Water and Sewer Revenue Bonds (Debt Serviced by Water and Sewer Revenues)		
	Principal	Interest	Treasury Subsidy	Total	Principal	Interest	Total	Principal	Interest	Total
2020-2021	\$ 4,190,000	\$ 2,815,111	\$ (20,472)	\$ 6,984,639	\$ 640,000	\$ 290,403	\$ 930,403	\$ 13,290,000	\$ 3,784,301	\$ 17,074,301
2021-2022	4,462,000	2,541,902	(18,641)	6,985,261	685,000	249,894	934,894	13,610,000	3,373,194	16,983,194
2022-2023	4,128,000	2,375,317	(16,759)	6,486,558	695,000	233,482	928,482	13,890,000	3,092,540	16,982,540
2023-2024	4,295,000	2,206,751	(14,850)	6,486,901	665,000	216,432	881,432	13,760,000	2,803,153	16,563,153
2024-2025	4,472,000	2,028,268	(12,890)	6,487,378	680,000	199,332	879,332	14,065,000	2,506,050	16,571,050
2025-2026	4,658,000	1,839,545	(10,876)	6,486,669	675,000	182,082	857,082	14,305,000	2,182,164	16,487,164
2026-2027	4,856,000	1,642,738	(8,837)	6,489,901	685,000	164,632	849,632	14,510,000	1,866,474	16,376,474
2027-2028	2,368,000	1,454,932	(6,720)	3,816,212	710,000	146,632	856,632	13,430,000	1,544,065	14,974,065
2028-2029	2,466,000	1,361,259	(4,550)	3,822,709	575,000	128,625	703,625	11,250,000	1,275,207	12,525,207
2029-2030	2,538,000	1,279,636	(2,300)	3,815,336	585,000	112,487	697,487	8,155,000	1,054,986	9,209,986
2030-2031	2,525,000	1,202,900	-	3,727,900	610,000	97,275	707,275	8,225,000	899,878	9,124,878
2031-2032	2,595,000	1,131,509	-	3,726,509	625,000	80,994	705,994	6,405,000	752,520	7,157,520
2032-2033	2,665,000	1,056,184	-	3,721,184	505,000	65,344	570,344	6,095,000	620,700	6,715,700
2033-2034	2,755,000	976,609	-	3,731,609	520,000	50,503	570,503	5,715,000	495,958	6,210,958
2034-2035	2,835,000	892,725	-	3,727,725	375,000	34,735	409,735	5,835,000	379,992	6,214,992
2035-2036	2,925,000	803,906	-	3,728,906	385,000	24,075	409,075	4,985,000	261,828	5,246,828
2036-2037	3,020,000	710,553	-	3,730,553	400,000	12,922	412,922	5,090,000	155,345	5,245,345
2037-2038	2,920,000	617,125	-	3,537,125	205,000	3,590	208,590	3,105,000	45,406	3,150,406
2038-2039	3,015,000	522,903	-	3,537,903	-	-	-	1,425,000	-	1,425,000
2039-2040	3,115,000	424,359	-	3,539,359	-	-	-	1,425,000	-	1,425,000
2040-2041	3,215,000	322,344	-	3,537,344	-	-	-	-	-	-
2041-2042	3,325,000	215,903	-	3,540,903	-	-	-	-	-	-
2042-2043	2,115,000	127,284	-	2,242,284	-	-	-	-	-	-
2043-2044	815,000	82,491	-	897,491	-	-	-	-	-	-
2044-2045	835,000	60,834	-	895,834	-	-	-	-	-	-
2045-2046	360,000	45,150	-	405,150	-	-	-	-	-	-
2046-2047	370,000	35,569	-	405,569	-	-	-	-	-	-
2047-2048	380,000	25,725	-	405,725	-	-	-	-	-	-
2048-2049	390,000	15,619	-	405,619	-	-	-	-	-	-
2049-2050	400,000	5,250	-	405,250	-	-	-	-	-	-
Totals	\$ 79,008,000	\$ 28,820,401	\$ (116,895)	\$ 107,711,506	\$ 10,220,000	\$ 2,293,439	\$ 12,513,439	\$ 178,570,000	\$ 27,093,761	\$ 205,663,761

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, 2020

	Drainage Utility Bonds (Debt Serviced by Drainage Revenues)			Hotel Occupancy Tax (Revenue Bonds)		
	Principal	Interest	Total	Principal	Interest	Total
2020-2021	\$ 855,000	\$ 513,852	\$ 1,368,852	\$ 1,130,000	\$ 2,051,089	\$ 3,181,089
2021-2022	885,000	484,144	1,369,144	1,155,000	2,020,934	3,175,934
2022-2023	905,000	456,694	1,361,694	1,190,000	1,987,080	3,177,080
2023-2024	935,000	428,494	1,363,494	1,225,000	1,949,931	3,174,931
2024-2025	965,000	395,494	1,360,494	1,265,000	1,909,453	3,174,453
2025-2026	1,000,000	361,244	1,361,244	1,310,000	1,865,823	3,175,823
2026-2027	1,040,000	325,594	1,365,594	1,360,000	1,819,133	3,179,133
2027-2028	1,085,000	288,444	1,373,444	1,410,000	1,767,782	3,177,782
2028-2029	1,120,000	249,081	1,369,081	1,465,000	1,713,538	3,178,538
2029-2030	1,160,000	207,881	1,367,881	1,520,000	1,656,131	3,176,131
2030-2031	1,135,000	174,769	1,309,769	1,585,000	1,596,028	3,181,028
2031-2032	1,175,000	141,994	1,316,994	1,645,000	1,531,744	3,176,744
2032-2033	880,000	112,793	992,793	1,710,000	1,464,440	3,174,440
2033-2034	905,000	88,775	993,775	1,780,000	1,393,867	3,173,867
2034-2035	505,000	63,500	568,500	1,855,000	1,319,770	3,174,770
2035-2036	515,000	53,400	568,400	1,935,000	1,241,595	3,176,595
2036-2037	525,000	43,100	568,100	2,020,000	1,160,048	3,180,048
2037-2038	535,000	32,600	567,600	2,100,000	1,074,917	3,174,917
2038-2039	545,000	21,900	566,900	2,195,000	986,417	3,181,417
2039-2040	550,000	11,000	561,000	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	291,280	2,401,280
2046-2047	-	-	-	2,205,000	198,440	2,403,440
2047-2048	-	-	-	2,305,000	101,420	2,406,420
2048-2049	-	-	-	-	-	-
2049-2050	-	-	-	-	-	-
Totals	\$ 17,220,000	\$ 4,454,753	\$ 21,674,753	\$ 50,195,000	\$ 34,895,101	\$ 85,090,101

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
SCHEDULE OF DEBT AT SEPTEMBER 30, 2020
AS REQUIRED BY SECTION 140.8 TEXAS LOCAL GOVERNMENT CODE

	Final Maturity Date	Bond Issuances		
		Authorized	Issued	Outstanding
GENERAL OBLIGATION DEBT:				
<i>Serviced by Tax Revenues:</i>				
Recovery Zone Build America Bonds, Series 2010	08/15/30	\$ 1,392,000	\$ 1,392,000	\$ 783,000
General Obligation Refunding Bonds, Series 2017	05/15/27	15,110,000	15,110,000	10,980,000
Certificates of Obligation, Series 2017	02/15/37	6,940,000	6,940,000	5,580,000
General Obligation Bonds, Series 2017	02/15/42	21,280,000	21,280,000	19,920,000
General Obligation Bonds, Series 2018	02/15/43	22,145,000	22,145,000	21,165,000
General Obligation Bonds, Series 2020	02/15/45	8,100,000	8,100,000	8,100,000
General Obligation Refunding Bonds, Series 2020	02/15/22	960,000	960,000	960,000
Certificates of Obligation, Series 2020	02/15/50	8,000,000	8,000,000	8,000,000
Tax Notes, Series 2020	02/15/27	3,520,000	3,520,000	3,520,000
<i>Serviced by special assessments and other revenue sources:</i>				
Public Improvement Districts:				
Combination Tax and Revenues Certificates of Obligation				
Series 2014 (\$615,000 Greenways, \$1,300,000 Colonies)	08/15/34	2,260,000	2,260,000	1,725,000
Series 2018 Colonies	05/15/38	3,000,000	3,000,000	2,795,000
General Obligation Refunding Bonds, Series 2020 (\$430,000 Greenways, \$950,000 Colonies)	02/15/28	1,380,000	1,380,000	1,380,000
Golf Course Supported:				
General Obligation Refunding Bonds, Series 2020	02/15/37	2,860,000	2,860,000	2,860,000
Tax Increment Reinvestment Zone #1 Supported:				
General Obligation Refunding Bonds, Series 2020	02/15/32	1,460,000	1,460,000	1,460,000
Total debt serviced by property taxes, including special assessment and other revenue sources		<u>98,407,000</u>	<u>98,407,000</u>	<u>89,228,000</u>
REVENUE OBLIGATION DEBT:				
<i>Serviced by Water and Sewer Revenues:</i>				
Waterworks and Sewer Revenue, 2013	04/01/23	1,310,000	1,310,000	405,000
Waterworks and Sewer Revenue, 2014	04/01/33	8,495,000	8,495,000	5,780,000
Waterworks and Sewer Revenue, 2015	04/01/35	17,195,000	17,195,000	13,045,000
Waterworks and Sewer Revenue Refunding, 2015A	04/01/32	21,145,000	21,145,000	12,900,000
Waterworks and Sewer Revenue, 2017	04/01/37	31,005,000	31,005,000	27,475,000
Waterworks and Sewer Revenue, 2018A	04/01/38	12,500,000	12,500,000	11,310,000
Waterworks and Sewer Revenue, 2018B	04/01/38	14,610,000	14,610,000	13,415,000
Waterworks and Sewer Revenue, 2020	04/01/40	28,500,000	28,500,000	28,500,000
Waterworks and Sewer Revenue Refunding, 2020A	04/01/31	9,775,000	9,775,000	9,775,000
Combination Tax and Revenues Certificates of Obligation				
Waterworks and Sewer Tax and Revenue, 2009	05/15/21	2,130,000	2,130,000	2,130,000
Waterworks and Sewer Tax and Revenue 2009C	05/15/31	18,075,000	18,075,000	9,955,000
General Obligation Refunding Bonds, Series 2020	02/15/29	43,880,000	43,880,000	43,880,000
Total bonds serviced by Water and Sewer revenues		<u>208,620,000</u>	<u>208,620,000</u>	<u>178,570,000</u>
<i>Serviced by Drainage Fund Revenue:</i>				
Combination Tax and Revenue Certificates of Obligation, 2012A	08/15/32	6,260,000	6,260,000	3,385,000
Drainage Revenue, 2014	08/15/34	6,080,000	6,080,000	4,595,000
Drainage Revenue, 2020	08/15/40	9,240,000	9,240,000	9,240,000
Total debt serviced by Drainage Fund revenue		<u>21,580,000</u>	<u>21,580,000</u>	<u>17,220,000</u>
<i>Serviced by Hotel Occupancy Tax:</i>				
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2016	08/15/43	11,995,000	11,995,000	11,360,000
Hotel Occupancy Tax Revenue Bonds, Taxable Series 2018	08/15/48	38,835,000	38,835,000	38,835,000
Total debt serviced by Hotel Occupancy Tax		<u>50,830,000</u>	<u>50,830,000</u>	<u>50,195,000</u>
Total bonds payable*		<u>\$ 379,437,000</u>	<u>\$ 379,437,000</u>	<u>\$ 335,213,000</u>
DEBT PER CAPITA				
Total debt serviced by ad valorem taxes				\$ 79,008,000
Total debt serviced by ad valorem taxes per capita				378
RATINGS				
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.
 ** Total interest of \$45,492 less 45% offset subsidy 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	
\$ 70,000	\$ 25,020 **	\$ 95,020	\$ 1,392,000	\$ -	Public infrastructure and construction of public facilities
1,390,000	439,200	1,829,200	15,110,000	-	Refund outstanding debt
520,000	163,100	683,100	6,940,000	-	Acquiring a two-way radio communications system for public safety
570,000	723,569	1,293,569	21,280,000	-	Acquiring, constructing, improving and maintaining streets, public safety facilities, and library facilities
560,000	789,694	1,349,694	16,836,782	5,308,218	Acquiring, constructing, improving and maintaining streets and public safety facilities
75,000	266,997	341,997	-	8,100,000	Acquiring, constructing, improving and maintaining public safety facilities
470,000	18,393	488,393	960,000	-	Refund outstanding debt
80,000	269,417	349,417	-46,925	7,953,075	Acquiring, constructing, improving and equipping park facilities
455,000	99,250	554,250	3,520,000	-	Acquiring land for municipal facilities
100,000	55,369	155,369	2,260,000	-	Acquiring, constructing, improving and equipping park facilities
110,000	96,631	206,631	3,000,000	-	Acquiring, constructing, improving and equipping park facilities
195,000	31,247	226,247	1,380,000	-	Refund outstanding debt
130,000	71,581	201,581	2,860,000	-	Refund outstanding debt
105,000	35,575	140,575	1,460,000	-	Refund outstanding debt
<u>4,830,000</u>	<u>3,085,043</u>	<u>7,915,043</u>	<u>77,045,707</u>	<u>21,361,293</u>	
135,000	2,835	137,835	1,310,000	-	Improvement and extension of the City's waterworks and sewer system
400,000	117,087	517,087	4,892,423	3,602,577	Improvement and extension of the City's waterworks and sewer system
820,000	146,695	966,695	17,195,000	-	Improvement and extension of the City's waterworks and sewer system
1,405,000	439,469	1,844,469	21,145,000	-	Refund outstanding debt
1,235,000	1,069,294	2,304,294	27,632,150	3,372,850	Improvement and extension of the City's waterworks and sewer system
575,000	136,807	711,807	268,590	12,231,410	Improvement and extension of the City's waterworks and sewer system
535,000	552,625	1,087,625	-	14,610,000	Improvement and extension of the City's waterworks and sewer system
1,425,000	-	1,425,000	-	28,500,000	Construction of automated metering infrastructure
805,000	208,179	1,013,179	9,775,000	-	Refund outstanding debt
2,130,000	45,561	2,175,561	1,321,912	808,088	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
2,920,000	1,065,749	3,985,749	43,880,000	-	Refund outstanding debt
<u>13,290,000</u>	<u>3,784,301</u>	<u>17,074,301</u>	<u>145,495,075</u>	<u>63,124,925</u>	
255,000	67,700	322,700	6,260,000	-	Acquiring, improving, constructing and equipping municipal drainage facilities
265,000	149,694	414,694	6,080,000	-	Acquiring, improving, constructing and equipping municipal drainage facilities**
335,000	296,458	631,458	-	9,240,000	Acquiring, improving, constructing and equipping municipal drainage facilities
855,000	513,852	1,368,852	12,340,000	9,240,000	
330,000	444,956	774,956	11,995,000	-	Construct and equip a downtown Amarillo parking garage
800,000	1,606,133	2,406,133	38,835,000	-	Construct, improve, enlarge, equip, operate and maintain municipal buildings to wit: a multiuse facility
1,130,000	2,051,089	3,181,089	50,830,000	-	
<u>\$ 20,105,000</u>	<u>\$ 9,434,285</u>	<u>\$ 29,539,285</u>	<u>\$ 285,710,782</u>	<u>\$ 93,726,218</u>	

