

CITY OF PHARR, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2021

(7)	Interest expense in the statement of activities differs from the amount reported in governmental funds due to accrued interest calculated for bonds and notes payable	Current year accrual Prior year accrual	(155,225) 177,966	
			22,741	
(8)	Certain accrued obligations not normally expected to be liquidated with expendable available financial resources unless they are due for payment in the current period. Compensated absences is recorded in the statement of assets	Current year Prior year	(5,737,056) 5,466,933	(270,123)
			(270,123)	
(9)	Because some warrant fines will not be collected for some time after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds	Prior Year Warrant A/R Current Year Warrant A/R	(5,839,427) 3,407,471	(2,431,956)
			(2,431,956)	
(10)	Employers that participate in defined contribution OPEB plans are required to recognize OPEB expense/expenditures for their net required contributions to the plan	OPEB Liability - This fiscal year Trust fund contributions	(118,869) -	(118,869)
			(118,869)	
(11)	GASB 68 recognition on Pension Expense requires an adjustment to reflect in Statement of Activities		845,029 \$	845,029
			845,029	
	Rounding difference			(2)
			(2)	
	Change in net position of governmental activities		\$ 18,510,807	

CITY OF PHARR, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

		Business-type Enterprise Funds										
<u>ASSETS</u>		<u>Utility</u>	<u>EMS</u>	<u>Event Center</u>	<u>Toll Bridge</u>	<u>Tierra Del Sol Golf Course</u>	<u>Total</u>					
Current assets:												
Cash	\$	752,414	\$	183,690	\$	114,423	\$	6,903,594	\$	668,239	\$	8,622,360
Receivables (net of allowance for uncollectible):												
Accounts		3,186,243		1,023,573		150,360		31,365		18,446		4,409,987
Other		-		-		-		-		-		-
Inventories		181,220		-		-		-		20,387		201,607
Restricted assets:												
Cash		40,173,329		-		-		40,601,753		-		80,775,082
Cash with Fiscal Agent		4,510,000		-		-		827,640		-		5,337,640
Intergovernmental Receivable		-		-		-		1,546,858		-		1,546,858
Total current assets		<u>48,803,206</u>		<u>1,207,263</u>		<u>264,783</u>		<u>49,911,210</u>		<u>707,072</u>		<u>100,893,534</u>
Capital assets												
Water Rights (nondepreciable)		3,450,000		-		-		-		-		3,450,000
Land (nondepreciable)		4,293,127		785,224		-		819,645		999,342		6,897,338
Buildings (net of acc. depreciation)		9,189,000		2,134,029		-		3,393,054		275,453		14,991,536
Improvements other than buildings (net of acc. dep)		8,955,431		68,653		-		93,678		1,490,864		10,608,626
Machinery and equipment (net of acc. depreciator		1,901,179		1,285,220		-		2,098,498		170,710		5,455,607
Infrastructure (net of acc. depreciation)		90,014,864		-		-		10,598,061		-		100,612,925
Construction in progress (nondepreciable)		1,633,568		-		-		10,882,111		-		12,515,679
Total capital assets		<u>119,437,169</u>		<u>4,273,126</u>		<u>-</u>		<u>27,885,047</u>		<u>2,936,369</u>		<u>154,531,711</u>
Total noncurrent assets		<u>119,437,169</u>		<u>4,273,126</u>		<u>-</u>		<u>27,885,047</u>		<u>2,936,369</u>		<u>154,531,711</u>
Total assets		<u>168,240,375</u>		<u>5,480,389</u>		<u>264,783</u>		<u>77,796,257</u>		<u>3,643,441</u>		<u>255,425,246</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>												
Unamortized loss on refunding of debt		162,905		-		-		-		-		162,905
Total deferred outflow of resources		<u>162,905</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>162,905</u>

Business-type Enterprise Funds

	<u>Utility</u>	<u>EMS</u>	<u>Event Center</u>	<u>Toll Bridge</u>	<u>Tierra Del Sol Golf Course</u>	<u>Total</u>
<u>LIABILITIES</u>						
Current liabilities payable:						
Accounts payable	464,537	254,304	-	629,859	34,180	1,382,880
Accrued liabilities	-	-	-	-	-	-
Due to other funds	517,248	1,573,540	17,615	170,729	99,089	2,378,221
Unearned revenue	-	-	-	5,500	49,930	55,430
Total current liabilities payable	<u>981,785</u>	<u>1,827,844</u>	<u>17,615</u>	<u>806,088</u>	<u>183,199</u>	<u>3,816,531</u>
Current liabilities payable from restricted assets:						
Customer deposits payable	577,598	-	-	-	-	577,598
Escrow payable	246,364	-	-	-	-	246,364
Matured accrued compensation	118,418	18,603	-	55,709	11,928	204,658
Matured capital lease	283,341	-	-	634,440	42,153	959,934
Matured bonds/notes, net	3,813,000	-	-	2,100,000	-	5,913,000
Total current liabilities payable from restricted assets	<u>5,038,721</u>	<u>18,603</u>	<u>-</u>	<u>2,790,149</u>	<u>54,081</u>	<u>7,901,554</u>
Total current liabilities	<u>6,020,506</u>	<u>1,846,447</u>	<u>17,615</u>	<u>3,596,237</u>	<u>237,281</u>	<u>11,718,085</u>
Noncurrent liabilities:						
Accrued compensation	355,254	55,810	-	167,126	35,785	613,975
Capital lease payable	666,971	-	-	982,294	117,004	1,766,270
Bonds/notes principal payable	59,921,000	-	-	36,030,000	-	95,951,000
Total noncurrent liabilities	<u>60,943,225</u>	<u>55,810</u>	<u>-</u>	<u>37,179,420</u>	<u>152,790</u>	<u>98,331,245</u>
Total liabilities	<u>66,963,731</u>	<u>1,902,257</u>	<u>17,615</u>	<u>40,775,657</u>	<u>390,070</u>	<u>110,049,330</u>
<u>DEFERRED INFLOW OF RESOURCES</u>						
Unamortized premium	1,982,024	-	-	8,064,610	-	10,046,634
Unearned Revenue-Intergovernmental	3,472,746	-	-	-	-	3,472,746
Unearned Revenue-Customers	-	-	-	384,914	-	384,914
Total deferred inflow of resources	<u>5,454,770</u>	<u>-</u>	<u>-</u>	<u>8,449,524</u>	<u>-</u>	<u>13,904,294</u>
<u>NET POSITION</u>						
Invested in capital assets, net of related debt	95,124,819	4,273,126	-	21,503,097	2,777,212	123,678,254
Restricted for:						
Debt service	3,720,457	-	-	2,100,000	-	5,820,457
Tourism	-	-	247,168	-	-	247,168
Unrestricted	(2,860,497)	(694,994)	-	4,967,981	476,160	1,888,650
Total net position	<u>\$ 95,984,779</u>	<u>3,578,132</u>	<u>\$ 247,168</u>	<u>28,571,076</u>	<u>\$ 3,253,372</u>	<u>\$ 131,634,530</u>

The notes to the financial statements are an integral part of this statement

CITY OF PHARR, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Enterprise Funds					Total
	Utility	EMS	Event Center	Toll Bridge	Tierra Del Sol Golf Course	
Operating revenues:						
Charges for sales and services:						
Water sales	\$ 9,023,208	\$ -	\$ -	\$ -	\$ -	\$ 9,023,208
Sewer service	7,205,233	-	-	-	-	7,205,233
Tap fees	336,235	-	-	-	-	336,235
Toll fees	-	-	-	16,379,775	-	16,379,775
Golf services	-	-	-	-	811,258	811,258
Event Center	-	-	28,118	-	-	28,118
EMS	-	1,315,371	-	-	-	1,315,371
Other	40,878	-	-	584,265	70,093	695,236
Total operating revenues	<u>16,605,554</u>	<u>1,315,371</u>	<u>28,118</u>	<u>16,964,040</u>	<u>881,351</u>	<u>35,794,434</u>
Operating expenses:						
Personnel services	4,029,397	2,463,992	283,778	1,343,622	753,928	8,874,717
Supplies and Materials	2,047,773	317,562	29,377	166,873	160,993	2,722,578
Contractual Services	5,488,214	1,585,383	74,312	2,628,159	329,613	10,105,681
Depreciation	4,154,663	281,224	-	953,126	243,578	5,632,591
Total operating expenses	<u>15,720,047</u>	<u>4,648,161</u>	<u>387,467</u>	<u>5,091,780</u>	<u>1,488,112</u>	<u>27,335,567</u>
Operating income (loss)	<u>885,507</u>	<u>(3,332,790)</u>	<u>(359,349)</u>	<u>11,872,260</u>	<u>(606,761)</u>	<u>8,458,867</u>
Nonoperating revenues (expenses):						
Investment earnings	20,432	30	47	32,478	2,194	55,181
Interest expense	(1,307,820)	-	-	(91,606)	(5,282)	(1,404,708)
Amortization expense	363,824	-	-	36,421	-	400,245
Intergovernmental	360,675	-	-	3,245,246	-	3,605,921
Other	19,515	-	-	-	-	19,515
Issuance cost	(80,000)	-	-	-	-	(80,000)
Total nonoperating revenues (expenses)	<u>(623,374)</u>	<u>30</u>	<u>47</u>	<u>3,222,539</u>	<u>(3,088)</u>	<u>2,596,154</u>
Income before contributions and transfers	<u>262,133</u>	<u>(3,332,760)</u>	<u>(359,302)</u>	<u>15,094,799</u>	<u>(609,849)</u>	<u>11,055,021</u>
Transfers in	69,200	3,332,760	252,700	20,300	371,012	4,045,972
Transfers (out)	(3,511,200)	-	-	(11,107,067)	-	(14,618,267)
Capital contributions	1,412,457	-	-	-	-	1,412,457
Changes in Net Position	<u>(1,767,410)</u>	<u>-</u>	<u>(106,602)</u>	<u>4,008,032</u>	<u>(238,837)</u>	<u>1,895,183</u>
Total net position - beginning	101,546,953	-	3,556,410	25,127,042	3,497,476	133,727,881
Prior period adjustment	(3,794,764)	3,578,132	(3,202,640)	(563,996)	(5,267)	(3,988,535)
Total net position - ending	<u>\$ 95,984,779</u>	<u>\$ 3,578,132</u>	<u>\$ 247,168</u>	<u>\$ 28,571,076</u>	<u>\$ 3,253,372</u>	<u>\$ 131,634,530</u>

The notes to the financial statements are an integral part of this statement

**CITY OF PHARR, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Business-type Enterprise Funds					Governmental Activities - Internal Service Fund	
	Utility	EMS	Pharr Event Center	Toll Bridge	Tierra Del Sol Golf Course		Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 20,415,378	\$ 291,798	\$ 27,589	\$ 16,919,490	\$ 886,516	\$ 38,540,771	\$ 779,692
Payments to suppliers	(2,034,910)	(317,562)	(18,106)	(166,873)	(160,993)	(2,698,444)	13,176
Payments to employees	(1,050,509)	(2,389,579)	(302,405)	(1,313,913)	(772,548)	(8,828,954)	(189,789)
Payments for contractual services	(3,788,921)	(1,331,079)	(81,625)	(2,388,068)	(324,448)	(9,914,141)	(577,393)
Payments (to)/from others	46,178	30	-	584,265	-	630,473	-
Net cash flow (to)/from operating activities	8,587,216	(3,746,392)	(374,547)	13,634,901	(371,473)	17,729,705	25,986
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Receipts from grants	360,675	-	-	1,698,388	-	2,059,063	-
Advances (to)/from other funds	338,379	1,573,540	(29,895)	107,955	41,316	2,031,295	6,718
Transfers in from other funds	69,200	3,332,760	252,700	20,300	371,012	4,045,972	36,892
Transfers out to other funds	(3,511,200)	-	-	(11,107,067)	-	(14,618,267)	-
Net cash provided/(used) by noncapital and related financing activities	(2,742,946)	4,906,300	222,805	(9,280,424)	412,328	(6,481,937)	43,610
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Bond/Lease Proceeds				33,930,000		33,930,000	
Acquisition and construction of capital assets	(2,068,167)	(976,218)		(6,983,027)	(26,261)	(10,053,673)	
Principal paid on long-term debt	(779,596)	-	-	9,960,466	(55,240)	9,125,630	(10,594)
Interest paid on long-term debt	(1,307,820)	-	-	(91,606)	(5,282)	(1,404,708)	(10)
Other	(3,470,802)		(985)	(525,271)	(5,260)	(4,002,320)	(6,259)
Net cash provided/(used) by capital and related financing activities	(7,626,385)	(976,218)	(985)	36,290,562	(92,043)	27,594,929	(16,863)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest income received	20,433		48	32,478	2,194	55,153	
Net cash provided/(used) by investing activities	20,433	-	48	32,478	2,194	55,153	-
NON CASH INVESTING/FINANCING ACTIVITIES							
Capital Contributions	1,412,457					1,412,457	
Noncash provided/(used) by investing/financing	1,412,457	-	-	-	-	1,412,457	-
Net increase/(decrease) in cash	(349,225)	183,690	(152,679)	40,677,517	(48,994)	40,310,309	52,764
Cash beginning of fiscal year	43,784,968		267,104	7,655,470	717,232	54,424,774	46,909
Cash end of fiscal year	\$ 43,435,743	\$ 183,690	\$ 114,425	\$ 48,332,987	\$ 668,238	\$ 94,735,083	\$ 99,673

	Business-type Enterprise Funds					Governmental Activities - Internal Service Fund	
	Utility	EMS	Pharr Event Center	Toll Bridge	Tierra Del Sol Golf Course		Total
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 885,525	(3,332,790)	(359,350)	11,872,261	(606,761)	\$ 8,458,885	\$ (30,508)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	4,154,663	281,224	-	953,126	243,578	5,632,591	14,467
(Increase) Decrease in Accounts and Other Receivables, net	300,684	(1,023,573)	3,538	154,802	(1,287)	(565,836)	
(Increase) Decrease in Inventories	12,964	-	11,273	-	-	24,237	20,015
(Increase) Decrease in Other Assets	-	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	(300,825)	254,334	(7,313)	240,090	5,165	191,451	26,443
Increase (Decrease) in Accrued Compensation	(21,112)	74,413	(18,627)	29,710	(18,620)	45,764	(4,431)
Increase (Decrease) in Deferred/Escrow Revenue	3,478,046	-	(4,068)	384,913	6,452	3,865,343	-
Increase (Decrease) in Customer Deposits	77,272	-	-	-	-	77,272	-
Increase (Decrease) in Other Liabilities	-	-	-	-	-	-	-
Total adjustments	<u>7,701,692</u>	<u>(413,602)</u>	<u>(15,197)</u>	<u>1,762,641</u>	<u>235,288</u>	<u>9,270,822</u>	<u>56,494</u>
Net cash provided (used) by operating activities	\$ <u>8,587,216</u>	<u>(3,746,392)</u>	\$ <u>(374,547)</u>	<u>13,634,901</u>	\$ <u>(371,473)</u>	\$ <u>17,729,705</u>	\$ <u>25,986</u>

The notes to the financial statements are an integral part of this statement

Discrete Component Units

Basic Financial Statements

Discretely Component Units: Separate legal entities in which the primary government is financially accountable and is able to impose will on the organization.

Pharr Housing Finance Corporation (PHFC): separate entity created for the purpose of carrying out the purposes of the Texas Housing Finance Corporation Act, Chapter 394.

PHFC-Jackson Place Apartments: is a separate entity created for the purpose of holding liability to construct an apartment complex.

PEDC-Pharr Economic Development Corporation: is a separate non-profit entity created for the purpose of economic development with the use of sales taxes.

Greater Chamber of Commerce : is a separate non-profit entity created for the purpose of promoting tourism.

**CITY OF PHARR, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	<u>Pharr Housing Finance Corporation</u>	<u>PHFC Jackson Place Apartments</u>	<u>Pharr Economic Development Corporation, Inc.</u>	<u>Greater Pharr Chamber</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash	\$ 115	\$ 641,545	\$ 3,393,935	\$ 258,004	\$ 4,293,599
Receivables (net of allowance for uncollectible)	-	-	-	-	-
Sales tax	-	-	1,147,511	-	1,147,511
Notes	-	-	604,635	-	604,635
Other	-	65,313	162,967	-	228,280
Prepaid Expenses	-	-	-	-	-
Land Available for Sale	-	-	3,517,699	-	3,517,699
Total current assets	<u>115</u>	<u>706,858</u>	<u>8,826,747</u>	<u>258,004</u>	<u>9,791,724</u>
NonCurrent assets:					
Restricted assets:					
Cash	-	2,497,862	764,327	-	3,262,189
Capital assets not being depreciated:					
Land (nondepreciable)	-	1,500,000	4,858,106	-	6,358,106
Construction in Process	-	-	3,237,346	-	3,237,346
Capital assets net of accumulated					
Machinery and Equipment	-	53,652	72,531	23,301	149,485
Building	-	23,557,830	257,057	-	23,814,887
Improvement other than buildings	-	-	1,077,008	-	1,077,008
Total non-current assets	<u>-</u>	<u>27,609,344</u>	<u>10,266,375</u>	<u>23,301</u>	<u>37,899,020</u>
Total assets	<u>115</u>	<u>28,316,202</u>	<u>19,093,122</u>	<u>281,305</u>	<u>47,690,744</u>
LIABILITIES					
Current liabilities payable:					
Accounts payable - Vendors	877,467	4,138,449	95,895	15,020	5,126,831
Accounts Payable-City of Pharr	-	-	480,725	-	480,725
Interest Payable	-	-	18,014	-	18,014
Escrow accounts	-	-	11,661	-	11,661
Due with one year	-	692,170	2,569,976	-	3,262,147
Total current liabilities payable	<u>877,467</u>	<u>4,830,619</u>	<u>3,176,271</u>	<u>15,020</u>	<u>8,899,377</u>
Noncurrent liabilities:					
Other post employment benefit	-	-	-	-	-
Due in more than one year, net	-	31,545,921	89,073	-	31,634,994
Total non current liabilities	<u>877,467</u>	<u>36,376,540</u>	<u>3,265,344</u>	<u>15,020</u>	<u>40,534,371</u>
Total liabilities	<u>877,467</u>	<u>36,376,540</u>	<u>3,265,344</u>	<u>15,020</u>	<u>40,534,371</u>
NET POSITION					
Net Invested in capital assets	-	(7,126,610)	11,214,098	23,301	4,110,789
Economic Development	-	-	-	-	-
Unrestricted	(877,352)	(933,729)	4,613,680	242,984	3,045,583
Total net position	<u>\$ (877,352)</u>	<u>\$ (8,060,340)</u>	<u>\$ 15,827,777</u>	<u>\$ 266,285</u>	<u>\$ 7,156,372</u>

CITY OF PHARR, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Pharr Housing Finance Corporation	PHFC Jackson Place Apartments	Pharr Economic Development Corporation, Inc.	Greater Pharr Chamber	Total
Expenses					
Salaries	\$ -	\$ 359,057	\$ 631,169	\$ 152,956	\$ 1,143,181
Supplies	-	-	-	8,909	8,909
Economic Development	10,675	-	1,149,139	51,613	1,209,840
Repairs and Maintenance	-	798,400	-	-	798,400
Depreciation Expense	-	1,208,921	132,587	7,170	1,348,678
Debt Interest	-	1,590,808	148,523	-	1,739,332
Total component unit	<u>10,675</u>	<u>3,957,186</u>	<u>2,061,418</u>	<u>220,648</u>	<u>6,248,340</u>
General Revenues					
Rent Revenue	-	2,917,699	-	-	2,917,699
Sales Taxes	-	-	6,504,170	-	6,504,170
Memberships	-	-	-	85,810	85,810
Investing earning	-	10	63,978	403	64,391
Other	-	348,061	53,760	3,742	405,564
Net City Contributions	-	-	(956,915)	238,531	(718,384)
Total General Revenues & transfers	<u>-</u>	<u>3,265,770</u>	<u>5,664,993</u>	<u>328,486</u>	<u>9,259,249</u>
Changes in net position	(10,675)	(691,416)	3,603,575	107,837	3,009,321
Net position - beginning	(866,677)	(7,368,924)	12,301,615	-	4,066,014
Prior Period Adjustment	-	-	(77,415)	158,450	81,035
Net position - ending	<u>\$ (877,352)</u>	<u>\$ (8,060,340)</u>	<u>\$ 15,827,777</u>	<u>\$ 266,285</u>	<u>\$ 7,156,372</u>



NOTES TO THE FINANCIAL STATEMENTS

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Pharr, Texas (City) was founded in 1909 and was incorporated as a general law city on February 22, 1916. The City Charter was approved via election and adopted with an effective date of December 1, 1949. The charter established a City Manager form of government. The municipal government provided by the Charter of the City of Pharr shall be known as the Board of Commissioners. The Board of Commissioners shall consist of a Mayor and six (6) Commissioners, and which shall enact local legislation, adopt budgets, determine policies, and appoint the City Manager, who is held responsible to the Board of Commissioners for the execution of the laws and the administration of the government of the City.

