



AWARD for OUTSTANDING
ACHIEVEMENT
Popular Annual
Financial Reporting

City of Amarillo, Texas

POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023



APRIL 2024



FROM THE INTERIM CITY MANAGER

Floyd Hartman



In the City of Amarillo, there is a unique way of looking at challenges. Challenges are not obstacles. Challenges are an opportunity for success.

In the past year, the city has faced the challenges of Mother Nature, approved a budget and addressed complex issues such as homelessness and illegal dumping. These issues presented opportunities for the city to respond to community priorities in new and innovative ways.

The Popular Annual Financial Report (PAFR) details how the city managed taxpayer money for the past fiscal year. The PAFR also shows how community priorities are addressed.

The 2023/2024 budget: One of the responsibilities of city council is the city budget. Councilmembers dove into the budget for months, approving a \$531 million budget. The budget reflects voter priorities of public safety and infrastructure, with funding for three new fire chiefs and four police officers. In addition, \$28 million is budgeted for street projects.

Helping the Homeless: Transformation Park is a reality in the making, providing an example of what Amarillo can accomplish when city, church and private resources are used for a common goal. Transformation Park will be a cabin community meeting the needs of those experiencing homelessness.

Fighting the Flood: Amarillo weather runs the gamut – from extreme heat and cold and wind to snow, drought and rain. In spring of 2023, rain put Amarillo to the test. The city endured flooding not seen since the early 1980s. In March 2024, council approved a \$39 million bond for improvements to the city drainage system.

Illegal dumping: Amarillo is taking a unique approach to addressing illegal dumping with a pilot program. City staff implemented the Bulk Waste pilot program. Citizens work to pick up illegally dumped items from areas selected by the city. This strategic approach could expand across Amarillo's footprint, making it easier to work with the city while also beautifying the community.

Welcome, Emma: Thanks to Emma, technology is helping bridge the language barrier in Amarillo. Emma is a digital assistant that will live on the city website. Not only is Emma fluent in many languages (the Amarillo population is diverse), but she will also be able to provide residents with convenient access to essential city services and answers to commonly asked questions.

As Amarillo continues to grow, some community priorities will change. Some will remain constant. These priorities are opportunities to make Amarillo better for all.

Floyd Hartman
Interim City Manager



CITY FACTS

POPULATION: 203,466
PER CAPITA PERSONAL INCOME: \$58,425

PUBLIC SAFETY

Annual police services	83,961
Annual fire services	23,164
Number of fire stations	13
Number of fire hydrants	4,594

PHYSICAL

Miles of streets	1,059.45
Number of street lights	10,894
Signalized intersections	274
Miles of storm sewers	163.79

AIRPORT

Number of airlines	3
Scheduled daily flights	17
Annual passengers	396,166

CULTURE & RECREATION

Number of libraries	5
Civic Center (sq ft)	410,000
Globe News Center (sq ft)	70,000
Park acreage	2,935
Municipal swimming pools	4
Tennis courts	26
Tennis Center attendance	10,889
Soccer fields	18
Jogging trail mileage	33.24
Rifle Range attendance	3,667

SOLID WASTE MANAGEMENT

Residential customers	71,840
Commercial customers	5,179
Landfill acreage	662
Tons of waste collected	157,716
Tons of waste landfill	281,096

MUNICIPAL WATER UTILITY

Average daily prod. (gal)	43,299,000
Water distribution miles	1,208.89
Number of water wells	140
Wastewater plants	2

TRANSIT

Number of buses/vans	28
Miles of fixed route	447,038
Fixed route passengers	179,744
Demand response passengers	45,571

PURCHASING

Number of purchase orders	2,409
Local businesses utilized	33%



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).

The change in net position is not reported here, but is the difference of total revenues and total expense.

This year net position increased by \$71.9 million. Revenues continued to remain strong, with sales tax up by \$0.9 million to \$75.4 million for FY 22-23.

The property tax base showed continued growth, pushing forward to \$17.8 billion up from \$17.1 billion the previous year, and an increase of \$3.4 million in property taxes over the prior year.

Water and Sewer revenues reflected a decrease due to unprecedented flooding during the late spring, with metered sales down 1% even with a 10% rate increase.

The City did see investment earnings at much higher levels than previous years at \$22.8 million. During 2022/2023, the City granted a 5% pay increase to all employees and started to see vacancies begin to be filled.

