#### ANNUAL COMPREHENSIVE FINANCIAL REPORT

#### CITY OF HARLINGEN, TEXAS

For the Fiscal Year Ended September 30, 2021

# City of Harlingen, Texas Annual Comprehensive Financial Report (Including Compliance Report on Grant Activities) For the Fiscal Year Ended September 30, 2021

#### **CITY OFFICIALS**

Mayor	Chris Boswell
Commissioners	Richard Uribe Frank Puente Michael Mezmar Frank Morales Rene Perez
City Manager	Gabriel Gonzalez
Finance Director	Robert Rodriguez

#### PREPARED BY DEPARTMENT OF FINANCE

Robert Rodriguez, Finance Director

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# **INTRODUCTORY SECTION**

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### **CAPITAL OF THE LOWER RIO GRANDE VALLEY**

Mission Statement: "Ensure a business-friendly climate focused on economic growth, quality of life and efficient delivery of excellent services to our community."

April 28, 2022

The Honorable Mayor, City Commissioners and Citizens of the City of Harlingen, Texas:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Harlingen, Texas, for the fiscal year ended September 30, 2021. This report was prepared from the books and records of the City of Harlingen and hereby submitted as required by state and local laws. Responsibility for the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Harlingen. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Readers and other users of this report should refer to Management's Discussion and Analysis, which can be found in the Financial Section and immediately follows the independent auditors' report.

#### THE REPORT

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB), the National Council on Governmental Accounting (NCGA) and the American Institute of Certified Public Accountants (AICPA).

The City is required to undergo an annual single audit in conformity with the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this Uniform Guidance, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditors' report on the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

The City's financial statements have been audited by Carr, Riggs & Ingram, LLC, Independent Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the financial section of this report.

"Recipient of Keep Texas Beautiful Governor's Achievement Award"

118 E. Tyler \star P.O. Box 2207 \star Harlingen, Texas 78551

#### **MISSION STATEMENT**

The mission statement for the City of Harlingen as adopted by the City Commission is to "Ensure a business climate focused on economic growth, quality of life and efficient delivery of excellent services to our community". The City's mission statement serves as a guide for departments to provide the best service to the community.

#### ECONOMIC CONDITIONS AND OUTLOOK

Harlingen is located in the Rio Grande Valley of Texas (Valley), an international border region comprised of a three county area with an estimated population of 1.2 million people on the U.S. side and over 2 million in the border communities of Mexico. Harlingen's central location, just a few miles from the Mexican border, and the availability of skilled labor force at competitive wages has been an important factor in its continued economic development. Harlingen has a dynamic, world class medical and health care complex which includes Valley Baptist Medical Center, Harlingen Medical Center, Rio Grande State Center, Su Clinica Familiar and an increasing number of clinics and medical practices. Harlingen is also home to the University of Texas Rio Grande Valley School of Medicine Clinical Education Building and the Graduate Medical Education Office where UTRGV medical students continue their studies and participate in clinical rotations. The University of Texas Rio Grande Valley is constructing a new multi-million dollar Institute of Neuro-Sciences research facility in Harlingen near the established Regional Academic Health Center. Harlingen is also home to the Veteran's Administration Center which includes a 120,000 sq. ft. outpatient center. The Institute will further increase our growing Medical Sector and the number of jobs associated with that industry. The City's location has made it a logistics center for the Valley. Valley International Airport (VIA) has three major air cargo companies located at its facility as well as 6 major airlines for passengers to choose from.

Overall construction in Harlingen during FY 2020-21 was \$109.9 million in construction permits issued by the City. A total of 869 permits were issued. The City issued 256 building permits for new homes for a total dollar value of over \$38.8 million, with an average construction cost for each home at \$151,651. The commercial/business sector issued permits for 24 new commercial structures with a construction value of \$9.0 million.

Total sales tax collected by the City, the Economic Development Corporation (EDC-4A) and the Harlingen Community Improvement Board (HCIB-4B) increased to \$29,424,316 in FY 2020-21 compared to the \$25,508,373 collected in FY 2019-20, a 15.4% or \$3,915,944 increase. All three entities are committed to combining their resources for the overall economic benefit of the City.

#### Outlook

The City's fiscal year 2021 Budget was prepared conservatively based on the current economic condition to meet the goals of the City while staying within the resources available to the City. Fiscal year 2021 showed a large increase in sales taxes due to the removal of restrictions during the fiscal year as a result of the COVID pandemic winding down. Careful long-term planning is important to the City. Periodic review of the budget is performed to adjust the operational appropriated expenditures for any changes in the City's resources. The City takes a strong stance in preserving its fund balance.

#### **MAJOR INITIATIVES**

#### For the Year

The fiscal year 2020-2021 budget addressed the City Commission's and City Manager's objectives of creating and continuing replacement/improvement programs. These programs are designed for the betterment of the City by having perpetual mechanisms in place to improve the City incrementally each year. City management has built these programs into the annual budgets as to be manageable in both resources of funding and labor. The following projects were commenced and/or completed in FY 2021:

- Harlingen Convention Center
- Destination Park
- Road construction including Altas Palmas, Beckham, Lake Drive, Secluded Acres, Becky Lane and Halpin Road and several others
- Drainage projects including Dixieland Drainage Ditch, 9<sup>th</sup> and 13<sup>th</sup> Street Drainage Ditch improvements, 13<sup>th</sup> Street Drainage Ditch and Jefferson Drainage Ditch
- Added 2.1 miles of sidewalk to areas around town through the City's Sidewalk Improvement Project including FM 507 & Loop 499, 6<sup>th</sup> Street, Ed Carey, and Haine Drive
- Substantial completion of Phase I of the Lon C. Hill Destination Park
- General Reseal & Overlay Project for various City streets
- Arroyo Trail Extension

#### GOALS FOR YEAR 2021-22 AND BEYOND

The Harlingen City Commission on April 6, 2016 unanimously approved the "One Vision, One Harlingen" comprehensive plan, which is the City's core policy document. The comprehensive plan utilized key input over several months from stakeholders, residents, business owners, city staff, appointed committee members and elected officials. The plan consists of the City's vision, goals, strategies, and implementation measures for growth and prosperity. "One Vision, One Harlingen" is an integrated approach to future development with a focus on all elements that make up a city such as housing, transportation, parks, economic growth, public safety and public services. The comprehensive plan assisted in developing a priority listing of projects. On June 24, 2017, the Harlingen City Commission approved the priority list of projects. A total of 17 priority projects were included on the list. The top seven projects are as follows:

- 1. Complete the Regional Flood Plan Study
- 2. Commence of Phase II of the Lon C. Hill Destination Park
- 3. Continue providing COVID-19 support for the community
- 4. Construction of the 5th & 7th Street Storm Sewer Improvement Project
- 5. Seek additional grant funding and opportunities for drainage and street projects
- 6. Rehab roadways through our Street Improvement Program totaling 4.45 miles
- 7. Several park upgrades including C.B Wood, Destination Park, and trails extension from McKelvey Park back to Hugh Ramsey Nature Park

The "One Vision, One Harlingen" comprehensive plan is available on the City's website (www.myharlingen.us) for citizen review.

#### FINANCIAL INFORMATION

This report contains management's representations concerning the finances of the City of Harlingen. Therefore, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide for a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed with the objective of providing reasonable, but not absolute, assurance that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluations of costs and benefits require estimates and judgments by management.

#### Uniform Guidance

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the City's requirements under the Uniform Guidance, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended September 30, 2021, indicated that there were no material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

#### Budgeting Controls

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for the capital projects funds which adopt project - length budgets. Formal budgetary integration is employed as a management control device during the year for the General, Debt Service, Community Development Block Grant, Tennis Court Revenue, Hotel/Motel Occupancy Tax, Public Education Grant, Catastrophic Emergency Relief, Harlingen Downtown, Harlingen Convention Center, Freetrade Bridge, Federal Forfeitures, State Forfeitures, Convention & Visitors Bureau, Grant Awards, Tax Increment Financing, and Infrastructure as well as for all enterprise and internal service funds. These budgets, except for Community Development Block Grant Fund, are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Unused appropriations for all of the above annually budgeted funds lapse at the end of each year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Budgetary data for Capital Project Funds are budgeted over the life of the respective project and not on an annual basis. Therefore, this data is not presented in the accompanying combined financial statements.

Budgets for Community Development Block Grant Fund are legally adopted on a program (entitlement) basis rather than on an annual basis. The budgets reflected on the statement of revenues, expenditures and changes in fund balance represent the remaining unexpended program budget at the beginning of the current fiscal year. Unexpended appropriations do not lapse at the end of the fiscal year for these funds.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several supplementary appropriations were necessary.

The annual budget serves as the foundation for the City's financial planning and control. The City maintains budgetary controls over revenues and expenditures to ensure compliance with legal provisions embodied in the annual appropriated budget as approved by the City Commission. Budgetary controls for changes to the approved budget, which exceed or deplete the original appropriated amounts, require City Commission approval. Changes to the original department budgets between line items are processed through budget adjustment forms and require the City Manager, Finance Director, and Department Director approval. Activities of the general fund, special revenue funds and debt service fund are included in the annual appropriated budget. Budget-to-Actual comparisons are provided in this report.

#### Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Distinguished Budget Presentation to the City of Harlingen for its annual budget for the fiscal year beginning October 1, 2020. In order to be awarded a Certificate for Distinguished Budget Presentation, the City must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication medium.

#### General Governmental Functions

General Governmental Fund Types (General Fund, Special Revenue Funds, and Debt Service Fund) account for a major portion of the City's operating revenues and expenditures. A fourth general governmental fund type is Capital Projects, which was established to account for major city improvements.

The City offers excellent services that enrich the quality of life to the citizens. The City continues to allocate a large amount of funds into the parks, by upgrading park equipment. Construction on the destination park and the new tennis center continues with projected completion dates in FY 2021. The construction of walking trails continue, which will eventually connect all the parks together. As always, the City also expends funds on the Public Safety departments of Police and Fire.

#### Fund Balances

The total fund balance for the general fund totaled \$28,164,627 at September 30, 2021. The unassigned fund balance for the General Fund totaled \$26,249,921, an increase of \$1,072,842 over last year. The combined fund balance of all other governmental funds totaled \$9,539,483, which includes restricted funds of \$6,132,063, committed funds of \$3,618,150, nonspendable funds of \$741 and unassigned funds of (1,343,182).

The fund balance of the General Fund presented above will provide the City with approximately 187 days of operating expenditures for FY 2022. This level of fund balance is above the City's goal of ninety days of operating expenditures. With the combining of the fund balances of the General Fund and Catastrophic Emergency Fund, the City has approximately 193 days of expenditures for FY 2022.

#### Debt Administration

The City had an informal goal of attaining and maintaining a fund balance of 25% of the following FY annual debt service requirement. That informal goal was evaluated during the FY and determined to be in excess of the City's needs. The debt service restricted fund balance of \$459,998 is 9.8% of FY 2022 annual principal and interest requirements.

The City's last rated General Obligation bonds are rated as follows:

	<u>Fitch</u>	<u>Standards &amp; Poor</u>
General Obligation Bonds	AA+	AA-

#### **Capital Project Funds**

The Capital Project Funds were established to account for major city improvements. Typical projects have included streets, sidewalks and drainage construction. Facilities such as the police/court, fire stations and park restrooms and fields have also been funded through bonds.

#### **Proprietary Funds**

The City currently operates four Proprietary Funds. The proprietary funds are set up to operate primarily from user fees charged to the general public. A comparative summary of net income (loss) before transfers and capital contributions for the years ended September 30, 2021 and 2020, as follows:

Proprietary Funds	 2021		2020
Sanitation Fund	\$ 764,841	\$	957,530
Municipal Golf Course Fund	(148,794)		(393,104)
Municipal Auditorium Fund	(309,848)		(459,961)
Harlingen Arts & Heritage Museum	 (109,945)		(118,434)
Total net income (loss)	\$ 196,254	\$	(13,969)

#### Sanitation Fund

The Sanitation Department was established as a Proprietary Fund on July 1, 1978. The City owns and operates the entire solid waste, brush and debris collections and public landfill operations within the City limits.

#### Municipal Golf Course Fund

The Municipal Golf Course Fund was established to account for the operations of the City's municipal golf course. The fund consists of a 27-hole course with a clubhouse.

#### Municipal Auditorium Fund

The Municipal Auditorium Fund was established to account for the utilization of the City's auditorium and Casa de Amistad facility, as well as for the encouragement of the arts. The Auditorium is home to a variety a number of local dance studios and theatrical performances throughout the year, as well as community organizations including Lifeline Heart of Worship Church, Gloria G. Canales Ballet Folklorico and the Ms. South Texas Senior America Pageant.

#### Harlingen Arts and Heritage Museum Fund

The Harlingen Arts and Heritage Museum was established to account for the operations of the City's Museum.

#### **Component Units**

Four closely associated entities are considered component units. These are the Harlingen Economic Development Corporation, the Harlingen Community Improvement Board, the Valley International Airport, and the Harlingen Water Works System.

#### Harlingen Economic Development Corporation (HEDC)

The HEDC is a separately chartered nonprofit corporation. This fund is used to account for Section 4A sales taxes allocated from 75% of the special ½ cent sales tax collected for the express purpose of promoting economic development on behalf of the City. The Board of Directors is appointed by the City Commission and functions as the decision/policy-making body for activities related to this component unit subject to some prior Commission approval. Prior to fiscal year 2008, City management and City staff ran the HEDC operations. With the approval of the HEDC board and city commission, a director and three staff positions were hired in FY 2008 solely for the administration and operations of the HEDC.

#### Harlingen Community Improvement Board (HCIB)

This HCIB is a separately chartered nonprofit corporation. The fund is used to account for Section 4B sales taxes allocated from 25% of the special ½ cent sales tax collected for the express purpose of promoting economic and community development on behalf of the City. The Board of Directors is appointed by the City Commission and functions as the decision/policy-making body for all activities related to this component unit subject to prior Commission approval. Currently, City administration and staff handle the regular operations of the HCIB.

#### Valley International Airport

Valley International Airport's major operating revenue sources are commissions, car rentals, terminal parking and rentals of the Airport facilities.

Southwest Airlines, Frontier Airlines, American Airlines, and United Airlines provide passenger airline service through Valley International Airport. Continuing and connecting flights are facilitated within these airlines' respective systems. Additional connections are provided seasonally by Sun Country Airlines and Delta.

The Airport has received grants from the U. S. Department of Transportation - Federal Aviation Administration. Currently, the Airport has been awarded several grants under the Airport Improvement Program. The grants are awarded primarily for the extension of runways, taxiways, together with grants providing funds for the renovation, rehabilitation, expansion of the Airport terminal, and drainage improvements. The grants reimburse the City Airport at amounts ranging from 90 percent of the respective project costs.

#### Harlingen Waterworks System

The Waterworks System of the City of Harlingen, Texas, is a separate operating authority established by and subject to the City's Charter. It provides for the water and wastewater services in Harlingen and the surrounding areas. The City conducts oversight responsibilities over the Utilities Trustee Board.

#### **Internal Service Fund**

#### Motor Vehicle/Warehouse Fund

The Motor Vehicle/Warehouse Fund was established to account for vehicle maintenance, equipment replacement, and purchasing/warehouse operations. The vehicle maintenance shop maintains most City vehicles and the departments are billed for the services provided. For equipment replacement, departments are charged rent for the vehicles and rolling stock at a rate to recover depreciation over the useful life. Items "purchased" from purchasing/warehouse are charged to the departments at cost plus 15% to cover the operating cost of purchasing/warehouse.

#### Medical/Health Fund

The Medical/Health Fund was established to account for monies paid into a pool for medical and health care cost of current and retired City employees. Funds are contributed biweekly through the payroll transactions for both the City and employees portion.

#### **Fiduciary Fund**

#### Pension Trust Fund

This pension system is accounted for in the Firemen's Relief and Retirement Fund. The City of Harlingen amended the plan provisions effective April 1, 2019 and increased the employer contribution to 17% of salaries. The firemen continue to contribute 15% of salaries. The City of Harlingen administers and operates the pension fund as a fiduciary for the Firemen's Relief and Retirement Fund Board of Directors as authorized by the Texas Local Fire Fighters Retirement Act (TLFFRA).

#### **OTHER INFORMATION**

#### Independent Audit

The City Charter requires an annual audit to be made of the books and accounts of all departments of the City by an Independent Certified Public Accountant. This requirement has been complied with, and the auditors' opinion has been included in this report.

#### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Harlingen, Texas, for its annual comprehensive financial report for the fiscal year ended September 30, 2020. The Certificate of Achievement is the highest form of recognition for excellence in State and Local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Harlingen has received a Certificate of Achievement for each of the last thirty five years (fiscal years ended 1985 to 2020). We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### Acknowledgment

I would like to express my appreciation to Kareem Abdullah, Deputy Finance Director, as well as the entire staff of the Finance Department for their diligent efforts in preparation of the annual financial report. I would also like to thank the City Manager, Mayor, and City Commissioners for their leadership, and support in planning and conducting the financial operations of the City in a responsible and progressive manner. Finally, I wish to thank our independent certified public accountants, Carr, Riggs, and Ingram, LLC, whose competent assistance and technical efficiency have assisted and contributed to the preparation of this report.

In conclusion, this report reflects the overall strength and progressive posture in which the City continues to provide necessary services to the citizens and communities of Harlingen.

Respectfully submitted,

\$ P >

Robert Rodriguez Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

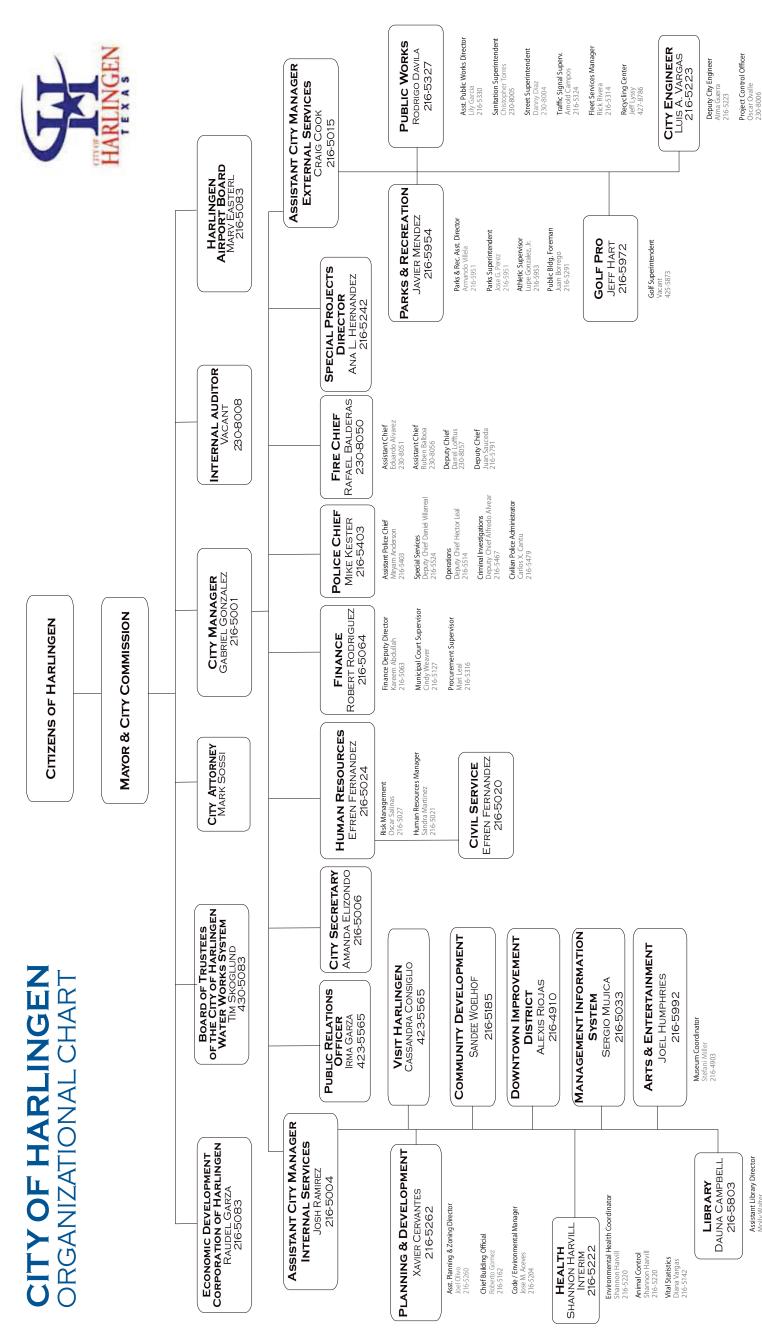
# City of Harlingen Texas

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2020

Christophen P. Morrill

Executive Director/CEO



REVISED 03/07/2022

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Molly Walter 216-5827

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### **FINANCIAL SECTION**

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**Carr, Riggs & Ingram, LLC** 402 East Tyler Avenue Harlingen, TX 78550-9122

(956) 423-3765 (956) 428-7520 (fax) CRIcpa.com

#### **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members of the City Commission City of Harlingen, Texas

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Harlingen, Texas, as of and for the year ended September 30 2021, and the related notes to the financial statements, which collectively comprise the City of Harlingen, Texas' basic financial statements as listed in the table of contents.

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

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

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Harlingen, Texas, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

The previously issued financial statements have been restated to account for the correction of a misstatement related to a prior period. As further discussed in Note 28, the City's financial statements were restated and the effect of the adjustments was an increase to beginning net position. Our opinions are not modified with respect to this matter.

#### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 37-54 and 147-164 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Harlingen, Texas' basic financial statements. The introductory section, the other supplementary information section, the statistical section, the continuing disclosure requirements of SEC Rule 15 (c) 2-12, and the debt service section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal/state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Single Audit Circular is also not a required part of the basic financial statements.

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The other supplementary information and the schedule of expenditures of federal/state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal/state awards fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections, the continuing disclosure requirements of SEC Rule 15 (c) 2-12 and the debt service section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 our consideration of the City of Harlingen, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Harlingen, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Harlingen, Texas' internal reporting and compliance.

Firm's signature

Carr, Riggs & Ungram, L.L.C.

Harlingen, Texas April 28, 2022

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This section of the City of Harlingen's annual financial report presents our discussion and analysis of the City's financial performance for the fiscal year ended September 30, 2021. Please read it in conjunction with the transmittal letter on page 17 and the City's financial statements, which begin on 56.

## **FINANCIAL HIGHLIGHTS**

The net position of the City as of September 30, 2021 was \$119,142,499. This number consists of \$105,148,390 (88.3%) of net investment in capital assets. The net position restricted for specific purposes totals \$6,317,371 (5.3%) and unrestricted net position of \$7,676,738 (6.4)%. The City's total net position increased by \$14,775,600. The governmental activities net position increased by \$13,951,331 or approximately 15.49%, while the net position of our business-type activities increased by \$824,269 or approximately 5.76%. The increase to net position is a result of increased property tax collections and the operating CARES act grant received during the year.

As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$37,704,110. Within this total, \$410,583 is non-spendable, \$6,317,371 is restricted by specific legal requirements, such as by debt covenants, \$3,618,150 has been committed and \$2,451,267 is assigned to specific types of expenditures. The remaining \$24,906,739 is unassigned fund balance and can be used for any lawful purpose. The City's expenditures for FY 2021 were \$1,101,421 more than the \$71,040,078 generated in taxes and other revenues before other finance sources and uses.

Business-type activities reported combined ending net position of \$15,138,751. Within this total, \$8,322,915 is invested in capital assets (e.g., land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The remaining balance consists of \$6,815,836 of unrestricted funds which can be used for any lawful purpose. Total proprietary expenses and transfers for the City's business-type activities were \$824,269 less than the operating and non-operating revenues of \$11,240,286.

## USING THIS ANNUAL REPORT

The Comprehensive Annual Financial Report is composed of three main sections – (A) Introductory Section, (B) Financial Section, and (C) the Statistical Section. The Financial Section of this Comprehensive Annual Financial Report consists of four parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information, and (4) other supplementary information, which is an optional section that presents additional information such as combining and individual fund statements and schedules for non-major and major governmental funds, internal service funds, fiduciary funds, capital assets, and required compliance information.

This Comprehensive Annual Financial Report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 56-57 and 58) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 59. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

### **Reporting the City as A Whole**

## The Statement of Net Position and the Statement of Activities

One of the central concerns in assessing any city's finances is summarized in the question, "Is the City as a whole better or worse off as a result of the year's activities?" Our analysis of the City as a whole begins on page 43. The analysis includes a condensed summary of the government-wide financial statements.

The Statement of Net Position and the Statement of Activities present information about the City that facilitates answering this question. These statements are presented much like private-sector companies, including all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting*. All of the current year's revenues and expenses are reported without regard to when cash is received or paid.

These government-wide financial statements report both net position and changes thereto.

The City's net position, which is the difference between assets and liabilities, is one indicator of the City's financial health or financial position. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating. You need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's streets, to assess the overall health of the City.

In the Statement of Net Position and Statement of Activities, we divide the City into three kinds of activities:

- <u>Governmental activities</u> Most of the City's basic services are reported here, including police, fire, public works, public services, and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- <u>Business-type activities</u> The City charges a fee to customers to help it cover all or most of the cost
  of certain services it provides. The City's golf course, municipal auditorium, museum, and sanitation
  and landfill operations are reported here.
- Component units The City includes four separate legal entities in its report the Harlingen Economic Development Corporation, Harlingen Community Improvement Board, Water and Wastewater System, and the Valley International Airport. These are other governmental units over which the City (the City Commission, acting as a group) can exercise influence. The Water and Wastewater System and the Valley International Airport both issue separately audited financial statements which can be obtained from each entity.

## Recently Issued Accounting Pronouncements

Future possible applicable accounting standards to the City that have been issued by the Governmental Accounting Standards Board are:

- GASB Statement No. 84, Fiduciary Activities
- GASB Statement No. 87, Leases
- GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Const. Period
- GASB Statement No. 90, Majority Equity Interests
- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of Interbank Offered Rates
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment
   Arrangements
- GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance

In January 2017, the GASB issued GASB Statement No. 84, – *Fiduciary Activities*. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. Management is evaluating the effects that the full implementation of GASB Statement No. 84 will have on its financial statements for the year ended September 30, 2021.

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2022.

In June 2018, the GASB issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and will simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In August 2018, the GASB issued Statement No. 90, "Majority Equity Interests". This statement will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations, provides for a single methods of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2022.

In January 2020, the GASB issued Statement No. 92, "Omnibus 2020". This statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this statement are effective for reporting periods beginning after June 15, 2020. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In March 2020, the GASB issued Statement No. 93, "Replacement of Interbank Offered Rates". This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this statement are effective for reporting periods ending after December 31, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In March 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In May 2020, the GASB issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 or later.

## **Reporting the City's Most Significant Funds**

## **Fund Financial Statements**

Our analysis of the City's major funds begins on page 46. The fund financial statements begin on page 59 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and others by bond covenants. Some funds are established by the City Commission to assist in managing money that is to be spent for particular purposes. For example, the Community Development Block Grant Fund was established to demonstrate that the money received from the U.S. Department of Housing and Urban Development was used for purposes established by the federal government. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

<u>Governmental funds</u> – Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for future spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds in a reconciliation format at the bottom of the fund financial statements.

The Governmental Accounting Standard Board (GASB) Cod. Sec. 1800.165 *Classification and Terminology – Fund Balance Reporting* provides for a hierarchy of five possible classifications for reporting fund balance as follows.

• **Nonspendable** 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.

The spendable fund balances include restricted, committed, assigned and unassigned based upon the hierarchy of spending constraints.

- Restricted fund balances are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed** fund balances contain self-imposed constraints of the government from its highest level of decision making authority (the City Commission).
- Assigned fund balances contain self-imposed constraints of the government to be used for a
  particular purpose (the City Manager has the authority to assign funds for specific purposes).
- Unassigned fund balances of the general fund are those that have no constraints for any particular purpose.

<u>Proprietary funds</u> – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's Motor Vehicle/Warehouse Fund.

# The City as Trustee

# **Reporting the City's Fiduciary Responsibilities**

The City is the trustee, or fiduciary, of the Firemen's Relief and Retirement Fund. This activity is reported in separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 70 and 71. These activities are not included with the City's other government-wide financial information since the City cannot use these assets to finance its programs or operations. The City is responsible for ensuring that these funds are used for their intended purpose.

#### THE CITY AS A WHOLE

The City's combined net position (assets exceeding liabilities) was \$119,142,499 as of September 30, 2021. The following tables present the net position (Table 1) and general revenues and expenses (Table 2) of the City's governmental and business-type activities. The largest portion of the City's net position, \$105,148,390 (88.3%), reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending, and with exception of business type assets, do not generate direct revenue for the City. They do represent, however, an obligation on the part of the City to maintain these assets into the future. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

The City's Summary Statement of Net Position is presented in Table 1. For Fiscal Year 2020-2021, cost of infrastructure and acquisition of other items with a value of \$5,000 or greater were capitalized.

An additional portion of the City's net position of \$6,317,371 (5.3%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$7,676,738 (6.4%).

Net position of the City's governmental activities increased by \$13,951,331 or 15.5%, from \$90,052,417 to \$104,003,748 for FY 2020-2021. The net position of the City's business-type activities increased 14.8% or \$2,115,580 from \$13,023,171 to \$15,138,751 for FY 2020-2021. The large increase to net position in the governmental activities for FY 2021 resulted from increased property and sales tax collections and the ARPA grant received during the year. The increase to net position in the business-type activities was a result of the net profit in the Sanitation Fund as well as a prior period adjustment that wrote off a large portion of the Landfill postclosure liability due to a reassessment of the estimate.

# Table 1 – Summary Statement of Net Position

		Governmental	Activities	Business-Type	Activities	Total Primary Government			
		2021	2020	2021	2020	2021	2020		
Assets									
Current and other assets	\$	59,004,951 \$	50,333,187 \$	8,819,847 \$	8,795,314 \$	67,824,798 \$	59,128,501		
Due from component units		7,274	86,921	109,928	143,646	117,202	230,567		
Internal balances		1,155,819	1,164,297	(1,155,819)	(1,164,297)	-	-		
Net pension asset		1,307,276	-	26,680	-	1,333,956	-		
Capital assets, net									
Non-depreciable assets		15,804,739	13,279,710	513,978	477,083	16,318,717	13,756,793		
Depreciable assets		115,544,669	111,816,031	8,011,838	7,543,286	123,556,507	119,359,317		
Total capital assets, net		131,349,408	125,095,741	8,525,816	8,020,369	139,875,224	133,116,110		
Total assets		192,824,728	176,680,146	16,326,452	15,795,032	209,151,180	192,475,178		
Deferred outflows of resources		8,852,655	11,436,155	32,891	25,697	8,885,546	11,461,852		
		, ,		,	,	, ,	,		
Total assets and deferred outflows of resources	\$	201 677 202 6	100 116 201 6	16 250 242 6	15 020 720 6	219 026 726 6	202 027 020		
	Ş	201,677,383 \$	188,116,301 \$	16,359,343 \$	15,820,729 \$	218,036,726 \$	203,937,030		
Liabilities									
Current and other liabilities		13,397,616	6,695,875	424,631	621,065	13,822,247	7,316,940		
Non-current liabilities		13,337,010	0,000,070	424,001	021,005	13,022,247	7,510,540		
OPEB liability - retiree health									
plan		4,509,136	4,143,657	92,038	84,566	4,601,174	4,228,223		
OPEB liability - supplemental		4,505,150	4,140,007	52,050	04,500	4,001,174	4,220,223		
death benefits		1,727,286	1,529,406	35,251	31,213	1,762,537	1,560,619		
Municipal net pension liability			611,973		12,489	-	624,462		
Firemen's net pension liability		19,991,801	19,291,409	_	- 12,405	19,991,801	19,291,409		
Est. Liability landfill		13,331,001	13,231,403			19,991,001	13,231,403		
postclosure		-	-	120,010	135,005	120,010	135,005		
Due in one year		5,164,632	5,003,772	137,253	128,647	5,301,885	5,132,419		
Due more than one year		38,811,677	43,025,986	336,444	411,707	39,148,121	43,437,693		
Total liabilities		83,602,148	80,302,078	1,145,627	1,424,692	84,747,775	81,726,770		
Deferred inflows of resources		14,071,487	17,761,806	74,965	81,555	14,146,452	17,843,361		
Net position									
Net investment in capital assets		96,825,475	87,248,313	8,322,915	7,768,023	105,148,390	95,016,336		
Restricted		6,317,371	8,242,917	-	-	6,317,371	8,242,917		
Unrestricted		860,902	(5,438,813)	6,815,836	6,546,459	7,676,738	1,107,646		
Total net position		104,003,748	90,052,417	15,138,751	14,314,482	119,142,499	104,366,899		
Total liabilities, deferred inflows of									
Total liabilities, deferred inflows of resources and net position	\$	201,677,383 \$	188,116,301 \$	16,359,343 \$	15.820.729 \$	218,036,726 \$	203,937,030		
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# Table 2 – Statement of Activities

	Governmen	tal Activities	Business-Type	Activities	Total Primary	Government
		Restated		Restated		Restated
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 9,276,607		11,103,570 \$	10,528,963 \$	20,380,177 \$	17,504,972
Operating grants and contributions	7,692,248	5,287,810	-	-	7,692,248	5,287,810
Capital grants and contributions	6,527,881	4,066,338	-	-	6,527,881	4,066,338
General Revenues:						
Property taxes	23,013,419	22,011,806	-	-	23,013,419	22,011,806
Sales taxes	21,861,723	18,955,627	-	-	21,861,723	18,955,627
Other taxes	4,491,450	5,971,004	-	-	4,491,450	5,971,004
Unrestricted investment earnings	35,906	277,582	3,356	77,454	39,262	355,036
Other	260,001	425,688	125,170	38,329	385,171	464,017
Gain (loss) on sale of assets	193,831	501,268	8,190	(11,489)	202,021	489,779
Total revenues	73,353,066	64,473,132	11,240,286	10,633,257	84,593,352	75,106,389
Expenses						
Program expenses:						
General government	6,270,204	8,617,136	-	-	6,270,204	8,617,136
Public safety	26,731,922	29,650,574	-	-	26,731,922	29,650,574
Highways and streets	8,249,883	5,647,986	-	-	8,249,883	5,647,986
Health and welfare	6,120,661	1,660,362	-	-	6,120,661	1,660,362
Community and economic dev.	4,868,179	2,948,451	-	-	4,868,179	2,948,451
Culture and recreation	5,274,945	5,304,891	-	-	5,274,945	5,304,891
Interest on long-term debt	1,257,926	1,178,809	-	-	1,257,926	1,178,809
Sanitation	-	-	9,609,368	8,947,337	9,609,368	8,947,337
Golf	-	-	1,009,710	1,071,223	1,009,710	1,071,223
Museum	-	-	110,164	127,734	110,164	127,734
Municipal Auditorium	-	-	314,790	500,932	314,790	500,932
Total expenses	58,773,720	55,008,209	11,044,032	10,647,226	69,817,752	65,655,435
Excess revenues over (under) expenses before						
transfers	14,579,346	9,464,923	196,254	(13,969)	14,775,600	9,450,954
Transfers	(628,015)	(78,589)	628,015	78,589	_	
Change in net position	13,951,331	9,386,334	824,269	64,620	14,775,600	9,450,954
Net position, beginning	90,052,417	92,586,043	14,314,482	12,958,551	104,366,899	105,544,594
Prior period adjustment	-	(11,919,960)	-	1,291,311	-	(10,628,649
Net position, beginning, as restated	90,052,417	80,666,083	14,314,482	14,249,862	104,366,899	94,915,945
Net position, ending	\$ 104,003,748	\$ 90,052,417 \$	15,138,751 \$	14,314,482 \$	119,142,499 \$	104,366,899

Total revenues generated from both governmental activities and business-type activities this year amounted to \$84,593,352. Total expenses incurred from both governmental activities and business-type activities this year amounted to \$69,817,752 which resulted in an increase in net position of 14.2% or \$14,775,600.

## **Governmental Activities**

Total revenue generated from governmental activities this year amounted to \$73,353,066, before transfers. Expenses came in at \$58,773,720, increasing net position by \$14,579,346 before transfers. Transfers of \$(628,015) to other activities resulted in an all-inclusive increase to net position of \$13,951,331.

The cost of all governmental activities this year was \$58,773,720. However, as shown on the Statement of Activities on page 58, the amount that our taxpayers ultimately financed for these activities through taxes and other general revenues was \$49,228,315. Charges for services of \$9,276,607 were paid by those who directly benefited from them. Operating grants and contributions totaled \$7,692,248. Another \$6,527,881 was paid by capital grants and contributions.

Table 3 presents the cost of each of the City's six largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

	 Total Cost	of	Services		Net Cost of Services				
			Restated			Restated			
	2021		2020		2021	2020			
General government	\$ 6,270,204	\$	8,617,136	\$ (	1,918,912) \$	(1,758,581)			
Public safety	26,731,922		29,650,574	(2	3,517,262)	(25,989,447)			
Highway and streets	8,249,883		5,647,986	(	3,617,926)	(5,224,785)			
Health and welfare	6,120,661		1,660,362		(988,386)	2,247,166			
Community & economic dev.	4,868,179		2,948,451	(	2,931,057)	(1,923,308)			
Culture and recreation	5,274,945		5,304,891	(	1,045,515)	(4,850,288)			
Interest on long-term debt	1,257,926		1,178,809	(	1,257,926)	(1,178,809)			
	\$ 58,773,720	\$	55,008,209	\$ (3	5,276,984) \$	(38,678,052)			

# **TABLE 3 - GOVERNMENTAL ACTIVITIES**

## **Business-type Activities**

Total operating and non-operating revenues generated from business-type activities this year amounted to \$11,240,286, before transfers. Expenses came in at \$11,044,032 leaving \$196,254 as an increase to net assets before transfers. Transfers from other activities totaling \$628,015 resulted in an all-inclusive increase in net assets amounting to \$824,269. More details will be provided about governmental and business-type activities operations later in this discussion and analysis.

# THE CITY'S FUNDS

As a result of this year's operations, governmental funds (as reflected in the balance sheet starting on page 59) combined fund balance increased to \$37,704,110 or \$(302,669) less than last year. The minimal decrease to fund balance is a result of several factors during the year, some positive and some negative.

# **Governmental Funds**

The following table presents a summary of total governmental funds' revenues and operating transfers in for the years ended September 30, 2021 and 2020. The following is a detailed analysis of the revenues:

				Amount of	Percent
Revenues & Other				Increase /	Increase /
financing sources (uses)	2021	% of Total	2020	(Decrease)	(Decrease)
Property Taxes	\$ 23,031,989	32.1%	\$ 22,018,956	\$ 1,013,033	4.6%
Nonproperty taxes	26,575,348	37.0%	23,570,651	3,004,697	12.7%
Assessments	1,545,235	2.2%	1,553,568	(8,333)	-0.5%
Fines and forfeitures	769,240	1.1%	848,008	(78 <i>,</i> 768)	-9.3%
Licenses and Permits	796,577	1.1%	706,930	89,647	12.7%
Charges for services	1,033,962	1.4%	1,147,685	(113,723)	-9.9%
Intergovernmental	11,036,751	15.4%	9,472,611	1,564,140	16.5%
Contributions and donations	5,943,534	8.3%	3,366,423	2,577,111	76.6%
Miscellaneous	266,276	0.4%	580,052	(313,776)	-54.1%
Interest and investment income	41,166	0.1%	329,863	(288 <i>,</i> 697)	-87.5%
	71,040,078		63,594,747	7,445,331	
Other financing sources (uses)	798,752	1.1%	1,918,106	(1,119,354)	-58.4%
Total	\$ 71,838,830		\$ 65,512,853	\$ 6,325,977	

There was a net increase in total revenues (including other financing sources (uses) of \$6,325,977 or an increase of 9.7%. Property taxes represent 32.1% of total revenues and other financing sources (uses). Property taxes increased by 4.6% or \$1,013,033. Nonproperty taxes, which includes sales, franchise and hotel/motel taxes represents 37.0% of total revenues and other financing sources (uses). Nonproperty taxes decreased by \$3,004,697 or 12.7% over last fiscal year. Total revenues, not taking into account other financing sources (uses) increased by \$7,445,331.

Property and Non-property tax revenues had a total increase \$4,017,730 over FY 2020 revenues. Property and Non-property taxes account for a major part of the revenue increase over last fiscal year. Intergovernmental revenue also had an increase over last fiscal year of \$1,564,140 which contributed to the overall revenue increase.

# Property Taxes – including penalty and interest

Property tax revenues exceeded FY 2020 property tax revenues by \$1,013,033. The increase is attributable to both current and delinquent collections. The percentage of collection for FY 2021 current taxes was 97.72%. The total tax rate stayed the same at \$0.619849 per \$100 value during the fiscal year. The total tax rate is composed of \$0.094087 for the Interest and Sinking Fund (I&S) and \$0.525762 for the Maintenance and Operations (M&O).

## Nonproperty taxes

Nonproperty taxes, which includes sales, franchise and hotel/motel taxes represents 37.0% of total revenues and other financing sources (uses). Nonproperty tax revenue increased by \$3,004,697 or 12.7% over last fiscal year. The increase includes a \$2,906,096 or 15.3% increase in sales taxes, a \$80,550 or 6.8% increase in Hotel/Motel taxes collected, and a \$(235,093) or (7.5)% decrease in franchise fees.

## **Fines and Forfeitures**

Fines and forfeitures decreased by (9.3)% or \$(78,768) from the previous year due to a decrease in traffic fine income.

## **Licenses and Permits**

Licenses and permits increased \$89,647 or 12.7% compared to FY 2020. The increase is due to increased income from building, electrical, plumbing and alarm permits.

## **Charges for Services**

Charges for services decreased by \$(113,723)or (9.9)% less than last year's revenue. The majority of the decrease is due to a lack of charges for renting City facilities as a result of the COVID pandemic.

## Interest and Investment Income

This revenue category decreased by \$(288,697) or (87.5)%, to end FY 2021 at a total of \$41,166 compared to \$329,863 from FY 2020.

# **Other Financing Sources (uses)**

In FY 2021, other financing sources (uses) decreased compared to prior year's amount by \$(1,119,354).

## Expenditures

The following table presents a summary of governmental funds' expenditures for the years ended September 30, 2021 and 2020.

				Amount of	Percent
				Increase /	Increase /
Expenditures	2021	% of Total	2020	(Decrease)	(Decrease)
General Government	\$ 8,492,590	11.8%	\$ 6,409,719	\$ 2,082,871	32.5%
Public Safety	25,941,588	36.0%	25,437,180	504,408	2.0%
Highways and Streets	5,067,970	7.0%	4,743,047	324,923	6.9%
Health and Welfare	5,223,825	7.2%	1,485,617	3,738,208	251.6%
Community & economic dev.	3,561,987	4.9%	2,867,872	694,115	24.2%
Cultural and Recreation	4,438,418	6.2%	5,627,100	(1,188,682)	-21.1%
Capital Outlay	14,149,309	19.6%	6,482,396	7,666,913	118.3%
Debt Service:					
Principal	3,820,366	5.3%	3,682,945	137,421	3.7%
Interest and Fiscal Charges	1,329,747	1.8%	1,456,533	(126,786)	-8.7%
Cost of refunded bonds	115,699	0.2%	64,660	51,039	0.1%
Total	\$ 72,141,499		\$ 58,192,409	\$ 13,833,391	

## **General Government**

General government expenditures increased by 32.5% or 2,082,871. The major component of this increase was the allocation of public buildings expenditures to General Government. In prior years, these expenditures were misallocated to Culture and Recreation.

## **Public Safety**

Expenditures for public safety had an increase of 2.0% or \$504,408. This amount is due to increase cost of personnel services.

## **Highways and Streets**

Highways and street expenditures increased by 6.9% or \$324,923 A majority of the increase was due to higher expenditures in the street overlay project in the previous FY. Another large variance was caused by the Metropolitan Planning Organizations large expenditures in the prior year.

## **Health and Welfare**

Expenditures increased 251.6% or \$3,738,208. The increase is a result of various expenditures related to the COVID 19 pandemic.

## **Community and Economic Development**

In FY 2021, there was an increase of 24.2% or \$694,115 due to a large increase in the funding that the CDBG used in response to the COVID pandemic compared to the prior fiscal year.

## **Cultural and Recreational**

Cultural and recreational expenditures decreased (21.1)% or \$(1,188,682). The decrease is due to allocating public building expenditures to General Government.

# **Capital Outlay**

Expenditures for capital outlay increased 118.3% or \$7,666,913. The increase in expenditures is due to the contribution of the Lon C. Hill Destination park from a component unit and a large increase in donated infrastructure from developers.

## **Debt Service**

Total debt service expenditures increased by \$61,674 or 1.2% which is reasonable based on the debt service schedule.

# FUND BALANCE

Combined fund balance for all of the governmental funds decreased \$(302,669) from \$38,006,779 to \$37,704,110.

## **General Fund**

The revenues and other financing sources (uses) totaled \$56,992,708 while expenditures totaled \$54,879,456. The net effect is an increase in the general fund balance of \$2,113,252. The fund balance as of September 30, 2021 is \$28,164,627. The main component of the increase in fund balance is a result of increases in property and sales taxes during the year.

## **Community Development Block Grant Fund**

The revenues and other financing sources (uses) totaled \$1,648,941 while expenditures totaled \$1,865,119. The net effect is a decrease in the CDBG fund balance of \$(216,178). The fund balance as of September 30, 2021 is \$(52,277). The main component of the decrease in fund balance is due to CDBG personnel utilizing program income during the fiscal year and not receiving reimbursement to offset expenditures. During the fiscal year, the CDBG fund had increased revenues and expenditures due to additional grant funding for COVID relief.

## **Other Grants Fund**

The revenues and other financing sources (uses) totaled \$4,728,666 while expenditures totaled \$7,528,733. The net effect is a decrease in the Other Grants fund balance of (2,800,067). The fund balance as of September 30, 2021 is (1,275,052). The main component of the decrease in fund balance is due to several grants having expenditures that were not reimbursed within 120 days after year end and therefore the associated revenue needed to be deferred.

# Capital Projects Bond Cert. of Obligation 2016 Fund

The revenues and other financing sources (uses) totaled \$599 while expenditures totaled \$0. The net effect is an increase in the CO 2016 fund balance of \$599. The fund balance as of September 30, 2021 is \$331,959. The main component of the increase in fund balance is due to interest earnings during the fiscal year.

## **Special Revenue Funds**

The combined fund balance of other governmental funds increased from \$8,211,230 to \$9,942,850 or \$1,731,620. The increase is largely attributable to grant funds that were not received within 120 days after year end and needed to be deferred.

## **Debt Service Fund**

The Debt Service fund balance is \$459,998 which is a decrease of \$(498,837) from the prior year. The fund balance represents 9.8% of the general obligation and certificate of obligation's debt service requirements for the next fiscal year. Additional detailed information concerning long-term debt activity is reported in the relevant disclosures in the notes to the financial statements.

## **Capital Projects Funds**

Combined fund balance of the capital projects funds decreased by \$(633,058). The majority of the Capital Project fund balance decrease is a result of the construction of the tennis pro shop using bond funds.

## **PROPRIETARY FUNDS – A Detailed Discussion**

## **Enterprise Funds**

The City's enterprise operations consist of the Sanitation Fund, Municipal Golf Course Fund, Municipal Auditorium, and the Harlingen Arts and Heritage Museum Fund.

## Sanitation Fund

Operating revenues increased by \$425,134 or 4.3 % over the prior year. Operating expenses increased by \$662,031 or 7.4% over the prior year. In FY 2021, the sanitation fund had nonoperating revenues of \$118,670. After net transfers out of \$(20,194), the net increase in net position for the year was \$744,647.

#### **Municipal Golf Course Fund**

Operating revenues increased by \$178,199 or 26.7% over the prior year. Operating expenses decreased by (65,239) or (6.1)% over the prior year. The net loss for the year was (6,700) which includes depreciation expenses of \$107,376.

## **Municipal Auditorium Fund**

Operating revenues decreased by (25,636) or (90.7)% over the prior year. Operating expenses decreased by (186,142) or (37.2)% over the prior year. The net income for the year was 104,537 which includes net transfers in of 414,385 and depreciation expense of 868,810.

## Harlingen Arts and Heritage Museum Fund

Operating revenues decreased by (3,090) or (93.6)% over the prior year. Operating expenses decreased by (17,570) or (13.8)% over the prior year. Net loss for the year was (18,215) which includes net transfers in of 91,730 and depreciation expense of 11,248.

## **Internal Service Funds**

The City's two internal service funds are the Motor Vehicle/Warehouse Fund and Health Insurance Fund.

## Motor Vehicle/Warehouse Fund

The motor vehicle warehouse fund includes activity for internal services and the vehicle replacement fund. Operating revenues increased by 201,555 or 6.2% over the prior year. Operating expenses decreased by (125,201) or (3.8)% over the prior year. The net decrease in net position for the year was (628,966).

## **Health Insurance Fund**

The Health Insurance Fund is used to accumulate all payments from the various departments for medical/health insurance premiums, payment from retirees for health insurance premiums, and cafeteria plan deductions from employee's paychecks for payment to the insurance company and plan administrator. Operating revenues decreased by \$(168,395) or (3.5)% and operating expenses increased by \$117,310 or 2.5%. The net loss for the year is \$(267,381). For the most part, increases or decreases to the revenues and expenditures are directly proportionate to the number of employees in the health plan.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

## **Capital Assets**

At the end of the fiscal year, the City has \$139,875,224 in capital assets.

· · · · ·												
	Governmental Activities Business-Type Activities Total Primary Gov											
		2021	2020		2021	2020	2021	2020				
Land	\$	11,153,970 \$	11,153,970	\$	467,083	\$ 467,083	\$ 11,621,053	\$ 11,621,053				
Construction in progress		4,650,769	2,125,740		46,895	10,000	4,697,664	2,135,740				
Building		29,850,671	30,709,127		2,666,407	2,779,276	32,517,078	33,488,403				
Improvements other than building		10,728,339	7,855,725		553,120	565,683	11,281,459	8,421,408				
Machinery and equipment		9,759,739	6,949,469		4,792,311	4,198,327	14,552,050	11,147,796				
Infrastructure		65,205,920	66,301,710		-	-	65,205,920	66,301,710				
Total	\$	131,349,408 \$	125,095,741	\$	8,525,816	\$ 8,020,369	\$ 139,875,224	\$ 133,116,110				

#### **CAPITAL ASSETS NET OF DEPRECIATION**

For more detailed information on capital asset activity, refer to Note 5 of financial statements beginning on page 98.

## **Non-current obligations**

At the end of the fiscal year, the City had \$33,735,000 in bonds and certificates of obligation outstanding, as shown on the following table.

		Governmental /	Activities	Business-	Type Activities		Total Primary Go	vernment
		2021	2020	2021	2020		2021	2020
General Obligation debt								
(backed by City)	\$	22,530,000 \$	21,815,000 \$	-	\$	- \$	22,530,000 \$	21,815,000
Certificates of Obligation		11,205,000	15,705,000	-		-	11,205,000	15,705,000
	Ś	33.735.000 \$	37.520.000 \$	-	Ś	- \$	33.735.000 \$	37.520.000

## **OUTSTANDING DEBT AT YEAR END**

Fitch Ratings has reviewed and assigned an AA+ rating to the general obligation debt and certificates of obligation debt on their view of the City's historically strong financial position coupled with strong reserve levels.

For more detailed information on long-term debt activity, refer to the notes to financial statements beginning on page 105.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During the budget process for fiscal year 2021-2022 the Mayor, City Commissioners and staff considered many factors. These factors are drivers and/or indicators of economic growth and recession, job growth and unemployment rate, projected annexation areas, expected increases in City services, new housing growth, new commercial construction, retail sales growth and inflation. As a result of the many discussions and budget workshops, the tax rate stayed the same at 0.619849 for Fiscal year 2022 general fund revenues were budgeted with a total increase of \$1,116,608 over fiscal year 2021 budgeted revenues. General fund budgeted expenditures for fiscal year 2022 increased by \$2,975,429 from fiscal year 2021 budgeted expenditures.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to inform the citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show accountability for the money it received. If you have any questions about the report or need additional information, contact the Finance Director's Office at the City of Harlingen, 118 East Tyler, Harlingen, Texas 78550.

# **BASIC FINANCIAL STATEMENTS**

# City of Harlingen, Texas Statement of Net Position

# September 30, 2021

		Pr	imary Government		
		Governmental	Business-type		Component
		Activities	Activities	Total	Units
Asset					
Cash and cash equivalents	\$	40,618,868 \$	8,595,131 \$	49,213,999 \$	35,156,410
Investments - other		5,023,040	-	5,023,040	16,282,514
Receivables, net		6,365,501	148,535	6,514,036	6,467,716
Due from component units		7,274	109,928	117,202	
Due from other governments		2,327,966	-	2,327,966	577,989
Internal balances		1,155,819	(1,155,819)	-	
Inventories		217,486	7,569	225,055	455,956
Prepaid items and deposits		887,550	47,012	934,562	68,919
Restricted assets:					
Temporarily restricted					
Cash and cash equivalents - rest.		1,787,839	21,600	1,809,439	4,313,042
Investments - rest.		-	-	-	3,749,034
Net pension asset		1,307,276	26,680	1,333,956	1,372,390
Loans receivable		1,776,701	-	1,776,701	186,652
Redevelopment properties		-	-	-	1,847,816
Capital assets, net					
Non-depreciable assets		15,804,739	513,978	16,318,717	45,858,190
Depreciable assets		115,544,669	8,011,838	123,556,507	141,815,252
Total assets		192,824,728	16,326,452	209,151,180	258,151,880
Deferred outflows of resources					
Deferred charge on refunding		300,930	-	300,930	148,753
OPEB - retiree healthcare		561,216	11,457	572,673	1,350,647
OPEB - supplemental death benefits		263,257	5,372	268,629	152,715
Retirement pensions - Municipal pension		786,998	16,062	803,060	1,158,053
Retirement pensions - Firemen's		6,940,254	-	6,940,254	
Total deferred outflows of resources		8,852,655	32,891	8,885,546	2,810,168
Total assets and deferred					
	¢	201 677 383 \$	16 359 343 S	218 036 726 \$	260,962,048
outflows of resources	\$	201,677,383 \$	16,359,343 \$	218,036,726 \$	260,962

# City of Harlingen, Texas Statement of Net Position

# September 30, 2021

		Pri	mary Government		
		Governmental	Business-type		Component
		Activities	Activities	Total	Units
Liabilities	ć	2072262 6	226 A66 6	2 200 720 ¢	4 624 020
Accounts payable	\$	2,972,263 \$	236,466 \$	3,208,729 \$	4,634,928
Accrued expenses		852,666	24,051	876,717	74,385
Accrued interest		1,500,676	-	1,500,676	988,196
Due to primary government		-	-	-	117,202
Other liabilities		406,073	132,520	538,593	684,861
Unearned revenue		7,019,496	16,599	7,036,095	750,274
Escrow liabilities		646,442	-	646,442	
Due within one year					
Bonds payable		3,515,000	-	3,515,000	2,516,974
Capital lease		177,606	50,849	228,455	-
Notes payable		156,404	-	156,404	
Compensated absences		1,315,622	86,404	1,402,026	540,014
Estimated liability for landfill postclosure		-	14,995	14,995	
Payable from restricted assets		-	-	-	352,500
Due in more than one year					
Bonds payable		31,720,582	-	31,720,582	37,289,731
Capital lease		164,719	152,052	316,771	
Notes payable		3,857,236	-	3,857,236	1,417,985
Compensated absences		3,069,140	184,392	3,253,532	677,900
Payable from restricted assets		-	-	-	2,905,862
Estimated liability for landfill postclosure		-	120,010	120,010	
OPEB liability - retiree health plan		4,509,136	92,038	4,601,174	11,318,833
OPEB liability - supplemental death benefits		1,727,286	35,251	1,762,537	807,635
Firemen's net pension liability		19,991,801	-	19,991,801	
Total liabilities		83,602,148	1,145,627	84,747,775	65,077,280
Deferred inflows of resources			12.000	C02 4C4	600.246
OPEB - Retiree health care		669,595	13,866	683,461	690,349
OPEB - Supplemental Death Benefits		84,462	1,724	86,186	41,492
Municipal pension		2,909,319	59,375	2,968,694	1,960,909
Firemen's pension		10,408,111	-	10,408,111	
Total deferred inflows of resources		14,071,487	74,965	14,146,452	2,692,750
NET POSITION					
Net investment in capital assets		96,825,475	8,322,915	105,148,390	145,107,649
Capital Projects		479,276	-	479,276	
Debt Service		459,998	-	459,998	5,172,706
Economic development		2,357,149	-	2,357,149	, ,
Tourism		1,546,691	-	1,546,691	
State and federal grants		217,524	-	217,524	
Other		1,256,733	-	1,256,733	
Unrestricted		860,902	6,815,836	7,676,738	42,911,663
Total net position		104,003,748	15,138,751	119,142,499	193,192,018
· · ·		20.,000,710		,,,	
Total liabilities, deferred inflows	1				
of resources and net position	Ş	201,677,383 \$	16,359,343 \$	218,036,726 \$	260,962,048

# City of Harlingen, Texas Statement of Activities

# Year ended September 30, 2021

					Pro	ogram Revenues				Cl	han	pense) Revenue ges in Net Positic	on			
Functions/Programs		Expenses		Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		F Governmental Activities	Prim	Business-type Activities	t	Total	Compo Unit	
Governmental activities:		Expenses		Services		contributions		contributions		Activities		Activities		Total	011	
General government	Ś	6,270,204	Ś	3,530,973	Ś	820,319	Ś	-	Ś	(1,918,912)	Ś	-	Ś	(1,918,912)		-
Public safety	+	26,731,922	Ŧ	2,687,871	+	526,789	+	-	Ŧ	(23,517,262)	+	-	Ŧ	(23,517,262)		-
Highways and streets		8,249,883		1,670,533		114,980		2,846,444		(3,617,926)		-		(3,617,926)		-
Health and welfare		6,120,661		72,944		4,668,348		390,983		(988,386)		-		(988,386)		-
Community and economic development		4,868,179		321,613		1,510,509		105,000		(2,931,057)		-		(2,931,057)		-
Culture and recreation		5,274,945		992,673		51,303		3,185,454		(1,045,515)		-		(1,045,515)		-
Interest		1,257,926		-		-				(1,257,926)		-		(1,257,926)		-
Total governmental activities		58,773,720		9,276,607		7,692,248		6,527,881		(35,276,984)		-		(35,276,984)		-
Business-type activities:		0.000.000		10 355 530								CAC 171		CAC 171		
Sanitation services		9,609,368		10,255,539		-		-		-		646,171		646,171		-
Golf course services		1,009,710		845,185		-		-		-		(164,525)		(164,525)		-
Auditorium services		314,790		2,633		-		-		-		(312,157)		(312,157)		-
Museum services		110,164		213		-		-		-		(109,951)		(109,951)		-
Total business-type activities		11,044,032		11,103,570		-		-		-		59,538		59,538		
Total primary government	\$	69,817,752	\$	20,380,177	\$	7,692,248	\$	6,527,881	=	(35,276,984)		59,538		(35,217,446)		-
Component Units																
Economic development services		5,173,731		766,806		729,406		70,000							(3,60)	7.519
Community improvement services		3,185,454		-		15,496		-							(3,169	,
Water and sewer services		20,332,641		21,764,755				883,653								5,767
Airport services		13,757,525		4,020,762		-		17,240,128							,	3,365
Total component units	\$	42,449,351	\$	26,552,323	\$	744,902	\$	18,193,781	_					-		1,655
	Gei	neral revenues:							_							
	Т	axes:														
				evied for gener						19,645,258		-		19,645,258		-
		• •	es, I	evied for debt	ervi	ce				3,368,161		-		3,368,161		-
		Sales taxes								21,861,723		-		21,861,723	7,255	9,276
		Franchise ta								3,008,522		-		3,008,522		-
		Hotel motel								1,262,390		-		1,262,390		
		Mixed bever								220,538				220,538		· ·
		Inrestricted inv	estr	nent earnings						35,906		3,356		39,262		2,676
		Aiscellaneous		e e to e te to						214,841		125,170		340,011	2,614	4,950
		nterest on note								45,160		-		45,160		-
		iain on sale of a	isset	S						193,831		8,190		202,021	1.	2,609
	Ira	nsfers	1.4.5							(628,015)		628,015		-	40.07	-
		Total genera								49,228,315		764,731		49,993,046	10,079	
		Change in		•						13,951,331		824,269		14,775,600	13,12	
		t positionbegi								90,052,417		13,023,171		103,075,588	180,070	J,852
		or period adjust								-		1,291,311		1,291,311	100.07	-
		t positionbegi		ig, as restated					~	90,052,417	<i>c</i>	14,314,482	~	104,366,899	180,070	
	Net	t positionendi	ng						\$	104,003,748	\$	15,138,751	\$	119,142,499	193,192	2,018