The general governmental functions include law enforcement, fire, and other public safety activities, streets, sanitation, public improvements, public charities, parks and recreation, library services, zoning, and general administrative services. Enterprise funds are used to account for the operations of its utility, bridge, and golf operations.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United State of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (FASB), when applicable.

B. Financial Reporting Entity

The City's financial reporting entity comprises the following:

Primary Government: City of Pharr

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units with the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the city holds the corporate powers of the organization.
- the city appoints a voting majority of the organization's board.
- the city can impose its will on the organization.
- the organization has the potential to impose a financial benefit/burden on the City.
- there is fiscal dependency by the organization on the city.

Blended Component Unit

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is substantially the same as the City Commission and (1) there is a financial benefit or burden between the primary government and the component unit (2) city management holds power on the organization.

The city has two blended component units, Tax Increment Reinvestment Zone No. 1, and Tax Increment Reinvestment Zone No. 2. Information for these component units is stated below:

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Financial Reporting Entity

Tax Increment Reinvestment Zone No. 1-On March 2012, the City Commissioners created the Tax Increment Reinvestment Zone No. 1 (TIRZ No. 1). TIRZ is a separate entity with its own EIN; the entity has a total of four (4) board members, for which three (3) of them are part of the city's board of commissioners. TIRZ #1 board serves as an advisory board; any projects or changes in the entity will have to be approved by the city's commission to be executed. TIRZ#1 has no active employees, so all administrative documentation is done by the city's staff and approved by city management.

TIRZ No. 1 was established to provide a financing mechanism to facilitate a high-quality development in the Pharr area, created by ordinance No. O-2011-46 in September 2011, TIRZ No. 1 is set to expire on January 1, 2051, or when all project costs are paid and all debt is retired, whichever comes first. Separate financial statements issued by TIRZ No. 1 can be obtained by request at the following address: TIRZ No. 1 P.O. Box 1729 Pharr, TX 78577. The city contributes 60% of the agreed contributions every year; payments and disbursements need to be approved by the city manager.

Tax Increment Reinvestment Zone No. 2-On February 2015, the City Commissioners created the Tax Increment Reinvestment Zone No. 2 (TIRZ No. 2). TIRZ is a separate entity with its own EIN. The entity, just like TIRZ # 1, has a total of four (4) members, of which three (3) of them are part of the city's board commissioners. The board is only an advisory board. Any changes on the entity will need to be approved by the city commission, and all documentation is prepared by city staff and approved by the city manager.

TIRZ No. 2 was established to provide a financing mechanism to facilitate a high-quality development in the Pharr area, created by ordinance No. O-2015-52 in November 2015 TIRZ No. 2 is set to expire on January 1, 2035, or the date when all project costs are paid and all debt is retired, whichever comes first. Separate financial statements issued by TIRZ No. 2 can be obtained by request at the following address: TIRZ No. 2 P.O. Box 1729 Pharr, TX 78577. The city contributes 60% of the agreed contributions every year. Also, payments and disbursements need to be approved by the city manager.

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the financial data of the city's component unit. The unit is reported in a separate column to emphasize that they are legally separate from the city but are included because the primary government is financially accountable and can impose its will on the organization. This component unit subscribes to the accounting policies and procedures of the primary government.

Pharr Economic Development Corporation II, Inc. – (PEDC) is a nonprofit industrial development corporation organized for the same purpose as the PEDC 4a but with the legal authority to use sales tax funds for a broader range of projects. Sales taxes are collected under Section 4B of the Development Corporation Act of 1979 for these purposes. Voted by the citizens of Pharr on November 4, 2008, and ratified by the City Commission on November 10, 2008, via ordinance O-2008-49, the PEDC 4a was dissolved, and the PEDC was authorized to receive the sales tax revenue, which is its main revenue source. The primary government board members can also appoint and remove individuals from the component unit board. Primary government management is responsible for overseeing and approving financial operations and decisions concerning the organization. Separate financial statements issued by the PEDC can be obtained by request at the following address: PEDC- 1215 South Cage Blvd. Pharr, TX 78577.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Financial Reporting Entity- (continued)

The Greater Pharr Chamber of Commerce is a nonprofit corporation created on April 16, 2018, to create an environment in which Pharr businesses can succeed and thrive and promote economic development by creating and promoting community events to increase tourism in the City of Pharr. The primary government board members can also appoint and remove individuals from the component unit board. Primary government management is responsible for overseeing and approving financial operations and decisions concerning the organization. Separate financial statements issued by the Chamber of Commerce can be obtained by request at 1215 South Cage Blvd, Pharr, Texas 78577.

Pharr Housing Finance Corporation- On November 2015, the entity was created to carry out the purposes of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, which is to provide financially residential ownership and development to provide decent, safe, and sanitary housing for residents of the City of Pharr at prices they can afford. The Board of Directors is composed in its entirety of persons who are members of the governing body of the city and whose terms of office shall be fixed by and run concurrently with their respective terms of office on such governing body of the city. PHFC is considered a Discrete Component Unit based on the criteria established by GASB Statement No. 61. PHFC uses the same fiscal year as the City of Pharr.

PHFC Jackson Place Apartments-On November 2015, the entity was created to hold liability to construct an apartment complex located in the Pharr area to meet the purpose of the Texas Housing Finance Corporation Act mentioned above. The City Manager is the designated official to act as the corporation's Executive Director. PHFC Jackson Place Apartments is considered a Discrete Component Unit based on the criteria established by GASB Statement No. 61. The city serves as collateral for the construction loan Jackson place apartments have.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information on all the non-fiduciary financial information for the City and its component units. The primary government and component units are presented separately within the financial statements with a focus on the primary government. Eliminations have been made to minimize the double-counting of internal activities. Individual funds are not displayed but the statements distinguish governmental activities (generally supported by taxes and City general revenue) from business-type activities (generally financed in whole or in part with fees charged to external customers). The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements.

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

The fund financial statements provide reports on the financial condition and results of operations about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Government-Wide and Fund Financial Statements

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increase (revenues) and decrease (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred. 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 current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are franchise fees, licenses, charges for service, and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

E. Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

- *General Fund* – reports the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.
- *General Capital Improvements Fund*- This fund is used to account for all construction projects not accounted in enterprise funds.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Fund Types and Major Funds

Proprietary Funds

The City reports the following major enterprise funds:

- *Utility Fund* – accounts for the provision of water and sewer services to the residents of the city.
- *Pharr EMS* – accounts for the operations of the emergency medical service provided by the city.
- *Event Center* – accounts for an event venue to host concerts to attract tourism to the City of Pharr.
- *Bridge Fund* – accounts for the operating function of the City's international bridge with Mexico.
- *Golf Fund* – accounts for the operating function of the golf course including golf event hall, greens, pro-shop, and concessions.

Other Fund Types

Additionally, the City reports internal service funds which are used to account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis. These services include fleet management and health insurance. These are proprietary funds that are reported with governmental activities in the government-wide financial statements because most of the activity is for governmental activities. Direct expenses are not eliminated from the various functional categories, whereas indirect expenses are. Reimbursements are treated as a reduction of expenses.

F. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity

1. Cash and Investments

Cash of all funds, including restricted cash, are pooled into common pooled accounts to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month-end. An individual fund's pooled cash is available upon demand and are "cash equivalents" when preparing these financial statements. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Taxable property includes real property and certain personal property situated in the City. Certain properties of religious, educational, and charitable organizations, including the federal government and the State of Texas, are exempt from taxation. Additionally, there are other exemptions in arriving at the total assessed valuation of taxable property.

The valuations are subject to County-wide revaluation every three years. The effective tax rate is based upon the previous year's total assessed valuation.

Allowances for uncollectible tax receivables within the General and Debt Service funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and included as part of the allowance for uncollectible; except for tax receivables over 20 years, the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The city does not write off tax receivable greater than 20 years.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
 September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity

3. Inventories

The inventories are recorded at cost and are accounted for by the consumption method.

4. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible. The three main receivables that contain allowances are property taxes, utility accounts, and warrants. For these categories, the allowance was based on historical collection rates, the allowances are 2% for property taxes as well as for utility accounts, and 20% for warrants. As of February 2017, the city recommended doing 100% allowance for warrants older than 10 years.

5. Transactions between Funds

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

6. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets or donated works of art are valued at their acquisition value on the donated date. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant, and equipment.

Assets capitalized have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	50 Years
Infrastructure	30 Years
Improvements	20 Years
Water and Sewer System	30-50 Years
Machinery and Equipment	3-15 Years

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual, and sick leave balances. The City's policy allows employees to accumulate unused sick leave and extra compensation time on an unlimited basis and vacation leave based on the number of years of full-time employment with the City in accordance with the following chart:

Years of Employment	Pro-Rata Accrual Rate per Month
0-19 Years	10 hours (15 days per year)
20 & Over	13.33 hours (20 days per year)

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**F. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity-
(continued)**

Nonexempt employees may accumulate no more than a maximum of two years allotment of vacation leave as set above, except for civil service nonexempt employees, which can accumulate more than the maximum. Exempt employees can also accumulate more than the maximum. Sick leave may be accrued but will not be paid out to employees that leave before retirement.

8. Long-Term Obligations

In the government-wide, proprietary, and component unit financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method as the amount is immaterial against the effective interest method. Gain or loss on refunding are not netted against the liability but recorded in as deferred outflow/inflow of resources. Issuance cost is recorded as an expense for the period incurred and is no longer amortized over the life of the bond after implementing GASB Statement No. 65 and Statement No. 63. In the fund financial statements, long-term liabilities are not recorded in the governmental funds as the payment of the obligations will not be made by current financial resources. The governmental fund financial statements recognize the proceeds of debt as other financing resources.

9. Restricted Assets

The proceeds and required reserves of debt issuances are recorded as restricted assets as they are restricted for debt service and/or capital projects, payments, and/or purchases.

10. Net Position / Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available or are legally restricted by outside parties for use for a specific purpose.

11. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates by management. All estimates are made utilizing a conservative philosophy for both revenues and expenditures.

12. General Fund's Fund Balance Policy

The city has adopted GASB 54 through a resolution as part of its fiscal year ending September 30, 2011. Implementation of GASB 54 is required of all cities for the fiscal year ending in 2011. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the City's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances which are non-spendable and spendable.

Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, non-current advances to other funds that are not expected to be collected in the next fiscal year, and the principal (corpus) of an endowment fund. The City has inventories that are considered non-spendable, an encumbrance, and a non-current advance to the PEDC II. The City does not have any prepaid items or non-spendable funds related to an endowment.

In addition to non-spendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**F. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity-
(continued)**

-Restricted: Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation. All the City's restricted funds are from Special Revenue Funds, whose funds are revenues legally restricted to expenditures for a particular purpose.

-Committed: Fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The responsibility to commit funds rests with the elected City Commissioners and Mayor through an approved resolution. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. The City formally approved the recording of its self-named "Contingency" fund balance as committed. The Contingency fund balance policy is as follows:

The City shall strive to maintain the General Fund (not the combined reporting General Fund which consists of the Payroll, Contingency, and the General funds) committed fund balance at 90 days (25%) of the current year's original budget appropriation for operations and maintenance, which is defined as the total budget less capital outlay purchase, debt service, annual economic incentives, and the annual transfer from the General Fund to the other funds (Charter mandated contingency funding will not take place so long as the contingency fund is fully funded). This amount changes slightly from year to year; for this fiscal year, the General Fund committed balance was fully funded at the end of September 30, 2021.

These funds shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. The use of these funds will be approved by the City Commission. Use of these funds will be disclosed to the City Commission. If the required amount goes below the stated policy amount, the City will set aside enough portion of the upcoming fiscal year's budget to meet the required reserve amount. Any surpluses realized at year-end shall be used first to meet reserve policies, then capital replacement purposes, then retirement/extinguishing of debt.

-Assigned: Fund balances that contain self-imposed constraints of the government to be used for a purpose. The responsibility to assign funds rests with the City Manager. The only funds assigned relate to the accumulation of funds for future capital projects.

-Unassigned: Fund balance of the general fund that is not constrained for any purpose. This is also where negative amounts from the other categories of fund balance are recognized.

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the City typically first applies restricted resources, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to having been spent first out of assigned, then unassigned, and finally committed funds.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

1. Budget Policy and Practice

The City follows the procedures outlined below in establishing budgetary data reflected in the financial statements:

Annual budgets are legally adopted for all City funds with revenue and expense/expenditure activity. The City Charter states that between sixty (60) and ninety (90) days prior to the end of the fiscal year, the City Manager is required to submit to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed expenditures/expenses and the proposed method to finance them.

Dates for public hearings, the purpose of which is to obtain taxpayers' comments, are set by the Board of Commissioners at the time the budget is submitted to that body. The Board of Commissioners may add to, subtract from, or change appropriations, but may not change the form of the proposed budget.

Any changes must be within the revenue and reserves estimated as available by the City Manager. Prior to September 25 of each year, the budget is legally enacted through the passage of an ordinance.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations between/within a department in the same fund with the City Manager's approval. Transfers of appropriations between funds require the approval of the Board of Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

At any time during the fiscal year, the City Manager can reallocate expenditures within a fund without the approval of the Board of Commissioners. However, any revisions to the budget which increase the total budgeted expenditures/expenses within any fund must be approved by the Board of Commissioners.

As of September 30, 2021, the City of Pharr Commissioners approved four (4) Budget Amendments with a net effect of \$2,073,600 in expenditures over revenues which was available in bank account.

B. Excess of General Fund Expenditures over Appropriations

In FY 20-21, expenses in certain general fund departments exceeded their budgeted amount. These expenditures over budget are mainly due to two major unexpected events, one been the winter storm that hit the region during February 2021 and the other one been a mayor repair in our public safety communication building, and two incentives payments cover by the excess of sales taxes. The departments and excess of expenditures are listed below.

Department	Amount
Sanitation	\$ 22,350
Brush	101,596
Non-departmental	103,830
Economic Development	276,801
Library	12,019
Public Safety Communications	145,379
	\$ 661,975

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

C. Budget Basis of Accounting

The city prepares its annual budget on a basis (budget basis), which slightly differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are debt service transactions, capital outlay purchases, and the recording of bond/loan proceeds.

D. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None	Not applicable

E. Deficit Fund Equity/Net Position

The discretely component unit PHFC- Jackson Place Apartments shows a deficit in net position due to low occupancy and high loan payments. The investment for the construction of the apartments has not been able to recover up to this date.

F. Prior Period Adjustment

Prior period adjustments (PPA) were needed in several funds to properly state the correct financial position of the City. Last fiscal year PEDC and Chamber were reported as blended component unit, for FY 20-21 both entities change to discretely component unit to comply with GABS 61. PPA of component units and other are listed below.

<u>Purpose of Prior Period Adjustment</u>	<u>Amount</u>	<u>Total</u>
Governmental Funds:		
<u>General Fund:</u>		
To correct prior year receivables	\$ 156,163	
To correct prior year receivables	(63,898)	
To correct accruals	(14,872)	
To correct TIRZ#2 contribution	397,795	
To correct TIRZ#1 contribution	(121,138)	
To correct cash in budget savings	(187,698)	
		\$ 166,353
<u>General CIP:</u>		
To correct prior-year unearned revenue	(2,210,918)	(2,210,918)
<u>PEDC:</u>		
To adjust PEDC 2020 ending balance	(9,641,006)	(9,641,006)
<u>Other:</u>		
To adjust prior receivables	(46,729)	
To adjust Chamber 2020 ending balance	(121,335)	
To correct TIRZ#2 contribution	(397,795)	
To correct TIRZ#1 contribution	121,138	
Total Governmental Fund Adjustment		(444,721)
		(12,130,293)

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

F. Prior Period Adjustment

Government-Wide Adjustments

To adjust PEDC long-Term Debt	4,487,148	
To adjust Prior Long-Term Debt	(363,658)	
To adjust Prior Year capital assets	(300,882)	
To adjust Chamber and PEDC capital assets	(6,378,416)	
To adjust Prior City Garage adjustment	(21,916)	
To adjust PEDC Accrued interest	(18,016)	
To adjust PEDC compensated absences	106,540	
To adjust PEDC notes receivable	(923,365)	
To adjust PEDC contingency	600,000	
		<u>(2,812,565)</u>
Total Prior Period Adjustment		<u><u>\$ (14,942,858)</u></u>

During FY 20-21 event center closed their doors and EMS took all event center's capital assets, the PPA to adjust the transfer and correct other items are reflected in the table below.

<u>Purpose of Prior Period Adjustment</u>	<u>Amount</u>	<u>Total</u>
Proprietary Funds:		
<u>Enterprise Fund: Utility Fund:</u>		
To correct accounts receivable	\$ (2,480,421)	
To correct fixed assets	(1,412,457)	
To adjust prior year Payables	<u>98,114</u>	
		<u>\$ (3,794,764)</u>
<u>Enterprise Fund: EMS Fund</u>		
To adjust fixed assets	<u>3,578,132</u>	
		<u>3,578,132</u>
<u>Enterprise Fund: Event Center Fund:</u>		
To adjust fixed assets	<u>(3,202,640)</u>	
		<u>(3,202,640)</u>
<u>Enterprise Fund: Bridge Fund</u>		
To adjust prior year CIP's	<u>(563,996)</u>	
		<u>(563,996)</u>
<u>Enterprise Fund: Golf Fund</u>		
To adjust prior year lease payable	<u>(5,267)</u>	
		<u>(5,267)</u>
Total Proprietary Fund Adjustment		<u><u>\$ (3,988,535)</u></u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

A. Deposits and Investments

1. Deposits

The city's funds are required to be deposited and invested under the terms of a depository contract and investment policy pursuant to state statute. The depository bank deposits for safekeeping and trust with its agent approved pledged securities authorized by Chapter 2257 Collateral for Public Funds of the Government Code in an amount enough to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

On September 30, 2021, the carrying amount of all the City's bank deposits was \$142,797,583. The city has two depository accounts: Lone Star National Bank (LSNB) and Texas Regional Bank.

	Balance
LSNB Depository Account-City of Pharr	September 30, 2021
Insured	\$ 250,000
Security collateral issued by pledging bank's trust - Lonestar National bank	107,367,921
Security collateral issued by pledging bank's trust - Texas Regional Bank (over-collateralized)/under-collateralized	37,701,663 (2,522,001)
Total Deposits	\$ 142,797,583

Also, as of September 30, 2021, the carrying amount of the city's discretely presented component unit was \$4,293,599. The units use Lone Star National bank as a depository bank

	Balance
LSNB Depository Account- Componet units.	September 30, 2021
Insured	\$ 250,000
Security collateral issued by pledging bank's trust department in the City's name (over-collateralized)/under-collateralized	5,012,863 (969,264)
Total Deposits	\$ 4,293,599

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy of maintaining contact with the trust department of its depository agency to eliminate all custodial credit risk. As of September 30, 2021, the City's bank balance was not exposed to custodial credit risk and was over-insured and over-collateralized.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

A. Deposits and Investments

1. Deposits

In addition, the following is disclosed regarding coverage of combined balances on the date of the highest deposit:

- a. Depository: **LSNB and Texas Regional Bank**
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was **\$142,797,583.**
- c. The highest combined balances of cash accounts amounted to **\$122,352,912** and occurred during **July 2021.**
- d. The total amount of FDIC coverage at the time of the largest combined balance was \$250,000 during September 2021.