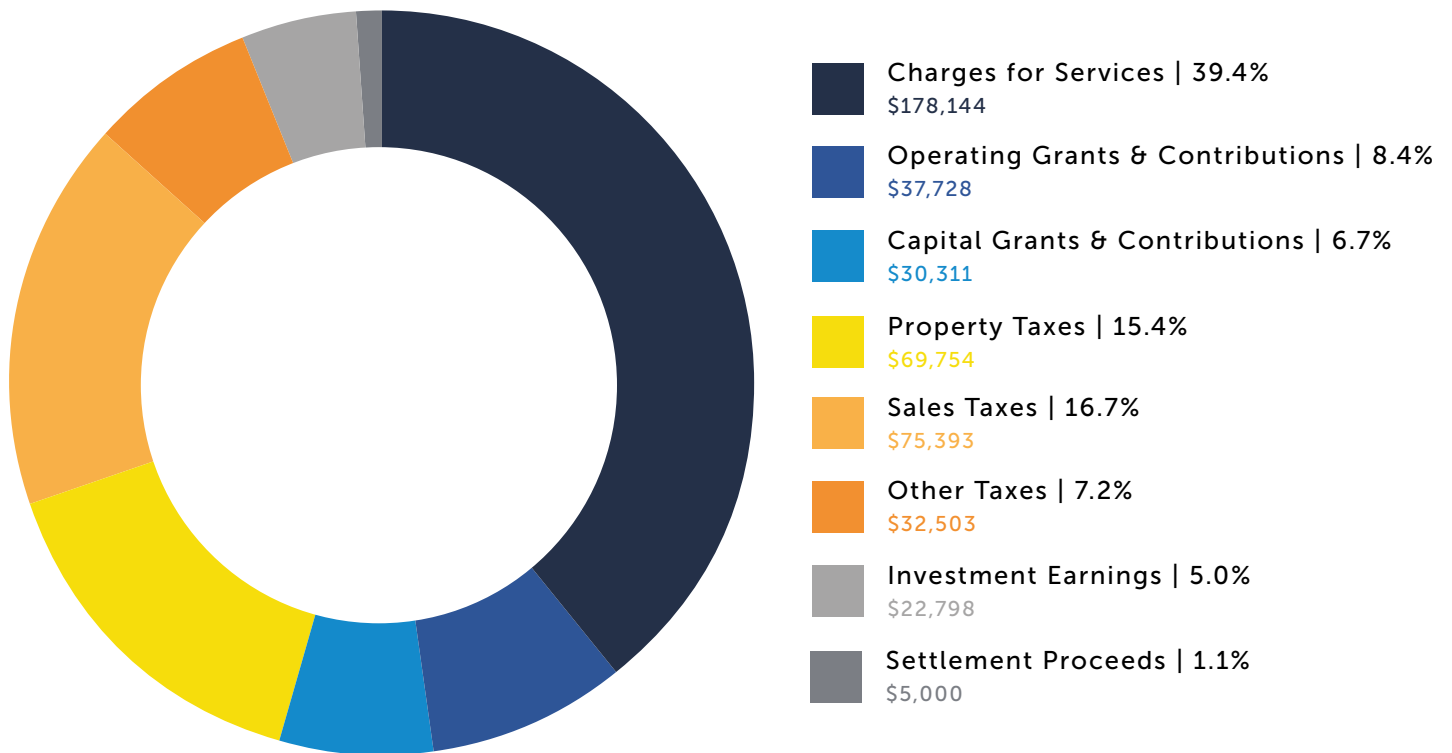
CITYWIDE NET POSITION (*in thousands*)

	FYE 9/30/2023	FYE 9/30/2022	FYE 9/30/2021
Current Assets	366,209	358,514	313,267
Noncurrent and Capital Assets	1,656,833	1,600,829	1,444,037
Total Assets	\$2,023,042	\$1,959,343	\$1,757,303
Deferred Outflows of Resources	\$82,059	\$31,150	\$30,282
Current Liabilities	114,711	108,315	111,529
Noncurrent Liabilities	703,431	586,104	558,222
Total Liabilities	\$818,142	\$694,419	\$669,751
Deferred Inflows of Resources	\$34,751	\$119,876	\$66,145
Net Position:			
Net Investment in Capital Assets	1,030,607	966,081	948,019
Restricted	54,025	59,394	40,045
Unrestricted	167,576	150,723	63,626
Total Net Position	\$1,252,208	\$1,176,198	\$1,051,690