# **City of Harlingen, Texas Balance Sheet - Governmental Funds**

		566		, 2	021	Capital			
						Projects Bond			
						Cert. of	Other		Total
		General				Obligation	Governmental		Governmenta
		Fund	CDBG Fund		Other Grants	2016	Funds		Funds
Assets									
Cash and cash equivalents	\$	21,091,292 \$	103,044	\$	5,728,630	\$-	\$ 9,625,766	\$	36,548,732
Investments - other		5,023,040	-		-	-	-		5,023,040
Receivables (net of allowance for									
uncollectibles)									
Taxes		843,888	-		-	-	219,246		1,063,134
Accounts		1,458,125	9,485		2,339,618	-	1,305,959		5,113,187
Assessments		-	12,815		-	-	152,953		165,768
Due from other governments		1,733,966	-		-	-	594,000		2,327,966
Due from other funds		1,256,109	-		-	-	-		1,256,109
Due from component units		-	-		-	-	7,274		7,274
Loans receivable		182,061	1,594,640		-	-	-		1,776,701
Prepaid items		409,842	-		-	-	741		410,583
Restricted assets:									
Cash and cash equivalents - rest.		34,374	-		-	1,545,209	208,256		1,787,839
Total assets	\$	32,032,697 \$	1,719,984	\$	8,068,248	\$ 1,545,209	\$ 12,114,195	\$	55,480,333
Liabilities									
Accounts payable	\$	1,069,516 \$	35,414	ć	481,391	\$ 1,213,250	\$ 78,509	ć	2,878,080
Accrued expenditures	Ļ	836,025	1,935	Ļ	9,648	\$ 1,213,230	2,237	Ļ	849,845
Escrow liabilities		451,267	23,373		9,048	-	171,802		646,442
Other liabilities		425,523	2,991				21,575		450,089
Customer deposits		34,374	2,991			_	21,575		34,374
Due to other funds		54,574	101,093				_		101,093
Unearned revenue		17,505			7,001,991				7,019,496
Total liabilities		2,834,210	164,806		7,493,030	1,213,250	274,123		11,979,419
		, , -	- ,		,,	, -, -	,		, -,
Deferred inflows of resources									
Unavailable revenue - property taxes		705,164	-		-	-	185,850		891,014
Unavailable revenue - payments in lieu of									
taxes		180,767	-		-	-	-		180,767
Unavailable revenue - special assessments		-	12,815		-	-	9,940		22,755
Unavailable revenue - noncurrent									
receivables		-	1,594,640		-	-	-		1,594,640
Unavailable revenue - other		147,929	-		1,850,270	-	1,109,429		3,107,628
Total deferred inflows of resources		1,033,860	1,607,455		1,850,270	-	1,305,219		5,796,804

September 30, 2021

**Fund balances** Nonspendable

Restricted

Assigned

Committed

Unassigned

Total fund balances

Total liabilities, deferred inflows

of resources and fund balances

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

(52, 277)

(52,277)

1,719,984 \$

(1,275,052)

(1,275,052)

8,068,248 \$

741

5,800,104

3,618,150

1,131,711

10,534,853

(15,853)

12,114,195 \$

331,959

331,959

1,545,209 \$

\_

410,583

6,317,371

3,618,150

2,451,267

24,906,739

37,704,110

55,480,333

409,842

185,308

1,319,556

26,249,921

28,164,627

32,032,697 \$

\$

# City of Harlingen, Texas Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position

September 30, 2021	
Fund balances total governmental funds	\$ 37,704,110
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. This is the amount of governmental assets \$331,601,458 net of accumulated depreciation totaling \$(203,771,539). Not included in this amount are internal service funds capital assets of \$20,239,890 and accumulated depreciation of \$(16,720,403).	127,829,919
Other long-term assets are not available to pay for current period expenditures and are unavailable in the governmental funds which include payments in lieu of taxes \$180,767, special assessments \$22,755, noncurrent receivables \$1,594,640 and other long-term unavailable revenues - other \$3,107,628.	4,905,790
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the governmental funds.	891,014
Internal service funds are used by management to charge the cost of certain activities. The assets and liabilities of certain internal service funds are included in the governmental activities in the statement of net position.	8,170,720
Deferred amounts on refundings are deferred outflows of resources and, therefore, are not reported in the funds.	300,930
Bond premiums and discounts are expensed during the period incurred in the funds, but are amortized as an adjustment to interest expense in the statement of activities over the remaining life of the debt.	(1,500,582)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long-term are reported in the statement of net position and exclude internal service fund liabilities of \$46,856. The internal service long-term liabilities are not a reconciling item.	(42,428,871)
Included in the noncurrent liability is the recognition of the City's OPEB liability required by GASB Cod. Sec. P52, in the amount of \$(4,509,136) and \$(1,727,286) for the retiree health care plan and the supplemental death benefits fund, respectively and deferred outflows and inflows of resources totaling \$561,216 and \$263,257, \$(669,595) and \$(84,462) for the retiree health care plan and the supplemental death benefits fund, respectively. These amounts include internal service funds deferred outflows of resources \$(5,790) and \$(2,715) for the retiree health care plan and the supplemental death benefits fund, respectively and include OPEB liabilities of \$46,511 and \$17,814 for the retiree health care plan and the supplemental death benefits fund, respectively. It also includes the internal service deferred inflows of resources in the amount of \$7,007 and \$871, which resulted in a decrease in net position of \$(6,102,308).	(6,102,308)
Included in the noncurrent liability is the recognition of the City's net pension liability (asset) required by GASB Cod. Sec P20, Pension Activities, in the amount of \$1,307,276 and \$(19,991,801) for the municipal pension and the	
firemen's pension, respectively; a deferred inflows of resources for the municipal pension in the amount of \$(2,909,319); and deferred inflows of resources totaling of \$(10,408,111), for the firemen's pension; \$786,998 and \$6,940,254 in deferred outflows of resources for the municipal pension and firemen's pension, respectively. These amounts exclude internal service funds deferred inflows of resources \$30,005, deferred outflows of resources of \$(8,117) and net pension liability totaling \$(13,483)	
which resulted in an decrease in net position by \$(24,266,298).	(24,266,298)
Interest on long-term debt payable is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(1,500,676)
Net position of governmental activities	\$ 104,003,748

# City of Harlingen, Texas Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

				Capital Projects Bond	0.1	
	Constant			Cert. of	Other	Total
	General Fund	CDBG Fund	Other Grants	Obligation 2016	Governmental Funds	Governmental Funds
Revenues	Fullu	CDBG Fullu	Other Grants	2010	Fullus	Fullus
Property taxes - including penalty and						
interest	\$ 19,602,249 \$	- 4	-	\$ -	\$ 3,429,740 \$	23,031,989
Nonproperty taxes	25,202,862	۲ -	, _	- -	1,372,486	26,575,348
Assessments	23,202,002		_	_	1,545,235	1,545,235
Fines and forfeitures	748,710	_	_	_	20,530	769,240
Licenses and permits	796,577				20,550	796,577
Charges for services	872,026				161,936	1,033,962
Intergovernmental	1,713,453	1,590,264	6,506,115		1,226,919	11,036,751
Contributions and donations	5,426,883	1,550,204	516,651	_	1,220,515	5,943,534
Miscellaneous	199,393	39,900	510,051	-	26,983	266,276
Interest and investment income	31,700	5,255	-	- 599	3,612	41,166
	54,593,853	1,635,419	7,022,766	599	7,787,441	71,040,078
Total revenues	54,595,655	1,055,419	7,022,700	299	7,787,441	71,040,078
Expenditures						
Current						
General government	8,428,590	_	_	_	64,000	8,492,590
Public safety	25,044,645		863,913		33,030	25,941,588
Highways and streets	3,595,825		1,922	-	1,470,223	5,067,970
Health and welfare	1,994,009	_	3,229,816	_	1,470,225	5,223,825
Community and economic development	1,797,072	1,512,205	5,225,810	-	252,710	3,561,987
Culture and recreation	3,860,130	1,512,205	- 116,216	-	462,072	4,438,418
Capital outlay	9,846,429	352,914	3,316,866	-	633,100	4,438,418
Debt service	9,840,429	552,914	5,510,600	-	055,100	14,149,509
Principal	255,366	_	_	_	3,565,000	3,820,366
Interest	57,390	-	-	-	1,272,357	3,820,300 1,329,747
Cost of refunded bonds	57,590	-	-	-	115,699	1,529,747
Total expenditures	54,879,456	1,865,119	7,528,733	-	7,868,191	72,141,499
Total experiordies	54,879,450	1,005,119	7,526,755	-	7,000,191	72,141,499
Excess (deficiency) of revenues over						
(under) expenditures	(285,603)	(229,700)	(505,967)	599	(80,750)	(1,101,421)
(under) experiatores	(205,005)	(225,700)	(303,507)		(88,758)	(1,101,421)
Other financing sources (uses)						
Transfers in	4,948,402	13,522	961,549	-	3,064,891	8,988,364
Transfers out	(2,743,378)		(3,255,649)	-	(2,501,454)	(8,500,481)
Bond refunding issuance premium	(_)/ (0)0/0/	-	(0)200)0.07	-	456,765	456,765
Issuance of refunding bonds	-	-	-	-	4,500,000	4,500,000
Payment to refunded bond escrow agent	-	-	-	-	(4,839,727)	(4,839,727)
Sale of capital assets	193,831	-	-	-	-	193,831
Total other financing sources (uses)	2,398,855	13,522	(2,294,100)	-	680,475	798,752
	2,000,000	10,022	(2,234,100)		000,470	, 50, , 52
Net change in fund balances	2,113,252	(216,178)	(2,800,067)	599	599,725	(302,669)
Fund balance, beginning of year	26,051,375	163,901	1,525,015	331,360	9,935,128	38,006,779
Fund balance, end of year	\$ 28,164,627 \$					
i una balance, ena or year	γ 20,104,027 γ	(112,217) ;	, (1,2/3,032)	פרבידכר ל	ל כרסיאכריחד ל	57,704,110

Year ended September 30, 2021

# City of Harlingen, Texas Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Government-Wide Statement of Activities

Year ended September 30, 2021	
Net change in fund balances total governmental funds	(302,669)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$14,149,309 is exceeded by depreciation expense of \$(6,896,651) in the current period. Reconciling amounts exclude internal service funds capital asset additions totaling \$0 and depreciation in the amount of \$(998,990).	7,252,658
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	2,289,684
Property tax revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	(170,527)
Internal service funds are used by management to charge the cost of certain activities. The net revenue (loss) of the internal service funds is reported with governmental activities	(896,347)
Repayment of bond and notes payable and capital lease payments is a debt service expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.	8,610,370
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	(4,500,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Interest expense in the statement of activities differs from the amount reported in governmental funds because the change in accrued interest \$(17,377) was calculated for long term debt. Also, any changes in compensated absences \$28,712, during the year are reported as an increase or decrease to expenses in the statement of activities but not in the governmental funds. The change in compensated absences not include \$1,094 that is attributed to the internal service funds	11,328
Governmental funds report the effect premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of the amortization of premiums and discounts \$372,226. New premium added in the amount of \$456,765.	(84,539)
The deferred charge on the refunding of bonds is not recognized in the fund statements. This is the change during the year.	(117,600)
GASB Cod. Sec. P52, requires that certain fund expenditures be de-expended and recorded as deferred resource outflows on the government-wide statements. These contributions made after the measurement date of December 31, 2020 caused the change in ending net position to change in the amount of \$(361,702) and \$(195,839) for the retiree health care plan and the supplemental death benefits, respectively. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused an increase in the change in net position totaling \$202,404 and \$75,140 for the retiree health care plan and supplemental death benefits, respectively. The City's reported net OPEB expense had to be recorded. The net OPEB expense (decreased) the change in net position by \$105,072 and \$25,371 for the retiree health care plan and the supplemental death benefits, respectively. The centre change is to (decrease) the change in net position by \$105,072).	(149,557)
GASB Cod. Sec. P20, Pension Activities requires that certain fund expenditures be de-expended and recorded as deferred resource outflows on the government-wide statements. These contributions made after the measurement date of December 31, 2020 for TMRS and September 30, 2020 for the Firemen's Relief and Retirement fund caused the change in ending net position to increase in the amount of \$1,899,455 and \$(700,392), respectively. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in change in net position totaling \$71,093 and \$(2,818,172) for the TMRS pension and Firemen's pension respectively. The City's reported TMRS net pension expense had to be recorded. The net pension expense decreased the change in net position by \$199,091 for TMRS and increased the change in net position by \$3,357,455 from	
the firemen's pension. The result of these changes is to decrease the change in net position by \$(2,008,530)	2,008,530
Change in net position of governmental activities	5 13,951,331

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# City of Harlingen, Texas Proprietary Funds Combining Statement of Net Position

# September 30, 2021

	Business-type Activities										
	 Sanitation Fund		Municipal Golf Course Fund		Municipal Auditorium Fund		Harlingen Arts and Heritage Museum Fund		Total		Internal Service Funds
Assets											
Current assets											
Cash and cash equivalents	\$ 8,438,015	\$	-	\$	119,054	\$	38,062	\$	8,595,131	\$	4,070,136
Accounts receivables											
(net of allowances for uncollectibles)	146,408		1,768		327		32		148,535		23,412
Inventories	-		7,569		-		-		7,569		217,486
Prepayments	22,072		2,786		17,408		4,746		47,012		476,967
Due from other funds	-		-		-		-		-		803
Due from component units	109,928		-		-		-		109,928		-
Restricted assets:					20,400		1,200		21,600		
Cash and cash equivalents	-		-		20,400		1,200		21,600		-
Total current assets	8,716,423		12,123		157,189		44,040		8,929,775		4,788,804
Non-current assets											
Net pension asset	15,932		8,433		2,315		-		26,680		13,483
Capital assets											
Land	417,587		49,496		-		-		467,083		-
Construction in progress	46,895		-		-		-		46,895		-
Plant and equipment	10,040,146		4,220,479		4,800,679		244,776		19,306,080		20,239,890
Accumulated depreciation	(3,703,456)		(3,436,447)		(3,964,085)		(190,254)		(11,294,242)		(16,720,403)
Total capital assets											
(net of accumulated depreciation)	6,801,172		833,528		836,594		54,522		8,525,816		3,519,487
Total non-current assets	6,817,104		841,961		838,909		54,522		8,552,496		3,532,970
Total assets	15,533,527		854,084		996,098		98,562		17,482,271		8,321,774
Deferred outflows of resources											
OPEB - retiree healthcare	6,842		3,621		994		-		11,457		5,790
OPEB - supplemental death benefits	3,208		1,698		466		-		5,372		2,715
Retirement pensions	9,591		5,078		1,393		-		16,062		8,117
Total deferred outflows of resources	19,641		10,397		2,853		-		32,891		16,622
Total asset and deferred											
outflows of resources	\$ 15,553,168	\$	864,481	\$	998,951	\$	98,562	\$	17,515,162	\$	8,338,396

# City of Harlingen, Texas Proprietary Funds Combining Statement of Net Position

# September 30, 2021

		Business-type Activities										
	Sanitation			Municipal Golf Course		Municipal Auditorium		Harlingen Arts and Heritage Museum				Activities Internal Service
Liabilities		Fund		Fund		Fund		Fund		Total		Funds
Current liabilities												
Accounts payable	\$	250,039	\$	18,294	\$	9,475	\$	19,552	ć	297,360	\$	15,791
Customer deposits	Ş	230,039	ç	575	ç	20,400	ډ	1,200	Ş	297,300	Ş	15,791
Due to other funds		-		1,155,819		20,400		1,200		-		-
		-				-		- 2,967		1,155,819		- 12,247
Compensated absences		58,993		19,548		4,896				86,404		
Accrued expenses		66,810		5,395		851		446		73,502		2,821
Unearned revenues		-		200		16,399		-		16,599		-
Capital lease - current		-		50,849		-		-		50,849		-
Estimated liability for landfill postclosure costs -												
current		14,995		-		-		-		14,995		-
Total current liabilities		390,837		1,250,680		52,021		24,165		1,717,703		30,859
Non-current liabilities												
Compensated absences		125,897		41,716		10,448		6,331		184,392		34,609
Capital lease - non-current		-		152,052		-		-		152,052		-
OPEB liability - retiree health care		54,962		29,092		7,984		-		92,038		46,511
OPEB liability - supplemental death benefits		21,051		11,142		3,058		-		35,251		17,814
Estimated liability for landfill postclosure costs		120,010		-		-		-		120,010		-
Total non-current liabilities		321,920		234,002		21,490		6,331		583,743		98,934
Total liabilities		712,757		1,484,682		73,511		30,496		2,301,446		129,793
Deferred inflows of resources												
Inflows OPEB - retiree healthcare		8,280		4,383		1,203		-		13,866		7,007
Inflows OPEB - supplemental death benefits		1,030		545		149		-		1,724		871
Retirement pensions		35,456		18,768		5,151		-		59,375		30,005
Total deferred inflows of resources		44,766		23,696		6,503		-		74,965		37,883
Net position												
Net investment in capital assets		6,801,172		630,627		836,594		54,522		8,322,915		3,519,487
Unrestricted		7,994,473		(1,274,524)		82,343		13,544		6,815,836		4,651,233
Total net position		14,795,645		(643,897)		918,937		68,066		15,138,751		8,170,720
Total liabilities, deferred inflows of												
resources and net position	Ś	15,553,168	\$	864,481	Ś	998,951	\$	98,562	Ś	17,515,162	\$	8,338,396
resources and het position	ې	10,000,100	ډ	004,401	ډ	330,351	ډ	30,302	ې	17,515,102	ډ	0,330,390

# City of Harlingen, Texas Proprietary Funds Combining Statement of Revenues, Expenses and Changes in Net Position

		Business-type Activities										
				B	25111	cos type Activi		Harlingen Arts			·	Activities
		tation und		Municipal Golf Course Fund		Municipal Auditorium Fund		and Heritage Museum Fund		Totals		Internal Service Funds
Operating revenues												
Charges for services												
Current use charges	\$ 10,2	55,539	\$	-	\$	-	\$	-	\$	10,255,539	\$	8,084,554
Golf course fees and charges		-		845,185		-		-		845,185		-
Rental income		-		-		2,633		-		2,633		-
Admissions		-		-		-		213		213		-
Total operating revenues	10,2	55,539		845,185		2,633		213		11,103,570		8,084,554
Operating expenses												
Personnel services	2,6	41,892		618,444		100,222		58,262		3,418,820		376,427
Contracted services	3,4	02,818		83,454		132,591		25,543		3,644,406		4,783,545
Materials and supplies	2	39,199		131,673		2,186		3,083		376,141		1,676,088
Other expenses	2,4	92,710		62,320		10,981		12,028		2,578,039		31,414
Depreciation and amortization	8	32,749		107,376		68,810		11,248		1,020,183		998,991
Total operating expenses	9,6	09,368		1,003,267		314,790		110,164		11,037,589		7,866,465
Operating income (loss)	6	46,171		(158,082)		(312,157)		(109,951)		65,981		218,089
Nonoperating revenues (expenses)												
Interest revenue		3,347		-		3		6		3,356		1,462
Interest expense		-		(6,443)		-		-		(6,443)		-
Gain (loss) on sale/disposal of capital assets		8,190		-		-		-		8,190		-
Miscellaneous revenue	1	07,133		15,731		2,306		-		125,170		-
Total nonoperating revenues (expenses)	1	18,670		9,288		2,309		6		130,273		1,462
Income (loss) before operating transfers	7	64,841		(148,794)		(309,848)		(109,945)		196,254		219,551
Transfers												
Transfers in	g	79,806		142,094		414,385		91,730		1,628,015		65,000
Transfers out	(1,0	00,000)		-		-		-		(1,000,000)		(1,180,898)
Total transfers	(	20,194)		142,094		414,385		91,730		628,015		(1,115,898)
Change in net position	7	44,647		(6,700)		104,537		(18,215)		824,269		(896,347)
Net position, beginning of year	12,7	59,687		(637,197)		814,400		86,281		13,023,171		9,067,067
Prior period adjustment	1,2	91,311						-		1,291,311		
Net position, beginning of year, as restated	14,0	50,998		(637,197)		814,400		86,281		14,314,482		9,067,067
Net position, end of year	\$ 14,7	95,645	\$	(643,897)	\$	918,937	\$	68,066	\$	15,138,751	\$	8,170,720

Year ended September 30, 2021

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# City of Harlingen, Texas Proprietary Funds Combining Statement of Cash Flows

Year Ended September 30, 2021

		Bus	iness-type Act	tivities		Go	overnmental Activities				
Harlingen Arts											
			Internal								
	Sanitation	Municipal Golf Course	Municipal Auditorium	and Heritage Museum			Service				
	Fund	Fund	Fund	Fund	Totals		Funds				
Cash flows from operating activities											
Receipts from customers	\$ 10,371,525	\$ 863,482	\$ 20,301	\$ 309	\$ 11,255,617	Ś	8,078,812				
Payments to suppliers	(6,371,486)	(278,259)	(183,258)	(34,231)			(7,078,585				
Payments to employees	(2,682,813)	(631,808)	(106,671)	(56,183)			(394,655				
Net cash provided by (used in) operations	1,317,226	(46,585)	(269,628)	(90,105)	1 1		605,572				
Cash flows from (to) noncapital financing activities											
Transfers to other funds	(1,000,000)	-	_	-	(1,000,000)		(1,180,898				
Transfers from other funds	979,806	142,094	414,385	91,730	1,628,015		65,000				
Net cash provided by (used in) noncapital financing activities	(20,194)	142,094	414,385	91,730	628,015		(1,115,898				
Cash flows from capital and related financing activities	0.400				0.400						
Proceeds from sale of capital assets	8,190	-	-	-	8,190		-				
Purchase of capital assets	(1,480,703)	(39,621)	(5,306)	-	(1,525,630)		-				
Principal paid on capital leases	-	(49,445)	-	-	(49,445)		-				
Interest paid	-	(6,443)	-	-	(6,443)		-				
Net cash provided by (used in) capital and related financing activities	(1,472,513)	(95 <i>,</i> 509)	(5,306)	-	(1,573,328)		-				
Cash flows from investing activities											
Interest received	3,347	-	3	6	3,356		1,464				
Net cash provided by (used in) investing activities	3,347	-	3	6	3,356	_	1,464				
Net increase (decrease) in cash and cash equivalents	(172,134)	-	139,454	1,631	(31,049)		(508,862				
Cash and cash equivalents, beginning of year	8,610,149	-	-	37,631	8,647,780		4,578,998				
Cash and cash equivalents, end of year	\$ 8,438,015	\$-	\$ 139,454	\$ 39,262	\$ 8,616,731	\$	4,070,136				

# City of Harlingen, Texas Proprietary Funds Combining Statement of Cash Flows

Year Ended September 30, 2021

				Bus	iness-type Ac	tivities		G	overnmental Activities
				Municipal	Municipal	and Heritage			Internal
	S	anitation	G	iolf Course	Auditorium	Museum			Service
		Fund		Fund	Fund	Fund	Totals		Funds
Reconciliation of operating income to net cash provided									
by operating activities:									
Operating income (loss)	\$	646,171	\$	(158,082)	\$ (312,157)	\$ (109,951) \$	\$ 65,981	\$	218,089
Adjustments to reconcile net income from operations to net									
cash from operating activities									
Depreciation and amortization		832,749		107,376	68,810	11,248	1,020,183		998,991
Other revenue received		107,133		15,731	2,306	-	125,170		-
(Increase) decrease in receivables		(24,865)		2,366	4,062	96	(18,341)		(6,357
(Increase) decrease in prepaid items		(18,325)		(2,786)	(17,408)	(4,746)	(43,265)		(476,967
(Increase) decrease in due from other funds		-		-	-	-	-		(803
(Increase) decrease in due from component units		33,718		-	-	-	33,718		615
(Increase) decrease in inventories		-		6,024	-	-	6,024		(25,813
(Increase) decrease in deferred outflows of resources		(875)		(465)	(127)	-	(1,467)		(741
Increase (decrease) in accounts payable		(220,657)		(4,368)	(13,580)	10,955	(227,650)		(18,955
Increase (decrease) in due to other funds		-		(1,557)	(6,921)	-	(8,478)		(65,000
Increase (decrease) in accrued expenses		17,218		1,875	409	214	19,716		1,620
Increase (decrease) in net pension asset/liability		(23,390)		(12,381)	(3,398)	-	(39,169)		(19,794
Increase (decrease) net other post employment benefit obligations	5	3,454		1,828	501	-	5,783		4,018
Increase (decrease) in compensated absences		(16,174)		(264)	(2,853)	2,079	(17,212)		
Increase (decrease) in unearned revenues		-		200	11,300	-	11,500		
Increase (decrease) in estimated liability for landfill closure costs		(14,995)		-	-	-	(14,995)		
Increase (decrease) in deferred inflows of resources		(3,936)		(2,082)	(572)	-	(6,590)		(3,331
Total adjustments		671,055		111,497	42,529	19,846	844,927		387,483
Net cash provided by (used in) operations	\$	1,317,226	\$	(46,585)	\$ (269,628)	\$ (90,105) \$	\$ 910,908	\$	605,572

# City of Harlingen, Texas Fiduciary Fund Harlingen Firemen's Relief and Retirement Fund Statement of Fiduciary Net Position

September 30, 2	2021	
		Pension Trust Fund
Assets		
Cash and cash equivalents	\$	49,755
Investments, at fair value:		
Investments, at fair value		40,731,417
Prepaid items		5,866
Total assets		40,787,038
Liabilities		
Accounts payable		11,450
Net position restricted for pensions	\$	40,775,588

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# City of Harlingen, Texas Fiduciary Fund Harlingen Firemen's Relief and Retirement Fund Statement of Changes in Fiduciary Net Position

Year ended September 30, 2021	
	Pension Trust Funds
Investment income	
Net appreciation (depreciation) in fair value of investments	\$ 4,947,487
Interest	1,798,520
Total investment income	6,746,007
Less investment expense	166,886
Net investment income	6,579,121
Contributions	
Employer	1,214,765
Plan member	1,071,852
Total contributions	2,286,617
Total additions	8,865,738
Deductions	
Benefits	2,514,303
Refunds of contributions	222,380
Professional services	69,241
Administrative expense	19,918
Total deductions	2,825,842
Net change in plan net position	6,039,896
Net position held in trust for pension benefits	
Beginning of year	34,735,692
End of year	40,775,588

Year ended September 30, 2021

# City of Harlingen, Texas Component Units Combining Statement of Net Position

## September 30, 2021

	Harlingen Harlingen Economic Community Development Improvement Corporation Board		Harlingen Waterworks System			Valley International Airport	Total	
Assets					· · · ·			
Current assets								
Cash and cash equivalents	\$ 9,86	59,145 \$	6,423,455	\$	12,565,710	\$	6,298,100	\$ 35,156,410
Investments - other		-			16,282,514		-	16,282,514
Receivables (net of allowances for uncollectible)								
Accounts	15	53,218	894	ŀ	2,224,558		4,087,103	6,465,773
Interest		-			1,943		-	1,943
Due from other governments	43	33,492	144,497		-		-	577,989
Prepaid items		-			29,453		39,466	68,919
Inventories		-			455,956		-	455,956
Restricted assets:								
Cash and cash equivalents		2,500	-	•	4,310,542		-	4,313,042
Investments		-	-		3,749,034		-	3,749,034
Total current assets	10,45	58,355	6,568,846	;	39,619,710		10,424,669	 67,071,580
Noncurrent Assets								
Other noncurrent assets								
Non-current loans receivable	18	36,652			-		-	186,652
Redevelopment properties	1,84	7,816			-		-	1,847,816
Net pension asset		-	-		1,331,806		40,584	1,372,390
Total other noncurrent assets	2,03	34,468			1,331,806		40,584	3,406,858
Capital assets								
Non-depreciable assets	4.20	94,807			12,509,139		29,054,244	45,858,190
Depreciable assets	,	8,766			193,232,338		146,560,909	376,492,013
Accumulated depreciation	(11,111	,			(127,586,276)		(95,979,329)	(234,676,761)
Total capital assets, net	29.88	32,417			78,155,201		79,635,824	187,673,442
Total noncurrent assets		16,885			79,487,007		79,676,408	191,080,300
Total assets	42.3	75,240	6,568,846		119,106,717		90,101,077	258,151,880
	12,57	-,	0,000,040		,,			200,202,000
Deferred outflows of resources								
Deferred charge on refunding		-			148,753		-	148,753
Deferred resource outflows for pensions		-			1,107,501		50,552	1,158,053
Deferred outflows for retiree health care		-			1,316,064		34,583	1,350,647
Outflows for supplemental death benefits		-			145,957		6,758	152,715
Total deferred outflows of resources		-	-		2,718,275		91,893	2,810,168
Total assets and deferred								
outflows of resources	\$ 42,37	75,240 \$	6,568,846	i \$	121,824,992	\$	90,192,970	\$ 260,962,048

# City of Harlingen, Texas Component Units Combining Statement of Net Position - Continued

	Harlingen Economic Development Corporation	Harlingen Community Improvement Board	Harlingen Waterworks System	Valley International Airport	Total
Liabilities					
Current liabilities					
Accounts payable	\$ 130,797	\$ 8,717	\$ /	\$ 3,555,512	\$ 4,634,928
Other liabilities	-	-	684,861	-	684,861
Accrued expenses	4,658	-	-	69,727	74,385
Accrued interest	739,717	-	248,479	-	988,196
Unearned revenues	-	-	-	340,026	340,026
Due to primary government	-	-	117,202	-	117,202
Payable from restricted assets:					
Customer deposits	2,500	-	350,000	-	352,500
Bonds and certificates of obligation payable	1,450,000	-	1,066,974	-	2,516,974
Compensated absences	15,014	-	500,000	25,000	540,014
Total current liabilities	2,342,686	8,717	3,907,418	3,990,265	10,249,086
Non-current liabilities					
Bonds and certificates of obligation payable	20,487,986	-	16,801,745	-	37,289,731
Notes payable	1,417,985	-		-	1,417,985
Compensated absences	47,007	-	289,145	341,748	677,900
Unearned revenues	-	-	-	410,248	410,248
Payable from restricted assets	-	-	2,905,862	-	2,905,862
OPEB - retiree healthcare	-	-	10,990,608	328,225	11,318,833
OPEB - supplemental death benefits	-	-	712,234	95,401	807,635
Total non-current liabilities	21,952,978	-	31,699,594	1,175,622	54,828,194
Total liabilities	24,295,664	8,717	35,607,012	5,165,887	65,077,280
Deferred inflows of resources					
Deferred pension inflows		_	1,819,801	141,108	1,960,909
Deferred retiree healthcare inflows		_	632,955	57,394	690,349
Deferred supplemental death benefits inflows	-	-	37,359	4,133	41,492
Total deferred inflows of resources	-	-	2,490,115	202,635	2,692,750
Net position					
Net position Net investment in capital assets	6,526,446		60,435,235	78,145,968	145,107,649
Restricted	0,520,440	-	5,172,706	10,140,908	5,172,706
Restricted for:	-	-	5,172,700	-	5,172,700
Unrestricted	11,553,130	6,560,129	18,119,924	6,678,480	42,911,663
Total net position	 18,079,576	 6,560,129	 83,727,865	 84,824,448	 193,192,018
Total liabilities, deferred inflows					

## September 30, 2021

Component Units Combining Statement of Activities

City of Harlingen, Texas

# Year ended September 30, 2021 Program Revenues

Business-type Activities

**Governmental Activities** 

			<b>D</b> -						
					Harlingen	Harlingen			
			Operating	Capital	Economic	Community	Harlingen	Valley	
		Charges for	Grants and	Grants and	Development	Improvement	Waterworks	International	
	Expenses	Services	Contributions	Contributions	Corporation	Board	System	Airport	Total
Harlingen economic develonment cornoration									
Economic development services	\$ 5,173,731 \$	766,806 \$	\$     729,406    \$	70,000 \$	\$ (3,607,519) \$	ۍ ۱	\$ '	'	\$ (3,607,519)
Total harlingen economic development corporation	5,173,731	766,806	729,406	70,000	(3,607,519)				(3,607,519)
Harlingen community improvement board									
Community improvement services	3,185,454		15,496			(3,169,958)			(3,169,958)
Total harlingen community improvement board	3,185,454		15,496			(3,169,958)			(3,169,958)
Harlingen waterworks system									
Water and sewer services	20,332,641	21,764,755		883,653	'		2,315,767	'	2,315,767
Total harlingen waterworks system	20,332,641	21,764,755		883,653			2,315,767		2,315,767
Valley international airport									
Airport services	13,757,525	4,020,762		17,240,128	,	,		7,503,365	7,503,365
Total valley international airport	13,757,525	4,020,762	•	17,240,128			-	7,503,365	7,503,365
Total component units	\$ 42,449,351 \$	26,552,323	\$ 744,902 \$	18,193,781	(3,607,519)	(3,169,958)	2,315,767	7,503,365	3,041,655
	General Revenues:								
	Sales taxes				5,420,256	1,839,020		•	7,259,276
	Unrestricted investment earnings	tment earnings			3,370	1,957	174,540	12,809	192,676
	Miscellaneous				356,398		2,258,552		2,614,950
	Gain on sale of assets	ets						12,609	12,609
	Total general re	Total general revenues and special item	l item		5,780,024	1,840,977	2,433,092	25,418	10,079,511
	Change in net position	et position			2,172,505	(1,328,981)	4,748,859	7,528,783	13,121,166
	Net positionbeginning	ing			15,907,071	7,889,110	78,979,006	77,295,665	180,070,852
	Prior period adjustment	ent							
	Net positionbeginning, as restated	ing, as restated			15,907,071	7,889,110	78,979,006	77,295,665	180,070,852
	Net positionending				\$ 18,079,576 \$	6,560,129 \$	83,727,865 \$	84,824,448	\$ 193,192,018

NOTES TO FINANCIAL STATEMENTS

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

The financial statements of the City of Harlingen, Texas (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### Reporting Entity

The City of Harlingen, Texas (the City) was incorporated on April 15, 1910, under the provisions of the laws for the State of Texas. The City operates under a City Commission - Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities (water and wastewater) and airport operations.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Harlingen and its component units, entities for which the City is considered to be financially accountable. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

*Discretely presented component units* - The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. Discretely presented component units include the following:

*City of Harlingen Waterworks System (the System)* - As provided by Charter of the City of Harlingen, the Utility Board of Trustees is appointed by the City Commission. The Board of Trustees function as the decision/policy-making body for all activities related to this component unit. Rates for user charges, annual budgets, and bond issuance authorizations are approved by the City Commission.

*Valley International Airport (the Airport)* - As provided by Charter for the City of Harlingen, the Harlingen Airport Board is appointed by the City Commission. The Board functions as the decision/policy-making body for all activities related to this component unit. Annual budgets and bond issuance authorizations are approved by the City Commission.

Harlingen Economic Development Corporation, Inc. ("EDC") - This component unit is a separately chartered nonprofit 4A corporation. The fund administers the special 75% of the special ½ cent sales tax monies to foster economic development within the City. The Board of Directors is appointed by the City Commission and functions as the decision/policy-making body for all activities related to this component unit subject to prior Commission approval of disbursements in excess of \$25,000.

Harlingen Community Improvement Board ("HCIB") – This component unit is a separately chartered nonprofit 4B corporation. The fund administers 25% of the special ½ cent sales tax monies to foster economic development within the City. The Board of Directors are appointed by the City Commission and functions as the decision/policy-making body for all activities related to this component unit subject to prior Commission approval of disbursements in excess of \$25,000.

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

#### Membership of Component Units

The Board of Directors shall consist of seven (7) Directors appointed by the City Commission of the City of Harlingen, for staggered two (2) year terms of office. Not more than four (4) Directors shall be persons who are City employees, officers, or members of the City Commission. If a Director shall cease to be a City employee, officer, or member of the City Commission, such event shall constitute an automatic resignation as a Director and such vacancy shall be filled in the same manner as for other vacancies of the Board of Directors.

Each Director must reside within the City of Harlingen, consistent with Section 4B(c) of the Act, as amended, and if such residency ceases it shall be deemed a resignation. Directors shall serve without compensation, except that the Directors shall be reimbursed for their actual expenses incurred in the performance of their duties as Directors. Any vacancy occurring on the Board of Directors through death, resignation or otherwise shall be filled by appointment by the City Commission, and the appointee shall hold office until the expiration of the relinquished term.

Complete financial statements of the individual component units can be obtained directly from their administrative offices.

City of Harlingen Waterworks System	Harlingen Economic Development Corporation
134 East Van Buren	2424 Boxwood Street, Suite 125
Harlingen, Texas 78550	Harlingen, Texas 78550
Valley International Airport	Harlingen Community Improvement Board
Airport Terminal Building	118 East Tyler
Harlingen, Texas 78550	Harlingen, Texas 78550

#### Recently Issued Accounting Pronouncements

Future possible applicable accounting standards to the City that have been issued by the Governmental Accounting Standards Board are:

- GASB Statement No. 84, Fiduciary Activities
- GASB Statement No. 87, Leases
- GASB Statement No. 88, Certain Disclosures Related to Debt
- GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period
- GASB Statement No. 90, Majority Equity Interests
- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of Interbank Offered Rates
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability
   Payment Arrangements
- GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

In January 2017, the GASB issued GASB Statement No. 84, – *Fiduciary Activities*. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. Management is evaluating the effects that the full implementation of GASB Statement No. 84 will have on its financial statements for the year ended September 30, 2021.

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2022.

In March 2018, the GASB issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement will improve the information that is disclosed in notes of governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2019. The City early implemented GASB No. 88 in a prior year.

In June 2018, the GASB issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and will simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In August 2018, the GASB issued Statement No. 90, "Majority Equity Interests". This statement will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In May 2019, GASB Statement No. 91, Conduit Debt Obligations, provides for a single methods of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

In January 2020, the GASB issued Statement No. 92, "Omnibus 2020". This statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In March 2020, the GASB issued Statement No. 93, "Replacement of Interbank Offered Rates". This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this statement are effective for reporting periods ending after December 31, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In March 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In May 2020, the GASB issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 or later.

#### Government-wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. *Governmental activities,* which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

The statement of activities reflects the extent to which direct expenses of each function are offset by program revenues. *Direct expenses* are those that are attributable to a specific function and are clearly identifiable. *Program revenues* include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a specific function as well as grants and contributions that are restricted to meeting the operational or capital requirements of a specific function. Taxes and other items not appropriately included with program revenues are shown as *general revenues*.

In addition to and apart from the government-wide financial statements, fund financial statements are presented for governmental funds, proprietary funds and fiduciary funds. In each of these financial statements, major funds are presented in separate columns.

#### Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category; governmental funds, proprietary funds, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The *General Fund* is the primary operating fund. It accounts for all of the financial resources of the general government, except those required to be accounted for in another fund.
- The **CDBG Fund** is used to account for the revenues received from the Community Development Block Grant and the associated expenditures for community development. CDBG provides affordable housing, anti-poverty programs, and infrastructure development.
- The **Capital Projects Bond Certificates of Obligation 2016**, a capital projects fund used to account for the construction of a convention center.
- The *Other Grants Fund* is used to account for short-term miscellaneous reimbursement grants of various types.

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

The City reports the following major proprietary funds:

- The *Sanitation Fund* is used to account for the operations of the City's solid waste collections and public landfill operations within the City limits.
- The *Municipal Golf Course Fund* is used to account for the operation of the City's Municipal Golf Course.
- The *Municipal Auditorium Fund* is set up to account for the utilization of the City's auditorium and the Casa de Amistad facility for economic gain as well as the encouragement of the arts.
- The *Harlingen Arts and Heritage Museum Fund* is used to account for the operation of the City's museum.

In addition, the City reports the following internal service funds:

- The **Motor Vehicle/Warehouse Fund,** an internal service fund is used to account for the monies received in servicing motorized vehicles and other equipment required for various departments of the City together with those related costs associated with the maintenance and repair of such vehicles and equipment.
- The **Health Insurance Fund**, an internal service fund is used to account for the monies received in providing medical insurance to the City's employees and families through a medical benefit program of a commercial carrier.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). All of the City's Proprietary Funds are considered major funds.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses typically are the result from activities specific to a particular proprietary fund's operations. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel and depreciation. All other revenues and expenses are reported as non-operating revenues and expenses.

Additionally, the City reports the following fund type:

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust is used. The City is the trustee, or fiduciary, of the **Firemen's Relief and Retirement Fund**.

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e. the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund utilizes the accrual basis of accounting for reporting its assets and liabilities.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City's balance sheet reports deferred inflows of resources. Deferred inflows of resources arise when a potential revenue is *unavailable*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's governmental funds also report unavailable revenues that arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant money is received prior to the incidence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, revenue is recognized.

#### Assets, Liabilities, Deferred Outflows/Inflows of resources, and Net Position/Fund Balance

#### a. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all demand deposits and short-term investments (inclusive of restricted assets) with maturity dates within ninety days of the date initially acquired.

#### b. Short-Term Interfund Receivables and Payables/Internal Balances

Short-term lending/borrowing between funds that result in amounts outstanding at the end of the fiscal year are referred to as "due to/from other funds". "Due to/from other funds" represent the current portion of interfund loans. With respect to the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### c. Loans to Other Funds

Noncurrent portions of long-term interfund loan receivables are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

#### d. Inventories

Inventories are valued at cost, which approximates fair value, using the first-in, first-out (FIFO) method and consists of expendable supplies, fuel and vehicle repair parts. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

#### e. Prepaid Items

Expenditures made to third party vendors for goods and services that will benefit periods beyond September 30, 2021 are recorded as prepaid items, in both governmental and fund financial statements.

#### f. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position, because their use is limited by applicable bond covenants or City ordinance. Funds restricted include amounts set aside to subsidize potential deficiencies from the enterprise funds' operations that could adversely affect debt service payments, amounts set aside from the proceeds of revenue bond issuances that are required for payment of construction, amounts set aside for debt service payments over the succeeding twelve months, amounts set aside for unexpected contingencies or to fund asset replacements, amounts set aside from customers' deposits, as well as a capital facilities users fee established by ordinance of the City of Harlingen.

#### g. Redevelopment Properties

Governments usually acquire redevelopment property to attract private-sector investment in an economically depressed area. The Harlingen Economic Development Corp., Inc. and the Harlingen Community Improvement Board undertake and fund various capital projects, which will benefit the City. These capital projects, once completed, are conveyed to the City and become part of the City's capital assets or are sold. During the construction phase, these assets are considered redevelopment assets of the EDC or the HCIB.

#### h. Capital Assets

Capital assets, which includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value at the date of donation.

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Gains or losses on dispositions of capital assets are included in income within the proprietary fund financial statements and in the governmental activities and business-type activities columns of the government-wide financial statements. In the governmental fund financial statements only the proceeds from the disposition are reported.

Within the proprietary funds, interest cost, less interest earned on investments acquired with proceeds of related borrowing, is capitalized during the construction of capital projects when material.

Depreciation of capital assets used by proprietary funds, including those acquired by contributed capital, is charged as an expense against their operations in the fund financial statements as well as the government-wide financial statements.

Depreciation of capital assets used by funds categorized as governmental activities is not provided in the fund financial statements, however, is included in the gross expense by function in the government-wide Statement of Activities. Capital assets, net of accumulated depreciation, are reported on proprietary fund balance sheets and in both the governmental activities and business-type activities column of the government-wide Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Site improvements	7 - 50 years
Buildings	15 - 50 years
Furniture, equipment and vehicles	2 - 15 years
Infrastructure	15 - 50 years

#### i. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental/business-type activities or the specific proprietary fund to which each relates, as applicable. Bond premiums and discounts, as well as bond insurance costs on issuance, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

#### j. Compensated Absences

Accumulated unpaid compensated absences are accrued when incurred in proprietary funds. The liability for governmental funds is recorded only in the governmental activities column of the government-wide financial statements. The expense is recognized in the governmental fund financial statements when paid or expected to be paid with current financial resources. Compensated absences are reported in governmental funds only if they have matured.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

## k. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension asset/liability and OPEB liability, pension and OPEB related deferred outflows and inflows of resources, and pension and OPEB expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Asset/Liability and OPEB Liability are obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Cod. Sec. P20, *Pension Activities* and GASB Cod. Sec. P51, *Postemployment Benefits Other Than Pensions—Reporting for Benefits Provided through Trusts That Meet Specified Criteria—Defined Contribution.* 

Information regarding the Firemen's Relief and Retirement Fund's Total Pension Liability is obtained from the City's consulting actuary, Definiti, in compliance with GASB Cod. Sec. Pe5, *Pension Plans Administered Through Trusts That Meet Specified Criteria – Defined Benefit.* 

#### I. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports the following items in this category:

- Deferred charges on refundings A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension and OPEB assets This difference is deferred and amortized over a closed five year period.

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reports the following items in this category:

- Unavailable revenues which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category and are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from five sources: property taxes, payments in lieu of taxes, special assessments, noncurrent receivables and other. These amounts are recognized as an inflow of resources in the period that the amounts become available.
- The difference in expected and actual pension and OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

#### m. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (for example, restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### n. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance). In order to calculate governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### o. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Commission has, by resolution, authorized the City Manager to assign fund balance. The City Commission may also assign fund balance as it does when appropriating fund balances to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The general fund is the only fund that reports positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount, however, governmental funds other than the general fund may report a negative unassigned fund balance if expenditures incurred for specific purposes exceeds the amounts that are restricted, committed or assigned for those purposes.

#### p. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

#### q. Comparative Data

Comparative total data for the prior year have been presented in the individual fund financial statements included in the Other Supplementary Information Section.

#### r. Prior Year Reclassification

The financial statements for the fiscal year ended September 30, 2020, have been reclassified to conform with the presentation of the statements for the fiscal year ended September 30, 2021.

#### s. Estimates

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

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### t. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 28, 2022. See Note 30 for relevant disclosure(s). No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

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

#### Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for funds that need to be administratively closed and the capital projects funds which adopt project-length budgets. Formal budgetary integration is employed as a management control device during the year for the General, Debt Service, Community Development Block Grant, Tennis Court Revenue, Hotel/Motel Occupancy Tax, Convention/Visitors Bureau, Catastrophic Emergency Relief, Harlingen Downtown, Freetrade Bridge, Infrastructure, Lon C. Hill Library, and Tax Increment Financing Zones 1, 2 and 3 as well as for all enterprise and internal service funds. These budgets, except for the Community Development Block Grant Fund, are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Unused appropriations for all of the above annually budgeted funds lapse at the end of each year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Budgetary data for Capital Project Funds are budgeted over the life of the respective project and not on an annual basis. Therefore, this data is not presented in the accompanying combined financial statements.

Budgets for the Community Development Block Grant Fund are legally adopted on an annual basis by entitlement year. The budgets reflected on the statement of revenues, expenditures and changes in fund balance represent the current fiscal year's program budget plus any remaining unexpended prior year's program budgets. Unexpended appropriations do not lapse at the end of the fiscal year for these funds.

The City Commission approves, by ordinance, total budget appropriations by fund only. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter total appropriations must be approved by the City Commission. Therefore, the legal level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been extended to a functional basis (General Government, Public Safety, etc.)

## **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued**

On or before the end of May of each year, all agencies of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

Before October 1, the proposed budget is presented to the City Commission for review. The City Commission holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Commission.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several supplementary appropriations were necessary.

#### NOTE 3 – DEPOSITS AND INVESTMENTS

It is the City's policy for deposits plus accrued interest thereon to be 102% secured by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. At September 30, 2021, the City's deposits were entirely covered by federal deposit insurance or were secured by collateral held by the City's agent in the City's name pursuant to the City's investment policy and its depository agreement.

Investments-other, that are not debt securities, including accrued interest, as of September 30, 2021, are as follows:

	Investments-other -	Maturities	(in years)
	Book Value		1 or less
Primary Government			
Certificates of deposit	\$ 5,023,040	\$	5,023,040
Component Units			
Certificates of deposit	20,031,548		20,031,548
	\$ 25,054,588	\$	25,054,588

## **NOTE 3 – DEPOSITS AND INVESTMENTS - Continued**

		F				
	Governmental			Business-type		Component
		Activities		Activities	Total	Units
Cash and cash equivalents						
Cash	\$	1,172,814	\$	208,308	\$ 1,381,122	\$ 22,789,914
TexStar		-		-	-	1,295,109
TexPool		41,233,893		8,408,423	49,642,316	15,384,429
Total cash and cash equivalents	\$	42,406,707	\$	8,616,731	\$ 51,023,438	\$ 39,469,452
Investments - other						
Certificate of deposit		5,023,040		-	5,023,040	20,031,548
Total investments - other	\$	47,429,747	\$	8,616,731	\$ 56,046,478	\$ 59,501,000

A reconcilement of cash and investments follows:

At September 30, 2021, the City's and its discretely presented component units' certificates of deposit held for investment are not debt securities and are included in investments-other.

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The investment policy states that in no case shall the average maturity of investments of the City's operating funds exceed one year. The maximum final stated maturity of any single investment shall not exceed five years.

#### Credit Risk

As of September 30, 2021, the investments in the State's investment pool was rated AAAm by Standard and Poor's. The City's investment policy limits authorized investments to certain Texas government investments pools, certain government money market mutual funds, and repurchase agreements.

#### **Concentration of Credit Risk**

The certificate of deposits holdings at September 30, 2021 represents 9.19% the Primary Government's total portfolio and TexPool and TexStar represents 90.81%. The investment policy is silent in the concentration of holding in the various types of securities and investments. There were no deposits with custodial risk at year end.

## **NOTE 3 – DEPOSITS AND INVESTMENTS - Continued**

#### **Primary Government**

Maturity	Description	Maturity Date	*Cost or Value	% of Holding	Rate
Investment pool	Texpool	11/03/2022	\$ 49,642,316	90.81%	
<u>9-12 months</u> Certificates of deposit	Texas Regional Bank	9/21/2022	5,023,040	9.19%	0.25%
Investment Pools and CI	Ds - Primary Government		\$ 54,665,356		

#### Component Units

<u>Component Units</u>				*Cost or	% of	
Maturity	Description	Maturity Date		Value	Holding	Rate
					0	
Investment Pools	TexStar	11/07/2022	\$	1,295,109		
	TexPool	11/03/2022		15,384,429		
				16,679,538	45.43%	
0-2 Months						
Certificates of Deposit	Texas Regional Bank	10/21/2021		1,504,840		0.35%
	Texas Regional Bank	11/19/2021		2,005,240		0.35%
	East West Bank	12/17/2021		2,003,949		0.25%
				5,514,029	15.02%	
3-5 Months						
Certificates of Deposit	East West Bank	1/20/2022		2,002,925		0.21%
	Texas Regional Bank	2/16/2022		1,502,605		0.35%
	Texas Regional Bank	3/17/2022		1,001,521		0.30%
				4,507,051	12.28%	
6-8 Months						
Certificates of Deposit	Bank of Ozarks	4/15/2022		1,008,427		0.20%
	Texas Regional	5/24/2022		2,000,822		0.12%
	Texas Regional	6/17/2022		1,000,403		0.16%
				4,009,652	10.92%	
9-12 months						
Certificates of deposit	East West Bank	7/21/2022		2,000,513		0.13%
	East West Bank	8/19/2022		2,000,250		0.12%
	East West Bank	9/23/2022		2,000,053		0.12%
				6,000,816	16.35%	
Investment Pools and CI	)s - Component Units		Ś	36,711,086		
	25 component onits		Ŷ	33,711,000		

\*Investment pools are valued at amortized cost. CDs are valued at cost plus accrued interest.

#### **NOTE 3 – DEPOSITS AND INVESTMENTS – Continued**

As of September 30, 2021, the City's external investment pools meet the criteria described in GASB Cod. Sec. In5.104, *Investment Pools (External) – Pools That Measure Investments at Amortized Cost – Additional Requirements* and therefore the City measures all of their investments at amortized cost; therefore, the City has also measured their investments in these external investment pools at amortized cost for financial reporting purposes. In addition, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAm or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one half of one percent of the values of its shares.

TexPool is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Act. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller of Public Accounts has established an Advisory Board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

#### Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets. These types of investments primarily include common stock and equities traded on public exchanges.

Level 2 – Significant observable inputs for the asset other than quoted prices included within Level 1 that are observable for similar securities, but not exact. These types of investments include US Government obligations and obligations of government agencies.

Level 3 – Significant unobservable inputs for an asset, as they trade infrequently or not at all. (The City does not value any investments using Level 3 inputs.)

#### **NOTE 3 – DEPOSITS AND INVESTMENTS – Continued**

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

#### Harlingen Firemen's Relief and Retirement Fund Investments

The Firemen's Relief and Retirement Fund Investments are recorded at fair value as of September 30, 2021. The following table summarizes securities owned by level within the fair value hierarchy as follows:

			Inputs	
	9/30/2021	 (Level 1)	(Level 2)	(Level 3)
Mutual funds				
Baird Aggregate Bond Fund-IS	\$ 5,217,748	\$ 5,217,748 \$	-	\$-
Income Opportunity	2,141,432	-	2,141,432	-
American Europacific Growth	4,679,493	-	4,679,493	-
Largecap Value Equity	6,094,107	-	6,094,107	-
Blackrock Total Stock-K	6,625,028	6,625,028	-	-
Allcap Growth Equity	6,528,402	-	6,528,402	-
Smallcap Value Equity	1,217,138	-	1,217,138	-
RBC Funds Trust Emerging Markets	1,473,977	1,473,977	-	-
Legg Mason Gbl Ass Brandywine Opp	1,813,890	1,813,890	-	-
Pacific Funds Series Trust Pac Fitg Inc	1,064,669	1,064,669	-	-
Total mutual funds	36,855,884	16,195,312	20,660,572	-
REIT				
Clarion Lion Properties Fund	2,032,219	-	-	2,032,219
ARA Core Property Fund	1,843,255	-	-	1,843,255
Total REIT	3,875,474	-	-	3,875,474
Cash and cash equivalents				
Federal Government Obligations	59	59	-	-
Total investments	\$ 40,731,417	\$ 16,195,371 \$	20,660,572	\$ 3,875,474

Investments classified in Level 1 inputs are quoted prices in active markets for identical assets, and those classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

#### **NOTE 3 – DEPOSITS AND INVESTMENTS – Continued**

Because of the complexity of the portfolio, the Firemen's Board of Trustees relies on its consultant to provide the necessary guidance to accomplish the Fund's objective. The Board also understands that return objectives can be achieved while assuming market volatility. The Board is willing to forgo potential return in strong markets in return for protection against a severe decline during weak periods.

#### Interest Rate Risk

The investment policy does not address interest rate risk.

#### Credit Risk

The total fixed income investment of \$3,875,474 is subject to interest rate risk and are in high yield bonds which are rated AAA. The Firemen's Fund investment policy has established that the fixed income portfolio must have an average credit quality of A or higher. The Firemen's Fund investment policy establishes the allowable investment types and grades of the fund.

#### **Concentration of Credit Risk**

The Firemen's Fund investment policy establishes a minimum and maximum percentage allocation for each classification of investments. Fixed income investments should be in between 20% and 60% of the total portfolio, while equity investments should be between 40% and 80% of the total portfolio. Cash equivalents should be between zero and 10% of the total portfolio.

#### **Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Harlingen Firemen's Relief and Retirement Plan (the plan) will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name. At September 30, 2021, none of the Plan's security investments were subject to custodial credit risk.

#### **NOTE 4 - RECEIVABLES**

	 (	Governmenta	al Activities				
			Other	Other		Internal	Governmental
	General	CDBG	Grants	Governmental		Service	Activities
	Fund	Fund	Fund	Funds	Total	Funds	Total
Taxes	\$ 1,280,860 \$	-	\$-	\$ 409,744	\$ 1,690,604	\$ - \$	\$ 1,690,604
Accounts	1,677,369	9,485	2,339,618	1,306,698	5,333,170	29,162	5,362,332
Assessments	-	12,815	-	152,953	165,768	-	165,768
Due from component units	-	-	-	7,274	7,274	-	7,274
Due from other governments	1,733,966	-	-	594,000	2,327,966	-	2,327,966
Gross receivables	4,692,195	22,300	2,339,618	2,470,669	9,524,782	29,162	9,553,944
Allowance for uncollectibles	(656,216)	-	-	(191,237)	(847,453)	(5,750)	(853,203)
Net receivables	\$ 4,035,979 \$	22,300	\$ 2,339,618	\$ 2,279,432	\$ 8,677,329	\$ 23,412	\$ 8,700,741

Receivables at September 30, 2021 consist of the following:

#### **NOTE 4 - RECEIVABLES - Continued**

		Business-type Activities									
		Municipal Golf Mu					Harlingen Arts Municipal and Heritage				
	S	anitation		Course		Auditorium		Museum	Total		
Accounts	\$	248,063	\$	1,768	\$	327	\$	32 \$	250,190		
Allowance for uncollectibles		(101,655)		-		-		-	(101,655)		
Due from component units		109,928		-		-		-	109,928		
Net receivables	\$	256,336	\$	1,768	\$	327	\$	32 \$	258,463		

	Component Units								
	Н	arlingen		Harlingen					
	Ed	conomic	(	Community		Harlingen		Valley	
	Dev	elopment	Ir	nprovement		Waterworks		International	
	Со	rporation		Board		System		Airport	Total
Accounts	\$	153,218	\$	894	\$	2,502,558	\$	1,118,788 \$	3,775,458
Grants		-		-		-		2,968,315	2,968,315
Interest		-		-		1,943		-	1,943
Due from other governments		433,492		144,497		-		-	577,989
Gross receivables		586,710		145,391		2,504,501		4,087,103	7,323,705
Allowance for uncollectibles		-		-		(278,000)		-	(278,000)
Net receivables	\$	586,710	\$	145,391	\$	2,226,501	\$	4,087,103 \$	7,045,705

#### **Property Taxes**

Property tax revenues are recognized when they become available in the fund statements. Available includes those property tax receivables expected to be collected within sixty days after year end.

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied as of October 1. The county appraisal district certifies the tax roll by July 25th. This tax roll is used by the City to adopt a tax rate by September 1st or soon thereafter. The tax bills are mailed on October 1 or soon thereafter and are due and payable upon receipt. The billings become delinquent as of February 1 of the following calendar year and penalties and interest may be assessed by the City.

Taxes receivable in the general and debt service funds include uncollected tax levies since 1945. All real property taxes receivable less than twenty years old are considered collectible. All personal property taxes receivable less than ten years old are considered collectible. All revenues were deferred at the time the levies were recorded. The Texas Legislature enacted a provision during the 1992 legislative session which requires all liens attached to properties because of delinquent taxes to be removed after twenty years. Also, liens attached to personal property for delinquent taxes are required to be removed after ten years. This legislation became effective August 27, 1992.

Current and delinquent property taxes are collected by the Harlingen Tax Office which is operated independently of the City of Harlingen.

#### **NOTE 5 - CAPITAL ASSETS**

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

#### **Governmental Activities**

	Beginning			Transfers/	Ending
	Balance	Additions	Retirements	Reclassifications	Balance
Capital assets, not being depreciated:					
Land	\$ 11,153,970 \$	- \$		\$-\$	11,153,970
Construction in progress	2,125,740	3,713,581	-	(1,188,552)	4,650,769
Total capital assets, not being depreciated	13,279,710	3,713,581	-	(1,188,552)	15,804,739
Capital assets, being depreciated					
Buildings	48,294,277	-	-	188,552	48,482,829
Improvements	25,759,288	2,988,792	-	1,000,000	29,748,080
Machinery and equipment	34,843,175	4,600,491	(822,816)	-	38,620,850
Infrastructure	216,338,407	2,846,444	-	-	219,184,851
Total capital assets, being depreciated	325,235,147	10,435,727	(822,816)	1,188,552	336,036,610
Less accumulated depreciation for:					
Buildings	(17,585,150)	(1,047,008)	-	-	(18,632,158)
Improvements	(17,903,563)	(1,116,178)	-	-	(19,019,741)
Machinery and equipment	(27,893,706)	(1,790,221)	822,816	-	(28,861,111)
Infrastructure	(150,036,697)	(3,942,234)	-	-	(153,978,931)
Total accumulated depreciation	(213,419,116)	(7,895,641)	822,816	-	(220,491,941)
Total capital assets, being depreciated, net	111,816,031	2,540,086	-	1,188,552	115,544,669
Governmental activities, capital assets, net	\$ 125,095,741 \$	6,253,667 \$	; -	\$-\$	131,349,408

Depreciation was charged to government functions as follows:

General government	\$ 81,248
Public Safety	657,935
Highways and streets	4,180,903
Health and Welfare	896,836
Community and economic development	1,306,192
Culture and recreation	 772,527
Total depreciation - governmental activities	\$ 7,895,641

## **NOTE 5 - CAPITAL ASSETS – Continued**

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

#### **Business-type Activities**

	Beginning			Transfers/	Ending
	Balance	Additions	Retirements	Reclassifications	Balance
Capital assets, not being depreciated:					
Land	\$ 467,083 \$	- 5	\$-	\$-\$	467,083
Construction in progress	10,000	168,338	-	(131,443)	46,895
Total capital assets, not being depreciated	477,083	168,338	-	(131,443)	513,978
Capital assets, being depreciated					
Buildings	5,595,690	-	-	-	5,595,690
Improvements	4,780,511	-	-	88,580	4,869,091
Equipment	7,523,698	1,357,292	(82,553)	42,863	8,841,300
Total capital assets, being depreciated	17,899,899	1,357,292	(82,553)	131,443	19,306,081
Less accumulated depreciation for:					
Buildings	(2,816,414)	(112,869)	-	-	(2,929,283)
Improvements	(4,214,828)	(101,143)	-	-	(4,315,971)
Equipment	(3,325,371)	(806,171)	82,553	-	(4,048,989)
Total accumulated depreciation	(10,356,613)	(1,020,183)	82,553	-	(11,294,243)
Total capital assets, being depreciated, net	7,543,286	337,109	-	131,443	8,011,838
Governmental activities, capital assets, net	\$ 8,020,369 \$	505,447	\$-	\$-\$	8,525,816

Depreciation was charged to business type activity functions as follows:

Municipal Auditorium	\$ 68,810
Sanitation	832,749
Arts and Heritage Museum	11,248
Municipal Golf Course	107,376
Total depreciation - business-type activities	\$ 1,020,183

#### **NOTE 5 - CAPITAL ASSETS – Continued**

Capital asset activity for the Economic Development Corporation for the year ended September 30, 2021, is as follows:

#### Harlingen Economic Development Center

	Beginning			Ending
	Balance	Additions	Retirements	Balance
Capital assets, not being depreciated:				
Land	\$ 4,294,807 \$	- :	\$-\$	4,294,807
Capital assets, being depreciated				
Buildings	31,902,903	-	-	31,902,903
Improvements	4,795,863	-	-	4,795,863
Total capital assets, being depreciated	36,698,766	-	-	36,698,766
Less accumulated depreciation for:				
Buildings	(7,244,617)	(731,109)	-	(7,975,726)
Improvements	(2,842,350)	(293,080)	-	(3,135,430)
Total accumulated depreciation	(10,086,967)	(1,024,189)	-	(11,111,156)
Total capital assets, being depreciated, net	26,611,799	(1,024,189)	-	25,587,610
Harlingen Economic Development				
Corporation, capital assets, net	\$ 30,906,606 \$	(1,024,189)	\$-\$	29,882,417

Depreciation expense for the year ended September 30, 2021 totaled \$1,024,189.