Restricted cash is defined as the cash balances restricted by the funder for a specific purpose. Total restricted cash at the end of September 30, 2021, amounted to \$101,235,473 with **\$7,036,894 that is classified as cash with fiscal agent**, which was covered by collateral held in the fiscal agents' trust departments, but not in the city's name. The rest of \$94,198,579 are bond proceeds under the city's name. The trust department pledges a pool of collateral against all trust deposits it holds. Banc of America leasing company, U.S. Bank corp. are the city's fiscal agents.

2. Investments

The city is required by Government Code Chapter 2256, The Public Funds Investment Act ("Act"), to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize the safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purposes financial statements disclosed that in the areas of investment practices, management reports and establish appropriate policies. The city adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local policies.

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the city was exposed to the following specific investment risks at year-end and if so, the reporting of certain related disclosures:

a. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the city was not exposed to interest rate risk. The City's investment policy states that no investment shall exceed 24 months in maturity. By limiting the exposure of its investments, the city reduces its risk to the rising or decreasing interest rates.

b. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year-end, the city was not exposed to credit risk.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

2. Investments

c. Custodial Credit Risk

Deposits and investments are exposed to custodial credit risk if they are not covered by depository insurance and the deposits and investments are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. At year end, the city was not exposed to custodial credit risk. See Note III A.1 for more information on this risk.

d. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the city was exposed to concentration of credit risk, but highly collateralized. With the City's investment policy, diversification is stressed.

The city followed its diversification investment guidelines. At the beginning of year, all deposits were placed into LSNB due to previous depository agreement given a rate of return of 2%, now with a renewed agreement, rates are lower, and diversification is even needed more. The City invested in TexPool a portion of its contingency fund as of May 2016 of last year and has accrued interest since then.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

The City of Pharr Investment activity as of September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Market Value</u>
Texpool Investments	\$ 143,298	\$ 2,000,314	\$ -	\$ 2,143,612	\$ 2,143,612
Texpool Investments	-	5,000,329	-	5,000,329	5,000,329
LSNB-CD	300,000	9,437	-	309,437	309,437
LSNB-CD	300,000	-	-	300,000	300,000
Total	<u>\$ 743,298</u>	<u>\$ 7,010,080</u>	<u>\$ -</u>	<u>\$ 7,753,378</u>	<u>\$ 7,453,378</u>

GASB No. 79 requires additional note disclosure requirements for qualifying external investment pools that measure all their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Texpool revised its Investment Policy to comply with GASB No. 79 as of August 2017 which includes the use of amortized cost to value portfolio assets and the following guidelines to maintain the portfolio consistent with a stable net asset value per share:

- The maximum remaining maturity of any security of other investment acquired for the portfolio shall be 397 calendar days or less.
- The portfolio should maintain a weighted average maturity of 60 days or less.
- The portfolio should maintain a weighted average life of 120 days or less.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

B. Receivables

Receivables for the City on September 30, 2021, were as follows:

	Governmental Activities			Business-Type Activities					
	General	Other	Total	Utility	Port Center	RMS	Bridge	Golf	Total
Property taxes	\$ 2,306,407	\$ 899,457	\$ 3,205,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Warrants	14,102,094	-	14,102,094	-	-	-	-	-	-
Sales Tax	3,442,533	-	3,442,533	-	-	-	-	-	-
Notes	-	55,889	55,889	-	-	-	-	-	-
Accounts	1,218,079	119,651	1,337,730	4,109,722	-	1,023,573	31,365	18,446	5,183,106
Intergovernmental	-	11,552,749	11,552,749	-	-	-	-	-	-
Covid Grant	-	-	-	-	-	-	-	-	-
PEDC	200,000	-	200,000	-	-	-	-	-	-
Jackson Place Apts	4,959,245	-	4,959,245	-	-	-	-	-	-
Other	524,156	372,047	896,203	-	150,360	-	-	-	150,360
Gross receivables	76,842,507	12,999,803	89,842,310	4,109,722	150,360	1,023,573	31,365	18,446	5,333,456
Less: allowance for uncollectible	(11,586,584)	(69,850)	(11,656,434)	(923,479)	-	-	-	-	(923,479)
Net total receivable	\$ 15,255,923	\$ 12,929,953	\$ 28,185,876	\$3,186,242	\$ 150,360	\$ 1,023,573	\$ 31,365	\$ 18,446	\$ 4,409,986

B-1. Notes Receivable

In the Notes Receivables for the Pharr Economic Development Corporation the loans for Pharr Bridge investment and Big River brewery were paid off during this fiscal year, as for Stormy color and Moonbeans loans were written off as a bad debt expense. As September 30, 2021, the balances were as follows:

Note	Outstanding Balance		Outstanding Balance	
	As of 10/1/2020	Increases	Decreases	As of 9/30/2021
Reyes Garza, 05/13/2012, for the amount of \$27,021.68 at an interest rate of 6.00% with maturity on April 13, 2027.	\$ 14,948	\$ -	\$ 155	\$ 14,793
Moonbeans Coffee, 04/01/15, for the amount of \$117,122.99 at an interest rate of 4.00% with maturity on August 01, 2019.	92,889	-	92,889	-
Stormy Colors, 07/01/2015, for the amount of \$40,000 at an interest rate of 5.00% with maturity on 08/01/2017	40,000	-	40,000	-
Pharr Bridge Investment, 02/11/2016, for the amount of \$900,000 at an interest rate of 4.00% with maturity on March 28, 2021	76,404	-	76,404	-
Rositas Taste of the Valley, 02/06/2017, for the amount of \$62,0000 at an interest rate of 5% with maturity on February 06, 2022.	27,725	-	7,474	20,251
Trancasa, 02/15/18, for the amount of \$600,000 at an interest rate of 6.00% with maturity on March 15, 2026.	480,573	200,000	110,982	569,591
Big River Brewery, 05/27/2018, for the amount of \$180,000 at an interest rate of 6.00% with maturity on April 27, 2021.	190,826	-	190,826	-
Totals	\$ 923,365	\$ 200,000	\$ 518,730	\$ 604,635

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

C. Payables

Payables for the City on September 30, 2021, were as follows:

	Governmental	Business-Type Activities						
	Governmental	Utility	EMS	Event Center	Bridge	Colt	Business Type Total	Total
Vendors	\$ 6,192,980	\$ 378,045	\$ 254,304	\$ -	\$ 533,924	\$ 84,110	\$ 1,250,383	\$ 7,713,363
Salaries & benefits	1,538,242							1,538,242
Retainage fees	1,439,333							1,439,333
Accrued interest	155,225	86,493			101,434		187,927	343,152
Customer deposit payable		577,598					577,598	577,598
Total payables	\$ 9,625,780	\$ 1,042,135	\$ 254,304	\$ -	\$ 635,358	\$ 84,110	\$ 2,015,908	\$ 11,641,688

D. Escrows

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of unearned revenue were mainly Escrow Liability Accounts which are comprised of the following:

	As of September 30, 2021
Water & Sewer	\$ 169,283
Police	156,560
Media	51,620
Fire	98,220
Library	66,951
Public Works	217,144
Court	309,383
Subdivision and Improvements	1,412,471
Public Safety communications	56,893
Other administration	123,043
	<u>\$ 2,661,568</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

E. Interfund Balances

The City reports interfund balances between many of its funds. The total of all balances agrees with the sum of interfund balances presented in the statements of net position/balance sheets for governmental and enterprise funds. The interfund balances are operational and short-term in nature. Interfund balances on September 30, 2021, consisted of the following:

General Fund	PURPOSE	
DUE FROM:		
Governmental Funds:		
CDBG	\$ 62,677	To advance funds for expenditures
Grant Fund	247,424	To advance funds for expenditures
City Garage	28,317	To advance funds for expenditures
Utility	517,248	To advance funds for expenditures
EMS	1,573,539	To advance funds for payroll expenditures
Event Center	17,615	To advance funds for payroll and operating expenditures
Bridge	170,729	To advance funds for payroll expenditures
Golf	99,089	To advance funds for payroll expenditures
General Fund	\$ 2,716,638	
General Fund	\$ 61,703	To advance funds for expenditures
Seized Assets	\$ 61,703	
Grand Total	\$ 2,778,342	

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

F. Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Primary Government					
Governmental Activities:					
<i>Capital assets, not being depreciated:</i>					
Land and right of way	\$ 14,818,552	\$ -	-	\$ -	\$ 14,818,552
Construction in Progress	22,234,539	18,167,988	-	(144,444)	40,258,084
Total capital assets, not being depreciated	<u>37,053,092</u>	<u>18,167,988</u>	<u>-</u>	<u>(144,444)</u>	<u>55,076,636</u>
<i>Capital assets, being depreciated:</i>					
Buildings	43,440,091	-	-	-	43,440,051
Machinery and equipment	32,102,641	1,646,463	-	(786)	33,748,318
Improvements other than buildings	50,624,822	11,932,354	-	-	62,557,175
Infrastructure	89,248,802	1,300,194	-	(11,400)	90,537,596
Total capital assets, being depreciated	<u>215,416,356</u>	<u>14,879,011</u>	<u>-</u>	<u>(12,186)</u>	<u>230,283,140</u>
Less accumulated depreciation for:					
Buildings	15,171,835	936,382	-	36,123	16,144,339
Machinery and equipment	23,869,320	2,016,652	-	-	25,885,972
Improvements other than buildings	5,481,430	2,542,178	-	108,129	8,131,737
Infrastructure	60,195,132	1,682,523	-	-	61,877,655
Total accumulated depreciation	<u>104,717,717</u>	<u>7,177,735</u>	<u>-</u>	<u>144,252</u>	<u>112,039,704</u>
Total capital assets, being depreciated, net	<u>110,698,640</u>	<u>7,701,275</u>	<u>-</u>	<u>156,438</u>	<u>118,243,436</u>
Governmental activities capital assets, net	<u>\$ 147,751,732</u>	<u>\$ 25,869,263</u>	<u>\$ -</u>	<u>\$ (300,882)</u>	<u>\$ 173,320,075</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

F. Capital Assets

Business-Type Activities:	Beginning				Ending
<i>Capital assets, not being depreciated:</i>	Balance	Increases	Decreases	Adjustments	Balance
Water Rights	\$ 3,450,000	\$ -	\$ -	\$ -	\$ 3,450,000
Land and right of way	6,897,338	-	-		6,897,338
Construction in Progress	10,111,075	8,622,711	5,721,760	(496,347)	12,515,679
Total capital assets, not being depreciated	20,458,413	8,622,711	5,721,760	(496,347)	22,863,017
 <i>Capital assets, being depreciated:</i>					
Buildings	32,502,500	2,246,102	-	-	34,748,599
Machinery and equipment	19,905,892	5,687,690	-	-	25,593,582
Improvements other than buildings	11,901,796	3,412,953	-	-	15,314,449
Infrastructure	154,918,942	2,399,993	-	5	157,319,779
Total capital assets, being depreciated	219,229,130	13,746,738	-	5	232,976,408
 Less accumulated depreciation for:					
Buildings	19,030,467	726,596	-	-	19,757,063
Machinery and equipment	14,866,234	1,047,557	-	4,224,687	20,137,975
Improvements other than buildings	3,853,541	852,282	-	-	4,705,823
Infrastructure	52,015,064	4,707,599	-	(15,809)	56,706,854
Total accumulated depreciation	89,765,306	7,334,033	-	4,208,878	101,307,714
Total capital assets, being depreciated, net	<u>129,463,824</u>	<u>6,412,705</u>	<u>-</u>	<u>(4,208,375)</u>	<u>131,668,695</u>
Business-Type activities capital assets, net	<u>149,922,237</u>	<u>15,035,415</u>	<u>5,721,760</u>	<u>(4,704,722)</u>	<u>154,531,712</u>
 Total Primary Government	 <u>\$ 297,673,969</u>	 <u>\$ 40,904,679</u>	 <u>\$ 5,721,760</u>	 <u>\$ (5,005,604)</u>	 <u>\$ 327,851,787</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

F. Capital Assets

Component Unit- Discretely PEDC

Capital assets, not being depreciated:

Land and right of way	\$ 4,858,106	\$ -	\$ -	\$ -	\$ 4,858,106
Construction in Progress	-	3,237,346	-	-	3,237,346
Total capital assets, not being depreciated	<u>4,858,106</u>	<u>3,237,346</u>	<u>-</u>	<u>-</u>	<u>8,095,452</u>

Capital assets, being depreciated:

Buildings	747,170	-	-	-	747,170
Improvement other than buildings	1,640,656	-	-	-	1,640,656
Machinery and equipment	144,340	49,345	-	-	193,685
Total capital assets, being depreciated	<u>2,532,166</u>	<u>49,345</u>	<u>-</u>	<u>-</u>	<u>2,581,511</u>

Less Accumulated Depreciation

Buildings	462,024	28,089	-	-	490,113
Improvement other than buildings	467,180	96,468	-	-	563,648
Machinery and equipment	113,123	8,031	-	-	121,154
Total Accumulated Depreciation	<u>1,042,327</u>	<u>132,587</u>	<u>-</u>	<u>-</u>	<u>1,174,914</u>
Total Capital assets, being depreciated, net	1,489,839	(83,242)	-	-	1,406,597

Component Unit - Discretely Chamber

Capital assets, being depreciated:

Buildings	-	-	-	-	-
Improvement other than buildings	-	-	-	-	-
Machinery and equipment	35,848	-	-	-	35,848
Total capital assets, being depreciated	<u>35,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,848</u>

Less Accumulated Depreciation

Buildings	-	-	-	-	-
Improvement other than buildings	-	-	-	-	-
Machinery and equipment	5,377	7,170	-	-	12,547
Total Accumulated Depreciation	<u>5,377</u>	<u>7,170</u>	<u>-</u>	<u>-</u>	<u>12,547</u>
Total Capital assets, being depreciated, net	30,471	(7,170)	-	-	23,301

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

F. Capital Assets

Component Unit-Discretely PHFC

PHFC Capital assets, not being depreciated:

Land and right of way	1,500,000	-	-	-	1,500,000
Total capital assets, not being depreciated	1,500,000	-	-	-	1,500,000

PHFC Capital assets, being depreciated:

Buildings	26,502,558	-	-	-	26,502,558
Improvement other than buildings	-	-	-	-	-
Machinery and equipment	153,683	-	-	-	153,683
Total capital assets, being depreciated	26,656,241	-	-	-	26,656,241

Less Accumulated Depreciation

Buildings	1,766,837	1,177,891	-	-	2,944,728
Improvement other than buildings	-	-	-	-	-
Machinery and equipment	69,001	31,030	-	-	100,031
Total Accumulated Depreciation	1,835,838	1,208,921	-	-	3,044,759
Total Capital assets, being depreciated, net	24,820,403	(1,208,921)	-	-	23,611,482
Component Unit-Blended capital assets, net	32,668,348	1,279,247	-	-	34,636,832
 City-Wide capital assets, net	 \$ 330,342,317	 \$ 42,183,926	 \$ 5,721,760	 \$ (5,005,604)	 \$ 362,488,618

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

G. Long-Term Obligations

The following schedule summarizes the changes in long-term debt during the year ended September 30, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Refunding Bonds Payable	\$ 1,430,000	\$ -	\$ 1,430,000	\$ -	\$ -
Certificates of Obligation	68,975,000	-	1,890,000	67,085,000	2,940,000
Unamortized Premium/(Discount)	4,389,403	-	383,467	4,005,936	-
Capital Leases	6,358,366	1,788,000	1,983,984	6,162,382	1,543,835
CDBG Section 108 Note Payable	3,245,000	-	\$ 295,000	2,950,000	295,000
LSNB Tax Notes	4,683,166	-	\$ 1,025,667	3,657,499	1,071,504
Other Post Employment Benefits	1,384,039	297,596	-	1,681,635	-
Accrued Compensated Absences	5,466,932	3,029,438	2,759,315	5,737,055	1,434,264
Net Pension Liability-GASB 68	6,683,755	-	1,027,951	5,655,804	-
Total Governmental Activities	\$ 102,653,527	\$ 5,128,778	\$ 13,554,699	\$ 96,972,710	\$ 7,293,952
Deferred Outflow/Inflow of Resources					
Unamortized Gain/(loss) on Refunding	\$ (48,780)	\$ -	\$ (48,780)	\$ -	\$ -
	\$ (48,780)	\$ -	\$ (48,780)	\$ -	\$ -
Business-Type					
Revenue Bonds Payable	\$ 51,603,000	\$ 40,582,000	\$ 2,186,000	\$ 89,999,000	\$ 3,673,000
Refunding Revenue Bonds Payable	14,010,000	-	2,145,000	11,865,000	2,240,000
Unamortized Premium/(Discount)	2,446,660	-	430,521	2,016,139	-
Unamortized Premium/(Discount)	-	8,030,495	-	8,030,495	-
Capital Leases	3,911,038	-	1,189,447	2,721,591	959,934
Accrued Compensated Absences	777,479	929,032	883,266	823,245	204,658
Total Business-Type Activities	\$ 72,748,177	\$ 49,541,527	\$ 6,834,234	\$ 115,455,472	\$ 7,077,593

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

G. Long-Term Obligations

Long-term bonded and revenue supported obligations outstanding on September 30, 2021, is comprised of the following:

	Original Issuance	Series	Type	Name	Payment Installments	Installments		Interest Rates		Payment Through	Current Balance
						Lowest	Highest	Lowest	Highest		
Governmental Activities	\$ 9,120,000	2015B	Refunding Bonds	GO	Annual	\$ 905,000	\$ 1,535,000	3.75%	5.00%	8/15/2021	\$ -
	Subtotal-Refunding Bonds										
	\$ 7,625,000	2012	Certificate of Obligation	CO	Annual	\$ 295,000	\$ 535,000	0.60%	4.98%	8/15/2032	\$ 3,735,000
	\$ 14,290,000	2016	Certificate of Obligation	CO	Annual	\$ 190,000	\$ 1,035,000	1.13%	3.60%	2/15/2036	13,505,000
	\$ 17,240,000	2017	Certificate of Obligation	CO	Annual	\$ 355,000	\$ 2,640,000	1.45%	2.79%	8/15/2031	13,530,000
	\$ 16,440,000	2018	Certificate of Obligation	CO	Annual	\$ 70,000	\$ 1,440,000	2.08%	3.52%	8/15/2038	14,830,000
	\$ 25,000,000	2020	Certificate of Obligation	CO	Annual	\$ 890,000	\$ 2,625,000	3.00%	3.00%	8/15/2039	21,485,000
	Subtotal-Certificate of Obligation										
	\$ 7,300,000	2017	Tax Notes	TN	Monthly	\$ 941,000	\$ 1,167,000	4.25%	4.25%	12/1/2024	\$ 3,657,499
	Subtotal-Tax Notes										
\$ 5,600,000	2017	HUD Section 108 Loan	HUD 108	Annual	\$ 294,000	\$ 295,000	1.28%	1.73%	8/15/2031	\$ 2,950,000	
Subtotal-Section 108 Loan											
Governmental Total											
\$ 73,692,499											
Business-Type Activities	\$ 13,310,000	2007A	Revenue Bonds-DWSFR	WW & SS	Annual	\$ 380,000	\$ 1,075,000	2.35%	3.50%	9/1/2027	\$ 6,010,000
	\$ 10,000,000	2007B	Revenue Bonds-NADBANK	WW & SS	Annual	\$ 385,000	\$ 685,000	3.75%	3.75%	9/1/2027	3,770,000
	\$ 8,725,000	2013	Revenue Bonds-DWSFR	WW & SS	Annual	\$ 255,000	\$ 400,000	0.00%	2.71%	9/1/2042	6,685,000
	\$ 1,762,000	2015	Revenue Bonds-DWSFR	WW & SS	Annual	\$ 72,000	\$ 117,000	0.59%	4.10%	9/1/2035	1,322,000
	\$ 18,150,000	2020A	Revenue Bonds-CWSFR	WW & SS	Annual	\$ 115,000	\$ 780,000	0.03%	0.22%	9/1/2049	17,950,000
	\$ 13,880,000	2020B	Revenue Bonds-CWSFR	WW & SS	Annual	\$ 115,000	\$ 590,000	0.04%	0.32%	9/1/2049	13,680,000
	\$ 37,425,000	2021	Revenue Bonds - CT&IBR	CT & IBR	Annual	\$ 1,395,000	\$ 2,850,000	3.00%	5.00%	8/15/2041	37,425,000
	\$ 3,157,000	2021	Revenue Bonds - CT&WR	WW & SS	Annual	\$ 105,000	\$ 106,000	0.00%	0.00%	8/15/2051	3,157,000
	Subtotal-Revenue Bonds										
	\$ 9,755,000	2005A	Refunding Bonds	CT & IBR	Annual	\$ 510,000	\$ 740,000	3.63%	4.50%	8/15/2022	\$ 705,000
\$ 18,000,000	2017	Refunding Bonds	WW & SS	Annual	\$ 1,220,000	\$ 2,160,000	3.29%	3.62%	8/15/2028	11,160,000	
Subtotal-Refunding Bonds											
Business-Type Total											
\$ 101,864,000											