Revenue

CITYWIDE REVENUES *(in thousands)*

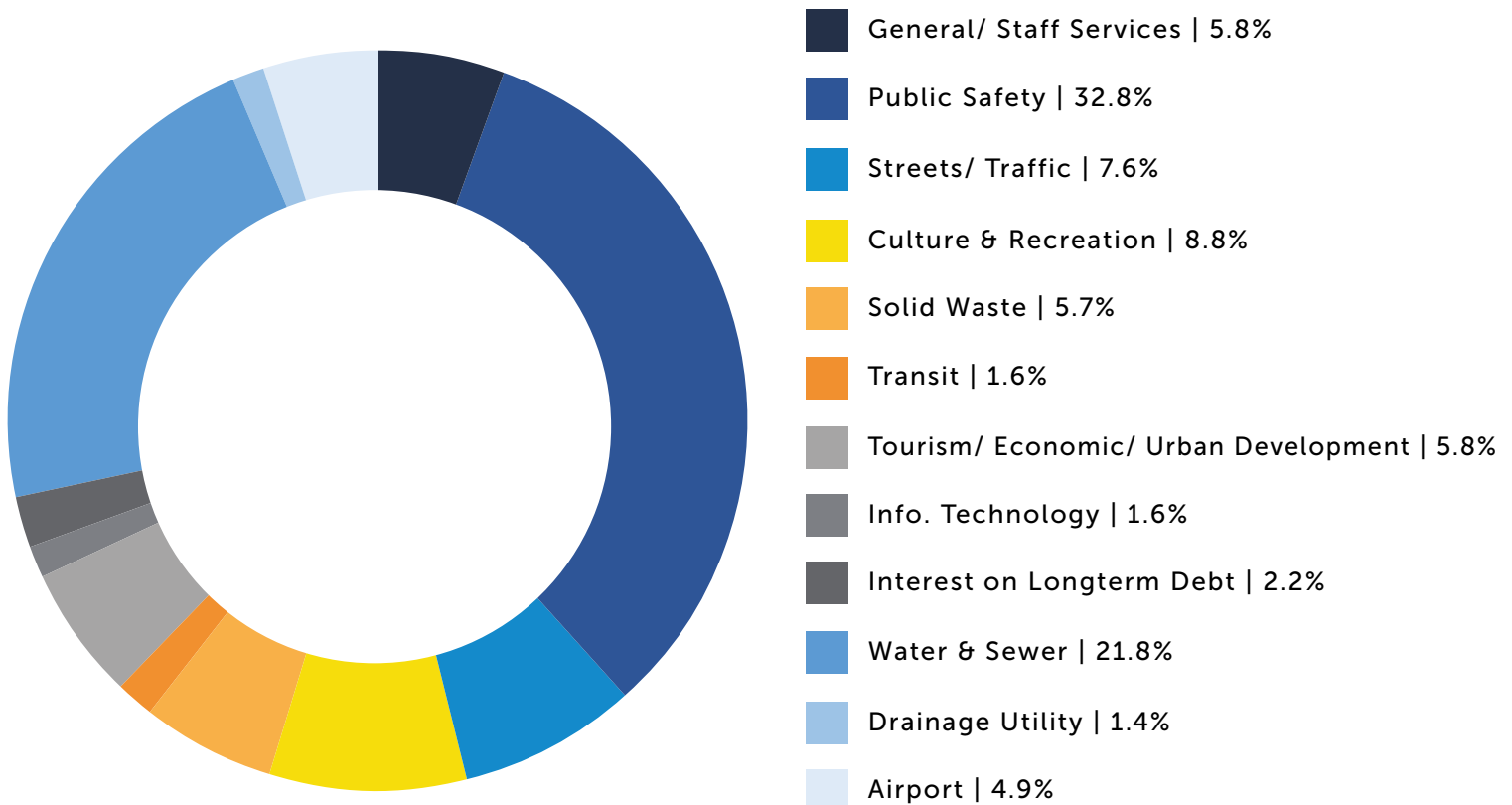
	FYE 9/30/2023	FYE 9/30/2022	FYE 9/30/2021
Charges for Services	178,144	172,951	156,252
Operating Grants & Contributions	37,728	67,289	40,053
Capital Grants & Contributions	30,311	26,301	19,866
Property Taxes	69,754	66,701	58,014
Sales Taxes	75,393	74,468	67,508
Other Taxes	32,503	31,005	27,897
Investment Earnings	22,798	837	538
Insurance Recovery/Cost	-	-	-
Settlement Proceeds	5,000	11,725	-
Total	\$451,631	\$451,277	\$370,128