Capital asset activity for the Harlingen Community Improvement Board for the year ended September 30, 2021, is as follows:

#### Harlingen Community Improvement Board

	Begi	nning			Transfers/	Ending
	Bal	ance	Additions	Retirements	Reclassifications	Balance
Capital assets, not being depreciated:						
Construction in progress	\$ 1,9	951,708 \$	628,731	\$ (2,580,439)	\$-\$	-
Total capital assets, not being depreciated	\$ 1,9	51,708 \$	628,731	\$ (2,580,439)	\$-\$	-

## **NOTE 5 - CAPITAL ASSETS – Continued**

Capital asset activity for Valley International Airport for the year ended September 30, 2021, is as follows:

	Beginning			Transfers/	Ending
	Balance	Additions	Retirements	Reclassifications	Balance
Capital assets, not being depreciated:					
Land	\$ 5,011,080 \$	864,084 \$		\$-\$	5,875,164
Construction in progress	14,013,049	10,266,674	-	(1,100,643)	23,179,080
Total capital assets, not being depreciated	19,024,129	11,130,758	-	(1,100,643)	29,054,244
Capital assets, being depreciated					
Buildings	47,702,189	23,395	(900,469)	1,100,643	47,925,758
Runways and taxiways	59,106,112	-	(2,383,252)	-	56,722,860
Land improvements	26,645,147	-	(2,226,124)	-	24,419,023
Furniture and fixtures	3,293,592	2,316	(670,665)	-	2,625,243
Machinery and equipment	19,802,152	578,999	(5,513,126)	-	14,868,025
Total capital assets, being depreciated	156,549,192	604,710	(11,693,636)	1,100,643	146,560,909
Less accumulated depreciation for:					
Buildings	(30,607,409)	(1,256,752)	900,469	-	(30,963,692
Runways and taxiways	(37,231,561)	(2,270,227)	2,383,252	-	(37,118,536
Land improvements	(18,252,319)	(895,056)	2,226,124	-	(16,921,251
Furniture and fixtures	(2,180,583)	(266,050)	670,665		(1,775,968
Machinery and equipment	(13,325,358)	(1,387,650)	5,513,126	-	(9,199,882
Total accumulated depreciation	(101,597,230)	(6,075,735)	11,693,636	-	(95,979,329
Total capital assets, being depreciated, net	54,951,962	(5,471,025)	-	1,100,643	50,581,580
Valley International Airport, capital assets, net	\$ 73,976,091 \$	5,659,733 \$	-	\$ - \$	79,635,824

Depreciation expense for the year ended September 30, 2021 totaled \$6,075,735.

## **NOTE 5 - CAPITAL ASSETS – Continued**

Capital asset activity for Harlingen Waterworks System for the year ended September 30, 2021, is as follows:

#### Harlingen Waterworks System

	Beginning	Reclass &	Reclass &	Ending
	Balance	Additions	Disposals	Balance
Capital assets, not being depreciated:				
Land	\$ 6,466,307 \$	- \$	- \$	6,466,307
Water rights	1,210,953	-	-	1,210,953
Construction in progress	3,058,896	4,355,937	(2,582,954)	4,831,879
Total capital assets, not being depreciated	10,736,156	4,355,937	(2,582,954)	12,509,139
Capital assets, being depreciated				
Vehicles	4,128,873	560,107	43,527	4,732,507
Water production plant	30,277,445	226,213	-	30,503,658
Water transmission facilities and equipment	58,910,239	3,928,895	(6,400)	62,832,734
Wastewater treatment plant	34,472,024	105,270	(601,987)	33,975,307
Wastewater collection line, lift stations				
and equipment	55,751,870	893,374	(71,453)	56,573,791
Laboratory buildings and equipment	349,378	73,796	-	423,174
Pretreatment buildings and equipment	68,929	4,061	(23,943)	49,047
Office buildings and equipment	3,767,018	429,476	(54,374)	4,142,120
Total capital assets, being depreciated	187,725,776	6,221,192	(714,630)	193,232,338
Less accumulated depreciation for:				
Vehicles	(2,679,104)	(169,914)	-	(2,849,018
Water production plant	(22,491,901)	(678,313)	-	(23,170,214
Water transmission facilities and equipment	(37,464,330)	(963,827)	-	(38,428,157
Wastewater treatment plant	(24,284,514)	(938,602)	509,789	(24,713,327
Wastewater collection line, lift stations				
and equipment	(34,162,585)	(1,064,042)	27,925	(35,198,702
Laboratory buildings and equipment	(224,138)	(17,079)	-	(241,217
Pretreatment buildings and equipment	(65,807)	(721)	23,944	(42,584
Office buildings and equipment	(2,854,859)	(142,574)	54,376	(2,943,057
Total accumulated depreciation	(124,227,238)	(3,975,072)	616,034	(127,586,276
Total capital assets, being depreciated, net	63,498,538	2,246,120	(98,596)	65,646,062
Harlingen Waterworks System, capital assets, net	\$ 74,234,694 \$	6,602,057 \$	(2,681,550) \$	78,155,201

Harlingen Waterworks System depreciation expense during the fiscal year totaled \$3,975,072.

## **NOTE 6 - LOANS RECEIVABLE**

	Governmenta	l Activities		Со	mponent Unit
	General	CDBG		Dev	conomic velopment
	Fund	Fund	Total	Co	rporation
Rehabilitation loans	\$ - \$	52,413 \$	52,413	\$	-
Deferred loans	-	1,139,694	1,139,694		-
Replacement loans	-	259,483	259,483		-
Home loans	-	26,214	26,214		-
Business development loans	-	-	-		186,652
Payment in lieu of taxes	182,061	-	182,061		-
Other	-	116,836	116,836		-
Total Loans Receivable	\$ 182,061 \$	1,594,640 \$	1,776,701	\$	186,652

Loans and notes receivable at September 30, 2021, consist of the following:

Rehabilitation loans include 6 loans with origination dates from 1992 to 2017. These loans are collateralized by real property and bear interest that range from interest free notes to 2%. These loans are payable in monthly installments amortized to maturity within 15 years from origination.

Deferred loans include 62 rehabilitation and/or reconstruction including loans through the Harlingen Down Payment Assistance Program. Origination dates range from 2011 to 2021. These loans are collateralized by real property. Deferred loans bear no interest and will become due and payable only upon failure of the other party to maintain compliance with the eligibility requirements of participating in the deferred loan grant program.

Replacement and/or reconstruction loans include 9 loans with origination dates from 2008 to 2019. These loans are collateralized by real property and bear interest ranging from 0-6%. These loans are payable in monthly installments amortized to maturity within 25 years from origination.

Home loans include 2 loans with origination dates of 2004 and 2016 and bears interest of 2% and 5% respectively. These loans are payable in monthly installments amortized over 20 years from origination.

Business development loans of \$186,652 and all other long-term loans receivable are reflected as deferred inflows of resources on the fund financial statements.

## **NOTE 7 - PAYABLE FROM RESTRICTED ASSETS**

Payables from restricted assets of the Harlingen Waterworks (a component unit of the City) at September 30, 2021 consist of the following:

September 30,	2021	2020
Current		
Accrued interest	\$ 248,479 \$	265,792
Customer deposits	350,000	350,000
Noncurrent		
Customer deposits	2,905,862	2,644,888
Total payable from restricted assets	\$ 3,504,341 \$	3,260,680

#### NOTE 8 - UNEARNED REVENUE

a. Governmental funds report *unearned revenue* in connection with amounts received in advance for goods and/or services to be delivered at a future date. At the end of the current fiscal year, the various components of unearned revenue and unearned revenue reported in the financial statements were as follows:

	Unearned	
Governmental Activities		
Grants	\$	7,019,496
Business-type Activities		
Ticket and membership sales	\$	16,599
Component Units		
Valley International Airport	\$	750,274

\*The Valley International Airport unearned revenue is included in long-term debt, see Note 10.

b. Consistent with accounting principles for recording non-monetary transactions, Valley International Airport recognizes permanent structural improvements constructed by tenants on leased facilities owned by the Airport. The value of such improvements is recognized as an increase in the property, plant, and equipment accounts. Unearned revenues are similarly increased for these respective values and amortized to operations on a straight-line basis over the primary lease term including extensions. Amortization requirements for the succeeding five years are as follows:

2022 (current portion)		\$ 340,026
2023	\$ 245,137	
2024	33,670	
2025	33,630	
2026	33,630	
Succeeding years	64,181	
Long-term portion		410,248
Total		\$ 750,274

\*At September 30, 2021, several leaseholders at the Airport had prepaid their monthly leases in the total amount of \$94,889 which is included in the current portion of \$340,026.

#### **NOTE 9 - OPERATING LEASES**

The Airport leases its property and buildings to various tenants under operating lease agreements. The types of revenue from these leases include terminal space rental, landing fees, fixed base operations rental, manufacturers' rental, parking concession, rental car concession, and retail and restaurant rentals.

Operating revenues recognized from these leases totaled \$1,462,939. Included in operating revenues are contingent rental payments which are revenues that increase or decrease rents after the inception of the lease resulting from changes in factors (such as usage) on which the lease payments are based. Contingent rental payments in 2021 were \$1,366,828.

## **NOTE 9 - OPERATING LEASES - Continued**

During 1987 and 2009, the Airport executed a lease agreement with a manufacturer who made major structural improvements to the leased property. The value of these improvements are recorded in the Airport's financial statements. The unearned revenue connected with these improvements is recognized in the Statements of Changes in Net Position on a straight-line basis over the term of the lease including all renewal options. Noncash revenue recognized from these sources was \$211,500 in 2021.

The following is a schedule by years of minimum future rentals on noncancellable operating leases:

Year ending September 30:	
2022	\$ 3,769,520
2023	3,368,536
2024	2,740,046
2025	569,674
2026	380,926
Later years	2,113,089
Total minimum future rentals	\$ 12,941,791

Future minimum rentals do not include contingent rentals or noncash rents.

## **NOTE 10 - NON-CURRENT OBLIGATIONS**

#### Notes Payable

#### **Primary Government**

With Resolution No. 07R-49, the City Commission authorized the City to enter into an agreement between the Tax Increment Financing Reinvestment Zone. No. 3 to reimburse the Harlingen Economic Development Corporation of Harlingen, Inc. for financial assistance provided to Harlingen Ventures No. 2, L.P. for public targeted infrastructure, not to exceed \$3,000,000. The total qualifying infrastructure improvements amounted to \$886,416 and the balance at year-end is \$156,416. The agreement does not indicate repayment terms or interest rate. The City makes annual payments of \$70,000.

The City and the EDC, entered into a note agreement in the amount of \$4,431,204 with 83/77 Properties, LTD on December 15, 2010. The note will be repaid with the EDC's portion of the sales tax from anticipated developed properties in a defined area surrounding the Bass Pro Shop development. The note carries an 8% interest rate, but no repayment schedule due to the uncertainty of the revenues designed to repay the loan. The City's portion totals \$3,013,219 plus related accrued interest of \$1,354,722. Interest accrues at 8%. Interest paid during the year totaled \$207,514.

The City entered into a 10 year note agreement in the amount of \$550,000 with an individual on November 19, 2019. The note carries a 5% interest rate compounded monthly. Principal and interest payments are made monthly in the amount of \$5,807. The balance of the note as of September 30, 2021 is \$464,139. The City also entered into a 10 year note agreement in the amount of \$450,000 with another individual on November 19, 2019. The note carries a 5% interest rate compounded monthly. Principal and interest payments are made monthly in the amount of \$4,746. The balance of the note as of September 30, 2021 is \$379,866. Both notes were for the purchase of 7.91 acres of land.

## **NOTE 10 - NON-CURRENT OBLIGATIONS – Continued**

#### Component Unit

The City and the Harlingen Economic Development Corporation, a component unit of the primary government, entered into a note agreement in the amount of \$4,431,204 with 83/77 Properties, LTD on December 15, 2010. The note will be repaid with the EDC's portion of the sales tax from anticipated developed properties in a defined area surrounding the Bass Pro Shop development. The note carries an 8% interest rate, but no repayment schedule due to the uncertainty of the revenues designed to repay the loan. The EDC's portion totals \$1,417,985 plus related accrued interest of \$637,516. Interest accrues at 8%. Interest paid during the year totaled \$96,803. As indicated on the previous page, there are no fixed repayment terms for the TIFRZ and 83/77 Properties, LTD notes payable.

#### General Obligation Bonds and Certificates of Obligation

In January 2012, the City issued \$3,315,000 in General Obligation Refunding Bonds, Series 2011 for the purpose of refunding outstanding bonds Series 2004 and to provide resources to cover costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the accounts of the City. The refunding bonds were sold at par. The cost of issuance totaled \$50,338. Principal payments range from \$75,000 to \$285,000 plus interest with interest rate of 2.41%.

On October 3, 2012, the City commission authorized the issuance of \$2,280,000 in 2012 Series Combination Tax and Revenue Certificates of Obligation bonds. The proceeds of the bond issuance were used to reimburse the Economic Development Corporation for monies advanced to a developer for infrastructure improvements. The bonds will be repaid with tax revenues generated from the Tax Increment Reinvestment Zone No. 3. The bonds include \$470,000 serial certificates maturing between the years 2016 and 2019 at an interest rate of 3% ranging from \$75,000 to \$140,000. The bonds also include \$1,810,000 in term certificates maturing in years 2021, 2023, 2025, 2027, 2032, and 2035 with interest rates ranging from 2% to 3% with principal amounts ranging from \$290,000 to \$350,000.

In April 2013, the City issued \$3,070,000 Combination Tax and Revenue Certificates of Obligation, Series 2013, and will be used for the purpose of (a) acquiring, constructing, improving and repairing City streets and sidewalks, together with water, sewer and drainage improvements, utility line installment and replacement, traffic and street signalization, lighting improvements and right-of-way acquisition and (b) paying fiscal and engineering fees in connection with such projects and for paying the costs associated with the issuance of the Certificates. The certificates include \$1,110,000 serial certificates which will be repaid over nine years in principal installments ranging from \$30,000 to \$165,000 at an interest rate of 2.00%. The certificates also include \$1,960,000 term certificates which will be repaid over a ten year period beginning in August 2025 and maturing in August 2035 in five principal installments ranging from \$360,000 to \$430,000 and carrying an interest rate ranging from 3.00% to 3.25%.

#### **NOTE 10 - NON-CURRENT OBLIGATIONS – Continued**

In November 2013, the City issued \$3,215,000 in General Obligation Refunding Bonds, Series 2013 for the purpose of refunding outstanding bonds Series 2005 and to provide resources to cover costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the accounts of the City. The refunding bonds were sold at a premium in the amount of \$59,145. The cost of issuance totaled \$71,658. Principal payments range from \$65,000 to \$435,000 plus interest with interest rates ranging from 2.00% to 2.50%.

In July 2016, the City issued the 2016 Series General Obligation Refunding Bonds, in the amount of \$23,915,000 and were be used for the purpose of refunding portions of outstanding bonds series 2006 GOs, 2007 COs and 2007 GOs. The bonds will be repaid over 10 years which began in 2018 and carry interest rates ranging from 2.0% to 5.0% with annual interest dates of February 15.

In December 2016, the City issued \$12,885,000 Combination Tax and Revenue Certificates of Obligation, Series 2016, and will be used for the purpose of constructing a new convention center and paying fiscal and engineering fees in connection with such projects and for paying the costs associated with the issuance of the Certificates. The certificates include \$4,910,000 serial certificates which will be repaid over eleven years in principal installments ranging from \$275,000 to \$510,000 at an interest rate ranging from 1.15% to 3.65%. The certificates also include \$7,975,000 term certificates which will be repaid over a nine year period beginning in August 2031 and maturing in August 2040 in five principal installments ranging from \$1,640,000 to \$3,230,000 and carrying an interest rate ranging from 3.98% to 4.29%.

In December 2019, the City issued \$1,690,000 in General Obligation Refunding Bonds, Series 2019 for the purpose of refunding the 2010 Series Combination Tax and Revenue Certificates of Obligation and to provide resources to cover costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the accounts of the City. The refunding bonds were sold at a premium of \$280,521. The cost of issuance totaled \$79,444. Principal payments range from \$120,000 to \$215,000 plus interest with an interest rate from 3.0 to 5.0%.

In April 2021, the City issued \$4,500,000 in General Obligation Refunding Bonds, Series 2021 for the purpose of refunding the Series 2011 General Obligation bonds and the 2012 and 2013 Series Combination Tax and Revenue Certificates of Obligation and to provide resources to cover costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the accounts of the City. The refunding bonds were sold at a premium of \$456,765. The cost of issuance totaled \$117,038. Principal payments range from \$70,000 to \$510,000 plus interest with an interest rate of 3.0%.

## Advance Refunding

#### **Primary Government**

During the year ended September 30, 2021, the City issued \$4,500,000 General Obligation Refunding Bonds, Series 2021. Net proceeds from the sale totaled \$4,956,765. Of these proceeds, \$4,839,727 was placed with an escrow agent to provide for all future debt payments of the refunded bonds.

### **NOTE 10 - NON-CURRENT OBLIGATIONS – Continued**

This refunding resulted in a decrease in the City's debt service payments of \$273,121, which resulted in an economic gain (difference between the present value of the debt service payments of the old and new debt) of \$256,179.

As a result of this transaction, \$840,000 of general obligation and \$3,950,000 of combination tax and revenue certificates of obligation of governmental activities were refunded and are considered legally defeased. As such, they are no longer included as liabilities in the City's basic financial statements.

In current and prior years, the City defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the respective trust account assets and related liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2021, the following outstanding bonds and certificates of obligation are considered defeased:

Primar	y Governi	ment		•	it Units 1 EDC
Series	End	Ending Balance		Series	 ling Balance
2004 GO	\$	950,000		2010A	\$ 9,080,000
2005 GO		980,000		2010B	7,325,000
2006 GO		1,300,000			
2007 GO		5,210,000			
2007 CO		10,355,000			
2010 CO		1,710,000			
2011 GO		840,000			
2012 CO		1,515,000			
2013 CO		2,290,000			

#### Bonded Debt Rollforward

General obligation bonds and certificates of obligation are direct obligations and pledge the full faith and credit of the City. These bonds and certificates generally are issued as 25-year serial bonds, with varying amounts of principal maturing each year. General obligation bonds and certificates of obligation currently outstanding are as follows:

	Original Amount	Interest Rates	Beginning Balance 10/1/2020	Additions	Reductions	Ending Balance 9/30/2021	Due in One Year
Governmental Activities							
General Obligations							
2011 Series, General Obligation Refunding Bonds	\$ 3,315,000	2.410%	\$ 1,105,000	\$ - \$	(1,105,000) \$	- \$	-
2013 Series, General Obligation Refunding Bonds	3,215,000	2.000-2.500%	1,105,000	-	(200,000)	905,000	210,000
2016 Series, General Obligation Refunding Bonds	23,915,000	2.000-5.000%	17,915,000	-	(2,185,000)	15,730,000	2,280,000
2019 Series, General Obligation Refunding Bonds	1,690,000	3.000-5.000%	1,690,000	-	(120,000)	1,570,000	125,000
2021 Series, General Obligation Refunding Bonds	4,500,000	3.000%	-	4,500,000	(175,000)	4,325,000	485,000
Total General Obligation Bonds	\$ 36,635,000		\$ 21,815,000	\$ 4,500,000 \$	(3,785,000) \$	22,530,000 \$	3,100,000
Certificates of Obligation							
2012 Series, Combination Tax Revenue CO	2,280,000	2.000-3.000%	1,660,000	-	(1,660,000)	-	-
2013 Series, Combination Tax Revenue CO	3,070,000	2.000-3.750%	2,450,000	-	(2,450,000)	-	-
2016 Series, Combination Tax Revenue CO	12,885,000	1.150-4.290%	11,595,000	-	(390,000)	11,205,000	415,000
Total Certificates of Obligation	\$ 18,235,000		\$ 15,705,000	\$ - \$	(4,500,000) \$	11,205,000 \$	415,000
Total bonded debt	\$ 54,870,000		\$ 37,520,000	\$ 4,500,000 \$	(8,285,000) \$	33,735,000 \$	3,515,000

### **NOTE 10 - NON-CURRENT OBLIGATIONS – Continued**

Year Ending	General Obligatio	n Bonds	Certificates of Ob	oligation	Total Bonded Debt		
September 30,	 Principal	Interest	Principal	Interest	Principal	Interest	
2022	 3,100,000	730,225	415,000	437,398 \$	3,515,000 \$	1,167,623	
2023	3,250,000	586,738	430,000	425,944	3,680,000	1,012,682	
2024	3,375,000	461,825	450,000	413,001	3,825,000	874,826	
2025	3,405,000	357,175	460,000	398,826	3,865,000	756,001	
2026	3,505,000	252,450	475,000	383,876	3,980,000	636,326	
2027-2031	4,590,000	398,575	2,640,000	1,651,894	7,230,000	2,050,469	
2032-2036	1,305,000	99,150	3,230,000	1,077,955	4,535,000	1,177,105	
2037-2041	-	-	3,105,000	339,770	3,105,000	339,770	
	\$ 22,530,000 \$	2,886,138 \$	11,205,000 \$	5,128,664 \$	33,735,000 \$	8,014,802	

The annual debt service requirements to maturity for general obligation bonds and certificates of obligation, are as follows:

#### Revenue Bonds

The component units also issue bonds where the component units pledge income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at September 30, 2021, are as follows:

Revenue Bonds are used to finance the acquisition and construction of major capital improvements for the water and sewer system and related facilities. The revenue bonds are special obligations of the System solely secured by a first lien on and pledge of the net revenues of the combined waterworks and sewer system. Net revenues are defined in the respective covenants and are more fully explained therein as the gross revenues of the System less the expenses of operation and maintenance of the System. Depreciation and payments into and out of the required interest and sinking and the reserve funds are not considered expenses of operation and maintenance. Remaining revenues may then be used for any lawful purpose.

In October 2010, the System issued the Waterworks and Sewer System Revenue Bonds, Series 2010A in the principal amount of \$6,500,000 to provide funding for the System's ongoing capital improvement program and to cover the cost of issuance. Simultaneously, in order to achieve a debt service savings due to favorable interest rates. The Waterworks and Sewer System Revenue Refunding Bonds, Series 2010B were issued, in the principal amount of \$4,205,000. The proceeds from the sale of the Series 2010B Bonds were used for purpose of paying costs of issuance and refunding all of the then outstanding Waterworks and Sewer System Revenue Bonds, Series 2000 in the amount of \$1,220,000 and Series 2003 in the amount of \$4,410,000.

The Series 2010B Bond proceeds, along with other available funds of the System, were deposited with an escrow agent and irrevocably pledged to the payment of principal and interest on the refunded Bonds until the respective call dates. As a result, the refunded obligations are considered defeased, and the liability for those bonds has been removed from the System's financial statements. As of September 30, 2017, all Series 2000 and Series 2003 Bonds have been retired.

### **NOTE 10 - NON-CURRENT OBLIGATIONS – Continued**

In September 2015, the System issued the Waterworks and Sewer System Revenue Bonds, Series 2015A in the principal amount of \$12,000,000 to provide funding for the System's ongoing capital improvement program and to cover the cost of issuance. Simultaneously, in order to achieve a debt service savings due to favorable interest rates, the Waterworks and Sewer System Revenue Refunding Bonds, Series 2015B were issued, in the principal amount of \$6,475,000. The proceeds from the sale of the Series 2015B Bonds were used for the purpose of refunding all of the then outstanding Waterworks and Sewer System Revenue Refunding Bonds, Series 2005 in the amount of \$2,620,000; and the Waterworks and Sewer System Revenue Bonds, Series 2005A in the amount of \$4,435,000 and to pay the costs of issuance.

The Series 2015B Bond proceeds, along with other available funds of the System, were deposited with an escrow agent for payment of principal and interest on the refunded debt until the respective call dates of November 1, 2015 through November 1, 2019. As a result, the refunded obligations are considered defeased, and the liability for those bonds has been removed from the System's financial statements. As of September 30, 2020, Series 2005A Bonds have been redeemed.

In November 2019, the System issued the Waterworks and Sewer System Revenue Refunding Bonds, Series 2019 in the principal amount of \$4,825,000 in order to achieve a debt service savings due to favorable interest rates. The proceeds from the sale of the Series 2019 Bonds were used for the purpose of refunding all of the then outstanding Waterworks and Sewer System Revenue Refunding Bonds, Series 2010A in the amount of \$5,190,000 and to pay the costs of issuance.

The bonds carry interest rates as set out below with the interest payment dates of May 1st and November 1st; and principal payments due annually on November 1st. The bond ordinances authorizing these issues require establishing an interest and sinking fund; and, if certain financial ratios are not met, a reserve fund. A Credit Facility may be used as a substitute for or to replace cash or investments in the reserve fund. In addition, a provision in the ordinances requires that rates for service be adjusted if certain financial ratios are not met. Management of the System believes it is in compliance with all significant financial requirements of the bond ordinances as of September 30, 2021.

### **NOTE 10 - NON-CURRENT OBLIGATIONS – Continued**

	Original Amount	Interest Rate(s)	Beginning Balance 10/1/2020	А	dditions		Reductions	Ending Balance 9/30/2021	Due in One Year
Component Units									
Harlingen Economic Development Corporation									
Sales tax revenue bonds									
Series 2019A	17,585,000	4.00-5.00%	17,405,000			-	(1,095,000)	16,310,000	1,150,000
Sales tax and lease rental									
Revenue Bonds Series 2019B	4,035,000	2.199-3.229%	4,035,000			-	(290,000)	3,745,000	300,000
Total Harlingen EDC	\$ 21,620,000		\$ 21,440,000	\$		- \$	(1,385,000) \$	20,055,000	\$ 1,450,000
Harlingen Waterworks System									
2010 Series "B" Waterworks &									
Sewer System Revenue									
Refunding Bonds	4,205,000	2.00-3.00%	125,000			-	(125,000)	-	-
2015 Series "A" Waterworks &									
Sewer System Revenue									
Refunding Bonds	12,000,000	2.00-3.75%	10,140,000			-	(500,000)	9,640,000	515,000
2015 Series "B" Waterworks &									
Sewer System Revenue									
Refunding Bonds	6,475,000	2.00-3.25%	3,660,000			-	(760,000)	2,900,000	240,000
2019 Series Waterworks &									
Sewer System Revenue									
Refunding Bonds	4,825,000	2.50-5.00%	4,825,000			-	-	4,825,000	240,000
Total Harlingen Waterworks System	27,505,000		18,750,000			-	(1,385,000)	17,365,000	995,000
Total Component Units	\$ 49,125,000		\$ 40,190,000	\$		- \$	(2,770,000) \$	37,420,000	\$ 2,445,000

Harlingen Economic

Development Corporation Harlingen Waterworks System

Year Ending	Sales Tax and Leas	e Revenue Bonds	Water and Sewer I	Revenue Bonds	Total Component Units		
September 30,	Principal	Interest	Principal	Interest	Principal	Interest	
2022	1,450,000	817,613	995,000	579,025 \$	2,445,000 \$	1,396,638	
2023	1,510,000	751,959	1,025,000	543,925	2,535,000	1,295,884	
2024	1,580,000	682,930	1,060,000	507,750	2,640,000	1,190,680	
2025	1,655,000	610,068	1,095,000	470,325	2,750,000	1,080,393	
2026	1,735,000	533,167	1,140,000	431,400	2,875,000	964,567	
2027-2031	9,900,000	1,437,874	6,370,000	1,513,594	16,270,000	2,951,468	
2032-2036	2,225,000	42,997	5,680,000	480,138	7,905,000	523,135	
	\$ 20,055,000	\$ 4,876,608	\$ 17,365,000	\$ 4,526,157 \$	37,420,000 \$	9,402,765	

### **NOTE 10 - NON-CURRENT OBLIGATIONS – Continued**

### Changes in Non-Current Liabilities

### During the year ended September 30, 2021, the following changes occurred:

	Beginning Balance 10/1/2020	Additions	Reductions	Ending Balance 9/30/2021	Amounts Due in One Year
Governmental activities					
General obligation debt	\$ 21,815,000	\$ 4,500,000	\$ (3,785,000) \$	22,530,000	\$ 3,100,000
Certificates of obligation	15,705,000	-	(4,500,000)	11,205,000	415,000
Capital lease	515,496	-	(173,171)	342,325	177,606
Deferred amounts					
Premiums	1,416,043	456,765	(372,226)	1,500,582	-
Notes payable	4,165,839	-	(152,199)	4,013,640	156,404
Non-current liabilities (excluding pensions and					
compensated absences)	\$ 43,617,378	\$ 4,956,765	\$ (8,982,596) \$	39,591,547	\$ 3,849,010

	Beginning Balance 10/1/2020	Additions		Reductions	Ending Balance 9/30/2021	Amounts Due in One Year
Component Units						
Harlingen Economic Development Corporation						
Sales tax and revenue bonds	\$ 21,440,000 \$		- \$	(1,385,000) \$	20,055,000 \$	1,450,000
Deferred amounts						
Premiums	2,226,490		-	(343,504)	1,882,986	-
Notes payable	1,897,985		-	(480,000)	1,417,985	-
Total Harlingen EDC	25,564,475		-	(2,208,504)	23,355,971	1,450,000
Harlingen Waterworks System						
Bonds payable	18,750,000		-	(1,385,000)	17,365,000	995,000
Less deferred amounts for discounts and						
premiums	579,881		-	(76,162)	503,719	71,974
Total Harlingen Waterworks System	19,329,881		-	(1,461,162)	17,868,719	1,066,974
Total Component Units	\$ 44,894,356 \$		- \$	(3,669,666) \$	41,224,690 \$	2,516,974

### Capital Lease Obligations

The City has entered into the following capital lease agreements with maturities as follows:

#### **Governmental Activities**

	Moto	orola						
	Commu	nication	Frost	Bank				
	Cen	iter	Bac	kup	То	Total		
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest		
2022	\$ 160,859	\$ 7,814	\$ 16,747	\$ 695	\$ 177,606	\$ 8,509		
2023	164,719	3,953	-	-	164,719	3,953		
Total	\$ 325,578	\$ 11,767	\$ 16,747	\$ 695	\$ 342,325	\$ 12,462		

### **NOTE 10 - NON-CURRENT OBLIGATIONS – Continued**

The Motorola Communication Center lease term is from April 1, 2013 and expires on April 1, 2023, with annual payments of \$168,673, including interest at 2.4%, payable annually.

The Frost Bank Backup lease term is from July 1, 2018 and expires on July 1, 2022, with annual payments of \$17,442, including interest at 4.15%, payable annually.

The capital leases were used to purchase capital assets that are being depreciated as follows

		Accumulated	Book
	Purchase	Depreciation	Value
Asset Name	Cost	9/30/2021	9/30/2021
P-25 Communication Tower	1,483,892	(1,088,187)	395,705
2018 Unitrends Recovery Series	80,532	(65,432)	15,100
Total governmental activities machinery and equipment			
capital assets purchased with capital lease proceeds	1,564,424	(1,153,619)	410,805

### **Business Type Activities**

	Golf								
	Course								
	Equipment								
Fiscal Year	Principal		Interest						
2022	\$ 50,849	\$	5,039						
2023	52,293		3,595						
2024	53,778		2,109						
2025	45,981		593						
Total	\$ 202,901	\$	11,336						

The Golf Course Equipment lease is from June 1, 2020 and expires on July 1, 2025, with monthly payments of \$4,657, including interest at 2.8% payable monthly.

The capital lease was used to purchase capital assets that are being depreciated as follows

		Accumulated	Book
	Purchase	Depreciation	Value
	Cost	9/30/2021	9/30/2021
Various golf course machinery and equipment	258,943	(56,104)	202,839

### **NOTE 11 - OTHER NON-CURRENT OBLIGATIONS**

In addition to the Non-Current Debt Obligations in Note 10 Non-Current Obligations, Note 24 Pension Plans and Note 25 Other Post-Employment Benefits, the City has the following changes in other non-current liabilities for the fiscal year ended September 30, 2021 as follows:

	Beginning Balance	۰	Deductions	Ending Balance	Amounts Due in
Commented activities	10/1/2020	Additions	Reductions	9/30/2021	One Year
Governmental activities					
Compensated absences	4,412,380	1,267,104	(1,294,722)	4,384,762	1,315,622
Net pension liability (asset) - Governmental Activities	611,973	2,347,850	(4,267,099)	(1,307,276)	-
Net pension liability - Firemen's Relief	19,291,409	3,538,016	(2,837,624)	19,991,801	-
Net OPEB - Supplemental Death Benefit	1,529,406	363,107	(165,227)	1,727,286	-
Net OPEB - Retiree Health Care	4,143,657	1,352,514	(987,035)	4,509,136	-
Total other non-current liabilities - governmental activities	29,988,825	8,868,591	(9,551,707)	29,305,709	1,315,622
Business Type Activities					
Landfill post closure liability	150,000	-	(14,995)	135,005	14,995
Compensated absences	288,008	136,871	(154,083)	270,796	86,404
Net pension liability (asset) - Business-type Activities	12,489	24,823	(63,992)	(26,680)	-
Net OPEB - Supplemental Death Benefit	31,213	14,461	(10,423)	35,251	-
Net OPEB - Retiree Healthcare	84,566	32,798	(25,326)	92,038	-
Total other non-current liabilities - business-type activities	566,276	208,953	(268,819)	506,410	101,399
Total other non-current liabilities - Primary Government	30,555,101	9,077,544	(9,820,526)	29,812,119	1,417,021

The City's other non-current liabilities including compensated absences and net OPEB claims payable are liquidated in the fund where the liability was incurred. Thus, the general fund satisfies most liabilities for governmental activities.

	Beginning Balance 10/1/2020	Additions	Reductions	Ending Balance 9/30/2021	Amounts Due in One Year
Component Units					
Harlingen Economic Development Corporation					
Compensated absences	\$ 57,761 \$	19,125	\$ (14,865)	\$ 62,021	\$ 15,014
Valley International Airport					
Unearned revenue**	728,700	522,542	(500,968)	750,274	340,026
Compensated absences	342,106	257,857	(233,215)	366,748	25,000
Net pension liability (asset)	54,586	342,307	(437,477)	(40,584)	-
Net OPEB obligation	383,878	51,538	(11,790)	423,626	-
Total Valley International Airport	1,509,270	1,174,244	(1,183,450)	1,500,064	365,026
Harlingen Waterworks System					
Compensated absences	819,212	39,286	(69,353)	789,145	500,000
Net OPEB-retiree healthcare	9,835,549	1,523,662	(368,603)	10,990,608	-
Net OPEB-supplemental death benefit	609,404	118,386	(15,556)	712,234	-
Net pension liability (asset)	(1,114,105)	637,032	(854,733)	(1,331,806)	-
Customer deposits	2,994,888	646,178	(385,204)	3,255,862	350,000
Total Harlingen Waterworks System	13,144,948	2,964,544	(1,693,449)	14,416,043	850,000
Total Component Units	\$ 14,711,979 \$	4,157,913	\$ (2,891,764)	\$ 15,978,128	\$ 1,230,040

\*\*The current portion of unearned revenues on the Statement of Net Position for a component unit includes amounts, which consist of prepayments and amortizable leasehold improvements totaling \$94,889 for the year ended 2021.

### NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City of Harlingen place final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill postclosure care costs has a balance of \$135,005 as of September 30, 2021. This is based on 100% usage of the landfill. The landfill was deemed full and closed on August 1999. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to monitor, and maintain the landfill were acquired as of September 30, 1994. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Financial assurances are being demonstrated by the City through the mechanisms described in 31 Texas Administrative Code 330.285.

#### NOTE 13 - INTERFUND ASSETS/LIABILITIES

		Payabl			
	Go	vernmental	Business-	type	
		Activities	Activiti	es	
			Munici	bal	
		CDBG	Golf Cou	irse	
Receivable Fund		Fund	Fund		Total
Governmental Funds					
General Fund	\$	100,290	\$ 1,155	,819	\$ 1,256,109
Proprietary Funds					
Motor Vehicle Warehouse Fund		803		-	803
	\$	101,093	\$ 1,155	,819	\$ 1,256,912

Interfund receivables and payables at September 30, 2021 are as follows:

The interfund assets and liabilities primarily represent temporary short-term borrowings for working capital, which are intended to be satisfied soon after year-end.

Receivables and payables between the primary government and component units at September 30, 2021 are as follows:

	R	Receivable Fund or Component Unit				
	e	Governmental	Business-type			
		Activities	Activities			
		nfrastructure	Sanitation			
Payable Fund or Component Unit		Fund	Fund			
Harlingen Waterworks System	\$	7,274 \$	\$ 109,928			

#### **NOTE 14 - TRANSFERS**

Interfund transfers are used to 1) provide unrestricted revenues collected in the general fund to finance various programs accounted for in other funds, and 2) move revenues from the fund that the budget required to collect the revenue to the fund that the budget required to expend it.

			Transfers li	ı/Ou	ut				
		Other	Nonmajo	r		Total		Internal	
	General	Grants	Governmer	ntal	G٥١	vernmental	Sanitation	Service	
	Fund	Fund	Funds			Funds	Fund	Funds	 Total
Governmental Activities									
General fund	\$-	\$ 2,533,935	\$ 1,052,4	119	\$	3,586,354	\$ 1,000,000	\$ 362,048	\$ 4,948,402
CDBG fund	13,522	-		-		13,522	-	-	13,522
Other grants fund	961,549	-		-		961,549	-	-	961,549
Nonmajor governmental funds	1,478,380	312,476	1,274,0	)35		3,064,891	-	-	 3,064,891
Total governmental									
activities	2,453,451	2,846,411	2,326,4	154		7,626,316	1,000,000	362,048	8,988,364
Business-type Activities									
Sanitation fund	-	160,956		-		160,956	-	818,850	979,806
Municipal Golf Course fund	44,927	97,167		-		142,094	-	-	142,094
Municipal Auditorium fund	150,000	149,385	115,0	000		414,385	-	-	414,385
Arts and Heritage Museum									
fund	30,000	1,730	60,0	000		91,730	-	-	91,730
Internal service fund	65,000	-		-		65,000	-	-	65,000
Total business-type									
activities	289,927	409,238	175,0	000		874,165	-	818,850	1,693,015
Totals	\$ 2,743,378	\$ 3,255,649	\$ 2,501,4	154	\$	8,500,481	\$ 1,000,000	\$ 1,180,898	\$ 10,681,379

Transfers from the General to the Tax Increment Financing Zone funds (TIFZ) were for real property incremental ad valorem tax revenues collected for the benefit of the TIFZs. Transfers from the General fund to the Tennis Court, Downtown, and the Harlingen Arts and Heritage Museum were to sustain operating activities. Transfers from the Hotel/Motel fund were to sustain the operating activities of Harlingen Downtown, Convention and Visitors Bureau, Municipal Auditorium and Harlingen Arts and Heritage funds. The transfer from the Hotel/Motel fund to the Debt Service fund was to pay for a portion of the 2016 Certificate of Obligation used to construct the Convention Center. Transfers from the Internal Service Fund to the Sanitation fund is for vehicles contributed to a proprietary fund. Transfers from the General fund to the Internal Service Fund were for contributed vehicles. The Free Trade Bridge transferred excess revenue to the General Fund. The TIFZ #3 fund transfers an amount to the General Fund yearly to help pay the bond payments which were used for construction in the zone.

#### **NOTE 15 – FUND BALANCES**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes describes as follows:

**Nonspendable** – 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.

**Restricted** – external parties have restricted these funds to be used for their intended purpose.

**Committed** – the City Commission has authorized the City to use these funds for specifically identified purposes.

Assigned – fund balances that contain self-imposed constraints of the government.

Unassigned – the unassigned fund balance has no constraints.

		General Fund	CDBG Fund	Other Grants	Capital Projects Bond Cert. of Obligation 2016	Other Governmental Funds	Total Governmental Funds
Nonspendable							
Prepaid items	\$	409,842 \$	- :	\$	-\$-	\$ 741	\$ 410,583
Restricted							
Child Safety		185,308	-			-	185,308
Community Development		-	-			-	-
Grants		-	-			-	-
Public, Education and Gov Access Channels		-	-			945,917	945,917
Construction		-	-		- 331,959	147,317	479,276
Hotel/Motel Occupancy Tax		-	-			1,051,826	1,051,826
Convention Visitors Bureau		-	-			321,427	321,427
Harlingen Downtown		-	-			173,438	173,438
Federal Forfeitures		-	-			98,310	98,310
State Forfeitures		-	-			119,214	119,214
Lon C. Hill Library		-	-			125,508	125,508
Tax Increment Reinvestment Zone		-	-			2,357,149	2,357,149
Debt Service		-	-			459,998	459,998
Restricted total		185,308	-		- 331,959	5,800,104	6,317,371
Committed							
Catastrophic Relief		-	-			819,429	819,429
Infrastructure		-	-			2,492,198	2,492,198
Air Service Development		-	-			-	-
Free Trade Bridge		-	-			305,982	305,982
Street Improvements		-	-			541	541
Committed total		-	-			3,618,150	3,618,150
Assigned							
Purchases on order		1,319,556	-			1,131,711	2,451,267
Unassigned	ź	26,249,921	(52,277)	(1,275,052	2) -	(15,853)	24,906,739
Total fund balance	\$ 2	28,164,627 \$	(52,277)	\$ (1,275,052	2) \$ 331,959	\$ 10,534,853	\$ 37,704,110

#### **NOTE 16 – NET POSITION**

	Governmental Activities	Business-type Activities	Economic Development Corporation	Community Improvement Board	Harlingen Waterworks System	Valley International Airport
Net Investment in capital assets:						
Capital assets, net of accumulated						
depreciation	131,349,408	8,525,816	29,882,417	-	78,155,201	79,635,824
Less related liabilities	(36,277,398)	(202,901)	(23,355,971)	-	(17,719,966)	(1,489,856)
Restricted cash (unexpended bond		( , ,	( , , ,			
proceeds)	1,753,465	-	-	-	-	-
Total net investment in capital assets	96,825,475	8,322,915	6,526,446	-	60,435,235	78,145,968
Restricted net position consists						
of the following:						
Child Safety	185,308					
Public, Education and Government						
Access Channel	945,917	-	-	-	-	-
Construction	479,276	-	-	-	-	-
Hotel/Motel Occupancy Tax	1,051,826	-	-	-	-	-
Convention Visitors Bureau	321,427	-	-	-	-	-
Harlingen Downtown	173,438	-	-	-	-	-
Federal Forfeitures	98,310	-	-	-	-	-
State Forfeitures	119,214	-	-	-	-	-
Lon C. Hill Library	125,508	-	-	-	-	-
Tax Increment Reinvestment Zone	2,357,149	-	-	-	-	-
Debt Service	459,998	-	-	-	912,139	-
Employee pensions	-	-	-	-	619,506	-
System expansion and replacement						
(impact and other fees)	-	-	-	-	3,641,061	-
Restricted net position - total	6,317,371	-	-	-	5,172,706	-
Unrestricted net position	860,902	6,815,836	11,553,130	6,560,129	18,119,924	6,678,480
Total net position	\$ 104,003,748	\$ 15,138,751	\$ 18,079,576	\$ 6,560,129 \$	83,727,865 \$	84,824,448

#### **NOTE 17 - COMMITMENTS AND CONTINGENT LIABILITIES**

#### a. Long-Term Contracts

The Harlingen Waterworks System is currently under contract with five wholesale customers (users) to provide treated water. These agreements provide for the treatment of an aggregate minimum of at least 250,000,000 gallons. The contracts have various expiration dates ranging from year 2016 to 2054. The System has contracted to provide wastewater treatment services to two wholesale customers. The combined annual flow is estimated to be 250,000,000 gallons.

### NOTE 17 - COMMITMENTS AND CONTINGENT LIABILITIES – Continued

#### b. Grant Programs

The City as well as its component units participate in a number of grant programs funded by State and Federal Agencies. These programs are subject to compliance audits by the grantor agencies or their representatives. Audits of all of these programs including the year ended September 30, 2021 have not been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### Commitments

At September 30, 2021, the City had ongoing commitments related to the following:

		Construction	
	Original	Expensed to	Amount
Project	Amount	Date	Commitment
Tennis Center Pro Shop	\$ 684,382	\$ 613,802	\$ 70,580
Arroyo Colorado Trail Extension	1,456,971	473,757	983,214
9th & 13th St Storm Drainage	2,630,371	\$ 2,361,552	268,819
Vela Middle School Connectivity Project	294,911	176,986	117,925
Total Commitments	\$ 5,066,635	\$ 3,626,097	\$ 1,440,538

#### **Component Units**

The Airport has on-going commitments relating to the following:

		Total Remaining	Airport Improvement	Passenger Facility	Local
	C	Commitment	Project Funds	Charge	Funds
Rehab NW & SW Apron and TWY H - Phase 1	\$	790,968	\$-	\$ 1,544,465 \$	-
Rehab Runway 13/Fire Alarm Panel		1,598,592	1,598,592	-	-
CARES Act Airport Grant		10,491,810	10,491,810	-	-
CRRSAA Grant		499,080	499,080	-	-
Extend Runway 35L, Phase 1 (Planning & Design)		1,220,786	1,220,786	-	-
Airport Rescue Grant		4,635,785	4,635,785	-	-
Total Commitments	\$	19,237,021	\$ 18,446,053	\$ 1,544,465 \$	-

In addition to the above amounts, the Airport has \$10,491,810 of remaining CARES Act grant funds which are to be used to offset the impact of the COVID-19 pandemic. The Airport participates in a number of grant programs funded by federal agencies. These programs are subject to compliance audits by the grantor agencies or their representatives. Audits of all of these programs including the year ended September 30, 2021 have not been conducted. Accordingly, the Airport's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenses that may be disallowed by the granting agencies cannot be determined at this time although the Airport expects such amounts, if any, to be immaterial.

### **NOTE 17 - COMMITMENTS AND CONTINGENT LIABILITIES – Continued**

As of September 30, 2021, the System had open purchase orders for operating supplies, equipment, and capital improvements in the amount of \$3,872,112. The projects include water treatment, transmission and distribution system maintenance and improvements, and wastewater treatment and collection system maintenance, and improvements. These commitments will be funded with unrestricted funds.

### **NOTE 18 - MAJOR CUSTOMERS**

Valley International Airport's customers are principally concentrated in the airline industry. The Airport continuously monitors the financial condition of the airline customers as well as maintaining positive customer relations with the airlines. The Airport received approximately \$115,120 or 2.9% in 2021 of the Airport's total operating revenues from passenger air carriers. Of that amount, \$8,528 or 7.4% in 2021 of the total operating revenues were received from one airline.

For the year ended September 30, 2021, no single customer provided more than 10% of water revenues or wastewater revenues. For the year ended 2021, the top ten wastewater customers provided approximately \$1,406,650 or 12.61% of wastewater sales revenues. The top ten water customers generated approximately \$1,328,438 or 19.47% of the water sales revenues.

### **NOTE 19 - PASSENGER AND CUSTOMER FACILITY CHARGES**

In November 1998, the Airport received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. The PFC charge was increased to \$4.50 per enplaned passenger in January 2008. Proceeds from the PFCs can be used only for approved capital projects. Through September 30, 2021 the Airport has collected PFCs including interest earned on the collections totaling \$27,715,452.

In June 2003, the rental car companies began collecting a CFC. The CFC proceeds have been used to reimburse the Airport for the construction, maintenance, repair and administration costs of the rental car service center. From June 2003 through May 2004, the CFC was \$2.00 per transaction day. The CFC was increased to \$2.50 per transaction day in June 2004 and to \$3.00 per transaction day on October 1, 2007. The rental car service center was completed and opened in August 2004.

### **NOTE 20 - JOINT ARRANGEMENTS**

### Freetrade Bridge

On September 13, 1989, the City of Harlingen, Texas, executed an interlocal agreement (a cost-sharing agreement) with Cameron County, Texas, whereby the County would issue revenue bonds for the construction of an international bridge, herein referred to as Los Indios International Bridge, located at Los Indios, Texas, and La Barranca, Tamaulipas, Mexico. The bonds are payable from the revenues of the County's Toll Bridge System, as defined and more fully explained in the Order which authorized such bonds. During November 1992 construction of the bridge was completed, and operations commenced.

### **NOTE 20 - JOINT ARRANGEMENTS - Continued**

Cameron County, Texas, is the legal owner and operator of said bridge; however, the City is obligated to pay twenty-five percent (25%) of any deficiencies in the annual debt service requirements for the proposed revenue bonds, any capital expenditures not paid from bond proceeds, and any net operating losses before transfers excluding depreciation and including or excluding interlocal agreement revenues (or expenses) of the Los Indios International Bridge. However, such amounts shall not exceed the sum of \$200,000 annually.

Any surplus revenues remaining after payment of the debt service requirements, maintenance and operation costs, and an amount equal to one hundred forty percent (140%) of the average annual debt service requirements of all outstanding bonds shall be shared proportionally between the City of Harlingen, Texas and Cameron County, Texas.

The bridge operations resulted in a surplus allowing the City to share in 25% of the interlocal contribution, an amount of \$151,497 for the year ending September 30, 2021.

### NOTE 21 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In prior years the Internal Revenue Code specified that the plan's assets were the property of the City until paid or made available to participants, subject only on an equal basis to the claims of the City's general creditors. Therefore, the plan's assets were recorded as a separate agency fund in the Annual Comprehensive Financial Report of the City of Harlingen. A 1996 federal law now requires all assets and income of the Internal Revenue Code 457 deferred compensation plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries.

Assets of the City's plan are administered by private corporations under contract with the City. The private administrators have amended the plans to comply with the federal law. Consequently, the plan's assets and liabilities have been removed from the City's financial statements.

#### **NOTE 22 - RISK MANAGEMENT**

The City and component units are exposed to various uncertainties for losses related to intentional and unintentional torts; theft of, damage to and destruction of real and personal property; errors and omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the entities carry commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year.

### **NOTE 22 - RISK MANAGEMENT - Continued**

No negotiated settlements or jury awards have exceeded policy limits in any of the past three years. The entities are members of an intergovernmental risk pool. The risk pool is an interlocal non-assessable agency with present unreserved resources in excess of \$381,000,000 (as of September 30, 2021, the most recently audited financial statements completed for the risk pool). Reinsurance is provided by several A and A++ rated companies in amounts ranging from \$10,000,000 to \$100,000,000 depending on the type of insurance coverage. The entities must promptly pay contributions to the risk pool as outlined by the coverage contracts, comply with underwriting standards and implement loss control recommendations deemed necessary by a risk pool representative due to an eminent high risk of loss situation. City and component units management are not aware of any pending or alleged claims that could exceed the policy limits of the present insurance coverage.

The City is a party to various legal actions none of which is believed by management to have a material effect on the financial condition of the City. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

#### **NOTE 23 - PENSION PLANS**

The City of Harlingen contributes to two defined benefit pension plans, (1) the Texas Municipal Retirement System (TMRS) and (2) the Firemen's Relief and Retirement Fund. The City and the Valley International Airport (a component unit of the City), have a pension plan covering all employees (except Firemen included in the Firemen's Relief and Retirement Fund.) The Harlingen Waterworks System (a component unit of the City) ("the System") has a pension plan covering all of its employees. The plans had the following balances reported in the government-wide financial statements:

	Net					
	Pension		Deferred		Deferred	Pension
	Liability		Outflows		Inflows	Expense
	(Asset)	of	Resources	C	of Resources	(Income)
Primary Government						
TMRS	\$ (1,333,956)	\$	803,060	\$	2,968,694	2,236,987
Firemen's Relief and Retirement Fund	19,991,801		6,940,254		10,408,111	1,408,902
Total Primary Government	\$ 18,657,845	\$	7,743,314	\$	13,376,805	\$ 3,645,889
Component Units						
VIA TMRS	\$ (40,584)	\$	50,552	\$	141,108	\$ 57,051
HWWS TMRS	(1,331,806)		1,107,501		1,819,801	(298,630)
Total Component Units	\$ (1,372,390)	\$	1,158,053	\$	1,960,909	\$ (241,579)

### A. Employees Pension Plans (Other Than Firemen)

Plan Description – Defined Benefit Pension Plans

### **NOTE 23 - PENSION PLANS - Continued**

With the exception of firefighters, the City of Harlingen participates as one of almost 1,000 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (The TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS'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.

The City of Harlingen firefighters are covered by a separate pension plan; therefore, they are not included in the Texas Municipal Retirement System plans.

#### Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefits are calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

#### Employees covered by benefit terms

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

	City and Airport	Harlingen Waterworks System
Inactive employees or beneficiaries currently receiving benefits	349	132
Inactive employees entitled to but not yet receiving benefits	66	45
Active employees	142	103
Total employees covered by benefit terms	557	280

#### Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the entity. Under the state law governing TMRS, the contribution rate for each entity 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.

### **NOTE 23 - PENSION PLANS - Continued**

Employees for the City of Harlingen, Texas, the Valley International Airport and the Harlingen Waterworks System were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City, Airport and the System were 10.32%, 10.32% and 1.92% respectively in calendar year 2021. The City's, Airport's and System's contributions to TMRS for the year ended September 30, 2021 were \$1,066,260, \$62,394 and \$99,144 respectively, and were equal to the required contributions.

### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.50% to 11.50% per year, 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 families. The rates are projected on a fully
	table used for females. The rates are projected on a fully generational basis with scale UMP.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

### **NOTE 23 - PENSION PLANS - Continued**

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). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

		Long-term
		Expected Real
		Rate of Return
Asset Class	Target Allocation	(Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

### **Discount Rate**

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

### **NOTE 23 - PENSION PLANS - Continued**

Changes in the net pension liability for the fiscal year ended September 30, 2021 are as follows:

#### **City of Harlingen**

	Increase (Decrease)				
	(a)		(b)	(a) - (b)	
	Т	otal Pension	Plan Fiduciary	Net Pension	
		Liability	Net Position	Liability (Asset)	
Balance at December 31, 2019	\$	89,454,651	\$ 88,830,186	\$ 624,465	
Changes for the year					
Service Cost		1,001,472	-	1,001,472	
Interest		5,996,106	-	5,996,106	
Change in benefit terms		-	-	-	
Difference between expected/actual experience		(553,364)	-	(553 <i>,</i> 364)	
Changes of assumptions		-	-	-	
Contribution - employer		-	992,956	(992,956)	
Contribution - employee		-	596,114	(596,114)	
Net investment income		-	6,859,753	(6,859,753)	
Benefits payments, including refunds of		-	-		
employee contributions		(5,639,773)	(5,639,773)	-	
Administrative expenses		-	(44,452)	44,452	
Other charges		-	(1,736)	1,736	
Net charges		804,441	2,762,862	(1,958,421)	
Balance at December 31, 2020	\$	90,259,092	\$ 91,593,048	\$ (1,333,956)	

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would have been 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.

	-/-	Decrease in scount Rate (5.75)%		1% Increase in Discount Rate (7.75)%
Primary Government				
City of Harlingen net pension liability (asset)	\$	9,017,401 \$	(1,307,276) \$	6 (9,984,885)
Business-type Activities City of Harlingen net pension liability (asset)	\$	184,032 \$	(26,680) \$	(203,775)
Component Units Valley International Airport net pension liability (asset)	\$	447,162 \$	(40,584) \$	6 (495,139)
Harlingen Waterworks System net position liability (asset)	\$	1,427,180 \$	(1,331,806) \$	(3,662,932)

### **NOTE 23 - PENSION PLANS - Continued**

#### Valley International Airport

	Increase (Decrease)				
	(a)		(b)	(a) - (b)	
	T	otal Pension	Plan Fiduciary	Net Pension	
		Liability	Net Position	Liability (Asset)	
Balance at December 31, 2019	\$	6,125,345	\$ 6,070,759	\$ 54,586	
Changes for the year					
Service Cost		48,669	-	48,669	
Interest		291,394	-	291,394	
Change in benefit terms		-	-	-	
Difference between expected/actual experience		(26 <i>,</i> 892)	-	(26,892)	
Changes of assumptions		-	-	-	
Contribution - employer		-	48,255	(48,255)	
Contribution - employee		-	28,970	(28,970)	
Net investment income		-	333,360	(333,360)	
Benefits payments, including refunds of					
employee contributions		(274,077)	(274,077)	-	
Administrative expenses		-	(2,160)	2,160	
Other charges		-	(84)	84	
Net charges		39,094	134,264	(95,170)	
Balance at December 31, 2020	\$	6,164,439	\$ 6,205,023	\$ (40,584)	

#### Harlingen Waterworks System

Increase (Decrease)					
	(a)	(b)	(a) - (b)		
Т	otal Pension	Plan Fiduciary	Net Pension		
	Liability	Net Position	Liability (Asset)		
\$	23,890,597	\$ 25,004,702	\$ (1,114,105)		
	492,173	-	492,173		
	1,578,043	-	1,578,043		
	-	-	-		
	83,340	-	83,340		
	-	-	-		
	-	105,466	(105,466)		
	-	384,510	(384,510)		
	-	1,894,042	(1,894,042)		
	(1,516,524)	(1,516,524)	-		
	-	(12,282)	12,282		
	-	(479)	479		
	637,032	854,733	(217,701)		
\$	24,527,629	\$ 25,859,435	\$ (1,331,806)		
	\$	(a) Total Pension Liability \$ 23,890,597 492,173 1,578,043 - 83,340 - (1,516,524) - (1,516,524) - - 637,032	(a)         (b)           Total Pension         Plan Fiduciary           Liability         Net Position           \$ 23,890,597         \$ 25,004,702           492,173         -           1,578,043         -           -         -           83,340         -           -         105,466           -         384,510           -         1,894,042           (1,516,524)         (1,516,524)           -         (12,282)           -         (479)           637,032         854,733		

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plans' Fiduciary Net Position is available in a separately issued financial report. The TMRS financial report may be obtained on the internet at www.tmrs.com.

### **NOTE 23 - PENSION PLANS - Continued**

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

For the year ended September 30, 2021 the City, Valley International Airport, and Harlingen Waterworks System recognized pension expense in the amount of \$891,109, \$41,893, and \$241,226, respectively. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

#### **City of Harlingen**

	Deferred	0	Deferred
	Outflows of	Ir	nflows of
	Resources	R	esources
Differences between expected and actual economic experience			
(net of current year amortization)	\$ -	\$	355,635
Changes in actuarial assumptions	-		19,062
Differences between projected and actual investment earnings			
(net of current year amortization)	-		2,593,997
Contributions subsequent to the measurement date	803,060		-
Total	\$ 803,060	\$	2,968,694

#### Component Unit

#### **Valley International Airport**

	Deferred	De	eferred
	Outflows of	Infl	ows of
	Resources	Res	sources
Differences between expected and actual economic experience			
(net of current year amortization)	\$ -	\$	17,183
Changes in actuarial assumptions	-		896
Differences between projected and actual investment earnings			
(net of current year amortization)	-		123,029
Contributions subsequent to the measurement date	50,552		-
Total	\$ 50,552	\$	141,108

#### **Component Unit**

#### Harlingen Waterworks System

	Deferred Outflows of	I	Deferred Inflows of
	Resources		Resources
Differences between expected and actual economic experience			
(net of current year amortization)	\$ 72,815	\$	150,186
Changes in actuarial assumptions	9,103		-
Differences between projected and actual investment earnings			
(net of current year amortization)	953,593		1,669,615
Contributions subsequent to the measurement date	71,990		-
Total	\$ 1,107,501	\$	1,819,801

### **NOTE 23 - PENSION PLANS - Continued**

#### Harlingen Firemen's Relief and Retirement Fund

#### Plan Description

The Board of Trustees of the Firemen's Relief and Retirement Fund is the administrator of a single-employer defined benefit pension plan. The Firemen's Relief and Retirement Fund is considered part of the City of Harlingen's financial reporting entity and is included in the City's financial reports as a pension trust fund.

A stand-alone report for the Firemen's Relief and Retirement Fund is publicly available at City Hall located at 118 East Tyler, Harlingen, Texas 78550, and complies with GASB Cod. Sec. Pe5, *Pension Plans Administered Through Trusts That Meet Specified Criteria – Defined Benefit.* 

Firefighters employed by the Harlingen Fire Department are covered by the Firemen's Relief and Retirement Fund. September 30, 2020 is the most recent information available. The table below summarizes the membership of the fund at September 30, 2020:

1. Retirees and beneficiaries currently receiving benefits, terminated	
employees entitled to benefits but not yet receiving them, and	
employees who have elected the DROP benefit	104
2. Current employees	
a. Vested	3
b. Nonvested	82
3. Total	189

The Firemen's Relief and Retirement Fund provides service retirement, death, disability and withdrawal benefits. These benefits vest after twenty years of credited service. Employees may retire at age 50 with twenty years of service.