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

G. Long-Term Obligations

1. Bonds Payable

Debt service requirements of bonds payable on September 30, 2021, are as follows:

Year Ended September 30,	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,940,000	\$ 2,787,465	\$ 5,727,465	\$ 3,813,000	\$ 2,722,206	\$ 6,535,206
2023	4,338,660	2,553,626	6,892,286	3,925,000	2,509,676	6,434,676
2024	4,782,593	2,444,210	7,226,803	5,451,000	2,374,662	7,825,662
2025	3,445,500	2,314,516	5,760,016	5,658,000	2,168,026	7,826,026
2026	3,575,000	2,180,329	5,755,329	5,876,000	1,951,842	7,827,842
2027-2032	21,108,247	9,853,650	30,961,897	28,933,000	8,126,396	37,059,396
2033-2049	26,895,000	3,970,750	30,865,750	48,208,000	7,081,230	55,289,230
	<u>\$ 67,085,000</u>	<u>\$ 22,133,795</u>	<u>\$ 62,323,796</u>	<u>\$ 101,864,000</u>	<u>\$ 19,852,808</u>	<u>\$ 73,508,808</u>

2. Tax Notes Payable

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 1,071,563	\$ 136,553	\$ 1,233,907
2023	1,118,660	89,456	1,233,907
2024	1,167,708	40,408	1,221,438
2025	299,568	2,150	301,718
	<u>\$ 3,657,499</u>	<u>\$ 268,567</u>	<u>\$ 3,990,970</u>

3. Notes Payable

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 295,000	\$ 91,627	\$ 386,627
2023	295,000	83,662	378,662
2024	295,000	75,078	370,078
2025-2030	2,065,000	271,429	2,336,429
	<u>\$ 2,950,000</u>	<u>\$ 521,796</u>	<u>\$ 3,471,796</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

G. Long-Term Obligations

4. Capital Leases Payable

Capital leases payable on September 30, 2021, is comprised of the following issues:

Capital Leases	Governmental	Business-Type	Total
\$480,000 lease payable; due in monthly installments of \$6,114, including interest, through May 12, 2022; interest at 1.93%. All funds used to purchase Machinery & Equipment.	\$ 48,556	\$ -	\$ 48,556
\$2,685,000 lease payable, due in annual installments of \$325,947 including interest, through January 2026 at 3.69% LED Lighting Project City-Wide	1,463,784	-	1,463,784
\$254,694 lease payable; due in semi-annual installments of \$19,622 including interest, through May 1, 2023; interest at 2.05%. All funds used to purchase Public Works Units	79,189	-	79,189
\$979,455 lease payable; due in semi-annual installments of \$55,045 including interest, through May 1, 2026; interest at 2.28%. All funds used to purchase Fire Truck and Equipment	517,455	-	517,455
\$3,219,500 lease payable; due in monthly installments of \$56,269 including interest, through February 15, 2022; interest at 2%. All funds used to purchase General, Bridge and Golf Fund equipment	94,745	185,231	279,976
\$482,200 lease payable; due in quartely installments of \$25,638 including interest, through October 15, 2022; interest 2.62% All fund used to purchase Parks and Bridge equipment.	115,537	9,520	125,057
\$2,897,100 lease payable, due in quartely installments of \$113,435 including interest, through October 15, 2024; interest 2.78% All funds used to purchase city vehicles, public utilities equipment, bridge office expansion and golf house renovations.	212,463	1,192,850	1,405,313
\$955,000 lease payable, due in quartely installments of \$27,489 including interest, through October 15, 2027; interest 2.97% All funds used for city-wide air conditioning repairs, fire equipment and irrigation repairs for the golf course.	539,885	85,073	624,957
\$200,000 lease payable, due in quartely installments of \$10,827 including interest, through August 31 2023; interest 3.41% All funds used for International Bridge Security Camaras.	-	83,384	83,384
\$619,000 lease payable, due in quartely installments of \$53,700 including interest, through December 15 2021; interest 2.96% All funds used to purchase Police vehicles and new Human Resources software	53,070	-	53,070
\$212,000 lease payable, due in quartely installments of \$11,374 including interest, through December 15 2022; interest 3.02% All funds used to purchase Fire and IT equipment, Golf course replacement for old gator carts for greens.	93,028	5,582	98,610

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

G. Long-Term Obligations

4. Capital Leases Payable

Capital Leases	Governmental	Business-Type	Total
\$138,000 lease payable, due in quarterly installments of \$5,462 including interest, through October 31 2024; interest 3.12% All funds used to purchase general fund equipment and Golf course Equipment.	77,240	9,419	86,659
\$3,695,500 lease payable, due in quarterly intallments of \$193,031 including interest, through December 6, 2024; interest 2.37% All funds used to purchase general fund equipment and bridge office expansion.	1,279,062	1,150,531	2,429,593
\$1,788,000 lease payable. Due in quarterly intallments of \$70,435 including interest, through November 23, 2030; interest 1.385% All funds used to purchase general fund equipment	1,588,367	-	1,588,367
	<u>\$ 6,162,381</u>	<u>\$ 2,721,591</u>	<u>\$ 8,883,972</u>

Assets purchased with the lease funds are included in the City's capital assets and depreciation expense. Debt service requirements of capital leases obligations on September 30, 2021, are as follows:

Year Ended September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,048,114	\$ 140,119	\$ 2,188,233	\$ 1,294,015	\$ 43,092	\$ 1,337,107
2023	956,083	101,899	1,057,982	779,083	35,722	814,805
2024	997,446	72,914	1,070,360	480,844	24,101	504,945
2025	872,075	53,170	1,050,616	109,365	6,894	116,259
2026	760,508	14,839	886,913	58,284	2,512	60,796
2027-2030	528,156	19,156	779,664	-	-	--
	<u>\$ 6,162,381</u>	<u>\$ 402,097</u>	<u>\$ 7,033,768</u>	<u>\$ 2,721,591</u>	<u>\$ 112,321</u>	<u>\$ 2,328,967</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

G. Long-Term Obligations

5. Notes Payable

Long-term notes payable outstanding on September 30, 2021, is comprised of the following:

Original Issuance	Issuer	Name	Payment Installments	Installments		Interest Rates		Payment Through	Current Balance
				Lowest	Highest	Lowest	Highest		
\$5,600,000	Housing and Urban Development	CDBG HUD Section 108	Annual	\$ 294,000	\$ 295,000	0.49%	1.73%	8/1/2031	\$ 2,950,000
								Subtotal City of Pharr Governmental	\$ 2,950,000

Debt service requirements of notes payable on September 30, 2021, are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 295,000	\$ 91,627	\$ 386,627
2023	295,000	83,662	378,662
2024	295,000	75,078	370,078
2025-2030	2,065,000	271,429	2,336,429
	<u>\$ 2,950,000</u>	<u>\$ 521,796</u>	<u>\$ 3,471,796</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

G. Long-Term Obligations

6. Debt Disclosure and Currently Defeased Debt

The city has entered a continuing disclosure undertaking to provide Annual Reports and Material Events Notices to the State Information Depository of Texas, which is the Municipal Advisory Commission. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City. In 2005, 2008 and 2011 the City defeased certain outstanding general obligation, certificates of obligation, and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust accounts for the defeased bonds and are not included in the City's financial statements. On September 30, 2021, the following outstanding bonds are considered defeased:

General Obligation Bonds		
Interest rates:	5.00% - 5.53%	
Series	2003	\$ 4,470,000
Waterworks & Sewer System Revenue Bonds		
Interest rates:	4.15% - 6.74%	
Series	1996 through 1998a	1,073,000
		\$ 5,543,000
Bonds legally defeased		\$ 5,543,000

7. Accrued Compensated Absences

Accrued compensated absences (vested sick and vacation leave) are payable from the fund responsible for the employee's compensation. As of September 30, 2021, the owning fund of the liability is as follows:

Owning Fund of Liability	Amount
General	\$ 5,736,357
Community Development	699
Garage	37,399
Utility	473,672
EMS	79,022
Bridge	222,835
Golf	47,714
	\$ 6,597,698

8. Arbitrage

The City has issued long-term debt for capital construction projects. These bonds are subject to the arbitrage regulations. Arbitrage regulations call for the return of the difference in interest revenue against interest expense. On September 30, 2021, there was no liability of arbitrage that would have been owed to the federal government.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
 September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

H. Interfund Transfers

The City reports interfund transfers between many of its funds. Interfund transfers for the year ended September 30, 2021, consisted of the following:

		TRANSFER FROM Governmental Funds							
		General	Parkland	Hotel/ Motel	Covid Relief	CIP	Paving & Drainage	CDBG	Total Governmental
TRANSFER TO	General	\$ -	\$ 217,753	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 277,753
	Capital Projects	2,777,428	-	380,700	-	-	1,066,300	-	4,224,428
	Debt Service	326,100	-	-	-	-	-	-	326,100
	Total governmental	3,103,528	217,753	440,700	-	-	1,066,300	-	4,828,281
	Utility	69,200	-	-	-	-	-	-	69,200
	Garage	36,892	-	-	-	-	-	-	36,892
	Event Center	252,700	-	-	-	-	-	-	252,700
	Health Insurance	140,878	-	-	-	-	-	-	140,878
	EMS	-	-	-	3,332,760	-	-	-	3,332,760
	Bridge	20,300	-	-	-	-	-	-	20,300
Golf	371,012	-	-	-	-	-	-	371,012	
Total enterprise	890,982	-	-	3,332,760	-	-	-	4,223,742	
Total	\$ 3,994,510	\$ 217,753	\$ 440,700	\$ 3,332,760	\$ -	\$ 1,066,300	\$ -	\$ 9,052,024	

The reasons for the transfers vary from operational, to reimbursements, to debt service payment supplements. The following details state the exact purpose of the transfers.

The transfers on this page are related to Governmental transactions.

General Fund:

- The Transfer from General Fund to debt service is to cover for debt service payment of associated with Envirolite city-wide project.
- Transfer from General Fund to Capital Projects to cover for main unrestricted projects
- To cover for health insurance expense.
- Transfer to cover garage fund expenses.

Other:

- The transfer from Hotel Funds to General fund for city festivals.
- The transfer from Paving & Drainage to CIP is to cover for a portion of debt service payment for Tax Notes 2017.
- The transfer from Hotel fund to CIP is to cover for a portion of debt service payment for Tax Notes 2017.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
 September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

H. Interfund Transfers

		TRANSFER FROM Enterprise Funds					
		Utility	Utility CIP	Bridge	Bridge CIP	Total Enterprise	Grand Total
TRANSFER TO	General	\$ 701,200	\$ -	\$ 7,809,867	\$ 1,920,000	\$ 10,431,067	\$ 10,708,820
	Capital Projects	-	2,810,000	-	-	\$ 2,810,000	7,034,428
	Debt Service	-	-	1,377,200	-	1,377,200	1,703,300
	Total governmental	701,200	2,810,000	9,187,067	1,920,000	14,618,267	19,446,548
	Utility	-	-	-	-	-	69,200
	Garage	-	-	-	-	-	-
	Event Center	-	-	-	-	-	252,700
	Health insurance	-	-	-	-	-	140,878
	EMS	-	-	-	-	-	3,332,760
	Bridge	-	-	-	-	-	20,300
Golf	-	-	-	-	-	371,012	
Total enterprise	-	-	-	-	-	4,186,850	
Total		\$ 701,200	\$ 2,810,000	\$ 9,187,067	\$ 1,920,000	\$ 14,618,267	\$ 23,633,397

Enterprise Funds:

- The transfer from Utility to the general fund is to pay annual service fees for administrative services.
- The transfer from Bridge CIP to General CIP to reimburse expenses.
- The transfer from Bridge to the General Fund is for the following:

Purpose	FY 20/21
GF Operations	\$ 7,324,400
Golf Operations	485,467
Total	\$ 7,809,867

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

I. Restricted Assets

The balances of the restricted asset as of September 30, 2021, are as follows:

<u>Governmental Funds</u>	
Capital Outlay	\$ 1,699,254
Capital Improvement Projects	13,423,497
Grant Receivables	337,339
Grant Receivable - Covid	<u>14,116,434</u>
Total restricted assets-governmental funds	29,576,524
<u>Business-Type Funds</u>	
Capital Outlay	827,640
Capital financing-Utility	40,303,397
Debt reserves - Utility	4,379,932
Capital financing-Bridge	40,210,143
Grants Receivable - FY 15 DAP	1,546,858
Debt reserves-Bridge	<u>391,611</u>
Total restricted assets-business-type funds	<u>\$ 87,659,580</u>
Total restricted assets	<u>\$ 117,236,104</u>

IV. OTHER INFORMATION

A. Risk Management

The city is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees (workman's compensation), and natural disasters. During the fiscal year, the City obtained general liability coverage at a cost that is economically justifiable by joining with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as common risk management and insurance program. The city pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims more than acceptable risk levels; however, each category of coverage has its own level of reinsurance. The city continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years. A copy of TML's Comprehensive Annual Report may be obtained by request at the following address:

Texas Municipal League
1821 Rutherford Lane, Suite 400
Austin, TX 78754-5128

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

1. Health Care Coverage

As of January 2018, the City transitioned from fully funded to self/partially funded. The health provider is now United Health Care with Lone Star Insurance services as an agent of record. The City now funds its claims monthly through a separate bank account managed through the agent. The City pays for 100% of the employees' insurance cost and 50% of the employee's dependent's insurance cost with the following plans:

Coverage Type	Monthly Cost to Employee	Monthly cost to City	Total Monthly Cost
Employee Only	\$ -	\$ 149.74	\$ 149.74
Employee and Spouse	\$ 206.08	\$ 149.74	\$ 355.82
Employee and Child(ren)	\$ 189.25	\$ 149.74	\$ 338.99
Employee and Family	\$ 408.28	\$ 149.74	\$ 558.02

Coverage Type	Monthly Cost to Employee	Monthly cost to City	Total Monthly Cost
Employee Only	\$ 16.97	\$ 149.74	\$ 166.71
Employee and Spouse	\$ 239.62	\$ 149.74	\$ 389.36
Employee and Child(ren)	\$ 221.42	\$ 149.74	\$ 371.16
Employee and Family	\$ 458.05	\$ 149.74	\$ 607.79

For more detailed information about United HealthCare please contact:

United Healthcare
2000 West Loop South, Suite 900
Houston, TX 77027

2. Post-Retirement Health Care Benefits

The City provides certain health care and life insurance benefits, under City ordinance, for:

- A. A retired person and their dependents covered under the City of Pharr's health insurance plan, prior to January 1, 2009, shall be entitled to continued coverage at the municipality's expense not to exceed \$275 per month for the retiree, and fifty percent of the cost of coverage for the dependent or \$225 whichever is less. When a retiree reaches the age of 65, the municipality will no longer pay for the retiree's and dependent's health insurance. The municipality will only pay for the cost of the retiree's Medicare Advantage Plan coverage.
- B. Any person employed with the City of Pharr, prior to January 1, 2009, that has been employed for not less than twenty (20) years with any municipality in the State of Texas that participates in the Texas Municipal Retirement System, that was employed with the City of Pharr for not less than ten (10) years, and reaches the age of fifty (50), shall be eligible upon retirement to receive continued health coverage at the expense of the municipality not to exceed \$275 per month. A dependent of an eligible retired person under the subsection shall not receive continued coverage at the expense of the municipality. When a retiree reaches the age of 65, the municipality will no longer pay for the retiree's health coverage.

IV. OTHER INFORMATION

2. Post-Retirement Health Care Benefits

- C. A person that becomes employed with the City of Pharr, after January 1, 2009, shall not be eligible for any health insurance coverage at the expense of the municipality upon retirement. A dependent of an employee under this subsection shall not receive health insurance coverage at the expense of the municipality upon retirement.

Currently, approximately 46 retirees meet these eligibility requirements. The City pays 80% of the number of validated claims for qualified medical and hospitalization costs incurred after the retiree meets a deductible ranging from \$1,000 per individual to \$2,000 per family for In-Network coverage. The maximum out-of-pocket costs that can be incurred by a retiree in the one-year range from, \$1,500 per individual to \$3,000 per family.

B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the property of the beneficiary. General inflation is assumed to be 2.50% per year with an investment return and assumption of 6.75% per year, compounded annually, composed on an assumed 2.5% inflation rate and a 4.25% net real rate of return.

C. Pension Plan

1. Plan Description

The City of Pharr participates as of the 872 plans in the nontraditional, joint contributory, hybrid pension plan administered by the TMRS Act, Subtitle G, Title 8, Texas Government Code (The TMRS Act) as an agent of multi-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's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at www.TMRS.com.

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

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefits provisions are adopted by the Governing Body of the City, within 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 payment options. Members may also choose to receive a portion of their benefit as a Partial Lump-Sum Distribution in the amount equal to 12, 24 or 36 payments, which cannot exceed 75% of the member's deposits and interest.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

C. Pension Plan

2. Benefits Provided

	Plan Year 2020	Plan Year 2021
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (express as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0%	0%
Annuity Increase (to retirees)	0% of CPI	0% of CPI

Employee Covered by Benefits Terms.

At the December 31, 2020, valuation and measurement date, the following employees were covered by the terms of the benefits:

	<u>2020</u>
Membership*	
Number of	
Inactives Employees currently receiving benefits	246
Inactives Employees entitled but not yet receiving benefits	208
Active Employees	634
Total	1088
Covered Payroll	\$ 31,013,497

3. Contributions

The contribution rates for employees with TMRS are either 5%, 6% or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200% 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 of Pharr were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Pharr were 8.14% in calendar years for both; 2018 and 2019.

The City's contributions to TMRS for the year ended September 30, 2020, were \$4,642,463.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual Pension Cost:			
Annual Required Contribution	\$ 4,642,463	\$ 4,242,054	\$ 4,281,490
Contributions Made	4,642,463	4,242,054	4,281,490
Net Pension Obligation	\$ -	\$ -	\$ -

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

C. Pension Plan

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) 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	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	2.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Tables 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. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males' rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality 16 rate is 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 were used on December 31, 2017; valuation was based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010, through December 31, 2014. 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 Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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 the 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 currently 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.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

4. Net Pension Liability

Changes in Net Pension Liability

On September 30, 2021, the City reported a liability of \$5,655,804.

The Net Pension Liability is based on an actuarial valuation performed as of December 31, 2021, and a measurement date of December 31, 2020; as such, no roll-forward was required.