Expenses

CITYWIDE EXPENSES (*in thousands*)

	FYE 9/30/2023	FYE 9/30/2022	FYE 9/30/2021
General/Staff Services	22,129	18,792	18,955
Public Safety	124,430	96,807	100,945
Streets/Traffic	28,781	24,903	23,095
Culture & Recreation	33,379	29,742	27,077
Solid Waste	21,776	18,035	17,344
Transit	6,023	5,389	5,918
Tourism/Economic/Urban Development	22,120	19,237	17,644
Info. Technology	6,081	4,892	4,817
Interest on Longterm Debt	8,261	8,019	6,712
Water & Sewer	82,765	79,054	65,381
Drainage Utility	5,217	4,909	4,254
Airport	18,773	16,401	16,637
Total	\$379,735	\$326,180	\$308,779



Governmental

PAFR Information

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE

REVENUES

	FYE 9/30/2023	FYE 9/30/2022
Taxes	164,678,023	159,809,982
License & Permits	4,972,928	4,902,238
Interfund Revenues	961,684	1,064,426
Intergovernmental Revenues	4,622,791	5,263,033
Citizen Contributions	7,912	68,909
Charges for Services	45,354,506	41,256,670
Fines & Forfeitures	3,219,040	3,271,818
Investment Earnings	3,535,110	(846,012)
Other Rentals & Commissions	790,065	902,947
Miscellaneous	707,075	296,601
Total Revenues	\$228,849,134	\$215,990,612

EXPENDITURES

General Government	6,248,392	5,243,246
Staff Services	13,498,432	12,355,042
Public Safety & Health	113,435,815	102,620,146
Streets, Traffic, & Engineering	18,334,833	15,664,510
Culture & Recreation	24,302,856	22,451,939
Solid Waste	20,387,201	17,456,797
Transit	5,383,797	4,807,545
Information Technology	6,081,229	4,891,648
Economic Development/Tourism	4,932,973	2,695,994
Capital Outlay	95,777	112,608
Total Expenditures	\$212,701,305	\$188,299,475

Excess of Revenues Over Expenditures	\$16,147,829	\$27,691,137
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OTHER FINANCING SOURCES (USES)

Transfers In	3,459,194	26,305,660
Transfers Out	(24,919,714)	(44,795,539)
Net Change in Fund Balance	(\$5,312,691)	\$9,201,258
FUND BALANCE - BEGINNING	\$78,672,479	\$69,471,221
FUND BALANCE - ENDING	\$73,359,788	\$78,672,479

DEFINITIONS

Net position represents the City's assets less liabilities.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. For 2023, this category consists of \$33.9 million restricted for debt service, \$5.1 million for Tax Increment Financing, and \$14.9 million restricted for other purposes such as grants.

Unrestricted net position is the remaining net position of the City after subtracting net investment in capital assets and restricted net position.

Charges for services represent fees paid by individuals, businesses, or other governments who purchase, use or directly benefit from the goods and services the City provides. For 2023, the largest items in this category include \$94 million for water and wastewater charges, \$27 million in solid waste charges, \$7 million in drainage utility charges, and \$13 million in airport charges

Operating grants and contributions are grants and contributions that may be used to finance the regular operations of the City. This category saw a decrease related to grants the City received in response to the ongoing COVID-19 pandemic.

Capital grants and contributions involve a capital asset of the City and may not be used for operating purposes.

Fund balance is the net position of a governmental fund (difference between assets and liabilities).

Capital outlay represents the acquisition or contraction of capital assets in the governmental funds. For governmental fund accounting, capital assets are expensed when purchased or constructed through the line item capital outlay.

Other financing sources (uses) represent increases (decreases) in the fund balances of a governmental fund other than revenue (expenditures). Examples include transfers between funds within the City bond proceeds.