- a. For firefighters who were employed by the City on or before April 1, 2019, a firefighter who qualifies for a service retirement benefit will receive a monthly retirement income equal to the sum of:
  - i. a standard benefit equal to 65.5% of their "Highest 60 Month Average Salary"
  - ii. an additional service benefit in an amount equal to (I) \$65.00 per month for each year of Longevity Service completed on or before April 30, 2019, plus (II) \$50.00 per month for each year of Longevity Service completed after April 30, 2019.

As used in the Plan, the term "Longevity Service" means each whole year of service in excess of 20 years of service, but not to exceed 30 years of service, provided that any years of service over 30 years of service completed as of April 30, 2019, will be considered Longevity Service for purposes of this definition. A partial year of service will be given partial credit based on the number of months completed in excess of whole years.

b. For firefighters who commenced employment after April 1, 2019, a firefighter who qualifies for a service retirement benefit will receive a monthly retirement income equal to (i) 2.5% multiplied by (ii) the firefighter's "Highest 60 Month Average Salary" multiplied by (iii) the firefighter's total years of service; provided, however, such benefit amount will not exceed 70% of the firefighter's "Highest 60 Month Average Salary." A partial year of service will be given partial credit based on the number of months completed in excess of whole years.

#### **NOTE 23 - PENSION PLANS - Continued**

The benefit and contribution provisions of this plan are authorized by the Texas Local Fire Fighters Retirement Act (TLFFRA).

Summary of Significant Accounting Policies and Plan Asset Matters

#### Basis of Accounting

The Firemen's Relief and Retirement Fund financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

No investment in any one organization represents 5% or more of the net position available for pension benefits.

#### Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost which approximates fair value. Investments that do not have an established market are reported at estimated fair value.

Actuarial Assumptions	
Valuation date	September 30, 2020
Actuarially determined contribution rates	Calculated in the year contributions are reported based on 40 year (open) period amortization.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Open period, level percent of pay
Remaining amortization period	38 years
Asset valuation method	Fair Value
Inflation	2.50%
Salary increases	5.00% per annum
Payroll Growth	3.50%
Investment rate of return	7.75% Net of pension plan invest. exp.
Mortality	SOA-2010 Public Service Mortality Tables projected forward generationally using Scale MP-2020

#### **Funding Soundness Restoration Plan**

In accordance with State of Texas Statute Sec. 802-2015, the Board of Trustees and the City of Harlingen have jointly formulated a Funding Soundness Restoration Plan (FSRP) that will be sufficient to reduce the expected amortization period to less than 40 years as of September 30, 2020 within the 10 year anniversary of the effective date of the FSRP.

#### **NOTE 23 - PENSION PLANS - Continued**

#### Changes in Assumptions

The discount rate remains at 7.75% but the mortality assumption was updated. There were no other changes to the valuation assumptions since the prior valuation. The plan provisions were amended effective April 1, 2019 to reduce the longevity benefit and to create a new lower cost benefit tier for future members. In addition, the City increased its contribution from 15% to 17% of member payroll. There were no other changes to the plan provisions.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates 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 (assumed 2.5%). Best estimates of arithmetic real rates of return for each major assets class included in the pension plan's target asset allocations as of September 30, 2020, are summarized in the following table:

	Long-term Expected Real Rate of Return
Asset Class	(Arithmetic)
Domestic equity	7.5%
International equity	8.5%
Domestic bonds	2.5%
International bonds	3.5%
Real estate	4.5%

*Discount rate:* The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal 17% of payroll and that member contributions would equal 15% of compensation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all period of benefit payments to determine the total pension liability.

#### **NOTE 23 - PENSION PLANS - Continued**

#### Harlingen Firemen's Relief and Retirement Fund

	Increase (Decrease)				
	(a)		(b)	(a) - (b)	
	Т	otal Pension	Plan Fiduciary	Net Pension	
		Liability	Net Position	Liability (Asset)	
Balance at September 30, 2020	\$	53,004,334	\$ 33,712,925	\$ 19,291,409	
Changes for the year					
Service Cost		1,103,191	-	1,103,191	
Interest		4,060,031	-	4,060,031	
Experience		-	-	-	
Change in benefit terms		-	-	-	
Difference between expected/actual experience		-	-	-	
Changes of assumptions		-	-	-	
Contribution - employer		-	1,185,530	(1,185,530)	
Contribution - member		-	1,045,922	(1,045,922)	
Net investment income		-	2,287,194	(2,287,194)	
Benefits payments, including refunds of					
employee contributions		(3,440,063)	(3,440,063)	-	
Administrative expenses		-	(55,816)	55,816	
Assumptions changes		-	-	-	
Changes in benefit terms		-	-	-	
Net change		1,723,159	1,022,767	700,392	
Balance at September 30, 2021	\$	54,727,493	\$ 34,735,692	\$ 19,991,801	

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

For the year ended September 30, 2021, the Harlingen Firemen's Relief and Retirement Fund recognized pension expense in the amount of \$1,408,902. At September 30, 2021, the Fund reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

#### Harlingen Firemen's Relief and Retirement Fund

	Deferred Outflows of	Deferred Inflows of
	Resources	Resources
Differences between expected and actual economic experience		
(net of current year amortization)	\$ 316,610	\$ 2,293,353
Changes in actuarial assumptions	4,738,275	8,114,758
Differences between projected and actual investment earnings		
(net of current year amortization)	670,604	-
Contributions subsequent to the measurement date	1,214,765	-
Total	\$ 6,940,254	\$ 10,408,111

#### **NOTE 23 - PENSION PLANS - Continued**

In the City of Harlingen, Valley International Airport, Harlingen Waterworks System, and the Firemen's Relief and Retirement Fund, \$803,060, \$50,552, \$71,990 and \$1,214,765, respectively, are reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Μι	unicipal Pension City of Harlingen	Valley International Airport	Harlingen Waterworks System	Firemen's Relief and Retirement
2022	\$	(1,341,591) \$	(68,676)	\$ (323,016) \$	(299,795)
2023		93,517	8,933	9,652	(1,140,274)
2024		(1,570,456)	(74,066)	(429,682)	(2,976,560)
2025		(150,164)	(7,299)	(41,244)	(265,994)
2026		-	-	-	-
Thereafter		-	-	-	-
	\$	(2,968,694) \$	(141,108)	\$ (784,290) \$	(4,682,623)

Sensitivity of the net pension liability to changes in the Discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.75% as well as what the City's net pension liability for the firefighters would be if it were to be calculated using the discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease in Discount Rate (6.75)%	Discount Rate (7.75)%	1% Increase in Discount Rate (8.75)%
Fiduciary Fund			
Harlingen Firemen's Relief and Retirement Fund	\$ 26,237,139 \$	19,991,80	1 \$ 14,755,821

### Retirement Savings Plan

In October 2007, the City Commission approved the establishment of a 401(a) retirement (defined contribution) plan. The effective date of the plan was January 1, 2008 and covers substantially all full time employees hired after September 30, 2007. Under the plan, employees generally may elect to exclude up to 15% of their compensation from amounts subject to federal income tax as a salary deferral contribution. The City is required by resolution to make matching contributions to the plan as follows:

Employee	City
Length of	Required
Employment	Contribution
1-5 years	5%
6-10 years	6%
11+ years	7%

Employees are 100% vested immediately. The City's total contribution to the plan during fiscal year 2021 was \$749,192. The Economic Development Corporation's, Airport's, and System's contribution to the plan during fiscal year 2021 was \$38,073, \$93,145, and \$86,733 respectively. The City and all component units effectively suspended contributions to this plan as of August 31, 2021.

### **NOTE 24 - OTHER POST EMPLOYMENT BENEFITS**

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB) replaces the requirements of GASB Statement No. 45: Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB). An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. The authority for establishing or amending the plan's provisions lies with the City. The City maintains the authority for establishing or amending contribution requirements. The City and related component units have two OPEB plans, The Retiree Health Care Plan and the Supplemental Death Benefit Plan. The plans had the following balances reported in the government-wide financial statements:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Primary Government				
Retiree Health Plan	\$ 4,601,174	\$ 572,673	\$ 683,461	\$ 314,795
Supplemental Death Benefit	1,762,537	268,629	86,186	97,552
Total Primary Government	\$ 6,363,711	\$ 841,302	\$ 769,647	\$ 412,347
Component Units				
VIA Retiree Health Plan	\$ 328,225	\$ 34,583	\$ 57,394	\$ 12,255
VIA Supplemental Death Benefit	95,401	6,758	4,133	7,247
HWWS Retiree Health Plan	10,990,608	1,316,064	632,955	636,263
HWWS Supplemental Death Benefit	712,234	145,957	37,359	60,674
Total Component Units	\$ 12,126,468	\$ 1,503,362	\$ 731,841	\$ 716,439

### **NOTE 24 - OTHER POST EMPLOYMENT BENEFITS - Continued**

### **Retiree Health Care Plans**

The City's and System's latest valuations are dated December 31, 2019, and discloses the following:

### Plan Description

In addition to the pension benefits described in Note 24 and the supplemental death benefits described in this note, the City, Valley International Airport (Airport) and the Harlingen Waterworks System (System) make available health care and prescription-drug benefits to all employees who retire from the City, Airport and System and who are receiving benefits from the City, Airport and System sponsored retirement program, Texas Municipal Retirement System ("TMRS") under a single-employer health insurance plan. All current full-time employees of the City, Airport and System are eligible for retirement and health-care and prescription-drug coverage at age 60 with five years of service or at any age with 20 years of service. Those approved for disability retirement through TMRS are also eligible for retiree health-care and prescription-drug coverage. The City, Airport and System provided group health care coverage is discontinued at the end of the month prior to the retiree's 65th birth month. Retirees are required to enroll in Medicare once eligible. A Medicare Supplement, Plan F is provided thereafter, until death. The City, Airport and System provided health-care and prescription drug coverage are paid 100% by the City, Airport and System.

Employees who are eligible for retirement, but instead choose to terminate employment, are not eligible for City, Airport and System sponsored health care and prescription drug coverage at a later date. Retirees who elect to opt-out of the City, Airport and System sponsored health care plan do not receive any cash payment in lieu of electing the City, Airport and System Sponsored health care plan.

Spouses and dependents are eligible for COBRA coverage for 18 months (or up to 36 months under certain circumstances) following members retirement date. Spouse and dependent(s) are responsible for payment of the full premium amount. Retirees are required to enroll in Medicare once eligible. Retirees pay Medicare premiums. The City, Airport and System do not provide subsidized retiree vision or dental care coverage. Nor does the City, Airport and System provide subsidized retiree life insurance coverage. Life insurance coverage carried at the time of retirement is portable. The City, Airport and System do not provide a death-in-service benefit to a surviving spouse; however, through TMRS, there is a \$7,500 death benefit as explained in this note.

### **NOTE 24 - OTHER POST EMPLOYMENT BENEFITS - Continued**

### Funding Policy and Annual Retiree Health Care Plan Cost

The City, Airport and System's annual retiree health care plan cost is based upon the annual actuarially determined contribution of the employer ("ADC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ADC represents an accrual that, if expensed annually, will recognize the normal cost each year and an amount to amortize any unfunded actuarial liabilities (or funding excess) over thirty years. The City, Airport and System have not established a trust to fund the Retiree Health Care Plan liability and intend to continue the pay-as-you-go funding method. The plan does not issue a separate financial report.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date:	December 31, 2019
Methods and Assumptions Actuarial Cost Method Discount Rate Inflation Salary Increases	Individual Entry-Age Normal 2.00% as of December 31, 2020 2.50% TMRS/TCG: 3.50% to 11.50%, including inflation Firefighter: 5.00%, including inflation
Demographic Assumptions Mortality	TMRS: Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). TCG: The TMRS demographic assumptions were applied to TCG employees with a modification to retirement rates for TCG employees before age 60. Firefighters: Based on the actuarial valuation for the Firemen's Relief and Retirement Fund for year ended September 30, 2019.
Mortality	TMRS and TCG: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements. Firefighters: For healthy retirees, the gender-distinct SOA-2010 Public Service Mortality Tables. The rates are projected on a fully generational basis by Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years
Participation Rates	40% for those retiring after age 50; 20% for those retiring before age 50; 40% for disabled retirees. No participation after retiree reaches eligibility age for Medicare.
Other Information: Notes	The discount rate changed from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

### NOTE 24 - OTHER POST EMPLOYMENT BENEFITS – Continued

*Discount Rate:* For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 2.75% as of the prior measurement date.

*Plan Assets:* There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Summary of Membership Information:* The following table provides a summary of the number of participants in the plan as of December 31, 2020:

### Retiree Health Care Plans

	City	Valley International Airport	Harlingen Waterworks System
Inactive plan members or beneficiaries currently receiving benefits	37	2	76
Inactive plan members entitled to but not yet receiving benefits	-	-	-
Active plan members	524	45	46
Total plan members	561	47	122

Sensitivity of Total OPEB Liability to the Discount Rate Assumption: Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.00%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1	1% Decrease 1.00%		Current Discount Rate Assumption		% Increase 3.00%
City	\$	4,959,854	\$	4,601,174	\$	4,265,626
Valley International Airport		353,896		328,225		304,361
Harlingen Waterworks		12,725,584		10,990,608		9,585,829

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption: Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

			Current	t Healthcare Cost			
	19	1% Decrease Trend Rate Assumption			1% Increase		
City	\$	4,155,458	\$	4,601,174	\$	5,128,686	
Valley International Airport		296,500		328,225		365,942	
Harlingen Waterworks		9,362,493		10,990,608		13,043,896	

### NOTE 24 - OTHER POST EMPLOYMENT BENEFITS – Continued

City

*Recognition of Deferred Outflows and Deferred Inflows of Resources:* Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 5,171 years. Additionally, the total plan membership (active employees and inactive employees) was 608. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 8.5051 years.

Employer contributions (benefit payments for unfunded plans) made subsequent to the measurement date of the total OPEB liability (December 31, 2020) and prior to the end of the employer's reporting period (September 30, 2021) should be reported by the employer as a deferred outflow related to OPEB.

The benefit payments made subsequent to the measurement date were \$222,304 (\$60,375 of explicit premium subsidies and \$161,929 of implicit subsidies). The implicit subsidy was estimated by multiplying the total premiums (employer and retiree portions combined) for retirees of \$260,755 by 0.621. The 0.621 factor equals the ratio of the expected implicit subsidy to the expected total premiums. The calculation is similar to how the benefit payments for the measurement period were developed.

City		red Outflows Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$	1,767	\$	634,366	
Changes in assumptions		377,353		49,095	
Contributions subsequent to the measurement date		193,553		-	
Total	\$	572,673	\$	683,461	

Valley International Airport				
	Deferred Outflows		Deferred Inflows	
	of Resources		of Resources	
Differences between expected and actual experience	\$	-	\$	-
Changes in assumptions		24,965		57,394
Contributions subsequent to the measurement date		9,618		-
Total	\$	34,583	\$	57,394

### NOTE 24 - OTHER POST EMPLOYMENT BENEFITS – Continued

Harlingen Waterworks				
	Deferred Outflows		Deferred Inflows	
	of Resources		of Resources	
Differences between expected and actual experience	\$	-	\$	494,685
Changes in assumptions		1,016,904		138,270
Contributions subsequent to the measurement date		299,160		-
Total	\$	1,316,064	\$	632,955

Deferred outflows of resources resulting from contributions subsequent to the measurement date of \$193,553, \$9,618 and \$299,160 for the City, Valley International Airport and the Harlingen Waterworks, respectively, will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2021 (i.e. recognized in the financial statements as of September 30, 2022). Other amounts reported as deferred outflows and (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

		Valley	Harlingen
	City of	International	Waterworks
Year ending September 30,	 Harlingen	Airport	System
2022	\$ (45,730) \$	(3,291) \$	28,316
2023	(45,730)	(3,291)	309,320
2024	(45,730)	(3,291)	46,313
2025	(45,730)	(3,291)	-
2026	(48,288)	(3,291)	-
Thereafter	(72,133)	(15,974)	-
	\$ (303,341) \$	(32,429) \$	383,949

### **Supplemental Death Benefits Fund**

*Plan Description.* The City, Valley International Airport and the System also participate in the single employer defined benefit plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect to provide group-term life insurance coverage (Supplemental Death Benefits) for their active members, including or not including retirees. The City, Valley International Airport and the System elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City, Valley International Airport and the System may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

*Benefits.* Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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 a postemployment benefit other than pension benefit (OPEB) and is a fixed amount of \$7,500. The obligation of this plan are payable only from the SDBF and are not an obligation of, or claim against, the pension trust fund.

### **NOTE 24 - OTHER POST EMPLOYMENT BENEFITS - Continued**

*Employees covered by benefit terms.* At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

	City	Valley International	Harlingen Waterworks
	City	Airport	System
Inactive employees or beneficiaries currently receiving benefits	268	1	102
Inactive employees entitled to but not yet receiving benefits	30	-	8
Active employees	134	8	103
Total	432	9	213

*Funding policy and annual supplemental death benefit plan cost.* Contributions are made monthly based on the covered payroll of employee members of the plan participants. The contractually required contribution rate is determined annually for each participant. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the participant. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund. The TMRS Act requires the Pension Trust Fund to allocate investment income to the SDBF on an annual basis. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you go basis; any excess contributions and investment income over payments then become net position available for benefits.

The City, Valley International Airport and the System contribute 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.

City of Harlingen			
	Plan/	Total SDBF	Retiree Portion of SDBF
	Calendar	Contribution	Contribution
	Year	(Rate)	(Rate)
	2021	0.72%	0.58%
	2020	0.37%	0.19%
	2019	0.35%	0.18%
	2018	0.33%	0.16%
	2017	0.31%	0.14%

Valley International Airport						
	Plan/	Total SDBF	Retiree Portion of SDBF			
	Calendar	Contribution	Contribution			
	Year	(Rate)	(Rate)			
	2021	0.72%	0.58%			
	2020	0.37%	0.19%			
	2019	0.35%	0.18%			
	2018	0.33%	0.16%			
	2017	0.31%	0.14%			
Harlingen Waterworks						
Harlingen Wat	erworks					
Harlingen Wat	erworks Plan/	Total SDBF	Retiree Portion of SDBF			
Harlingen Wat		Total SDBF Contribution	Retiree Portion of SDBF Contribution			
Harlingen Wat	Plan/					
Harlingen Wat	Plan/ Calendar	Contribution	Contribution			
Harlingen Wat	Plan/ Calendar Year	Contribution (Rate)	Contribution (Rate)			
Harlingen Wat	Plan/ Calendar Year 2021	Contribution (Rate) 0.50%	Contribution (Rate) 0.39%			
Harlingen Wat	Plan/ Calendar Year 2021 2020	Contribution (Rate) 0.50% 0.26%	Contribution (Rate) 0.39% 0.10%			
Harlingen Wat	Plan/ Calendar Year 2021 2020 2019	Contribution (Rate) 0.50% 0.26% 0.26%	Contribution (Rate) 0.39% 0.10% 0.10%			

### **NOTE 24 - OTHER POST EMPLOYMENT BENEFITS - Continued**

Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

The City's contributions to the TMRS SDBF for the fiscal years ended 2021, 2020 and 2019 were \$69,453, \$31,650 and \$31,251, respectively, which equaled the required contributions each year.

The Valley International Airport's contributions to the TMRS SDBF for the fiscal years ended 2021, 2020 and 2019 were \$3,882, \$1,543 and \$759, respectively, which equaled the required contributions each year.

The System's contributions to the TMRS SDBF for the fiscal years ended 2021, 2020 and 2019 were \$12,425, \$5,367 and \$5,896, respectively, which equaled the required contributions each year.

#### **NOTE 24 - OTHER POST EMPLOYMENT BENEFITS - Continued**

*Funding policy.* The Total Death Benefit OPEB Liability (TOL) shown in this report is based on an actuarial valuation performed as of December 31, 2020, the measurement date. The SDBF covers both inactive and retiree benefits with no segregation of assets, and therefore, doesn't meet the definition of a trust under GASB Statement No. 75, no assets are accumulated for OPEB. As such, the SDBF is considered to be an unfunded plan with benefit payments treated as being equal to the employer's annual contributions for retirees. Under the reporting parameters, the City of Harlingen, Valley International Airport and the Harlingen Waterworks System's death benefit plans is 0.0% funded

Valuation date:	December 31, 2020
Methods and Assumptions	
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount Rate	2.00%
Retirees' share of benefit-related	
costs	\$-0-
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.
Other Information:	
Notes	The discount rate was based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2020. The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City of Harlingen, Valley International Airport and the Harlingen Waterworks System, calculated using a discount rate that is one percentage-point lower (1.00%) or one percentage-point higher (3.00%).

	1% Decrease 1.00%		Current Discount Rate Assumption		1% Increase 3.00%	
City	\$	2,107,876	\$	1,762,537	\$	1,491,245
Valley International Airport		113,981		95,401		80,638
Harlingen Waterworks		851,371		712,234		602,867

### NOTE 24 - OTHER POST EMPLOYMENT BENEFITS - Continued

*Recognition of deferred outflows and deferred inflows of resources.* Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period. At September 30, 2021, the City of Harlingen, Valley International Airport and the Harlingen Waterworks System reported deferred outflows of resources related to OPEB from the following resources that are being amortized over a 3.240 year period for the City of Harlingen and Valley International Airport and 5.470 year for the Harlingen Waterworks System year:

City of Harlingen				
	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	2,381	\$	79,810
Changes in assumptions		214,533		6,376
Contributions subsequent to the measurement date		51,715		-
Total	\$	268,629	\$	86,186

#### Valley International Airport

	 ed Outflows esources	 red Inflows esources
Differences between expected and actual experience	\$ 118	\$ 3,814
Changes in assumptions	3,113	319
Contributions subsequent to the measurement date	3,527	-
Total	\$ 6,758	\$ 4,133

#### Harlingen Waterworks System

		red Outflows Resources	Deferred Inflows of Resources	
Differences between expected and actual experience	\$	-	\$	22,651
Changes in assumptions		134,947		14,708
Contributions subsequent to the measurement date		11,010		-
Total	\$	145,957	\$	37,359

### City of Harlingen, Texas Notes to Financial Statements

### NOTE 24 - OTHER POST EMPLOYMENT BENEFITS - Continued

Deferred outflows of resources resulting from contributions subsequent to the measurement date of \$51,715, \$3,527 and \$11,010 for the City, Valley International Airport and the Harlingen Waterworks, respectively, will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2021 (i.e. recognized in the City of Harlingen, Valley International Airport and Harlingen Waterworks System's financial statements as of September 30, 2022.) Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	City of	Valley International	Harlingen Waterworks
Year ending September 30,	 Harlingen	Airport	System
2022	\$ 80,402	\$ (551) \$	26,729
2023	50,326	(351)	23,083
2024	-	-	24,594
2025	-	-	22,009
2026	-	-	1,173
Thereafter	-	-	-
	\$ 130,728	\$ (902) \$	97,588

Changes in the Supplemental Death Benefit Fund is as follows:

		Valley		Harlingen
	City of	Internationa	al V	Naterworks
	Harlingen	Airport		System
Service Cost	\$ 23,844	\$ 1,1	59 \$	17,028
Interest on liability	43,278	2,1	03	16,917
Difference between expected and actual experience	(59,612)	(2,8	98)	(10,063)
Changes of assumptions	210,588	10,2	34	84,441
Benefit payments	(16,181)	(7	86)	(5,493)
Net change in total liability	\$ 201,917	\$ 9,8	12 \$	102,830
Total OPEB liability as of 12/31/2019	1,560,620	85,5	89	609,404
Net change in total OPEB liability	201,917	9,8	12	102,830
Total OPEB liability as of 12/31/2020	\$ 1,762,537	\$ 95,4	01 \$	712,234
Covered employee payroll	\$ 8,515,917	\$ 413,8	51 \$	5,492,999
Total OPEB liability as a percentage				
of covered-employee payroll	20.70%	23.0	5%	12.97%
Percentage of OPEB liability funded	0.00%	0.0	0%	0.00%

### City of Harlingen, Texas Notes to Financial Statements

#### NOTE 25 – TAX INCREMENT FINANCING REINVESTMENT ZONES

On June 21, 2006, the City created three Tax Increment Financing (TIF #1, TIF #2, and TIF #3) Reinvestment Zones ("TIF's") pursuant to Chapter 311 of the Texas Tax Code. The Zones were created for the purpose of dedicating a portion of the increase in real property ad valorem tax revenues generated within the zones for public infrastructure necessary to encourage accelerated residential and commercial development. Both the City of Harlingen and Cameron County are participating in the Reinvestment Zones.

The City established a 30 year life for the TIF's beginning January 1, 2006 and ending on December 31, 2035. The City, as permitted under the Texas Tax Code, has elected to transfer 80 percent of the tax increment collected into the zones beginning with taxes levied after January 1, 2007 as compared to the base year values of January 1, 2006.

Cameron County limited their terms to 15 years beginning on January 1, 2008 and ending on December 31, 2022. The County agreed to participate by contributing 100% of the tax increment collected into the zones beginning with taxes levied after January 1, 2008 as compared to the base year.

For the current year, the amounts transferred were \$704,469 and \$593,242 from the City and County, respectively.

#### NOTE 26 – TRANSACTIONS WITH THE RELATED ENTITIES

#### Harlingen Economic Development Corporation

During the year ended September 30, 2007 the City entered into an agreement with the Harlingen Economic Development Corporation ("EDC") whereby the City would reimburse the EDC for certain amounts of financial assistance provided to a developer for targeted public infrastructure.

The City agreed to reimburse the EDC up to \$3,000,000 for qualifying targeted public infrastructure improvements. At September 30, 2021 targeted qualifying infrastructure improvements for the project totaled \$886,416 of which \$730,000 have been reimbursed to the Harlingen Economic Development Corporation.

#### NOTE 26 – TRANSACTIONS WITH THE RELATED ENTITIES - Continued

#### Harlingen Community Improvement Board

During the year, Harlingen Community Improvement Board ("HCIB") paid to the City \$605,015 in debt service costs related to the construction of the Harlingen Convention Center.

#### NOTE 27 – COMPLIANCE AND ACCOUNTABILITY

#### Finance-Related Legal and Contractual Provision

In accordance with GASB Cod. Sec. 1200.1132 Generally Accepted Accounting Principles and legal compliance, violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations. No violations in the current year.

### City of Harlingen, Texas Notes to Financial Statements

### **NOTE 28 – PRIOR PERIOD ADJUSTMENT**

#### Correction of an Estimate - Overstated Liabilities

The City maintained a large liability for postclosure costs at the City's landfill that was deemed to be in excess of estimated costs to satisfy the TCEQ's requirement to rehabilitate the land. The City adjusted the liability to a more true representation of the expected costs which required an adjustment in the amount of \$1,291,311.

#### **NOTE 29: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City and Component Units. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

The effects of this pandemic continue to have a significant impact on the City and Component Units during the year ended September 30, 2021. However, the City and Component Units have received significant grant awards during the year ended September 30, 2021 and subsequent to September 30, 2021, which will provide resources to offset the loss of revenues which have resulted from the pandemic.

#### NOTE 30: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after September 30, 2021 through April 28, 2022, the date the current year's financial statements were available to be issued. The following events occurred:

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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## City of Harlingen, Texas General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

								Variance
			udget		1	Actual Amount		Positive
Revenues		Original		Final		(GAAP BASIS)		(Negative)
Property taxes - including penalty and								
interest	\$	19,189,967	\$	19,479,967	\$	19,602,249	\$	122,282
Nonproperty taxes	Ŷ	22,527,840	Ŷ	25,019,110	Ŷ	25,202,862	Ŷ	183,752
Fines and forfeitures		975,948		748,710		748,710		-
Licenses and permits		584,950		766,126		796,577		30,451
Charges for services		1,061,153		757,924		872,026		114,102
Intergovernmental		1,675,984		1,634,911		1,713,453		78,542
Contributions and donations						5,426,883		5,426,883
Miscellaneous		115,500		134,324		199,393		65,069
Interest and investment income		229,000		29,000		31,700		2,700
Total revenues		46,360,342		48,570,072		54,593,853		6,023,781
E								
Expenditures								
Current		7 770 265		0 224 504		0 420 500		(104.000)
General government		7,779,265		8,324,584		8,428,590		(104,006)
Public safety		26,134,766		26,485,776		25,044,645		1,441,131
Highways and streets		3,857,338		4,423,267		3,595,825		827,442
Health and welfare		1,091,325		1,883,656		1,994,009		(110,353)
Community and economic development		1,838,659		1,945,570		1,797,072		148,498
Culture and recreation		4,246,046		4,309,735		3,860,130		449,605
Capital outlay		2,439,081		5,128,492		9,846,429		(4,717,937)
Debt service		255 200		255 200				22
Principal		255,389		255,389		255,366		23
Interest		57,392		57,392		57,390		2
Total expenditures		47,699,261		52,813,861		54,879,456		(2,065,595)
Excess (deficiency) of revenues								
over (under) expenditures		(1,338,919)		(4,243,789)		(285,603)		3,958,186
Other financing sources (uses)								
Transfers in		2,261,894		4,458,468		4,948,402		489,934
Transfers out		(962,975)		(2,856,869)		(2,743,378)		113,491
Sale of capital assets		40,000		40,000		193,831		153,831
Total other financing sources (uses)		1,338,919		1,641,599		2,398,855		757,256
Net change in fund balance	\$	-	\$	(2,602,190)	_	2,113,252	\$	4,715,442
Fund balances, beginning of year					_	26,051,375		
Fund balance, end of year					\$	28,164,627		

Year ended September 30, 2021

## City of Harlingen, Texas CDBG Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

		,		
				Variance
	 Buc	dget	Actual Amount	Positive
	Original	Final	(GAAP BASIS)	(Negative)
Revenues				
Intergovernmental	\$ 1,202,729	\$ 1,202,729	\$ 1,590,264	\$ 387,535
Miscellaneous	33,505	33,505	39,900	6,395
Interest and investment income	5,111	5,111	5,255	144
Total revenues	1,241,345	1,241,345	1,635,419	394,074
Expenditures				
Community and economic development	1,241,345	3,509,171	1,512,205	1,996,966
Capital outlay	-	359,924	352,914	7,010
Total expenditures	1,241,345	3,869,095	1,865,119	2,003,976
Excess (deficiency) of revenues over (under)				
expenditures	-	(2,627,750)	(229,700)	2,398,050
Other financing sources (uses)				
Other financing sources (uses) Transfers in	-	-	13,522	13,522
- · ·	 -	-	13,522 13,522	13,522 13,522
Transfers in	-	-		
Transfers in	-	- - (2,627,750)	13,522	
Transfers in Total other financing sources (uses)	 -	- - (2,627,750)	13,522	13,522
Total other financing sources (uses)	 	- - (2,627,750)	13,522	13,522

Year Ended September 30, 2021

## City of Harlingen, Texas Other Grants Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

		aea septem	ibei	50, 2021			Variance
		Bu	dget		L	Actual Amount	Positive
		Original		Final	-	(GAAP BASIS)	(Negative)
Revenues		0				· · · · ·	, ,
Intergovernmental	\$	1,126,315	\$	10,826,927	\$	6,506,115	\$ (4,320,812)
Contributions and donations		-		450,000		516,651	66,651
Total revenues		1,126,315		11,276,927		7,022,766	(4,254,161)
Expenditures							
Public safety		1,092,924		1,288,175		863,913	424,262
Highways and streets		-		878,935		1,922	877,013
Health and welfare		33,391		5,188,472		3,229,816	1,958,656
Culture and recreation		-		45,809		116,216	(70 <i>,</i> 407)
Capital outlay		-		1,637,291		3,316,866	(1,679,575)
Total expenditures		1,126,315		9,038,682		7,528,733	1,509,949
Excess (deficiency) of revenues over (und	er)						
expenditures		-		2,238,245		(505,967)	(2,744,212)
Other financing sources (uses)							
Transfers in		-		724,583		961,549	236,966
Transfers out		-		(4,626,768)		(3,255,649)	1,371,119
Total other financing sources (uses)		-		(3,902,185)		(2,294,100)	 1,608,085
Net change in fund balance		-		(1,663,940)	=	(2,800,067)	(1,136,127)
Fund balance, beginning of year						1,525,015	
Fund balance, end of year					\$	(1,275,052)	

## Year Ended September 30, 2021

## City of Harlingen, Texas Schedule of Changes in Net Pension Liability (Asset) and Related Ratios For Agent Multiple-Employer Pension Plan - Texas Municipal Retirement System

December 31,	2020	2019	2018	2017	2016	2015	2014
Primary Government							
Total Pension Liability Service cost Interest (on the total pension liability) Changes between expected and actual experience Changes of assumptions	\$ 1,001,472 5,996,106 (553,364) -	\$ 1,079,397 5,933,099 (372,030) (112,046)	5,794,261 (199,054)	\$ 1,139,165 5,637,008 (85,720) -	5,530,102	\$ 1,189,819 5,380,389 195,849 2,134,116	\$ 1,201,361 5,215,687 (389,230)
Benefit payments, including refunds of employee Contributions	(5,639,773)	(5,196,253)	(4,540,726)	(5,107,176)	(4,531,322)	(4,593,104)	(4,267,819)
Net change in total pension liability	804,441	1,332,167	2,147,899	1,583,277	2,281,197	4,307,069	1,759,999
Total pension liability - beginning	89,454,651	88,122,484	85,974,585	84,391,308	82,110,111	77,803,042	76,043,043
Total pension liability - ending (a)	\$ 90,259,092	\$ 89,454,651	\$ 88,122,484	\$ 85,974,585	\$ 84,391,308	\$ 82,110,111	\$ 77,803,042
Plan Fiduciary Net Position Contributions - employer Contributions - employee Net investment income	\$	\$ 949,432 633,488 12,616,872	\$ 1,043,129 641,456 (2,603,878)	\$ 1,008,033 665,782 10,951,823	\$    703,281 702,791 5,212,220	\$ 862,218 747,822 117,780	\$ 945,817 809,375 4,405,527
Benefit payments, including refunds of employee contributions Administrative expenses Other	(5,639,773) (44,452) (1,739)	(5,196,253) (71,377) (2,145)	(50,368)	(56,786)	(58,915)	(71,746)	(4,267,819) (46,004) (3,782)
Net change in plan fiduciary net position	2,762,859	8,930,017	(5,513,017)	7,460,851	2,024,882	(2,938,522)	1,843,114
Plan fiduciary net position - beginning	88,830,189	79,900,172	85,413,189	77,952,338	75,927,456	78,865,978	77,022,864
Plan fiduciary net position - ending (b)	91,593,048	88,830,189	79,900,172	85,413,189	77,952,338	75,927,456	78,865,978
Net pension liability (asset) - ending (a) - (b)	(1,333,956)	624,462	8,222,312	561,396	6,438,970	6,182,655	(1,062,936)
Plan fiduciary net position as a percentage of total pension liability	101.48%	99.30%	90.67%	99.35%	92.37%	92.47%	101.37%
Covered payroll	8,929,768	9,017,514	9,142,548	9,485,119	10,032,541	10,671,014	11,326,026
Net pension liability (asset) as a percentage of covered payroll	-14.94%	6.92%	89.93%	5.92%	64.18%	57.94%	-9.38%

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## City of Harlingen, Texas Schedule of Changes in Net Pension Liability (Asset) and Related Ratios For Agent Multiple-Employer Pension Plan - Texas Municipal Retirement System

December 31,	2020	2019	2018	2017	2016	2015	2014
Valley International Airport							
Total Pension Liability Service cost Interest (on the total pension liability) Changes between expected and actual experience Changes of assumptions Benefit payments, including refunds of employee	\$ 48,669 291,394 (26,892) -	\$ 50,745 278,926 (17,490) (5,268)	288,881 (9,924)	314,074 (4,776)	295,958	\$ 68,742 311,603 11,315 123,300	\$ 84,866 368,446 (27,496) -
Contributions	(274,077)	(244,286)	(226,384)	(284,554)	(243,075)	(265,369)	(301,487)
Net change in total pension liability	39,094	62,627	107,087	88,214	121,676	249,591	124,329
Total pension liability - beginning	6,125,345	6,062,718	5,955,631	5,867,417	5,745,741	5,496,150	5,371,821
Total pension liability - ending (a)	\$ 6,164,439	\$ 6,125,345	\$ 6,062,718	\$ 5,955,631	\$ 5,867,417	\$ 5,745,741	\$ 5,496,150
Plan Fiduciary Net Position Contributions - employer Contributions - employee Net investment income	\$ 48,255 28,970 333,360	\$ 44,635 29,781 593,144	31,981	37,095	37,700	\$ 49,815 43,206 6,805	\$ 66,814 57,176 311,215
Benefit payments, including refunds of employee contributions Administrative expenses Other	(274,077) (2,160) (84)	(244,286) (3,355) (101)	(2,511)	(3,164)	(3,160)	(4,145)	(301,487) (3,250) (267)
Net change in plan fiduciary net position	134,264	419,818	(274,858)	415,577	108,732	(169,893)	130,201
Plan fiduciary net position - beginning	6,070,759	5,650,941	5,925,799	5,510,222	5,401,490	5,571,383	5,441,182
Plan fiduciary net position - ending (b)	6,205,023	6,070,759	5,650,941	5,925,799	5,510,222	5,401,490	5,571,383
Net pension liability (asset) - ending (a) - (b)	\$ (40,584)	\$ 54,586	\$ 411,777	\$ 29,832	\$ 357,195	\$ 344,251	\$ (75,233)
Plan fiduciary net position as a percentage of total pension liability	100.66%	99.11%	93.21%	5	93.91%	94.01%	101.37%
Covered payroll	\$ 1,806,563	\$ 423,931	\$ 455,815	\$ 528,477	\$ 538,179	\$ 616,523	\$ 800,089
Net pension liability (asset) as a percentage of covered payroll	-2.25%	12.88%	90.34%	5.64%	66.37%	55.84%	-9.40%

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## City of Harlingen, Texas Schedule of Changes in Net Pension Liability (Asset) and Related Ratios For Agent Multiple-Employer Pension Plan - Texas Municipal Retirement System

December 31,	2020	2019	2018	2017	2016	2015	2014
Harlingen Waterworks System							
<b>Total Pension Liability</b> Service cost Interest (on the total pension liability) Changes between expected and actual experience Changes of assumptions Benefit payments, including refunds of employee	\$ 492,173 1,578,043 83,340 -	\$ 531,250 1,562,159 (194,371) 17,123	\$    551,635 1,543,058 (157,540) -	1,497,198	\$ 539,599 1,453,483 42,791 -	\$ 487,964 1,420,126 130,618 579,040	\$ 457,206 1,395,895 (168,074) -
Contributions	(1,516,524)	(1,806,083)	(1,481,863)	(1,420,743)	(1,354,964)	(1,441,031)	(1,267,474)
Net change in total pension liability	637,032	110,078	455,290	703,557	680,909	1,176,717	417,553
Total pension liability - beginning	23,890,597	23,780,519	23,325,229	22,621,672	21,940,763	20,764,046	20,346,493
Total pension liability - ending (a)	\$ 24,527,629	\$ 23,890,597	\$ 23,780,519	\$ 23,325,229	\$ 22,621,672	\$ 21,940,763	\$ 20,764,046
Plan Fiduciary Net Position Contributions - employer Contributions - employee Net investment income	\$ 105,466 384,510 1,894,042	\$ 110,137 412,278 3,518,192	\$ 116,586 429,527 (732,031)	419,558	\$ 35,295 418,757 1,469,085	\$ 61,279 397,180 33,518	\$ 114,431 381,436 1,271,634
Benefit payments, including refunds of employee contributions Administrative expenses Other	(1,516,524) (12,282) (479)	(19,909)	(1,481,864) (14,168) (740)	(16,016)	(1,354,964) (16,598) (894)	(1,441,031) (20,418) (1,008)	(1,267,474) (13,278) (1,092)
Net change in plan fiduciary net position	854,733	2,214,017	(1,682,690)	2,175,684	550,681	(970,480)	485,657
Plan fiduciary net position - beginning	25,004,702	22,790,685	24,473,375	22,297,691	21,747,010	22,717,490	22,231,833
Plan fiduciary net position - ending (b)	25,859,435	25,004,702	22,790,685	24,473,375	22,297,691	21,747,010	22,717,490
Net pension liability (asset) - ending (a) - (b)	\$ (1,331,806)	\$ (1,114,105)	\$ 989,834	\$ (1,148,146)	\$ 323,981	\$ 193,753	\$ (1,953,444)
Plan fiduciary net position as a percentage of total pension liability	105.43%	104.66%	95.84%	104.92%	98.57%	99.12%	109.41%
Covered payroll	\$ 5,492,999	\$ 5,889,693	\$ 6,136,098	\$ 5,449,089	\$ 5,982,248	\$ 616,523	\$ 800,089
Net pension liability (asset) as a percentage of covered payroll	-24.25%	-18.92%	16.13%	-21.07%	5.42%	31.43%	-244.15%

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## City of Harlingen, Texas Schedule of Changes in Net Pension Liability and Related Ratios Firemen's Relief and Retirement Fund

Interest (on the total pension liability)       4,06         Differences between expected and actual experience       4,06         Change in benefit terms       6         Changes of assumptions       8         Benefit payments, including refunds of employee       (3,440         Net change in total pension liability       1,72         Total pension liability - beginning       53,00         \$       54,727,         Plan Fiduciary Net Position       8	3,191 0,031 - - -	4,066,762 (2,827,743) (227,586)	\$ 2,010,509 3,743,926	\$ 1,944,931 3,446,714	\$ 1,516,733	ć 1 155 275	
Service cost       \$ 1,10         Interest (on the total pension liability)       4,06         Differences between expected and actual experience       4,06         Change in benefit terms       4,06         Changes of assumptions       8         Benefit payments, including refunds of employee       (3,44         Net change in total pension liability       1,72         Total pension liability - beginning       53,00 <u>\$</u> 54,727,         Plan Fiduciary Net Position       \$         Contributions - employee       1,04         Net investment income       2,28         Benefit payments, including refunds of employee       2,28		4,066,762 (2,827,743) (227,586)	3,743,926		\$ 1,516,733	ć 1 1FF 276	
Interest (on the total pension liability)       4,06         Differences between expected and actual experience       4,06         Change in benefit terms       6         Changes of assumptions       8         Benefit payments, including refunds of employee       (3,44         Net change in total pension liability       1,72         Total pension liability - beginning       53,00 <u>\$</u> 54,727,         Plan Fiduciary Net Position       \$         Contributions - employee       1,04         Net investment income       2,28         Benefit payments, including refunds of employee       2,28		4,066,762 (2,827,743) (227,586)	3,743,926		\$ 1,516,733	ć 1 1FF 370	
Differences between expected and actual experience         Change in benefit terms         Changes of assumptions         Benefit payments, including refunds of employee         Contributions       (3,440)         Net change in total pension liability       1,72         Total pension liability - beginning       53,000 <u>\$</u> 54,727,         Plan Fiduciary Net Position       \$         Contributions - employee       1,04         Net investment income       2,28         Benefit payments, including refunds of employee       2,28	0,031 - - -	(2,827,743) (227,586)		3.446.714		Ş 1,155,376	\$ 1,069,793
Differences between expected and actual experience         Change in benefit terms         Changes of assumptions         Benefit payments, including refunds of employee         Contributions       (3,440)         Net change in total pension liability       1,72         Total pension liability - beginning       53,000 <u>\$</u> 54,727,         Plan Fiduciary Net Position       \$         Contributions - employee       1,04         Net investment income       2,28         Benefit payments, including refunds of employee       2,28	-	(2,827,743) (227,586)	-		2,510,978	3,358,425	3,192,593
Change in benefit terms         Changes of assumptions         Benefit payments, including refunds of employee         Contributions       (3,440)         Net change in total pension liability       1,722         Total pension liability - beginning       53,000         \$       54,727,         Plan Fiduciary Net Position       \$         Contributions - employee       1,04         Net investment income       2,28         Benefit payments, including refunds of employee       2,8	-	(227,586)		(1,961,210)	-	1,419,943	-
Benefit payments, including refunds of employee       (3,440         Net change in total pension liability       1,722         Total pension liability - beginning       53,000 <b>Contributions</b> \$ <b>53,000 Plan Fiduciary Net Position</b> Contributions - employee       \$ <b>1,182</b> Contributions - employee         Net investment income       2,288         Benefit payments, including refunds of employee       2,280	-		-	163,430	-	-	-
Benefit payments, including refunds of employee       (3,440         Net change in total pension liability       1,722         Total pension liability - beginning       53,000 <b>Contributions</b> \$ <b>53,000 Plan Fiduciary Net Position</b> Contributions - employee       \$ <b>1,182</b> Contributions - employee         Net investment income       2,288         Benefit payments, including refunds of employee       2,280		880,798	-	(18,585,414)	-	19,242,950	-
Contributions(3,44)Net change in total pension liability1,72Total pension liability - beginning53,00Total pension liability - ending (a)\$Start\$Plan Fiduciary Net Position Contributions - employee Net investment income Benefit payments, including refunds of employee1,18		,		( ) ) )		, ,	
Total pension liability - beginning53,00Total pension liability - ending (a)\$Flan Fiduciary Net Position Contributions - employer\$Contributions - employer Net investment income Benefit payments, including refunds of employee1,04	0,063)	(2,724,497)	(2,505,626)	(2,197,233)	(2,096,539)	(2,364,932)	(2,185,334)
Total pension liability - ending (a)\$Plan Fiduciary Net Position Contributions - employer Contributions - employee\$ 1,18Net investment income Benefit payments, including refunds of employee2,28	3,159	193,994	3,248,809	(17,188,782)	1,931,172	22,811,762	2,077,052
Total pension liability - ending (a)54,727,Plan Fiduciary Net Position Contributions - employer\$ 1,18Contributions - employee1,04Net investment income2,28Benefit payments, including refunds of employee	4,334	52,810,340	49,561,531	66,750,313	64,819,141	42,007,379	39,930,327
Total pension liability - ending (a)54,727,Plan Fiduciary Net Position Contributions - employer\$ 1,18Contributions - employee1,04Net investment income2,28Benefit payments, including refunds of employee		\$	\$	\$	\$	\$	\$
Contributions - employer\$ 1,18Contributions - employee1,04Net investment income2,28Benefit payments, including refunds of employee		53,004,334	52,810,340	49,561,531	66,750,313		42,007,379
Contributions - employer\$ 1,18Contributions - employee1,04Net investment income2,28Benefit payments, including refunds of employee							
Contributions - employee1,04Net investment income2,28Benefit payments, including refunds of employee	E E 20	\$ 1,032,488	\$ 963,468	\$ 921,686	\$ 590,451	\$ 842,698	\$ 774,657
Net investment income2,28Benefit payments, including refunds of employee		972,985	963,468	921,686	590,451	\$ 842,098 842,698	5 774,037 774,657
Benefit payments, including refunds of employee		1,612,946	2,289,719	2,880,522	1,983,028	(730,520)	1,473,881
	7,134	1,012,940	2,209,719	2,000,022	1,985,028	(750,520)	1,475,001
(3,	0.063)	(2,724,497)	(2,505,626)	(2,197,233)	(2,096,539)	(2,364,932)	(2,185,334)
Administrative expenses (5)	5,816)	(84,821)	(31,583)	(49,366)	(2,050,555)	(2,304,532)	(38,105)
	,010)	(04,021)	(51,505)	(43,300)	(24,755)	(20,301)	(30,103)
Net change in plan fiduciary net position 1,02	2,767	809,101	1,679,446	2,477,295	1,042,636	(1,438,637)	799,756
Plan fiduciary net position - beginning <b>33,71</b>	2,925	32,903,824	31,224,378	28,747,083	27,704,447	29,143,084	28,343,328
Plan fiduciary net position - ending (b) 34,73	5,692	33,712,925	32,903,824	31,224,378	28,747,083	27,704,447	29,143,084
\$		\$	\$	\$	Ś	\$	\$
Net pension liability - ending (a) - (b) 19,991,	801	19,291,409	19,906,516	18,337,153	38,003,230		12,864,295
Plan fiduciary net position as a percentage of total							
	3.47%	63.60%	62.31%	63.00%	43.07%	42.74%	69.38%
Covered payroll \$ 6,97	2,813	\$ 6,486,567	\$ 6,423,120	\$ 6,213,613	\$ 4,541,931	\$ 6,482,292	\$ 5,958,900
Net pension liability as a percentage of covered payroll28							

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## City of Harlingen, Texas Schedule of City's Contribution for All Pension Plans

September 30,		2021		2020		2019		2018	2017		2016		2015
Primary Government													
Actuarially determined contribution	\$	978,817	\$	984,318	\$	977,060	\$ 3	1,015,206	\$ 968,003	\$	771,480	\$	903,260
Contributions in relation to actuarially determined contribution		(978,817)		(984,318)		(977,060)	(1	1,015,206)	(968,003)		(771,480)		(903,260)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-
										\$		\$	
Covered payroll	\$	8,515,917	\$	8,685,340	\$	9,070,492	\$ 9	9,074,574	\$ 9,762,487	10	,155,938	10,	771,145
Contributions as a percentage of covered payroll		11.49%		11.33%		10.77%		11.19%	9.92%		7.60%		8.39%
Valley International Airport													
Actuarially determined contribution	\$	62,394	\$	48,030	\$	47,165	\$	52,671	\$ 51,757	\$	40,663	\$	56,067
Contributions in relation to actuarially determined contribution		(62,394)		(48,030)		(47,165)		(52,671)	(51,757)		(40,663)		(56,067)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-
Covered payroll	\$	413,851	\$	423,931	\$	435,425	\$	471,718	\$ 538,433	\$	535,692	\$	691,171
Contributions as a percentage of covered payroll		15.08%		11.33%		10.83%		11.17%	9.61%		7.59%		8.11%
Harlingen Waterworks System													
Actuarially determined contribution	\$	99,144	\$	102,400	\$	113,384	\$	113,427	\$ 89,045	\$	43,964	\$	74,455
Contributions in relation to actuarially determined contribution		(99,144)		(102,400)		(89,045)		(113,427)	(89,045)		(43,964)		(74,455)
Contribution deficiency (excess)	\$	-	\$	_	\$	24,339	\$	-	\$ _	\$	-	\$	_
Covered payroll	\$	5,492,999	\$	5,889,693	\$	6,040,222	\$ (	6,078,926	\$ 6,024,295	\$	6,144,250	\$5	5,584,459
Contributions as a percentage of covered payroll		1.80%		1.74%		1.88%		1.87%	1.48%		0.72%		1.33%
Harlingen Firemen's Relief and Retirement Fund													
Actuarially determined contribution	\$	1,214,765	\$	1,185,530	\$	1,032,488	\$	963,468	\$ 921,686	\$	820,837	\$	797,081
Contributions in relation to actuarially determined contribution	(	1,214,765)	(	1,185,530)	(	1,032,488)		(963,468)	(921,686)		(820,837)		(797,081)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-
Covered payroll	\$	7,145,680	\$	6,972,813	\$	6,486,567	\$ (	6,423,120	\$ 6,213,613	\$	6,482,292	\$5	5,958,900
Contributions as a percentage of covered payroll		17.00%		17.00%		15.92%		15.00%	14.83%		12.66%		13.38%

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## City of Harlingen, Texas Schedule of Changes in Total OPEB Liability and Related Ratios Agent Multiple-Employer OPEB Plan Retiree Health Care Plan - Continued

Primary Government	D	Plan Year ended December 31, 2020		Plan Year ended December 31, 2019		ended December 31,		Plan Year ended ecember 31, 2018	De	Plan Year ended ecember 31, 2017
Total OPEB Liability										
Service cost	\$	236,087	\$	218,576	\$	228,716	\$	202,831		
Interest (on the total OPEB liability)		117,365		175,369		156,485		167,434		
Changes of benefit terms		-		-		-		-		
Difference between expected and actual experience		(6,881)		(760,970)		2,506		-		
Change of assumptions		241,019		82,479		(151,084)		184,552		
Benefit payments, including refunds of employee contributions		(214,639)		(202,471)		(239,421)		(249,912)		
Net Change in Total OPEB Liability		372,951		(487,017)		(2,798)		304,905		
Total OPEB Liability - Beginning	<u> </u>	4,228,223	ć	4,715,240	<u> </u>	4,718,038	ć	4,413,133		
Total OPEB Liability - Ending	\$	4,601,174	\$	4,228,223	\$	4,715,240	\$	4,718,038		
Covered Employee Payroll	\$	26,457,672	\$	25,877,964	\$	25,590,001	\$	24,498,456		
Total OPEB Liability as a Percentage of Covered Employee Payroll		17.39%		16.34%		18.43%		19.26%		
Valley International Airport	De	Plan Year ended ecember 31, 2020	Plan Year ended December 31, 2019		De	Plan Year ended ecember 31, 2018	De	Plan Year ended ecember 31, 2017		
Total OPEB Liability										
Service cost	\$	15,108	\$	15,012	\$	14,678	\$	13,017		
Interest (on the total OPEB liability)		7,511		12,045		10,042		10,745		
Changes of benefit terms		-		-		-		-		
Difference between expected and actual experience		(440)		(52,265)		160		-		
Change of assumptions		15,422		5,665		(9,696)		11,844		
Benefit payments, including refunds of employee contributions		(7,665)		(5,928)		(4,845)		(5,394)		
Net Change in Total OPEB Liability		29,936		(25,471)		10,339		30,212		
Total OPEB Liability - Beginning		298,289		323,760		313,421		283,209		
Total OPEB Liability - Ending	\$	328,225	\$	298,289	\$	323,760	\$	313,421		
Covered Employee Payroll	\$	1,806,563	\$	1,777,360	\$	1,572,168	\$	1,572,168		

OPEB schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in of GASB Cod. Sec. P52.101 to pay related benefits.

Due to the Retiree Health OPEB being considered an unfunded OPEB plan under GASB Cod. Sec. P52, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

Changes of assumptions reflect the effects of changes in the discount rate for the valuation period. The discount rate changed from 3.71% to 2.75% at the December 31, 2020 measurement date.

## City of Harlingen, Texas Schedule of Changes in Total OPEB Liability and Related Ratios Agent Multiple-Employer OPEB Plan Retiree Health Care Plan - Continued

Harlingen Waterworks System	Plan Year ended December 31,	Plan Year ended December 31,	Plan Year ended December 31,	Plan Year ended December 31,
Total OPEB Liability	2020	2019	2018	2017
Service cost	\$ 175,152	\$ 153,680	\$ 214,576	\$ 188,372
Interest (on the total OPEB liability)	268,330	373,998	347,152	364,448
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(37,229)	(1,289,241)	(5,805)	-
Change of assumptions	1,080,180	773,679	(571,896)	706,447
Benefit payments, including refunds of employee contributions	(331,374)	(361,045)	(360,469)	(339,430)
Net Change in Total OPEB Liability	1,155,059	(348,929)	(376,442)	919,837
Total OPEB Liability - Beginning	9,835,549	10,184,478	10,560,920	3,840,067
Net prior period adjustment for GASB 75				5,801,016
Total OPEB Liability - Ending	\$ 10,990,608	\$ 9,835,549	\$ 10,184,478	\$ 10,560,920
Covered Employee Payroll	\$ 2,599,119	\$ 2,442,456	\$ 2,773,191	\$ 2,699,342
Total OPEB Liability as a Percentage of Covered Employee Payroll	422.86%	402.69%	367.25%	391.24%

OPEB schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in of GASB Cod. Sec. P52.101 to pay related benefits.

Due to the Retiree Health OPEB being considered an unfunded OPEB plan under GASB Cod. Sec. P52, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

Changes of assumptions reflect the effects of changes in the discount rate for the valuation period. The discount rate changed from 3.71% to 2.75% at the December 31, 2020 measurement date.

# City of Harlingen, Texas Schedule of Changes in total OPEB Liability and Related Ratios Single-Employer OPEB Plan

### Texas Municipal Retirement System (TMRS) - Supplemental Death Benefits Fund

Primary Government	-	Plan Year ended December 31, 2020		Plan Year ended December 31, 2019		Plan Year ended December 31, 2018		Plan 'ear ended ecember 31, 2017
Total OPEB Liability								
Service cost	\$	23,844	\$	18,035	\$	21,941	\$	19,919
Interest (on the total OPEB liability)		43,278		52,556		46,846		47,365
Changes of benefit terms		-		-		-		-
Difference between expected and actual experience		(59,612)		(120,207)		32,144		-
Change of assumptions		210,588		222,421		(86,065)		100,085
Benefit payments, including refunds of employee contributions		(16,181)		(16,232)		(14,628)		(13,279)
Net Change in Total OPEB Liability		201,917		156,573		238		154,090
Total OPEB Liability - Beginning		1,560,620		1,404,047		1,403,809		1,249,719
Total OPEB Liability - Ending	\$	1,762,537	\$	1,560,620	\$	1,404,047	\$	1,403,809
Covered Employee Payroll	\$	8,515,917	\$	9,017,514	\$	9,142,282	\$	9,485,119
Total OPEB Liability as a Percentage of Covered Employee Payroll		20.70%		17.31%		15.36%		14.80%
Valley International Airport		Plan		Plan		Plan		Plan
	Y	ear ended	`	Year ended	١	ear ended	Y	'ear ended
	De	cember 31,	D	ecember 31,	De	ecember 31,	De	ecember 31,
		2020		2019		2018		2017
Total OPEB Liability								
Service cost	\$	1,159	\$	848	\$	1,094	\$	1,110
Interest (on the total OPEB liability)		2,103		2,471		2,336		2,639
Changes of benefit terms		-		-		-		-
Difference between expected and actual experience		(2 <i>,</i> 898)		(5,651)		1,603		-
Change of assumptions		10,234		10,456		(4,291)		5,576
Benefit payments, including refunds of employee contributions		(786)		(763)		(729)		(740)
Net Change in Total OPEB Liability		9,812		7,361		13		8,585
Total OPEB Liability - Beginning		85,589		78,228		78,215		69,630
Total OPEB Liability - Ending	\$	95,401	\$	85,589	\$	78,228	\$	78,215
Course of Freedom as Dennell								
Covered Employee Payroll	\$	413,851	\$	423,931	\$	455,815	\$	528,477

OPEB schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in of GASB Cod. Sec P52.101 to pay related benefits.

Due to the Supplemental Death OPEB being considered an unfunded OPEB plan under GASB Cod. Sec P52, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

Changes of assumptions reflect the effects of changes in the discount rate for the valuation period. The discount rate changed from 2.75% to 2.00% at the December 31, 2020 measurement date.

# City of Harlingen, Texas Schedule of Changes in total OPEB Liability and Related Ratios Single-Employer OPEB Plan

Texas Municipal Retirement System (TMRS) -	Supplemental Death Benefits Fund

Harlingen Waterworks System		Plan Year ended		Plan 'ear ended		Plan Year ended		Plan ear ended
	De	ecember 31,	De	ecember 31,	De	ecember 31,	De	cember 31,
		2020		2019		2018		2017
Total OPEB Liability								
Service cost	\$	17,028	\$	13,546	\$	17,181	\$	14,385
Interest (on the total OPEB liability)		16,917		18,865		17,554		17,569
Changes of benefit terms		-		-		-		-
Difference between expected and actual experience		(10,063)		(11,177)		(16,478)		-
Change of assumptions		84,441		89,400		(32,570)		37,652
Benefit payments, including refunds of employee contributions		(5,493)		(5,890)		(5,522)		(5,394)
Net Change in Total OPEB Liability		102,830		104,744		(19,835)		64,212
Total OPEB Liability - Beginning		609,404		504,660		524,495		460,283
Total OPEB Liability - Ending	\$	712,234	\$	609,404	\$	504,660	\$	524,495
Covered Employee Payroll	\$	5,492,999	\$	5,889,693	\$	6,136,098	\$	5,993,680
Total OPEB Liability as a Percentage of Covered Employee Payroll		12.97%		10.35%		8.22%		8.75%

OPEB schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in of GASB Cod. Sec P52.101 to pay related benefits.

Due to the Supplemental Death OPEB being considered an unfunded OPEB plan under GASB Cod. Sec P52, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

Changes of assumptions reflect the effects of changes in the discount rate for the valuation period. The discount rate changed from 2.75% to 2.00% at the December 31, 2020 measurement date.

### Primary Government and Valley International Airport

Valuation Date:	Actuarially determined contribution rates are calculated as of
	December 31 and become effective in January 13 months later.

### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	12 Years
Asset Valuation Method	10 Year Smoothed Market; 12% Soft Corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience – based table based on 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:	There were no benefit changes during the year.

### Harlingen Waterworks System

Valuation Date:	Actuarially determined contribution rates are calculated as of
	December 31 and become effective in January 13 months
	later.

### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	N/A
Asset Valuation Method	10 Year Smoothed Market; 12% Soft Corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience – based table based on 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 tables for males and the General Employee table used for females. The rate projected on a fully generational basis with scale UMP.
Other Information:	There were no benefit changes during the year.

Harlingen Firemen's Relief and Retirement Fund

### Valuation Date:

The total pension liability was determined by an actuarial as of September 30, 2021.

### Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.5%								
Payroll Growth	3.5%								
Salary increase	5.0% per annum								
Investment rate of return	7.75%, Net of pension plan investment expenses								
Mortality	SOA-2010 Public Service Mortality Tables projected forward generationally using Scale MP-2020								
Changes in Plan Provisions:	There have been no changes since the prior valuation that materially affect the valuation results.								

### **Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for funds that need to be administratively closed and the capital projects funds which adopt project-length budgets. Formal budgetary integration is employed as a management control device during the year for the General, Debt Service, Community Development Block Grant, Tennis Court Revenue, Hotel/Motel Occupancy Tax, Convention/Visitors Bureau, Catastrophic Emergency Relief, Harlingen Downtown, Freetrade Bridge, Infrastructure, Lon C. Hill Library, and Tax Increment Financing Zones 1, 2 and 3 as well as for all enterprise and internal service funds. These budgets, except for the Community Development Block Grant Fund, are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Unused appropriations for all of the above annually budgeted funds lapse at the end of each year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Budgetary data for Capital Project Funds are budgeted over the life of the respective project and not on an annual basis. Therefore, this data is not presented in the accompanying combined financial statements. Budgets for Community Development Block Grant Fund are legally adopted on a program (entitlement) basis rather than on an annual basis. The budgets reflected on the schedule of revenues, expenditures and changes in fund balance represent the remaining unexpended program budget at the beginning of the current fiscal year. Unexpended appropriations do not lapse at the end of the fiscal year for these funds. The City Commission approves, by ordinance, total budget appropriations only. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter total appropriations; however, for report purposes, this level has been extended to a functional basis (General Government, Public Safety, etc.)