For this valuation, a single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2019. This single discount rate was based on the expected rate of return on pension plan investment of 6.75%. Based on the stated assumptions and the projection of cash flow, the City's fiduciary net position and future contributions were enough to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

4. Net Pension Liability

Changes in Net Pension Liability

The change in the City's net pension liability for TMRS pension for the fiscal year ended September 30, 2021, is as follows:

A Total Pension Liability

1 Total Service Cost	\$ 3,749,532
2 Interest on the Total Pension Liability	6,184,172
3 Current Period Benefit Changes	-
4 Difference between expected and actual experience	(80,063)
5 Changes of Assumptions	-
6 Benefit Payments, including refunds of employee contributions	<u>(4,217,477)</u>
7 Net change in total pension liability	5,636,164
8 Total pension liability-beginning	<u>91,851,335</u>
9 Total pension liability-ending	<u><u>\$ 97,487,499</u></u>

B Plan fiduciary net position

1 Contributions-employer	\$ 2,437,328
2 Contributions-employee	2,170,945
3 Net Investment income	6,454,440
4 Benefit payments, including refunds of employee contributions	(4,217,477)
5 Administrative Expense	(41,764)
6 Other	<u>(1,629)</u>
7 Net change in plan fiduciary net position	\$ 6,801,843
8 Plan fiduciary net position-beginning	<u>85,029,853</u>
9 Plan fiduciary net position-ending	<u><u>\$ 91,831,696</u></u>

C Net Pension Liability (A9-B9) \$ 5,655,804

D Plan fiduciary net position as a percentage of the total pension liability (B9/A9) 94.20%

E Covered-employee Payroll 31,013,497

F Net Pension liability as a percentage of covered employee payroll (C/E) 18.24%

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

4. Net Pension Liability

Sensitivity of the Net Position liability 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 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
\$20,128,275	\$5,655,804	\$ (6,211,252)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended September 30, 2021, the city recognized a pension expense of \$1,454,581.

Schedule of Pension Expense

1 Total Service Cost	\$ 3,749,532
2 Interest on the Total Pension Liability	6,184,172
3 Current Period Benefit Changes	-
4 Employee Contributions (reduction of Expenses)	(2,170,945)
5 Projected Earnings on Plan Investments (Reduction of Expense)	(5,739,515)
6 Administrative Expense	41,764
7 Other Changes in Fiduciary Net Position	1,629
8 Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(13,547)
9 Recognition of Current Year Outflow (Inflow) of Resources-Assets	(142,985)
10 Amortization of Prior Year Outflows (Inflows) of Resources-Liabilities	290,924
11 Amortization of Prior Year Outflows (Inflows) of Resources-Assets	(746,448)
12 Total Pension Expense	<u>\$ 1,454,581</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

On September 30, 2021, the city reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Due to Liabilities:</u>	<u>Recognition Period (or amortization yrs.)</u>	<u>Total (Inflow) or Outflow or Resources</u>	<u>2019 Recognized in current pension expense</u>	<u>Deferred (Inflow)/Outflow in future expense</u>
Difference in expected and actual experience actuarial (gains) or losses	5.91	\$ (80,063)	\$ (13,547)	\$ (66,516)
Difference in assumption changes actuarial (gains) or losses	5.91	\$ -	\$ -	\$ -
			<u>\$ (13,547)</u>	<u>\$ (66,516)</u>
<u>Due to Assets:</u>				
Difference in projected and actual earnings on pension plan investments actuarial (gains) or losses	5.00	\$ (714,925)	\$ (142,985)	\$ (571,940)
			<u>\$ (142,985)</u>	<u>\$ (571,940)</u>
<u>Total:</u>				<u>\$ (638,456)</u>

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

	Net deferred outflows (Inflows) of resources
2021	\$ (851,748)
2022	(90,422)
2023	(1,527,431)
2024	(236,070)
2025	(32,250)
Thereafter	-
Total	<u>\$ (2,737,921)</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
 September 30, 2021

IV. OTHER INFORMATION

D. Other Post Employment Benefit (OPEB) Programs

1. Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered another post-employment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is an unfunded OPEB plan (i.e. no assets are accumulated).

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

GASB 75 requires employers to recognize the total OPEB liability and the OPEB expense on their financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

The city's SDBF is considered a single-employer unfunded OPEB plan with benefit payments treated as being equal to the employee's contribution for retirees.

2. Supplemental Death Benefits (SDBF) Plan Contributions

The city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Plan/Calendar Year	Total SDB Contribution (Rate)	Retiree Portion of SDB Contribution (Rate)
2021	0.18%	0.10%
2020	0.13%	0.03%
2019	0.13%	0.03%
2018	0.13%	0.03%

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

3. OPEB Liability

The Other Post-Employment Benefits (OPEB) was measured as of December 31, 2020, and the Total Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total OPEB Liability on December 31, 2020, actuarial valuation was determined using the following actuarial assumptions.

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	2.75%

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020

The change in the City's OPEB for City of Pharr for the fiscal year ended September 30, 2021, is as follows:

	<u>2020</u>
Membership*	
Number of	
Inactives Employees currently receiving benefits	195
Inactives Employees entitled but not yet receiving benefits	48
Active Employees	<u>634</u>
Total	<u><u>877</u></u>
 Covered Payroll	 \$ 31,013,497
 Changes in the Total OPEB Liability	
Total OPEB Liability - Beginning of year	1,384,039
Changes for the Year	
Service Cost	80,635
Interest on Total OPEB Liability	39,042
Changes of Benefits terms	-
Difference between expected and actual experience	(43,780)
Changes in assumptions or other inputs	231,003
Benefit Payments**	<u>(9,304)</u>
Net Changes	<u>297,596</u>
Total OPEB Liability-end of Year	<u><u>\$ 1,681,635</u></u>
 Total OPEB Liability as a percentage of Covered Payroll	 5.42%

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

Sensitivity of the Net Position liability changes in the discount rate

	1% Decrease 1.00%	Current Discount Rate 2.00%	1% Increase 3.00%
Total OPEB liability	\$2,065,759	\$1,681,635	\$1,383,208

4. OPEB Expense

For the year ended September 30, 2021, the city recognized OPEB expense of \$167,669.

Service cost	\$ 80,635
Interest on total OPEB liability	39,042
Changes in benefit terms including TMRS plan participation	0
Employer administrative cost	0
Recognition of deferred outflows/inflows of resources:	
Difference between expected and actual experience	(16,243)
Changes in assumption or other inputs*	64,235
Total OPEB expense	<u>\$ 167,669</u>

* Generally, this will only be the annual change in the municipal bond index rate.

5. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

On September 30, 2021, the city reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred (Inflows) of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (90,931.00)	\$ -
Changes in assumptions and other inputs	-	367,659.00
Contributions made subsequent to measurement date		147,145.00
Total (excluding contributions made subsequent to measurement date)	\$ (90,931.00)	\$ 514,804.00

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

E. Commitments

3. Construction Commitments

Governmental:					
	Balance 10/1/2020	Additions	Completions	Adjustments	Balance 9/30/2021
ADMINISTRATION					
City Hall Renovations	877,947	2,531,204	3,390,348	(18,802)	-
UTRGV Nursing School	-	669,246	-	-	669,246
Total Administration	877,947	3,200,450	3,390,348	(18,802)	669,246
PARKS					
Jones Box - Splash Pad	-	200,980	-	-	200,980
Jones Box Park	1,002,246	95,512	1,097,758	-	-
New Nature Park	-	6,350	-	-	6,350
North Side Aquatic Facility	13,992,948	13,008,305	-	-	27,001,253
Total Parks	14,995,194	13,311,147	1,097,758	-	27,208,583
STREETS					
North Cana	46,788	-	-	-	46,788
Veterans Hike & Bike	-	955,530	-	-	955,530
Various Parking Improvements	-	503,943	-	-	503,943
Ditch Widening	559,152	2,555,374	3,065,524	(49,002)	-
Anaya Road	329,887	-	-	-	329,887
Hi-Line	959,409	160,539	1,153,776	33,828	-
Owassa Road	3,255,593	-	-	-	3,255,593
Bike Path Stripping	294,413	-	294,413	-	-
PSJA Tri-City Pedestrian	398,068	220,888	508,488	(110,468)	-
Railroad Crossing Replanking	230,817	45,896	-	-	276,713
Total Streets	6,074,127	4,442,170	5,022,201	(125,642)	5,368,454
LIBRARY					
North Side Facility	287,271	6,724,530	-	-	7,011,801
Total Streets	287,271	6,724,530	-	-	7,011,801
Total Governmental	\$ 21,069,321	\$ 17,753,317	\$ 6,119,959	\$ (125,642)	\$ 40,258,084
Business-Type:					
	Balance 10/1/2020	Additions	Completions		Balance 9/30/2021
UTILITY					
Hike & Bike Reallocation	\$ 259,643	\$ 25,264	\$ 284,907	\$ -	\$ -
Relocation W & SW	425,085	-	425,085.00	-	-
Moore Road Sewer Improvements	1,072,677	-	1,072,677.00	-	-
Oxidation ditches	492,251	-	492,251.00	-	-
South Detention Pond	-	466,912	-	-	466,912
Waterline 16"	502,966	-	502,966.00	-	-
Lift Station Elimination	311,950	177,185	-	-	489,135
SOUTH REGION INTERCEPTOR	194,000	269,250	-	-	463,250
WEST RIDGE WATER IMPROVEMENTS	301,522	-	301,522.00	-	-
WATER TRANS MAINS-CONSTRUCTION	396,250	-	396,250.00	-	-
Raw Water Reservoir	9,545	204,647	-	-	214,192
Total Utility	3,965,889	1,143,258	3,475,658	-	1,633,489
BRIDGE					
Bridge Expansion	1,168,949	\$ 2,225,221	-	-	3,394,170
Bridge Office Expansion	1,461,640	784,462	2,246,102	-	-
FY 15 DAP	1,048,401	4,351,702	-	98,170	5,498,273
FY 16 DAP	2,466,196	118,068	-	(594,595)	1,989,667
Total Bridge	\$ 6,145,186	\$ 7,479,453	\$ 2,246,102	\$ (496,425)	\$ 10,882,110
Total Business-Type:	\$ 10,111,075	\$ 8,622,711	\$ 5,721,760	\$ (496,425)	\$ 12,515,679
Grand Total	\$ 31,180,396	\$ 26,376,027	\$ 11,841,719	\$ (622,067)	\$ 52,773,763

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

E. Commitments

4. Economic Development Commitments

The PEDC, TIRZ, and the city have the following outstanding commitments as of September 30, 2021 :

<u>Program Commitment To</u>	<u>Amount Pending</u>	<u>Obligor</u>	<u>Purpose</u>	<u>Length of Time</u>
City of Pharr	varies	TIRZ	Infrastructure development	20 Years
UTRGV	2,500,000	City Of Pharr	Infrastructure development	10 Years
Pharr Town Center	varies*	City OF Pharr	Commercial Development	10 Years
Evergreen	\$ 638,393	PEDC	Commercial Development	3 years
CarMax	\$ 120,000	PEDC	Commercial Development	2 Years
Top Golf	Varies**	PEDC	Commercial Development	12 years
Total	\$ 3,258,393			

*City will reimburse 25% of sales tax received for 10 years

**PEDC will reimburse 50% of total Sales for the next 12 years.

F. Land available for sale

During FY 2011-2012, the City and PEDC entered into an agreement to buy land for economic development purposes. As of September 30, 2015, the city has a market value of \$8,867,500 in land including demolitions and infrastructure. On February 2012, the City Commission approved to contribute all land that has been purchased to the PEDC, the transfer of all land titles was completed as of September 30, 2013. Per GASB standards, land available for sale should be recorded at the lower of cost or net realizable value (NRV). The City obtained appraisals for the land in January 2017 which indicated that the land was worth \$1,565,698 less than the previous recorded value, a loss of this amount was reported on the financial statements as a special item. The balance of land available for development is recorded as Land Available for Sale in the PEDC fund.

The summary land transactions are stated on the following table:

<u>Project/Land</u>	<u>NRV Recorded 9.30.2020</u>	<u>Added/ (Removed)</u>	<u>Adjustment</u>	<u>Gain/(Loss) on Appraised Value</u>	<u>NRV Recorded 9.30.2021</u>
Jackson Development Project	\$ 1,240,000	\$ -	\$ -	\$ -	\$ 1,240,000
Produce Park	420,012	-	-	-	420,012
Water Resvoir Commercial Portion	750,000	-	-	-	750,000
Total	\$ 2,410,012	\$ -	\$ -	\$ -	\$ 2,410,012

G. Related Party

None

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

IV. OTHER INFORMATION

H. New Accounting Principles

In fiscal year 2021, GASB Issued Statement No 95, it summarized as follows:

Statement 95, the objective of this statement is to provide temporary relief due to COVID19. This statement will postpone effective dates of certain Statements and Implementation Guides that became effective for periods beginning after June 2018, and later.

The following pronouncements were also issued by GASB but not applicable to City of Pharr as of September 30, 2021.

- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of interbank offered rates.
- GASB Statement No. 94, Public-Private and public-Public Partnership and availability payment arrangements
- GASB Statement No. 96, Subscription-Based information technology arrangements.
- GASB Statement No. 97, Certain Component unit Criteria, and accounting and financial reporting for internal revenue code section 457 deferred compensation plans.

J. Subsequent Events

To report subsequent events, management has considered events occurring through (Date) the date the report was available to be issued, and the following are to be disclosed:

- A Budget amendment was taken to City Commission and approved on February 28th, 2022, with a net effect in the General Fund of \$564,000 to cover for Christmas Bonus and salaries increases.
- In December 2021, the City of Pharr awarded US Bank Corp for the leasing of \$4.1 million in capital outlay for fiscal year 21-22.
- In October 2021, the city issued 23.7 million in bonds for the bridge expansion project.
- The launching of pharr.net, the new internet service that will bring a better quality of life to Pharr citizens.



REQUIRED SUPPLEMENTARY
INFORMATION

CITY OF PHARR, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION AND RELATED RATIOS
LAST TEN YEARS

A. Total Pension Liability	2020	2019	2018	2017	2016	2015	2014
1 Total Service Cost	\$ 3,749,532	\$ 3,734,670	\$ 3,533,893	\$ 3,320,128	\$ 3,146,078	\$ 2,746,650	\$ 2,377,944
2 Interest on the Total Pension Liability	6,184,172	5,838,306	5,493,822	5,161,419	4,880,163	4,587,828	4,321,502
3 Current Period Benefit Charges	-	-	-	-	-	-	-
4 Difference between expected and actual experience	(80,063)	(204,752)	(231,976)	677,911	(278,776)	435,455	(63,247)
5 Changes in Assumptions	-	(213,606)	-	-	-	2,330,292	-
6 Benefits Payments, including refunds of employment contributions	(4,217,477)	(3,858,744)	(3,726,672)	(3,736,864)	(3,598,628)	(3,484,627)	(2,547,161)
7 Net change in total liability	\$ 5,636,164	\$ 5,295,874	\$ 5,069,067	\$ 5,422,594	\$ 4,148,837	\$ 6,615,598	\$ 4,089,038
8 Total pension liability - beginning	91,851,335	86,555,461	81,486,304	76,673,830	72,524,993	65,909,395	61,820,357
9 Total pension liability - ending	<u>\$ 97,487,499</u>	<u>\$ 91,851,335</u>	<u>\$ 86,555,371</u>	<u>\$ 82,096,424</u>	<u>\$ 76,673,830</u>	<u>\$ 72,524,993</u>	<u>\$ 65,909,395</u>
B. Plan fiduciary net position							
1 Contributions - employer	\$ 2,437,328	\$ 2,442,368	\$ 2,312,486	\$ 2,174,506	\$ 1,683,200	\$ 1,649,708	\$ 1,570,743
2 Contributions - employee	2,170,945	2,167,600	2,021,401	1,903,877	1,800,699	1,702,972	1,578,431
3 Net Investment income	6,454,440	11,294,135	(2,238,218)	9,059,762	4,148,172	90,733	3,296,861
4 Benefit payments, including refunds of employee contributions	(4,217,477)	(3,858,744)	(3,726,672)	(3,736,864)	(3,598,628)	(3,484,627)	(2,547,161)
5 Administrative Expense	(41,761)	(63,813)	(43,261)	(46,957)	(46,857)	(55,265)	(34,419)
6 Other	(1,629)	(1,917)	(2,260)	(2,380)	(2,525)	(2,730)	(2,830)
7 Net change in plan fiduciary net position	\$ 6,801,846	\$ 11,979,629	\$ (1,676,524)	\$ 9,351,944	\$ 3,984,061	\$ (99,209)	\$ 3,861,625
8 Plan fiduciary net position - beginning	85,029,853	73,050,224	74,726,749	65,374,805	61,390,744	61,489,953	57,628,328
9 Plan fiduciary net position - ending	<u>\$ 91,831,699</u>	<u>\$ 85,029,853</u>	<u>\$ 73,050,225</u>	<u>\$ 74,726,749</u>	<u>\$ 65,374,805</u>	<u>\$ 61,390,744</u>	<u>\$ 61,489,953</u>
C. Net Pension Liability (A9-B9)	<u>\$ 5,655,800</u>	<u>\$ 6,821,482</u>	<u>\$ 13,505,146</u>	<u>\$ 7,369,675</u>	<u>\$ 11,299,025</u>	<u>\$ 11,134,249</u>	<u>\$ 4,419,442</u>
D. Plan fiduciary net position as percentage of the total pension liability (B9/A9)	94.20%	92.57%	84.40%	91.02%	85.26%	84.65%	93.29%
E. Covered payroll	\$ 31,013,497	\$ 30,363,171	\$ 28,848,841	\$ 27,417,409	\$ 25,724,265	\$ 24,328,166	\$ 22,531,464
F. Net Pension liability as a percentage of covered payroll (C/E)	18.24%	22.47%	46.81%	26.88%	43.92%	45.77%	19.61%

Note to City: GASB 68 requires 10 fiscal years of data to be provided in this schedule.
City will be required to build this schedule over the next 10-year period.

**CITY OF PHARR, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,777,930	\$ 2,489,627	\$ 2,154,807	\$ 2,134,021	\$ 2,175,593	\$ 2,092,448	\$ 1,980,325
Contribution in relation to the actuarially determined contribution	\$ 2,792,076	\$ 2,305,875	\$ 2,178,843	\$ 2,120,938	\$ 2,236,749	\$ 2,005,126	\$ 1,715,919
Contribution deficiency (excess)	\$ (14,145)	\$ 183,752	\$ (61,156)	\$ (61,156)	\$ (61,156)	\$ 87,322	\$ 264,406
Covered payroll	\$ 35,342,627	\$ 31,617,123	\$ 30,363,171	\$ 28,848,841	\$ 27,147,409	\$ 25,724,265	\$ 27,723,154
Contribution as a percentage of covered payroll	7.90%	7.29%	7.18%	7.35%	8.24%	7.79%	6.19%

Note to City: GASB 68 requires 10 fiscal years of data to be provided in this schedule.

City will be required to build this schedule over the next 10-year period.

Valuation Date: Actuarial determined contribution rates are calculated as October 1st.

Methods and Assumptions Used to Determine Contributions Rate for 2020:


Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
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 experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the public safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes: There were no benefit changes during the year.