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Amount		Unissued Balance
	Authorized	Previously Issued	
Streets	\$ 89,495,000	\$ 32,340,000	\$ 57,155,000
Public Safety	\$ 20,080,000	\$ 20,080,000	-

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
BOND PRINCIPAL REPAYMENT SCHEDULE
SEPTEMBER 30, 2020**

<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>
2021	\$ 13,290,000	165,280,000	7.44%
2022	13,610,000	151,670,000	15.06%
2023	13,890,000	137,780,000	22.84%
2024	13,760,000	124,020,000	30.55%
2025	14,065,000	109,955,000	38.42%
2026	14,305,000	95,650,000	46.44%
2027	14,510,000	81,140,000	54.56%
2028	13,430,000	67,710,000	62.08%
2029	11,250,000	56,460,000	68.38%
2030	8,155,000	48,305,000	72.95%
2031	8,225,000	40,080,000	77.56%
2032	6,405,000	33,675,000	81.14%
2033	6,095,000	27,580,000	84.56%
2034	5,715,000	21,865,000	87.76%
2035	5,835,000	16,030,000	91.02%
2036	4,985,000	11,045,000	93.81%
2037	5,090,000	5,955,000	96.67%
2038	3,105,000	2,850,000	98.40%
2039	1,425,000	1,425,000	99.20%
2040	1,425,000	-	100.00%
	\$ 178,570,000		

See Independent Auditor's Report.

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

Fiscal Years Ended September 30,

	2020	2019	2018	2017	2016	2015	2014
OPERATING REVENUES	<u>\$ 83,320,670</u>	<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>
OPERATING EXPENSES ⁽¹⁾							
Personal services	14,123,864	15,180,072	13,920,177	14,467,892	12,388,873	11,472,684	11,594,856
Supplies	1,687,910	1,644,628	1,513,845	1,350,992	1,440,246	1,472,230	1,428,923
Contractual & other services	26,897,279	36,112,876	27,151,239	26,742,886	25,349,012	23,470,695	23,818,470
Total expenses	<u>42,709,053</u>	<u>52,937,576</u>	<u>42,585,261</u>	<u>42,561,770</u>	<u>39,178,131</u>	<u>36,415,609</u>	<u>36,842,249</u>
NONOPERATING REVENUES (EXPENSES) ⁽²⁾	<u>809,494</u>	<u>1,926,334</u>	<u>1,483,214</u>	<u>(894,801)</u>	<u>(1,660,100)</u>	<u>1,413,510</u>	<u>1,182,273</u>
NET AVAILABLE FOR DEBT SERVICE	<u>\$ 41,421,111</u>	<u>\$ 24,020,669</u>	<u>\$ 41,193,536</u>	<u>\$ 30,481,498</u>	<u>\$ 31,987,406</u>	<u>\$ 29,434,869</u>	<u>\$ 36,683,390</u>
ANNUAL DEBT SERVICE							
Principal	\$ 13,290,000	\$ 11,770,000	\$ 11,750,000	\$ 10,440,000	\$ 9,100,000	\$ 8,065,000	\$ 7,940,000
Interest	3,784,301	4,249,146	4,224,902	3,727,268	2,744,260	3,077,633	3,186,396
TOTAL DEBT SERVICE	<u>\$ 17,074,301</u>	<u>\$ 16,019,146</u>	<u>\$ 15,974,902</u>	<u>\$ 14,167,268</u>	<u>\$ 11,844,260</u>	<u>\$ 11,142,633</u>	<u>\$ 11,126,396</u>
Coverage	2.43x	1.50x	2.58x	2.15x	2.70x	2.64x	3.30x

(1) Excludes depreciation

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

**NET POSITION
(As of SEPTEMBER 30, 2020)**

Net Investment in Capital Assets	\$ 433,810,572
Restricted for Revenue Bond Debt Retirement	5,995,965
Unrestricted	54,388,459
Total Net Position	<u>\$ 494,194,996</u>

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL FINANCIAL DATA
CITY'S EQUITY IN SYSTEM**

Fiscal Years Ended September 30,

	2020	2019	2018	2017	2016	2015	2014
Waterworks and sewer system in service	\$ 821,898,476	\$ 800,729,996	\$ 774,822,377	\$ 762,431,484	\$ 732,454,402	\$ 720,136,925	\$ 705,779,908
Reserve for depreciation	(288,930,365)	(274,262,400)	(260,392,682)	(246,260,152)	(231,801,728)	(217,817,127)	(203,635,685)
Net plant in service	532,968,111	526,467,596	514,429,695	516,171,332	500,652,674	502,319,798	502,144,223
Plus construction in progress	67,985,407	66,204,539	61,608,812	42,055,348	39,321,320	24,886,619	12,169,588
Net plant in service and coming on line	600,953,518	592,672,135	576,038,507	558,226,680	539,973,994	527,206,417	514,313,811
Plus restricted assets and other noncurrent assets and deferred items	77,235,746	59,039,458	79,831,178	55,466,473	45,871,105	31,645,460	34,446,021
Plus working capital	62,121,728	56,556,672	60,376,904	66,173,794	59,024,455	64,534,177	74,220,979
Total assets	740,310,992	708,268,265	716,246,589	679,866,947	644,869,554	623,386,054	622,980,811
Other noncurrent liabilities	232,825,996	227,062,178	242,066,602	228,699,627	212,855,741	208,856,127	221,508,391
Plus liabilities payable from restricted assets	13,290,000	11,770,000	11,750,000	10,440,000	9,100,000	8,065,000	7,940,000
Total obligations	246,115,996	238,832,178	253,816,602	239,139,627	221,955,741	216,921,127	229,448,391
City's equity in system	<u>\$ 494,194,996</u>	<u>\$ 469,436,087</u>	<u>\$ 462,429,987</u>	<u>\$ 440,727,320</u>	<u>\$ 422,913,813</u>	<u>\$ 406,464,927</u>	<u>\$ 393,532,420</u>

COVERAGE OF DEBT SERVICE REQUIREMENT

Net System Income Available for Debt Service for Fiscal Year Ended 9/30/2020	41,421,111
Average Annual Principal and Interest Requirements (2021-2040)	10,283,188
Coverage of Average Annual Requirements by 2020 Net Revenues	4.03 x
Maximum Principal and Interest Requirements, 2021	17,074,301
Coverage of Maximum Requirements by 2020 Net Revenues	2.43 x

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEMS
HISTORICAL FINANCIAL DATA
WATER AND SEWER FUND OPERATIONS**

Fiscal Years Ended September 30,

	2020	2019	2018	2017	2016	2015	2014
OPERATING REVENUES							
Water sales	\$ 56,701,641	\$ 48,906,889	\$ 55,209,141	\$ 48,620,594	\$ 48,676,840	\$ 41,199,939	\$ 47,606,516
Sewer charges	24,928,246	23,765,730	23,629,503	21,570,449	20,860,554	20,340,925	21,024,451
Industrial surcharges	380,204	299,876	223,978	280,702	250,874	271,604	265,140
Forfeited discounts - water	1,161,657	1,333,844	1,310,310	1,241,421	1,300,605	862,854	1,242,531
Sale of reclaimed water	356,420	499,316	433,467	512,347	529,786	622,529	574,786
Water service charges	634,740	713,819	1,370,966	1,373,862	1,270,238	991,326	1,240,897
Water tap fees	157,322	232,827	212,343	218,965	206,829	165,887	177,324
Sewer tap fees	66,438	93,201	54,418	88,051	72,057	46,177	63,596
Grease tap fees	95,175	91,375	-	-	-	-	-
Water frontage charges	12,704	10,550	1,210	-	6,283	37,288	1,925
Sewer frontage charges	-	3,013	3,432	3,437	2,726	18,080	4,928
Net loss on bad debts	(985,117)	(948,984)	(392,544)	(203,659)	(535,164)	(420,863)	(88,378)
Lab fees	102,539	114,374	111,643	149,495	148,173	148,168	156,239
Miscellaneous	(291,299)	(83,919)	127,716	82,405	35,836	153,054	73,411
Total operating revenues	<u>83,320,670</u>	<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>
OPERATING EXPENSES							
Salaries, wages and fringe benefits	14,123,864	15,180,072	13,920,177	14,467,892	12,388,873	11,472,684	11,594,856
Supplies	1,687,910	1,644,628	1,513,845	1,350,992	1,440,246	1,472,230	1,428,923
Fuel and power	3,573,897	3,955,978	4,582,045	4,618,493	4,174,521	4,246,205	4,933,966
Surface water	4,348,316	5,269,514	5,896,428	6,974,102	6,624,214	5,347,061	5,427,970
Other contractual charges	6,666,801	15,245,320	5,881,144	5,063,458	4,900,080	4,703,899	4,554,358
Other charges	12,308,265	11,642,064	10,791,622	10,086,833	9,650,197	9,173,530	8,902,176
Depreciation	14,782,725	14,246,222	14,196,462	14,550,803	14,154,802	14,238,259	13,637,200
Less: interfund reimbursements	(802,336)	(1,073,237)	(1,414,897)	(1,182,621)	(668,881)	(673,849)	(568,755)
Total operating expenses	<u>56,689,442</u>	<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>
Operating income	<u>26,631,228</u>	<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>
NONOPERATING REVENUES (EXPENSES)							
Capital contributions	3,629,687	2,098,738	4,027,924	5,226,486	2,616,854	5,105,521	3,603,324
Interest earnings	1,651,675	3,124,262	1,590,073	394,951	420,213	356,274	259,941
Disposition of property	24,344	(29,745)	829,031	24,654	12,669	3,417,620	3,816,207
Interest expense & fiscal charges	(6,757,027)	(6,470,440)	(5,376,745)	(4,918,141)	(5,661,205)	(5,825,441)	(6,190,969)
Total nonoperating revenues (expenses)	<u>(1,451,321)</u>	<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>
Total income before transfers	25,179,907	7,644,165	27,999,040	18,736,067	17,550,116	17,510,923	23,921,175
TRANSFERS FROM (TO) OTHER FUNDS	<u>(420,998)</u>	<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>
NET INCOME	<u>\$ 24,758,909</u>	<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>