Depreciation is the allocation of the cost of using a capital asset over the assets estimated useful life.

Capital contributions are funds and/or assets contributed to the City specifically for the acquisition, construction or improvement of capital assets.



FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: government funds, proprietary funds, and fiduciary funds. This report presents only the operating statements of the general fund, the water and sewer fund, the drainage utility fund, and the airport fund. For information on the other funds, as well as more detailed information on the funds presented here, a copy of the City's Annual Comprehensive Financial Report may be obtained from the Finance Department at the Amarillo City Hall, 601 S Buchanan St., Amarillo, TX 79101 or online at amarillo.gov.

GOVERNMENT FUNDS

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

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

In addition to a general fund, the City maintains special revenue funds, two debt service funds, ten capital projects funds, and one permanent fund. Included in this special newsletter is the general fund statement of revenues, expenditures, and changes in fund balance with comparative data from fiscal year ending September 30, 2023. Largest of the City's funds, the general fund accounts for the majority of the City services, including police, fire, street maintenance, solid waste collection and disposal, traffic, parks, library, transit, and administrative services.

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

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.

Proprietary funds provide the same type information as the government-wide financial statements, only in more detail. The water and sewer fund, drainage utility fund, and airport fund statements of revenues, expenditures and changes in net position are presented in this special newsletter with comparative data from fiscal year ending September 30, 2023.

Utilities

WATER & SEWER

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

	FYE 9/30/2023	FYE 9/30/2022
OPERATING REVENUES		
Utility Sales and Service	93,225,821	92,868,326
Tap Fees and Frontage Charges	232,289	533,932
Rents and Miscellaneous	503,554	433,073
Total Operating Revenues	\$93,961,664	\$93,835,331
OPERATING EXPENSES		
Salaries, Wages and Fringe Benefits	\$16,656,970	\$12,365,349
Supplies	3,116,970	4,945,058
Fuel and Power	6,791,582	5,287,272
Contractual Services	11,360,971	15,125,482
Water Authority Charges	7,216,296	6,273,564
Other Charges	16,231,101	14,795,055
Depreciation	16,123,392	15,620,102
Total Operating Expenses	\$77,496,795	\$74,411,882
Operating Income	\$16,464,869	\$19,423,449
NONOPERATING REVENUES (EXPENSES)		
Total Nonoperating Revenues (Expenses)	\$5,841,924	\$8,486,786
Income before Contributions and Transfers	22,306,793	27,910,235
Capital Contributions	6,485,285	6,562,863
Net Transfers from (to) Other Funds	(3,242,554)	(2,816,983)
Change in Net Position	\$25,549,524	\$31,656,115
NET POSITION - BEGINNING OF YEAR	\$549,399,835	\$517,743,720
NET POSITION- END OF YEAR	\$577,454,885	\$549,399,835



NUMBER OF CITY WATER & SEWER CUSTOMERS

FYE	WATER	SEWER
2013	70,161	68,111
2014	70,441	69,039
2015	71,029	69,166
2016	72,272	69,999
2017	72,348	70,071
2018	73,136	70,661
2019	70,277	69,446
2020	71,892	70,464
2021	71,559	70,672
2022	72,213	71,183
2023	72,617	71,616



Coming Together for Amarillo

Amarillo has come together to make history. A vision shared by many in the Amarillo community - to help those experiencing homelessness - has inspired a collaboration of groups, organizations and individuals to do something unique and groundbreaking in Amarillo.

The City of Amarillo, local churches, and the business community pooled resources to create Transformation Park, a nonprofit entity located near downtown. The collaboration is the result of the dedication and commitment of Amarillo residents with private and public resources to create a community to help those experiencing the difficulties of homelessness.

The facility will serve an array of needs for those experiencing homelessness, offering cabins that will serve as homes and a day center with access to educational resources, job training, healthcare services and mental health support. The day center was funded by a generous \$1 million donation – an example of community support.

Transformation Park is more than just its physical structures, is a multifaceted approach to the problem of homelessness, and the project is a first for Amarillo. What made Transformation Park a reality is the cooperation of many in Amarillo who recognize that the problems of homelessness are varied and diverse but the goal shared by all is the same.