CITY OF PHARR, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

REVENUES	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
Taxes:				
Property	\$ 19,546,200	\$ 19,546,200	\$ 19,577,270	\$ 31,070
Sales	16,284,200	17,455,900	19,512,510	2,056,610
Franchise	2,171,700	2,171,700	2,512,805	341,105
Other	219,200	219,200	257,673	38,473
Licenses and permits	908,100	908,100	1,104,136	196,036
Intergovernmental	120,000	120,000	17,020	(102,980)
Fees and charges:				
Sanitation	3,022,000	3,022,000	2,929,891	(92,109)
Brush	1,247,700	1,247,700	1,150,222	(97,478)
Other	813,300	813,300	667,143	(146,157)
Fines	597,200	597,200	555,904	(41,296)
Interest income	150,500	150,500	45,637	(104,863)
Other	542,000	610,000	1,068,092	458,094
Total revenues	<u>45,622,100</u>	<u>46,861,800</u>	<u>49,398,301</u>	<u>2,536,503</u>
EXPENDITURES				
Current:				
General government	12,817,600	14,781,600	13,650,319	1,131,281
Public safety	25,349,600	26,174,100	25,099,773	1,074,327
Highways and streets	4,339,900	4,726,100	3,960,876	765,224
Health and welfare	2,878,900	2,878,900	3,200,954	(322,054)
Culture and recreation	7,234,900	7,457,600	6,794,920	662,680
Economic Development	990,300	990,300	1,267,101	(276,801)
Debt service:				
Principal	1,687,900	1,687,900	1,727,562	(39,662)
Interest	126,200	126,200	96,979	29,221
Total expenditures	<u>55,425,300</u>	<u>58,822,700</u>	<u>55,798,484</u>	<u>3,024,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,803,200)</u>	<u>(11,960,900)</u>	<u>(6,400,183)</u>	<u>(5,560,719)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,115,200	9,259,900	8,788,820	471,080
Transfers (out)	(1,100,000)	(1,160,600)	(3,994,510)	2,833,910
Issuance of debt	<u>1,788,000</u>	<u>1,788,000</u>	<u>1,788,000</u>	<u>-</u>
Total other financing sources and uses	<u>9,803,200</u>	<u>9,887,300</u>	<u>6,582,310</u>	<u>3,304,990</u>
Net change in fund balance	-	(2,073,600)	182,126	(1,891,474)
Fund balance - beginning	-	-	29,050,416	29,050,416
Prior period adjustment	-	-	166,353	166,353
Fund balance - ending	\$ <u>-</u>	\$ <u>(2,073,600)</u>	\$ <u>29,398,896</u>	\$ <u>27,325,297</u>



COMBINING AND INDIVIDUAL FUND
INFORMATION AND OTHER SUPPLEMENTARY
INFORMATION

Non-Major Governmental Funds Combining Financial Statements

Asset Sharing - This fund accounts for forfeitures awarded to the City by the courts and drug enforcement expenditures.

Community Development - This fund accounts for revenue received from the Community Development Block Grant and the expenditures allowed by grant terms.

Hotel-Motel - This fund accounts for revenue from a seven percent tax levied upon the cost of City hotel and motel rooms with a daily rate over \$2. According to state civil statutes, this tax revenue can be used to promote tourism, maintain and repair convention facilities, promote the arts and humanities, or any other purpose directly related to these activities.

Parkland Dedication - This fund accounts for contributions developers are required to make when creating subdivisions for park improvements or development.

Paving & Drainage - This fund accounts for restricted funds that were billed and collected from every utility account to supplement the cost of street improvements.

Grants - This fund accounts for general grant revenues awarded to the City. Three departments utilize this fund: Police, Fire, and Library.

COVID Relief Fund-This fund accounts for ARPA funding expenditures incurred with allocated sources from the Recovery Act of 2021.

Debt Service - This fund accounts for the accumulation of resources for and the payment of General and Certificates of Obligation.

TIRZ No. 1& 2-These Funds account for tax collections from City of Pharr and Hidalgo County for geographical areas designated as Reinvestment Zones.

CITY OF PHARR, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	Special Revenue Funds				
	Asset Sharing	Community Development	Hotel/Motel	Parkland Dedication	Paving & Drainage
<u>ASSETS AND DEFERRED OUTFLOWS</u>					
Cash	\$ 1,095,133	\$ 479,787	\$ 2,007,255	\$ 30,136	\$ 759,810
Receivables (net of allowance for uncollectible):					
Property taxes					
Notes		55,889			
Accounts					119,651
Other			127,946		
Due from other funds	61,703				
Restricted assets:					
Cash					
Intergovernmental receivable		67,049			
Total assets	\$ 1,156,836	\$ 602,720	\$ 2,130,201	\$ 30,136	\$ 879,461
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	175,227	15,311	-	-	-
Due to other funds	-	62,677	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	175,227	77,988	-	-	-
Deferred Inflows of Resources:					
Deferred property tax	-	-	-	-	-
Deferred accounts	-	-	-	-	211,169
Deferred notes	-	54,619	-	-	-
Total deferred inflows	-	54,619	-	-	211,169
Fund balances:					
Restricted:					
Debt service	-	-	-	-	-
Street paving and drainage	-	-	-	-	668,293
Tourism	-	-	2,130,201	-	-
Public safety	981,608	-	-	-	-
Parkland	-	-	-	30,136	-
Community development	-	470,113	-	-	-
Economic development	-	-	-	-	-
Assigned:					
Capital outlay	-	-	-	-	-
Total fund balances	981,608	470,113	2,130,201	30,136	668,293
Total liabilities and fund balances	\$ 1,156,836	\$ 602,720	\$ 2,130,201	\$ 30,136	\$ 879,461

CITY OF PHARR, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds					
	Asset Sharing	Community Development	Greater Pharr Chamber	Hotel/Motel	Parkland Dedication	Paving & Drainage
REVENUES						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	681,443	-	-
Intergovernmental	293,757	1,302,222	-	-	-	-
Fees and charges:						
Other	-	-	-	-	29,858	1,093,606
Interest income	2,464	938	-	-	499	2,718
Other	-	-	-	6,183	-	-
Total revenues	<u>296,221</u>	<u>1,303,160</u>	<u>-</u>	<u>687,626</u>	<u>30,357</u>	<u>1,096,324</u>
EXPENDITURES						
Current:						
General government	-	607,607	-	-	-	-
Public safety	564,396	-	-	-	-	-
Highways and streets	-	-	-	-	-	91,523
Debt service:						
Principal	-	295,000	-	-	-	-
Interest	-	99,179	-	-	-	-
Total expenditures	<u>564,396</u>	<u>1,001,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(268,175)</u>	<u>301,374</u>	<u>-</u>	<u>687,626</u>	<u>30,357</u>	<u>1,004,801</u>
OTHER FINANCING SOURCES						
Contributions	-	(302,313)	-	(68,400.00)	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	(440,700)	(217,753)	(1,066,300)
Total other financing sources and uses	<u>-</u>	<u>(302,313)</u>	<u>-</u>	<u>(509,100)</u>	<u>(217,753)</u>	<u>(1,066,300)</u>
Net change in fund balances	(268,175)	939	-	178,526	(187,396)	(61,499)
Fund balance - beginning	1,249,784	470,032	121,335	1,951,675	217,531	729,792
Prior period adjustment	-	1,020	(121,335)	-	-	-
Fund balance - ending	<u>\$ 981,608</u>	<u>\$ 470,971</u>	<u>\$ -</u>	<u>\$ 2,130,201</u>	<u>\$ 30,135</u>	<u>\$ 668,293</u>

CITY OF PHARR, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Special Revenue Funds					Debt Service Fund	Total Nonmajor Governmental Funds
Grants	COVID RELIEF Grant	TIRZ No. 1	TIRZ No. 2	Total	Debt Service	
\$ -	\$ -	\$ 657,998	\$ 478,017	\$ 1,146,015	\$ 5,137,957	\$ 5,283,982
-	-	-	-	681,443	-	681,443
1,280,488	4,290,242	-	-	7,166,709	-	7,166,709
				1,123,454		1,123,464
		4,632	3,915	14,555		14,566
				6,183		5,183
<u>1,280,485</u>	<u>4,290,242</u>	<u>672,630</u>	<u>481,932</u>	<u>10,138,360</u>	<u>5,137,957</u>	<u>15,275,315</u>
-	957,482			1,555,089		1,555,089
1,242,520	-	-	-	1,807,015	-	1,807,016
-	-	-	-	91,523	-	91,523
				-		-
				295,000	3,587,255	3,877,256
				99,179	2,888,541	2,987,720
<u>1,242,520</u>	<u>957,482</u>			<u>3,857,807</u>	<u>6,476,297</u>	<u>10,328,605</u>
<u>37,868</u>	<u>3,332,760</u>	<u>672,030</u>	<u>481,932</u>	<u>6,280,573</u>	<u>(1,332,830)</u>	<u>4,947,743</u>
				(370,713)	1,019,000	648,287
	(3,332,760)			(5,057,513)	1,703,300	1,703,300
	(3,332,760)	-	-	(5,428,226)	2,722,300	(2,705,926)
37,868	-	672,030	481,932	852,347	1,380,470	2,241,814
9,881	-	1,651,408	1,552,932	8,054,370	931,370	8,985,749
(47,749)		121,338	(397,795)	(444,721)		(444,721)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,444,577</u>	<u>\$ 1,737,057</u>	<u>\$ 8,451,095</u>	<u>\$ 2,320,849</u>	<u>\$ 10,782,842</u>

Governmental Funds Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

General Fund (detailed): is used to account for all financial resources except those required to be reported in another fund.

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Asset Sharing – This fund accounts for forfeitures awarded to the City by the courts and drug enforcement expenditures.

Community Development – This fund accounts for revenue received from the Community Development Block Grant and the expenditures allowed by grant terms.

Hotel-Motel – This fund accounts for revenue from a seven percent tax levied upon the cost of City hotel and motel rooms with a daily rate over \$2. According to state civil statutes, this tax revenue can be used to promote tourism, maintain and repair convention facilities, promote the arts and humanities, or any other purpose directly related to these activities.

Parkland Dedication – This fund accounts for contributions developers are required to make when creating subdivisions for park improvements or development.

Paving & Drainage – This fund accounts for restricted funds that were billed and collected from every utility account to supplement the cost of street improvements.

Grants – This fund accounts for general grant revenues awarded to the City. Three departments utilize this fund: Police, Fire, and Library.

COVID Relief Fund-This fund accounts for ARPA funding expenditures incurred with allocated sources from the Recovery Act of 2021.

Debt Service – This fund accounts for the accumulation of resources for and the payment of General and Certificates of Obligation.

TIRZ No. 1& 2-These Funds account for tax collections from City of Pharr and Hidalgo County for geographical areas designated as Reinvestment Zones.

CITY OF PHARR, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

REVENUES		Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
		Original	Final		
Taxes:					
Property					
Current		\$ 18,646,200	\$ 18,646,200	\$ 18,356,716	\$ (289,484)
Delinquent		600,000	600,000	721,267	121,267
Penalty & interest		300,000	300,000	499,288	199,288
Total property taxes		<u>19,546,200</u>	<u>19,546,200</u>	<u>19,577,271</u>	<u>31,071</u>
Sales		16,284,200	17,455,900	19,512,510	2,056,610
Franchise					
Telephone		181,000	181,000	115,247	(65,753)
Electric		1,787,300	1,787,300	1,906,320	119,020
Cable		93,400	93,400	379,500	286,100
Gas		110,000	110,000	111,738	1,738
Total franchise taxes		<u>2,171,700</u>	<u>2,171,700</u>	<u>2,512,805</u>	<u>341,105</u>
Other		219,200	219,200	257,673	38,473
Total taxes		<u>38,221,300</u>	<u>39,393,000</u>	<u>41,860,259</u>	<u>2,467,259</u>
Licenses and permits					
Building		504,500	504,500	739,164	234,664
Vocational		103,900	103,900	109,825	5,925
Other		299,700	299,700	255,238	(44,462)
Total licenses & permits		<u>908,100</u>	<u>908,100</u>	<u>1,104,227</u>	<u>196,127</u>
Intergovernmental					
Local school districts		120,000	120,000	-	(120,000)
Other		-	-	17,020	17,020
Total intergovernmental		<u>120,000</u>	<u>120,000</u>	<u>17,020</u>	<u>(102,980)</u>
Fees and charges:					
Sanitation		3,022,000	3,022,000	2,929,891	(92,109)
Brush		1,247,700	1,247,700	1,150,222	(97,478)
Other		813,300	813,300	667,143	(146,157)
Total fees & charges		<u>5,083,000</u>	<u>5,083,000</u>	<u>4,747,256</u>	<u>(335,744)</u>
Fines					
Court		566,600	566,600	525,942	(40,658)
Other		30,600	30,600	29,872	(728)
Total fines		<u>597,200</u>	<u>597,200</u>	<u>555,814</u>	<u>(41,386)</u>
Interest income		150,500	150,500	45,637	(104,863)
Other		542,000	610,000	1,068,092	458,092
Total revenues		<u>\$ 45,622,100</u>	<u>\$ 46,861,800</u>	<u>\$ 49,398,303</u>	<u>\$ 2,536,503</u>

CITY OF PHARR, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXPENDITURES	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
Current:				
General government				
City manager	\$ 2,407,400	\$ 2,736,900	\$ 2,565,653	\$ 171,247
Finance	725,900	685,700	658,626	27,074
Purchasing	334,200	341,800	294,962	46,838
IT	2,165,600	2,415,300	2,023,392	391,908
Media	450,200	576,600	492,718	83,882
Grants	273,500	484,400	311,641	172,759
Office of Strategic Excellence	-	245,600	123,850	121,750
Human Resources	769,000	795,500	744,436	51,064
Development Services	1,516,600	1,566,200	1,499,555	66,645
Engineering	746,100	753,500	651,647	101,853
Non-departmental	3,429,100	4,180,100	4,283,930	(103,830)
Total general government	<u>12,817,600</u>	<u>14,781,600</u>	<u>13,650,408</u>	<u>1,131,192</u>
Public safety				
Police	14,903,700	15,051,200	14,387,596	663,604
Court	530,900	623,100	532,547	90,553
Fire	8,145,500	8,346,400	7,880,851	465,549
Communications	1,809,500	2,153,400	2,298,779	(145,379)
Total public safety	<u>25,389,600</u>	<u>26,174,100</u>	<u>25,099,773</u>	<u>1,074,327</u>
Highways and streets	4,339,900	4,726,100	3,960,876	765,224
Health and welfare				
Sanitation	1,991,100	1,991,100	2,213,450	(222,350)
Brush	730,000	730,000	831,596	(101,596)
Animal control	157,800	157,800	155,908	1,892
Total health and welfare	<u>2,878,900</u>	<u>2,878,900</u>	<u>3,200,954</u>	<u>(322,054)</u>
Culture and recreation				
Library	1,486,900	1,521,200	1,533,219	(12,019)
Parks	5,708,000	5,936,400	5,261,611	674,789
Total culture and recreation	<u>7,194,900</u>	<u>7,457,600</u>	<u>6,794,830</u>	<u>662,770</u>
Economic Development	990,300	990,300	1,267,101	(276,801)
Debt service:				
Principal	1,687,900	1,687,900	1,727,562	(39,662)
Interest	126,200	126,200	96,979	29,221
	<u>1,814,100</u>	<u>1,814,100</u>	<u>1,824,541</u>	<u>(10,441)</u>
Total expenditures	<u>55,425,300</u>	<u>58,822,700</u>	<u>55,798,484</u>	<u>(3,024,217)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (9,803,200)	\$ (11,960,900)	\$ (6,400,181)	\$ 5,560,719

CITY OF PHARR, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2021

OTHER FINANCING SOURCES (USES)	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
Transfers in				
Utility	\$ 701,200	\$ 701,200	\$ 701,200	\$ -
Bridge	8,354,000	8,354,000	7,809,867	(544,133)
Hotel	60,000	60,000	60,000	-
EMS	-	144,700	-	(144,700)
Parkland	-	-	217,753	217,753
Total transfers in	<u>9,115,200</u>	<u>9,259,900</u>	<u>8,788,820</u>	<u>(471,080)</u>
Transfers (out)				
Community Development	-	(1,900)	-	1,900
Capital Improvement Project	-	-	(2,777,428)	(2,777,428)
Debt Service	(326,000)	(326,000)	(326,100)	(100)
City Garage	-	(3,700)	(36,892)	(33,192)
Utility	-	(69,200)	(69,200)	-
Event Center	(244,400)	(187,700)	(252,700)	(65,000)
Bridge	-	(20,300)	(20,300)	-
Golf	(529,600)	(551,800)	(371,012)	180,788
Health Insurance	-	-	(140,878)	(140,878)
Total transfers (out)	<u>(1,100,000)</u>	<u>(1,160,600)</u>	<u>(3,994,510)</u>	<u>(2,833,910)</u>
Cost of Issuance	-	-	-	-
Bond/loan proceeds	1,788,000	1,788,000	1,788,000	-
Premium	-	-	-	-
Total	<u>1,788,000</u>	<u>1,788,000</u>	<u>1,788,000</u>	<u>-</u>
Total other financing sources and uses	<u>9,803,200</u>	<u>9,887,300</u>	<u>6,582,310</u>	<u>(3,304,990)</u>
Net change in fund balance	-	(2,073,600)	182,128	2,255,728
Fund balance - beginning	-	-	29,050,416	29,050,416
Prior period adjustment	-	-	166,353	166,353
Fund balance - ending	<u>\$ -</u>	<u>\$ (2,073,600)</u>	<u>\$ 29,398,896</u>	<u>\$ 31,472,496</u>

CITY OF PHARR, TEXAS
ASSET SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Taxes:				
Intergovernmental	\$ -	\$ -	\$ 293,757	\$ 293,757
Interest income	-	-	2,464	2,464
Total revenues	<u>-</u>	<u>-</u>	<u>296,222</u>	<u>296,222</u>
EXPENDITURES				
Current:				
Public safety	550,000	550,000	564,395	(14,395)
Total expenditures	<u>550,000</u>	<u>550,000</u>	<u>564,395</u>	<u>(14,395)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(550,000)</u>	<u>(550,000)</u>	<u>(268,173)</u>	<u>281,827</u>
Net change in fund balance	(550,000)	(550,000)	(268,173)	281,827
Fund balance - beginning	-	-	1,249,784	1,249,784
Fund balance - ending	<u>\$ (550,000)</u>	<u>\$ (550,000)</u>	<u>\$ 981,608</u>	<u>\$ 1,531,611</u>

CITY OF PHARR, TEXAS
CDBG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,131,400	\$ 1,131,400	\$ 1,302,221	\$ 170,821
Interest income	-	-	938	938
Total revenues	<u>1,131,400</u>	<u>1,131,400</u>	<u>1,303,159</u>	<u>171,759</u>
EXPENDITURES				
Current:				
General government	725,500	727,400	607,607	119,793
Debt service:				
Principal	295,000	295,000	295,000	-
Interest	110,900	110,900	99,179	11,721
Total expenditures	<u>1,131,400</u>	<u>1,133,300</u>	<u>1,001,786</u>	<u>131,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,900)</u>	<u>301,373</u>	<u>303,273</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,900	-	1,900
Contributions	-	-	(302,313)	302,313
Total other financing sources and uses	<u>-</u>	<u>1,900</u>	<u>(302,312)</u>	<u>304,213</u>
Net change in fund balance	-	-	(939)	(939)
Fund balance - beginning	-	-	470,032	470,032
Prior Year Adjustment	-	-	1,020	1,020.00
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,113</u>	<u>\$ 470,113</u>

CITY OF PHARR, TEXAS
HOTEL/MOTEL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
		<u>Original</u>	<u>Final</u>	<u>Budget</u>	<u>Variance</u>
				<u>Basis</u>	<u>Budget Basis</u>
REVENUES					
Taxes:					
	Other	\$ 600,000	\$ 600,000	\$ 681,443	\$ 81,443
Other		-	-	6,183	6,183
	Total revenues	<u>600,000</u>	<u>600,000</u>	<u>687,626</u>	<u>87,626</u>
EXPENDITURES					
Current:					
	Culture and recreation	90,900	90,900	-	90,900
	Total expenditures	<u>90,900</u>	<u>90,900</u>	<u>-</u>	<u>90,900</u>
Excess (deficiency) of revenues					
over (under) expenditures		<u>509,100</u>	<u>509,100</u>	<u>687,626</u>	<u>178,526</u>
OTHER FINANCING SOURCES (USES)					
Transfers out		<u>(509,100)</u>	<u>(509,100)</u>	<u>(509,100)</u>	<u>-</u>
	Total other financing sources and uses	<u>(509,100)</u>	<u>(509,100)</u>	<u>(509,100)</u>	<u>-</u>
	Net change in fund balance	-	-	178,526	178,526
	Fund balance - beginning	-	-	1,951,675	1,951,675
	Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,130,201</u>	<u>\$ 2,130,201</u>