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,						
	2020	2019	2018	2017	2016	2015	2014
ASSETS							
CURRENT ASSETS							
Cash	\$ 52,620,864	\$ 35,164,365	\$ 14,805,768	\$ 15,498,647	\$ 15,496,358	\$ 19,471,699	\$ 24,640,561
Investments - at fair market value	21,560,042	32,886,057	48,987,054	57,098,741	50,749,952	48,461,977	52,948,308
Receivables (net of allowance for uncollectibles):							
Accounts	7,514,058	7,577,503	7,497,259	5,638,133	5,498,742	5,749,728	5,197,701
Accrued interest	167,550	224,453	237,301	174,472	132,048	94,835	100,484
Other accrued revenue	5,793,239	5,073,586	5,395,636	3,354,388	3,642,645	4,458,946	4,152,861
Due from other funds	31,509	1,030,428	29,355	34,957	-	-	-
Prepaid expenses	1,443,774	1,603,474	1,309,727	1,434,753	1,472,893	893,326	928,415
Total current assets	<u>89,131,036</u>	<u>83,559,866</u>	<u>78,262,100</u>	<u>83,234,091</u>	<u>76,992,638</u>	<u>79,130,511</u>	<u>87,968,330</u>
NONCURRENT ASSETS							
Restricted cash	76,864,466	55,086,751	78,824,148	50,391,049	40,771,986	29,549,585	32,371,275
Other noncurrent receivable	-	-	-	-	(1)	7,902	309,407
Other noncurrent asset	59,815	67,494	75,632	83,414	90,854	98,037	153,385
Interfund advance receivable	-	-	-	715,043	-	-	-
Capital assets							
Land, easements and water rights	62,177,120	62,086,461	61,912,385	61,585,830	60,954,487	59,444,991	58,993,887
Accumulated depletion water rights	(9,745,094)	(9,404,381)	(8,626,612)	(7,848,843)	(7,071,535)	(6,310,311)	(5,588,870)
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	(25,169,954)	(24,403,846)	(23,639,832)	(22,875,817)	(22,111,802)	(21,345,694)	(20,581,680)
Pipelines and other improvements	704,603,117	683,446,448	658,274,445	646,180,868	616,942,368	606,102,721	592,221,300
Accumulated depreciation	(250,279,114)	(236,811,478)	(224,523,751)	(212,025,705)	(199,183,126)	(186,711,321)	(174,143,586)
Equipment	4,781,850	4,860,698	4,299,158	4,328,397	4,221,158	4,252,824	4,228,332
Accumulated depreciation	(3,736,203)	(3,642,695)	(3,602,487)	(3,509,787)	(3,435,265)	(3,449,801)	(3,321,549)
Construction in progress	67,985,407	66,204,539	61,608,812	42,055,348	39,321,320	24,886,619	12,169,588
Total capital assets, net	<u>600,953,518</u>	<u>592,672,135</u>	<u>576,038,507</u>	<u>558,226,680</u>	<u>539,973,994</u>	<u>527,206,417</u>	<u>514,313,811</u>
Total noncurrent assets	<u>677,877,799</u>	<u>647,826,380</u>	<u>654,938,287</u>	<u>609,416,186</u>	<u>580,836,833</u>	<u>556,861,941</u>	<u>547,147,878</u>
TOTAL ASSETS	<u>\$ 767,008,835</u>	<u>\$ 731,386,246</u>	<u>\$ 733,200,387</u>	<u>\$ 692,650,277</u>	<u>\$ 657,829,471</u>	<u>\$ 635,992,452</u>	<u>\$ 635,116,208</u>
DEFERRED OUTFLOW OF RESOURCES							
Deferred outflow of resources	\$ 7,059,112	\$ 8,278,493	\$ 5,898,163	\$ 4,425,767	\$ 5,032,417	\$ 2,024,929	\$ 1,966,685
TOTAL DEFERRED OUTFLOWS	<u>\$ 7,059,112</u>	<u>\$ 8,278,493</u>	<u>\$ 5,898,163</u>	<u>\$ 4,425,767</u>	<u>\$ 5,032,417</u>	<u>\$ 2,024,929</u>	<u>\$ 1,966,685</u>

See Independent Auditor's Report

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

	Fiscal Years Ended September 30,						
	2020	2019	2018	2017	2016	2015	2014
LIABILITIES							
CURRENT LIABILITIES							
Vouchers payable	\$ 3,038,775	\$ 2,713,696	\$ 2,770,935	\$ 2,805,349	\$ 2,990,501	\$ 587,641	\$ 1,548,271
Accounts payable	731,241	1,492,979	1,713,233	1,651,160	1,090,247	1,988,469	737,303
Accrued expenses	11,559,527	11,920,231	3,988,170	2,507,563	3,337,958	2,533,123	2,415,764
Deposits	1,038,738	38,738	46,045	42,014	41,075	43,353	43,758
Consumer security deposits	4,444,518	4,005,303	3,900,681	3,778,466	3,670,027	3,622,203	3,478,194
Compensated absences, current	134,210	194,987	179,111	213,205	220,629	253,107	237,424
Proportionate share of water authority indebtedness - current installments	6,061,019	5,837,260	5,287,021	6,062,540	5,467,746	5,246,984	5,236,637
Due to other funds	1,280	800,000	-	-	1,150,000	321,454	50,000
Revenue bonds - current maturities	13,290,000	11,770,000	11,750,000	10,440,000	9,100,000	8,065,000	7,940,000
Total current liabilities	40,299,308	38,773,194	29,635,196	27,500,297	27,068,183	22,661,334	21,687,351
NONCURRENT LIABILITIES							
Revenue bonds - less current maturities and unamortized issuance costs	171,311,031	155,583,382	167,576,703	151,406,891	128,872,057	122,510,609	130,639,582
Proportionate share of water authority indebtedness - less current installments	47,349,397	53,880,681	60,630,219	66,586,546	73,178,176	79,148,283	86,416,820
Other accrued expenses	2,567,106	2,578,684	2,606,671	2,628,280	2,615,459	2,646,300	2,783,256
Provision for accrued sick and annual leave	778,770	663,576	845,207	803,399	881,816	1,013,225	1,113,512
Net OPEB liability	6,019,760	5,893,036	5,807,799	-	-	-	-
Net pension liability	4,799,932	8,462,819	4,600,003	7,274,511	7,308,233	3,537,710	555,221
Total noncurrent liabilities	232,825,996	227,062,178	242,066,602	228,699,627	212,855,741	208,856,127	221,508,391
TOTAL LIABILITIES	\$ 273,125,304	\$ 265,835,372	\$ 271,701,798	\$ 256,199,924	\$ 239,923,924	\$ 231,517,461	\$ 243,195,742
DEFERRED INFLOWS OF RESOURCES							
Deferred inflow of resources	\$ 6,747,647	\$ 4,393,280	\$ 4,966,765	\$ 148,800	\$ 24,151	\$ 34,993	\$ 354,734
TOTAL DEFERRED INFLOWS	\$ 6,747,647	\$ 4,393,280	\$ 4,966,765	\$ 148,800	\$ 24,151	\$ 34,993	\$ 354,734
NET POSITION							
Net investment in capital assets	\$ 433,810,572	\$ 412,568,214	\$ 402,151,812	\$ 367,784,175	\$ 358,232,452	\$ 336,363,074	\$ 312,096,698
Restricted for debt service	5,995,965	8,119,349	7,466,900	6,337,577	5,895,549	6,325,536	6,322,034
Unrestricted	54,388,459	48,748,524	52,811,275	66,605,568	58,785,812	63,776,317	75,113,688
TOTAL NET POSITION	\$ 494,194,996	\$ 469,436,087	\$ 462,429,987	\$ 440,727,320	\$ 422,913,813	\$ 406,464,927	\$ 393,532,420

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY
CONDENSED SCHEDULE OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
OPERATING REVENUES	\$ 6,339,811	\$ 5,582,179	\$ 5,548,081	\$ 5,540,485	\$ 5,524,655	\$ 5,460,345	\$ 5,469,629
OPERATING EXPENSES							
Personal services	1,124,934	1,295,842	1,274,096	1,309,766	801,198	688,868	671,575
Contractual & other services	880,851	882,488	905,611	957,723	1,001,318	884,299	900,228
Other supplies and expenses	741,311	144,769	145,645	185,836	141,555	193,957	128,371
Other charges	1,204,980	475,056	487,240	436,002	422,951	305,297	515,919
Depreciation	313,533	165,056	143,798	117,147	98,921	97,205	212
Total expenses	4,265,609	2,963,211	2,956,390	3,006,474	2,465,943	2,169,626	2,216,305
NONOPERATING REVENUES (EXPENSES) (1)	135,699	214,067	112,399	55,918	88,416	110,934	98,922
NET AVAILABLE FOR DEBT SERVICE	\$ 2,209,901	\$ 2,833,035	\$ 2,704,090	\$ 2,589,929	\$ 3,147,128	\$ 3,401,653	\$ 3,352,246
NUMBER OF CUSTOMERS	73,544	71,952	72,118	67,742	69,315	69,861	69,769

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

COVERAGE AND FUND BALANCE

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net System Income Available for Debt Service	\$ 2,209,901	\$ 2,833,035	\$ 2,704,090	\$ 2,589,929	\$ 3,147,128	\$ 3,401,653	\$ 3,352,246
Average Annual Principal and Interest Requirements (2021-2040)	1,083,738	695,559	699,158	702,334	715,957	728,104	739,393
Coverage of Average Annual Requirements	2.04x	4.07x	3.87x	3.69x	4.40x	4.67x	4.53x
Maximum Principal and Interest Requirements, 2028	1,373,444	749,394	753,144	753,144	947,544	947,544	953,848
Coverage of Maximum Requirements	1.61x	3.78x	3.59x	3.44x	3.32x	3.59x	3.51x

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
SCHEDULE OF INSURANCE COVERAGE-ALL FUNDS
SEPTEMBER 30, 2020

<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			
<i>BONDS REQUIRED BY CITY CHARTER:</i>			
<u>Official</u>	<u>Title</u>		<u>Amount of Surety Bond</u>
Jared Miller	City Manager		\$50,000
<i>OTHER</i>			
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, 2020

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Public Health	\$ 5,330,830	\$ -	\$ 5,330,830	\$ -	\$ -	\$ 5,330,830	\$ 4,922,225	\$ 4,922,225	\$ 408,605
	<u>\$ 5,330,830</u>	<u>\$ -</u>	<u>\$ 5,330,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,330,830</u>	<u>\$ 4,922,225</u>	<u>\$ 4,922,225</u>	<u>\$ 408,605</u>
Expenditures:									
Public Health	\$ 4,505,731	\$ 8,291	\$ 4,514,022	\$ -	\$ 226,721	\$ 4,740,743	\$ 3,606,942	\$ 4,806,942	\$ 66,199
	<u>\$ 4,505,731</u>	<u>\$ 8,291</u>	<u>\$ 4,514,022</u>	<u>\$ -</u>	<u>\$ 226,721</u>	<u>\$ 4,740,743</u>	<u>\$ 3,606,942</u>	<u>\$ 4,806,942</u>	<u>\$ 66,199</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, 2020

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
LEOSE Training	\$ 23,336	\$ -	\$ 23,336	\$ -	\$ -	\$ 23,336	\$ 26,310	\$ 26,310	\$ (2,974)
	<u>\$ 23,336</u>	<u>\$ -</u>	<u>\$ 23,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,336</u>	<u>\$ 26,310</u>	<u>\$ 26,310</u>	<u>\$ (2,974)</u>
Expenditures:									
LEOSE Training	\$ 9,800	\$ -	\$ 9,800	\$ -	\$ -	\$ 9,800	\$ 22,500	\$ 22,500	\$ 12,700
	<u>\$ 9,800</u>	<u>\$ -</u>	<u>\$ 9,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,800</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 12,700</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, 2020

	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	\$ 87,530	\$ -	\$ 87,530	\$ -	\$ -	\$ 87,530	\$ -	\$ -	\$ 87,530
	<u>\$ 87,530</u>	<u>\$ -</u>	<u>\$ 87,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,530</u>
Expenditures:									
Local Seized Property	\$ 50,764	\$ -	\$ 50,764	\$ -	\$ -	\$ 50,764	\$ 90,350	\$ 90,350	\$ 39,586
	<u>\$ 50,764</u>	<u>\$ -</u>	<u>\$ 50,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,764</u>	<u>\$ 90,350</u>	<u>\$ 90,350</u>	<u>\$ 39,586</u>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
 COMPENSATED ABSENCES FUND
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS
 YEAR ENDED SEPTEMBER 30, 2020

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Compensated Absences	\$ 1,202,303	\$ -	\$ 1,202,303	\$ -	\$ -	\$ 1,202,303	\$ 5,000	\$ 5,000	\$ 1,197,303
	<u>\$ 1,202,303</u>	<u>\$ -</u>	<u>\$ 1,202,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,202,303</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 1,197,303</u>
Expenditures:									
Compensated Absences	\$ 1,512,308	\$ -	\$ 1,512,308	\$ -	\$ -	\$ 1,512,308	\$ 1,070,555	\$ 1,570,555	\$ 58,247
	<u>\$ 1,512,308</u>	<u>\$ -</u>	<u>\$ 1,512,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,512,308</u>	<u>\$ 1,070,555</u>	<u>\$ 1,570,555</u>	<u>\$ 58,247</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, 2020

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Court Technology	\$ 87,388	\$ -	\$ 87,388	\$ -	\$ -	\$ 87,388	\$ 136,100	\$ 136,100	\$ (48,712)
Court Security	<u>167,117</u>	<u>-</u>	<u>167,117</u>	<u>-</u>	<u>-</u>	<u>167,117</u>	<u>155,861</u>	<u>155,861</u>	<u>11,256</u>
	<u>\$ 254,505</u>	<u>\$ -</u>	<u>\$ 254,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,505</u>	<u>\$ 291,961</u>	<u>\$ 291,961</u>	<u>\$ (37,456)</u>
Expenditures:									
Court Technology	\$ 96,435	\$ -	\$ 96,435	\$ -	\$ -	\$ 96,435	\$ 109,640	\$ 109,640	\$ 13,205
Court Security	<u>167,117</u>	<u>-</u>	<u>167,117</u>	<u>-</u>	<u>-</u>	<u>167,117</u>	<u>155,861</u>	<u>167,861</u>	<u>744</u>
	<u>\$ 263,552</u>	<u>\$ -</u>	<u>\$ 263,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,552</u>	<u>\$ 265,501</u>	<u>\$ 277,501</u>	<u>\$ 13,949</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, 2020