On or before the end of May of each year, all agencies of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before October 1, the proposed budget is presented to the City Commission for review. The City Commission holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Commission. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several supplementary appropriations were necessary.

Expenditures in the General Fund exceeded budgeted appropriations due to two extraordinary transactions that were not known until after the last budget amendment was processed. The first transaction added \$2,580,439 to capital outlay for the value of a park that was donated to the General Fund from a component unit. The second transaction was for the value of infrastructure that was donated to the City by developers in the amount of \$2,846,444. Neither of these two transactions involved actual cash expenditures that would require an amendment to the budget.

### OTHER SUPPLEMENTARY INFORMATION

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## City of Harlingen, Texas Nonmajor Governmental Funds Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City has the following special revenue funds:

The *Tennis Court Revenue Fund* is used to account for the City's percentage of total revenue from municipal tennis court fees and expenditures for the maintenance and upkeep of the tennis courts.

The *Public, Educational, and Government (PEG) Access Fund* is used to account for the franchise renewal fee collected from channel capacity that is designated for public, educational or government use.

The *Hotel/Motel Occupancy Tax Fund* is used to account for the 7% occupancy tax monies received from hotels and motels. The fund distributes a majority of the 7% through a contract with the Chamber of Commerce for tourist promotion. The remainder of the monies are expended for other promotional expenses.

The **Convention & Visitors Bureau Fund** is used to account for a portion of the Hotel/Motel occupancy taxes allocated by the City for the specific use of encouraging and promoting tourism and conventions to the City. On January 1, 2010, this fund was created when the department was moved from the Harlingen Area Chamber of Commerce and brought into the control of the City of Harlingen.

The *Catastrophic Emergency Relief Fund* is used to account for funds transferred from other funds and for monies received from grants. The fund will account for expenditures specifically authorized by ordinance, generally encompassing capital improvements and catastrophic emergency type expenditures.

The *Harlingen Downtown Fund* is used to account for funds assessed and collected from downtown merchants and property owners to improve the quality of the downtown area and attract and promote new and existing business to the downtown area.

The *Federal Forfeiture Fund* is used to account for federal monies received by the Harlingen Police Department. These funds are used to finance the police investigations, equipment, and rewards in the "Crimestoppers" program.

The *State Forfeiture Fund* is used to account for state monies received by the Harlingen Police Department. These funds are used to finance the police investigations, equipment, and rewards in the "Crimestoppers" program.

The *Air Service Development Fund* is used to account for the expenditures paid to airlines as an incentive for providing service to the City.

## City of Harlingen, Texas Nonmajor Governmental Funds Capital Projects Funds

The *Communication Center Fund* is used to account for monies received for the rental of tower space at the City's new Communication Center. The monies will be expended on repairs and maintenance of the tower.

The **Harlingen Convention Center Fund** is used to account for rental fees and expenditures of the City's new Convention Center.

The *Free Trade Bridge Fund* is used to account for the City's participation in the construction of the Los Indios Bridge. This project is a cooperative effort encompassing two other governmental entities.

The *Infrastructure Fund* is intended to maintain many of the City's existing infrastructures. The fund is financed with a special assessment on the Sanitation bill as a separate monthly line item.

The Lon C. Hill Library Fund is used to account for monies donated to benefit the library.

The **Tax Increment Financing Reinvestment Zone #1 (TIF #1) Fund** is used to account for revenue that provide development incentives and funding for infrastructure improvements lacking in the selected area. TIF #1 is an area along and either side of the north leg of Loop 499 continuing along the east leg of the Loop, primarily on the east side south of the airport and containing approximately 2,170 acres.

The **Tax Increment Financing Reinvestment Zone #2 (TIF #2) Fund** is used to account for revenue that provide development incentives and funding for infrastructure improvements lacking in the selected area. TIF #2 is an area primarily between FM 801 (Ed Carey) and FM 509 both north and south of Expressway 77/83 and containing approximately 1,183 acres.

The **Tax Increment Financing Reinvestment Zone #3 (TIF #3) Fund** is used to account for revenue that provide development incentives and funding for infrastructure improvements lacking in the selected area. TIF #3 is an area north and south of Expressway 83 west of Expressway 77/83 with a smaller area east of Expressway 77/83 and containing approximately 670 acres.

## City of Harlingen, Texas Nonmajor Governmental Funds Capital Projects Funds

The capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. The City has the following capital projects funds:

The *Capital Improvement Fund* is used to account for the construction of major capital improvements by the City of Harlingen.

The *Street Improvement Fund* is used to account for the improvement and repairing of streets within the City of Harlingen. This fund was initiated during the fiscal year ended September 30, 1998.

The **Petition Paving Fund** is used to account for the construction of capital assets. The **Petition Paving Fund** is used to account for the construction and financing of certain public improvements which are to be paid wholly or in part by special assessments levied against benefited property.

The *Certificates of Obligation Projects, Series 2001 Fund* is used to account for the construction of various bond projects.

The *General Obligation Bonds, Series 2006 Fund* is used to account for the construction of various bond projects.

### **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources when the City is obligated in some manner for the payment.

## City of Harlingen, Texas Non Major Governmental Funds Combining Balance Sheet

### September 30, 2021

							Spec	ial Revenue Fun	ds					
		Tennis Court Revenue		PEG Fund		Hotel/Motel Occupancy Tax		Convention Visitors Bureau		Catastrophic Emergency Relief		Harlingen Downtown		Federal Forfeiture
Assets														
Cash and cash equivalents Receivables (net of allowance for uncollectibles)	\$	43,746	\$	918,615	\$	940,245	\$	338,870	\$	819,429	\$	184,220	\$	98,310
Taxes		-		-		-		-		-		-		-
Accounts		19		27,302		313,998		-		-		619		-
Assessments		-		-		-		-		-		9,940		-
Due from other governments		-		-		-		-		-		-		-
Due from component units		-		-		-		-		-		-		-
Prepaid items		-		-		-		741		-		-		-
Cash and cash equivalents - rest.		-		-		-		-		-		-		-
Total assets	\$	43,765	\$	945,917	\$	1,254,243	\$	339,611	\$	819,429	\$	194,779	\$	98,310
Liabilities														
Accounts payable	\$	1,160	\$	-	\$	10,000	\$	1,658	Ś	-	\$	4,311	Ś	-
Accrued expenditures	Ŧ	_,	7	-	Ŧ		+	1,203	*	-	Ŧ	1,034	+	-
Escrow liabilities		-		-		-				-		_,		-
Other liabilities		-		-		-		14,582		-		6,056		-
Total liabilities		1,160		-		10,000		17,443		-		11,401		-
Deferred inflows of resources														
Unavailable revenue - property taxes		-		-		-		-		-		-		-
Unavailable revenue - special assessments		-		-		-		-		-		9,940		-
Unavailable revenue - other		-		-		192,417		-		-		-		-
Total deferred inflows of resources		-		-		192,417		-		-		9,940		-
Fund balance (deficit)														
Nonspendable		-		-		-		741		-		-		-
Restricted		-		945,917		1,051,826		321,427		-		173,438		98,310
Committed		-								819,429				
Assigned		42,605		-		-		-				-		-
Unassigned		+2,005		-		-		-		-		-		-
Total fund balance (deficit)		42,605		945,917		1,051,826		322,168		819,429		173,438		98,310
Total liabilities, deferred inflows														
of resources and fund balances	\$	43,765	Ś	945,917	Ś	1,254,243	Ś	339,611	Ś	819,429	Ś	194,779	Ś	98,310

				Special Rev	/enu	ie Funds				
State Forfeiture	Air Service Development Program	Communication Center	Harlingen Convention Center	Free Trade Bridge		Infrastructure	Lon C. Hill Library	Tax Increment Financing Reinvestment Zone 1	Tax Increment Financing Reinvestment Zone 2	Tax Increment Financing Reinvestment Zone 3
\$ 118,624	\$ - 9	\$-	\$ 320,855	\$ 295,953	\$	2,482,366	\$ 125,508	\$ 766,916	\$ 1,178,598	\$ 411,635
- 590	-	-	- 948,251	- 10,029		- 2,558	-	-	-	-
-	- - -	-	-	- -		- - 7,274		- 68,000 -	- 162,000 -	364,000
-	-	-	-	-		-	-	-	-	-
\$ 119,214	\$ - 5	\$-	\$ 1,269,106	\$ 305,982	\$	2,492,198	\$ 125,508	\$ 834,916	\$ 1,340,598	\$ 775,635
\$ -	\$ - 9	\$-	\$ -	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-		-	-	-	-	-
-	-	-	-	-		-	-	-	-	-
-	-	-	-	-		-	-	-	-	-
-	-	-	- 180,000	-		-	-	- 68,000	- 162,000	364,000
-	-	-	180,000	-		-	-	68,000	162,000	364,000
-	-	-	-	-		-	-	-	-	-
119,214 - -	- -	-	- - 1,089,106	- 305,982 -		۔ 2,492,198 -	125,508 - -	766,916 - -	1,178,598 - -	411,635 - -
- 119,214		-	- 1,089,106	- 305,982		- 2,492,198	- 125,508	- 766,916	- 1,178,598	411,635
\$ 119,214	\$ - (	\$-	\$ 1,269,106	\$ 305,982	\$	2,492,198	\$ 125,508	\$ 834,916	\$ 1,340,598	\$ 775,635

## City of Harlingen, Texas Non Major Governmental Funds Combining Balance Sheet

### September 30, 2021

	Special Revenue Funds			<u> </u>		Capital Pro	oject	s Funds		
		Total		Capital Improvement	Street Improvement	Petition Paving		Certificates of Obligation Projects Series 2001	G.O. Bond Series 2006	Total
Assets					·					
Cash and cash equivalents Receivables (net of allowance for uncollectibles)	\$	9,043,890	\$	441	\$ 541	\$ 156,885	\$	-	\$ -	\$ 157,867
Taxes		-		-	-	-		-	-	-
Accounts		1,303,366		-	-	-		-	-	-
Assessments		9,940		-	-	143,013		-	-	143,013
Due from other governments		594,000		-	-	-		-	-	-
Due from component units		7,274		-	-	-		-	-	-
Prepaid items		741		-	-	-		-	-	-
Cash and cash equivalents - rest.		-		-	-	-		142,354	65,902	208,256
Total assets	\$	10,959,211	\$	441	\$ 541	\$ 299,898	\$	142,354	\$ 65,902	\$ 509,136
Liabilities										
Accounts payable	\$	17,129	\$	-	\$ -	\$ -	\$	61,380	\$ -	\$ 61,380
Accrued expenditures		2,237		-	-	-		-	-	-
Escrow liabilities		-		-	-	171,802		-	-	171,802
Other liabilities		20,638		-	-	937		-	-	937
Total liabilities		40,004		-	-	172,739		61,380	-	234,119
Deferred inflows of resources										
Unavailable revenue - property taxes		-		-	-	-		-	-	-
Unavailable revenue - special assessments		9,940		-	-	-		-	-	-
Unavailable revenue - other		966,417		-	-	143,012		-	-	143,012
Total deferred inflows of resources		976,357		-	-	143,012		-	-	143,012
Fund balance (deficit)										
Nonspendable		741		-	-	-		-	-	-
Restricted		5,192,789		441	-	-		80,974	65,902	147,317
Committed		3,617,609		-	541	-		-	-	541
Assigned		1,131,711		-	-	-		-	-	-
Unassigned		-		-	-	(15,853)		-	-	(15,853)
Total fund balance (deficit)		9,942,850		441	541	(15,853)		80,974	65,902	132,005
Total liabilities, deferred inflows					_					
of resources and fund balances	\$	10,959,211	\$	441	\$ 541	\$ 299,898	\$	142,354	\$ 65,902	\$ 509,136

			Total
	Debt		Non Major
	Service		Governmental
	Fund		Funds
\$	424,009	\$	9,625,766
	219,246		219,246
	2,593		1,305,959
	_,		152,953
	-		594,000
	-		7,274
	-		741
	-		208,256
\$	645,848	\$	12,114,195
\$		\$	78,509
Ş	-	Ş	2,237
	-		171,802
	-		21,575
	-		21,575
	-		274,123
	185,850		185,850
			9,940
	-		1,109,429
	405.050		4 205 240
	185,850		1,305,219
	-		741
	459,998		5,800,104
	-		3,618,150
	-		1,131,711
	-		(15,853)
	459,998		10,534,853
\$	645,848	\$	12,114,195
<u> </u>	,	r	, = ,,===

## City of Harlingen, Texas Non Major Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Special Revenue Funds							
		Tennis Court Revenue	PEG Fund	Hotel/Motel Occupancy Tax	Convention Visitors Bureau	Catastrophic Emergency Relief	Harlingen Downtown	Federal Forfeiture
Revenues								
Property taxes	\$	- \$			\$-\$	- \$	- \$	-
Nonproperty taxes		-	110,096	1,262,390	-	-	-	-
Assessments		-	-	-	-	-	35,344	-
Fines and forfeitures		-	-	-	-	-	-	4,075
Charges for services		10,439	-	-	-	-	-	-
Intergovernmental		-	-	-	8,900	-	-	19,762
Miscellaneous		-	-	-	-	-	-	-
Interest and investment income		5	317	427	59	323	36	21
Total revenues		10,444	110,413	1,262,817	8,959	323	35,380	23,858
Expenditures								
Current								
General government			-	64,000	-		-	-
Public safety			-	-	-	-	-	-
Highways and streets		-	-	-	_	10,505	_	-
Community and economic development						10,505	252,710	
Culture and recreation		51,998			356,991		232,710	
Capital outlay		51,558	-	-	330,331	-	-	-
Debt service		-	-	-	-	-	-	-
Principal		-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-
Cost of refunded bonds		-	-	-	-	-	-	-
Total expenditures		51,998	-	64,000	356,991	10,505	252,710	-
Excess (deficiency) of revenues								
over (under) expenditures		(41,554)	110,413	1,198,817	(348,032)	(10,182)	(217,330)	23,858
Other financing sources (uses)								
Transfers in		50,000	-	159,612	424,000	-	214,975	-
Transfers out		· -	-	(1,449,035)	, -	-	-	-
Bond refunding issuance premium		-	-	-	-	-	-	-
Issuance of refunding bonds		-	-	-	-	-	-	-
Payment to refunded bond escrow agent		-	-	-	-	-	-	-
Total other financing sources (uses)		50,000	-	(1,289,423)	424,000	-	214,975	-
Net change in fund balances		8,446	110,413	(90,606)	75,968	(10,182)	(2,355)	23,858
Fund balance, beginning of year		34,159	835,504	1,142,432	246,200	829,611	175,793	74,452
Fund balance, end of year	\$	42,605 \$	945,917	\$ 1,051,826	\$ 322,168 \$	819,429 \$	173,438 \$	98,310

Year ended September 30, 2021 Special Revenue Funds

				Special Rever	nue Funds				
State Forfeiture	Air Service Development Program	Communication Center	Harlingen Convention Center	Free Trade Bridge	Infrastructure	Lon C. Hill Library	Tax Increment Financing Reinvestment Zone 1	Tax Increment Financing Reinvestment Zone 2	Tax Incremen Financing Reinvestmen Zone 3
\$ - \$	-	\$-\$	- \$	- \$	- 5	\$-\$	; - ;		\$ -
-	-	-	-	-	- 1,509,891	-	-	-	
16,455	-	-	-	-	1,509,891	-	-	-	-
	-	-	-	151,497	-	-	-	-	
-	-	-	-	-	-	-	67,578	161,833	363,831
200	-	-	-	-	-	26,773	-	-	
28	57	2	17 17	252	708	23	232	333	89
 16,683	57	2	17	151,749	1,510,599	26,796	67,810	162,166	363,920
-	-	-	-	-	-	-	-	-	
33,030	-	-	-	-	-	-	-	-	
-	-	-	-	55,164	1,396,227	-	-	-	
-	_	_	-	-	_	41,871	_	_	
-	-	-	-	-	-	19,298	-	-	
-	-	-	-	-	-	-	-	-	70,000
-	-	-	-	-	-	-	-	-	
33,030	-	-	-	55,164	1,396,227	61,169	-	-	70,00
 (16,347)	57	2	17	96,585	114,372	(34,373)	67,810	162,166	293,920
-	- (523)	(2)	586,019	152,864 (551,894)	540,936	-	112,291	208,414	383,764 (500,000
-	(525)	(2)	-	(551,654)	_	-	_	-	(500,000
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	(523)	(2)	586,019	(399,030)	540,936	-	112,291	208,414	(116,23
(16,347)	(466)	-	586,036	(302,445)	655,308	(34,373)	180,101	370,580	177,68
135,561	466	-	503,070	608,427	1,836,890	159,881	586,815	808,018	233,95
\$ 119,214 \$	-	\$-\$	1,089,106 \$	305,982 \$	2,492,198	\$ 125,508 \$	766,916	5 1,178,598	\$ 411,63

## City of Harlingen, Texas Non Major Governmental Funds Combining Statement of Revenues, Expenditures and **Changes in Fund Balances**

	Special Revenue	ar ended September 30, 2021 Capital Projects Funds					
	Funds	Capital Improvement	Street Improvement	Petition Paving	Certificates of Obligation Projects Series 2001	G.O. Bond Series 2006	Total
Revenues							
Property taxes	\$ -	\$-\$	- \$	- \$	- \$	- \$	-
Nonproperty taxes	1,372,486	-	-	-	-	-	-
Assessments	1,545,235	-	-	-	-	-	-
Fines and forfeitures	20,530	-	-	-	-	-	-
Charges for services	161,936	-	-	-	-	-	-
Intergovernmental	621,904	-	-	-	-	-	-
Miscellaneous	26,973	-	-	10	-	-	10
Interest and investment income	2,929	-	-	22	241	10	273
Total revenues	3,751,993	-	-	32	241	10	283
Expenditures							
Current							
General government	64,000	-	-	-	-	-	-
Public safety	33,030	-	-	-	-	-	-
Highways and streets	1,461,896	-	-	8,327	-	-	8,327
Community and economic development	252,710	-	-	-	-	-	-
Culture and recreation	450,860	2,442	-	-	8,770	-	11,212
Capital outlay	19,298	-	-	-	613,802	-	613,802
Debt service							
Principal	70,000	-	-	-	-	-	-
Interest	· -	-	-	-	-	-	-
Cost of refunded bonds	-	-	-	-	-	-	-
Total expenditures	2,351,794	2,442	-	8,327	622,572	-	633,341
Excess (deficiency) of revenues							
over (under) expenditures	1,400,199	(2,442)	-	(8,295)	(622,331)	10	(633,058)
Other financing sources (uses)							
Transfers in	2,832,875	-	-	-	-	-	-
Transfers out	(2,501,454)	-	-	-	-	-	-
Bond refunding issuance premium	-	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Total other financing sources (uses)	331,421	-	-	-	-	-	-
Net change in fund balances	1,731,620	(2,442)	-	(8,295)	(622,331)	10	(633,058)
Fund balance, beginning of year	8,211,230	2,883	541	(7,558)	703,305	65,892	765,063
Fund balance, end of year	\$ 9,942,850	\$ 441 \$	541 \$	(15,853) \$	80,974 \$	65,902 \$	132,005

Vaar and ad Cantambar 20 2021

	Total
Debt	Total Non Major
Service	Governmental
Fund	
 Fund	 Funds
\$ 3,429,740	\$ 3,429,740
-	1,372,486
-	1,545,235
-	20,530
-	161,936
605,015	1,226,919
	26,983
410	3,612
 4,035,165	7,787,441
 4,033,103	7,707,441
-	64,000
-	33,030
-	1,470,223
-	252,710
-	462,072
-	633,100
3,495,000	2 5 5 5 000
	3,565,000
1,272,357	1,272,357
 115,699	115,699
 4,883,056	 7,868,191
(847,891)	(80,750)
 (847,831)	(80,730)
232,016	3,064,891
-	(2,501,454)
456,765	456,765
4,500,000	4,500,000
(4,839,727)	(4,839,727)
 349,054	680,475
(498,837)	599,725
 958,835	9,935,128
\$ 459,998	\$ 10,534,853

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#### INTERNAL SERVICE FUNDS COMBINING FINANCIAL STATEMENTS

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#### City of Harlingen, Texas Internal Service Funds

The internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City has the following internal service funds:

The **Motor Vehicle/Warehouse Fund** is used to account for the monies received in servicing motorized vehicles and other equipment required for various departments of the City together with those related costs associated with the maintenance and repair of such vehicles and equipment.

The **Health Insurance Fund** is used to account for the monies received in providing medical insurance to the City's employees and families through a medical benefit program of a commercial carrier.

#### City of Harlingen, Texas Internal Service Fund Combining Statement of Net Position

Se	ptemb	er 30, 2021			
		Motor Vehicle/ Warehouse Fund	Health Insurance Fund		Total
Assets					
Current assets					
Cash and cash equivalents	\$	3,989,515	\$ 80,621	\$	4,070,136
Receivables (net of allowances for					
uncollectibles)					
Accounts		16,801	6,611		23,412
Inventories		217,486	-		217,486
Prepayments		6,473	470,494		476,967
Due from other funds		803	-		803
Total current assets		4,231,078	557,726		4,788,804
Non-current assets					
Capital assets					
Net pension asset		13,483	-		13,483
Plant and equipment		20,239,890	-		20,239,890
Accumulated depreciation		(16,720,403)	-		(16,720,403)
Total capital assets (net of accumulated					
depreciation)		3,532,970	-		3,532,970
Total assets		7,764,048	557,726		8,321,774
Deferred outflows of resources					
OPEB - retiree healthcare		5,790	-		5,790
OPEB - supplemental death benefits		2,715	-		2,715
Pensions		8,117	-		8,117
Total deferred outflows of resources		16,622	-		16,622
Total assets and deferred outflows of					
resources	\$	7,780,670	\$ 557,726	\$	8,338,396

#### City of Harlingen, Texas Internal Service Fund Combining Statement of Net Position

Sept	temb	er 30, 2021			
				Health Insurance Fund	Total
Liabilities					
Current liabilities					
Accounts payable	\$	1,543	\$	14,248	\$ 15,791
Compensated absences		12,247		-	12,247
Accrued expenses		2,821		-	2,821
Total current liabilities		16,611		14,248	30,859
Non-current liabilities					
Compensated absences		34,609		-	34,609
OPEB liability - retiree health care		46,511		-	46,511
OPEB liability - supplemental death benefits		17,814		-	17,814
Total non-current liabilities		98,934		-	98,934
Total liabilities		115,545		14,248	129,793
Deferred inflows of resources					
Inflows OPEB - retiree healthcare		7,007		-	7,007
Inflows OPEB - supplemental death benefits		871		-	871
Deferred inflows of resources from pensions		30,005		-	30,005
Total deferred inflows of resources		37,883		-	37,883
Net position					
Net investment in capital assets		3,519,487		-	3,519,487
Unrestricted		4,107,755		543,478	4,651,233
Total net position		7,627,242		543,478	 8,170,720
Total liabilities, deferred inflows					
of resources and net position	\$	7,780,670	\$	557,726	\$ 8,338,396

#### City of Harlingen, Texas Internal Service Fund Combining Statements of Revenues, Expenses and Change in Net Position

Year	ended Sept	ember 30, 202	21	
	N	lotor Vehicle/		
		Warehouse	Health	
		Fund	Insurance Fund	Total
Operating revenues				
Current use charges	\$	3,470,309	\$ 4,614,245 \$	8,084,554
Operating expenses				
Personnel services		376,427	-	376,427
Contracted services		46,854	4,736,691	4,783,545
Materials and supplies		1,676,088	-	1,676,088
Other expenses		31,414	-	31,414
Depreciation and amortization		998,991	-	998,991
Total operating expenses		3,129,774	4,736,691	7,866,465
Operating income (loss)		340,535	(122,446)	218,089
Nonoperating revenues				
Interest revenue		1,397	65	1,462
Total nonoperating revenues		1,397	65	1,462
Income (loss) before transfers		341,932	(122,381)	219,551
Transfers				
Transfers in		-	65,000	65,000
Transfers out		(970,898)	(210,000)	(1,180,898)
Total transfers		(970,898)	(145,000)	(1,115,898)
Net change in net position		(628,966)	(267,381)	(896,347)
Net position, beginning of year		8,256,208	810,859	9,067,067
Net position, end of year	\$	7,627,242	\$ 543,478 \$	8,170,720

#### City of Harlingen, Texas Internal Service Funds Combining Statement of Cash Flows - Continued

Year Ended September 30,		Motor Vehicle/ Warehouse	Health Insurance	
		Fund	Fund	Totals
Cash flows from operating activities				
Received from customers	\$	3,464,946 \$	4,613,866 \$	8,078,812
Payments to suppliers	Ŷ	(1,798,924)	(5,279,661)	(7,078,585)
Payments to employees		(394,655)	(3,273,001)	(394,655)
Net cash provided by (used in) operations		1,271,367	(665,795)	605,572
, ,, ,,				
Cash flows from noncapital financing activities				
Transfers from other funds		-	65,000	65,000
Transfers to other funds		(970,898)	(210,000)	(1,180,898)
Net cash provided by (used in) noncapital financing activities		(970,898)	(145,000)	(1,115,898)
Cash flows from investing activities				
Interest received		1,399	65	1,464
Net cash provided by (used in) investing activities		1,399	65	1,464
		_,		_,
Net decrease in cash and cash equivalents		301,868	(810,730)	(508,862)
Cash and cash equivalents, beginning of year		3,687,647	891,351	4,578,998
Cash and cash equivalents, end of year	\$	3,989,515 \$	80,621 \$	4,070,136
Reconciliation of operating income to net cash provided				
by (used in) operating activities:				
Operating income (loss)	\$	340,535 \$	(122,446) \$	218,089
Adjustments to reconcile net income from operations to net				
cash from operating activities				
Depreciation		998,991	-	998,991
(Increase) decrease in receivables		(5,978)	(379)	(6,357)
(Increase) decrease in due from other funds		(803)	-	(803)
(Increase) decrease in due from component unit		615	-	615
(Increase) decrease in prepaid expenses		(6,473)	(470,494)	(476,967)
(Increase) decrease in inventories		(25,813)	-	(25,813)
(Increase) decrease in deferred outflows of resources		(741)	-	(741)
Increase (decrease) in deferred inflows of resources		(3,331)	-	(3,331)
Increase (decrease) in accounts payable		(11,479)	(7,476)	(18,955)
Increase (decrease) in due to other funds		-	(65,000)	(65,000)
Increase (decrease) in net pension liability		(19,794)	-	(19,794)
Increase (decrease) in net other post employment benefit obligation		4,018	-	4,018
		1,620	-	1,620
Increase (decrease) in accrued expenses				
Increase (decrease) in accrued expenses Total adjustments		930,832	(543,349)	387,483

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Supplementary Individual Governmental Fund Financial Statements and Schedules

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#### City of Harlingen General Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 21,091,292	\$ 16,156,573
Investments - other	5,023,040	5,000,000
Receivables (net of allowance for uncollectibles)	3,020,010	5,000,000
Taxes	843,888	882,557
Accounts	1,458,125	811,203
Due from other governments	1,733,966	4,604,596
Due from other funds	1,256,109	1,329,883
Due from component units	-	65,052
Loans receivable	182,061	212,899
Prepaid items	409,842	182,80
Restricted assets:	403,042	102,000
Cash and cash equivalents	34,374	35,914
Total assets	\$ 32,032,697	\$ 29,281,483
	\$ 52,052,057	\$ 29,201,40
Liabilities		
Accounts payable	\$ 1,069,516	\$ 797,54
Accrued expenditures	836,025	458,28
Escrow liabilities	451,267	440,14
Other liabilities	425,523	539,25
Customer deposits	34,374	35,914
Due to component units	-	50,000
Unearned revenue	17,505	-
Total liabilities	2,834,210	2,321,132
Deferred inflows of resources		
Unavailable revenue - property taxes	705,164	814,112
Unavailable revenue - payments in lieu of taxes	180,767	28,810
Unavailable revenue - other	147,929	66,054
	147,525	00,034
Total deferred inflows of resources	1,033,860	908,97
Fund balances		
Nonspendable	409,842	182,808
Restricted	409,842 185,308	182,800
Assigned	1,319,556	573,36
Unassigned	26,249,921	25,177,079
опазывлея	20,243,321	23,177,073
Total fund balances	28,164,627	26,051,37
Total liabilities, deferred inflows		
of resources and fund balances	\$ 32,032,697	\$ 29,281,483

#### City of Harlingen General Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

		Restated
Year ended September 30,	2021	2020
Revenues	<b>.</b>	A
Property taxes - including penalty and interest	\$ 19,602,249	\$ 18,206,332
Non property taxes	25,202,862	22,280,460
Fines and forfeitures	748,710	831,889
Licenses and permits	796,577	706,930
Charges for services	872,026	981,550
Intergovernmental	1,713,453	5,743,698
Contributions and donations	5,426,883	3,228,964
Miscellaneous	199,393	401,968
Interest and investment income	31,700	238,198
Total revenues	54,593,853	52,619,989
Expenditures		
Current		
General government	8,428,590	7,692,395
Public safety	25,044,645	24,296,047
Highways and streets	3,595,825	3,644,814
Health and welfare	1,994,009	1,305,281
Community and economic development	1,797,072	1,748,118
Culture and recreation	3,860,130	3,602,121
Capital outlay	9,846,429	5,048,443
Debt service	0,0.0,.20	0,010,110
Principal retirement	255,366	252,945
Interest and fiscal agent fees	57,390	60,650
Total expenditures	54,879,456	47,650,814
Excess of revenues over expenditures	(285,603)	4,969,175
Other financing sources (uses)		
Transfers in	4,948,402	2,598,381
Transfers out	(2,743,378)	(3,637,188)
Note payable proceeds	-	1,000,000
Sale of general capital assets	193,831	481,280
Total other financing sources (uses)	2,398,855	442,473
Net change in fund balance	2,113,252	5,411,648
Fund balance, beginning of year	26,051,375	20,639,727
Fund balance, end of year	\$ 28,164,627	\$ 26,051,375

# City of Harlingen Community Development Block Grant Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 103,044	\$ 301,432
Receivables (net of allowance for uncollectibles)		
Accounts	9,485	1,607
Assessments	12,815	12,815
Loans receivable	1,594,640	1,456,372
Total assets	\$ 1,719,984	\$ 1,772,226
Liabilities		
Accounts payable	\$ 35,414	\$ 12,225
Accrued expenditures	1,935	625
Escrow liabilities	23,373	23,315
Other liabilities	2,991	2,976
Due to other funds	101,093	99,997
	101,000	55,557
Total liabilities	164,806	139,138
Deferred inflows of resources		
Unavailable revenue - special assessments	12,815	12,815
Unavailable revenue - noncurrent receivables	1,594,640	1,456,372
	1,004,040	1,430,372
Total deferred inflows of resources	1,607,455	1,469,187
Fund balances		
Restricted	_	163,901
Unassigned	(52,277)	-
	(52,277)	
Total fund balances	(52,277)	163,901
Total liabilities, deferred inflows	4	4
of resources and fund balances	\$ 1,719,984	\$ 1,772,226

### City of Harlingen Community Development Block Grant Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Intergovernmental	\$ 1,590,264	\$ 729,490
Miscellaneous	39,900	93,418
Interest and investment income	5,255	6,168
Total revenues	1,635,419	829,076
Expenditures		
Current		
Community and economic development	1,512,205	529,210
Capital outlay	352,914	222,505
Total expenditures	1,865,119	751,715
Excess (deficiency) of revenues over (under) expenditures	(229,700)	77,361
Other financing sources (uses)		
Transfers in	13,522	-
Total other financing sources (uses)	13,522	-
Net change in fund balance	(216,178)	77,361
Fund balance, beginning of year	163,901	86,540
Fund balance, end of year	\$ (52,277)	\$ 163,901

### City of Harlingen Tennis Court Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 43,746	\$ 38,749
Receivables (net of allowance for uncollectibles)	<i>+</i> ,	<i>+ 00)/ 10</i>
Accounts	19	20
Total assets	\$ 43,765	\$ 38,769
	1 - 7	
Liabilities		
Accounts payable	\$ 1,160	\$ 4,610
Total liabilities	1,160	4,610
Deferred inflows of resources	-	-
Fund balances		
Assigned	42,605	34,159
Total fund balances	42,605	34,159
Total liabilities, deferred inflows		
of resources and fund balances	\$ 43,765	\$ 38,769

# City of Harlingen Tennis Court Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Charges for services	\$ 10,439	\$ 9,158
Interest and investment income	5	11
Total revenues	10,444	9,169
Expenditures		
Current		
Culture and recreation	51,998	52,182
Total expenditures	51,998	52,182
(Deficiency) of revenues (under) expenditures	(41,554)	(43,013)
Other financing sources (uses)		
Transfers in	50,000	86,676
Total other financing sources (uses)	50,000	86,676
Net change in fund balance	8,446	43,663
Fund balance, beginning of year	34,159	(9,504)
Fund balance, end of year	\$ 42,605	\$ 34,159

#### City of Harlingen, Texas Tennis Court Revenue Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	year en	ded Septem	ber 3	30, 2021			
		Βι	udget		Act	ual Amount	Variance Positive
		Original		Final	(G	AAP BASIS)	(Negative)
Revenues							
Charges for services	\$	9,000	\$	9,000	\$	10,439	\$ 1,439
Interest and investment income		10		10		5	(5)
Total revenues		9,010		9,010		10,444	1,434
Expenditures							
Current							
Culture and recreation		60,000		60,000		51,998	8,002
Total expenditures		60,000		60,000		51,998	8,002
Excess (deficiency) of revenues							
_over (under) expenditures		(50,990)		(50,990)		(41,554)	9,436
Other financing sources (uses)							
Transfers in		50,000		50,000		50,000	-
Total other financing sources (uses)		50,000		50,000		50,000	-
Net change in fund balance	\$	(990)	\$	(990)		8,446	\$ 9,436
Fund balances, beginning of year						34,159	
Fund balance, end of year					\$	42,605	

Year ended September 30, 2021

### City of Harlingen Public, Education and Governmental Access Channel Fund (PEG) Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 918,615	\$ 808,419
Receivables (net of allowance for uncollectibles)		
Accounts	27,302	27,085
Total assets	\$ 945,917	\$ 835,504
Liabilities	\$-	\$-
Deferred inflows of resources	-	-
Fund balances		
Restricted	945,917	835,504
Total fund balances	945,917	835,504
Total liabilities, deferred inflows		
of resources and fund balances	\$ 945,917	\$ 835,504

### City of Harlingen Public, Education and Governmental Access Channel Fund (PEG) Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Non property taxes	\$ 110,096	\$ 108,351
Interest and investment income	317	5,476
Total revenues	110,413	113,827
Expenditures	-	-
Net change in fund balance	110,413	113,827
Fund balance, beginning of year	835,504	721,677
Fund balance, end of year	\$ 945,917	\$ 835,504

#### City of Harlingen, Texas PEG Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	ieu septem		0,2021			Variance
	Bu	udget		Ac	tual Amount	Positive
	 Original		Final	(0	GAAP BASIS)	(Negative)
Revenues						
Nonproperty taxes	\$ 90,000	\$	90,000	\$	110,096	\$ 20,096
Interest and investment income	4,000		4,000		317	(3,683)
Total revenues	94,000		94,000		110,413	16,413
Net change in fund balance	\$ 94,000	\$	94,000	_	110,413	\$ 16,413
Fund balances, beginning of year					835,504	
Fund balance, end of year				\$	945,917	

Year ended September 30, 2021

# City of Harlingen Hotel and Motel Occupancy Tax Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
	ć 040 345	¢ 1 000 0C2
Cash and cash equivalents	\$ 940,245	\$ 1,000,962
Receivables (net of allowance for uncollectibles)	242.000	
Accounts	313,998	292,869
Total assets	\$ 1,254,243	\$ 1,293,831
Liabilities		
Accounts payable	\$ 10,000	\$ -
Other liabilities	-	, 1,112
		1,112
Total liabilities	10,000	1,112
Deferred inflows of resources		
Unavailable revenue - other	192,417	150,287
Total deferred inflows of resources	192,417	150,287
Fund balances		
Restricted	1,051,826	1,142,432
Total fund balances	1,051,826	1,142,432
Total liabilities, deferred inflows		4
of resources and fund balances	\$ 1,254,243	\$ 1,293,831

### City of Harlingen Hotel and Motel Occupancy Tax Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Non property taxes	\$ 1,262,390	\$ 1,181,840
Interest and investment income	427	6,240
Total revenues	1,262,817	1,188,080
Expenditures		
Current		
General government	64,000	85,000
Total expenditures	64,000	85,000
Excess of revenues over expenditures	1,198,817	1,103,080
Other financing sources (uses)		
Transfers in	159,612	-
Transfers out	(1,449,035)	(829,488)
Total other financing sources (uses)	(1,289,423)	(829,488)
Net change in fund balance	(90,606)	273,592
Fund balance, beginning of year	1,142,432	868,840
Fund balance, end of year	\$ 1,051,826	\$ 1,142,432

#### City of Harlingen, Texas Hotel/Motel Occupancy Tax Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	year en	aea Septem	ber	30, 2021			
	Budget		Д	ctual Amount	Variance Positive		
		Original		Final		(GAAP BASIS)	(Negative)
Revenues							
Nonproperty taxes	\$	1,040,517	\$	1,040,517	\$	1,262,390	\$ 221,873
Interest and investment income		6,000		6,000		427	(5 <i>,</i> 573)
Total revenues		1,046,517		1,046,517		1,262,817	216,300
Expenditures							
Current							
General government		95,000		95,000		64,000	31,000
Total expenditures		95,000		95,000		64,000	31,000
Excess (deficiency) of revenues							
over (under) expenditures		951,517		951,517		1,198,817	247,300
Other financing sources (uses)							
Transfers in		-		-		159,612	159,612
Transfers out		(863,016)		(1,449,035)		(1,449,035)	-
Total other financing sources (uses)		(863,016)		(1,449,035)		(1,289,423)	159,612
Net change in fund balance	\$	88,501	\$	(497,518)	_	(90,606)	\$ 406,912
Fund balances, beginning of year						1,142,432	
Fund balance, end of year					\$	1,051,826	

Year ended September 30, 2021

### City of Harlingen Convention and Visitors Bureau Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Assets	¢ 220 870	Ć 225 447
Cash and cash equivalents	\$ 338,870	\$ 225,117
Receivables (net of allowance for uncollectibles)		4 000
Accounts	-	1,028
Prepaid items	741	25,000
Total assets	\$ 339,611	\$ 251,145
Liabilities		
Accounts payable	\$ 1,658	\$-
Accrued expenditures	1,203	563
Other liabilities	14,582	4,382
Total liabilities	17,443	4,945
Deferred inflows of resources	-	-
Fund balances		
Nonspendable	741	25,000
Restricted	321,427	221,200
Total fund balances	322,168	246,200
Total liabilities, deferred inflows		
of resources and fund balances	\$ 339,611	\$ 251,145

# City of Harlingen Convention and Visitors Bureau Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Intergovernmental	\$ 8,900	\$-
Miscellaneous	÷ 0,500	پ 1,790
Interest and investment income	59	613
Total revenues	8,959	2,403
Expenditures		
Current		
Culture and recreation	356,991	385,110
Total expenditures	356,991	385,110
(Deficiency) of revenues (under) expenditures	(348,032)	(382,707)
Other financing sources (uses)		
Transfers in	424,000	423,996
Total other financing sources (uses)	424,000	423,996
Net change in fund balance	75,968	41,289
Fund balance, beginning of year	246,200	204,911
Fund balance, end of year	\$ 322,168	\$ 246,200

#### City of Harlingen, Texas Convention Visitors Bureau Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	Year en	ded Septem	ber 3	30, 2021			
		В	udget		Ac	tual Amount	Variance Positive
		Original		Final	(0	GAAP BASIS)	(Negative)
Revenues							
Intergovernmental	\$	15,000	\$	15,000	\$	8,900	\$ (6,100)
Interest and investment income		1,000		1,000		59	(941)
Total revenues		16,000		16,000		8,959	(7,041)
Expenditures							
Current							
Culture and recreation		474,470		485,927		356,991	128,936
Total expenditures		474,470		485,927		356,991	128,936
Excess (deficiency) of revenues							
over (under) expenditures		(458,470)		(469,927)		(348,032)	121,895
Other financing sources (uses)							
Transfers in		424,000		424,000		424,000	-
Total other financing sources (uses)		424,000		424,000		424,000	-
Net change in fund balance	\$	(34,470)	\$	(45,927)	_	75,968	\$ 121,895
Fund balances, beginning of year						246,200	
Fund balance, end of year					\$	322,168	

Year ended September 30, 2021

### City of Harlingen MPO Grant Fund Comparative Balance Sheets

September 30,	2	2021		020
Assets				
Receivables (net of allowance for uncollectibles)				
Due from other governments	\$	-	\$	-
Total assets	\$	-	\$	-
Liabilities				
Accounts payable	\$	-	\$	-
Total liabilities		-		-
Deferred inflows of resources		-		-
Fund balances				
Unassigned		-		-
Total fund balances		-		-
Total liabilities, deferred inflows				
of resources and fund balances	\$	-	\$	-

# City of Harlingen MPO Grant Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021		2020
Revenues			
Intergovernmental	\$ -	\$	-
Total revenues	-		-
Expenditures			
Current			
Highways and streets	-		-
Total expenditures	-	,	-
(Deficiency) of revenues (under) expenditures			-
Other financing sources (uses)			
Transfers in	-		320
Total other financing sources (uses)	-		320
Net change in fund balance	-		320
Fund balance, beginning of year			(320)
Fund balance, end of year	\$ -	\$	-

# City of Harlingen Catastrophic Emergency Relief Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 819,429	\$ 832,231
Total assets	\$ 819,429	\$ 832,231
Liabilities		
Accounts payable	\$ -	\$ 2,620
Total liabilities	_	2,620
Deferred inflows of resources	-	-
Fund balances		
Committed	819,429	829,611
Total fund balances	819,429	829,611
Total liabilities, deferred inflows		
of resources and fund balances	\$ 819,429	\$ 832,231

# City of Harlingen Catastrophic Emergency Relief Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Interest and investment income	\$ 323	\$ 6,212
Total revenues	323	6,212
Expenditures		
Current		
Highways and streets	10,505	2,075
Total expenditures	10,505	2,075
Net change in fund balance	(10,182)	4,137
Fund balance, beginning of year	829,611	825,474
Fund balance, end of year	\$ 819,429	\$ 829,611

#### City of Harlingen, Texas Catastrophic Emergency Relief Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	Year en	ded Septem	ber 3	80, 2021				
	Budget			Actual Amount			Variance Positive	
		Original		Final	(0	GAAP BASIS)		(Negative)
Revenues								
Interest and investment income	\$	5,500	\$	5,500	\$	323	\$	(5,177)
Total revenues		5,500		5,500		323		(5,177)
Expenditures								
Current								
Highways and streets		25,000		25,000		10,505		14,495
Total expenditures		25,000		25,000		10,505		14,495
Net change in fund balance	\$	(19,500)	\$	(19,500)	=	(10,182)	\$	9,318
Fund balances, beginning of year						829,611		
Fund balance, end of year					\$	819,429		

# City of Harlingen Harlingen Downtown Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 184,220	\$ 182,114
Receivables (net of allowance for uncollectibles)	Ŷ 10 I)220	<i>\</i>
Accounts	619	610
Assessments	9,940	6,135
Total assets	\$ 194,779	\$ 188,859
Liabilities		
Accounts payable	\$ 4,311	\$ 3,474
Accrued expenditures	1,034	581
Other liabilities	6,056	2,876
Total liabilities	11,401	6,931
Deferred inflows of resources		
Unavailable revenue - special assessments	9,940	6,135
Total deferred inflows of resources	9,940	6,135
Fund balances		
Restricted	173,438	175,793
Total fund balances	173,438	175,793
Total liabilities, deferred inflows		
of resources and fund balances	\$ 194,779	\$ 188,859

# City of Harlingen Harlingen Downtown Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Assessments	\$ 35,344	\$ 29,726
Interest and investment income	36	641
Total revenues	35,380	30,367
Expenditures		
Current		
Community and economic development	252,710	233,394
Total expenditures	252,710	233,394
(Deficiency) of revenues (under) expenditures	(217,330)	(203,027)
Other financing sources (uses)		
Transfers in	214,975	214,980
Total other financing sources (uses)	214,975	214,980
Net change in fund balance	(2,355)	11,953
Fund balance, beginning of year	175,793	163,840
Fund balance, end of year	\$ 173,438	\$ 175,793

#### City of Harlingen, Texas Harlingen Downtown Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

1	eur er	idea septen	iber s	50, 2021			
	Budget			Actual Amount		Variance Positive	
		Original		Final	(0	GAAP BASIS)	(Negative)
Revenues							
Assessments	\$	27,500	\$	27,500	\$	35,344	\$ 7,844
Interest and investment income		650		650		36	(614)
Total revenues		28,150		28,150		35,380	7,230
Expenditures							
Current							
Community and economic development		253,942		253,942		252,710	1,232
Total expenditures		253,942		253,942		252,710	1,232
Excess (deficiency) of revenues							
over (under) expenditures		(225,792)		(225,792)		(217,330)	8,462
Other financing sources (uses)							
Transfers in		214,975		214,975		214,975	-
Total other financing sources (uses)		214,975		214,975		214,975	-
Net change in fund balance	\$	(10,817)	\$	(10,817)		(2,355)	\$ 8,462
Fund balances, beginning of year						175,793	
Fund balance, end of year					\$	173,438	

Year ended September 30, 2021

# City of Harlingen Federal Forfeiture Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 98,310	\$ 73,023
Receivables (net of allowance for uncollectibles)		
Accounts	-	1,429
Total assets	\$ 98,310	\$ 74,452
Linkiliting		
Liabilities Other liabilities	\$ -	\$-
Other habilities	Ş -	Ş -
Total liabilities	-	-
Deferred inflows of resources	-	-
Fund balances		
Restricted	98,310	74,452
Total fund balances	98,310	74,452
Total liabilities, deferred inflows		
of resources and fund balances	\$ 98,310	\$ 74,452

# City of Harlingen Federal Forfeiture Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Fines and forfeitures	\$ 4,075	\$ 10,957
Intergovernmental	19,762	1,455
Miscellaneous	-	532
Interest and investment income	21	322
Total revenues	23,858	13,266
Expenditures		
Current		
Public safety	-	1,600
Total expenditures	-	1,600
(Deficiency) of revenues (under) expenditures	23,858	11,666
Other financing sources (uses)		
Sale of general capital assets	-	3,479
Total other financing sources (uses)	-	3,479
Net change in fund balance	23,858	15,145
Fund balance, beginning of year	74,452	59,307
Fund balance, end of year	\$ 98,310	\$ 74,452

#### City of Harlingen, Texas Federal Forfeiture Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	ieur en	ueu septem	ber 5	0,2021		
	Budget		Final		Variance Positive	
		Original		Final	(GAAP BASIS)	(Negative)
Revenues						
Fines and forfeitures	\$	10,000	\$	10,000	\$ 4,075	\$ (5,925)
Intergovernmental		10,000		10,000	19,762	9,762
Interest and investment income		500		500	21	(479)
Total revenues		20,500		20,500	23,858	3,358
Expenditures						
Current						
Public safety		30,000		30,000	-	30,000
Capital outlay		10,000		10,000	-	10,000
Total expenditures		40,000		40,000	-	40,000
Net change in fund balance	\$	(19,500)	\$	(19,500)	23,858	\$ 43,358
Fund balances, beginning of year					74,452	
Fund balance, end of year					\$ 98,310	

Year ended September 30, 2021

#### City of Harlingen State Forfeiture Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 118,624	\$ 124,361
Receivables (net of allowance for uncollectibles)		
Accounts	590	12,201
Total assets	\$ 119,214	\$ 136,562
Liabilities		
Accounts payable	\$-	\$ 1,001
	т	+ _/
Total liabilities	-	1,001
Deferred inflows of resources	-	-
Fund balances		
Restricted	119,214	135,561
Total fund balances	119,214	135,561
Total liabilities, deferred inflows		
of resources and fund balances	\$ 119,214	\$ 136,562

## City of Harlingen State Forfeiture Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Fines and forfeitures	\$ 16.455	\$ 5,162
	· · · · · -	
Miscellaneous	200	834
Interest and investment income	28	727
Total revenues	16,683	6,723
Expenditures		
Current		
Public safety	33,030	38,329
Total expenditures	33,030	38,329
Excess (deficiency) of revenues over (under) expenditures	(16,347)	(31,606)
Other financing sources (uses)		
Sale of capital assets	-	16,509
Total other financing sources (uses)	-	16,509
Net change in fund balance	(16,347)	(15,097)
Fund balance, beginning of year	135,561	150,658
Fund balance, end of year	\$ 119,214	\$ 135,561

#### City of Harlingen, Texas State Forfeiture Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	reur en	ueu septem	iber 5	0,2021			
		Bu	udget	Final	Actual Amour (GAAP BASIS		Variance Positive (Negative)
Revenues		ongina		, indi		/	(Heguite)
Fines and forfeitures	\$	70,000	\$	70,000	\$ 16,45	5\$	(53 <i>,</i> 545)
Miscellaneous		-	•	-	20		200
Interest and investment income		1,000		1,000	2	8	(972)
Total revenues		71,000		71,000	16,68	3	(54,317)
Expenditures							
Current							
Public safety		80,000		80,000	33,03	0	46,970
Capital outlay		20,000		20,000		-	20,000
Total expenditures		100,000		100,000	33,03	0	66,970
Net change in fund balance	\$	(29,000)	\$	(29,000)	(16,34	7) \$	12,653
Fund balances, beginning of year					135,56	1	
Fund balance, end of year					\$ 119,21	4	

Year ended September 30, 2021

#### City of Harlingen Other Grants Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 5,728,630	\$ 2,639,691
Receivables (net of allowance for uncollectibles)		
Accounts	2,339,618	266,125
Total assets	\$ 8,068,248	\$ 2,905,816
Liabilities		
Accounts payable	\$ 481,391	\$ 239,102
Accrued expenditures	9,648	2,782
Unearned revenue	7,001,991	1,102,503
	,,001,331	1,102,505
Total liabilities	7,493,030	1,344,387
Deferred inflows of resources		
Unavailable revenue - noncurrent receivables	-	192
Unavailable revenue - other	1,850,270	36,222
Total deferred inflows of resources	1,850,270	36,414
Fund balances		
Restricted	-	1,525,015
Unassigned	(1,275,052)	-
Total fund balances	(1,275,052)	1,525,015
Total liabilities, deferred inflows		
of resources and fund balances	\$ 8,068,248	\$ 2,905,816

# City of Harlingen Other Grants Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Intergovernmental	\$ 6,506,115	\$ 2,391,483
Contributions and donations	516,651	137,459
Total revenues	7,022,766	2,528,942
		,,-
Expenditures		
Current		
Public safety	863,913	1,101,204
Highways and streets	1,922	-
Health and welfare	3,229,816	178,586
Culture and recreation	116,216	112,900
Capital outlay	3,316,866	1,170,045
Total expenditures	7,528,733	2,562,735
(Deficiency) of revenues (under) expenditures	(505,967)	(33,793)
Other financing sources (uses)		
Transfers in	961,549	1,657,879
Transfers out	(3,255,649)	(12,500)
Total other financing sources (uses)	(2,294,100)	1,645,379
Net change in fund balance	(2,800,067)	1,611,586
Fund balance, beginning of year	1,525,015	(86,571)
Fund balance, end of year	\$ (1,275,052)	\$ 1,525,015

# City of Harlingen Air Service Development Program Comparative Balance Sheets

September 30,		2021	:	2020
Assets				
Cash and cash equivalents	\$	-	\$	1,053
Total counts	ć		ح	1 05 2
Total assets	\$	-	\$	1,053
Liabilities				
Due to other funds	\$	-	\$	587
Total liabilities		-		587
Deferred inflows of resources		-		-
Fund balances				
Committed		-		466
Total fund balances		-		466
Total liabilities, deferred inflows				
	1		4	
of resources and fund balances	\$	-	\$	1,053

## City of Harlingen Air Service Development Program Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2	2021	2020	
Revenues				
Interest and investment income	\$	57	\$	7,324
Total revenues		57		7,324
Expenditures				
Current				
Community and economic development		-	3	355,650
Total expenditures		-	355,650	
(Deficiency) of revenues (under) expenditures		57	(3	348,326)
Other financing sources (uses)				
Transfers out		(523)	(2	295,280)
Total other financing sources (uses)		(523)	(2	295,280)
Net change in fund balance		(466)	(6	543,606)
Fund balance, beginning of year		466	6	544,072
Fund balance, end of year	\$	-	\$	466

#### City of Harlingen Communication Center Fund Comparative Balance Sheets

September 30,	2	021	2	020
Assets				
Cash and cash equivalents	\$	-	\$	-
Total assets	\$	-	\$	-
Liabilities	\$	-	\$	-
Deferred inflows of resources		-		-
Fund balances				
Unassigned		-		-
Total fund balances		-		-
Total liabilities, deferred inflows of resources and fund balances	\$	_	\$	_

# City of Harlingen Communication Center Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Interest and investment income	\$ 2	\$ 190
Total revenues	2	190
Expenditures		
Current		
Public safety	-	-
Total expenditures	-	-
Excess of revenues over expenditures	2	190
Other financing sources (uses)		
Transfers out	(2)	(43,332)
Total other financing sources (uses)	(2)	
Net change in fund balance	-	(43,142)
Fund balance, beginning of year	-	43,142
Fund balance, end of year	\$ -	\$ -

# City of Harlingen Harlingen Convention Center Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 320,855	\$ 116,281
Receivables (net of allowance for uncollectibles)	¢ 020,000	<i>v</i> 110)201
Accounts	948,251	506,789
Total assets	\$ 1,269,106	\$ 623,070
Liabilities	\$ -	\$-
Accounts payable	Ş -	Ş -
Total liabilities	-	-
Deferred inflows of resources		
Unavailable revenue - other	180,000	120,000
Total deferred inflows of resources	180,000	120,000
Fund heleware		
Fund balances Assigned	1,089,106	503,070
	1,005,100	505,070
Total fund balances	1,089,106	503,070
Total liabilities, deferred inflows		
of resources and fund balances	\$ 1,269,106	\$ 623,070

## City of Harlingen Harlingen Convention Center Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2	2021		2020
Revenues				
Interest and investment income	\$	17	\$	1,195
Total revenues	Ş	17	ې	1,195
Total revenues		17		1,195
Expenditures		-		-
Excess of revenues over expenditures		17		1,195
Other financing sources (uses)				
Transfers in	5	86,019		-
Total other financing sources (uses)	5	86,019		-
Net change in fund balance	5	86,036		1,195
Fund balance, beginning of year	5	03,070	!	501,875
Fund balance, end of year	\$_1,0	89,106	\$ !	503,070

#### City of Harlingen, Texas Harlingen Convention Center Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	ieur en	ieu septem	iber 3	0,2021				
		Βι	udget		Ad	Actual Amount		Variance Positive
		Original		Final	(	GAAP BASIS)		(Negative)
Revenues								
Intergovernmental	\$	60,000	\$	60,000	\$	-	\$	(60,000)
Interest and investment income		1,500		1,500		17		(1,483)
Total revenues		61,500		61,500		17		(61,483)
Other financing sources (uses)								
Transfers in		-		586,019		586,019		-
Total other financing sources (uses)		-		586,019		586,019		-
Net change in fund balance	\$	61,500	\$	647,519	_	586,036	\$	(61,483)
Fund balances, beginning of year						503,070		
Fund balance, end of year					\$	1,089,106		

Year ended September 30, 2021

# City of Harlingen Free Trade Bridge Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 295,953	\$ 608,437
Receivables (net of allowance for uncollectibles)		
Accounts	10,029	-
Total assets	\$ 305,982	\$ 608,437
Liabilities		
Accounts payable	\$ -	\$
	Υ Υ	Ϋ́ 10
Total liabilities	-	10
Deferred inflows of resources	-	-
Fund balances		
Committed	305,982	608,427
Total fund balances	305,982	608,427
Total liabilities, deferred inflows		
of resources and fund balances	\$ 305,982	\$ 608,437

# City of Harlingen Free Trade Bridge Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
_		
Revenues		
Charges for services	\$ 151,497	\$ 156,977
Interest and investment income	252	7,954
Total revenues	151,749	164,931
Expenditures		
Current		
Highways and streets	55,164	55,124
Total expenditures	55,164	55,124
Excess of revenues over expenditures	96,585	109,807
Other financing sources (uses)		
Transfers in	152,864	-
Transfers out	(551,894)	(506,376)
Total other financing sources (uses)	(399,030)	(506,376)
Net change in fund balance	(302,445)	(396,569)
Fund balance, beginning of year	608,427	1,004,996
Fund balance, end of year	\$ 305,982	\$ 608,427

#### City of Harlingen, Texas Free Trade Bridge Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	rear en	aea Septem	ber s	30, 2021				
		_					Variance	
	Budget		Actual Amount		Positive			
		Original		Final	(	GAAP BASIS)	(Negative)	
Revenues								
Charges for services	\$	280,000	\$	280,000	\$	151,497	\$ (128,503)	
Interest and investment income		5,500		5,500		252	(5,248)	
Total revenues		285,500		285,500		151,749	(133,751)	
Expenditures								
Current								
Highways and streets		75,200		75,200		55,164	20,036	
Total expenditures		75,200		75,200		55,164	20,036	
Excess (deficiency) of revenues								
over (under) expenditures		210,300		210,300		96,585	(113,715)	
Other financing sources (uses)								
Transfers in		-		-		152,864	152,864	
Transfers out		(551,894)		(551,894)		(551,894)	-	
Total other financing sources (uses)		(551,894)		(551,894)		(399,030)	152,864	
Net change in fund balance	\$	(341,594)	\$	(341,594)	_	(302,445)	\$ 39,149	
Fund balances, beginning of year						608,427		
Fund balance, end of year					\$	305,982		

Year ended September 30, 2021

#### City of Harlingen Infrastructure Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 2,482,366	\$ 1,862,332
Receivables (net of allowance for uncollectibles)	1 , - ,	, , , , , , , , , , , , , , , , , , , ,
Accounts	2,558	2,469
Due from component units	7,274	21,254
Total assets	\$ 2,492,198	\$ 1,886,055
Liabilities		
Accounts payable	\$ -	\$ 49,165
Total liabilities		40 165
	-	49,165
Deferred inflows of resources	-	-
Fund balances		
Committed	2,492,198	1,836,890
Total fund balances	2,492,198	1,836,890
Total liabilities, deferred inflows of resources and fund balances	¢ 2 402 109	ć 1 00C 0FF
	\$ 2,492,198	\$ 1,886,055

# City of Harlingen Infrastructure Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Assessments	\$ 1,509,891	\$ 1,523,842
Interest and investment income	708	9,074
Total revenues	1,510,599	1,532,916
Expenditures		
Current		
Highways and streets	1,396,227	1,041,034
Total expenditures	1,396,227	1,041,034
Excess (deficiency) of revenues over (under) expenditures	114,372	491,882
Other financing sources (uses)		
Transfers in	540,936	165,935
Total other financing sources (uses)	540,936	165,935
Net change in fund balance	655,308	657,817
Fund balance, beginning of year	1,836,890	1,179,073
Fund balance, end of year	\$ 2,492,198	\$ 1,836,890

#### City of Harlingen Infrastructure Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year ended S	September 30, 2021				
	Bu	dget	Actual Amount	Variance Positive (Negative)	
	Original	Final	(GAAP BASIS)		
Revenues					
Assessments	\$ 1,400,000	\$ 1,400,000	\$ 1,509,891	\$ 109,891	
Interest and investment income	7,000	7,000	708	(6,292)	
Total revenues	1,407,000	1,407,000	1,510,599	103,599	
Expenditures					
Current					
Highways and streets	1,400,000	3,344,482	1,396,227	1,948,255	
Total expenditures	1,400,000	3,344,482	1,396,227	1,948,255	
Excess (deficiency) of revenues over (under) expenditures	7,000	(1,937,482)	114,372	2,051,854	
Other financing sources (uses)					
Transfers in	-	540,936	540,936	-	
Total other financing sources (uses)	-	540,936	540,936	-	
Net change in fund balance	\$ 7,000	\$ (1,396,546)	655,308	\$ 2,051,854	
Fund balance, beginning of year			1,836,890		
Fund balance, end of year			\$ 2,492,198		

# City of Harlingen Lon C. Hill Library Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 125,508	\$ 159,881
Total assets	\$ 125,508	\$ 159,881
Liabilities		
Accounts payable	\$ -	\$-
Total liabilities	-	-
Deferred inflows of resources	-	-
Fund balances		
Restricted	125,508	159,881
Total fund balances	125,508	159,881
Total liabilities, deferred inflows		
of resources and fund balances	\$ 125,508	\$ 159,881

#### City of Harlingen Lon C. Hill Library Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Miscellaneous	\$ 26,773	\$ 76,990
Interest and investment income	23	409
Total revenues	26,796	77,399
Expenditures		
Current		
Culture and recreation	41,871	20,747
Capital outlay	19,298	-
Total expenditures	61,169	20,747
Net change in fund balance	(34,373)	56,652
Fund balance, beginning of year	159,881	103,229
Fund balance, end of year	\$ 125,508	\$ 159,881