Utilities



DRAINAGE & UTILITY FUND

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

OPERATING REVENUES	FYE 9/30/2023	FYE 9/30/2022
Drainage Utility Assesments	7,615,805	6,836,305
Forfeited Discounts	8,505	65,686
Total Operating Revenues	\$7,624,310	\$6,901,991
OPERATING EXPENSES		
Salaries, Wages, and Fringe Benefits	1,407,778	819,810
Supplies	281,577	1,078,920
Contractual Services	1,099,122	877,971
Other Charges	1,248,771	1,116,022
Depreciation	384,897	371,901
Total Operating Expenses	\$4,422,145	\$4,264,624
Operating Income (Loss)	\$3,202,165	\$2,637,367
Total Nonoperating Revenues (Expenses)	\$403,664	(\$480,413)
Income (loss) before Contributions and Transfers	3,605,829	2,156,954
Capital Contributions	947,000	710,674
Net Transfers from (to) Other Funds	(54,000)	(369,622)
Change in Net Position	\$4,498,829	\$2,505,406
NET POSITION - BEGINNING OF YEAR	\$27,758,243	\$25,252,837
NET POSITION- END OF YEAR	\$32,257,072	\$27,758,243

Amarillo Responds to Historic Flood

The clouds opened up in Amarillo in the spring of 2023, pelting the city in a deluge of rain not seen since 1981-82. Portions of the city were flooded as the rain fell for weeks.

According to the National Weather Service, many spots in Amarillo were swamped with six to 14 inches of rain in the span of a month – leading to overflowing playa lakes.

For perspective, the city pumped more than one billion gallons of water from six playa lakes from June 2 to July 10 of 2023. During this time, Lawrence Lake near Interstate 40 in Amarillo pumped 435,000,000 gallons of water.

It was a monuental weather event – that put the city into action. Shortly after the waters subsided, council members helped organize several cleanup efforts across Amarillo to pick up debris and trash left by the receding waters.

In August 2023, the city purchased land near Lawrence Lake to help address flooding in the area, and in March 2024, Amarillo City Council considered \$39 million for improvements to the city drainage system.

Mother Nature made history in Amarillo, but Amarillo responded in historical fashion.



Airport

AIRPORT FUND STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

OPERATING REVENUES	FYE 9/30/2023	FYE 9/30/2022
Airfield Fees and Commissions	1,193,691	989,524
Terminal Building Revenue	9,772,296	8,348,933
Other Building Revenue	2,105,853	1,938,142
Total Operating Revenues	\$13,071,840	\$11,276,599
OPERATING EXPENSES		
Salaries, Wages, and Fringe Benefits	4,965,676	3,646,676
Supplies	921,835	797,415
Fuel and Power	771,453	706,281
Other Contractual	2,626,188	2,759,347
Other Charges	3,598,860	3,437,402
Depreciation	5,889,171	6,698,759
Total Operating Expenses	\$18,773,183	\$18,045,880
Operating Income (Loss)	(\$5,701,343)	(\$6,769,281)
Total Nonoperating Revenues (Expenses)	\$3,308,785	\$8,830,502
Net loss before Contributions and Transfers	(2,392,558)	2,061,221
Capital Contributions	1,386,933	3,040,205
Net Transfers from (to) Other Funds	(48,000)	(328,198)
Change in Net Position	(\$1,053,625)	\$4,773,228
NET POSITION - BEGINNING OF YEAR	\$96,268,098	\$90,616,661
NET POSITION- END OF YEAR	\$95,214,473	\$95,389,889



Bicycle Tree Sprouts in Amarillo

When people visit the trails at the Rick Klein Sports Complex, they are welcomed by a tree (of sorts) that perfectly captures the spirit of Amarillo and the outdoors.

Thanks the creativity of a local artist and the generosity of many in Amarillo, the trail head at Rick Klein Trails is home to a unique – and massive – bicycle tree sculpture.

The sculpture was created and donated by local artist Orville Ladehoff. It stands 12 feet tall and weighs 600 pounds with 12 bicycles as “branches.” The art is the result of not just Ladehoff, but several others who donated time and resources.

Skyrite, a local sign company, donated its services to transport the heavy sculpture to the park. The bicycles used to create the tree were donated by Matt Melvyn.

Amarillo’s new bicycle tree has become a symbol of the community’s love for the outdoors, and how art can inspire cooperation and unity.