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Greenways at Hillside	\$ 644,324	\$ -	\$ 644,324	\$ -	\$ -	\$ 644,324	\$ 643,966	\$ 643,966	\$ 358
Heritage Hills	317,184	-	317,184	-	-	317,184	319,940	319,940	(2,756)
Brennan	-	-	-	-	-	-	-	-	-
The Colonies	2,005,356	-	2,005,356	-	-	2,005,356	1,054,400	1,054,400	950,956
Tutbury	16,296	-	16,296	-	-	16,296	16,296	16,296	-
Point West	52,007	-	52,007	-	-	52,007	52,000	52,000	7
Quail Creek	10,150	-	10,150	-	-	10,150	10,150	10,150	-
Vineyards	7,750	-	7,750	-	-	7,750	7,950	7,950	(200)
Redstone	-	-	-	-	-	-	-	-	-
Townsquare	165,377	-	165,377	-	-	165,377	166,164	166,164	(787)
Pinnacle	-	-	-	-	-	-	350	350	(350)
	<u>\$ 3,218,444</u>	<u>\$ -</u>	<u>\$ 3,218,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,218,444</u>	<u>\$ 2,271,216</u>	<u>\$ 2,271,216</u>	<u>\$ 947,228</u>
Expenditures:									
Greenways at Hillside	\$ 546,555	\$ 300,000	\$ 846,555	\$ -	\$ -	\$ 846,555	\$ 628,630	\$ 928,630	\$ 82,075
Heritage Hills	30,865	-	30,865	-	-	30,865	47,623	47,623	16,758
Brennan Boulevard	8,952	-	8,952	-	-	8,952	-	9,000	48
The Colonies	951,140	-	951,140	-	-	951,140	950,179	950,179	(961)
Tutbury	9,747	-	9,747	-	-	9,747	15,927	15,927	6,180
Point West	21,528	-	21,528	-	-	21,528	29,414	24,514	2,986
Quail Creek	13,558	-	13,558 #	-	-	13,558	8,105	14,105	547
Vineyards	4,899	-	4,899	-	-	4,899	6,741	6,741	1,842
Redstone	618	-	618	-	-	618	-	1,000	382
Townsquare	1,188	-	1,188	-	-	1,188	83,113	83,113	81,925
Pinnacle	664	-	664	-	-	664	350	850	186
	<u>\$ 1,589,714</u>	<u>\$ 300,000</u>	<u>\$ 1,889,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,889,714</u>	<u>\$ 1,770,082</u>	<u>\$ 2,081,682</u>	<u>\$ 191,968</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, 2020

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Bonded Debt Service	\$ 7,982,406	\$ -	\$ 7,982,406	\$ -	\$ -	\$ 7,982,406	\$ 9,057,901	\$ 9,057,901	\$ (1,075,495)
	<u>\$ 7,982,406</u>	<u>\$ -</u>	<u>\$ 7,982,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,982,406</u>	<u>\$ 9,057,901</u>	<u>\$ 9,057,901</u>	<u>\$ (1,075,495)</u>
Expenditures:									
Bonded Debt Service	\$ 9,105,591	\$ -	\$ 9,105,591	\$ -	\$ -	\$ 9,105,591	\$ 9,182,312	\$ 9,182,312	\$ 76,721
	<u>\$ 9,105,591</u>	<u>\$ -</u>	<u>\$ 9,105,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,105,591</u>	<u>\$ 9,182,312</u>	<u>\$ 9,182,312</u>	<u>\$ 76,721</u>

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial information and well-being have changed over time.	249-254
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	255-261
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	262-266
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time.	267-268
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	269-273
Waterworks and Sewer System Information These schedules contain information about how the City's Waterworks and Sewer System financial information relates to services and activities provided.	274-277
Drainage Utility Information These schedules contain information about how the City's Drainage Utility financial information relates to services and activities provided.	278
Hotel Occupancy Tax Information 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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net investment in capital assets	\$ 389,564,377	\$ 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
Restricted for										
Debt service	2,000,474	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
Tax increment financing	2,252,955	1,650,395	1,650,395	1,623,164	2,515,936	2,544,254	-	-	-	-
Capital outlay	-	-	2,252,955	-	1,650,695	-	-	-	-	-
Other purposes	22,570,735	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	(4,952,392)	(70,244,908)	(20,715,856)	(47,062,287)	(28,863,242)	(3,248,802)	22,331,048	16,714,594	35,119,387	55,475,614
Total governmental activities net position	<u>\$ 411,436,149</u>	<u>\$ 396,973,371</u>	<u>\$ 398,418,832</u>	<u>\$ 337,924,974</u>	<u>\$ 350,878,255</u>	<u>\$ 366,806,637</u>	<u>\$ 361,330,425</u>	<u>\$ 355,303,179</u>	<u>\$ 361,086,702</u>	<u>\$ 366,139,632</u>
Business-type Activities										
Net investment in capital assets	\$ 525,232,133	\$ 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
Restricted for										
Debt service	6,163,507	8,233,447	7,652,378	6,588,837	6,084,330	6,768,270	6,931,523	5,879,001	5,702,750	6,020,692
Capital outlay	-	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	47,508,063	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
Total business-type activities net position	<u>\$ 578,903,703</u>	<u>\$ 548,841,194</u>	<u>\$ 533,173,917</u>	<u>\$ 509,027,236</u>	<u>\$ 489,467,081</u>	<u>\$ 471,715,960</u>	<u>\$ 458,177,828</u>	<u>\$ 434,375,393</u>	<u>\$ 418,167,685</u>	<u>\$ 400,533,354</u>
Primary Government										
Net investment in capital assets	\$ 914,796,510	\$ 935,171,959	\$ 869,777,274	\$ 813,811,953	\$ 799,698,856	\$ 771,292,149	\$ 717,367,251	\$ 700,852,991	\$ 690,003,031	\$ 664,747,901
Restricted for										
Debt service	8,163,981	11,855,157	9,645,769	12,126,899	9,866,537	7,294,509	7,272,211	8,243,009	7,466,610	7,727,400
Tax increment financing	2,252,955	1,650,395	1,650,395	1,623,164	2,515,936	2,544,254	-	-	-	-
Capital outlay	-	-	2,252,955	-	1,650,695	-	-	-	-	-
Other purposes	22,570,735	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	42,555,671	(32,241,491)	21,348,256	10,991,328	21,128,363	49,894,430	86,349,549	73,908,778	77,972,282	94,197,685
Total primary government net assets	<u>\$ 990,339,852</u>	<u>\$ 945,814,565</u>	<u>\$ 931,592,749</u>	<u>\$ 846,952,210</u>	<u>\$ 840,345,336</u>	<u>\$ 838,522,597</u>	<u>\$ 819,508,253</u>	<u>\$ 789,678,572</u>	<u>\$ 779,254,387</u>	<u>\$ 766,672,986</u>
Component Units										
Net investment in capital assets	\$ 59,343,536	\$ 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
Restricted for:										
Debt service	6,334,261	7,071,045	5,485,866	979,053	12,119,902	1,017,858	979,502	1,097,604	1,079,681	1,064,112
Other purposes	9,756,251	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
Unrestricted	222,354,076	243,354,340	238,880,978	241,347,724	258,011,431	252,763,455	284,447,722	270,147,996	295,372,581	290,751,762
Total component units activities net position	<u>\$ 297,788,124</u>	<u>\$ 324,158,380</u>	<u>\$ 361,108,366</u>	<u>\$ 313,685,122</u>	<u>\$ 286,243,001</u>	<u>\$ 270,215,092</u>	<u>\$ 302,099,762</u>	<u>\$ 296,588,810</u>	<u>\$ 314,404,259</u>	<u>\$ 311,950,968</u>

See Independent Auditor's Report.

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

Expenses	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government and administration	\$ 21,973,506	\$ 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
Public safety and health	111,473,412	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
Streets, traffic and engineering	23,312,421	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
Culture and recreation	26,641,837	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
Solid waste	18,472,117	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
Transit	5,771,823	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
Economic development	3,150,026	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
Urban redevelopment/housing	14,813,413	12,675,458	11,312,847	12,969,762	11,168,871	10,716,405	11,294,368	12,504,610	11,779,399	11,667,515
Interest on long-term debt	5,726,472	5,735,225	5,363,761	3,146,654	2,371,915	2,045,175	2,045,764	2,138,731	2,217,767	2,350,205
Total governmental activities expenses	<u>231,335,027</u>	<u>234,010,682</u>	<u>223,052,773</u>	<u>224,651,471</u>	<u>218,429,785</u>	<u>193,206,837</u>	<u>190,735,718</u>	<u>197,225,575</u>	<u>189,062,258</u>	<u>181,702,665</u>
Business-type activities										
Water and Sewer	63,675,508	73,215,660	62,223,013	61,909,502	59,713,515	58,079,668	56,986,587	60,199,606	58,290,626	52,872,999
Drainage Utility	4,602,834	3,202,944	2,958,630	3,042,378	2,563,644	2,403,313	2,384,447	1,745,262	46,588	-
Airport	14,662,163	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
Total business-type activities expenses	<u>82,940,505</u>	<u>91,035,835</u>	<u>79,762,762</u>	<u>78,545,359</u>	<u>75,102,152</u>	<u>71,648,603</u>	<u>70,567,916</u>	<u>72,508,703</u>	<u>68,726,156</u>	<u>61,352,898</u>
Total primary government expenses	<u>\$ 314,275,532</u>	<u>\$ 325,046,517</u>	<u>\$ 302,815,535</u>	<u>\$ 303,196,830</u>	<u>\$ 293,531,937</u>	<u>\$ 264,855,440</u>	<u>\$ 261,303,634</u>	<u>\$ 269,734,278</u>	<u>\$ 257,788,414</u>	<u>\$ 243,055,563</u>
Component units										
Amarillo Hospital District	\$ 30,108,105	\$ 59,547,140	\$ 22,809,856	\$ 10,991,668	\$ 8,482,393	\$ 9,731,182	\$ 8,350,267	\$ 8,739,162	\$ 8,510,747	\$ 9,333,545
Amarillo Economic Development Corporation	43,053,405	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
Amarillo-Potter Events District	2,314,374	3,228,142	3,136,507	2,210,341	2,875,830	2,792,003	2,358,525	3,268,540	3,102,810	2,345,524
Amarillo Housing Finance Corporation	-	-	-	-	-	-	-	-	-	1,576
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	-	-	270	-	-	-	-	-	1,270,527	204,518
Amarillo Local Government Corporation	2,224,775	2,042,521	2,022,550	311,006	64,084	125,610	34,253	16,353	90,985	1,500
Total component units activities expenses	<u>\$ 77,700,659</u>	<u>\$ 88,991,605</u>	<u>\$ 45,133,939</u>	<u>\$ 44,286,582</u>	<u>\$ 32,912,773</u>	<u>\$ 40,805,262</u>	<u>\$ 29,944,914</u>	<u>\$ 36,158,818</u>	<u>\$ 33,066,366</u>	<u>\$ 28,826,002</u>
Program Revenues										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	\$ 9,623,873	\$ 9,875,597	\$ 9,686,712	\$ 9,866,838	\$ 9,086,805	\$ 10,277,354	\$ 9,632,962	\$ 10,071,778	\$ 10,023,088	\$ 10,235,745
Public safety and health	10,422,108	10,808,393	10,216,819	9,675,793	8,920,524	9,033,256	9,589,994	8,880,952	7,503,497	7,552,299
Streets, traffic and engineering	971,425	1,686,805	1,149,616	1,316,207	882,924	972,519	921,593	737,912	804,886	748,018
Culture and recreation	7,030,732	8,820,423	10,330,913	7,006,781	6,707,749	6,823,312	6,661,622	6,639,290	5,823,416	5,289,633
Solid waste	23,361,603	20,971,891	20,522,012	20,011,490	19,468,069	20,078,845	20,562,446	19,638,691	18,644,949	18,234,773
Transit	511,227	356,401	202,330	193,226	188,419	194,725	211,575	207,492	213,849	214,665
Economic development	-	-	-	-	-	-	30,076	20,500	-	-
Urban redevelopment/housing	284,546	66,632	100,229	233,577	73,079	174,352	119,859	119,742	95,458	296,074
Operating grants and contributions	40,412,852	22,853,120	23,646,610	26,127,954	20,392,663	21,744,742	20,748,100	20,149,589	19,723,706	19,858,342
Capital grants and contributions	12,677,070	12,033,363	12,970,962	13,245,080	10,481,151	27,847,438	8,032,159	9,572,638	12,681,594	3,444,571
Total governmental activities program revenues	<u>105,295,436</u>	<u>87,472,625</u>	<u>88,826,203</u>	<u>87,676,946</u>	<u>76,201,383</u>	<u>97,146,543</u>	<u>76,510,386</u>	<u>76,038,584</u>	<u>75,514,443</u>	<u>65,874,120</u>