#### City of Harlingen Lon C. Hill Library Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year	ended September 30, 2021				
				Variance	
	Bud	get	Actual Amount	Positive	
	Original	Final	(GAAP BASIS)	(Negative)	
Revenues					
Miscellaneous	\$ 13,148	\$ 16,926	\$ 26,773	\$ 9,847	
Interest and investment income	-	-	23	23	
Total revenues	13,148	16,926	26,796	9,870	
Expenditures					
Current					
Culture and recreation	13,148	13,148	41,871	(28,723)	
Capital outlay	-	3,778	19,298	(15,520)	
Total expenditures	13,148	16,926	61,169	(44,243)	
Net change in fund balance	\$ -	\$ -	(34,373)	\$ (34,373)	
Fund balance, beginning of year			159,881		
Fund balance, end of year			\$ 125,508		

#### City of Harlingen Tax Increment Reinvestment Zone No. 1 Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 766,916	\$ 587,315
Receivables (net of allowance for uncollectibles)		
Accounts	68,000	67,078
Total assets	\$ 834,916	\$ 654,393
Liabilities	\$ -	\$-
Deferred inflows of resources		
Unavailable revenue - other	68,000	67,578
Fund balances		
Restricted	766,916	586,815
Total fund balances	766,916	586,815
Total liabilities, deferred inflows		
of resources and fund balances	\$ 834,916	\$ 654,393

## City of Harlingen Tax Increment Reinvestment Zone No. 1 Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Intergovernmental	\$ 67,578	\$-
Interest and investment income	232	4,102
Total revenues	67,810	4,102
Expenditures		
Current		
Community and economic development	-	500
Total expenditures	-	500
Excess of revenues over expenditures	67,810	3,602
Other financing sources (uses)		
Transfers in	112,291	82,622
Total other financing sources (uses)	112,291	82,622
Net change in fund balance	180,101	86,224
Fund balance, beginning of year	586,815	500,591
Fund balance, end of year	\$ 766,916	\$ 586,815

#### City of Harlingen, Texas Tax Increment Financing Reinvestment Zone 1 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	i cui ci	iaca septem	IDCI S	10, 2021			
		Bu Original	udget	Final		ual Amount AAP BASIS)	 Variance Positive (Negative)
Revenues		onginai		T indi	(0)		(Negative)
Intergovernmental	\$	20,000	\$	130,000	\$	67,578	\$ (62,422)
Interest and investment income		3,000		3,000		232	(2,768)
Current							
Total revenues		23,000		133,000		67,810	(65,190)
Other financing sources (uses)							
Transfers in		85,000		85,000		112,291	27,291
Total other financing sources (uses)		85,000		85,000		112,291	27,291
Net change in fund balance	\$	108,000	\$	218,000		180,101	\$ (37,899)
Fund balances, beginning of year						586,815	
Fund balance, end of year					\$	766,916	

Year ended September 30, 2021

#### City of Harlingen Tax Increment Reinvestment Zone No. 2 Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 1,178,598	\$ 808,518
Receivables (net of allowance for uncollectibles)		
Accounts	162,000	161,333
Total assets	\$ 1,340,598	\$ 969,851
Liabilities	\$-	\$-
Deferred inflows of resources		
Unavailable revenue - other	162,000	161,833
Fund balances		
Restricted	1,178,598	808,018
Total fund balances	1,178,598	808,018
Total liabilities, deferred inflows		
of resources and fund balances	\$ 1,340,598	\$ 969,851

## City of Harlingen Tax Increment Reinvestment Zone No. 2 Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021		2020
Revenues			
Intergovernmental	\$ 161,833	\$	-
Interest and investment income	333		4,564
Total revenues	162,166		4,564
Expenditures			
Current			
Community and economic development	-		500
Total expenditures	-		500
Excess of revenues over expenditures	162,166		4,064
Other financing sources (uses)			
Transfers in	208,414	2	11,728
Total other financing sources (uses)	208,414	2	11,728
Net change in fund balance	370,580	2	15,792
Fund balance, beginning of year	808,018	5	92,226
Fund balance, end of year	\$ 1,178,598	\$ 8	808,018

#### City of Harlingen, Texas Tax Increment Financing Reinvestment Zone 2 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	i cui ci	laca Septem		10, 2021		
		Bu Original	udget	Final	ctual Amount (GAAP BASIS)	Variance Positive (Negative)
Revenues		- 0 -		-	 	( -0
Intergovernmental	\$	10,000	\$	310,000	\$ 161,833	\$ (148,167)
Interest and investment income		4,000		4,000	333	(3,667)
Current						
Total revenues		14,000		314,000	162,166	(151,834)
Other financing sources (uses)						
Transfers in		215,000		215,000	208,414	(6,586)
Total other financing sources (uses)		215,000		215,000	208,414	(6,586)
Net change in fund balance	\$	229,000	\$	529,000	 370,580	\$ (158,420)
Fund balances, beginning of year					 808,018	
Fund balance, end of year					\$ 1,178,598	

Year ended September 30, 2021

#### City of Harlingen Tax Increment Reinvestment Zone No. 3 Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 411,635	\$ 234,451
Receivables (net of allowance for uncollectibles)		
Accounts	364,000	363,331
Total assets	\$ 775,635	\$ 597,782
Liabilities	\$-	\$-
Deferred inflows of resources		
Unavailable revenue - other	364,000	363,831
Fund balances		
Restricted	411,635	233,951
Total fund balances	411,635	233,951
Total liabilities, deferred inflows		
of resources and fund balances	\$ 775,635	\$ 597,782

## City of Harlingen Tax Increment Reinvestment Zone No. 3 Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Intergovernmental	\$ 363,831	\$-
Interest and investment income	89	2,118
Total revenues	363,920	2,118
Expenditures		
Current		
Community and economic development	-	500
Debt service		
Principal retirement	70,000	70,000
Total expenditures	70,000	70,500
Excess of revenues over expenditures	293,920	(68,382)
Other financing sources (uses)		
Transfers in	383,764	459,062
Transfers out	(500,000)	(453,396)
Total other financing sources (uses)	(116,236)	5,666
Net change in fund balance	177,684	(62,716)
Fund balance, beginning of year	233,951	296,667
Fund balance, end of year	\$ 411,635	\$ 233,951

#### City of Harlingen, Texas Tax Increment Financing Reinvestment Zone 3 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	ueu septem	201 2	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
		ıdget			tual Amount	Variance Positive
-	Original		Final	((	GAAP BASIS)	(Negative)
Revenues						
Intergovernmental	\$ 40,000	\$	690,000	\$	363,831	\$ (326,169)
Interest and investment income	1,500		1,500		89	(1,411)
Total revenues	41,500		691,500		363,920	(327,580)
Expenditures						
Current						
Debt service						
Principal	70,000		70,000		70,000	-
Total expenditures	70,000		70,000		70,000	-
Excess (deficiency) of revenues						
over (under) expenditures	(28,500)		621,500		293,920	(327,580)
Other financing sources (uses)						
Transfers in	400,000		400,000		383,764	(16,236)
Transfers out	(500,000)		(500,000)		(500,000)	-
Total other financing sources (uses)	(100,000)		(100,000)		(116,236)	(16,236)
Net change in fund balance	\$ (128,500)	\$	521,500	_	177,684	\$ (343,816)
Fund balances, beginning of year					233,951	
Fund balance, end of year				\$	411,635	

Year ended September 30, 2021

#### City of Harlingen Debt Service Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 424,009	\$ 936,000
Receivables (net of allowance for uncollectibles)		
Taxes	219,246	263,643
Accounts	2,593	6,621
Total assets	\$ 645,848	\$ 1,206,264
Liabilities	\$ -	\$-
Deferred inflows of resources		
Unavailable revenue - property taxes	185,850	247,429
Total deferred inflows of resources	185,850	247,429
Fund balances		
Restricted	459,998	958,835
Total fund balances	459,998	958,835
Total liabilities, deferred inflows		
of resources and fund balances	\$ 645,848	\$ 1,206,264

# City of Harlingen Debt Service Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Property taxes - including penalty and interest	\$ 3,429,740	\$ 3,812,624
Intergovernmental	605,015	\$ 3,812,024 606,485
Interest and investment income	410	12,469
Total revenues	4,035,165	4,431,578
	, ,	, ,
Expenditures		
Debt service		
Principal retirement	3,495,000	3,360,000
Interest and fiscal agent fees	1,272,357	1,395,883
Cost of refunded bonds	115,699	64,660
Total expenditures	4,883,056	4,820,543
Excess (deficiency) of revenues over (under) expenditures	(847,891)	(388,965)
Other financing sources (uses)		
Bond refunding issuance premium	456,765	280,521
Issuance of refunding bonds	4,500,000	1,690,000
Payment to refunded bond escrow agent	(4,839,727)	(1,896,534)
Transfers in	232,016	198,492
Total other financing sources (uses)	349,054	272,479
Net change in fund balance	(498,837)	(116,486)
Fund balance, beginning of year	958,835	1,075,321
Fund balance, end of year	\$ 459,998	\$ 958,835

#### City of Harlingen Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

				Variance
	Budget			Positive
	Original	Final	(GAAP BASIS)	(Negative)
Revenues				
Property taxes - including penalty and interest	\$ 3,359,940	\$ 3,359,940	\$ 3,429,740	\$ 69,800
Intergovernmental	605,015	605,015	605,015	-
Interest and investment income	11,000	11,000	410	(10,590
Total revenues	3,975,955	3,975,955	4,035,165	59,210
Expenditures				
Debt service				
Principal retirement	3,500,000	3,500,000	3,495,000	5,000
Interest and fiscal agent fees	1,297,681	1,297,681	1,272,357	25,324
Cost of refunded bonds	-	117,038	115,699	1,339
Total expenditures	4,797,681	4,914,719	4,883,056	31,663
Excess (deficiency) of revenues over (under) expenditures	(821,726)	(938,764)	(847,891)	90,873
Other financing sources (uses)				
Bond refunding issuance premium	-	-	456,765	456,765
Issuance of refunding bonds	-	-	4,500,000	4,500,000
Payment to refunded bond escrow agent	-	(4,839,727)	(4,839,727)	-
Transfers in	232,016	232,016	232,016	-
Total other financing sources (uses)	232,016	(4,607,711)	349,054	4,956,765
Net change in fund balance	\$ (589,710)	\$ (5,546,475)	(498,837)	\$ 5,047,638
Fund balance, beginning of year			958,835	
Fund balance, end of year			\$ 459,998	

# City of Harlingen Capital Improvement Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 441	\$ 2,883
Total assets	\$ 441	\$ 2,883
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Deferred inflows of resources	-	-
Fund balances		
Restricted	441	2,883
Total fund balances	441	2,883
Total liabilities, deferred inflows	A	¢ 2.002
of resources and fund balances	\$ 441	\$ 2,883

#### City of Harlingen Capital Improvement Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Interest and investment income	\$ -	\$ 13
Total revenues	-	13
Expenditures		
Current		
Culture and recreation	2,442	-
Capital outlay	-	2,289
Total expenditures	2,442	2,289
Net change in fund balance	(2,442)	(2,276)
Fund balance, beginning of year	2,883	5,159
Fund balance, end of year	\$ 441	\$ 2,883

# City of Harlingen Street Improvement Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
	Ċ <b>C</b> 4 4	с г <b>л</b> л
Cash and cash equivalents	\$ 541	\$ 541
Total assets	\$ 541	\$ 541
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Deferred inflows of resources		
Unavailable revenue - other	-	-
Total deferred inflows of resources	-	-
Fund balances		
Committed	541	541
Total fund balances	541	541
Total liabilities, deferred inflows		
of resources and fund balances	\$ 541	\$ 541

# City of Harlingen Street Improvement Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Devenues		
Revenues		
Interest and investment income	\$ -	\$8
Total revenues	-	8
Expenditures		
Current		
Highways and streets	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	-	8
Other financing sources (uses)		
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balance	-	8
Fund balance, beginning of year	541	533
Fund balance, end of year	\$ 541	\$ 541

# City of Harlingen Petition Paving Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ 156,885	\$ 148,053
Receivables (net of allowance for uncollectibles)	143,013	+ - · · · · · · · ·
Accounts	-	11,293
Assessments	-	143,013
Total assets	\$ 299,898	\$ 302,359
Liabilities		
Escrow liabilities	\$ 171,802	\$ 163,002
Other liabilities	937	938
Total liabilities	172,739	163,940
	,	,
Deferred inflows of resources		
Unavailable revenue - other	143,012	145,977
Total deferred inflows of resources	143,012	145,977
Fund balances		
Unassigned	(15,853)	(7,558)
Total fund balances	(15,853)	(7,558)
Total liabilities, deferred inflows		
of resources and fund balances	\$ 299,898	\$ 302,359

# City of Harlingen Petition Paving Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021		2	020
Revenues				
Miscellaneous	\$	10	\$	20
Interest and investment income		22		583
Total revenues		32		603
Expenditures				
Current				
Highways and streets		8,327		-
Total expenditures		8,327		-
Excess of revenues over expenditures		(8,295)		603
Other financing sources (uses)				
Transfers out		-		-
Total other financing sources (uses)		-		-
Net change in fund balance		(8,295)		603
Fund balance, beginning of year		(7,558)	(	8,161)
Fund balance, end of year	\$(	15,853)	\$ (	7,558)

# City of Harlingen Certificates of Obligation Projects, Series 2001 Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Restricted assets:		
Cash and cash equivalents	\$ 142,354	\$ 703,305
Total assets	\$ 142,354	\$ 703,305
Liabilities		
Accounts payable	\$ 61,380	\$-
Total liabilities	61,380	-
Deferred inflows of resources	-	-
Fund balances		
Restricted	80,974	703,305
Total fund balances	80,974	703,305
Total liabilities, deferred inflows		
of resources and fund balances	\$ 142,354	\$ 703,305

### City of Harlingen Certificates of Obligation Projects, Series 2001 Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
	<b>A A A</b>	÷
Interest and investment income	\$ 241	\$ 6,001
Total revenues	241	6,001
Expenditures		
Current		
Health and welfare	-	1,750
Culture and recreation	8,770	-
Capital outlay	613,802	39,114
Total expenditures	622,572	40,864
Excess (deficiency) of revenues over (under) expenditures	(622,331)	(34,863)
Other financing sources (uses)		
Transfers in	-	85,000
Total other financing sources (uses)	-	85,000
Net change in fund balance	(622,331)	50,137
Fund balance, beginning of year	703,305	653,168
Fund balance, end of year	\$ 80,974	\$ 703,305

# City of Harlingen Certificates of Obligation Projects, Series 2016 Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Restricted assets:		
Cash and cash equivalents	\$ 1,545,209	\$ 1,569,004
Total assets	\$ 1,545,209	\$ 1,569,004
Liabilities		
Accounts payable	\$ 1,213,250	\$ 1,237,644
Total liabilities	1,213,250	1,237,644
Deferred inflows of resources	-	-
Fund balances		
Restricted	331,959	331,360
Total fund balances	331,959	331,360
Total liabilities, deferred inflows		
of resources and fund balances	\$ 1,545,209	\$ 1,569,004

### City of Harlingen Certificates of Obligation Projects, Series 2016 Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021	2020
Revenues		
Miscellaneous	\$-	\$ 4,500
Interest and investment income	599	8,991
Total revenues	599	13,491
Expenditures		
Current		
Culture and recreation	-	86,364
Total expenditures	-	86,364
Net change in fund balance	599	(72,873)
Fund balance, beginning of year	331,360	404,233
Fund balance, end of year	\$ 331,959	\$ 331,360

# City of Harlingen General Obligation Bonds, Series 2006 Fund Comparative Balance Sheets

September 30,	2021	2020
Assets		
Restricted assets:		
Cash and cash equivalents	\$ 65,902	\$ 65,892
Total assets	\$ 65,902	\$ 65,892
Liabilities		
Due to other funds	\$ -	\$-
Total liabilities		-
Deferred inflows of resources	-	-
Fund balances		
Restricted	65,902	65,892
Total fund balances	65,902	65,892
Total liabilities, deferred inflows of resources and fund balances	\$ 65,902	\$ 65,892

### City of Harlingen General Obligation Bonds, Series 2006 Fund Comparative Statements of Revenues, Expenditures and Change in Fund Balances

Year ended September 30,	2021		2020	
Revenues				
Interest and investment income	\$	10	\$	260
Total revenues		10		260
Expenditures				
Capital outlay		-		-
Total expenditures		-		-
Net change in fund balance		10		260
Fund balance, beginning of year	6	5,892	6	5,632
Fund balance, end of year	\$6	5,902	\$6	5,892

#### SUPPLEMENTARY INDIVIDUAL ENTERPRISE FUNDS FINANCIAL STATEMENTS AND SCHEDULE

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#### City of Harlingen, Texas Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes. The City has the following enterprise funds:

The *Sanitation Fund* is used to account for the operations of the City's solid waste collections and public landfill operations within the City limits.

The *Municipal Golf Course Fund* is used to account for the operation of the City's Municipal Golf Course.

The *Municipal Auditorium Fund* is set up to account for the utilization of the City's auditorium and the Casa de Amistad facility for economic gain as well as the encouragement of the arts.

The *Harlingen Arts and Heritage Museum Fund* is used to account for the operation of the City's museum.

# City of Harlingen Sanitation Fund Enterprise Fund Comparative Statement of Net Position

		Restated
September 30,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 8,438,015	\$ 8,610,149
Accounts receivables (net of allowances for uncollectibles)	146,408	121,543
Prepayments	22,072	3,747
Due from component units	109,928	143,646
Total current assets	8,716,423	8,879,085
Non-current assets		
Net pension asset	15,932	-
Capital assets		
Land	417,587	417,587
Construction in progress	46,895	10,000
Plant and equipment	10,040,146	8,678,892
Accumulated depreciation	(3,703,456)	(2,953,261)
Total capital assets (net of accumulated depreciation)	6,801,172	6,153,218
Total non-current assets	6,817,104	6,153,218
Total assets	15,533,527	15,032,303
Deferred outflows of resources		
OPEB - retiree healthcare	6,842	4,347
OPEB - supplemental death benefits	3,208	2,283
Retirement pensions	9,591	8,716
Total deferred outflows of resources	19,641	15,346
Total assets and deferred outflows of resources	\$ 15,553,168	\$ 15,047,649

# City of Harlingen Sanitation Fund Enterprise Fund Comparative Statement of Net Position - Continued

			F	Restated
September 30,		2021		2020
Liabilities				
Current liabilities				
Accounts payable	\$	250,039	\$	470,696
Compensated absences		58,993		55,293
Accrued expenses		66,810		49,592
Estimated liability for landfill postclosure costs		14,995		14,995
Total current liabilities		390,837		590,576
Non-current liabilities				
Compensated absences		125,897		145,771
OPEB liability - retiree healthcare		54,962		50,500
OPEB liability - supplemental death benefits		21,051		18,639
Net pension liability		-		7,458
Estimated liability for landfill postclosure costs		120,010		135,005
Total non-current liabilities		321,920		357,373
Total liabilities		712,757		947,949
Deferred inflows of resources				
OPEB - retiree healthcare		8,280		9,444
Supplemental death benefits		1,030		1,351
Retirement pensions		35,456		37,907
Total deferred inflows of resources		44,766		48,702
Net position				
Net investment in capital assets		6,801,172		6,153,218
Unrestricted		7,994,473		7,897,780
Total net position	1	4,795,645	1	4,050,998
Total liabilities, deferred inflows				
of resources and net position	\$ 1	5,553,168	\$1	5,047,649

# City of Harlingen Sanitation Fund

#### Enterprise Fund

# Comparative Statements of Revenues,

### Expenditures and Change in Net Position

		Destated
	2024	Restated
Year ended September 30,	2021	2020
Operating revenues		<u> </u>
Current use charges	\$ 10,255,539	\$ 9,830,405
Operating expenses		
Personnel services	2,641,892	2,636,610
Contracted services	3,402,818	1,699,777
Materials and supplies	239,199	227,340
Other expenses	2,492,710	3,618,947
Depreciation and amortization	832,749	764,663
Total operating expenses	9,609,368	8,947,337
Operating income	646,171	883,068
Nonoperating revenues		
Interest revenue	3,347	77,040
Gain (loss) on sale/disposal of capital assets	8,190	(11,489)
Insurance recovery	-	5,774
Miscellaneous revenue	107,133	3,137
Total nonoperating revenues	118,670	74,462
Income (loss) before operating transfers	764,841	957,530
Transfers		
Transfers in	979,806	1,152,351
Transfers out	(1,000,000)	(1,299,996)
Total transfers	(1,000,000) (20,194)	(147,645)
	(20,134)	(147,043)
Increase (decrease) in net position	744,647	809,885
Net position, beginning of year	14,050,998	11,949,802
Prior period adjustment	-	1,291,311
Net position, beginning of year, as restated	14,050,998	13,241,113
Net position, end of year	\$ 14,795,645	\$ 14,050,998

# City of Harlingen Sanitation Fund Enterprise Fund Comparative Statements of Cash Flows

Year ended September 30,	2021	2020
Cash flows from operating activities		
Receipts from customers	\$ 10,371,525	\$ 9,794,094
Payment to suppliers	(6,454,040)	(5,267,581)
Payments to employees	(2,682,813)	(2,672,326)
Net cash provided by (used in) operations	1,234,672	1,854,187
Cash flows from (to) noncapital financing activities		
Transfers to other funds	(1,000,000)	(1,299,996)
Transfers from other funds	979,806	1,152,351
Net cash provided by (used in) noncapital financing activities	(20,194)	(147,645)
Cash flows from capital and related financing activities		
Proceeds from sale of capital assets	8,190	5,602
Purchase of capital assets	(1,398,149)	(2,052,295)
Net cash provided by (used in) capital and related financing activities	(1,389,959)	(2,046,693)
Cash flows from investing activities		
Interest received	3,347	77,040
Net cash provided by (used in) investing activities	3,347	77,040
Net increase (decrease) in cash and cash equivalents	(172,134)	(263,111)
Cash and cash equivalents, beginning of year	8,610,149	8,873,260
Cash and cash equivalents, end of year	\$ 8,438,015	\$ 8,610,149

#### City of Harlingen Sanitation Fund Enterprise Fund

### **Comparative Statements of Cash Flows - Continued**

Year ended September 30,	2021	2020
Reconciliation of operating income to net cash provided		
by (used in) operating activities:		
Operating income (loss)	\$ 646,171	\$ 883 <i>,</i> 068
Adjustments to reconcile net income from operations		
to net cash from operating activities		
Depreciation	750,197	764,663
Other revenue received	107,133	3,137
Insurance recoveries received	-	5,774
(Increase) decrease in receivables	(24,865)	39,440
(Increase) decrease in prepaid items	(18,327)	31,926
(Increase) decrease in due from component units	33,718	(84,662)
(Increase) decrease in deferred outflows of resources	(875)	53 <i>,</i> 466
Increase (decrease) in accounts payable	(220,657)	323 <i>,</i> 340
Increase (decrease) in accrued expenses	17,218	(76,783)
Increase (decrease) in net pension asset/liability	(23,390)	(90 <i>,</i> 745)
Increase (decrease) in net other post employment benefit obligations	3,454	(5,523)
Increase (decrease) in compensated absences	(16,174)	(37,483)
Increase (decrease) in deferred inflows of resources	(3,936)	44,569
Increase (decrease) in estimated liability for landfill closure		
and post closure costs	(14,995)	-
Total adjustments	588,501	971,119
Net cash provided by (used in) operations	\$ 1,234,672	\$ 1,854,187

# City of Harlingen Municipal Golf Course Fund Enterprise Fund Comparative Statement of Net Position

September 30,		2021		2020
Assets				
Current assets				
Accounts receivables (net of allowances for uncollectibles)	\$	1,768	\$	4,134
Inventories		7,569		13,593
Prepayments		2,786		-
Total current assets		12,123		17,727
Non-current assets				
Net pension asset		8,433		-
Capital assets				
Land		49,496		49,496
Plant and equipment	4,3	220,479	4	,180,857
Accumulated depreciation	(3,4	436,447)	(3	,329,070)
Total capital assets (net of accumulated depreciation)		833,528		901,283
Total non-current assets		841,961		901,283
Total assets	:	854,084		919,010
Deferred outflows of resources				
OPEB - retiree healthcare		3,621		2,301
OPEB - supplemental death benefits		1,698		1,208
Retirement pensions		5,078		4,613
Total deferred outflows of resources		10,397		8,122
Total assets and deferred outflows of resources	\$ 3	864,481	\$	927,132

### City of Harlingen Municipal Golf Course Fund Enterprise Fund Comparative Statement of Net Position - Continued

September 30,	2021	2020
Liabilities		
Current liabilities		
Accounts payable	\$ 18,294	\$ 22,962
Customer deposits	575	275
Due to other funds	1,155,819	1,157,376
Compensated absences	19,548	16,920
Accrued expenses	5,395	3,520
Unearned revenues	200	-
Capital lease - current	50,849	49,445
Total current liabilities	1,250,680	1,250,498
Non-current liabilities		
Compensated absences	41,716	44,608
Capital lease - non-current	152,052	202,901
OPEB liability - retiree healthcare	29,092	26,730
OPEB liability - supplemental death benefits	11,142	9,866
Net pension liability	, -	3,948
Total non-current liabilities	234,002	288,053
Total liabilities	1,484,682	1,538,551
Deferred inflows of resources		
OPEB - retiree healthcare	4,383	4,999
Supplemental death benefits	545	715
Retirement pensions	18,768	20,064
Total deferred inflows of resources	23,696	25,778
Net position		
Net investment in capital assets	630,627	648,937
Unrestricted	(1,274,524)	(1,286,134)
Total net position	(643,897)	(637,197)
Total liabilities, deferred inflows	<b>1 000 1</b>	A 007 407
of resources and net position	\$ 864,481	\$ 927,132

### City of Harlingen Municipal Golf Course Fund Enterprise Fund Comparative Statements of Revenues, Expenditures and Change in Net Position

Year ended September 30,	2021	2020
Operating revenues		
Golf course fees and charges	\$ 845,185	\$ 666,986
Operating expenses		
Personnel services	618,444	648,083
Contracted services	83,454	163,639
Materials and supplies	131,673	110,835
Other expenses	62,320	60,913
Depreciation and amortization	107,376	85,036
Total operating expenses	1,003,267	1,068,506
Operating loss	(158,082)	(401,520)
Nonoperating revenues (expenses)	(2.1.2)	( )
Interest expense	(6,443)	(2,717)
Miscellaneous revenue	15,731	11,133
Total nonoperating revenues (expenses)	9,288	8,416
Income (loss) before operating transfers	(148,794)	(393,104)
Transfers		
Transfers in	142,094	-
Total transfers	142,094	-
Increase (decrease) in net position	(6,700)	(393,104)
Net position, beginning of year	(637,197)	(244,093)
Net position, end of year	\$ (643,897)	\$ (637,197)

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# City of Harlingen Municipal Golf Course Fund Enterprise Fund Comparative Statements of Cash Flows

Very and ad Castomber 20	2021	2020
Year ended September 30,	2021	2020
Cash flows from operating activities	A 0.00 100	+ c== =00
Receipts from customers	\$ 863,482	\$ 677,709
Payment to suppliers	(290,958)	(14,650)
Payments to employees	(631,808)	(653,745)
Net cash provided by (used in) operations	(59,284)	9,314
Cash flows from (to) noncapital financing activities		
Transfers from other funds	142,094	-
Net cash provided by (used in) noncapital financing activities	142,094	-
Cash flows from capital and related financing activities		
Purchase of capital assets	(26,922)	-
Principal paid on capital leases	(49 <i>,</i> 445)	(6,597)
Interest paid	(6,443)	(2,717)
Net cash provided by (used in) capital and related financing activities	(82,810)	(9,314)
Cash flows from investing activities	-	-
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	
Cash and cash equivalents, end of year	\$-	\$-

### City of Harlingen Municipal Golf Course Fund Enterprise Fund Comparative Statements of Cash Flows - Continued

Year ended September 30,	2021	2020
Reconciliation of operating income to net cash provided		
by (used in) operating activities:		
Operating income (loss)	\$ (158,082)	\$ (401,520)
Adjustments to reconcile net income from operations		
to net cash from operating activities		
Depreciation	94,677	85,036
Other revenue received	15,731	11,133
(Increase) decrease in receivables	2,366	(410)
(Increase) decrease in prepaid items	(2,786)	-
(Increase) decrease in inventories	6,024	(1,956)
(Increase) decrease in deferred outflows of resources	(465)	28,300
Increase (decrease) in accounts payable	(4,368)	(3,223)
Increase (decrease) in due to other funds	(1,557)	344,328
Increase (decrease) in accrued expenses	1,875	(18,412)
Increase (decrease) in net pension asset/liability	(12,381)	(48,031)
Increase (decrease) in net other post employment benefit obligations	1,828	(2,925)
Increase (decrease) in compensated absences	(264)	(6,596)
Increase (decrease) in unearned revenues	200	-
Increase (decrease) in deferred inflows of resources	(2,082)	23,590
Total adjustments	98,798	410,834
Net cash provided by (used in) operations	\$ (59,284)	\$ 9,314
Supplemental disclosure of noncash activities	ć	¢ 250042
Initiation of capital lease	ې - ډ	\$ 258,943

# City of Harlingen Municipal Auditorium Fund Enterprise Fund Comparative Statement of Net Position

September 30,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 119,054	\$-
Accounts receivables (net of allowances for uncollectibles)	327	4,389
Prepayments	17,408	-
Restricted assets:		
Cash and cash equivalents	20,400	-
Total current assets	157,189	4,389
Non-current assets		
Net pension asset	2,315	-
Capital assets		
Plant and equipment	4,800,679	4,795,374
Accumulated depreciation	(3,964,085)	(3,895,276)
Total capital assets (net of accumulated depreciation)	836,594	900,098
Total non-current assets	838,909	900,098
Total assets	996,098	904,487
Deferred outflows of resources		
OPEB - retiree healthcare	994	631
OPEB - supplemental death benefits	466	332
Retirement pensions	1,393	1,266
Total deferred outflows of resources	2,853	2,229
Total assets and deferred outflows of resources	\$ 998,951	\$ 906,716

# City of Harlingen Municipal Auditorium Fund Enterprise Fund Comparative Statement of Net Position - Continued

September 30,	2021	2020
Liabilities		
Current liabilities		
Accounts payable	\$    9,475	\$ 23,779
Customer deposits	20,400	19,676
Due to other funds	-	6,921
Compensated absences	4,896	5,004
Accrued expenses	851	442
Unearned revenue	16,399	5,099
Total current liabilities	52,021	60,921
Non-current liabilities		
Compensated absences	10,448	13,193
OPEB liability - retiree healthcare	7,984	7,336
OPEB liability - supplemental death benefits	3,058	2,708
Net pension liability	-	1,083
Total non-current liabilities	21,490	24,320
Total liabilities	73,511	85,241
Deferred inflows of resources		
OPEB - retiree healthcare	1,203	1,372
Supplemental death benefits	149	196
Retirement pensions	5,151	5,507
Total deferred inflows of resources	6,503	7,075
Net position		
Net investment in capital assets	836,594	900,098
Unrestricted	82,343	(85,698)
Total net position	918,937	814,400
Total liabilities, deferred inflows		
of resources and net position	\$ 998,951	\$ 906,716

### City of Harlingen Municipal Auditorium Fund Enterprise Fund Comparative Statements of Revenues, Expenditures and Change in Net Position

Year ended September 30,	2021	2020
Operating revenues		
Rental income	\$ 2,633	\$ 28,269
Operating expenses		
Operating expenses Personnel services	100,222	103,220
Contracted services	132,591	103,220
	,	-
Materials and supplies	2,186	5,844
Other expenses	10,981	16,773
Depreciation and amortization	68,810	184,288
Total operating expenses	314,790	500,932
Operating income (loss)	(312,157)	(472,663)
Nonoperating revenues		
Interest revenue	3	297
Miscellaneous revenue	2,306	12,405
Total nonoperating revenues	2,309	12,702
Income (loss) before operating transfers	(309,848)	(459,961)
Transfers		
Transfers in	414,385	114,996
Total transfers	414,385	114,996
Increase (decrease) in net position	104,537	(344,965)
Net position, beginning of year	814,400	1,159,365
Net position, end of year	\$ 918,937	\$ 814,400

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# City of Harlingen Municipal Auditorium Fund Enterprise Fund Comparative Statements of Cash Flows

Year ended September 30,	2021	2020
Cash flows from operating activities		
Receipts from customers	\$ 20,301	\$ 35,654
Payment to suppliers	(177,954)	(157,992)
Payments to employees	(106,671)	(105,298)
Net cash provided by (used in) operations	(264,324)	(227,636)
Cash flows from (to) noncapital financing activities		
Transfers from other funds	414,385	114,996
Net cash provided by (used in) noncapital financing activities	414,385	114,996
Cash flows from capital and related financing activities Purchase of capital assets	(10,610)	-
Net cash provided by (used in) capital and related financing activities	(10,610)	-
Cash flows from investing activities Interest received	3	297
Net cash provided by (used in) investing activities	3	297
Net increase (decrease) in cash and cash equivalents	139,454	(112,343)
Cash and cash equivalents, beginning of year	-	112,343
Cash and cash equivalents, end of year	\$ 139,454	\$-

### City of Harlingen Municipal Auditorium Fund Enterprise Fund Comparative Statements of Cash Flows - Continued

Year ended September 30,	2021	2020
Reconciliation of operating income to net cash provided		
by (used in) operating activities:		
Operating income (loss)	\$ (312,157)	\$ (472,663)
Adjustments to reconcile net income from operations		
to net cash from operating activities		
Depreciation	74,113	184,288
Other revenue received	2,306	12,405
(Increase) decrease in receivables	4,062	-
(Increase) decrease in prepaid items	(17,408)	54,727
(Increase) decrease in deferred outflows of resources	(126)	7,768
Increase (decrease) in accounts payable	(13,580)	(3,180)
Increase (decrease) in due to other funds	(6,921)	6,921
Increase (decrease) in accrued expenses	409	(3,037)
Increase (decrease) in net pension asset/liability	(3,398)	(13,182)
Increase (decrease) in net other post employment benefit obligations	501	(802)
Increase (decrease) in compensated absences	(2,853)	(2,335)
Increase (decrease) in unearned revenues	11,300	(5,020)
Increase (decrease) in deferred inflows of resources	(572)	6,474
Total adjustments	47,833	245,027
Net cash provided by (used in) operations	\$ (264,324)	\$ (227,636)

### City of Harlingen Harlingen Arts and Heritage Museum Fund Enterprise Fund Comparative Statement of Net Position

September 30,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 38,062	\$ 36,581
Accounts receivables (net of allowances for uncollectibles)	32	128
Prepayments	4,746	-
Restricted assets:		
Cash and cash equivalents	1,200	1,050
Total current assets	44,040	37,759
Non-current assets		
Capital assets		
Plant and equipment	244,776	244,776
Accumulated depreciation	(190,254)	(179,006)
Total capital assets (net of accumulated depreciation)	54,522	65,770
Total non-current assets	54,522	65,770
Total assets	98,562	103,529
Deferred outflows of resources	-	-
Total assets and deferred outflows of resources	\$ 98,562	\$ 103,529

### City of Harlingen Harlingen Arts and Heritage Museum Fund Enterprise Fund Comparative Statement of Net Position - Continued

September 30,	2021	2020
Liabilities		
Current liabilities		
Accounts payable	\$ 19,552	\$ 8,747
Customer deposits	1,200	1,050
compensated absences	2,967	1,985
Accrued expenses	446	232
Total current liabilities	24,165	12,014
Non-current liabilities		
Compensated absences	6,331	5,234
Total non-current liabilities	6,331	5,234
Total liabilities	30,496	17,248
Deferred inflows of resources	-	-
Net position		
Net investment in capital assets	54,522	65,770
Unrestricted	13,544	20,511
Total net position	68,066	86,281
Total liabilities, deferred inflows		
of resources and net position	\$ 98,562	\$ 103,529

# City of Harlingen Harlingen Arts and Heritage Museum Fund Enterprise Fund Comparative Statements of Revenues, Expenditures and Change in Net Position

Year ended September 30,	2021	2020
Operating revenues		
Admissions	\$ 213	\$ 3,303
Operating expenses	50.262	50.000
Personnel services	58,262	59,933
Contracted services	25,543	36,053
Materials and supplies	3,083	5,871
Other expenses	12,028	12,100
Depreciation and amortization	11,248	13,777
Total operating expenses	110,164	127,734
Operating income (loss)	(109,951)	(124,431)
Nonoperating revenues		
Interest revenue	6	117
Miscellaneous revenue	-	5,880
Total nonoperating revenues	6	5,997
Income (loss) before operating transfers	(109,945)	(118,434)
Transfers		
Transfers in	91,730	111,238
Total transfers	91,730	111,238
Increase (decrease) in net position	(18,215)	(7,196)
Net position, beginning of year	86,281	93,477
Net position, end of year	\$ 68,066	\$ 86,281

### City of Harlingen Harlingen Arts and Heritage Museum Fund Enterprise Fund Comparative Statements of Cash Flows

Year ended September 30,	2021	2020
Cash flows from operating activities		
Receipts from customers	\$ 309	\$ 9,087
Payment to suppliers	(34,231)	(50,018)
Payments to employees	(56,183)	(59,965)
Net cash provided by (used in) operations	(90,105)	(100,896)
Cash flows from (to) noncapital financing activities		
Transfers from other funds	91,730	111,238
Net cash provided by (used in) noncapital financing activities	91,730	111,238
	51,700	111,200
Cash flows from capital and related financing activities		
Purchase of capital assets	-	(21,238)
Net cash provided by (used in) capital and related financing activities	-	(21,238)
Cash flows from investing activities		
Interest received	6	117
Net cash provided by (used in) investing activities	6	117
Net increase (decrease) in cash and cash equivalents	1,631	(10,779)
Cash and cash equivalents, beginning of year	37,631	48,410
Cash and each activitation and of upon	¢ 20.262	¢ 27.621
Cash and cash equivalents, end of year	\$ 39,262	\$ 37,631
Reconciliation of operating income to net cash provided		
by (used in) operating activities:		
Operating income (loss)	\$ (109,951)	\$ (124,431)
Adjustments to reconcile net income from operations	1 ( / /	1 ( ) = )
to net cash from operating activities		
Depreciation	11,248	13,777
Other revenue received	-	5,880
(Increase) decrease in receivables	96	(96)
(Increase) decrease in prepaid items	(4,746)	11,988
Increase (decrease) in accounts payable	10,955	(6,048)
Increase (decrease) in accrued expenses	214	(1,934)
Increase (decrease) in compensated absences	2,079	(32)
Total adjustments	19,846	23,535
	ć (00.405)	ć (100.000)
Net cash provided by (used in) operations	\$ (90,105)	\$ (100,896)

#### SUPPLEMENTARY INDIVIDUAL INTERNAL SERVICE FUNDS FINANCIAL STATEMENTS AND SCHEDULES

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#### City of Harlingen, Texas Internal Service Funds

The internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City has the following internal service funds:

The **Motor Vehicle/Warehouse Fund** is used to account for the monies received in servicing motorized vehicles and other equipment required for various departments of the City together with those related costs associated with the maintenance and repair of such vehicles and equipment.

The **Health Insurance Fund** is used to account for the monies received in providing medical insurance to the City's employees and families through a medical benefit program of a commercial carrier.

## City of Harlingen Motor Vehicle and Warehouse Fund Internal Service Fund Comparative Statement of Net Position

September 30,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 3,989,515	\$ 3,687,647
Accounts receivables (net of allowances for uncollectibles)	16,801	10,823
Inventories	217,486	191,673
Prepayments	6,473	-
Due from component units	803	615
Total current assets	4,231,078	3,890,758
Non-current assets		
Net pension asset	13,483	-
Capital assets		
Plant and equipment	20,239,890	21,062,708
Accumulated depreciation	(16,720,403)	(16,544,228)
Total capital assets (net of accumulated depreciation)	3,519,487	4,518,480
Total non-current assets	3,532,970	4,518,480
Total assets	7,764,048	8,409,238
Deferred outflows of resources		
OPEB - retiree healthcare	5,790	3,679
OPEB - supplemental death benefits	2,715	1,932
Retirement pensions	8,117	7,376
Total deferred outflows of resources	16,622	12,987
Total assets and deferred outflows of resources	\$ 7,780,670	\$ 8,422,225

## City of Harlingen Motor Vehicle and Warehouse Fund Internal Service Fund Comparative Statement of Net Position - Continued

September 30,	2021	2020
Liabilities		
Current liabilities		
Accounts payable	\$ 1,543	\$ 13,022
Compensated absences	12,247	12,585
Accrued expenses	2,821	1,201
Total current liabilities	16,611	26,808
Non-current liabilities		
Compensated absences	34,609	33,177
OPEB liability - retiree healthcare	46,511	42,734
OPEB liability - supplemental death benefits	17,814	15,773
Net pension liability	-	6,311
Total non-current liabilities	98,934	97,995
Total liabilities	115,545	124,803
Deferred inflows of resources		
OPEB - retiree healthcare	7,007	7,992
Supplemental death benefits	871	1,143
Retirement pensions	30,005	32,079
Total deferred inflows of resources	37,883	41,214
Net position		
Net investment in capital assets	3,519,487	4,518,480
Unrestricted	4,107,755	3,737,728
Total net position	7,627,242	
Total liabilities, deferred inflows		
of resources and net position	\$ 7,780,670	\$ 8,422,225

## City of Harlingen Motor Vehicle and Warehouse Fund Internal Service Fund Comparative Statements of Revenues, Expenditures and Change in Net Position

Year ended September 30,		2020
Operating revenues		
Current use charges	\$ 3,470,309	\$ 3,268,754
Operating expenses		
Personnel services	376,427	349,108
Contracted services	46,854	101,002
Materials and supplies	1,676,088	1,578,536
Other expenses	31,414	42,177
Depreciation and amortization	998,991	1,184,152
Total operating expenses	3,129,774	3,254,975
Operating income	340,535	13,779
Nonoperating revenues (expenses)		
Interest revenue	1,397	31,213
Gain (loss) on sale/disposal of capital assets	-	(137,132)
Insurance recovery	-	3,510
Miscellaneous revenue	-	220
Total nonoperating revenues (expenses)	1,397	(102,189)
Income (loss) before operating transfers	341,932	(88,410)
		i
Transfers		
Transfers in	-	666,250
Transfers out	(970,898)	(1,152,351)
Total transfers	(970,898)	(486,101)
Increase (decrease) in net position	(628,966)	(574,511)
Net position, beginning of year	8,256,208	8,830,719
Net position, end of year	\$ 7,627,242	\$ 8,256,208

## City of Harlingen Motor Vehicle and Warehouse Fund Enterprise Fund Comparative Statements of Cash Flows

Year ended September 30,	2021	2020
Cash flows from operating activities		
Receipts from customers	\$ 3,464,946	\$ 3,273,970
Payment to suppliers	(1,798,924)	(1,769,541)
Payments to employees	(394,655)	(378,750)
Net cash provided by (used in) operations	1,271,367	1,125,679
Cash flows from (to) noncapital financing activities		
Transfers from other funds	-	666,250
Transfers to other funds	(970,898)	(1,152,351)
Net cash provided by (used in) noncapital financing activities	(970,898)	(486,101)
Cash flows from capital and related financing activities Purchase of capital assets	_	(718,292)
Net cash provided by (used in) capital and related financing activities	-	(718,292)
Cash flows from investing activities Interest received	1,399	31,213
Net cash provided by (used in) investing activities	1,399	31,213
Net increase (decrease) in cash and cash equivalents	301,868	(47,501)
Cash and cash equivalents, beginning of year	3,687,647	3,735,148
Cash and cash equivalents, end of year	\$ 3,989,515	\$ 3,687,647

#### City of Harlingen Motor Vehicle and Warehouse Fund Enterprise Fund Comparative Statements of Cash Flows - Continued

Year ended September 30,	2021		2020
Reconciliation of operating income to net cash provided			
by (used in) operating activities:			
Operating income (loss)	\$ 340,535	\$	13,779
Adjustments to reconcile net income from operations			
to net cash from operating activities			
Depreciation	998,991	1	1,184,152
Other revenue received	-		220
Insurance recovery received	-		3,510
(Increase) decrease in receivables	(5,978)		2,101
(Increase) decrease in due from other funds	(803)		-
(Increase) decrease in due from component units	615		(615)
(Increase) decrease in prepaid items	(6 <i>,</i> 473)		16,030
(Increase) decrease in inventories	(25 <i>,</i> 813)		(74,273)
(Increase) decrease in deferred outflows of resources	(741)		45,244
Increase (decrease) in deferred inflows of resources	(3,331)		37,716
Increase (decrease) in accounts payable	(11,479)		10,417
Increase (decrease) in net pension asset/liability	(19 <i>,</i> 794)		(76,791)
Increase (decrease) in net other post employment benefit obligations	4,018		(17,628)
Increase (decrease) in accrued expenses	1,620		(18,183)
Total adjustments	930,832	1	,111,900
Net cash provided by (used in) operations	\$ 1,271,367	\$1	L,125,679

## City of Harlingen Health Insurance Fund Internal Service Fund Comparative Statement of Net Position

September 30,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 80,621	\$ 891,351
Accounts receivables (net of allowances for uncollectibles)	6,611	6,232
Prepayments	470,494	-
Total current assets	557,726	897,583
Tatal access	¢ 557 700	¢ 007 F02
Total assets	\$ 557,726	\$ 897,583
Liabilities		
Current liabilities		
Accounts payable	\$ 14,248	\$ 21,724
Due to other funds	-	65,000
Total current liabilities	14,248	86,724
Total liabilities	14,248	86,724
Net position		
Unrestricted	543,478	810,859
Total net position	543,478	810,859
Total liabilities and net position	\$ 557,726	\$ 897,583

## City of Harlingen Health Insurance Fund Internal Service Fund Comparative Statements of Revenues, Expenditures and Change in Net Position

Year ended September 30,	2021	2020
Operating revenues		
Current use charges	\$ 4,614,245	\$ 4,782,640
Operating expenses		
Contracted services	4,736,691	4,619,381
Total operating expenses	4,736,691	4,619,381
Operating income (loss)	(122,446)	163,259
Nonoperating revenues		
Interest revenue	65	3,620
Total nonoperating revenues	65	3,620
Income (loss) before operating transfers	(122,381)	166,879
Transfers		
Transfers in	65,000	-
Transfers out	(210,000)	-
Total transfers	(145,000)	-
Net change in net position	(267,381)	166,879
Net position, beginning of year	810,859	643,980
Net position, end of year	\$ 543,478	\$ 810,859

## City of Harlingen Health Insurance Fund Enterprise Fund Comparative Statements of Cash Flows

Year ended September 30,	2021	2020
Cash flows from operating activities		
Receipts from customers	\$ 4,613,866	\$ 4,780,919
Payment to suppliers	(5,279,661)	(4,606,670)
Net cash provided by (used in) operations	(665,795)	174,249
Cash flows from (to) noncapital financing activities		
Transfers from other funds	65,000	-
Transfers to other funds	(210,000)	-
Net cash provided by (used in) noncapital financing activities	(145,000)	-
Cash flows from capital and related financing activities	-	-
Cash flows from investing activities		
Interest received	65	3,620
Net cash provided by (used in) investing activities	65	3,620
Net increase (decrease) in cash and cash equivalents	(810,730)	177,869
Cash and cash equivalents, beginning of year	891,351	713,482
Cash and cash equivalents, end of year	\$ 80,621	\$ 891,351
Descertise of exercises income to not each everyided		
Reconciliation of operating income to net cash provided		
by (used in) operating activities:	ć (122.44C)	¢ 162.250
Operating income (loss)	\$ (122,446)	\$ 163,259
Adjustments to reconcile net income from operations to net cash from operating activities		
(Increase) decrease in receivables	(270)	(1 721)
	(379)	(1,721)
(Increase) decrease in prepaid items	(470,494)	9,285
Increase (decrease) in accounts payable	(7,476)	3,426
Increase (decrease) in due to other funds	(65,000)	-
Total adjustments	(543,349)	10,990
Net cash provided by (used in) operations	\$ (665,795)	\$ 174,249

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#### SUPPLEMENTARY INDIVIDUAL COMPONENT UNITS FINANCIAL STATEMENTS

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#### City of Harlingen, Texas Component Units

Discretely presented component units are legally separate organizations that the City of Harlingen must include as part of its financial reporting entity for fair presentation.

#### Governmental

The **Harlingen Economic Development Corporation, Inc.** is a separately chartered nonprofit 4A corporation. The fund administers 75% of the special ½ cent sales tax monies to foster economic development within the City. The Board of Directors is appointed by the City Commission and functions as the decision/policy-making body for all activities related to this component unit subject to prior Commission approval of disbursements in excess of \$25,000.

The **Harlingen Community Improvement Board** is a separately chartered nonprofit 4B corporation. The fund administers 25% of the special ½ cent sales tax monies to foster economic development within the City. The Board of Directors are appointed by the City Commission and functions as the decision/policy-making body for all activities related to this component unit subject to prior Commission approval of disbursements in excess of \$25,000.

#### Business-type

The **Water and Wastewater System Fund** is used to account for the operations of the Waterworks and Wastewater System. This fund is primarily controlled by a board separate from the City Commission.

The **Valley International Airport Fund** is used to account for the operations of the Valley International Airport. This fund is primarily controlled by a board separate from the City Commission.

#### City of Harlingen, Texas Harlingen Economic Development Corporation, Inc. Component Unit Comparative Balance Sheets

September 30,		2021	2020
Assets			
Cash and cash equivalents	\$	<b>9,869,145</b> \$	8,317,674
Receivables (net of allowances for uncollectibles)	•	-,,	-,,
Accounts		153,218	89,223
Due from other government		433,492	399,541
Due from primary governments		-	50,000
Restricted cash and cash equivalents		2,500	-
Long-term loans receivable		186,652	715,652
Redevelopment properties		1,847,816	1,847,816
Total assets	\$	<b>12,492,823</b> \$	11,419,906
Liabilities			
Accounts payable	\$	<b>130,797</b> \$	63,494
Accrued expenditures		4,658	2,221
Customer deposits - payable from restricted assets		2,500	-
Total liabilities		137,955	65,715
Deferred inflows of resources			
Deferred inflows of resources - noncurrent receivables		189,520	718,520
Fund balance			
Nonspendable		2,111	2,111
Committed		2,000,000	2,000,000
Assigned		2,733	2,733
Unassigned		10,160,504	8,630,827
Total fund balance		12,165,348	10,635,671
Total liabilities, deferred inflows			
of resources and fund balances	\$	<b>12,492,823</b> \$	11,419,906

#### City of Harlingen, Texas Harlingen Economic Development Corporation, Inc. Component Unit

#### Reconciliation of the Balance Sheet of the Harlingen Economic Development Corporation to the Component Unit Combining Statement of Net Position

Year ended September 30, 2021	
	HEDC Activities
Fund balances component unit	\$ 12,165,348
Amounts reported in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. This is the amount of governmental assets \$40,993,573, net of accumulated depreciation totaling	
\$(11,111,156).	29,882,417
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	189,520
Long term liabilities, including \$57,761 in compensated absences, applicable to the component units governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are reported in the statement of net	
position.	(23,417,992)
Interest on long-term debt payable is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(739,717)
Net position of the component unit on the statement of net position	\$ 18,079,576

#### City of Harlingen, Texas Harlingen Economic Development Corporation, Inc. Component Unit

#### Comparative Statements of Revenues, Expenditures and Changes in Fund Balance

Year ended September 30,	2021	2020
Revenues		
Non property taxes	\$ <b>5,619,773</b> \$	4,870,646
Intergovernmental	799,406	232,093
Miscellaneous and program revenues	923,686	983,478
Interest and investment income	3,372	72,170
Total revenues	7,346,237	6,158,387
Expenditures		
Current		
Community and economic development	3,060,577	3,252,131
Debt Service		
Principal retirement	1,865,000	1,955,000
Interest and fiscal agent fees	890,183	735,131
Bond issuance costs and fees	800	1,500
Total expenditures	5,816,560	5,943,762
Excess revenue over (under) expenditures	1,529,677	214,625
Other financing sources (uses)		
Bond refunding issuance premium	-	2,490,235
Refunding bond proceeds	-	21,620,000
Payment to refunded bond escrow agent	-	(23,688,181)
Cost of refunded bonds	-	(422,054)
Total other financing sources	-	-
Net change in fund balance	1,529,677	214,625
Fund balance, beginning of year	10,635,671	10,421,046
Fund balance, end of year	\$ <b>12,165,348</b> \$	10,635,671

#### City of Harlingen, Texas Harlingen Economic Development Corporation, Inc. Component Unit

#### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Harlingen Economic Development Corporation to the Component Unit Combining Statement of Activities

Year ended September 30, 2021	
	HEDC Activities
Net change in fund balances component unit fund	\$ 1,529,677
Amounts reported in the statement of activities are different because:	
Governmental funds report capital asset depreciation as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that depreciation expense for the current period \$(1,024,189) exceeded capital outlay	
expenditures of $0$ .	(1,024,189)
Other long term assets are not available to pay for current period	
expenditures and therefore are deferred in the funds.	(529,000)
Repayment of bond and notes payable principal is an expenditure in the	
governmental funds, but the repayment reduces long term liabilities in the statement	1,865,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in	
governmental funds. Long term debt is not recorded at the fund level, and	
consequently, the decrease in accrued interest of \$(8,227) is not recorded either. Also, any changes in compensated absences \$(4,260) and the establishment and	
amortization of premiums related to long-term debt totaling \$343,504, are reported	
as an increase or decrease to expenses in the statement of activities but not in the	
increase or decrease to expenses in the statement of activities but not in the	
governmental funds.	 331,017
Change in net position of Harlingen Economic Development Corporation:	\$ 2,172,505

#### City of Harlingen, Texas Harlingen Community Improvement Board Component Unit Comparative Balance Sheet

September 30,	2021	2020
Assets		
Cash and cash equivalents	\$ <b>6,423,455</b> \$	5,941,275
Receivables (net of allowances for uncollectibles)		
Accounts	894	883
Due from other government	144,497	133,180
Total assets	\$ <b>6,568,846</b> \$	6,075,338
Liabilities		
Accounts payable	\$ <b>8,717</b> \$	137,936
Total liabilities	 8,717	137,936
Fund balance		
Assigned	57 <i>,</i> 869	57,869
Unassigned	6,502,260	5,879,533
Total fund balance	 6,560,129	5,937,402
Total liabilities and fund balance	\$ <b>6,568,846</b> \$	6,075,338

#### City of Harlingen, Texas

#### Harlingen Community Improvement Board Component Unit

## **Comparative Statement of Revenues, Expenditures and Change in Fund Balance**

Year ended September 30,	 2021	2020
Revenues		
Non property taxes	\$ <b>1,839,020</b> \$	1,594,273
Intergovernmental	15,496	-
Interest and investment income	1,957	34,223
Total revenues	1,856,473	1,628,496
Expenditures		
Current		
Community and economic development	605,015	606,485
Capital outlay	628,731	1,951,708
Total expenditures	1,233,746	2,558,193
Net change in fund balance	622,727	(929,697)
Fund balance, beginning of year	5,937,402	6,867,099
Fund balance, end of year	\$ <b>6,560,129</b> \$	5,937,402

#### City of Harlingen, Texas Harlingen Waterworks System Component Unit Comparative Balance Sheets

September 30,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 12,565,710	12,375,254
Investments - other	16,282,514	17,356,544
Receivables (net of allowances for uncollectibles)	2,224,558	2,037,171
Interest receivable	1,943	12,619
Inventories	455,956	401,100
Prepaid expenses	29,453	-
Restricted assets		
Cash and cash equivalents	4,310,542	4,302,777
Investments	3,749,034	3,757,515
Total current assets	39,619,710	40,242,980
	00,010,110	10,2 12,500
Noncurrent Assets		
Net pension asset	1,331,806	1,114,105
Capital assets		
Non-depreciable assets	12,509,139	10,736,157
Depreciable assets	193,232,338	187,725,776
Accumulated depreciation	(127,586,276)	(124,227,239)
Total capital assets, net	78,155,201	74,234,694
Total assets	119,106,717	115,591,779
Deferred outflows of resources		
Deferred charge on refunding	148,753	177,188
Deferred resource outflows for pensions	1,107,501	1,557,802
Deferred resource outflows for OPEB	1,462,021	1,068,396
Total deferred outflows of resources	2,718,275	2,803,386
Total assets and deferred		
outflows of resources	\$ 121,824,992	\$ 118,395,165

#### City of Harlingen, Texas Harlingen Waterworks System Component Unit Comparative Balance Sheets - Continued

September 30,	2021	2020
Liabilities		
Current liabilities		
Accounts payable	\$ 939,902	\$ 1,202,496
Due to primary government	117,202	164,876
Other liabilities	684,861	539,357
Payable from restricted assets:		
Accrued interest	248,479	265,792
Customer deposits - current	350,000	350,000
Compensated absences - current	500,000	500,000
Revenue bonds - current	1,066,974	1,461,162
Total current liabilities	3,907,418	4,483,683
Noncurrent liabilities		
Revenue bonds payable, net	16,801,745	17,868,719
Compensated absences	289,145	319,212
OPEB - retiree healthcare	10,990,608	9,835,549
OPEB - supplemental death benefits	712,234	609,404
Payable from restricted assets	2,905,862	2,644,888
Total long-term debt	31,699,594	31,277,772
Total liabilities	35,607,012	35,761,455
Deferred inflows of resources		
Deferred pension inflows	1,819,801	2,450,177
Deferred OPEB inflows	670,314	1,204,527
Total deferred inflows of resources	2,490,115	3,654,704
· · · · · ·		
Net position	CO 435 335	
Net investment in capital assets	60,435,235	55,082,001
Restricted	5,172,706	5,005,937
Unrestricted	18,119,924	18,891,068
Total net position	83,727,865	78,979,006
Total liabilities, deferred inflows		
of resources and net position	\$ 121,824,992	\$ 118,395,165

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#### City of Harlingen, Texas Harlingen Waterworks System Component Unit