CITY OF PHARR, TEXAS
PARKLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Fees and charges:				
Other	\$ 30,000	\$ 30,000	\$ 29,859	\$ (141)
Interest income	500	500	500	-
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>30,359</u>	<u>(141)</u>
EXPENDITURES				
Current:				
Highways and streets	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,500</u>	<u>30,500</u>	<u>30,359</u>	<u>(141)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(217,753)	(217,753)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(217,753)</u>	<u>(217,753)</u>
Net change in fund balance	30,500	30,500	(187,394)	(217,894)
Fund balance - beginning	-	-	217,531	217,531
Fund balance - ending	<u>\$ 30,500</u>	<u>\$ 30,500</u>	<u>\$ 30,136</u>	<u>\$ (364)</u>

CITY OF PHARR, TEXAS
PAVING & DRAINAGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis</u>	<u>Final Variance Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees and charges:				
Other	\$ 1,051,300	\$ 1,051,300	\$ 1,093,606	\$ 42,306
Interest income	15,000	15,000	2,718	(12,282)
Total revenues	<u>1,066,300</u>	<u>1,066,300</u>	<u>1,096,323</u>	<u>30,024</u>
EXPENDITURES				
Current:				
Highways and streets	-	-	91,523	(91,523)
Total expenditures	<u>-</u>	<u>-</u>	<u>91,523</u>	<u>(91,523)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,066,300</u>	<u>1,066,300</u>	<u>1,004,800</u>	<u>(61,499)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,066,300)	(1,066,300)	(1,066,300)	-
Bond/loan proceeds	-	-	-	-
Total other financing sources and uses	<u>(1,066,300)</u>	<u>(1,066,300)</u>	<u>(1,066,300)</u>	<u>-</u>
Net change in fund balance	-	-	(61,500)	(61,500)
Fund balance - beginning	-	-	729,792	729,792
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 668,293</u>	<u>\$ 668,293</u>

CITY OF PHARR, TEXAS
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,320,900	\$ 6,320,900	\$ 1,280,488	\$ (5,040,412)
Other		-	-	-
Total revenues	<u>6,320,900</u>	<u>6,320,900</u>	<u>1,280,488</u>	<u>(5,040,412)</u>
EXPENDITURES				
Current:				
Public safety	2,453,100	2,453,100	1,242,620	1,210,480
Streets	3,867,800	3,867,800	-	3,867,800
Total expenditures	<u>6,320,900</u>	<u>6,320,900</u>	<u>1,242,620</u>	<u>5,078,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>37,868</u>	<u>37,868</u>
Net change in fund balance	-	-	37,868	37,868
Fund balance - beginning	-	-	9,881	9,881
Prior period adjustment	-	-	(47,749)	(47,749)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PHARR, TEXAS
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Taxes:				
Current taxes	\$ 4,948,500	\$ 4,948,500	\$ 4,871,602	\$ (76,898)
Delinquent taxes	80,000	80,000	149,600	69,600
Interest and penalty	50,000	50,000	106,103	56,103
Interest income	86,200	86,200	10,661	(75,539)
Total revenues	<u>5,164,700</u>	<u>5,164,700</u>	<u>5,137,966</u>	<u>(26,734)</u>
EXPENDITURES				
Debt service:				
Principal	4,985,700	4,985,700	3,582,256	1,403,444
Interest	2,901,200	2,901,200	2,888,541	12,659
Total expenditures	<u>7,886,900</u>	<u>7,886,900</u>	<u>6,470,797</u>	<u>1,416,103</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,722,200)</u>	<u>(2,722,200)</u>	<u>(1,332,831)</u>	<u>1,389,369</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,722,200	2,722,200	2,722,300	100
Total other financing sources and uses	<u>2,722,200</u>	<u>2,722,200</u>	<u>2,722,300</u>	<u>100</u>
Net change in fund balance	-	-	1,389,469	1,389,469
Fund balance - beginning	-	-	931,379	931,379
Prior period adjustment	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,320,849</u>	<u>\$ 2,320,849</u>

CITY OF PHARR, TEXAS
GENERAL CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Taxes:				
Intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ 9,885,224	\$ 4,885,224
Total revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>9,885,224</u>	<u>4,885,224</u>
EXPENDITURES				
Current:				
General government	12,400,000	12,400,000	4,586,547	7,813,453
Public safety	-	-	77,875	(77,875)
Highways and streets	7,000,000	7,000,000	4,014,065	2,985,935
Culture and recreation	26,935,800	26,935,800	22,789,400	4,146,400
Debt Service				
Principal	982,700	982,700	1,025,667	(42,967)
Interest	225,500	225,500	182,449	43,051
Total expenditures	<u>47,544,000</u>	<u>47,544,000</u>	<u>32,676,004</u>	<u>14,867,996</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,544,000)</u>	<u>(42,544,000)</u>	<u>(22,790,780)</u>	<u>(19,753,220)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,447,000	1,447,000	9,256,741	7,809,741
Total other financing sources and uses	<u>1,447,000</u>	<u>1,447,000</u>	<u>9,256,741</u>	<u>7,809,741</u>
Net change in fund balance	(41,097,000)	(41,097,000)	(13,534,039)	27,562,961
Fund balance - beginning	-	-	27,683,716	27,683,716
Prior period adjustment	-	-	(2,210,918)	(2,210,918)
Fund balance - ending	<u>\$ (41,097,000)</u>	<u>\$ (41,097,000)</u>	<u>\$ 11,938,761</u>	<u>\$ 53,035,761</u>

CITY OF PHARR, TEXAS
COVID RELIEF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,290,242	\$ 4,290,242
Total revenues	<u>-</u>	<u>-</u>	<u>4,290,242</u>	<u>4,290,242</u>
EXPENDITURES				
Current:				
Health and welfare	-	-	957,482	(957,482)
Total expenditures	<u>-</u>	<u>-</u>	<u>957,482</u>	<u>(957,482)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,332,760</u>	<u>3,332,760</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(3,332,760)	(3,332,760)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(3,332,760)</u>	<u>(3,332,760)</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PHARR, TEXAS
TIRZ #1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 802,700	\$ 802,700	\$ 667,998	\$ (134,702)
Interest Income	-	-	4,032	4,032
Total revenues	<u>802,700</u>	<u>802,700</u>	<u>672,030</u>	<u>(130,670)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>802,700</u>	<u>802,700</u>	<u>672,030</u>	<u>(130,670)</u>
Net change in fund balance	802,700	802,700	672,030	(130,670)
Fund balance - beginning	-	-	1,651,408	1,651,408
Prior Year Adjustment	-	-	121,138	121,138
Fund balance - ending	<u>\$ 802,700</u>	<u>\$ 802,700</u>	<u>\$ 2,444,577</u>	<u>\$ 1,641,876</u>

CITY OF PHARR, TEXAS
TIRZ #2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 669,200	\$ 669,200	\$ 478,017	\$ (191,183)
Interest Income	-	-	3,915	3,915
Total revenues	<u>669,200</u>	<u>669,200</u>	<u>481,931</u>	<u>(187,269)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>669,200</u>	<u>669,200</u>	<u>481,931</u>	<u>(187,269)</u>
Net change in fund balance	669,200	669,200	481,931	(187,269)
Fund balance - beginning	-	-	1,652,932	1,652,932
Prior Year Adjustment	-	-	(397,795)	(397,795)
Fund balance - ending	<u>\$ 669,200</u>	<u>\$ 669,200</u>	<u>\$ 1,737,068</u>	<u>\$ 1,067,868</u>

Proprietary Funds Schedule of Revenues, Expenses and Changes in Net Position– Budget and Actual

Utility Fund: is used to account for the City's water and sewer/wastewater system operations.

EMS: is used to account for the City's ambulance emergency response service.

Event Center: is used to account for the City's event center. The Event Center serves as a promotional tourism attraction to the City.

Bridge Fund: is used to account for the City's international bridge operations. The bridge enables traffic to flow to and from Mexico.

Golf Course Fund: is to account for the City owned Tierra Del Sol Golf Course operations.

City Garage Fund – This fund is used to account for fleet maintenance and maintains an inventory of parts for the City-owned vehicles.

CITY OF PHARR, TEXAS
UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
OPERATING REVENUES				
Charges for sales and services:				
Water Sales	\$ 9,022,000	\$ 9,022,000	\$ 9,023,208	\$ 1,208
Sewer Fees	6,973,900	6,973,900	7,205,233	231,333
Tap Fees	343,200	343,200	336,235	(6,965)
Other	87,000	87,000	40,878	(46,122)
Total operating revenues	<u>16,426,100</u>	<u>16,426,100</u>	<u>16,605,555</u>	<u>179,455</u>
OPERATING EXPENSES				
Personnel services	4,351,200	4,420,400	4,029,397	391,003
Supplies and Materials	1,777,800	2,170,500	2,047,773	122,727
Contractual Services	34,810,800	34,660,700	5,488,214	29,172,486
Depreciation	-	-	4,154,663	(4,154,663)
Total operating expenses	<u>40,939,800</u>	<u>41,251,600</u>	<u>15,720,047</u>	<u>25,531,553</u>
Operating income (loss)	<u>(24,513,700)</u>	<u>(24,825,500)</u>	<u>885,508</u>	<u>25,711,008</u>
NON OPERATING REVENUES/(EXPENSES):				
Investment earnings	93,400	93,400	20,432	(72,968)
Interest expense	(1,222,200)	(1,222,200)	(1,307,820)	(85,620)
Amortization expense	-	-	363,824	363,824
Intergovernmental	-	-	360,675	360,675
Other	6,000	6,000	19,515	13,515
Issuance cost	-	-	(80,000)	(80,000)
Total nonoperating revenues/ (expenses)	<u>(1,122,800)</u>	<u>(1,122,800)</u>	<u>(623,374)</u>	<u>499,426</u>
Income before contributions and transfers	<u>(25,636,500)</u>	<u>(25,948,300)</u>	<u>262,134</u>	<u>26,210,434</u>
Transfers in	-	72,900	69,200	(3,700)
Transfers (out)	(1,441,500)	(1,441,500)	(3,511,200)	(2,069,700)
Capital Contributions	-	-	1,412,457	1,412,457
Changes in net position	<u>(27,078,000)</u>	<u>(27,316,900)</u>	<u>(1,767,409)</u>	<u>25,549,491</u>
Total net position - beginning	-	-	101,546,953	101,546,953
Prior period adjustment	-	-	(3,794,764)	(3,794,764)
Total net position - ending	<u>\$ (27,078,000)</u>	<u>\$ (27,316,900)</u>	<u>\$ 95,984,779</u>	<u>\$ 123,301,679</u>

CITY OF PHARR, TEXAS
PHARR EMERGENCY MEDICAL SERVICE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
OPERATING REVENUES				
Charges for sales and services:				
EMS	\$ -	\$ 6,947,000	\$ 1,315,371	\$ (5,631,629)
Total operating revenues	<u>-</u>	<u>6,947,000</u>	<u>1,315,371</u>	<u>(5,631,629)</u>
OPERATING EXPENSES				
Personnel services	-	4,133,100	2,463,992	1,669,108
Supplies and Materials	-	112,500	317,562	(205,062)
Contractual Services	-	2,556,900	1,585,383	971,517
Depreciation	-	-	281,224	(281,224)
Total operating expenses	<u>-</u>	<u>6,802,500</u>	<u>4,648,162</u>	<u>2,154,338</u>
Operating income (loss)	<u>-</u>	<u>144,500</u>	<u>(3,332,790)</u>	<u>(3,477,290)</u>
NON OPERATING REVENUES/(EXPENSES):				
Investment earnings	-	-	30	30
Total nonoperating revenues/(expenses)	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
Income before contributions and transfers	<u>-</u>	<u>144,500</u>	<u>(3,332,760)</u>	<u>(3,477,260)</u>
Transfers (out)	-	(144,500)	3,332,760	3,477,260
Changes in net position	-	144,500	-	-
Total net position - beginning	-	-	-	-
Prior period adjustment	-	-	3,578,132	3,578,132
Total net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,578,132</u>	<u>\$ 3,578,132</u>

CITY OF PHARR, TEXAS
EVENT CENTER
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
OPERATING REVENUES				
Charges for sales and services:				
Other	\$ 489,500	\$ 432,800	\$ 28,118	\$ (404,682)
Total operating revenues	<u>489,500</u>	<u>432,800</u>	<u>28,118</u>	<u>(404,682)</u>
OPERATING EXPENSES				
Personnel services	307,600	226,000	283,778	(57,778)
Supplies and Materials	60,600	60,600	29,377	31,223
Contractual Services	121,300	111,300	74,312	36,988
Depreciation	-	-	-	-
Total operating expenses	<u>489,500</u>	<u>397,900</u>	<u>387,467</u>	<u>10,433</u>
Operating income (loss)	<u>-</u>	<u>34,900</u>	<u>(359,349)</u>	<u>(394,249)</u>
NON OPERATING REVENUES/(EXPENSES):				
Investment earnings	-	-	47	47
Total nonoperating revenues/(expenses)	<u>-</u>	<u>-</u>	<u>47</u>	<u>47</u>
Income before contributions and transfers	<u>-</u>	<u>34,900</u>	<u>(359,302)</u>	<u>(394,202)</u>
Transfers in	-	-	252,700	252,700
Changes in net position	<u>-</u>	<u>34,900</u>	<u>(106,602)</u>	<u>(141,502)</u>
Total net position - beginning	-	-	3,556,410	3,556,410
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(3,202,640)</u>	<u>(3,202,640)</u>
Total net position - ending	<u>\$ -</u>	<u>\$ 34,900</u>	<u>\$ 247,168</u>	<u>\$ 212,267</u>

CITY OF PHARR, TEXAS
BRIDGE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis</u>	<u>Final Variance Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Charges for sales and services:				
Toll fees	\$ 14,100,000	\$ 15,300,000	\$ 16,379,775	\$ 1,079,775
Other	248,600	248,600	584,265	335,665
Total operating revenues	<u>14,348,600</u>	<u>15,548,600</u>	<u>16,964,039</u>	<u>1,415,439</u>
OPERATING EXPENSES				
Personnel services	1,378,100	1,393,400	1,343,622	49,778
Supplies and Materials	176,000	171,000	166,873	4,127
Contractual Services	1,509,900	2,719,900	2,628,159	91,741
Depreciation	-	-	953,126	(953,126)
Total operating expenses	<u>3,064,000</u>	<u>4,284,300</u>	<u>5,091,779</u>	<u>(807,479)</u>
Operating income (loss)	<u>11,284,600</u>	<u>11,264,300</u>	<u>11,872,260</u>	<u>607,960</u>
NON OPERATING REVENUES/(EXPENSES):				
Investment earnings	66,200	66,200	32,478	(33,722)
Interest expense	(88,900)	(88,900)	(91,606)	(2,706)
Amortization expense	-	-	36,421	36,421
Intergovernmental	20,849,000	20,849,000	3,245,246	(17,603,754)
Total nonoperating revenues/(expenses)	<u>20,826,300</u>	<u>20,826,300</u>	<u>3,222,539</u>	<u>17,603,761</u>
Income before contributions and transfers	<u>32,110,900</u>	<u>32,090,600</u>	<u>15,094,799</u>	<u>(16,995,801)</u>
Transfers in	-	20,300	20,300	-
Transfers (out)	(9,731,200)	(9,731,200)	(11,107,067)	(1,375,867)
Debt Proceeds	(680,700)	(680,700)	-	680,700
Changes in net position	<u>21,699,000</u>	<u>21,699,000</u>	<u>4,008,032</u>	<u>(17,690,968)</u>
Total net position - beginning	-	-	25,127,042	25,127,042
Prior period adjustment	-	-	(563,996)	(563,996)
Total net position - ending	<u>\$ 21,699,000</u>	<u>\$ 21,699,000</u>	<u>\$ 28,571,076</u>	<u>\$ 6,872,076</u>

CITY OF PHARR, TEXAS
GOLF BUDGET
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
OPERATING REVENUES				
Charges for sales and services:				
Golf Services	\$ 721,000	\$ 721,000	\$ 811,258	\$ 90,258
Other	95,000	95,000	70,093	(24,907)
Total operating revenues	<u>816,000</u>	<u>816,000</u>	<u>881,351</u>	<u>65,351</u>
OPERATING EXPENSES				
Personnel services	883,700	893,400	753,928	139,472
Supplies and Materials	244,500	179,500	160,993	18,507
Contractual Services	168,400	245,900	329,613	(83,713)
Depreciation	-	-	243,587	(243,587)
Total operating expenses	<u>1,296,600</u>	<u>1,318,800</u>	<u>1,488,122</u>	<u>(169,322)</u>
Operating income (loss)	<u>(480,600)</u>	<u>(502,800)</u>	<u>(606,771)</u>	<u>(103,971)</u>
NON OPERATING REVENUES/(EXPENSES):				
Investment earnings	11,800	11,800	2,203	(9,597)
Interest expense	(60,800)	(60,800)	(5,282)	55,518
Total nonoperating revenues/ (expenses)	<u>(49,000)</u>	<u>(49,000)</u>	<u>(3,079)</u>	<u>45,921</u>
Income before contributions and transfers	<u>(529,600)</u>	<u>(551,800)</u>	<u>(609,850)</u>	<u>(58,050)</u>
Transfers in	<u>529,600</u>	<u>551,800</u>	<u>371,012</u>	<u>(180,788)</u>
Changes in net position	-	-	(238,838)	(238,838)
Total net position - beginning	-	-	3,497,476	3,497,476
Prior period adjustment	-	-	(5,267)	(5,267)
Total net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,253,372</u>	<u>\$ 3,253,372</u>

Combining Financial Statements

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis.

City Garage Fund – This fund is used to account for fleet maintenance and maintains an inventory of parts for the City-owned vehicles.