See Independent Auditor's Report.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities										
Water and Sewer	84,147,350	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
Drainage Utility	6,357,689	5,594,762	5,548,081	5,540,635	5,581,158	5,553,357	5,556,487	5,073,594	-	-
Airport	9,518,458	12,193,581	11,424,284	10,764,718	9,790,456	9,890,031	9,532,883	9,115,320	8,398,066	7,815,827
Operating grants and contributions	6,706,126	2,713,821	588,563	25,692	-	-	-	-	-	-
Capital grants and contributions	4,765,754	6,422,346	7,245,540	7,328,325	4,907,514	5,765,171	6,406,495	2,745,466	7,898,835	8,410,304
Total business-type activities program revenues	111,495,377	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
Total primary government revenues	\$ 216,790,813	\$ 190,472,538	\$ 198,172,182	\$ 186,481,660	\$ 169,987,698	\$ 186,883,539	\$ 174,734,579	\$ 164,491,495	\$ 162,045,231	\$ 151,728,488
Component units										
Amarillo Hospital District	\$ 17,853,204	\$ 11,935,272	\$ 65,045,092	\$ 33,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amarillo Economic Development Corporation	4,287,496	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
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	92	123	5,527	190	267	-	207	299	338	388
Amarillo Health Facilities Corporation	-	-	-	-	-	-	79	-	-	-
Tax Increment Reinvestment Zone #1	-	-	-	-	-	-	-	-	-	2,232,500
Amarillo Local Government Corporation	314,877	442,852	388,524	4,607,037	10,621,715	466,461	-	-	-	-
Operating grants and contributions	327,141	355,752	356,636	277,338	193,111	206,218	228,068	208,998	278,842	239,737
Capital grants and contributions	(117,626)	-	-	40,700,000	39,736	97,087	268,755	362,109	28,667	29,837
Total component units revenue	\$ 22,665,184	\$ 16,675,278	\$ 71,242,932	\$ 51,236,949	\$ 21,776,892	\$ 5,454,030	\$ 6,403,550	\$ 6,877,059	\$ 8,132,986	\$ 7,249,197
Net (Expense) Revenue										
Governmental activities	\$ (126,039,591)	\$ (146,538,057)	\$ (134,226,570)	\$ (136,974,525)	\$ (142,228,402)	\$ (96,060,294)	\$ (114,225,332)	\$ (121,186,991)	\$ (113,547,815)	\$ (115,828,545)
Business-type activities	28,554,872	11,964,078	29,583,217	20,259,355	18,684,163	18,088,393	27,656,277	15,944,208	17,804,632	24,501,470
Total primary government net expense	\$ (97,484,719)	\$ (134,573,979)	\$ (104,643,353)	\$ (116,715,170)	\$ (123,544,239)	\$ (77,971,901)	\$ (86,569,055)	\$ (105,242,783)	\$ (95,743,183)	\$ (91,327,075)
Component units										
Amarillo Hospital District	\$ (11,927,760)	\$ (47,256,116)	\$ 42,591,872	\$ (10,681,019)	\$ (8,249,546)	\$ (9,489,516)	\$ (8,093,155)	\$ (8,497,101)	\$ (8,203,238)	\$ (9,063,971)
Amarillo Economic Development Corporation	(38,765,909)	(20,338,882)	(11,824,870)	(25,226,441)	(10,624,745)	(23,477,930)	(13,142,654)	(17,583,046)	(11,762,554)	(12,193,924)
Amarillo-Potter Events District	(2,314,374)	(3,121,783)	(3,029,240)	(2,138,394)	(2,819,488)	(2,724,637)	(2,271,588)	(3,185,558)	(3,055,618)	(2,344,204)
Amarillo Housing Finance Corporation	92	123	5,527	190	267	-	207	299	338	(1,188)
Amarillo Health Facilities Corporation	-	-	(270)	-	-	-	79	-	-	-
Tax Increment Reinvestment Zone #1	-	-	-	-	-	-	-	-	(1,270,527)	2,027,982
Amarillo Local Government Corporation	(2,027,524)	(1,599,669)	(1,634,026)	44,996,031	10,557,631	340,851	(34,253)	(16,353)	(90,985)	(1,500)
Total component units net expense	\$ (55,035,475)	\$ (72,316,327)	\$ 26,108,993	\$ 6,950,367	\$ (11,135,881)	\$ (35,351,232)	\$ (23,541,364)	\$ (29,281,759)	\$ (24,382,584)	\$ (21,576,805)
General Revenues										
and Other Changes in Net Assets										
Governmental activities:										
Property taxes, levied for general purposes	\$ 49,633,223	\$ 45,893,341	\$ 44,631,498	\$ 42,547,617	\$ 40,480,567	\$ 38,126,812	\$ 36,463,697	\$ 33,548,566	\$ 33,255,011	\$ 30,599,301
Property taxes, levied for debt services	5,726,974	5,218,010	4,504,109	2,789,543	2,822,783	2,812,468	2,865,530	2,875,654	2,846,831	2,750,167
Sales taxes	59,785,142	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
Mixed beverage taxes	727,691	954,629	893,587	816,149	810,426	805,136	751,825	595,016	533,575	602,075

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities (continued):										
Hotel occupancy taxes	4,879,165	6,458,248	6,355,676	6,591,586	6,777,185	6,341,559	5,937,402	5,691,118	5,002,181	4,782,868
Gross receipts business taxes	16,961,374	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
Unrestricted investment earnings	2,347,563	4,655,471	2,650,804	1,268,229	843,358	775,685	674,798	567,298	735,449	1,111,192
Income (expense) from use and disposition of property	-	-	-	-	-	-	-	-	-	(272,849)
Other	441,237	7,171,591	(292,622)	1,197,273	42,453	3,469,385	1,383,230	672,355	387,328	444,962
Total governmental activities	140,502,369	146,877,824	134,355,583	128,717,630	124,649,325	126,040,306	120,774,911	112,788,247	107,117,547	101,963,971
Business-type activities										
Unrestricted investment earnings	1,928,874	3,510,746	1,806,398	498,073	487,381	402,780	304,150	238,073	217,027	273,550
Income (expense) from use and disposition of property	-	-	-	-	-	-	-	-	-	6,974,932
Other	(421,237)	(558,955)	292,622	(1,197,273)	(1,420,423)	(2,283,911)	(740,430)	25,427	(387,328)	(68,571)
Total business-type activities	1,507,637	2,951,791	2,099,020	(699,200)	(933,042)	(1,881,131)	(436,280)	263,500	(170,301)	7,179,911
Total primary government	\$ 142,010,006	\$ 149,829,615	\$ 136,454,603	\$ 128,018,430	\$ 123,716,283	\$ 124,159,175	\$ 120,338,631	\$ 113,051,747	\$ 106,947,246	\$ 109,143,882
Component Units										
Property taxes, levied for general purposes	-	-	-	-	-	-	71,400	76,810	589,735	460,051
Property taxes, levied for debt services	-	-	-	-	-	-	-	-	-	-
Sales taxes	19,943,667	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
Gross receipts business taxes	2,343,334	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
Unrestricted investment earnings	7,972,852	12,520,329	(772,223)	(340,235)	5,548,637	7,667,923	6,864,063	(5,992,233)	7,865,154	7,774,146
Total component units activities	\$ 30,259,853	\$ 35,366,341	\$ 21,332,946	\$ 21,015,227	\$ 27,163,790	\$ 28,920,981	\$ 27,724,121	\$ 14,049,080	\$ 26,835,875	\$ 25,737,942
Change in Net Position										
Governmental activities	14,462,778	339,767	129,013	(8,256,895)	(17,579,077)	29,980,012	6,549,579	(8,398,744)	(6,430,268)	(13,864,574)
Business-type activities	30,062,509	14,915,869	31,682,237	19,560,155	17,751,121	16,207,262	27,219,997	16,207,708	17,634,331	31,681,381
Total primary government	\$ 44,525,287	\$ 15,255,636	\$ 31,811,250	\$ 11,303,260	\$ 172,044	\$ 46,187,274	\$ 33,769,576	\$ 7,808,964	\$ 11,204,063	\$ 17,816,807
Total component units	\$ (24,775,622)	\$ (36,949,986)	\$ 47,441,939	\$ 27,965,594	\$ 16,027,909	\$ (6,430,251)	\$ 4,182,757	\$ (15,232,679)	\$ 2,453,291	\$ 4,161,137

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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable:										
Prepaid items	303,478	10,608	34,874	31,933	21,203	7,727	7,742	7,742	7,742	6,742
Inventory	1,390,445	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	116,360	69,530	74,195	75,466	45,820	55,145	80,686	94,493	70,967	81,905
Advances to other funds	623,752	655,261	685,689	715,043	-	-	-	-	-	-
Committed for:										
Encumbrances	-	-	-	-	-	-	-	-	295,059	147,740
Unreserved/unassigned	60,304,707	41,751,499	45,894,428	43,661,641	46,330,873	49,338,042	54,441,526	50,057,344	44,344,080	41,767,102
Total general fund	<u>\$ 62,738,742</u>	<u>\$ 43,647,388</u>	<u>\$ 48,087,220</u>	<u>\$ 45,662,673</u>	<u>\$ 48,079,850</u>	<u>\$ 51,303,347</u>	<u>\$ 55,932,329</u>	<u>\$ 51,713,160</u>	<u>\$ 46,264,565</u>	<u>\$ 43,807,734</u>
All Other Governmental Funds										
Nonexpendable:										
Prepaid items	\$ 51,945	\$ 8,558	\$ 4,538	\$ 7,248	\$ 10,769	\$ 7,332	\$ 29,855	\$ 628,029	\$ 652,712	\$ 639,354
Uncollected taxes	13,461	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	17,693	-	-	-	-	-	-	-
Restricted for:										
Debt service fund	1,912,160	3,041,911	1,340,072	1,090,928	904,204	796,880	691,778	534,276	375,156	246,574
Capital projects	5,627,302	10,626,612	-	-	-	-	-	-	3,671,462	-
Special purposes	17,424,556	14,162,853	13,286,529	10,016,563	8,624,696	10,160,588	7,827,464	6,673,794	3,812,464	2,824,678
Committed for:										
Compensated absences	398,599	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	34,234,134	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
Total all other governmental funds	<u>\$ 59,679,850</u>	<u>\$ 68,212,763</u>	<u>\$ 106,600,893</u>	<u>\$ 76,979,194</u>	<u>\$ 58,704,508</u>	<u>\$ 60,155,026</u>	<u>\$ 55,860,280</u>	<u>\$ 50,634,024</u>	<u>\$ 53,909,060</u>	<u>\$ 54,767,888</u>

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

See Independent Auditor's Report.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2011
Revenues									
Taxes	\$ 136,912,875	\$ 134,265,695	\$ 131,428,612	\$ 125,707,610	\$ 123,284,814	\$ 121,355,081	\$ 118,344,966	\$ 111,212,385	\$ 100,984,407
License and permits	3,875,490	3,534,174	3,300,746	3,379,143	3,234,237	2,975,922	3,799,014	3,514,170	2,284,564
Interfund revenues	1,284,850	1,879,045	1,297,732	1,362,765	919,710	1,069,410	943,522	1,675,119	1,557,653
Intergovernmental revenues	42,181,833	23,691,837	24,773,874	29,116,583	21,872,713	26,222,168	19,960,514	21,945,515	20,510,802
Grants-in-aid	-	-	-	-	-	-	-	-	-
Citizen contributions	525,609	87,099	49,768	187,497	24,864	125,848	208,255	45,638	22,898
Construction participation	4,823,934	7,297,396	9,564,048	8,743,879	5,077,744	11,689,007	2,698,222	3,976,610	1,761,885
Revenue from participating taxing entities	1,497,439	1,076,355	746,065	640,129	655,852	600,778	622,483	594,974	-
Other entity participations	226,250	-	-	-	100,000	175,000	797,009	820,676	944,425
Charges for services	40,023,318	39,506,191	38,909,157	36,274,459	34,678,170	35,331,237	35,168,838	34,034,663	31,291,822
Fines and forfeitures	4,679,114	6,019,094	6,549,307	6,487,419	5,699,964	6,252,407	6,484,937	5,937,467	5,846,225
Investment earnings	1,712,667	3,704,551	2,159,031	1,042,999	682,885	626,119	560,545	448,256	890,296
Other rentals and commissions	1,502,691	609,697	482,908	479,190	491,669	426,880	421,119	418,222	839,170
Miscellaneous	502,729	395,576	1,806,518	477,337	487,816	1,273,997	820,390	671,097	814,676
Total revenues	239,748,799	222,066,710	221,067,766	213,899,010	197,210,438	208,123,854	190,829,814	185,294,792	167,748,823
Expenditures									
General government and administration	20,085,727	20,472,736	18,623,409	18,851,886	19,367,655	17,162,756	16,573,732	16,107,002	14,875,816
Public safety and health	121,433,000	116,451,569	112,510,824	112,018,659	106,379,423	101,486,353	98,724,098	92,887,532	86,844,050
Culture and recreation	19,737,669	23,529,989	23,393,846	21,952,536	20,776,190	19,644,639	19,823,954	19,333,878	18,154,024
Solid waste	16,433,111	16,561,807	15,293,540	14,132,745	13,019,526	13,043,407	12,258,612	11,311,765	10,532,391
Transit system	4,847,793	5,380,196	5,038,578	4,716,811	4,633,595	4,520,534	4,402,888	4,267,016	3,506,527
Urban redevelopment and housing	14,842,540	12,665,085	11,661,271	13,078,306	11,107,518	10,816,542	11,635,914	12,261,800	11,578,796
Economic development/tourism	3,282,392	3,366,915	3,975,529	6,558,819	12,211,918	3,314,067	3,006,491	3,083,969	5,269,868
Capital outlay	38,028,965	60,439,644	52,636,028	28,575,975	18,251,480	31,873,059	12,663,897	20,736,329	18,503,130
Debt service									
Principal retirement	4,291,913	4,110,037	2,841,509	2,399,051	2,080,659	1,968,331	1,841,067	1,763,860	1,476,611
Interest and fiscal charges	4,803,026	5,043,070	3,475,426	1,758,596	1,513,688	1,612,507	1,600,512	1,673,168	1,662,908
Bond issuance cost	192,557	-	1,660,652	-	-	-	-	-	-
Termination vacation and sick leave pay	1,512,308	2,126,448	2,108,950	1,374,058	1,857,067	1,964,440	1,363,313	1,552,850	1,591,569
Total expenditures	249,491,001	270,147,496	253,219,562	225,417,442	211,198,719	207,406,635	183,894,478	184,979,169	173,995,690
Excess of revenues over (under) expenditures	(9,742,202)	(48,080,786)	(32,151,796)	(11,518,432)	(13,988,281)	717,219	6,935,336	315,623	(6,246,867)
Other financing sources (uses):									
Transfers from other funds	7,615,889	18,567,746	10,780,666	12,532,337	12,826,493	17,830,716	13,954,164	11,308,054	10,266,422
Transfers to other funds	(7,521,191)	(18,343,103)	(11,490,194)	(12,349,445)	(13,728,025)	(20,067,648)	(14,271,713)	(12,065,339)	(10,375,070)
Other	-	-	-	(1,769,719)	(1,377,970)	1,185,474	622,640	-	-
Payment to refunded bond escrow agent	20,000	6,612,636	-	(17,265,000)	-	-	-	-	-
Bond premium	441,415	-	927,566	2,897,768	(401,232)	-	(55,000)	-	(77,500)
Issuance of refunding debt	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	26,280,000	-	63,980,000	43,330,000	11,995,000	-	2,260,000	-	5,960,000
Total other financing sources (uses)	26,836,113	6,837,279	64,198,038	27,375,941	9,314,266	(1,051,458)	2,510,091	(757,285)	5,773,852
Net change in fund balances	\$ 17,093,911	(41,243,507)	32,046,242	\$ 15,857,509	\$ (4,674,015)	\$ (334,239)	\$ 9,445,427	\$ (441,662)	\$ (473,015)
Debt service as a percentage of noncapital expenditures	4.301%	4.365%	3.149%	2.112%	1.863%	2.040%	2.010%	2.093%	2.019%

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**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					
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
2020	48,832,529	5,726,974	59,785,142	727,691	5,431,173 (4)	16,961,374	137,464,883
Change							
2011-2020	58.02%	108.24%	29.87%	20.86%	13.55%	6.59%	36.12%

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.)
- (4) \$552,008 was rebated during the year ended September 30, 2020.
- (3) \$750,484 was rebated during the year ended September 30, 2019.
- (2) \$577,260 was rebated during the year ended September 30, 2018.
- (1) \$18,837 was rebated during the year ended September 30, 2017.