## Comparative Statement of Revenues, Expenses and Changes in Net Position

Contracted services         3,117,982         3,186,374           Supplies and maintenance         3,410,410         3,211,052           Other expenses         147,313         147,315           Depreciation         3,975,072         4,055,167           Total operating expenses         19,940,500         19,294,559           Operating income         1,824,255         1,812,993           Non-operating revenues         1         1,47,540           Impact fees         909,712         1,064,009           Investment earnings         174,540         540,881           Miscellaneous revenue         1,348,840         649,258           Total non-operating revenues         2,433,092         2,254,148           Non-operating expenses         1         174,540         540,881           Miscellaneous revenue         1,348,840         649,258         7041 non-operating revenues         2,433,092         2,254,148           Non-operating expenses         1         1         709,604         1         1         709,604           Net income (loss) before capital contributions         3,865,206         3,357,537         2         2         2         2         5           Change in net position         4,748,859         4,127,089<	Year ended September 30,		2021	2020
Charges for services Current use charges\$ 21,764,755\$ 21,107,552Operating expenses Personal services9,289,7238,694,651Contracted services3,117,9823,186,374Supplies and maintenance3,410,4103,211,052Other expenses147,313147,315Depreciation3,975,0124,055,167Total operating expenses19,940,50019,294,559Operating income1,824,2551,812,993Non-operating revenues Impact fees909,7121,064,009Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses1392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,9171				
Current use charges         \$ 21,764,755         \$ 21,107,552           Operating expenses         9,289,723         8,694,651           Personal services         3,117,982         3,186,374           Supplies and maintenance         3,410,410         3,211,052           Other expenses         147,313         147,313           Depreciation         3,975,072         4,055,167           Total operating expenses         19,940,500         19,294,559           Operating income         1,824,255         1,812,993           Non-operating revenues         174,540         540,881           Impact fees         909,712         1,064,009           Investment earnings         174,540         540,881           Miscellaneous revenue         1,348,840         649,258           Total non-operating revenues         2,433,092         2,254,148           Non-operating expenses         392,141         709,604           Interest and amortization expense         392,141         709,604           Net income (loss) before capital contributions         3,865,206         3,357,537           Capital contributions         883,653         769,552           Change in net position         4,748,859         4,127,089           Net position, be				
Operating expensesPersonal services9,289,7238,694,651Contracted services3,117,9823,186,374Supplies and maintenance3,410,4103,211,052Other expenses147,313147,313Depreciation3,975,0724,055,167Total operating expenses19,940,50019,294,559Operating income1,824,2551,812,993Non-operating revenues174,540540,881Impact fees909,7121,064,009Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses11terest and amortization expense392,141Total non-operating expenses392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions4,748,8594,127,089Net position, beginning78,979,00674,851,917	•	•	<b>A 364 355</b> A	24 407 552
Personal services         9,289,723         8,694,651           Contracted services         3,117,982         3,186,374           Supplies and maintenance         3,410,410         3,211,052           Other expenses         147,313         147,315           Depreciation         3,975,072         4,055,167           Total operating expenses         19,940,500         19,294,559           Operating income         1,824,255         1,812,993           Non-operating revenues         1         147,340           Impact fees         909,712         1,064,009           Investment earnings         174,540         540,881           Miscellaneous revenue         1,348,840         649,258           Total non-operating revenues         2,433,092         2,254,148           Non-operating expenses         1         1           Interest and amortization expense         392,141         709,604           Net income (loss) before capital contributions         3,865,206         3,357,537           Capital contributions         883,653         769,552           Change in net position         4,748,859         4,127,089           Net position, beginning         74,851,917         74,851,917	Current use charges	\$	21,/64,/55 \$	21,107,552
Personal services         9,289,723         8,694,651           Contracted services         3,117,982         3,186,374           Supplies and maintenance         3,410,410         3,211,052           Other expenses         147,313         147,315           Depreciation         3,975,072         4,055,167           Total operating expenses         19,940,500         19,294,559           Operating income         1,824,255         1,812,993           Non-operating revenues         1         147,340         540,009           Impact fees         909,712         1,064,009         10,048,009           Investment earnings         174,540         540,881         Miscellaneous revenue         1,348,840         649,258           Total non-operating revenues         2,433,092         2,254,148         Non-operating expenses         1           Interest and amortization expense         392,141         709,604         Net income (loss) before capital contributions         3,865,206         3,357,537           Capital contributions         883,653         769,552         Change in net position         4,748,859         4,127,089           Net position, beginning         78,979,006         74,851,917         14,851,917	Operating expenses			
Supplies and maintenance         3,410,410         3,211,052           Other expenses         147,313         147,315           Depreciation         3,975,072         4,055,167           Total operating expenses         19,940,500         19,294,559           Operating income         1,824,255         1,812,993           Non-operating revenues         1         1           Impact fees         909,712         1,064,009           Investment earnings         174,540         540,881           Miscellaneous revenue         1,348,840         649,258           Total non-operating revenues         2,433,092         2,254,148           Non-operating expenses         1         1           Interest and amortization expense         392,141         709,604           Net income (loss) before capital contributions         3,865,206         3,357,537           Capital contributions         4,748,859         4,127,089           Net position, beginning         78,979,006         74,851,917			9,289,723	8,694,651
Other expenses         147,313         147,313         147,315           Depreciation         3,975,072         4,055,167           Total operating expenses         19,940,500         19,294,559           Operating income         1,824,255         1,812,993           Non-operating revenues         1         147,540         540,881           Impact fees         909,712         1,064,009         19,294,559           Investment earnings         174,540         540,881         540,881           Miscellaneous revenue         1,348,840         649,258         Total non-operating revenues         2,433,092         2,254,148           Non-operating expenses         Interest and amortization expense         392,141         709,604           Net income (loss) before capital contributions         3,865,206         3,357,537           Capital contributions         883,653         769,552           Change in net position         4,748,859         4,127,089           Net position, beginning         78,979,006         74,851,917	Contracted services		3,117,982	3,186,374
Depreciation         3,975,072         4,055,167           Total operating expenses         19,940,500         19,294,559           Operating income         1,824,255         1,812,993           Non-operating revenues         1         1,824,255         1,812,993           Non-operating revenues         909,712         1,064,009         1,044,009           Investment earnings         974,540         540,881           Miscellaneous revenue         1,348,840         649,258           Total non-operating revenues         2,433,092         2,254,148           Non-operating expenses         1         1           Interest and amortization expense         392,141         709,604           Net income (loss) before capital contributions         3,865,206         3,357,537           Capital contributions         883,653         769,552           Change in net position         4,748,859         4,127,089           Net position, beginning         78,979,006         74,851,917	Supplies and maintenance		3,410,410	3,211,052
Total operating expenses19,940,50019,294,559Operating income1,824,2551,812,993Non-operating revenuesImpact fees909,7121,064,009Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses392,141709,604Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions4,748,8594,127,089Net position, beginning78,979,00674,851,917	Other expenses		147,313	147,315
Operating income1,824,2551,812,993Non-operating revenues Impact fees909,7121,064,009Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917	Depreciation		3,975,072	4,055,167
Non-operating revenuesImpact fees909,7121,064,009Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses11Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917	Total operating expenses		19,940,500	19,294,559
Non-operating revenuesImpact fees909,7121,064,009Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses11Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917				
Impact fees909,7121,064,009Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses11Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917	Operating income		1,824,255	1,812,993
Impact fees909,7121,064,009Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses11Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917				
Investment earnings174,540540,881Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses1709,604Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917				
Miscellaneous revenue1,348,840649,258Total non-operating revenues2,433,0922,254,148Non-operating expenses11709,604Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917	•		909,712	1,064,009
Total non-operating revenues2,433,0922,254,148Non-operating expenses Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917	Investment earnings		174,540	540,881
Non-operating expenses Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917	Miscellaneous revenue		1,348,840	649,258
Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917	Total non-operating revenues		2,433,092	2,254,148
Interest and amortization expense392,141709,604Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917				
Net income (loss) before capital contributions3,865,2063,357,537Capital contributions883,653769,552Change in net position4,748,8594,127,089Net position, beginning78,979,00674,851,917				
Capital contributions         883,653         769,552           Change in net position         4,748,859         4,127,089           Net position, beginning         78,979,006         74,851,917	Interest and amortization expense		392,141	709,604
Capital contributions         883,653         769,552           Change in net position         4,748,859         4,127,089           Net position, beginning         78,979,006         74,851,917	Net income (loss) before capital contributions		3.865.206	3.357.537
Change in net position         4,748,859         4,127,089           Net position, beginning         78,979,006         74,851,917			-,,	-,,
Net position, beginning         78,979,006         74,851,917	Capital contributions		883,653	769,552
Net position, beginning         78,979,006         74,851,917	Change in not position		A 749 950	1 127 000
			4,/40,033	4,127,009
	Net position, beginning		78,979,006	74,851,917
iver position, end of year 3 03.121.003 3 70.979.000	Net position, end of year	Ś	<b>83,727,865</b> \$	78,979,006

#### City of Harlingen, Texas Harlingen Waterworks System Component Unit Comparative Statement of Cash Flows

Year ended September 30,		2021	2020
Cash flows from operating activities			
Receipts from customers - service revenue	\$	<b>24,023,159</b> \$	22,895,022
Payments to suppliers	-	(6,949,003)	(5,775,555)
Payments to employees		(9,356,122)	(8,385,683)
Net cash provided by operations		7,718,034	8,733,784
Cash flows from capital and related financing activities		(7.961.472)	
Acquisition and construction of capital assets		(7,861,472)	(5,915,512)
Proceeds from refunding debt issuance		-	5,347,227
Proceeds from impact fees		909,712	1,064,009
Payments made to refunded bond escrow agent		-	(5,227,845)
Principal paid on revenue bonds		(1,385,000)	(1,565,000)
Interest and fees paid on revenue bonds		(450,781)	(725,810)
Net cash provided by (used in) capital and related financing activities		(8,787,541)	(7,022,931)
Cash flows from investing activities			
Purchase of investments		(21,109,350)	(25,908,679)
Maturity of investments		22,191,863	28,512,087
Investment earnings		185,215	539,623
Net cash provided by (used in) investing activities		1,267,728	3,143,031
			<u> </u>
Net (decrease) increase in cash and cash equivalents		198,221	4,853,884
Cash and cash equivalents, beginning of year		16,678,031	11,824,147
Cash and cash equivalents, end of year	\$	<b>16,876,252</b> \$	16,678,031

#### City of Harlingen, Texas Harlingen Waterworks System Component Unit Comparative Statement of Cash Flows - Continued

Year ended September 30,		2021	2020
Reconciliation of operating income (loss) to net cash provided by operating a	ctiviti	0.	
Operating income	Ś	<b>1,824,255</b> \$	1,812,993
Adjustments to reconcile operating loss to net cash provided	Ŷ	1,024,233 9	1,012,555
by operating activities:			
Depreciation expense		3,975,072	4,055,167
Non-operating revenue		2,286,833	1,418,810
Increase in receivables		(158,388)	78,456
(Increase) decrease in inventories		(54,856)	154,614
(Increase) decrease in prepaid expenses		(29,454)	11,145
Increase in net pension asset		(217,701)	(1,114,105)
Increase in pension related deferred outflows		656,526	863,926
Increase in OPEB related deferred outflows		(393,624)	(400,372)
Decrease in accounts payable		(262,594)	606,976
Increase (decrease) in due to primary government		(47,675)	105,893
Increase (decrease) in other liabilities		1,260,057	(336,913)
Increase (decrease) in liability for compensated absences		(30,068)	66,382
Increase (decrease) in net pension liability		-	(989,834)
Increase (decrease) in OPEB liability		102,830	104,744
Increase (decrease) in pension related deferred inflows		(1,454,153)	1,378,838
Increase in OPEB related deferred inflows		(_,,, _	732,753
Increase in customer deposits		260,974	184,311
Total adjustments		5,893,779	6,920,791
Net cash provided by operations	\$	<b>7,718,034</b> \$	8,733,784
1 7 1			, ,
Supplemental disclosures of noncash capital activities:			
Water lines, sewer mains and related infrastructure			
contributed to the Waterworks System by developers and builders	\$	<b>883,653</b> \$	769,552

#### City of Harlingen, Texas Valley International Airport Component Unit Comparative Balance Sheets

September 30,	2021		2020
Assets			
Current assets			
Cash and cash equivalents	\$ 6,298	<b>,100</b> \$	3,707,894
Accounts receivable	4,087	,103	2,289,949
Prepaid expenses and deposits	39	,466	308,774
Total current assets	10,424	,669	6,306,617
Noncurrent Assets			
Net pension asset	40	,584	-
Capital assets			
Land	5,875	,164	5,011,080
Construction in progress	23,179	,080	14,013,049
Buildings	47,925	,758	47,702,189
Runways and taxiways	56,722	,860	59,106,112
Land improvements	24,419	,023	26,645,147
Furniture and fixtures	2,625	,243	3,293,592
Machinery and equipment	14,868	,025	19,802,151
Less accumulated depreciation	(95,979,	329)	(101,597,228)
Net capital assets	79,635	,824	73,976,092
Total noncurrent assets	79,676	,408	73,976,092
Total assets	90,101	,077	80,282,709
Deferred outflows of resources			
Deferred resource outflows for pensions	50	,552	36,413
Deferred resource outflows for OPEB	41	,341	27,038
Total deferred outflows of resources	91	,893	63,451
Total assets and deferred outflows of resources	\$ 90,192	<b>,970</b> \$	80,346,160

#### City of Harlingen, Texas Valley International Airport Component Unit Comparative Balance Sheets - Continued

September 30,		2021	2020
Liabilities			
Current liabilities			
Accounts payable	\$	<b>3,555,512</b> \$	1,277,844
Accrued expenses	Ş	69,727	49,703
Current portion of unearned revenue		340,026	273,917
•		•	
Current portion of compensated absences		25,000	25,000
Total current liabilities		3,990,265	1,626,464
Long-term liabilities, net of current maturities			
Unearned revenue		410,248	454,783
Compensated absences		341,748	317,106
Net pension liability		-	54,586
OPEB liability - retiree healthcare		328,225	298,289
OPEB liability - supplemental death benefit		95,401	85,589
Total long-term liabilities		1,175,622	1,210,353
Total liabilities		5,165,887	2,836,817
Deferred inflows of resources			
Deferred inflows of resources for pensions		141,108	154,445
Deferred inflows of resources related to OPEB liability		61,527	59,233
Total deferred inflows of resources		202,635	213,678
Net position			
Net investment in capital assets		78,145,968	72,781,859
Unrestricted		6,678,480	4,513,806
		-,,	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Total net position		84,824,448	77,295,665
Total liabilities, deferred inflows			
of resources and fund balances		<b>90,192,970</b> \$	80,346,160

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#### City of Harlingen, Texas Valley International Airport Component Unit

## Comparative Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30,	2021	2020
Operating revenues	\$ <b>4,020,762</b> \$	4,839,078
Operating expenses		
Personnel	3,995,930	3,714,071
Contracted services	2,144,267	1,653,036
Materials and supplies	586,809	445,430
Other expenses	954,785	584,650
Total operating expenses before depreciation expense	7,681,791	6,397,187
Operating income before depreciation expense	(3,661,029)	(1,558,109)
Depreciation expense	6,075,734	5,708,830
Operating loss	(9,736,763)	(7,266,939)
Non-operating revenues Investment earnings Gain on sale asset	12,809 12,609	32,665 1,584,316
Intergovernmental revenues - Federal grants	8,833,309	5,038,912
Total non-operating revenues	8,858,727	6,655,893
Net income (loss) before capital contributions	(878,036)	(611,046)
Capital contributions		
Passenger facility charges, including interest	1,074,423	805,888
Federal and local grants	7,332,396	7,338,475
Total capital contributions	8,406,819	8,144,363
Change in net position	7,528,783	7,533,317
Net position, beginning	77,295,665	69,762,348
Net position, end of year	\$ <b>84,824,448</b> \$	77,295,665

#### City of Harlingen, Texas Valley International Airport Component Unit Comparative Statement of Cash Flows

Year ended September 30,		2021	2020
Net cash from operating activities			
Operating cash receipts from customers	\$	<b>3,144,926</b> \$	4,906,559
Cash payments to suppliers for goods and services	•	(1,138,883)	(2,908,389)
Cash payments to employees for services		(4,046,173)	(3,731,069)
Net cash (used in) provided by operating activities		(2,040,130)	(1,732,899)
Net cash flows from (to) noncapital and related financing activities			
Federal grants - Federal Aviation Administration		8,752,906	3,593,837
Net cash provided by capital and related financing activities		8,752,906	3,593,837
Net cash flows from (to) capital and related financing activities			
Capital contributions - Federal Aviation Administration		6,513,055	7,901,151
Fixed assets additions and construction		(11,735,466)	(11,701,088)
Proceeds from sale of assets		12,609	1,584,316
Passenger facility charges, including interest		1,074,423	805,888
Net cash (used in) provided by capital and related financing activities		(4,135,379)	(1,409,733)
Net cash flows from (to) investing activities			
Maturities of investments		-	246,000
Interest received from investments		12,809	34,685
Net cash (used in) provided by investing activities		12,809	280,685
Net decrease in cash and cash equivalents		2,590,206	731,890
Cash and cash equivalents, beginning of year		3,707,894	2,976,004
Cash and cash equivalents, end of year	\$	<b>6,298,100</b> \$	3,707,894

#### City of Harlingen, Texas Valley International Airport Component Unit Comparative Statement of Cash Flows - Continued

Year ended September 30,	2021	2020
Reconciliation of operating income (loss) to net cash provided by		
(used in) operating activities?		
Operating income (loss)	\$ <b>(9,736,763)</b> \$	(7,266,939)
Adjustments to reconcile operating loss to net cash provided		
by operating activities:		
Depreciation and amortization	6,075,734	5,708,830
(Increase) decrease in accounts receivable	(897,410)	420,191
(Increase) decrease in prepaid expenses	269,308	(11,653)
(Increase) decrease in net pension asset	(28,443)	201,256
(Increase) decrease in deferred outflows of resources	(95,170)	(357,191)
Increase (decrease) in accounts payable	2,277,670	(213,620)
Increase (decrease) in accrued expenses	20,024	(47,715)
Increase (decrease) in compensated absences	24,642	10,430
Increase (decrease) in total OPEB liability	39,748	(18,110)
Increase (decrease) in unearned revenue	21,574	(352,710)
Increase (decrease) in deferred inflows of resources	(11,044)	194,332
Net cash provided by (used in) operations	\$ <b>(2,040,130)</b> \$	(1,732,899)
Supplemental disclosures of noncash capital activities:		
Revenue recognized in connection with long-term lease	\$ <b>211,500</b> \$	216,514

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#### STATISTICAL SECTION

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#### City of Harlingen, Texas Statistical Section

This part of the City of Harlingen's annual comprehensive 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 government's overall financial health.

#### CONTENTS

 Financial Trends
 Tables 1-7

 These schedules contain trend information to help the reader understand how the government's

#### Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax and the hotel/motel tax.

#### Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### Demographic and Economic Information

financial performance and well-being have changed over time.

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

## Tables 8-13

**Tables 14-16** 

# Tables 19-21

**Tables 17-18** 

		CTNZ	7014	CTNZ	9102	/107	2018	5013	2020	1707
Expenses:										
General government	\$ 8,103,868 §	\$ 8,045,249	\$ 7,659,290	\$ 7,653,403	\$ 8,621,014 \$	\$ 7,238,065	\$ 7,140,359 \$	\$ 7,256,971 \$	\$ 7,249,460 \$	\$ 6,270,204
Dublic cafety	24 787 803	C	75 508 640	27 708 973	C		77 753 084	30 530 817	20 650 574	6
										0 2 10 000
Highways and streets	5,162,540	4,//8,//0	5,381,85,c	5,403,082	5,134,045	8,6/6,859	6,106,202	/,241,/80	5,647,986	8,249,883
Health and welfare	4,134,007	4,344,593	4,237,513	3,964,719	5,147,258	3,245,464	1,075,864	1,327,436	1,660,362	6,120,661
Community and economic development		ı	1	ı		3,079,700	3,015,071	4,981,305	2,948,451	4,868,179
Culture and recreation	5 314 043	5 043 397	4 877 763	4 541 383	5 529 616	2 033 635	6 789 573	7 294 692	6 677 567	5 274 945
but areast on long tarm debt	2 007 551	1 456 615	7 112 785	1 006 755	1 210 002	1 713 057	1 419 495	1 377 330	1 178 800	1 257 076
Total Expenses	49,599,812	49,406,983	50,052,846	51,267,815	55,344,866	60,581,509	52,799,648	59,969,340	55,008,209	58,773,720
Program Revenues:										
Charges for services:										
General government	2,144,379	1,663,584	3,065,996	3,124,245	2,690,463	1,986,867	1,576,846	1,582,976	2,072,707	3,530,973
Public safety	3,160,986	3,053,460	1.944.279	2,169,309	2,023,579	2,455,774	2.289.816	2,513,247	3.360.631	2,687,871
Highways and streets	166 434	79,736				400.460	398 508	365 936	740 477	1 670 533
	10000	2000	110	11 166	101 001	11 177	000,000	000 01	E 740	
		0000	140		<b>1</b> 2, 130	11,4/2	00T'C			
community and economic development	1				1		148,242	107'671	5C0,C/1	321,013
Culture and recreation	605,813	567,548	417,535	442,838	480,345	626,250	258,936	596,246	1,120,847	992,673
Operating grants and contributions	2,699,930	2,490,080	2,563,133	2,106,140	3,617,370	3,395,347	3,213,450	3,563,454	5,287,810	7,692,248
Capital grants and contributions	2,128,092	1,536,151	1,781,492	1,258,973	435,218	1,202,490	1,994,980	1,436,215	4,066,338	6,527,881
Total Program Revenues	10,974,578	9,459,549	9,773,276	9,112,660	9,259,165	10,078,660	9,883,938	10,800,339	16,330,157	23,496,736
Net (Expense) Revenue	(38,625,234)	(39,947,434)	(40,279,570)	(42,155,155)	(46,085,701)	(50,502,849)	(42,915,710)	(49,169,001)	(38,678,052)	(35,276,984)
General Revenues and Transfers:										
Taxes:										
Property taxes, levied for general										
purposes	12,647.309	13.671.706	13.370.041	13.527.759	14.238.438	14.382.440	14.509.438	15.269.035	18.239.999	19.645.258
Property taxes levied for debt service	3 712 694	3 993 754	3 964 082	3 944 336	3 886 765	3 979 046	4 031 435	4 097 110	3 771 807	3 368 161
	15 775 078	15 872 600	16 112 160	16 577 777	16 878 587	17 611 072	18 DOJ 745	10 100 840	19 DEE 677	21 261 772
	076'C/7'CT	060'670'CT		122,22C,UL	20C/0/0/0T	C2U/TTU//T	10,3U2,143	13,133,040	120,000,01	CZ / TUO/TZ
Franchise taxes	3,165,863	3,072,593	3,13/,85/	3,143,126	3,077,871	3,268,621	3,300,630	3,258,465	3,074,660	3,008,522
Hotel/Motel taxes	882,322	907,944	944,692	1,024,253	997,629	954,465	1,020,447	1,176,685	1,132,665	1,262,390
Mixed beverage taxes						184,095	210,157	208,273	160,936	220,538
Assessments				310.712	321.220	230.704	1.473.276	1.731.379	1.602.743	
Unrestricted investment earnings	79.294	57,125	36,194	24 939	48,058	221 539	664 469	693,991	277 582	35,906
	206 610	164 081	FCT 727	EEE 207	151 196	1 1 00 725	001'100 VLC 8LC	100,000	175 600	149 410
	010/000	100/101			001/101		1 1 7 0 1 0 0 1 0 0	101/111	140,000	
				•		0,423	019.0	' 000 00	·	40,10U
Gain (loss) on sale of assets				-		263,501	//,611	62,328	501,268	193,831
Utility company settlement	109,099	950,909	(12, 121)	(33,986)	68,951		-		-	
Transfers	473,571	720,400	794,400	2,377,945	1,203,909	1,097,044	1,355,500	183,294	(78,589)	(628,015)
Total General Revenues and Transfers	36,742,690	39,712,202	39,043,042	41,396,708	40,872,909	43,337,638	45,927,900	46,092,682	48,064,386	49,228,315

City of Harlingen , Texas Changes in Net Position - Business-type Activities Last Ten Fiscal Years (Accrual Basis of Accounting)

Expenses:		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
-											
Sanitation Services	Ŷ	6,958,567 \$	6,939,912 \$	7,802,743 \$	7,347,322 \$	7,128,323 \$	7,391,547 \$	7,787,138 \$	8,023,251 \$	8,947,337 \$	9,609,368
Golf Course Services		1,236,695	1,306,088	1,220,275	1,299,168	1,280,136	1,273,887	1,207,326	1,269,646	1,071,223	1,009,710
Auditorium Services		648,809	694,222	678,938	615,792	642,887	630,272	538,451	508,307	500,932	314,790
Museum Services		136,315	115,221	111,320	132,927	141,234	127,988	117,026	137,895	127,734	110,164
Total Expenses		8,980,386	9,055,443	9,813,276	9,395,209	9,192,580	9,423,694	9,649,941	9,939,099	10,647,226	11,044,032
Program Revenues:											
Charges for Services:											
Sanitation Services		8,495,419	8,532,359	8,841,070	8,878,911	9,181,830	9,228,585	9,430,128	9,833,391	9,830,405	10,255,539
Golf Course Services		1,179,528	1,130,416	982,509	954,741	919,727	965,623	854,528	791,264	666,986	845,185
Auditorium Services		143,885	147,307	150,290	236,971	234,792	177,893	226,667	219,883	28,269	2,633
Museum Services		3,585	2,916	3,181	4,607	3,694	8,150	2,880	5,984	3,303	213
Total Program Revenues		9,822,417	9,812,998	9,977,050	10,075,230	10,340,043	10,380,251	10,514,203	10,850,522	10,528,963	11,103,570
Net (Expense) Revenue		842,031	757,555	163,774	680,021	1,147,463	956,557	864,262	911,423	(118,263)	59,538
Capital Contributions		103,517	24,794	50,214	49,486	ı	ı	703,188		·	'
General Revenues and Transfers:											
Unrestricted investment earnings		7,259	6,251	5,269	2,759	10,521	47,492	155,379	199,587	77,454	3,356
Miscellaneous		18,915	1,940	14,098	11,504	6,880	1,057,029	24,706	186,374	38,329	125,170
Gain on sale of assets		130	770	778,731	490,489	1,165	4,612	25,190	64,624	(11, 489)	8,190
Transfers		(473,571)	(720,400)	(794,400)	(2,377,945)	(1,203,909)	(1,097,044)	(1,355,500)	(183,294)	78,589	628,015
Total General Revenues and Transfers		(447,267)	(711,439)	3,698	(1,873,193)	(1,185,343)	12,089	(1,150,225)	267,291	182,883	764,731
Change in Net Position	ŝ	498,281 \$	70,910 \$	217,686 \$	\$ (1,143,686) \$	(37,880) \$	968,646 \$	417,225 \$	1,178,714 \$	64,620 \$	824,269

Table 2

Table 3

Fiscal Year Ended September 30.

Fiscal Year Ended September 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities *	\$ 49,599,812 \$ 49,406,983		50,052,846	\$ 51,267,815	\$ 55,344,866	\$ 60,581,509 \$	52,799,648	\$ 20.052,846	55,008,209	5 58,773,720
Business-type Activities **	8,980,386	9,055,443	9,813,276	9,395,209	9,192,580	9,423,694	9,649,941	9,939,099	10,647,226	11,044,032
Total Expenses	58,580,198	58,462,426	59,866,122	60,663,024	64,537,446	70,005,203	62,449,589	69,908,439	65,655,435	69,817,752
Program Revenues:										
Governmental Activities *	10,974,578	9,459,539	9,773,276	9,112,660	9,259,165	10,078,660	9,883,938	10,800,339	16,330,157	23,496,736
Business-type Activities **	9,925,934	9,837,792	10,027,264	10,075,230	10,340,043	10,380,251	11,217,391	10,850,522	10,528,963	11,103,570
Total Program Revenues	20,900,512	19,297,331	19,800,540	19,187,890	19,599,208	20,458,911	21,101,329	21,650,861	26,859,120	34,600,306
Net (Expense) Revenue	(37,679,686)	(39,165,095)	(40,065,582)	(41,475,134)	(44,938,238)	(49,546,292)	(41,348,260)	(48,257,578)	(38,796,315)	(35,217,446)
Governmental Activities *	36,742,688	39,712,202	39,043,042	41,396,708	40,872,909	43,337,638	45,927,900	46,092,682	48,064,386	49,228,315
Business-type Activities **	(447,267)	(711,439)	217,686	(1,823,707)	(1,185,343)	12,089	(1,150,225)	267,291	182,883	764,731
<b>Total General Revenues and Transfers</b>	36,295,421	39,000,763	39,260,728	39,573,001	39,687,566	43,349,727	44,777,675	46,359,973	48,247,269	49,993,046
Change in Net Position	\$ (1.384.265) \$ (164.332	(164.332)	(804.854)	\$ (1.902.133)	\$ (5.250.672)	\$ (6.196.565) \$	3,429,415	(804.854) \$ (1.902.133) \$ (5.250.672) \$ (6.196.565) \$ 3.429.415 \$ (1.897.605) \$ 9.450.954 \$ 14.775.600	9.450.954	3 14.775.600
2										

\* See Table 1: Changes in Net Position-Governmental Activities \*\* See Table 2: Changes in Net Position-Business-Type Activities

City of Harlingen , Texas Government-wide Net Position by Category Last Ten Fiscal Years (Accrual Basis of Accounting)

Table 4

Fiscal Year Ended September 30,

	7107	2013	2014	5102	9107	7107	2018	2019	7070	2021
Governmental activities										
Net Investment in capital assets	\$ 103,040,149	\$ 103,040,149 \$ 98,058,748	\$ 97,835,629	\$ 94,988,699	\$ 90,814,756	\$ 96,279,558	\$ 99,220,453	97,835,629 \$ 94,988,699 \$ 90,814,756 \$ 96,279,558 \$ 99,220,453 \$ 96,097,057 \$ 87,248,313 \$	\$ 87,248,313	\$ 96,825,475
Restricted	4,155,500	4,531,503	9,874,343	9,982,445	8,077,571	5,361,574	4,642,879	5,547,330	8,242,917	6,317,371
Unrestricted	15,261,415	18,598,426	12,242,177	1,621,057	2,487,082	(7,426,934)	(8,200,970)	(9,058,344)	(5,438,813)	860,902
Total governmental activities net position	122,457,064	121,188,677	119,952,149	106,592,201	101,379,409	94,214,198	95,662,362	92,586,043	90,052,417	104,003,748
Business-type activities										
Net Investment in capital assets	6,648,413	6,361,950	5,316,890	6,229,922	5,797,785	5,769,141	6,268,549	6,735,656	7,768,023	8,322,915
Restricted					'					
Unrestricted	4,373,107	4,730,480	5,993,226	4,126,503	4,520,760	5,518,050	5,511,288	6,222,895	5,255,148	6,815,836
Total business-type activities net position	11,021,520	11,092,430	11,310,116	10,356,425	10,318,545	11,287,191	11,779,837	12,958,551	13,023,171	15,138,751
Primary government										
Net Investment in capital assets	109,688,562	104,420,698	103,152,519	101,218,621	96,612,541	102,048,699	105,489,002	102,832,713	95,016,336	105,148,390
Restricted	4,155,500	4,531,503	9,874,343	9,982,445	8,077,571	5,361,574	4,642,879	5,547,330	8,242,917	6,317,371
Unrestricted	19,634,522	23,328,906	18,235,403	5,747,560	7,007,842	(1,908,884)	(2,689,682)	(2,835,449)	(183,665)	7,676,738
Total primary government net position	\$ 133,478,584 \$ 132,281,107	\$ 132,281,107	\$ 131,262,265	\$ 116,948,626	\$ 131,262,265 \$ 116,948,626 \$ 111,697,954 \$ 105,501,389 \$ 107,442,199 \$ 105,544,594	\$ 105,501,389	\$ 107,442,199		\$ 103,075,588 \$ 119,142,499	\$ 119,142,499

Note: For fiscal year September 30, 2015, the City implemented GASB No. 67, Financial Report for Pensions for the Firemen's Relief and Retirement Fund and GASB No. 68, Accounting and Financial Reporting for Pensions, for the City's Municipal Pension resulting in the recognition of initial Net Pension Liabilities.

City of Harlingen , Texas	Changes in Fund Balances - Governmental Funds	Last Ten Fiscal Years (Accrual Basis of Accounting)
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2012 2013 \$ 36,681,332 \$ 37,899,107 1,808,440 1,780,275 552,753 614,735 5,293,675 3,936,245 2,957,872 1,386,264 1,418,098 1,386,264 1,418,098 1,386,264 1,418,098 4,7,320,888 1,714,452 4,257,383 3,953,133 3,391,215 3,594,105 1,940,000 1,970,	2014       107     \$ 38,011,335       275     1,681,265       735     564,486       675     2,776,305       872     2,674,160       098     1,590,030       126     36,271       888     47,333,852       084     6,552,556       630     21,804,128       133     4,602,102       105     3,621,978       133     4,602,102       105     3,621,978       105     3,621,978       105     3,621,978       105     3,621,978       106     2,683,692       000     2,302,113       452     1,872,583       630     21,875,583       630     21,872,583       630     21,872,583       630     2,683,692       000     2,302,113       452     1,872,583       631     50,504,120	2015 \$ 38,995,436 \$ 1,780,419 5 02,973 117,564 3,244,383 1,979,491 2,849,521 2,849,521 2,849,521 49,491,728 6,659,647 6,659,647 2,951,582 3,455,335 3,455,335 3,559,009 4,881,877 2,507,800	2016 39,720,246 1,657,510 549,401 215,833 2,761,319 3,441,491 1,324,887 49,718,742 49,718,742 49,718,742 3,901,541 3,911,837 4,198,871 22,992,979 3,901,541 3,911,837 2,899,856 1,202,344	2017 \$ 41,092,944 1,372,991 650,476 650,476 3,246,568 3,439,937 1,425,744 2,439,937 51,456,602 51,456,602 51,456,602 51,463 5,113,681 1,977,463 5,113,681 1,977,463 5,113,681 1,977,463 5,113,581 1,977,463 5,132,871 1,573,513	2018 \$ 43,945,645 1,155,149 655,628 1,871,530 5,923,187 1,181,436 611,680 55,344,275 5,810,753 5,810,753 5,810,753 5,810,753 5,176,279 9,275,824 9,755,823 5,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 9,755,824 1,125,125 1,125,125 1,125,126 1,125	2019 \$ 45,088,815 1,148,803 690,991 - 1,701,437 6,376,538 884,599 884,599	2020 \$ 47,143,175 848,008	2021 51,152,572
Intersion         \$ 36,681,332         \$ 37,899,107           and forfeitures         1,808,440         1,780,275           and forfeitures         5,527,753         6,14,735           verments and assessments         5,327,412         2,593,675           verments and assessments         2,872,412         2,593,675           vermental         3,936,245         2,957,882           blaneous         1,386,264         1,718,008           set or services         1,386,264         1,718,008           Barenues         1,386,264         1,713,008           Revenues         1,386,264         1,714,452           ald Government         2,273,383         3,991,105           asters         3,391,125         3,594,105           are creation         4,244,459         4,170,128           altures:         3,391,333         3,993,133           altures:         3,391,125         3,594,105           are detector         2,244,459         4,170,128           altures:         3,391,105         3,594,105           are detector         1,752,898         1,714,452           are detector         1,752,898         1,714,452           are detector         1,755,898         1,771	\$ 38, 1, 2, 2, 2, 1, 2, 2, 1, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2	38,995,436 1,780,419 502,973 117,564 3,244,383 1,979,491 2,849,521 2,494,728 49,494,728 4,708,5242 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	39, 720, 246 1, 657, 510 549, 401 215, 833 2, 761, 319 3, 441, 491 1, 324, 887 49, 718, 742 49, 718, 742 4, 198, 871 3, 911, 837 4, 198, 871 2, 666, 339 3, 911, 837 - 4, 198, 871 2, 6676, 339 2, 899, 856 1, 202, 344	41,092,944 1,372,991 650,476 3,246,568 3,439,937 1,425,744 2,455,602 5,113,681 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	6 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	4 6, 1, 1, 6,	47,	51,152,572
\$ 36,681,332         \$ 37,899,107           and forfeitures         5,80,430         1,780,275           exand permits         5,52,753         614,735           exand permits         5,80,440         1,780,275           exand permits         5,80,440         1,780,275           exand permits         5,80,440         1,780,275           evenents and assessments         2,872,412         2,593,675           evenents         3,936,245         2,957,872           laneous         1,386,264         1,418,008           st and investment income         1,386,264         1,418,008           Revenues         4,257,383         3,931,133           al Government         3,391,215         3,594,105           ays and street         3,391,215         3,594,105           and welfare         1,752,898         1,714,452           and welfare         1,752,383         3,935,133          and welfare         1,752,383         3,953,133           and velfare         1,752,383         3,932,133         1,714,452           e and recreation         4,244,459         4,170,128         1,714,452           al Government         1,752,838,369         5,982,406         1,714,452 <td< td=""><td>\$ 38, 1, 1, 1, 2, 2, 2, 1, 1, 2, 2, 1, 2, 1, 2, 2, 1, 2, 2, 1, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,</td><td>38,995,436 1,780,419 502,973 117,564 3,244,383 1,979,491 2,849,521 24,941 49,494,728 49,494,728 6,659,647 6,659,647 5,535 3,455,335 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800</td><td>39, 720, 246 1, 657, 510 549, 401 2, 15, 833 2, 761, 319 3, 441, 491 1, 324, 887 48, 055 49, 718, 742 49, 718, 742 5, 600, 141 2, 2992, 979 3, 901, 541 3, 901, 541 3, 901, 541 3, 901, 541 3, 901, 541 3, 901, 543 3, 902, 54</td><td>41,092,944 1,372,991 650,476 3,246,568 3,439,937 1,425,744 2,277,927 51,456,602 5,705,734 5,705,734 5,705,734 5,705,734 5,713,681 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513</td><td>43 43 43 43 43 43 43 43 43 43 43 43 43 4</td><td>6 μ μ<sup>4</sup>5</td><td>47,</td><td>51,152,572</td></td<>	\$ 38, 1, 1, 1, 2, 2, 2, 1, 1, 2, 2, 1, 2, 1, 2, 2, 1, 2, 2, 1, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,	38,995,436 1,780,419 502,973 117,564 3,244,383 1,979,491 2,849,521 24,941 49,494,728 49,494,728 6,659,647 6,659,647 5,535 3,455,335 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	39, 720, 246 1, 657, 510 549, 401 2, 15, 833 2, 761, 319 3, 441, 491 1, 324, 887 48, 055 49, 718, 742 49, 718, 742 5, 600, 141 2, 2992, 979 3, 901, 541 3, 901, 541 3, 901, 541 3, 901, 541 3, 901, 541 3, 901, 543 3, 902, 54	41,092,944 1,372,991 650,476 3,246,568 3,439,937 1,425,744 2,277,927 51,456,602 5,705,734 5,705,734 5,705,734 5,705,734 5,713,681 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	43 43 43 43 43 43 43 43 43 43 43 43 43 4	6 μ μ <sup>4</sup> 5	47,	51,152,572
ents 552,753 614,735 552,753 614,735 552,753 614,735 552,753 614,735 552,753 614,735 3,936,245 2,957,872 1,386,264 1,418,098 79,294 1,386,264 1,418,098 79,294 1,714,098 79,294 1,714,000 1,752,898 1,714,452 2,04,957 3,391,215 3,594,105 2,04,957 3,391,215 3,594,105 2,205,645 3,592,406 1,970,000 1,772,389 2,1,286,630 4,257,389 1,714,452 2,04,875 2,142 1,714,452 2,04,976 1,940,000 1,970,000 1,772,389 1,714,452 2,205,645 3,592,406 1,970,000 1,772,389 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,592,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,714,452 2,205,645 3,225,142 1,500 3,315,000 5,350,000 1,556,050 5,350,000 1,526,050 2,205,060 2,206,00 2,206,00 2,206,00 2,206,00 2,205,060 2,205,060 2,205,060 2,205,060 2,206,00 2,205,060 2,205,060 2,206,00 2,205,060 2,205,060 2,206,00 2,206,00 2,206,00 2,206,00 2,206,00 2,205,060 2,206,00 2,206,00 2,206,00 2,206,00 2,206,00 2,206,00 2,206,00 2,206,00 2,205,00 2,206,00 2,206,00 2,206,00 2,206,00 2,205,00 2,206,00 2,206,00 2,206,00 2,205,00 2,205,000 2,205,000 2,205,000 2,205,000 2,205,000 2,205,000 2,205,000 2,206,000 2,205,00	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	1,780,419 502,973 117,564 3,244,383 1,979,491 2,849,521 24,941 24,941 49,494,728 6,659,647 6,659,647 22,951,582 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	$\begin{array}{c} 1, 0 \\ 5 \\ 5 \\ 3, 4 \\ 1, 3 \\ 3, 6 \\ 6, 6 \\ 6, 6 \\ 6, 6 \\ 6, 6 \\ 1, 2 \\ 3, 2 \\ 3, 2 \\ 3, 2 \\ 3, 2 \\ 2, 6 \\ 1, 2 \\ 2, 6 \\ 1, 2 \\ 2, 6 \\ 1, 2 \\ 2, 6 \\ 1, 2 \\ 2, 6 \\ 1, 2 \\ 2, 6 \\ 1, 2 \\ 2, 6 \\ 1, 2 \\ 2, 6 \\ 1, 2 \\ 2, 2 \\ 1, 2 \\ 2, 2 \\ 1, 2 \\ 2, 2 \\ 1, 2 \\ 2, 2 \\ 1, 2 \\ 2, 2 \\ 1, 2 \\ 2$	1,372,991 650,476 15 3,246,568 3,439,937 1,425,744 227,927 51,456,602 5,705,734 5,705,734 5,705,734 5,705,734 5,704,245 5,432,339 5,432,339 5,432,339 3,232,871 1,573,513	1,155,149 655,628 655,628 1,871,530 5,923,187 1,181,436 611,680 55,344,275 55,344,275 55,344,275 55,344,275 55,344,275 55,344,275 55,344,275 55,343 5,775,823 5,755,823 5,755,823 5,755,823	1,148,803 690,991 1,701,437 6,376,538 884,299 877,410		
ents 552,753 552,753 552,753 3,936,245 1,386,264 me 79,294 79,294 79,294 79,294 79,294 79,294 79,294 79,205,645 1,752,898 6,358,369 1,940,000 1,940,000 1,940,000 1,752,898 6,358,369 1,775,898 6,358,369 1,775,898 6,358,035 1,775,898 6,358,035 1,775,898 6,358,035 1,775,898 6,315,000 ds 2,205,645 1,775,898 6,315,000 ds 2,205,645 1,775,898 6,315,000 ds 2,205,645 1,775,898 6,315,000 ds 2,205,645 1,752,898 6,315,000 1,940,000 1,752,898 6,355,003 1,755,898 6,325,003 1,755,898 1,755,998 1,755,	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	502,973 117,564 3,244,383 1,979,491 2,849,521 24,941 49,494,728 4,944,728 6,659,647 6,659,647 22,951,582 4,708,242 3,455,335 3,959,009 4,881,877 2,507,800	549,401 215,833 2,761,319 3,441,491 1,324,887 48,055 49,718,742 6,600,141 22,992,979 3,901,541 3,911,837 4,198,871 2,676,339 2,899,856 1,202,344	650,476 650,476 15 3,246,568 3,439,937 1,425,744 227,927 51,456,602 5,705,734 5,705,734 5,705,734 5,705,734 5,705,734 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	,555,628 655,628 20 1,871,530 5,923,187 1,181,436 611,680 55,344,275 55,344,275 55,344,275 55,344,275 55,344,275 55,344,275 55,344,275 55,344,275 55,344,275 57,7824 5,755,823 5,755,823 5,757,824	, 59, 991 690, 991 1, 701, 437 6, 376, 538 884, 299 837, 2410		769.240
ents 2,872,412 3,936,264 me 79,294 79,294 79,294 79,294 79,294 79,294 79,294 79,294 79,294 79,294 79,294 79,204 757,383 7,757,383 7,757,383 7,204,459 6,358,369 1,775,898 6,358,369 1,775,898 6,358,369 1,775,898 6,358,369 7 6,356,45 (1,879,074) 6 6 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	50 1, 2, 5, 3, 4, 1, 2, 2, 2, 5, 5, 5, 1, 1, 2, 2, 2, 1, 1, 2, 2, 2, 2, 1, 1, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,	117,564 3,244,383 1,979,491 2,849,521 24,941 49,494,728 6,659,647 6,659,647 22,951,582 4,708,242 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	2,15,452 2,761,319 3,441,491 1,324,887 48,055 49,718,742 6,600,141 22,992,979 3,901,541 3,911,837 4,198,871 2,676,339 2,899,856 1,202,344	5, 705, 734 3, 439, 937 3, 439, 937 1, 425, 744 227, 927 51, 456, 602 5, 705, 734 5, 113, 681 2, 937, 298 5, 113, 681 2, 971, 441 1, 977, 463 4, 704, 245 5, 432, 339 3, 232, 871 1, 573, 513	55,344,275 5,923,187 1,181,530 55,324,275 55,344,275 5,116,680 55,344,275 5,176,279 9175,336 5,755,833 5,755,833 5,755,823 5,755,823	1,701,437 6,376,538 884,299 877 410		796 577
me 2,872,412 3,936,245 1,386,564 79,294 79,294 79,294 79,294 79,294 79,294 79,294 79,294 79,203 79,1215 76,003 7,757,383 7,391,215 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7		3, 244, 383 1,979,491 2,849,521 24,941 49,494,728 6,659,647 6,659,647 5,951,582 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	2,761,319 3,441,491 1,324,887 49,718,055 49,718,742 6,600,141 22,992,979 3,901,541 3,911,837 4,198,871 2,676,339 2,899,856 1,202,344	3,246,568 3,439,937 1,425,744 227,927 51,456,602 5,705,734 5,113,681 23,637,298 5,113,681 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	1,871,530 5,923,187 1,181,436 611,680 55,344,275 5,810,753 5,176,279 9172,366 2,556,833 5,757,824 9.789,195	- 1,701,437 6,376,538 884,299 827 410		
me 1,752,812,412 3,936,245 3,936,245 3,936,264 79,294 79,294 79,294 3,391,215 20,495,448 4,244,459 6,358,369 1,940,000 1,752,898 1,752,898 1,752,898 1,752,898 1,752,898 1,752,898 1,752,898 2,205,645 (1,879,074) es) 2,205,645 (1,879,074) descrow agent 3,315,000 ds descrow agent (3,263,508) e 5 5 ceeds - 1		3,244,383 1,979,491 2,849,521 24,941 49,494,728 6,659,647 6,659,647 4,708,242 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	2,761,319 3,441,491 1,324,887 49,718,742 6,600,141 6,600,141 3,901,541 3,901,541 3,911,837 - 4,198,871 2,676,339 2,899,856 1,202,344	3,246,568 3,439,937 1,425,744 227,927 51,456,602 5,705,734 5,113,681 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	1,871,530 5,923,187 1,181,436 611,680 55,344,275 5,344,275 5,176,279 912,366 2,556,833 5,757,824 9.789,195	1,701,437 6,376,538 884,299 827 410		
3,936,245         me       1,386,264         79,294         79,294         79,294         79,294         79,294         79,294         79,294         79,294         79,294         79,295,383         20,495,448         4,257,383         3,391,215         evelopment         4,24,459         6,358,369         1,940,000         1,940,000         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,775,93         est         (1,879,074)         est       3,315,000         descrow agent       (3,263,508)         e       -         5       -         6       -         6       -         7,175       -         1,755,656       -         1,780,074		1,979,491 2,849,521 24,941 49,494,728 6,659,647 6,659,647 6,659,647 2,951,582 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	3,441,491 1,324,887 48,055 49,718,742 6,600,141 22,992,979 3,901,541 3,911,837 - 4,198,871 2,676,339 2,899,856 1,202,344	3,439,937 1,425,744 227,927 51,456,602 5,705,734 5,705,734 5,713,681 2,35,637,298 5,113,681 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	5,923,187 1,181,436 611,680 55,344,275 5,810,753 5,176,279 912,366 2,556,833 5,757,824 9.789,195	6,376,538 884,299 827 410	1,147,685	1,033,962
Ime     1,386,264       me     79,294       79,294     79,294       79,216,703     5,765,003       5,765,003     3,391,215       20,495,448     4,257,383       21,940,000     1,940,000       1,752,898     1,752,898       6,358,369     1,940,000       1,752,898     1,775,898       ess     2,205,645       obligation     3,315,000       descrow agent     3,315,000       escove agent     (3,263,508)		2,849,521 24,941 49,494,728 6,659,647 6,659,647 22,951,582 4,708,242 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	1,324,887 48,055 49,718,742 6,600,141 22,992,979 3,901,541 3,901,541 3,911,837 - 4,198,871 2,676,339 2,899,856 1,202,344	1,425,744 227,927 51,456,602 5,705,734 5,713,681 5,713,681 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	1,181,436 611,680 55,344,275 5,810,753 5,810,753 5,810,753 5,176,279 912,366 2,556,833 5,757,824 9.789,195	884,299 827 410	9,472,611	11,036,751
me     79,294       47,316,740     7       5,765,003     5,765,003       5,765,003     3,391,215       evelopment     4,257,383       4,257,383     3,391,215       940,000     1,940,000       1,752,898     1,752,898       mes     1,752,898       esb     2,204,775       obligation     3,315,000       dscrow agent     3,315,000       ecds     3,315,000		24,941 49,494,728 6,659,647 22,951,582 4,708,242 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	48,055 49,718,742 6,600,141 22,992,979 3,901,541 3,911,837 - 4,198,871 2,676,339 2,676,339 2,899,856 1,202,344	227,927 51,456,602 5,705,734 5,113,681 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	611,680 55,344,275 5,810,753 5,176,279 912,366 2,556,833 5,757,824 9.789,195	827 410	3,946,475	6,209,810
47,316,740		49,494,728 6,659,647 22,951,582 4,708,242 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	49,718,742 6,600,141 22,992,979 3,901,541 3,911,837 - 4,198,871 2,676,339 2,899,856 1,202,344	51,456,602 5,705,734 23,637,298 5,113,681 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	55,344,275 5,810,753 5,176,279 912,366 2,556,833 5,757,824 9.789,195	011, 110	329,863	41,166
5,765,003 20,495,448 4,257,383 4,257,383 3,391,215 3,391,215 5,358,369 6,358,369 1,940,000 1,940,000 1,940,000 1,752,898 (1,752,898 1,752,898 (1,752,898 (1,879,074) colligation descrow agent 3,263,508) descrow agent (3,263,508) descrow agent (3,263,508		6,659,647 22,951,582 4,708,242 3,455,335 3,455,335 3,959,009 4,881,877 2,507,800	6,600,141 22,992,979 3,901,541 3,911,837 - 4,198,871 2,676,339 2,899,856 1,202,344	5,705,734 23,637,298 5,113,681 2,971,441 1,977,463 4,704,245 5,432,339 3,232,871 1,573,513	5,810,753 24,446,172 5,176,279 912,366 2,555,833 5,757,824 9.789,195	56,718,293	63,594,747	71,040,078
5,765,003 20,495,448 4,257,383 3,391,215 evelopment 4,244,459 6,358,369 1,940,000 1,752,898 1,752,898 1,752,898 1,752,898 1,752,898 1,752,898 2,206,645 (1,879,074) est colligation 3,315,000 ds d escrow agent (3,263,508) e cceds -		6,659,647 22,951,582 4,708,242 3,455,335 3,959,009 4,881,877 2,507,800	6,600,141 22,992,979 3,901,541 3,911,837 4,198,871 2,676,339 2,899,856 1,202,344	5,705,734 23,637,298 5,113,681 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	5,810,753 24,446,172 5,176,279 912,366 2,556,833 5,757,824 9.789,195			
z0,495,448 4,257,383 4,257,383 4,244,459 6,358,369 1,940,000 1,752,898 1,752,898 1,752,898 1,752,898 2,204,775 - - - - - - - - - - - - - - - - - -		2,951,582 4,708,242 3,455,335 3,959,009 4,881,877 2,507,800	22,992,979 3,901,837 3,911,837 - 4,198,871 2,676,339 2,676,339 2,899,856 1,202,344	23,637,298 5,113,637,298 2,971,441 1,977,463 4,704,245 5,432,339 5,432,339 3,232,871 1,573,513	24,446,172 5,176,279 912,366 2,556,833 5,757,824 9.789,195	5 883 350	6 409 719	8 497 590
20,499,448         a; 257,383         a; 391,215         3; 391,215         a; 4,259         6; 358,369         1,940,000         1,940,000         1,940,000         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         1,752,898         2,205,645         1,752,898         es)       2,205,645         0.01igation       3,315,000         descrow agent       (3,263,508)         e       -         ocedds       -         -       -         -       -         -       -         -       -         -       -         -       -         -       -         -       -         -       -         -       -         -		2,507,882,422 4,708,242 3,455,335 - 3,959,009 4,881,877 2,507,800	2, 992, 94 3, 901, 541 3, 911, 837 - 2, 676, 339 2, 899, 856 1, 202, 344	23,037,298 5,113,681 1,977,463 4,704,245 5,432,339 3,232,871 1,573,513	24,446,172 5,176,279 912,366 2,556,833 5,757,824 9.789,195			
evelopment 3,391,215 3,391,215 3,391,215 6,358,369 1,940,000 1,940,000 1,752,898 1,752,898 (1,752,898 (1,752,898 (1,752,898 (1,752,898 (1,879,035) es) 2,205,645 (1,879,074) es) 2,205,645 (1,879,074) es) 2,205,645 (1,879,074) es d'escrow agent 3,315,000 de escrow agent (3,263,508) e occeds -		4,708,242 3,455,335 - 3,959,009 4,881,877 2,507,800	3,911,837 3,911,837 - 4,198,871 2,676,339 2,899,856 1,202,344	5,113,081 2,971,441 1,977,463 4,704,245 5,432,339 3,232,871 1,573,513	5,1/6,2/9 912,366 2,556,833 5,757,824 9.789,195	24,934,218 5 035 364	25,437,18U	25,941,588 5 5 5 7 5 7 5 7 5 7 5 7 5 7 5 7 5 7 5 7
s, 351, 215 evelopment 5, 351, 244, 459 6, 358, 369 1, 940,000 1, 752, 898 1, 752, 898 1, 752, 898 1, 775 48, 204, 775		3,959,009 - 4,881,877 2,507,800	3,911,837 - 2,676,339 2,899,856 1,202,344	2,971,441 1,977,463 4,704,245 5,432,339 3,232,871 1,573,513	912,300 2,556,833 5,757,824 9.789.195	2,922,504 1001 040	4,/40,04/	0/6//00/c
evelopment		- 3,959,009 4,881,877 2,507,800	- 4,198,871 2,676,339 2,899,856 1,202,344	1,977,463 4,704,245 5,432,339 3,232,871 1,573,513	2,556,833 5,757,824 9.789.195	9T6,C8U,L	1,485,b1/ 2,225,255	C28,822,C
4,244,459 6,358,369 1,940,000 1,752,898 1,752,898 1,752,898 (1,752,898 (1,775 (1,879,074) (1,879,076) (1,879,076) (1,879,076) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,752,898) (1,775,898) (1,775,898) (1,775,898) (1,775,898) (1,775,798) (1,879,775) (1,879,756) (1,875,756)		3,959,009 4,881,877 2,507,800	4, 198, 871 2, 676, 339 2, 899, 856 1, 202, 344	4,704,245 5,432,339 3,232,871 1,573,513	5,757,824 9.789.195	4,063,068	2,86/,872	3,561,98/
6,358,369 1,752,898 1,752,898 1,752,898 <b>48,204,775</b> <b>ves</b> <b>888,035</b> <b>(1,879,074)</b> <b>(1,879,074)</b> <b>(1,879,074)</b> <b>(1,879,074)</b> <b>(1,879,074)</b> <b>d</b> escrow agent <b>3,315,000</b> <b>d</b> escrow agent <b>3,315,000</b> <b>1,263,508</b> <b>b</b> escrow agent <b>1,263,508</b> <b>b</b> escrow agent <b>1,376,508</b> <b>b</b> escrow agent <b>1,376,508</b> <b>b</b> escrow agent <b>1,263,508</b> <b>b</b> escrow agent <b>1,263,508</b> <b>1,264</b> <b>1,264</b> <b>1,264</b> <b>1,265</b> <b>1,265</b> <b>1,266</b> <b>1,267</b> <b>1,267</b> <b>1,267</b> <b>1,267</b> <b>1,267</b> <b>1,267</b> <b>1,267</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,268</b> <b>1,278</b> <b>1,278</b> <b>1,278</b> <b>1,278</b> <b>1,278</b> <b>1,278</b> <b>1,278</b> <b>1,278</b> <b>1,278</b>		4,881,877 2,507,800	2,676,339 2,899,856 1,202,344	5,432,339 3,232,871 1,573,513	9.789.195	5,903,672	5,627,100	4,438,418
1,940,000 1,752,898 1,752,898 - - - - (888,035) (888,035) - - - - - - - - - - - - - - - - - - -		2,507,800	2,899,856 1,202,344	3,232,871 1,573,513		9,589,755	6,482,396	14,149,309
1,940,000 1,752,898 1,752,898 		2,507,800	2,899,856 1,202,344	3,232,871 1,573,513				
1,752,898 			1,202,344	1,573,513	3,324,340	3,475,216	3,682,945	3,820,366
		1,624,757			1,550,523	1,493,474	1,456,533	1,329,747
		ı	•	ı	ı	ı	64,660	115,699
48,204,775     .       Nues     (888,035)       tesh     (888,035)       tesh     (1,879,074)       cobligation     3,315,000       ds     -       d escrow agent     (3,263,508)       cedds     -		196,767	308,236	210,281	2,256			
ues (888,035) es) (888,035) es) (2,05,645 (1,879,074) (1,879,074) - - - - - - - - - - - - - - - - - - -		50,945,016	48,692,144	54,558,866	59,326,541	62,354,033	58,257,069	72,141,499
tes) 2,205,645 2,205,645 (1,879,074) (1,879,074)      d escrow agent (3,263,508) e bceeds	925) (3.170.268)	(1.450.288)	1.026.598	(3,102,264)	(3.982.266)	(5,635,740)	5 337 678	(1.101.421)
2,205,645 (1,879,074) (1,879,074) - - 3,315,000 - scrow agent (3,263,508) -				1-	10,000,000			
2,205,645 (1,879,074) overy (1,879,074) ebt - certificate of obligation 3,315,000 efunding bonds (3,263,508) debt issuance - ital lease proceeds -								
(1,879,074) overy (1,879,074) ebt certificate of obligation 3,315,000 efunding bonds (3,263,508) debt issuance - ital lease proceeds -		3,782,345	4,666,734	2,851,558	4,926,228	5,040,786	6,185,071	8,988,364
recovery - of debt - /or certificate of obligation 3,315,000 of refunding bonds - to refunded bond escrow agent (3,263,508) on debt issuance - Capital lease proceeds -	244) (2,337,309)	(3,286,582)	(4,299,078)	(1,971,442)	(4,402,989)	(4,771,000)	(5,777,560)	(8,500,481)
of debt			'	4,794			'	
/or certificate of obligation 3,315,000 5, of refunding bonds (3,263,508) on debt issuance - Capital lease proceeds -	- 3,273,794		'				'	
3,315,000 5, of refunding bonds (3,263,508) on debt issuance - Capital lease proceeds -								
- (3,263,508) -	000 (3,185,722)	3,282	23,915,000	12,885,000	ı	'	'	
(3,263,508) - -	•		2,595,060			•	1,690,000	4,500,000
1 1	•	8,924	(26,687,399)		ı	•	(1,896,534)	(4,839,727)
	- 100		ı		1		280,521	456,765
	- 1,483,892	47,250	'	263,501	97,777	'	1,000,000	'
Proceeds from sale of capital assets 109,099 950,139	139 -		-		77,611	62,328	501,268	193,831
Total Other Financing Sources (Uses) 487,162 7,113,128	128 2,285,364	555,219	190,317	14,033,411	698,627	332,114	1,982,766	798,752
Net Change in Fund Balances	\$ (884,904)	\$ (895,069) \$	1,216,915	\$ 10,931,147	\$ (3,283,639)	\$ (5,303,626)	\$    7,320,444	\$ (302,669)
det Consises as a Descentario of								
Non-Capital Expenditures 8.82% 8.58%	58% 9.31%	8.97%	8.91%	9.78%	9.84%	9.42%	9.93%	8.88%

Fiscal Year Ended September 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
December. December Tavion including Dand I	7 10 200 CF		, 13 3EC 707	001007010		¢ 11 365 607		76173031 S		
Property Laxes - Incluaing P and I	•	¢ 13,024,3U3	12/,0C5,51 ¢		ې 14,2U2,82/		у 14,/03,400		λ 1δ,2U0,332	
Non-property Taxes	19,063,014	19,091,811	19,440,451	19,897,893	20,221,652	21,134,041	22,458,031	22,728,278	22,280,460	25,202,862
Fines & Forfeitures	1,807,782	1,780,146	1,681,265	1,672,287	1,442,634	1,113,512	918,840	1,059,835	831,889	748,710
Licenses & Permits	552,753	614,735	564,486	502,973	549,401	650,476	655,628	690,991	706,930	796,577
Charges for Services	1.037.873	2.391.671	2.579.831	3.034.139	2.459.509	2.840.253	1.403.079	1.327,675	981.550	872,026
Intergovernmental	254.552	296.070	583.121	689,624	58.815	59,730	1,176,253	1.347.063	5,743,698	1.713.453
Contributions and Donations		827.353	831.217	2.503,630	696,413	628.274	893,039	94.551	3.228.964	5.426.883
Miscellaneous	946,188	173,637	294,913	155,673	131,008	604,711	182,243	192,553	401,968	199,393
Interest and Investment Income	39,415	31,265	22,098	14,062	32,006	115,237	310,605	547,187	238,198	31,700
Total Revenues	36,391,904	38,830,991	39,354,179	42,152,479	39,794,265	41,511,841	42,761,184	43,255,270	52,619,989	54,593,853
Expenditures:										
General Government	4,867,732	5,237,122	5,617,973	5,748,778	5,536,663	5,519,977	5,728,253	5,818,350	6,324,719	8,428,590
Public Safety	18,351,930	20,580,493	21,448,737	22,621,457	22,055,008	22,905,249	23,361,243	23,697,616	24,296,047	25,044,645
Highways & Streets	2,977,519	3,100,048	3,214,699	3,258,044	3,037,712	3,192,920	3,300,201	3,410,491	3,644,814	3,595,825
Health & Welfare	2,554,289	2,785,007	2,906,812	2,972,646	2,895,711	2,893,736	841,556	883,373	1,305,281	1,994,009
Community and economic development		'			'	597,316	1,739,678	1,818,633	1,748,118	1,797,072
Culture & Recreation	3,853,625	4,024,108	3,844,256	3,759,030	3,928,243	4,116,239	5,292,513	5,046,136	4,969,797	3,860,130
Capital Outlay	1,210,517	1,197,032	2,714,934	3,933,263	952,217	1,537,157	1,420,920	1,259,425	5,048,443	9,846,429
Debt Payments				339,567	540,738	168,672	192,177	202,239	313,595	312,756
Total Expenditures	33,815,612	36,923,810	39,747,411	42,632,785	38,946,292	40,931,266	41,876,541	42,136,263	47,650,814	54,879,456
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	2,576,292	1,907,181	(393,232)	(480,306)	847,973	580,575	884,643	1,119,007	4,969,175	(285,603)
Budgeted Transfers and										
Other Financing Sources (Uses)	(39,150)	480,194	1,792,697	(759,632)	(76,639)	1,216,746	1,153,268	(1,029,544)	442,473	2,398,855
Excess of Revenues Other Financing Sources (Uses)										
Over (Under) Expenditures & Others	2,537,142	2,387,375	1,399,465	(1,239,938)	771,334	1,797,321	2,037,911	89,463	5,411,648	2,113,252
Beginning Fund Balance	10,859,654	13,396,796	15,784,171	17,183,636	15,943,698	16,715,032	18,512,353	20,550,264	20,639,727	26,051,375
Ending Fund Balance	\$ 13,396,796	\$ 15,784,171	\$ 17,183,636	\$ 15,943,698	\$ 16,715,032	\$ 18,512,353	\$ 20,550,264	\$ 20,639,727	\$ 26,051,375	ŝ

City of Harlingen, Texas	Fund Balances- Governmental Funds	Last Ten Fiscal Years- (Modified Accrual Basis of Accounting)
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Fiscal Year Ended September 30,

Table 7

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 15,636 \$	\$ 14,336	\$ 19,599	\$	\$       41,628	\$ 35,008	\$ 31,019	\$ 221,518	\$ 182,808	\$ 409,842
Restricted	I	1	I	ı	ı	I	1	I	118,119	185,308
Assigned				ı		·		428,246	573,369	1,319,556
Unassigned	13,381,160	15,769,835	17,164,037	15,938,460	16,673,404	18,477,345	20,519,245	19,989,963	25,177,079	26,249,921
Total General Fund	13,396,796	15,784,171	17,183,636	15,943,698	16,715,032	18,512,353	20,550,264	20,639,727	26,051,375	28,164,627
General Fund Percentage Change	23.4%	17.8%	8.9%	-7.2%	4.8%	10.8%	11.0%	0.4%	26.2%	8.1%
All Other Governmental Funds										
Nonspendable	1,104	1,465	,	624	3,466	1,847	6,306	436	25,000	741
Restricted	1,480,266	11,898,209	9,874,343	10,048,679	8,083,611	17,786,138	12,055,632	6,595,635	8,124,798	6,132,063
Committed	9,509,122	1,567,142	1,331,570	1,419,799	3,902,757	3,123,619	3,347,068	3,010,076	3,275,935	3,618,150
Assigned	ı	ı	I	ı	ı	I	ı	ı	ı	1,131,711
Unassigned	(837,933)	(195,429)	(218,895)	(137,216)	(212,367)	(355)	30,691	440,461	529,671	(1,343,182)
Total All Other Governmental Funds	10,152,559	13,271,387	10,987,018	11,331,886	11,777,467	20,911,249	15,439,697	10,046,608	11,955,404	9,539,483
Total Governmental Funds										
Nonspendable	16,740	15,801	19,599	5,862	45,094	36,855	37,325	221,954	207,808	410,583
Restricted	1,480,266	11,898,209	9,874,343	10,048,679	8,083,611	17,786,138	12,055,632	6,595,635	8,242,917	6,317,371
Committed	9,509,122	1,567,142	1,331,570	1,419,799	3,902,757	3,123,619	3,347,068	3,010,076	3,275,935	3,618,150
Assigned	ı	ı	I	ı	ı	I	ı	428,246	573,369	2,451,267
Unassigned	12,543,227	15,574,406	16,945,142	15,801,244	16,461,037	18,476,990	20,549,936	20,430,424	25,706,750	24,906,739
Total Governmental Funds	\$ 23,549,355	\$ 29,055,558	\$ 28,170,654	\$   27,275,584	\$ 28,492,499	\$ 39,423,602	\$ 35,989,961	\$ 30,686,335	\$ 38,006,779	\$ 37,704,110
All Governmental Funds										
Dorontoro Chanco	/02 1	/0V CC	/0U C	/0C C	A E0/	/01 00	0 70/	/02 11	/00 CC	/00 0
Percentage Change	-T./%	23.4%	-3.0%	-3.270	4.5%	38.4%	-8.1%	- 14.1%	23.9%	-0.8%

Note: The City of Harlingen first implemented GASB Cod. Sec. 1800.165, Classification and Terminology, Governmental Fund Reporting in fiscal year 2011.