An Investment in Amarillo's Future

It is one of the largest expenditures in city history for a single project - \$71.2 million.

And it represents one of the most significant investments ever in Amarillo infrastructure.

The Northeast Sanitary Sewer Interceptor Project was unanimously approved by city council in October 2023.

It took decades of commitment from city personnel to bring the multimillion-dollar project to fruition, but it will also help ensure city infrastructure for decades.

So what is the Northeast Sanitary Sewer Interceptor Project?

The project creates 13 miles of sanitary sewer pipe in the northern parts of the city, which also increases sewer capacity for all parts of Amarillo.

As council recognized, this was a must-have project for the entire Amarillo community.

The project is funded with water and sewer revenue bonds with a tentative completion date of 2025.

Employment

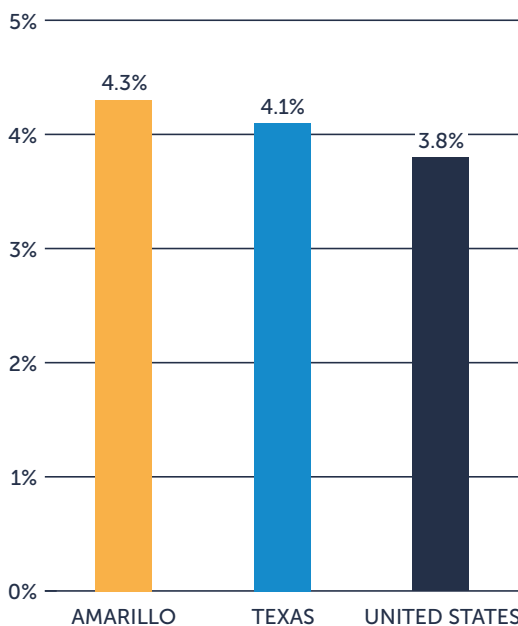
PRINCIPAL EMPLOYERS

EMPLOYER	EMPLOYEES
Amarillo Independent School District	4,500
Tyson Foods Inc.	4,300
CNS Pantex	3,844
BSA Health Systems	3,100
Northwest Texas Healthcare	2,150
City of Amarillo	1,953
Xcel Energy	1,431
Affiliated Foods	1,250
Canyon Independent School District	1,168
Amarillo VA Health Care System	984



UNEMPLOYMENT RATES

% (seasonally adjusted)



SOURCE: U.S. Bureau of Labor Statistics; Texas Workforce Commission.

S&P GLOBAL RATING

Amarillo continues to receive a AA+ to AAA debt rating from Standard & Poor's rating service on general obligation debt, water and sewer revenue bond debt and drainage utility debt. These high ratings allow the City to enjoy favorable interest rates on the issuance of debt.

GAAP NOTICE

While this presentation does not conform to Generally Accepted Accounting Principles (GAAP), the purpose of these statements is to provide the citizen with a selection of the information contained within the City's Annual Comprehensive Financial Report (ACFR). Component unit information has been excluded from this presentation in order to focus on the primary government. The City's accounting policies do conform to GAAP as set forth by the Governmental Accounting Standards Board. The City's separately prepared and audited ACFR offers a complete description of the City's significant accounting policies and other disclosures required by GAAP, as well as a more detailed analysis of the City's financial position. A copy of the ACFR can be obtained at the Finance Department at Amarillo City Hall (601 S Buchanan St.) or on the City website at amarillo.gov.

MAYOR AND CITY COUNCIL

Cole Stanley, Mayor
Josh Craft, Place 1
Don Tipps, Place 2
Tom Scherlen, Place 3
Les Simpson, Place 4

CITY MANAGEMENT

Floyd Hartman, Interim City Manager
Andrew Freeman, Deputy City Manager
Rich Gagnon, Assistant City Manager
& Chief Information Officer
Laura Storrs, Assistant City Manager
& Chief Financial Officer

CITY OFFICIALS

Martin Birkenfeld, Chief of Police
Stephanie Coggins, City Secretary
Michael Price, Interim Director of Utilities
Donny Hooper, Managing Director of Public Works
Michael Kashuba, Director of Parks & Recreation
Jason Mays, Fire Chief
Bryan McWilliams, City Attorney
Katrina Owens, Director of Finance
Jordan Schupbach, Director of Engagement & Innovation
Missy Laird, Information Technology Director

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