See Independent Auditor's Report.

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

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Business Personal</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Taxable Value</u>	<u>Total Direct Tax Rate</u>
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
2020	14,010,925,947	1,873,109,857	15,884,035,804	2,267,402,353	13,616,633,451	0.38851

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
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
2020	0.34448	0.04403	0.38851	1.15540	0.22790	1.28000	1.00280	0.69015	0.44421	1.09740	1.16010

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	2020			2011		
	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	1.092%	\$ 68,128,704	3	0.678%
BSA Hospital LLC	140,723,797	2	1.033%	-		0.000%
Bell Helicopter Textron	139,623,171	3	1.025%	-		0.000%
Walmart	100,647,452	4	0.739%	84,559,955	2	0.841%
Northwest Texas Healthcare	88,405,319	5	0.649%	86,142,476	1	0.857%
BNSF Railway Company	86,691,016	6	0.637%	48,810,972	5	0.485%
Atmos Energy	82,732,169	7	0.608%	-	10	0.000%
Case Properties	80,130,586	8	0.588%	33,337,825	9	0.332%
Amarillo Mall LLC	63,402,195	9	0.466%	63,954,470	4	0.636%
Amarillo Economic Development Corp.	52,040,896	10	0.382%	37,797,485	7	0.376%
Southwestern Bell Telephone Company	-		0.000%	32,582,759	10	0.324%
Amarillo National Bank	-		0.000%	37,357,833	8	0.372%
Ben E. Keith	-		0.000%	47,962,029	6	0.477%
Total taxable value of ten largest taxpayers	983,056,102		7.220%	540,634,508		5.376%
Total taxable value of other taxpayers	12,633,577,349		92.780%	9,515,073,224		94.624%
Total taxable value of all taxpayers	<u>\$ 13,616,633,451</u>		<u>100.000%</u>	<u>\$ 10,055,707,732</u>		<u>100.000%</u>

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
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
2020	50,290,705	50,372,913	100.16	-	50,372,913	100.16

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									
	2020*	2019	2018	2017	2016	2015	2014	2013	2012	2011
Agriculture/Forestry/Fishing/Hunting	\$ 464	\$ 6,159	\$ 2,789	\$ 2,743	\$ 2,419	\$ 1,367	\$ 1,476	\$ 1,071	\$ 1,334	\$ 1,334
Mining/Quarrying/Oil and Gas	10,643	13,269	5,144	4,350	9,000	11,988	8,200	5,868	8,995	8,995
Utilities	170,924	159,126	156,533	134,454	149,903	156,120	150,770	137,345	148,600	148,600
Construction	112,086	111,987	116,092	101,647	122,327	110,173	89,718	81,497	83,862	83,862
Manufacturing	78,090	82,002	81,103	77,042	90,534	82,295	77,664	77,449	70,539	70,539
Wholesale Trade	245,218	199,242	193,212	194,437	188,942	208,636	236,453	186,694	161,328	161,328
Retail Trade	1,697,514	1,680,577	1,653,926	1,688,710	1,696,032	1,671,704	1,638,624	1,553,612	1,477,297	1,477,297
Transportation/Warehousing	2,073	1,886	2,401	1,742	1,869	2,172	2,515	2,984	3,109	3,109
Information	157,112	155,029	132,821	130,722	120,784	114,629	90,646	82,132	82,826	82,826
Finance/Insurance	16,354	12,360	16,611	20,451	18,717	11,743	12,400	11,606	13,495	13,495
Real Estate/Rental Leasing	43,987	41,613	38,724	48,556	45,984	49,989	46,176	47,476	37,928	37,928
Professional/Scientific/Technical Services	38,991	37,380	42,581	46,168	50,199	52,731	43,229	45,820	38,356	38,356
Management of Companies/Enterprises	470,933	416	87	67	63	55	87	78	53	53
Admin/Support/Waste Mgmt/Remediation	92,605	69,873	69,586	71,048	75,056	75,386	70,433	65,733	49,585	49,585
Educational Services	3,447	3,857	4,266	4,591	5,066	5,215	5,718	5,752	5,843	5,843
Health Care/Social Assistance	11,050	13,311	11,676	10,002	12,071	14,855	16,032	2,565	2,576	2,576
Arts/Entertainment/Recreation	42,154	32,405	28,180	25,334	25,915	24,343	22,781	25,854	25,972	25,972
Accommodation/Food Services	490,568	470,498	451,961	443,427	427,280	407,862	391,312	381,756	360,977	360,977
Other Services	106,131	100,053	95,247	95,625	101,633	103,099	101,357	95,569	86,502	86,502
Public Administration	543	302	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
All Industries **	\$ 3,790,887	\$ 3,191,345	\$ 3,102,940	\$ 3,101,116	\$ 3,144,331	\$ 3,104,918	\$ 2,811,806	\$ 2,868,621	\$ 2,674,728	\$ 2,674,728
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 2020 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>
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
2020	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, 2020
(unaudited)

	<u>Net Debt Outstanding</u>	<u>Percent Applicable</u>	<u>Applicable Debt Outstanding</u>
Amarillo Independent School District	\$ 230,087,465	98.83%	\$ 227,395,442
Amarillo College District	58,277,402	100.00%	58,277,402
Amarillo Hospital District	-	100.00%	-
Canyon Independent School District	248,440,000	38.68%	96,096,592
River Road Independent School District	9,250,841	25.16%	2,327,512
Potter County	70,482,943	76.11%	53,644,568
Randall County	5,354,985	63.96%	3,425,048
Highland Park Independent School District	18,390,000	45.82%	8,426,298
Bushland Independent School District	2,569,950	25.33%	650,968
Total overlapping debt			450,243,830
City of Amarillo*			143,736,999
Total direct and overlapping debt			\$ 593,980,829

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
2011	28,681,635	8,887,123	0.37%	192.00	-	-	146,642,250	67,293,952	14,653,382	-	266,158,342	2.78%	1,360.27
2012	27,295,528	8,561,848	0.35%	184.48	-	-	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%	173.62	-	2,358,459	136,269,108	93,853,737	11,870,892	5,819,993	284,260,870	2.75%	1,447.83
2014	24,689,792	10,394,472	0.33%	176.83	-	4,139,636	138,579,582	91,653,457	10,520,217	11,595,596	291,572,752	2.71%	1,469.61
2015	23,117,340	9,962,182	0.29%	165.61	-	3,236,856	130,575,609	84,395,267	8,967,258	10,969,250	271,223,762	2.42%	1,357.86
2016	21,477,662	9,482,840	0.26%	153.70	11,995,000	2,323,931	137,972,057	78,645,922	7,338,808	10,287,436	279,523,656	2.44%	1,387.70
2017	49,212,399	9,041,972	0.46%	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
2020	82,899,430	10,642,569	0.69%	447.69	50,195,000	-	184,601,031	53,410,416	-	18,235,283	399,983,729	3.02%	1,914.30

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General bonded debt outstanding*										
Tax supported debt	\$ 82,899,430	\$ 66,211,938	\$ 69,642,292	\$ 49,212,399	\$ 21,477,662	\$ 23,117,340	\$ 24,689,792	\$ 25,863,061	\$ 27,295,528	\$ 28,681,635
Special assessment/other debt	60,837,569	61,628,430	62,510,564	21,036,972	21,477,840	9,962,182	10,394,472	8,225,620	8,561,848	8,887,123
Water & Sewer bonds	184,601,031	167,353,382	179,326,703	161,846,891	137,972,057	130,575,609	138,579,582	136,269,108	141,119,981	146,642,250
Airport Bonds	-	1,973,552	3,850,044	5,634,868	7,338,808	8,967,258	10,520,217	11,870,892	13,288,789	14,653,382
Drainage Utility Bonds	18,235,283	8,575,740	9,090,681	9,595,524	10,287,436	10,969,250	11,595,596	5,819,993	-	-
Fleet Services Bonds	-	-	462,565	1,400,862	2,323,931	3,236,856	4,139,636	2,358,459	-	-
Total	\$ 346,573,313	\$ 305,743,042	\$ 324,882,849	\$ 248,727,516	\$ 200,877,734	\$ 186,828,495	\$ 199,919,295	\$ 190,407,133	\$ 190,266,146	\$ 198,864,390
Percentage of estimated actual property value	2.55%	2.33%	2.54%	2.06%	1.74%	1.68%	1.86%	1.82%	1.85%	1.98%
Per capita	\$ 1,658.68	\$ 1,477.93	\$ 1,586.13	\$ 1,226.47	\$ 997.26	\$ 935.34	\$ 1,007.65	\$ 969.80	\$ 978.86	\$ 1,016.35
Less: Amounts set aside to repay general debt	1,925,621	3,048,806	1,345,580	1,096,576	908,022	801,664	698,865	547,003	381,665	252,314
Total net debt applicable to debt limit	344,647,692	302,694,236	323,537,269	247,630,940	199,969,712	186,026,831	199,220,430	189,860,130	189,884,481	198,612,076
Legal debt limit	1,588,403,580	1,531,419,843	1,489,052,063	1,414,020,403	1,354,672,372	1,306,843,359	1,257,398,201	1,235,891,293	1,211,673,220	1,165,069,489
Legal debt margin	\$ 1,243,755,888	\$ 1,228,725,607	\$ 1,165,514,794	\$ 1,166,389,463	\$ 1,154,702,660	\$ 1,120,816,528	\$ 1,058,177,771	\$ 1,046,031,163	\$ 1,021,788,739	\$ 966,457,413
Debt service as a percentage of noncapital expenditures	5.38%	5.68%	4.42%	2.89%	2.91%	3.26%	2.89%	3.13%	3.10%	3.14%

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)

	<u>9/30/2020</u> <u>(2019 Tax Roll)</u>	<u>9/30/2019</u> <u>(2018 Tax Roll)</u>	<u>9/30/2018</u> <u>(2017 Tax Roll)</u>	<u>9/30/2017</u> <u>(2016 Tax Roll)</u>	<u>9/30/2016</u> <u>(2015 Tax Roll)</u>	<u>9/30/2015</u> <u>(2014 Tax Roll)</u>	<u>9/30/2014</u> <u>(2013 Tax Roll)</u>	<u>9/30/2013</u> <u>(2012 Tax Roll)</u>	<u>9/30/2012</u> <u>(2011 Tax Roll)</u>	<u>9/30/2011</u> <u>(2010 Tax Roll)</u>
Assessed value, tax roll	<u>\$ 15,884,035,804</u>	<u>\$ 15,314,198,428</u>	<u>\$ 14,890,520,628</u>	<u>\$ 14,140,204,030</u>	<u>\$ 13,546,723,724</u>	<u>\$ 13,068,433,590</u>	<u>\$ 12,573,982,012</u>	<u>\$ 12,358,912,927</u>	<u>\$ 12,116,732,199</u>	<u>\$ 11,650,694,893</u>
Debt limit -10% of assessed roll	<u>\$ 1,588,403,580</u>	<u>\$ 1,531,419,843</u>	<u>\$ 1,489,052,063</u>	<u>\$ 1,414,020,403</u>	<u>\$ 1,354,672,372</u>	<u>\$ 1,306,843,359</u>	<u>\$ 1,257,398,201</u>	<u>\$ 1,235,891,293</u>	<u>\$ 1,211,673,220</u>	<u>\$ 1,165,069,489</u>
Amount of debt applicable to debt limit:										
Total bonded debt	346,573,313	305,743,042	324,882,849	248,727,516	200,877,734	186,828,495	197,890,283	190,906,350	190,770,210	199,371,918
Less: Assets in Debt Service Funds (net)	1,925,621	3,048,806	1,345,580	1,096,576	908,022	801,664	698,865	547,003	381,665	252,314
Waterworks revenue bonds	<u>122,605,000</u>	<u>102,685,000</u>	<u>106,525,000</u>	<u>84,415,000</u>	<u>57,120,000</u>	<u>45,145,000</u>	<u>47,750,000</u>	<u>41,900,000</u>	<u>42,565,000</u>	<u>44,850,000</u>
	<u>124,530,621</u>	<u>105,733,806</u>	<u>107,870,580</u>	<u>85,511,576</u>	<u>58,028,022</u>	<u>45,946,664</u>	<u>48,448,865</u>	<u>42,447,003</u>	<u>42,946,665</u>	<u>45,102,314</u>
Total amount of debt applicable to debt limit	<u>222,042,692</u>	<u>200,009,236</u>	<u>217,012,269</u>	<u>163,215,940</u>	<u>142,849,712</u>	<u>140,881,831</u>	<u>149,441,418</u>	<u>148,459,347</u>	<u>147,823,545</u>	<u>154,269,604</u>
Pro forma legal debt margin	<u>\$ 1,366,360,888</u>	<u>\$ 1,331,410,607</u>	<u>\$ 1,272,039,794</u>	<u>\$ 1,250,804,463</u>	<u>\$ 1,211,822,660</u>	<u>\$ 1,165,961,528</u>	<u>\$ 1,107,956,783</u>	<u>\$ 1,087,431,946</u>	<u>\$ 1,063,849,675</u>	<u>\$ 1,010,799,885</u>