Health Care Fund-This fund is used to account for the semi self-funded health insurance benefits provided by the City

CITY OF PHARR, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	<u>City Garage</u>	<u>Health Care Insurance</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Current assets:			
Cash	\$ 99,673	\$ 928,238	\$ 1,027,911
Inventories	41,401	-	41,401
Total current assets	<u>141,074</u>	<u>928,238</u>	<u>1,069,312</u>
Noncurrent assets:			
Capital assets (net of accumulated: depreciation):			
Buildings	321,617	-	321,617
Total capital assets, net of accumulated depreciation	<u>321,617</u>	<u>-</u>	<u>321,617</u>
Total noncurrent assets	<u>321,617</u>	<u>-</u>	<u>321,617</u>
Total assets	<u>462,690</u>	<u>928,238</u>	<u>1,390,928</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	48,558	791,154	839,712
Due to other funds	28,317	-	28,317
Total current liabilities	<u>76,874</u>	<u>791,154</u>	<u>868,029</u>
Current liabilities payable from restricted assets:			
Matured accrued compensation	9,290	-	9,290
Matured capital lease	-	-	-
Total current liabilities payable from restricted assets	<u>9,290</u>	<u>-</u>	<u>9,290</u>
Noncurrent liabilities:			
Accrued compensation	28,109	-	28,109
Capital lease payable	2,665	-	2,665
Total noncurrent liabilities	<u>30,774</u>	<u>-</u>	<u>30,774</u>
Total liabilities	<u>116,938</u>	<u>791,154</u>	<u>908,093</u>
<u>NET POSITION</u>			
Net assets:			
Invested in capital assets, net of related debt	321,617	-	321,617
Unrestricted	24,136	137,083	161,219
Total net position	<u>\$ 345,752</u>	<u>\$ 137,083</u>	<u>\$ 482,835</u>

CITY OF PHARR, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	City Garage	Health Care Insurance	TOTALS
Operating revenues:			
Charges services:	\$ 779,692	\$ -	\$ 779,692
Contributions	-	5,430,108	5,430,108
Total operating revenues	<u>779,692</u>	<u>5,430,108</u>	<u>6,209,800</u>
Operating expenses:			
Personnel services	185,358	-	185,358
Contractual Services	610,376	-	610,376
Depreciation	14,467	-	14,467
Self Insurance Claims	-	5,434,675	5,434,675
Total operating expenses	<u>810,200</u>	<u>5,434,675</u>	<u>6,244,875</u>
Operating income (loss)	<u>(30,508)</u>	<u>(4,567)</u>	<u>(35,075)</u>
Nonoperating revenues (expenses):			
Interest expense	(2,684)	-	(2,684)
Investment revenue	-	772	772
Total nonoperating revenues (expenses)	<u>(2,684)</u>	<u>772</u>	<u>(1,912)</u>
Income before contributions and transfers	(33,192.18)	(3,794.49)	(36,986.67)
Transfers in	<u>36,892.37</u>	<u>140,877.91</u>	<u>177,770.28</u>
Changes in net position	3,700.19	137,083.42	140,783.61
Total net position- beginning	363,934	-	363,934
Prior period adjustment	(21,882)	-	(21,882)
Total net position - ending	<u>\$ 345,752</u>	<u>\$ 137,083</u>	<u>\$ 482,836</u>

CITY OF PHARR, TEXAS
INTERNAL SERVICE FUNDS - GARAGE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
OPERATING REVENUES				
Charges for sales and services:				
Other	\$ 890,900	\$ 890,900	\$ 779,692	\$ (111,208)
Total operating revenues	<u>890,900</u>	<u>890,900</u>	<u>779,692</u>	<u>(111,208)</u>
OPERATING EXPENSES				
Personnel services	220,800	224,500	185,358	39,142
Supplies and Materials	10,600	10,600	6,539	4,061
Contractual Services	656,700	656,700	603,836	52,864
Depreciation	-	-	14,467	(14,467)
Total operating expenses	<u>888,100</u>	<u>891,800</u>	<u>810,200</u>	<u>81,600</u>
Operating income (loss)	<u>2,800</u>	<u>(900)</u>	<u>(30,509)</u>	<u>(29,609)</u>
NON OPERATING REVENUES/(EXPENSES):				
Interest expense	(2,800)	(2,800)	(2,684)	116
Total nonoperating revenues/ (expenses) income before contributions and transfers	<u>(2,800)</u>	<u>(2,800)</u>	<u>(33,193)</u>	<u>(29,493)</u>
Transfers in	-	-	36,892	36,892
Changes in net position	-	(3,700)	3,700	7,400
Total net position - beginning	-	-	363,934	363,934
Prior period adjustment	-	-	(21,882)	(21,882)
Total net position - ending	<u>\$ -</u>	<u>\$ (3,700)</u>	<u>\$ 345,752</u>	<u>\$ 349,452</u>

CITY OF PHARR, TEXAS
INTERNAL SERVICE FUNDS - HEALTH INSURANCE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
OPERATING REVENUES				
Charges for sales and services:				
Other	\$ -	\$ -	\$ 5,430,108	\$ 5,430,108
Total operating revenues	<u>-</u>	<u>-</u>	<u>5,430,108</u>	<u>5,430,108</u>
OPERATING EXPENSES				
Self Insurance Claims	-	-	5,434,675	(5,434,675)
Total operating expenses	<u>-</u>	<u>-</u>	<u>5,434,675</u>	<u>(5,434,675)</u>
Operating income (loss)	<u>-</u>	<u>-</u>	<u>(4,567)</u>	<u>(4,567)</u>
NON OPERATING REVENUES/(EXPENSES):				
Interest expense	-	-	//2	(//2)
Total nonoperating revenues/ (expenses) income before contributions and transfers	<u>-</u>	<u>-</u>	<u>(3,794)</u>	<u>(3,794)</u>
Transfers in	<u>-</u>	<u>-</u>	<u>140,878</u>	<u>140,878</u>
Changes in net position	<u>-</u>	<u>-</u>	<u>137,083</u>	<u>137,083</u>
Total net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,083</u>	<u>\$ 137,083</u>



STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Pharr'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 of Pharr's overall financial health.

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	-116-
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	-121-
Debt Capacity	
These schedules present information to help the reader assess the afford-ability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	-125-
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	-130-
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	-133-

City of Pharr, Texas
Net Position by Component
Last Ten Fiscal Years¹
(Accrual Basis of Accounting)
(amount expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net Invested in capital assets	\$ 36,205	\$ 36,205	\$ 39,362	\$ 64,274	\$ 62,451	\$ 69,610	\$ 76,686	\$ 72,654	\$ 79,387	\$ 76,805
Restricted	7,159	23,652	35,796	15,012	18,454	23,585	21,655	31,783	31,481	43,118
Unrestricted	16,463	18,274	8,032	8,951	1,170	2,224	5,954	7,129	3,784	9,776
Total governmental activities net position	<u>\$ 59,827</u>	<u>\$ 78,131</u>	<u>\$ 83,190</u>	<u>\$ 88,237</u>	<u>\$ 82,075</u>	<u>\$ 95,420</u>	<u>\$ 104,295</u>	<u>\$ 111,566</u>	<u>\$ 114,652</u>	<u>\$ 129,699</u>
Business-type activities										
Net Invested in capital assets	\$ 82,300	\$ 82,757	\$ 86,011	\$ 85,304	\$ 88,401	\$ 91,942	\$ 95,760	\$ 98,709	\$ 103,809	\$ 74,496
Restricted	10,195	8,529	21,394	18,996	19,603	16,647	13,158	10,459	8,044	42,496
Unrestricted	12,435	15,940	6,013	10,276	10,280	5,994	5,938	10,049	10,570	16,735
Total business-type activities net position	<u>\$ 104,930</u>	<u>\$ 107,226</u>	<u>\$ 113,418</u>	<u>\$ 114,576</u>	<u>\$ 118,283</u>	<u>\$ 114,583</u>	<u>\$ 114,855</u>	<u>\$ 119,217</u>	<u>\$ 122,423</u>	<u>\$ 133,727</u>
Primary government										
Net Invested in capital assets	\$ 118,505	\$ 118,962	\$ 125,374	\$ 149,577	\$ 150,852	\$ 161,552	\$ 172,445	\$ 171,363	\$ 183,197	\$ 151,302
Restricted	17,354	32,181	57,191	34,008	38,056	40,232	34,813	42,242	39,525	85,614
Unrestricted	28,898	34,214	14,044	19,227	11,450	8,218	11,892	17,178	14,534	26,511
Total primary government net position	<u>\$ 164,757</u>	<u>\$ 185,357</u>	<u>\$ 196,609</u>	<u>\$ 202,813</u>	<u>\$ 200,358</u>	<u>\$ 210,002</u>	<u>\$ 219,150</u>	<u>\$ 230,783</u>	<u>\$ 237,256</u>	<u>\$ 263,427</u>

City of Pharr, Texas
Changes in Net Position
Last Ten Fiscal Years¹
(Accrual Basis of Accounting)
(Amount expressed in thousands)

Expenses	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 10,917	\$ 16,251	\$ 9,970	\$ 12,144	\$ 11,091	\$ 12,359	\$ 12,265	\$ 16,369	\$ 13,205	\$ 22,680
Public safety	21,546	22,427	22,700	21,355	20,581	20,175	25,261	23,813	26,572	20,473
Streets	3,757	4,490	5,330	4,903	7,826	7,834	8,748	1,481	5,242	5,140
Sanitation	2,749	2,699	1,880	2,867	2,636	1,518	647	3,014	3,080	3,019
Culture and recreation	3,239	4,133	4,306	6,155	5,530	5,790	5,358	5,607	7,420	13,952
Economic development	-	-	8,085	2,590	1,679	3,119	3,445	5,467	4,425	5,303
Debt service	736	1,293	1,926	1,800	1,629	1,182	1,810	2,192	2,973	2,958
Total governmental activities expenses	42,944	51,293	54,196	51,814	50,973	51,978	57,535	57,943	62,917	73,525
Business-type activities:										
Utility	10,382	11,829	12,241	13,619	14,069	13,981	14,908	13,319	13,582	15,184
Pharr Event Center	-	-	-	-	727	808	776	769	824	685
Toll Bridge	3,082	3,137	3,413	4,822	3,905	3,725	3,768	4,037	4,118	4,221
Tierra Del Sol Golf Course	1,236	1,110	1,279	1,394	1,428	1,338	1,337	1,415	1,536	1,446
Total business-type activities expenses	14,700	16,076	16,933	19,836	20,128	19,851	20,788	19,540	20,060	21,536
Total primary government expenses	\$ 57,644	\$ 67,369	\$ 71,128	\$ 71,650	\$ 71,101	\$ 71,829	\$ 78,323	\$ 77,483	\$ 82,977	\$ 95,061
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,962	\$ 2,014	\$ 1,980	\$ 1,646	\$ 1,431	\$ 2,074	\$ 1,989	\$ 4,210	\$ 3,712	\$ 1,949
Public Safety	1,184	1,180	1,210	1,355	1,607	2,953	2,576	-	447	3,180
Streets	782	807	878	859	1,008	1,026	1,048	472	512	1,782
Sanitation	3,560	3,585	3,658	3,825	3,924	4,018	4,079	4,095	4,248	4,226
Culture and recreation	257	665	579	1,629	582	409	436	390	391	318
Economic development	-	-	-	648	-	-	1,610	-	-	2,116
Debt service	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	3,451	6,221	9,493	3,132	2,568	3,289	3,784	1,014	-	12,392
Capital grants and contributions	25	59	1,111	1,435	1,477	222	59	2,170	1,911	7,259
Total governmental activities program revenues	11,221	14,531	18,910	14,529	12,597	13,991	15,580	12,351	11,221	33,222
Business-type activities:										
Charges for services:										
Utility	13,553	13,814	13,977	13,670	12,980	13,751	14,462	13,952	13,956	16,208
Bogbus Ford Event Center	-	-	-	-	434	617	518	341	419	252
Toll Bridge	10,415	11,002	11,915	12,572	12,781	13,438	13,905	13,978	14,341	14,595
Tierra Del Sol Golf Course	812	776	597	786	781	810	876	801	796	796
Operating grants and contributions	-	17	314	-	-	1,812	-	-	-	-
Capital grants and contributions	548	316	1,686	919	3,339	842	2,300	2,776	1,911	5,589
Total business-type activities program revenues	25,328	25,926	28,489	27,948	30,315	31,270	32,061	31,848	31,423	37,440
Total primary government program revenues	36,549	\$ 40,456	\$ 47,398	\$ 42,477	\$ 42,912	\$ 45,261	\$ 47,641	\$ 44,199	\$ 42,644	\$ 70,662
Net (expense)/revenue										
Governmental activities	<u>(31,723)</u>	<u>\$ (36,762)</u>	<u>\$ (35,286)</u>	<u>\$ (37,286)</u>	<u>\$ (38,375)</u>	<u>\$ (37,987)</u>	<u>\$ (41,955)</u>	<u>\$ (45,592)</u>	<u>\$ (51,696)</u>	<u>\$ (40,303)</u>
Business-type activities	<u>10,628</u>	<u>9,850</u>	<u>11,556</u>	<u>8,112</u>	<u>10,186</u>	<u>11,419</u>	<u>11,273</u>	<u>12,308</u>	<u>11,363</u>	<u>15,904</u>
Total primary government net expense	(21,095)	\$ (26,913)	\$ (23,730)	\$ (29,174)	\$ (28,189)	\$ (26,568)	\$ (30,681)	\$ (33,284)	\$ (40,333)	\$ (24,399)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	14,984	\$ 15,221	\$ 15,186	\$ 15,812	\$ 16,728	\$ 17,186	\$ 17,875	\$ 19,688	\$ 20,759	\$ 23,977

Sales taxes	11,838	12,801	13,079	14,557	16,311	16,781	17,082	19,376	21,668	22,087
Other Taxes	2,844	2,232	3,129	3,129	3,605	3,457	3,565	5,534	2,536	2,722
Investment earnings	440	415	473	401	314	89	241	417	562	255
Grants, Donations, and Miscellaneous	763	1,048	421	198	-	1,763	1,546	721	152	300
Transfers	7,214	6,702	6,317	7,682	10,758	11,300	11,175	8,445	8,354	4,509
Total governmental activities	38,083	38,420	38,605	41,780	47,717	50,576	51,484	54,181	54,031	53,850
Business-type activities:										
Investment earnings	795	705	848	848	486	67	112	259	283	171
Grants, Donations, and Miscellaneous	135	22	21	21	65	7	30	5	1	17
Water Relief Program	-	-	-	-	-	(3,750)	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-	-	-	(269)
Transfers	-	(6,702)	(6,466)	(7,849)	(11,020)	(11,683)	(11,175)	(8,445)	(8,354)	(4,509)
Total business-type activities	930	(5,975)	(5,598)	(6,981)	(10,469)	(15,359)	(11,033)	(8,181)	(8,070)	(4,590)
Total primary government	39,013	\$ 32,445	\$ 33,008	\$ 34,799	\$ 37,248	\$ 35,217	\$ 40,451	\$ 46,000	\$ 45,961	\$ 49,260
Change in Net Position										
Governmental activities	6,360	\$ 1,658	\$ 3,320	\$ 4,494	\$ 9,342	\$ 12,589	\$ 9,530	\$ 7,374	\$ 2,336	\$ 13,547
Business-type activities	4,344	3,875	5,958	1,131	(283)	(3,940)	240	4,127	3,293	11,314
Total primary government	10,704	\$ 5,532	\$ 9,278	\$ 5,625	\$ 9,059	\$ 8,649	\$ 9,770	\$ 11,501	\$ 5,629	\$ 24,861

City of Pharr, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amount expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Reserved, Nonspendable, Restricted	\$ 3,354	\$ 20,807	\$ 10,752	\$ 12,879	\$ 12,841	\$ 13,573	\$ 16,422	\$ 12,634	\$ 14,411	\$ 18,992
Unreserved, undesignated, unassigned	5,809	748	3,593	219	794	5,839	6,333	3,218	4,560	4,237
Designated, Committed, Assigned	8,054	9,046	-	-	-	-	-	8,010	5,876	5,821
Total general fund	<u>\$ 17,217</u>	<u>\$ 30,601</u>	<u>\$ 14,346</u>	<u>\$ 13,098</u>	<u>\$ 13,636</u>	<u>\$ 19,413</u>	<u>\$ 22,755</u>	<u>\$ 23,862</u>	<u>\$ 24,847</u>	<u>\$ 29,050</u>
All other governmental funds										
Reserved, Nonspendable, Restricted, reported in:	\$ -	\$ (1,611)	\$ 1,212	\$ 1,677	\$ 2,405	\$ 3,052	\$ 3,145	\$ 3,074	\$ 2,365	\$ 2,419
Special revenue funds	387	1,339	-	-	-	-	-	4,066	5,913	4,618
Debt service fund	63	20	-	-	-	-	-	-	627	931
Economic Development fund	3,197	3,085	20,014	23,094	12,169	12,816	12,869	3,320	1,923	10,656
Unreserved, unassigned, reported in:										
Special revenue funds	(2,929)	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	11,747	8,349	10,459	23,198	15,690	24,965	23,229	27,686
Debt service funds	-	-	37	157	317	203	251	676	-	-
Economic Development	-	-	-	-	-	-	-	-	2,885	-
Assigned	1,943	17,392	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 2,661</u>	<u>\$ 20,224</u>	<u>\$ 33,009</u>	<u>\$ 33,278</u>	<u>\$ 25,350</u>	<u>\$ 39,269</u>	<u>\$ 31,955</u>	<u>\$ 36,101</u>	<u>\$ 36,942</u>	<u>\$ 46,310</u>
Total governmental fund balances	<u>\$ 19,878</u>	<u>\$ 50,825</u>	<u>\$ 47,355</u>	<u>\$ 46,376</u>	<u>\$ 38,986</u>	<u>\$ 58,681</u>	<u>\$ 54,709</u>	<u>\$ 59,963</u>	<u>\$ 61,789</u>	<u>\$ 75,360</u>

City of Pharr, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amount expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes	\$ 29,814	\$ 31,391	\$ 31,504	\$ 33,978	\$ 36,550	\$ 37,335	\$ 38,434	\$ 44,716	\$ 44,983	\$ 48,780
Licenses and permits	762	664	818	762	681	734	657	777	808	966
Intergovernmental	3,451	6,221	9,521	4,468	2,964	3,289	3,784	1,015	4,037	19,652
Charges for services	5,010	5,525	5,778	6,326	5,933	6,048	6,332	6,718	6,374	6,224
Fines	914	977	936	1,086	1,178	1,309	1,641	1,068	798	550
Investment earnings	440	415	474	401	314	89	241	417	562	256
Miscellaneous	375	692	644	945	368	1,218	12,571	1,191	2,062	2,945
Total Revenues	<u>40,766</u>	<u>45,885</u>	<u>49,675</u>	<u>47,966</u>	<u>47,988</u>	<u>50,023</u>	<u>63,661</u>	<u>55,847</u>	<u>59,624</u>	<u>79,373</u>
Expenditures										
General government	14,398	13,336	10,337	11,933	10,784	11,498	11,037	16,384	12,218	22,055
Public safety	19,963	22,058	22,253	21,439	19,456	21,930	23,572	26,603	28,400	20,527
Highways and streets	4,404	7,401	7,056	5,012	8,412	11,107	13,846	8,764	8,696	10,337
Health and Welfare	2,555	2,654	2,371	2,758	2,808	2,694	2,408	2,853	2,857	2,823
Culture and recreation	6,010	5,524	12,999	6,346	4,867	5,439	7,926	12,253	19,032	24,849
Economic development	1,538	2,677	1,163	2,725	1,698	2,720	3,340	8,690	4,717	4,481
Debt service - Principal	1,635	2,588	9,339	7,811	7,994	15,162	17,161	12,046	8,622	10,298
Debt service - Interest	712	1,156	1,750	1,866	1,636	1,267	2,052	2,393	3,222	3,357
Total expenditures	<u>51,215</u>	<u>57,393</u>	<u>67,269</u>	<u>59,940</u>	<u>57,655</u>	<u>71,817</u>	<u>81,342</u>	<u>89,986</u>	<u>87,764</u>	<u>98,727</u>
Excess of revenues over (under) expenditures	(10,449)	(11,508)	(17,594)	(11,974)	(9,667)	(21,793)	(17,681)	(34,139)	(28,140)	(19,354)
Other financing sources (uses)										
Transfers in	11,615	42,210	34,633	19,662	21,849	35,719	20,787	37,389	33,431	16,305
Transfers out	(4,393)	(35,508)	(28,316)	(11,981)	(11,090)	(24,419)	(9,612)	(29,503)	(25,077)	(11,796)
Proceeds from sale of assets	805	120	551	198	(953)	642	-	-	-	-
Other Contributions							(9,900)			
Issuance of debt	2,372	30,572	14,306	2,381	480	29,739	11,366	31,810	19,430	26,945
Total other financing sources (uses)	<u>10,399</u>	<u>37,395</u>	<u>21,175</u>	<u>10,260</u>	<u>10,286</u>	<u>41,680</u>	<u>12,641</u>	<u>39,696</u>	<u>27,784</u>	<u>31,454</u>
Special Items										
Gain/(loss) on land available for sale valuation			(6,371)		(7,629)		1,566	(356)		
Total special items			(6,371)		(7,629)		1,566	(356)		
Net change in fund balances	<u>\$ (50)</u>	<u>\$ 25,887</u>	<u>\$ (2,790)</u>	<u>\$ (1,714)</u>	<u>\$ (7,010)</u>	<u>\$ 19,887</u>	<u>\$ (3,425)</u>	<u>\$ 5,201</u>	<u>\$ (356)</u>	<u>\$ 12,100</u>
Debt service as a percentage of noncapital expenditures	4.8%	7.0%	19.7%	19.3%	20.1%	29.7%	30.9%	19.1%	15.6%	16.1%