Note: Article 835p of the State of Texas Civil Statutes, effective March 17, 1967, provides that this limitation applies only to cities having a population of 600,000 or more according to the then last preceding Federal Census.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
PLEDGED-REVENUE COVERAGE, LAST TEN FISCAL YEARS
(unaudited)

Water Revenue Bonds							
Fiscal Year	Total Revenue	Less: Operating Expenses	Less: CRMWA Interest	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
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	11,750,000	4,249,148	1.50
2020	85,799,025	42,709,053	1,668,861	41,421,111	13,290,000	3,784,301	2.43

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciat

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN CALENDAR YEARS
(unaudited)

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in \$1,000s)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
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	33.9	32,498	2.7%
2020	208,945	13,242,438	49,893	34.7	32,436	4.4%

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 2011 through 2020 figures were updated based on new estimates during November 2020. To calculate 2020 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 (2020) and 5-Year (2013-2019) 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	2020			2011		
	Employees	Rank	Percent of Total City MSA* Employment	Employees	Rank	Percent of Total City MSA Employment
Amarillo Independent School District	5,300	1	3.421%	-	-	-
Tyson Foods Inc.	4,289	2	2.769%	3,700	1	2.957%
CNS Pantex	3,613	3	2.332%	-	-	-
United Supermarket	3,500	4	2.259%	-	-	-
BSA Health system	3,150	5	2.033%	2,700	2	2.158%
Northwest Texas Hospital	1,950	6	1.259%	1,490	3	1.191%
Affiliated Foods	1,470	7	0.949%	1,250	6	0.999%
Burlington Northern Santa Fe	1,300	8	0.839%	805	8	0.643%
Xcel Energy	859	9	0.554%	1,431	4	1.144%
Bell Helicopter, Inc.	600	10	0.387%	1,382	5	1.105%
Western national Life Insurance	-	-	-	1,035	7	0.827%
Walmart	-	-	-	781	9	0.624%
Toot 'n Totum	-	-	-	700	10	0.559%
Total employees of the principal employers	26,031		16.803%	15,274		12.208%
Total employees of other employers	128,885		83.197%	109,841		87.792%
Total Amarillo MSA* employment	<u>154,916</u>		<u>100.000%</u>	<u>125,115</u>		<u>100.000%</u>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL GOVERNMENT										
Mayor and council	5	5	5	5	5	5	5	5	5	5
City manager	7	6	6	9	7	6	6	6	6	6
City secretary	2	2	2	2	5	4	4	3	3	2
Judicial	4	4	5	5	5	4	4	4	-	-
Municipal court and office of civil hearings	27	28	26	26	26	26	25	25	29	29
Planning and zoning	10	10	11	9	8	7	7	7	7	7
Public Communications	4	4	3	-	-	-	-	-	-	-
STAFF SERVICES										
Financial administration										
Director of Finance	7	7	6	6	5	5	5	5	5	5
Accounting	15	15	16	16	18	18	16	16	16	14
Payroll	-	-	-	-	-	-	3	3	3	3
Health Plan Administration	4	4	4	4	4	5	5	5	5	5
Purchasing	9	9	9	9	9	9	9	9	9	8
Central stores	7	7	7	7	8	8	8	7	7	8
Municipal office services	-	-	-	-	-	-	-	-	-	3
Legal	10	10	10	10	10	9	9	9	9	8
Human Resources and Risk Management	13	13	13	13	13	14	12	12	12	12
Emergency Management and Communications	9	9	9	9	9	9	9	13	13	12
Occupancy										
Custodial operations	27	26	26	26	27	28	27	27	27	25
Building maintenance	31	31	31	30	27	26	26	25	25	24
PUBLIC SAFETY AND HEALTH										
Police										
Police	371	370	365	375	375	365	358	345	335	317
Civilian personnel	71	71	69	62	60	58	57	57	56	56
Fire Protection										
Fire	279	269	264	263	263	259	259	251	247	244
Civilian personnel	19	19	19	18	18	18	18	18	17	15
Other										
Building safety	35	34	33	34	35	34	34	34	33	32
Animal management	46	43	37	37	39	38	33	26	26	26
Emergency services	-	-	-	-	-	-	-	-	-	1
Amarillo Emergency Comm. Center	69	69	69	66	67	70	71	71	71	65
Environmental health	18	18	15	16	14	14	14	14	14	14
Vital statistics	1	1	1	1	1	1	1	1	1	1
STREETS, TRAFFIC & ENGINEERING										
Street maintenance	95	97	97	97	100	101	99	99	108	108
Traffic engineering	46	47	47	44	45	46	46	46	46	46
Traffic field operations	22	22	22	22	23	22	22	22	22	22
Public works	5	4	4	4	3	-	-	-	-	-
Capital projects and development engineering	19	20	20	19	19	23	23	21	21	21
CULTURE & RECREATION										
Auditorium Coliseum										
Civic Center operations	22	22	22	22	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Civic Center promotions	5	5	5	5	5	5	5	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	77	78	78	78	78	78
Parks and Recreation	277	287	287	290	271	268	267	268	264	257
Golf	91	93	93	51	51	56	56	56	56	47
SOLID WASTE										
Solid waste collection	112	105	105	104	110	110	110	110	110	107
Solid waste disposal	45	44	44	42	35	35	37	37	37	36
TRANSIT										
Transit	65	65	67	67	67	66	65	63	62	59
Total General Fund	1,998	1,989	1,968	1,919	1,904	1,890	1,873	1,842	1,829	1,772
WATER & SEWER SYSTEM										
Water Production	15	15	9	9	9	9	9	9	8	7
Water Transmission	8	8	8	8	9	9	9	9	9	9
Surface Water Treatment	31	31	31	30	29	29	29	29	29	29
Water Distribution	65	65	65	65	65	63	59	59	58	58
Wastewater Collection	38	38	38	38	38	38	38	36	34	34
Wastewater Treatment	47	47	53	54	55	54	54	54	54	52
Environmental Laboratory	21	21	22	19	19	20	20	20	20	20
Utility Billing	40	40	40	34	34	32	32	31	31	29
Director of Utilities	5	5	5	4	3	21	21	20	19	19
Capital projects and development engineering	18	19	19	20	20	-	-	-	-	-
Total Water & Sewer System	288	289	290	281	281	275	271	267	262	257
AIRPORT	59	54	57	57	57	57	59	58	59	62
DRAINAGE UTILITY	32	32	31	29	28	26	22	17	-	-
INFORMATION SERVICES	34	34	33	42	41	40	40	34	34	29
FLEET SERVICES	45	45	45	45	50	53	53	53	53	53
SELF INSURANCE	1	1	1	1	2	-	-	-	-	-
CITY CARE CLINIC	5	5	5	6	7	8	8	8	8	8
SPECIAL REVENUE										
Library	-	-	-	-	-	-	-	-	2	5
Police Grant	-	-	-	-	-	-	-	-	-	-
Urban Planning/Traffic Grants	6	6	5	8	7	7	7	7	7	7
Health Grants	83	83	83	83	83	81	79	81	81	76
Court Security Fund	3	3	3	3	3	3	-	-	-	2
Community Development and Housing	22	21	17	17	17	18	21	20	20	18
Emergency Management	1	1	1	3	3	3	3	4	5	7
Total Special Revenue	115	114	109	114	113	112	110	112	115	115
Total	2,577	2,563	2,539	2,494	2,483	2,461	2,436	2,391	2,360	2,296

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Staff services:										
Annual number of purchase orders	1,987	2,293	2,217	2,319	2,516	2,487	2,315	2,300	2,258	2,235
Public safety and health:										
Annual calls for police services	95,261	101,221	106,701	104,920	126,628	125,747	126,888	128,704	135,381	132,509
Annual calls for fire services	22,163	22,892	22,340	20,544	18,516	17,905	19,820	18,182	19,556	18,832
Permits:										
Residential - new	518	445	549	533	639	423	494	611	556	600
Residential - additions & repairs	1,265	1,174	1,212	1,248	1,341	3,874	11,121	15,033	1,686	2,173
Commercial - new	65	59	74	64	81	68	59	51	56	51
Commercial - additions & repairs	436	397	430	524	351	370	484	367	296	359
Mobile homes	35	40	45	68	99	37	45	45	39	29
Roof	3,684	4,321	2,909	3,599	2,049	2,390	9,367	13,594	868	1,329
Value of construction:										
Residential - new	112,154,209	75,984,672	150,148,301	137,369,554	161,251,256	115,421,577	125,256,568	147,498,017	136,045,085	143,974,309
Residential - additions & repairs	5,722,028	15,581,819	19,471,785	19,890,333	20,323,224	45,172,631	132,112,253	150,002,607	18,676,854	25,752,823
Commercial - new	187,694,948	97,094,708	138,924,022	138,613,396	192,613,720	171,237,650	112,400,600	66,384,691	56,715,644	48,331,131
Commercial - additions & repairs	217,448,628	161,109,012	86,983,319	102,244,992	65,319,537	56,305,643	98,010,940	54,900,626	50,067,552	79,922,243
Mobile homes	231,000	1,769,500	2,475,700	3,938,988	4,465,117	2,005,600	1,917,724	1,078,432	1,043,758	935,288
Roof	47,337,679	40,279,466	51,632,414	40,442,631	33,572,908	25,457,433	112,455,900	132,120,404	5,271,512	9,732,006
Culture and recreation:										
Civic Center event days	1,030	1,534	1,406	1,493	1,582	1,640	1,626	1,665	1,811	1,986
Civic Center annual attendance	331,219	609,311	637,979	583,474	607,909	572,382	603,276	656,239	607,940	656,523
Library volumes loaned annually	1,511,726	1,652,490	1,643,675	1,565,059	1,582,208	1,507,588	1,376,801	1,577,915	1,294,367	1,752,006
Annual swimming pool attendance	1,705	43,519	53,623	51,200	55,506	54,388	41,321	53,450	56,338	60,981
Tennis Center attendance	22,002	24,793	23,358	28,900	33,305	31,086	31,086	28,546	32,078	32,859
Rounds of golf played annually (2 courses)	70,740	66,604	72,762	85,318	88,316	90,329	90,122	97,153	90,201	88,089
Rifle range attendance	4,250	5,190	8,254	8,744	9,505	7,541	7,802	9,000	7,857	6,548
Solid Waste:										
Tons of waste collected	152,576	161,815	152,594	154,964	156,197	161,190	158,402	158,500	166,750	154,900
Tons of waste landfill	281,324	266,655	253,322	238,360	234,989	243,339	262,678	258,000	220,000	212,350
Transit:										
Fixed transit route--in miles	533,982	646,784	624,309	578,614	541,121	586,212	688,498	675,549	672,524	686,118
Passengers served--fixed route services	194,545	266,361	286,610	306,018	302,010	332,206	371,656	372,533	386,042	367,480
Demand response passengers	36,224	52,529	54,020	50,840	47,403	35,317	39,606	39,737	39,774	35,362
Water and Sewer:										
Active water accounts	71,892	70,277	73,136	72,348	72,272	71,029	70,441	70,161	70,151	69,754
Average daily production--gallons	44,166,293	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
Plant capacity--gallons:										
Bonham:										
Pumping	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
24th Street:										
Pumping	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
34th Street:										
Pumping	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Storage	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Arden Road:										
Pumping	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Storage	5,000,000	5,000,000	5,000,000	5,000,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000

See Independent Auditor's Report.

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

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Purification Plant:										
Pumping	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	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	2,415,080,000	-	-	-	-	-	1,885,254,000
Roberts County (CRMWA) Allocation	9,131,110,000	9,131,110,000	9,131,110,000	9,131,110,000	9,133,110,000	9,133,110,000	8,603,656,000	8,603,656,000	8,603,656,000	8,827,731,000
Active sewer accounts	70,464	69,446	70,661	70,071	69,999	69,166	69,039	68,111	68,020	67,654
Plant capacity--gallons:										
North treatment--per day	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Southeast treatment--per day	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Daily average of sewage treated--gallons	16,888,565	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
Daily average of reclaimed water sold to industry--gallons	8,801,000	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
Airport:										
Major airlines	3	3	4	3	3	3	3	3	3	4
Scheduled daily flights	24	36	35	32	32	37	37	42	42	42
Airline passengers enplaned	223,414	367,628	358,819	373,885	341,359	334,635	375,268	401,200	404,032	413,775
Airplanes cleared daily--average	117	157	172	177	169	148	165	172	178	229
Total tower operations (24 hours FAA Control Tower)	43,031	57,610	62,896	64,540	54,271	60,099	62,784	70,642	79,541	82,441

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety and Health:										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	13	13	13	13	13	13	13	13	12	12
Number of fire hydrants	4,271	4,255	4,228	4,102	4,102	4,024	3,940	3,864	3,761	3,732
Number of outdoor warning sirens	92	92	90	89	89	88	88	90	90	89
Streets, traffic and engineering:										
Streets - paved (miles)	959.33	957.00	954.02	939.87	939.87	936.22	930.40	923.50	920.99	912.86
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)	516.33	514.79	512.71	496.18	496.18	493.08	488.66	483.90	480.70	476.59
Miles of storm sewers	160.16	159.16	157.47	189.50	130.85	129.95	125.39	124.86	125.35	119.46
Number of street lights	10,888	10,726	10,655	10,627	10,624	10,594	10,578	10,547	10,496	10,765
Number of signalized locations	272	271	271	271	269	268	267	265	264	261
Number of traffic signs installed	38,742	38,243	37,920	37,597	37,257	36,826	36,199	35,850	35,332	35,010
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	428,973	453,658	407,112	397,313	414,840	499,738	463,918	467,149	484,478	544,719
Number of parks and playgrounds	65	64	64	64	64	64	64	64	64	65
Parks--number of acres	2,218	2,936	2,936	2,936	2,936	2,936	2,936	2,935	2,935	2,927
Number of swimming pools	3	3	4	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	15	44	44	44	44	44	44	44	44	65
Jogging trails (miles)	22.20	39.14	39.14	39.14	39.14	39.14	39.14	39.14	39.14	38.45
Baseball and softball fields	25	26	26	26	26	26	32	32	32	30
Tennis courts	28	32	32	32	32	32	32	32	32	37
Solid waste:										
Number of solid waste customers, residential	63,683	63,493	63,303	60,683	63,016	63,016	62,715	62,351	61,919	61,459
Number of solid waste customers, commercial	4,259	5,214	6,484	6,547	3,861	3,861	3,730	3,716	3,708	3,747
Landfill acreage	662	662	662	662	662	662	662	662	662	662
Transit:										
Number of buses in service	20	20	16	17	17	17	17	17	17	19
Number of vans in service	11	11	14	14	11	11	13	13	13	11
Water and Sewer:										
Miles of water mains:										
Transmission, well collection, and transfer	195.80	195.80	195.80	181.41	181.41	181.41	178.94	178.40	138.00	138.00
Distribution	1,187.82	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
Number of water wells	141	141	135	126	126	126	126	122	120	117
Miles of sanitary sewers	1,014.87	1,003.24	998.20	984.73	984.73	967.85	963.48	955.00	944.26	943.36
Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

* Information was not available for these years.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
HISTORICAL INFORMATION
HISTORICAL SUMMARY OF TOTAL CUSTOMERS
(Unaudited)**

<u>Fiscal Year Ended September 30</u>	<u>Number of Customers</u>	
	<u>Water</u>	<u>Sewer</u>
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
2020	71,892	70,464

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	
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
2020	44,166,293	81,502,800	1,188	1,026	4,271

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	276,387
2. Tyson Fresh Meats	134,972
3. Texas Department of Corrections	43,673
4. City of Canyon	31,174
5. Owens Corning	15,757
6. Plains Dairy	11,505
7. Asarco	6,139
8. BSA Hospital LLC	3,420
9. Northwest Texas Healthcare	2,760
10. Ameripride Service	2,605

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, 2020
(Unaudited)**

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

Meter Size	Rates Per Month	
	Inside City	Outside City
5/8"	\$ 15.33	\$ 23.00
1"	20.58	30.87
1-1/2"	26.37	39.55
2"	40.97	61.45
3"	150.70	226.06
4"	191.25	286.88
6"	285.96	428.94
8" and larger	394.24	591.36

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

	Inside City	Outside City
<i>Residential</i>		
3,001-10,000	2.74	4.10
Over 10,000	3.58	5.37
Over 30,000	5.30	7.95
Over 50,000	6.02	9.04
<i>Commercial</i>		
Over 3,000	3.12	4.69

Source: City of Amarillo Ordinance Number 7811 effective October 1, 2019.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
WATERWORKS AND SEWER SYSTEM
SEWER RATES
SEPTEMBER 30, 2020
(Unaudited)**

<u>Base Amount</u>	<u>Rates Per Month</u>
Meter Size	
5/8"	\$ 17.36
1"	17.94
1-1/2"	18.40
2"	19.98
3"	22.59
4"	33.02
6"	48.59
8" and larger	64.23

Additional Charge by Volume

Commercial accounts are charged on total water used with a rate of \$2.24 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons. Residential accounts are charged based on the average water consumed in December, January and February, but in no event shall residential customers be charged for more than 20,000 gallons of sewage. The volume charge for sewer accounts is \$2.07 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons.

Source: City of Amarillo Ordinance Number 7811 effective October 1, 2019.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS
DRAINAGE UTILITY
Top Ten Drainage Customers
(unaudited)**

<u>Customer Name</u>	2020		
	<u>Total ERUs</u>	<u>Rank</u>	<u>Monthly Drainage Fee</u>
Burlington Northern	21,354	1	\$ 62,726
Amarillo ISD	3,024	2	7,947
City of Amarillo	2,397	3	6,781
Wal Mart	1,399	4	3,646
Milligan Real Estate LLC	737	5	1,921
BSA Hospital LLC	697	6	1,874
Xcel	660	7	621
Westgate Mall Realty LLC	601	8	782
Gavilon Grain LLC	530	9	1,378
Lowes Home Center Inc.	443	10	1,155
Total	31,842		88,831

Residential Rates

Residential Rates are based on statistical evaluation of land parcel impervious area for single-family properties. The equivalent residential unit (ERU) rate is \$2.82 per ERU per month.

Classification	Equivalent Residential Units	Monthly Fee
Tier 1 Less than 2,072 square feet impervious area	.068 ERU	1.92
Tier 2 2,072 - 3,236 square feet impervious area	1.00 ERU	2.82
Tier 3 Greater than 3,236 square feet impervious area	1.51 ERU	4.26

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>
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 ***
2020	5,431,173 ****

CONDENSED STATEMENT OF OPERATIONS OF HOTEL OCCUPANCY TAX FUND

	<u>Fiscal Year Ended September 30,</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:					
Pledged Hotel Taxes	\$ 5,431,173	\$ 7,208,732	\$ 6,932,936	\$ 6,610,423	\$ 6,777,185
Number of Rooms	6,772	6,851	7,050	6,715	6,690
Maximum Annual Debt Service (2039)	\$ 3,181,417	\$ 3,181,417	\$ 3,181,417	\$ 775,288	\$ 775,288
Debt Service Coverage (x)	1.71 x	2.27 x	2.18 x	8.53 x	8.74 x

**** \$552,008 was rebated during fiscal year September 30, 2020.

*** \$750,484 was rebated during fiscal year September 30, 2019.

** \$577,260 was rebated during fiscal year September 30, 2018.

* \$18,837 was rebated during fiscal year September 30, 2017.

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS
HOTEL TAXPAYERS
(unaudited)

NAME OF TAXPAYER	TOTAL 2020 COLLECTIONS	CAPACITY	% OF TOTAL COLLECTIONS
AMARILLO MOTEL	4,064	31	0.000748
AMARILLO VALUE INN	7,885	62	0.001452
AMERICA'S BEST VALUE INN & SUITES	34,643	100	0.006379
ASHMORE INN	76,115	138	0.014014
ASTRO HOTEL	2,996	20	0.000552
B & B	14,319	19	0.002636
BEST WESTERN PLUS - MEDICAL CENTER	96,032	80	0.017682
BEST WESTERN PLUS WEST	72,334	80	0.013318
BEST WESTERN - SANTA FE INN	81,079	54	0.014928
BIG TEXAN INN	30,738	54	0.005660
BUDGET INN & SUITES	3,263	40	0.000601
CAMELOT INN	33,184	71	0.006110
CANDLEWOOD SUITES	42,213	96	0.007772
COMFORT INN & SUITES EAST	97,105	94	0.017879
COMFORT INN & SUITES WEST	90,235	71	0.016614
COMFORT SUITES WESTERN PLAZA	71,803	83	0.013220
COMFORT SUITES SOUTH	51,793	70	0.009536
COUNTRY INN & SUITES	129,445	80	0.023834
COURTYARD MARRIOTT WEST	106,497	89	0.019608
COURTYARD MARRIOTT AMARILLO DOWNTOWN	171,221	107	0.031526
COWBOY MOTEL	3,774	19	0.000695
DAYS INN (MEDICAL CENTER)	30,529	50	0.005621
DAYS INN EAST	84,383	119	0.015537
DELUXE INN	818	20	0.000151
DRURY INN AND SUITES	295,059	163	0.054327
ECONOMY INN	2,572	20	0.000474
EMBASSY SUITES AMARILLO	442,629	226	0.081498
ESTESS MOTEL	952	12	0.000175
EXECUTIVE INN	50,673	107	0.009330
EXPRESS INN	2,907	16	0.000535
EXTEND-A-SUITES	33,111	96	0.006096
EXTENDED STAY AMERICA	32,330	92	0.005953
FAIRFIELD INN AND SUITES AIRPORT	101,567	79	0.018701
FAIRFIELD INN AND SUITES WEST	63,431	74	0.011679
FIESTA MOTEL	2,745	20	0.000505
FIFTH SEASONS	43,327	119	0.007977
HAMPTON INN & SUITES EAST	177,032	127	0.032596
HAMPTON INN & SUITES WEST	79,292	64	0.014599
HERITAGE HOUSE BED & BREAKFAST	480	3	0.000088
HILLCREST MOTEL	2,016	16	0.000371
HILTON GARDEN INN	135,890	90	0.025020
HOLIDAY INN EXPRESS & SUITES EAST	87,309	69	0.016076
HOLIDAY INN EXPRESS & SUITES SOUTH	70,744	68	0.013026
HOLIDAY INN EXPRESS & SUITES WEST	115,990	128	0.021356
HOLIDAY INN EXPRESS & SUITES WOLFEN	163,989	90	0.030194
HOLIDAY INN WEST MEDICAL CENTER	222,549	151	0.040976
HOLIDAY INN EAST	123,889	120	0.022811
HOME2 SUITES	165,629	92	0.030496
HOMWOOD SUITES	137,206	92	0.025263
HYATT PLACE AMARILLO WEST	28,200	90	0.005192
INTERSTATE MOTEL	5,349	22	0.000985
LACASITA DEL SOL	119	3	0.000022
LA QUINTA INN & SUITES	76,881	130	0.014155

See Independent Auditor's Report

CITY OF AMARILLO, TEXAS
HOTEL TAXPAYERS
(unaudited)

NAME OF TAXPAYER	TOTAL 2020 COLLECTIONS	CAPACITY	% OF TOTAL COLLECTIONS
LA QUINTA MOTOR INN AIRPORT	131,041	85	0.024128
LA QUINTA MOTOR INN MEDICAL CENTER	64,005	128	0.011785
LUXURY INN SUITES	8,626	90	0.001588
MENDOZA PROPERTIES	12,597	8	0.002319
MICROTEL INN AND SUITE	29,752	45	0.005478
MIDCENTURY MEETS FARMHOUSE	1,428	1	0.000263
MOTEL 6 CANYON DRIVE	20,837	63	0.003837
MOTEL 6	71,437	118	0.013153
MOTEL 6 WEST	49,647	107	0.009141
MY PLACE HOTEL	53,598	63	0.009869
OASIS RV PARK	8,242	147	0.001517
I HOTEL	36,276	185	0.006679
PALO DURO MOTEL	1,030	10	0.000190
QUALITY INN EAST	45,667	115	0.008408
QUALITY INN WEST	24,157	114	0.004448
QUALITY INN WEST MEDICAL CENTER	54,936	103	0.010115
RAMA MOTEL	1,067	32	0.000196
RED ROOF INN EAST	32,877	106	0.006053
RED ROOF INN WEST	47,098	118	0.008672
REDWOOD MOTEL	2,229	18	0.000410
RELAX INN	27,386	90	0.005042
RESIDENCE INN AMARILLO	112,239	78	0.020666
ROUTE 66 INN	8,768	36	0.001614
ROYAL INN	412	16	0.000076
SILVER SPUR MOTEL	2,558	21	0.000471
SLEEP INN AIRPORT	37,118	55	0.006834
SLEEP IN AND SUITES WEST MEDICAL CENTER	38,690	63	0.007124
SPRINGHILL SUITES AMARILLO	164,933	102	0.030368
STAR LODGE	1,154	16	0.000212
STAYBRIDGE SUITES	115,080	97	0.021189
SUNDOWN MOTEL	2,875	24	0.000529
SUPER 8 CENTRAL	22,948	72	0.004225
SUPER 8 WEST	19,804	50	0.003646
SUPER 8 AIRPORT	41,054	60	0.007559
TOWNHOUSE MOTEL	1,964	24	0.000362
TOWNPLACE SUITES	8,982	110	0.001654
TRU BY HILTON AMARILLO WEST	87,838	90	0.016173
VALUE PLACE	23,883	96	0.004397
WAGON WHEEL MOTEL	1,354	21	0.000249
WYNDHAM GARDEN	15,254	170	0.002809
	5,431,173	6,772	

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