## City of Harlingen, Texas Tax Revenues by Source - Governmental Funds Last Ten Fiscal Years

Table 8

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Hotel/Motel Taxes	Grand Total
2012	16,444,289	15,275,928	4,078,793	882,322	36,681,332
2013	17,600,278	15,873,690	4,002,690	907,944	38,384,602
2014	17,330,313	16,113,160	3,137,857	944,692	37,526,022
2015	17,472,095	16,522,227	3,143,126	1,024,253	38,161,701
2016	18,125,203	16,878,582	3,077,871	997,629	39,079,285
2017	18,233,617	17,611,023	3,268,621	954,465	40,067,726
2018	18,890,148	18,902,745	3,300,630	1,020,447	42,113,970
2019	19,344,906	19,369,107	3,258,465	1,594,254	43,566,732
2020	22,018,956	19,131,280	3,096,595	1,342,776	45,589,607
2021	\$ 23,031,989 \$	22,068,237 \$	3,024,184	\$ 1,482,927 \$	49,607,337
Percentage Change In Dollars Over 10 Years	 40.1%	44.5%	-25.9%	68.1%	35.2%

## City of Harlingen, Texas Taxable Assessed Value and Estimated Actual Value of Property Last Ten Fiscal Years

Table 9

		Marke	t Va	lue			Total	Total	Annual
Fiscal	Тах			Personal	Less: Total		Taxable	Direct	Percentage
Year	Year	Real Property		Property	Exemptions	4	Assessed Value	Tax Rate	Change
2012	2011	\$ 2,567,472,330	\$	464,156,293	\$ 340,576,515	\$	2,691,052,108	0.588827	1.0%
2013	2012	2,693,333,488		440,566,520	319,646,106		2,814,253,902	0.058827	4.6%
2014	2013	2,714,076,005		473,152,231	324,025,930		2,863,202,306	0.588827	1.7%
2015	2014	2,789,270,692		440,996,005	329,247,609		2,901,019,088	0.588827	1.3%
2016	2015	2,745,634,386		505,582,927	342,680,454		2,908,536,859	0.588827	0.3%
2017	2016	2,882,579,137		523,067,285	376,981,707		3,028,664,715	0.588827	4.1%
2018	2017	3,008,300,856		528,931,816	403,183,842		3,134,048,830	0.588827	3.5%
2019	2018	3,136,896,056		544,665,576	425,341,688		3,256,219,944	0.588827	3.9%
2020	2019	3,306,825,447		547,713,360	434,514,964		3,420,023,843	0.630000	5.0%
2021	2020	\$ 3,439,585,189	\$	513,483,881	\$ 502,907,675	\$	3,450,161,395	0.619849	0.9%

Note: Valuations shown are certified taxable assessed values reported by the Cameron Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. Tax rate is expressed in rate per \$100 taxable assessed valuation.

## City of Harlingen, Texas Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

								Tal	ole 10
			Direct			Underlying		Overlapping	
Fiscal	Тах	General	Debt Service		Harlingen	South Texas	Port of	Cameron	
Year	Year	Fund	Fund	Total	CISD	ISD	Harlingen	County	Total
2012	2011	0.450426	0.138401	0.588827	1.218000	0.049200	-	0.384291	2.240318
2013	2012	0.451862	0.136965	0.588827	1.218000	0.049200	-	0.384291	2.240318
2014	2013	0.449723	0.139104	0.588827	1.218000	0.049200	-	0.384291	2.240318
2015	2014	0.450901	0.137926	0.588827	1.218000	0.049200	-	0.399291	2.255318
2016	2015	0.458590	0.130237	0.588827	1.318000	0.049200	-	0.399261	2.355288
2017	2016	0.460327	0.128500	0.588827	1.318000	0.049200	-	0.407743	2.363770
2018	2017	0.456327	0.132500	0.588827	1.318000	0.049200	0.030000	0.410803	2.396830
2019	2018	0.460827	0.128000	0.588827	1.318000	0.049200	-	0.416893	2.372920
2020	2019	0.518100	0.111900	0.630000	1.216400	0.049200	-	0.436893	2.332493
2021	2020	0.525762	0.094087	0.619849	1.172300	0.049200	0.027657	0.436893	2.305899

Tax due date: January 31

Discount allowed: No

**Penalty and Interest:** Beginning at 7% in February (delinquency date) continues to 18% July after which a 1% per month interest is assessed until taxes are paid.

Source: Tax Department of Respective Entities

## City of Harlingen, Texas Property Tax Levies and Collections Last Ten Fiscal Years

		Towns Lowind	0 di	0 41:000 4	Collected \		Collections		Table 11
		Taxes Levied Within the	Adjustments to the Levy	Adjusted Taxes Levied	Fiscal Year		in	Total Co	llections
Fiscal	Тах	Fiscal Year	In the	for the	-	Percentage	Subsequent		Percentage
Year	Year	of the Levy	Fiscal Year	Fiscal Year	Amount	of Levy	Years	Amount	of Levy
2012	2011	\$ 15,831,009	\$ 14,563	\$ 15,845,572	\$ 15,277,856	96.42%	\$ 507,658	\$ 15,785,514	99.62%
2013	2012	16,702,363	(130,385)	16,571,978	16,203,650	97.78%	307,435	16,511,085	99.63%
2014	2013	16,808,735	50,494	16,859,229	16,343,303	96.94%	454,264	16,797,567	99.63%
2015	2014	17,124,639	(72,730)	17,051,909	16,714,992	98.02%	274,087	16,989,079	99.63%
2016	2015	17,514,160	(224,119)	17,290,041	17,073,956	98.75%	145,206	17,219,162	99.59%
2017	2016	17,753,400	33,475	17,786,875	17,265,768	97.07%	434,071	17,699,839	99.51%
2018	2017	18,347,246	20,517	18,367,763	17,868,349	97.28%	379,921	18,248,270	99.35%
2019	2018	19,016,342	(87,959)	18,928,383	18,404,809	97.23%	363,217	18,768,026	99.15%
2020	2019	21,232,625	184,858	21,417,483	20,872,708	97.46%	302,512	21,175,220	98.87%
2021	2020	\$ 21,067,994	\$ 1,245,246	22,313,240	\$ 21,804,095	97.72%	\$-	\$ 21,804,095	97.72%

Source: Harlingen Tax Office and the Cameron County Tax Office

# City of Harlingen, Texas Principal Property Taxpayers

Table 12

J01         Percentage         Percentage         Percentage         Percentage         Percentage         Principal Taxpayer       Type of Business       Valuation         VHS Harlingen Hospital Company LLC       Medical Services       \$ 67,312,543       1.95%         VHS Harlingen Hospital Company LLC       Medical Services       \$ 67,312,543       1.95%         AEP Texas Inc       Electricity Suppliers       \$ 1,780,970       1.50%         Boyer Harlingen LC       Real Estate Developers       \$ 2,575,632       0.80%         HMC Realty LLC       Real Estate Developers       \$ 2,634,408       0.66%         VHS Harlingen LC       Real Estate Developers       \$ 2,634,408       0.66%         VHS Harlingen LC       Real Estate Developers       \$ 2,634,408       0.66%         VHS Harlingen LC       Real Estate Developers       \$ 2,634,408       0.66%         VHS Harlingen LC       Real Estate Developers       \$ 2,634,408       0.66%         VHS Harlingen Hospital Company LLC       Real Estate Developers       \$ 2,634,408       0.66%         VHS Harlingen LC       Shopping Center Operations       \$ 1,7324,367       0.50%         Valle Vista Mall R	Fiscal Years Ended September 30,						
TaxableTaxableAssessedType of BusinessValuationMedical Services\$ 67,312,543Medical Services\$ 51,780,970Electricity Suppliers\$1,780,970Real Estate Developers\$27,575,632Real Estate Developers\$27,575,632Real Estate Developers\$27,575,632Real Estate Developers\$27,575,632Real Estate Developers\$27,575,632Real Estate Developers\$27,575,632Shopping Center Operations\$17,324,367Shopping Center Operations\$15,745,353Shopping Center Operations\$15,745,353Shopping Center Operations\$15,745,353Shopping Center Operations\$15,743,402Medical Services\$14,433,402Shopping Center Operations\$15,847,778Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778	2021				2012		
TaxableTaxableAssessedType of BusinessValuationMedical Services\$ 67,312,543Medical Services\$ 5,750,970Real Estate Developers27,575,632Real Estate Developers24,480,000Medical Services24,480,000Medical Services22,634,408Shopping Center Operations17,324,367Shopping Center Operations15,745,353Shopping Center Operations15,745,353Shopping Center Operations15,745,353Shopping Center Operations15,743,303Shopping Center Operations15,745,353Shopping Center Operations15,745,353Shopping Center Operations15,745,353Shopping Center Operations15,7400Medical Services14,433,402Shopping Center Operations13,847,778Shopping Center Operations13,847,778Shopping Center Operations13,847,778		-	Percentage				Percentage
TaxableTaxableAssessedType of BusinessValuationMedical Services\$ 67,312,543Electricity Suppliers\$1,780,970Real Estate Developers\$27,575,632Real Estate Developers\$24,480,000Medical Services\$24,480,000Shopping Center Operations\$17,324,367Shopping Center Operations\$15,745,353Shopping Center Operations\$15,7400Medical Services\$14,433,402Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778Shopping Center Operations\$13,847,778			Of Total				Of Total
AssessedType of BusinessAssessedMedical Services\$ 67,312,543Medical Services\$ 51,780,970Electricity Suppliers51,780,970Real Estate Developers27,575,632Real Estate Developers27,575,632Real Estate Developers22,634,408Medical Services22,634,408Shopping Center Operations17,324,367Shopping Center Operations15,745,353Shopping Center Operations15,745,353Shopping Center Operations15,745,353Shopping Center Operations15,743,373Shopping Center Operations15,743,402Medical Services14,433,402Shopping Center Operations13,847,778Shopping Center Operations13,847,778Shopping Center Operations13,847,778Shopping Center Operations13,847,778		Taxable	Taxable			Taxable	Taxable
Type of BusinessValuationMedical Services\$ 67,312,543Electricity Suppliers\$ 17,780,970Real Estate Developers\$ 27,575,632Real Estate Developers\$ 27,575,632Real Estate Developers\$ 24,480,000Medical Services\$ 22,634,408Shopping Center Operations\$ 17,324,367Shopping Center Operations\$ 15,745,353Shopping Center Operations\$ 13,847,778Shopping Center Operations\$ 13,847,778Shopping Center Operations\$ 13,847,778Shopping Center Operations\$ 13,847,778Shopping Center Operations\$ 13,847,778		Assessed	Assessed			Assessed	Assessed
Medical Services\$ 67,312,543Electricity Suppliers51,780,970Real Estate Developers27,575,632Real Estate Developers24,480,000Medical Services24,480,000Shopping Center Operations17,324,367Shopping Center Operations15,745,353Shopping Center Operations15,747,738Shopping Center Operations13,847,778Shopping Center Operations13,847,778	Type of Business	Valuation	Valuation	Principal Taxpayer	Type of Business	Valuation	Valuation
Electricity Suppliers51,780,970Real Estate Developers27,575,632Real Estate Developers24,480,000Medical Services22,634,408Shopping Center Operations17,324,367Shopping Center Operations15,745,353Shopping Center Operations15,500,000Medical Services14,433,402Shopping Center Operations13,847,778Shopping Center Operations13,847,778	Medical Services	\$ 67,312,543	1.95%	United Launch Alliance LLC	Aviation Aerospace	\$ 38,271,757	1.42%
Real Estate Developers27,575,632Real Estate Developers24,480,000Medical Services24,480,000Medical Services22,634,408Shopping Center Operations17,324,367Shopping Center Operations15,745,353Shopping Center Operations15,745,353Medical Services14,433,402Medical Services13,847,778Shopping Center Operations13,847,778	Electricity Suppliers	51,780,970	1.50%	Harlingen Medical Center Limited	Medical Real Estate Developers	23,852,478	0.88%
Real Estate Developers24,480,000Medical Services22,634,408Shopping Center Operations17,324,367Shopping Center Operations15,745,353Shopping Center Operations15,745,353Mopping Center Operations15,500,000Medical Services14,433,402Shopping Center Operations13,847,778Shopping Center Operations13,847,778	Real Estate Developers	27,575,632	0.80%	Mall at Valle Vista LLC	Shopping Center Operations	20,843,119	0.77%
Medical Services22,634,408Shopping Center Operations17,324,367Shopping Center Operations15,745,353Shopping Center Operations15,500,000Medical Services14,433,402Shopping Center Operations13,847,778Shopping Center Operations13,847,778	Real Estate Developers	24,480,000	0.71%	AEP Texas Central Company	Electricity Suppliers	17,929,370	0.66%
Shopping Center Operations17,324,367Shopping Center Operations15,745,353Shopping Center Operations15,500,000Medical Services14,433,402Shopping Center Operations13,847,778		22,634,408	0.66%	Valley Baptist Realty Corp	Holding Company	14,446,484	0.54%
Shopping Center Operations15,745,353Shopping Center Operations15,500,000Medical Services14,433,402Shopping Center Operations13,847,778		17,324,367	0.50%	Southwestern Bell Telephone	Telephone Service	13,505,810	0.50%
Shopping Center Operations15,500,000Medical Services14,433,402Shopping Center Operations13,847,778	Shopping Center Operations	15,745,353	0.46%	Harlingen Venture No Two LP	Shopping Center Operations	12,668,434	0.47%
Medical Services 14,433,402 Shopping Center Operations 13,847,778		15,500,000	0.45%	Harlingen SC Partners, Ltd.	Shopping Center Operations	12,316,045	0.46%
Shopping Center Operations 13,847,778		14,433,402	0.42%	Harlingen USCIS LP	Real Estate Developers	11,316,578	0.42%
	Shopping Center Operations	13,847,778	0.40%	Harlingen Medical Center Limited	Medical Services	11,237,491	0.42%
\$ 270,634,453 7.84%	1 - 11	\$ 270,634,453	7.84%			\$ 176,387,566	6.54%

Source: Cameron Appraisal District

## City of Harlingen, Texas Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	Direct Rate	Overlapping Rate	Total Direct and Overlapping Rate
TCar	Nate	Nate	
2012	2.00%	6.25%	8.25%
2013	2.00%	6.25%	8.25%
2014	2.00%	6.25%	8.25%
2015	2.00%	6.25%	8.25%
2016	2.00%	6.25%	8.25%
2017	2.00%	6.25%	8.25%
2018	2.00%	6.25%	8.25%
2019	2.00%	6.25%	8.25%
2020	2.00%	6.25%	8.25%
2021	2.00%	6.25%	8.25%

Table 13

#### City of Harlingen, Texas Ratio of Total Debt Outstanding by Type Last Ten Fiscal Years

#### Table 14

		Go	overnmental Acti	vities					General Bonded Debt as a Percent	
Fiscal Year	Notes Payable	General Obligation Debt	Certificates of Obligation Debt	Capital Lease	Net Discount Premium	c	Total Primary Government	Percentage of Personal Income	of Estimated Taxable Property Values	Per Capita
2012	\$ 1,208,323	\$ 20,885,000	\$ 22,340,000	\$ 507,567	\$ -	\$	44,940,890	1.91%	1.61%	1,934
2013	716,416	19,465,000	27,140,000	-	136,213		47,457,629	2.12%	1.66%	1,982
2014	646,416	17,995,000	26,455,000	1,350,833	134,945		46,582,194	2.10%	1.55%	1,873
2015	3,589,635	16,390,000	25,695,000	1,258,116	134,830		47,067,581	2.05%	1.46%	1,867
2016	3,519,635	28,875,000	8,765,000	1,110,281	2,718,135		44,988,051	2.00%	1.39%	1,677
2017	3,449,635	27,645,000	19,790,000	958,121	2,270,495		54,113,251	2.31%	1.57%	1,916
2018	3,379,635	25,190,000	19,090,000	875,667	1,880,277		50,415,579	2.02%	1.41%	1,750
2019	3,309,635	22,685,000	18,370,000	694,645	1,509,736		46,569,016	1.83%	1.26%	1,200
2020	4,165,839	21,815,000	15,705,000	515,496	1,416,043		43,617,378	1.69%	1.08%	1,097
2021	\$ 4,013,640	\$ 22,530,000	\$ 11,205,000	\$ 342,325	\$ 1,500,582	\$	39,591,547	1.28%	0.98%	921

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 17 for personal income.

## City of Harlingen, Texas Computation of Estimated Direct and Overlapping Debt

Table 15

Fiscal Year Ended September 30, 2021			
Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to the City of Harlingen	City of Harlingen's Share of Debt
Direc	ct Debt		
City of Harlingen	\$ 39,591,547	100.00%	\$ 39,591,547
Total Direct Debt	39,591,547		39,591,547
Overlap	ping Debt		
Cameron County	151,170,000	16.13%	24,383,721
Harlingen Consolidated Independent School District	129,459,451	75.05%	97,159,318
Rio Hondo Independent School District	48,719,219	1.67%	813,611
San Benito Consolidated Independent School District	96,620,000	1.51%	1,458,962
Total Overlapping Debt	425,968,670		123,815,612
Total Direct and Overlapping Debt	\$ 465,560,217		\$ 163,407,159
	γ <del>1</del> 03,300,217		÷ 105,407,155

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of the another government unit's assessed value that is within the City's boundaries and dividing by each unit's total assessed value.

City of Harlingen, Texas	Legal Debt Margin	Last Ten Fiscal Years
--------------------------	-------------------	-----------------------

Table 16

Fiscal Year Ended September 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value	\$ 2,696,242,041	\$ 2,696,242,041 \$ 2,814,253,902 \$ 2,863,202,306		\$ 2,901,019,088 \$ 2,908,536,859 \$ 3,028,664,715 \$ 3,134,048,830 \$ 3,256,219,944 \$ 3,460,443,626 \$ 3,450,161,395	3 2,908,536,859	\$ 3,028,664,715	3,134,048,830	\$ 3,256,219,944	\$ 3,460,443,626	\$ 3,450,161,395
Legal Debt Margin										
Legal Debt Limit \$2.50 per \$100 of assessed valuation	67,406,051	70,356,348	71,580,058	72,525,477	72,713,421	75,716,618	78,351,221	81,405,499	86,511,091	86,254,035
General Obligation Bonds	19,465,000	17,995,000	16,390,000	14,845,000	29,485,000	27,070,277	25,190,000	22,685,000	21,815,000	22,530,000
Deduct Amount Available in Debt Service Fund	(689,181)	(972,813)	(1,008,996)	(1,033,665)	(1,230,000)	(1,840,000)	(920,079)	(1,075,322)	(958,835)	(459,998)
Applicable Debt Margin	18,775,819	17,022,187	15,381,004	13,811,335	28,255,000	25,230,277	24,269,921	21,609,678	20,856,165	22,070,002
Legal Debt Margin	\$ 48,630,232 \$	\$    53,334,161   \$	56,199,054 \$	; 58,714,142 \$	\$ 44,458,421 \$	\$     50,486,341   \$	\$ 54,081,300 \$	\$ 59,795,821 \$	\$ 65,654,926 \$	5 64,184,033
As a percentage of debt limit <b>=</b>	72.15%	75.81%	78.51%	80.96%	61.14%	66.68%	69.02%	73.45%	75.89%	74.41%

## City of Harlingen, Texas Economic and Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Estimated Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2012	66,122	2,331,924,574	35,267	32.8	18,176	10.00%
2013	65,679	2,239,391,184	34,096	32.8	18,360	9.80%
2014	65,665	2,223,285,570	33,858	33.1	18,226	7.90%
2015	65,914	2,298,289,352	34,868	32.7	18,259	6.80%
2016	65,774	2,266,966,684	34,466	31.5	18,192	7.50%
2017	65,539	2,340,922,002	35,718	32.8	18,614	6.50%
2018	65,467	2,495,732,974	38,122	31.1	18,285	5.80%
2019	65,436	2,538,916,800	38,800	31.1	18,574	5.20%
2020	71,000	2,822,392,000	39,752	31.6	18,346	1.03%
2021	71,829	\$ 3,088,862,487	43,003	30.3	18,620	7.30%

Table 17

(1) United States Department of Commerce, Bureau of Census

(2) United State Department of Commerce, Bureau of Economic Analysis

(3) Harlingen Consolidated Independent School District

(4) United States Department of Labor, Bureau of Labor Statistics

City of Harlingen, Texas
--------------------------

Table 18

	2021				2012		
			Percentage of				Percentage of
	Number of		Total City		Number of		Total City
Employer	Employees	Rank	Employment	Employer	Employees	Rank	Employment
Harlingen Consolidated School District	3,195	1	13.47%	Harlingen Consolidated School District	2,848	1	12.60%
Valley Baptist Medical Center	2,789	2	11.76%	11.76% Valley Baptist Medical Center	1,930	2	8.54%
Advanced Call Center Technologies	1,738	ε	7.33%	7.33% Advanced Call Center Technologies	1,250	ε	5.53%
HEB (3) Harlingen Locations	715	4	3.02%	Dish Network	1,013	4	4.48%
United HealthCare Services, Inc.	682	ъ	2.88%	Vicki Roy Home Health	719	ъ	3.18%
Harlingen Medical Center	613	9	2.58%	2.58% Texas State Technical College	599	9	2.65%
Rio Grande State Center	610	7	2.57%	City of Harlingen	594	7	2.63%
Bee First Primary Home Care	600	∞	2.53%	HEB (3) Harlingen Locations	592	∞	2.62%
City of Harlingen	585	6	2.47%	Harlingen Medical Center	546	6	2.42%
Texas State Technical College	509	10	2.15%	Rio Grande State Center	529	10	2.34%
Total Principal Employers	12,036		50.75%	50.75% Total Principal Employers	10,620		47.00%
Other Employers	11,678		49.25%	Other Employers	11,975		53.00%
Total Employers	23,714		100.00%	100.00% Total Employers	22,595		100.00%

Source: Harlingen Economic Development Corporation

## City of Harlingen, Texas City Employees by Function/Program Last Ten Fiscal Years

									Table 1	19
Fiscal Year Ended September 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administrative Services										
City Manager	4	4	5	4	4	4	4	4	4	4
City Secretary	1	1	2	2	2	2	3	3	3	3
City Attorney	3	3	2	2	2	3	1	1	1	-
Public Information Officer	0	0	0	1	0	0	0	1	1	1
Internal Auditor	1	1	1	0	1	1	1	1	1	1
Total Administrative Services	9	9	10	9	9	10	9	10	10	9
Human Resources										
Human Resources	2.5	3	3	3	3	3	3	3	3	3
Civil Service	1.5	1	1	1	1	1	1	1	1	1
Risk Management	3	3	3	3	3	3	2	2	2	2
Total Human Resources	7	7	7	7	7	7	6	6	6	6
Police Department										
Police Department	134	134	138	140	144	144	143	143	143	139
Police Services	49	52	51	51	52	52	52	49	49	43
Total Police Department	183	186	189	191	196	196	195	192	192	182
Fire Department										
Fire Suppression	107	107	107	107	107	107	98	98	98	97
Fire Prevention	6	6	6	6	6	6	6	6	6	6
Airport Prevention	-	-	-	-	-	-	9	9	9	10
Total Fire Department	113	113	113	113	113	113	113	113	113	113
Financial Services										
Finance	11	11	12	12	12	12	11	11	11	11
Municipal Court	10	10	10	10	10	10	10	10	9	9
Vital Statistics	4	4	4	4	4	4	4	4	4	4
Management Information Systems	6	3	3	3	4	4	3	3	3	3
Total Financial Services	31	28	29	29	30	30	28	28	27	27
Development Services										
Planning & Development	5	5	5	6	5	5	5	5	5	6
Engineering	4	5	5	4	4	4	4	5	5	5
Building Inspection	6	6	6	6	6	6	6	7	7	7
Public Buildings	19	19	19	19	19	19	18	17	17	19
Animal Control	4	4	4	4	4	4	4	4	4	4
UT Grant	0	0	0	1	1	1	1	1	1	1
Environmental Health	5	5	5	5	5	5	5	5	5	5
Storm Water Management	1	1	1	1	1	1	1	-	-	-
Code Enforcement	8	8	8	8	8	8	8	7	7	7
Total Development Services	52	53	53	54	53	53	52	51	51	54

## City of Harlingen, Texas City Employees by Function/Program Last Ten Fiscal Years

								Table 1	.9
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4	4	4	4	4	4	5	3	3	3
25	25	25	25	25	25	25	25	25	25
6	6	6	6	6	6	6	6	6	6
10	10	10	10	11	11	12	13	13	12
2	2	2	2	4	4	4	4	4	1
42	42	42	42	40	40	40	40	40	40
4	4	4	4	4	4	4	4	4	4
10	10	10	9	10	10	9	9	9	9
3	3	4	4	4	4	4	-	-	-
106	106	107	106	108	108	109	104	104	100
2	2	2	2	1	1	1	3	3	3
33	35	35	35	29	29	29	29	29	29
4	3	2	2	3	3	2	2	2	2
1	1	1	1	1	1	1	1	1	1
21	21	21	21	21	21	21	19	18	18
2	2	2	1	1	1	1	1	1	1
22	22	22	22	22	22	22	22	22	22
3	3	3	3	3	3	3	2	2	2
88	89	88	87	81	81	80	79	78	77
4	4	4	4	5	5	5	5	5	5
3	3	3	3	3	3	3	3	3	3
3	3	4	3	3	3	3	3	3	3
5	5	5	5	5	5	5	5	5	6
15	15	16	15	16	16	16	16	16	17
39	49	53	46	46	46	47	57	57	60
39	49	53	46	46	46	47	57	57	60
104.0	104.5	107.5	96.5	102.7	98.5	99.0	96.0	96.0	94.0
31.5	31.5	33.5	42.5	43	48.5	49	52	52	52
135.5	136.0	141.0	139.0	145.7	147.0	148.0	148.0	148.0	146.0
778.5	791.0	806.0	796.0	804.7	807.0	803.0	804.0	802.0	790.0
	4 25 6 10 2 42 4 10 3 106 2 33 4 1 21 2 22 3 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	4       4         25       25         6       6         10       10         2       2         42       42         4       4         10       10         3       3         106       106         2       2         33       35         4       3         1       1         2       2         233       35         4       3         1       1         21       2         22       22         33       3         88       89         4       4         3       3         5       5         15       15         39       49         39       49         39       49         305       31.5         31.5       31.5         31.5       31.5         135.5       136.0	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	4444252525256666101010102222424242424444101010933441061061071062222333535432211112121212122223333888988874444333333433343334433343343344433433343334433435555151516153949534639495342.531.531.533.542.5135.5136.0141.0139.0	4 $4$ $4$ $4$ $4$ $25$ $25$ $25$ $25$ $25$ $6$ $6$ $6$ $6$ $10$ $10$ $10$ $11$ $2$ $2$ $2$ $2$ $4$ $42$ $42$ $42$ $42$ $42$ $42$ $42$ $41$ $4$ $4$ $4$ $100$ $100$ $10$ $9$ $3$ $3$ $4$ $4$ $106$ $106$ $107$ $106$ $108$ $107$ $106$ $108$ $2$ $2$ $2$ $2$ $1$ $3$ $35$ $35$ $35$ $29$ $4$ $3$ $2$ $2$ $3$ $1$ $1$ $1$ $1$ $1$ $21$ $21$ $21$ $21$ $21$ $2$ $2$ $2$ $2$ $1$ $2$ $22$ $22$ $22$ $22$ $3$ $3$ $3$ $3$ $3$ $88$ $89$ $88$ $87$ $81$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $3$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $4$ $3$ $3$ $3$ $3$ $3$ $3$ $3$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

## City of Harlingen, Texas Operating Statistics by Function/Program Last Ten Fiscal Year

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Alumouto										
Airports Number of airports:	1	1	1	1	1	1	1	1	1	1
Scheduled airplane flights per day departing:	13	13	13	11	11	14	14	16	8	10
Scheduled airplane flights per day arriving:	13	13	13	11	11	14	14	16	8	10
Passenger enplaning and deplaning (approximate):		606,635	583,652	533,206	518,994	546,304	605,820	673,579	419,887	542,268
Fire Protection										
Number of stations:	7	7	7	7	7	8	8	8	7	8
Number of hydrants:	1,990	2,519	2,546	2,558	2,628	2,572	2,572	2,632	2,230	2,637
Number of fighters: Firefighters per 1,000 population:	110 1.69	109 1.65	109 1.65	109 1.65	109 1.65	109 1.65	109 1.65	109 1.62	109 1.67	110 1.39
Police Protection										
Number of stations:	1	1	1	1	1	1	1	1	1	1
Number of sub-stations:	1	1	2	1	0	0	0	0	0	0
Number of sworn officers:	132	131	141	141	143	143	143	143	139	139
Sworn officers per 1,000 population:	1.76	1.75	2.14	2.14	2.20	2.20	2.20	2.20	2.12	1.93
Libraries										
Number of public libraries:	1	1	1	1	1	1	1	1	1	1
Number of volumes:	157,061	168,643	122,221	108,662	112,361	111,601	112,205	113,180	90,438	94,794
Circulation of volumes:	148,460	177,061	172,489	161,695	160,976	178,703	178,838	193,917	121,192	106,533
Circulation per capita:	3.98	4.75	2.63	2.40	2.43	3.85	3.54	3.53	2.29	2.11
Library cards in force (approximate)	37,281	37,281	21,165	42,785	43,609	46,442	50,477	55,020	52,903	50,511
Parks and Recreation	722.00	722.00	722.00	464.00	464.00	642.00	642.00	642.00	642.00	642.00
Park acreage developed:	723.00	723.00	723.00	461.00	461.00	612.00	612.00	612.00 122.00	612.00	612.00 97.00
Park acreage undeveloped: Playgrounds:	568.00 18	568.00 18	568.00 13	116.00 14	140.00 14	122.00 16	122.00 17	122.00	97.00 17	97.00 17
Private golf course:	2	3	3	3	3	3	2	2	2	2
Public golf course:	2	3	3	3	3	3	3	2	2	2
Number of holes:	72	90	90	90	90	90	81	63	54	54
Streets										
Miles of paved streets:	257.88	259.08	260.31	261.93	262.14	262.61	263.35	263.35	266.10	268.36
Miles of unpaved streets:	11.73	11.73	10.87	11.16	9.44	9.06	8.33	8.33	8.91	8.91
Miles of alleys:	52.50	66.69	66.69	66.69	66.84	66.84	66.84	66.84	66.84	66.84
Miles of paved alleys:	13.76	15.44	15.44	15.44	15.76	15.76	15.76	15.76	15.76	15.76
Miles of sidewalks: Number of streetlights:	50.00 3,751	102.32 3,858	102.87 3,908	104.16 3,938	109.32 4,104	111.54 4,156	113.29 4,185	114.13 4,210	114.80 4,240	119.48 4,303
-	5,751	5,050	3,500	3,330	4,104	4,150	4,105	4,210	4,240	4,505
Water System										
Number of water plants:	2	2	2	2	2	2	2	2	2	2
Miles of water mains: Daily average consumption (MGD):	500.00 13.30	500.00 13.10	505.00 13.10	505.00 9.34	505.80 12.90	506.50 13.84	507.90 12.00	510.00 12.41	518.20 13.60	515.40 14.50
Plant capacity (MGD):	35.00	35.00	35.00	40.40	38.60	38.60	38.60	38.60	38.60	39.00
Number of service connections:	24,445	24,592	24,876	25,168	25,248	25,624	25,705	26,152	26,628	27,028
Storage tank capacity (MG):	22.75	22.75	23.25	32.40	32.25	32.25	32.25	15.00	15.00	15.00
Sewage System										
Number of disposal plants:	1	1	1	1	1	1	1	1	1	1
Miles of sanitary sewers:	313.00	314.00	310.00	330.00	312.00	314.00	316.00	317.42	317.42	344.07
Number of lift stations:	63	58	63	63	63	63	61	61	61	61
Combined daily average treatment (MGD):	5.80	5.70	5.75	6.20	6.00	5.40	5.30	5.50	6.00	6.00
Maximum capacity of treatment plant (MGD): Number of service connections:	6.50	6.50	7.25	6.20	10.00	10.00	10.00	10.00	10.00	10.00
	19,633	19,762	19,675	19,892	20,013	20,408	20,254	20,574	20,956	21,239

Source: City Departments and Component Units

Table 20

## City of Harlingen, Texas Ratio of General Bonded Debt Outstanding Last Ten Fiscal Years

Table 21

					Percentage of Estimated	
	Fiscal	General Bonded	Less: Amounts Available in Debt		Actual Taxable Value of	Per
	Year	Debt (1)	Service Fund (2)	Total	Property (3)	Capita (4)
-			•••			• • •
	2012	43,225,000	688,077	42,536,923	1.61%	643
	2013	46,605,000	972,810	45,632,190	1.66%	695
	2014	44,450,000	1,008,996	43,441,004	1.55%	662
	2015	42,219,830	1,033,665	41,186,165	1.46%	625
	2016	40,358,135	1,150,000	39,208,135	1.39%	596
	2017	47,435,000	728,941	46,706,059	1.57%	713
	2018	44,280,000	920,079	43,359,921	1.41%	662
	2019	41,055,000	1,075,321	39,979,679	1.26%	609
	2020	37,520,000	958,835	36,561,165	1.06%	562
	2021	\$ 33,735,000	459,998	33,275,002	0.96%	463

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

(1) This is the general bonded debt of both governmental and business type activities, net of original issuance discounts and premiums. (2) This is the amount restricted for debt service principal payments.

(3) See the schedule of Assessed Value and the Estimated Actual Value of Taxable Property for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics.

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## SINGLE AUDIT SECTION

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**Carr, Riggs & Ingram, LLC** 402 East Tyler Avenue Harlingen, TX 78550-9122

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#### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members of the City Commission City of Harlingen Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Harlingen, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Harlingen, Texas' basic financial statements, and have issued our report thereon dated April 28, 2022.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Harlingen, Texas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Harlingen, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Harlingen, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Harlingen, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Firm's signature

Carr, Riggs & Ungram, L.L.C.

Harlingen, Texas April 28, 2022

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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Honorable Mayor and Members of the City Commission City of Harlingen, Texas

#### Report on Compliance for Each Major Federal and State Program

We have audited the City of Harlingen, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the State of Texas Single Audit Circular* that could have a direct and material effect on each of the City of Harlingen, Texas' major federal and state programs for the year ended September 30, 2021. City of Harlingen, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Harlingen, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular*. Those standards, Uniform Guidance and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Harlingen, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Harlingen, Texas' compliance.

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#### Opinion on Each Major Federal and State Program

In our opinion, the City of Harlingen, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state programs for the year ended September 30, 2021.

#### **Report on Internal Control over Compliance**

Management of the City of Harlingen, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Harlingen, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Harlingen, Texas' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control other compliance with a type of compliance control over compliance with a type of compliance is a deficiency or a combination of deficiencies, in internal control over compliance control over compliance with a type of compliance is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Firm's signature

Carr, Riggs & Chapan, L.L.C.

City, State April 28, 2022

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## Section I - Summary of Auditors' Results

Financial Statements					
Type of auditors' report issued:	Unmodified				
Internal control over financial reporting:					
<ul> <li>* Material weakness(es) identified?</li> <li>* Significant deficiencies identified that are not considered to be material weakness(es)?</li> </ul>	yesX_no yesX_none reported				
Noncompliance material to financial statements noted?	yesX_no				
Federal and State Awards					
Internal control over major programs:					
<ul> <li>* Material weakness(es) identified?</li> <li>* Significant deficiencies identified that are not considered to be material weakness(es)?</li> </ul>	yesXno yesXnone reported				
Type of auditors' report issued on compliance for major programs:	Unmodified				
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes <u>X</u> no				
Any audit findings disclosed that are required to be reported in accordance with the State of Texas Single Audit Circular?	yesX_no				
Identification of major programs:					
<u>Federal</u>					
Assistance Listing Number(s)	Name of Federal Program or Cluster				
20.106	Airport Improvement Program				
21.027	Coronavirus State and Local Fiscal Recovery Funds				
97.039	Hazard Mitigation Grant				

## Section I - Summary of Auditors' Results

<u>State</u>	
Program Number	Name of State Program
40115	Category 3 Harlingen 9 <sup>th</sup> and 13 <sup>th</sup> St Drainage Improvements Project
RGV-21002	Library Services for Border Cities
<u>Federal</u> Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
State Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Federal	
Auditee qualified as low-risk auditee?	<u>X</u> yesno
<u>State</u>	
Auditee qualified as low-risk auditee?	yesX_no

Section II – Findings Relating to the Financial Statement Audit as Required to Be Reported in Accordance with Generally Accepted Government Auditing Standards

None noted that were required to be reported

Section III - Federal and State Award Findings and Questioned Costs

None noted that were required to be reported



### CAPITAL OF THE LOWER RIO GRANDE VALLEY

Mission Statement: "Ensure a business-friendly climate focused on economic growth, quality of life and efficient delivery of excellent services to our community."

### Schedule of Findings and Questioned Costs Corrective Action Plan

#### PROGRAM

#### **CORRECTIVE ACTION PLAN**

No findings or questioned costs noted

**Contact Person:** 

Robert Rodriguez, Finance Director

**Implementation Time Frame:** 

N/A

### "Recipient of Keep Texas Beautiful Governor's Achievement Award"

118 E. Tyler \star P.O. Box 2207 \star Harlingen, Texas 78551

# City of Harlingen, Texas Schedule of Findings and Questioned Costs Summary Schedule of Prior Audit Findings

None that were required to be reported.

#### City of Harlingen, Texas Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2021

(1) Federal Grantor /	(2) Federal	(3) Pass-through	(4) Provided	(5)
Pass-Through Grantor	Assistance Listing	Entity Identifying	to	Federal
Program Title	Number	Number	Subrecipients	Expenditure
J.S. Department of Housing and Urban Development				
Direct Program				
CDBG - Entitlement Grants Cluster				
*Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-48-0504	-	25,85
*Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-48-0504	-	16,13
*Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-48-0504	-	4,40
*Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-48-0504	-	121,09
*Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-48-0504	-	271,4
*Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-48-0504	-	433,4
*Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0504	-	135,6
*COVID-19 Community Development Block Grants/Entitlement Grants Total CDBG - Entitlement Grants Cluster	14.218	B-20-MC-48-0504		248,3 1,256,4
Direct Program HOME Investment Partnerships Program	14.239	M-15-MC-48-0504	_	76,45
HOME Investment Partnerships Program	14.239	M-15-MC-48-0504	_	70,4
HOME Investment Partnerships Program	14.239	M-17-MC-48-0504	-	112,4
HOME Investment Partnerships Program	14.239	M-18-MC-48-0504	-	87,8
HOME Investment Partnerships Program	14.239	M-19-MC-48-0504	-	139,9
HOME Investment Partnerships Program	14.239	M-19-MC-48-0504	-	8,6
Total HOME Investment Partnerships Program			-	496,7
Community Development Block Grants/State's Program and				
Non-Entitlement Grants in Hawaii	14.228	B-20-DW-48-0001	-	111,94
otal U.S. Department of Housing and Urban Development			-	1,865,12
.S. Department of Justice				
Passed through Texas Office of the Governor - Criminal Justice Division (CJD)				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1272	-	35,1
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0002	-	28,9
Crime Victim Assistance Total passed through Texas Office of the Governor - Criminal Justice Division (CJD)	16.575	2019-V2-GX-0011	-	41,6
				100,00
Passed through Institute for Intergovernmental Research Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-MU-BX-K002	-	34,66
				,
Direct Program Office of Bureau of Justice Assistance				
Edward Byrne Memorial Justice Assistance Program	16.738	2020-DJ-BX-0737		17,16
Bulletproof Vest Partnership Program	16.607	FY2017	-	12,17
Total Direct from Office of Bureau of Justice Assistance	10.007	112017	-	29,34
Direct Program				
Equitable Sharing Program	16.922	JLEOTFS4	-	15,1
otal U.S. Department of Justice			-	184,9
				- ,-
J.S. Department of Transportation Direct Program:				
Federal Aviation Administration				
Airport Improvement Program	20.106	3-48-0101-061-2018	-	2,352,2
Airport Improvement Program	20.106	3-48-0101-063-2020	-	2,842,3
Airport Improvement Program	20.106	3-48-0101-064-2020	-	6,054,8
COVID-19 Airport Improvement Program	20.106	3-48-0101-065-2021	-	2,752,5
COVID-19 Airport Improvement Program	20.106	3-48-0101-067-2020	-	1,658,1
COVID-19 Airport Improvement Program Payroll Total Direct from Federal Aviation Administration	20.106	COVID-19 AIP Payroll	-	25,8 15,686,1
			-	13,000,1
Passed through Lower Rio Grande Valley Development Council				
Federal Transit Cluster:	20 5 27	TV 2024 0C4 00		4.2
*Federal Transit Formula Grants *Federal Transit Formula Grants	20.507	TX-2021-064-00	-	1,2
*Federal Transit Formula Grants	20.507	TX-2016-060-00		14,0 15,2
Total passed through the Lower Rio Grande Valley Development Council				
Total passed through the Lower Rio Grande Valley Development Council Passed Through the Texas Department of Transportation *Highway Planning and Construction	20.205	0921-06-312	-	20

#### City of Harlingen, Texas Schedule of Expenditures of Federal Awards - (Continued)

For the Year Ended September 30, 2021									
(1)	(2)	(3)	(4)	(5)					
Federal Grantor /	Federal	Pass-through	Provided						
Pass-Through Grantor	Assistance Listing	Entity Identifying	to	Federal					
Program Title	Number	Number	Subrecipients	Expenditure					
Office of National Highway Traffic Safety Administration									
Passed through Texas Department of Transportation									
Highway Safety Cluster:									
*State and Community Highway Safety	20.600	2021-Harlingen-S-1YG-00019	_	32,18					
*State and Community Highway Safety	20.600	2021-Harlingen-S-CMV-00007	_	11,30					
*National Priority Safety Programs	20.616	2021-Harlingen-IDM-00008	-	8,03					
*National Priority Safety Programs	20.616	2021-Harlingen-CIOT-00020	-	9,18					
Total Highway Safety Cluster passed through Texas Department of Transportation			-	60,706					
Total Office of National Highway Traffic Safety Administration			-	60,706					
U.S. Department of the Treasury									
Direct Program:									
COVID-19 Coronavirus State and Local Firscal Recovery Funds	21.027	1505–AC77	-	4,526,50					
Total U.S. Department of the Treasury			-	4,526,505					
Institure of Museum and Library Services (IMLS)									
Passed through Texas State Library & Archives Commission									
COVID-19 Competitive — TSLAC Cares - Cycle 1	45.310	CAR1-21012	-	24,334					
Total Passed through Texas State Library & Archives Commission			-	24,334					
Total Institute of Museum and Library Services (IMLS) Centers for Disease Control and Prevention									
Passed Through Department of State Health Services									
Public Health Emergency Response: Cooperative Agreement for Emergency Response:									
Public Health Crisis Response	93.354	HHS000371500005	-	68,83					
Public Health Emergency Response: Cooperative Agreement for Emergency Response:									
Public Health Crisis Response	93.354	HHS001076300001	-	21,95					
Total Passed through Department of State Health Services			-	90,78					
Total Centers for Disease Control and Prevention			-	90,789					
Federal Emergency Management Agency									
Passed through the Department of State Health Services COVID-19 Vaccine Clinics Project 185872	97.036	4485DRTXP0000001		1 / 1 0 / 2					
Total Passed through the Department of State Health Services	97.030	4483DR1XP0000001	-	141,842 141,842					
Total Federal Emergency Management Agency				141,84					
U.S. Department of Homeland Security									
Passed through Texas Division of Emergency Management Hazard Mitigation Grant Program	97.039	HMGP-DR 4266-TX		022.01					
Total Passed through Texas Division of Emergency Management	97.039	HIVIGP-DK 4200-1X	-	932,912					
Passed Through Texas Office of the Governor – Homeland Security Grants Division (HSGD)	97.067	EMW-2020-SS-00054		133.00					
Homeland Security Grant Program Total Passed through Texas Office of the Governor –	97.007	EIVI VV-2020-33-00054	-	123,803					
Homeland Security Grants Division (HSGD)				122 00					
Total U.S. Department of Homeland Security			-	123,80					
				1,000,71					

\* Cluster of programs

#### City of Harlingen, Texas Schedule of Expenditures of State Awards For the Year Ended September 30, 2021

(1)	(3)	(4)	(5)
State Grantor /		Provided	
Pass-Through Grantor	Identifying	to	State
Program Title	Number	Subrecipients	Expenditure
Texas Water Development Board			
Category 3 Harlingen 9th and 13th St Drainage Improvements Project	40115	-	\$ 1,167,894
Category 1 Harlingen HUC 10 Flood Protection Planning Study	40041	-	37,513
Tropical Texas Behavioral Health			
Tropical Texas Behavioral Health		-	83,491
Texas Parks and Wildlife Department			
Amalie L. "Amy" Koppel Memorial All-Inclusive Playground		-	53,241
University of Texas Health Science Center At Houston			
Community Health Worker Tu Salud Si Cuenta		-	51,453
Texas State Library & Archives Commission			
Library Services for Border Cities	RGV-21002	-	351,028
Texas Department of State and Health Services			
COVID-19 Immunizations Grant Program	HHS001019500021	-	128,739
Texas Office of the Governor - Homeland Security Grants Division (HSGD)			
BL-Local Border Security Program (LBSP)	2020-BL-ST-0016	-	60,000
Total State Financial Assitance Expended		-	1,933,359

### City of Harlingen, Texas Notes on Accounting Policies for Federal and State Awards

### General

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state award programs of the City of Harlingen, Texas, for the year ended September 30, 2021. The reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

### **Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Harlingen, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and the State of Texas Single Audit Circular. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

### Federal Loans and Loan Guarantees

During the year ended September 30, 2021, the City had no outstanding loans payable or loan guarantees.

### **Federally Funded Insurance**

During the year ended September 30, 2021, the City had no federally funded insurance.

### Noncash Awards

During the year ended September 30, 2021, the City did not have any awards in the form of noncash assistance.

### **Indirect Cost Rate**

The Uniform Guidance allows an organization to elect a 10% de minimus indirect cost rate. For the year ended September 30, 2021, the City did not elect to use this rate.

## City of Harlingen, Texas Exit Conference

**Discussion with City Personnel:** The results of the audit were discussed at an exit briefing with the following grantee personnel:

Robert Rodriguez, Finance Director

No exceptions were taken to the factual contents of the items contained in this report.

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CONTINUING DISCLOSURE REQUIREMENTS OF SEC RULE 15(C) 2-12

## City of Harlingen, Texas General Fund Revenues and Expenditures History Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

### Fiscal Year Ended September 30,

		2012	2013	2014	
Revenues:					
Property Taxes - including P and I	Ś	12,690,327	\$ 13,624,303	Ś	13,356,797
Non-property Taxes		19,063,014	19,091,811		19,440,451
Fines & Forfeitures		1,807,782	1,780,146		1,681,265
Licenses & Permits		552,753	614,735		564,486
Charges for Services		1,037,873	2,391,671		2,579,831
Intergovernmental		254,552	296,070		583,121
Contributions and Donations		-	827,353		831,217
Miscellaneous		946,188	173,637		294,913
Interest and Investment Income		39,415	31,265		22,098
Total Revenues		36,391,904	38,830,991		39,354,179
Expenditures:					
General Government		4,867,732	5,237,122		5,617,973
Public Safety		18,351,930	20,580,493		21,448,737
Highways & Streets		2,977,519	3,100,048		3,214,699
Health & Welfare		2,554,289	2,785,007		2,906,812
Community and economic development		-	-		
Culture & Recreation		3,853,625	4,024,108		3,844,256
Capital Outlay		1,210,517	1,197,032		2,714,934
Debt Payments		-	-		-
Total Expenditures		33,815,612	36,923,810		39,747,411
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures		2,576,292	1,907,181		(393,232)
Budgeted Transfers and					, , - ,
Other Financing Sources (Uses)		(39,150)	480,194		1,792,697
Excess of Revenues		· · · ·			
Other Financing Sources (Uses)					
Over (Under) Expenditures & Others		2,537,142	2,387,375		1,399,465
Beginning Fund Balance		10,859,654	 13,396,796		15,784,171
Ending Fund Balance	\$	13,396,796	\$ 15,784,171	\$	17,183,636

# City of Harlingen, Texas General Fund Revenues and Expenditures History Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

							Restated						
	2015		2016		2017		2018		2019		2020		2021
\$	13,682,198	\$	14,202,827	\$	14,365,607	Ś	14,763,466	\$	15,267,137	Ś	18,206,332	\$	19,602,249
Ļ	19,897,893	Ļ	20,221,652	Ļ	21,134,041	Ļ	22,458,031	Ļ	22,728,278	Ļ	22,280,460	Ļ	25,202,862
	1,672,287		1,442,634		1,113,512		918,840		1,059,835		831,889		748,710
	502,973		549,401		650,476		655,628		690,991		706,930		796,577
	3,034,139		2,459,509		2,840,253		1,403,079		1,327,675		981,550		872,026
	689,624		58,815		59,730		1,176,253		1,347,063		5,743,698		1,713,453
	2,503,630		696,413		628,274		893,039		94,551		3,228,964		5,426,883
	155,673		131,008		604,711		182,243		192,553		401,968		199,393
	14,062		32,006		115,237		310,605		547,187		238,198		31,700
	42,152,479		39,794,265		41,511,841		42,761,184		43,255,270		52,619,989		54,593,853
	5,748,778		5,536,663		5,519,977		5,728,253		5,818,350		6,324,719		8,428,590
	22,621,457		22,055,008		22,905,249		23,361,243		23,697,616		24,296,047		25,044,645
	3,258,044		3,037,712		3,192,920		3,300,201		3,410,491		3,644,814		3,595,825
	2,972,646		2,895,711		2,893,736		841,556		883,373		1,305,281		1,994,009
	-		-		597,316		1,739,678		1,818,633		1,748,118		1,797,072
	3,759,030		3,928,243		4,116,239		5,292,513		5,046,136		4,969,797		3,860,130
	3,933,263		952,217		1,537,157		1,420,920		1,259,425		5,048,443		9,846,429
	339,567		540,738		168,672		192,177		202,239		313,595		312,756
	42,632,785		38,946,292		40,931,266		41,876,541		42,136,263		47,650,814		54,879,456
	(480,306)		847,973		580,575		884,643		1,119,007		4,969,175		(285,603)
	(759,632)		(76,639)		1,216,746		1,153,268		(1,029,544)		442,473		2,398,855
	· · · ·		`						· · ·				
	(1,239,938)		771,334		1,797,321		2,037,911		89,463		5,411,648		2,113,252
	17,183,636		15,943,698		16,715,032		18,512,353		20,550,264		20,639,727		26,051,375
\$	15,943,698	\$	16,715,032	\$	18,512,353	\$	20,550,264	\$	20,639,727	\$	26,051,375	\$	28,164,627

City of Harlingen, Texas
Property Tax Rate, Levy and Collection History
Last Ten Fiscal Years

Fiscal Year	Tax Year	Property Tax Rate	General Fund	Debt Service Fund	Tax Levy	Percentage Current Collection	Percentage Total Collections
2012	2011	0.588827	0.450426	0.138401	15,845,572	96.42%	99.62%
2013	2012	0.588827	0.451862	0.136965	16,571,978	97.78%	99.63%
2014	2013	0.588827	0.449723	0.139104	16,859,229	96.94%	99.63%
2015	2014	0.588827	0.450901	0.137926	17,051,909	98.02%	99.63%
2016	2015	0.588827	0.458590	0.130237	17,290,041	98.75%	99.59%
2017	2016	0.588827	0.460327	0.128500	17,786,875	97.07%	99.51%
2018	2017	0.588827	0.456327	0.132500	18,367,763	97.28%	99.35%
2019	2018	0.588827	0.460827	0.128000	18,928,383	97.23%	99.15%
2020	2019	0.630000	0.518100	0.111900	21,417,483	97.46%	98.87%
2021	2020	0.619849	0.525762	0.094087	22,313,240	97.72%	97.72%

## City of Harlingen, Texas Valuation and General Obligation Debt History Last Ten Fiscal Years

Fiscal Year	Estimated City Population (1)	Taxable Assessed Valuation (2)	Per Capita Taxable Assessed Valuation	Per Capita General Obligation (G.O.) Tax Debt	Ratio G.O. Tax Debt to Taxable Assessed Valuation	Percentage of Total Tax Collection
2012	66,122	2,691,052,108	40,698	316	0.78%	99.62%
2012	00,122	2,091,052,108	40,098	510	0.7876	99.0270
2013	65,679	2,814,253,902	42,849	296	0.69%	99.63%
2014	65,665	2,863,202,306	43,603	274	0.63%	99.63%
2015	65,914	2,901,019,088	44,012	251	0.57%	99.63%
2016	65,774	2,908,536,859	44,220	480	1.09%	99.59%
2017	65,539	3,028,664,715	46,212	422	0.91%	99.51%
2018	65,467	3,134,048,830	47,872	385	0.80%	99.35%
2019	65,436	3,258,108,448	49,791	347	0.70%	99.15%
2020	70,000	3,420,023,843	48,857	335	0.63%	98.87%
2021	71,829	3,450,161,395	48,033	314	0.65%	97.72%

(1) United States Department of Commerce, Bureau of Census

(2) Certified taxable assessed values reported by the Cameron Appraisal District

### City of Harlingen, Texas Taxable Assessed Valuations by Category Last Ten Fiscal Years

Fiscal Year Ended September 30,

	2012 2013 2014			2015				
Category	Amount	% of Total						
Real, Residential, Single-Family	\$ 1,344,724,352	44.28%	\$ 1,356,985,849	43.30%	\$ 1,368,138,082	42.93%	\$ 1,391,784,107	43.09%
Real, Residential, Multi-Family	125,142,938	4.12%	131,572,346	4.20%	137,135,722	4.30%	145,711,895	4.51%
Real, Vacant Lots and Land Tracts	80,612,755	2.65%	79,490,812	2.54%	77,780,405	2.44%	79,131,228	2.45%
Real, Acreage (Land Only)	101,376,116	3.34%	105,421,460	3.36%	104,026,465	3.26%	102,098,139	3.16%
Real, Farm and Ranch Improvements	12,037,445	0.40%	12,839,492	0.41%	12,967,265	0.41%	16,103,270	0.50%
Real, Commercial and Industrial	684,313,854	22.53%	811,900,683	25.91%	817,744,628	25.66%	853,524,500	26.42%
Real and Tangible Personal Utilities	64,184,140	2.11%	63,263,718	2.02%	64,460,988	2.02%	71,433,158	2.21%
Tangible Personal, Commercial and Industrial	369,969,623	12.18%	363,204,883	11.59%	392,710,604	12.32%	349,774,616	10.83%
Tangible Personal, Mobile Homes	18,702,753	0.62%	18,674,253	0.60%	19,303,546	0.61%	19,401,944	0.60%
Real Property, Inventory	8,875,454	0.29%	5,079,949	0.16%	4,839,652	0.15%	7,090,330	0.22%
Special Inventory	18,209,616	0.60%	20,596,563	0.66%	22,494,609	0.71%	26,150,645	0.81%
Total Exempt Property	208,669,510	6.87%	164,870,000	5.26%	165,626,270	5.20%	168,062,865	5.20%
Total Appraised Value Before Exemptions	3,036,818,556	100.00%	3,133,900,008	100.00%	3,187,228,236	100.00%	3,230,266,697	100.00%
Less: Total Exemptions/Reductions/Adjustments	340,576,515		319,646,106		324,025,930		329,247,609	
Taxable Assessed Value	\$ 2,696,242,041		\$ 2,814,253,902		\$ 2,863,202,306		\$ 2,901,019,088	

(1) United States Department of Commerce, Bureau of the Census

(2) As reported by the Cameron County Appraisal District on City's annual State Property Tax Board Report:

Subject to change during the ensuing year.

(3) Does not include self-supporting debt

2016		2017		2018		2019		2020		2021	
Amount	% of Total										
\$ 1,422,719,443	41.78%	\$ 1,505,382,496	42.46%	\$ 1,504,401,535	42.53%	\$ 1,614,219,233	43.82%	\$ 1,660,777,744	42.64%	\$ 1,723,599,668	41.31%
152,731,731	4.48%	156,626,985	4.42%	156,393,800	4.42%	165,481,963	4.49%	181,720,636	4.67%	230,429,943	5.52%
99,616,746	2.93%	95,179,814	2.68%	94,844,855	2.68%	93,694,770	2.54%	96,829,240	2.49%	97,109,338	2.33%
77,483,543	2.28%	78,901,837	2.23%	78,876,674	2.23%	84,269,537	2.29%	82,382,719	2.12%	104,840,154	2.51%
22,543,512	0.66%	20,715,678	0.58%	20,135,916	0.57%	19,506,624	0.53%	21,396,238	0.55%	20,261	0.00%
869,779,194	25.54%	913,777,649	25.77%	907,886,024	25.67%	919,592,996	24.97%	1,051,331,474	26.99%	1,143,438,089	27.40%
87,635,345	2.57%	92,638,719	2.61%	92,638,719	2.62%	94,662,090	2.57%	105,521,522	2.71%	90,121,225	2.16%
408,136,305	11.98%	411,114,410	11.60%	409,616,184	11.58%	425,678,402	11.56%	417,948,663	10.73%	423,634,661	10.15%
19,475,651	0.57%	20,048,678	0.57%	20,048,678	0.57%	20,285,891	0.55%	21,347,964	0.55%	21,899,518	0.52%
5,289,784	0.16%	3,845,926	0.11%	3,845,926	0.11%	5,337,252	0.14%	2,364,592	0.06%	972,689	0.02%
33,441,069	0.98%	33,840,897	0.95%	33,839,897	0.96%	31,364,048	0.85%	33,200,319	0.85%	35,772,032	0.86%
206,794,099	6.07%	213,290,180	6.02%	214,704,464	6.06%	209,432,936	5.69%	220,288,184	5.66%	300,616,488	7.20%
3,405,646,422	100.00%	3,545,363,269	100.00%	3,537,232,672	100.00%	3,683,525,742	100.00%	3,895,109,295	100.00%	4,172,454,066	100.00%
376,981,707		403,316,602		403,183,842		425,417,294		434,665,669		516,770,861	
\$ 3,028,664,715		\$ 3,142,046,667		\$ 3,134,048,830		\$ 3,258,108,448		\$ 3,460,443,626		\$ 3,655,683,205	

### City of Harlingen, Texas Computation of Estimated Direct and Overlapping Debt

Fiscal Year Ended September 30, 2021

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to the City of Harlingen	City of Harlingen's Share of Debt						
Direc	t Debt								
City of Harlingen	\$ 39,591,547	100.00%	\$ 39,591,547						
Total Direct Debt	39,591,547		39,591,547						
Overlapping Debt									
Cameron County	151,170,000	16.13%	24,383,721						
Harlingen Consolidated Independent School District	129,459,451	75.05%	97,159,318						
Rio Hondo Independent School District	48,719,219	1.67%	813,611						
San Benito Consolidated Independent School District	96,620,000	1.51%	1,458,962						
Total Overlapping Debt	425,968,670		123,815,612						
Total Direct and Overlapping Debt	\$ 465,560,217		\$ 163,407,159						

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values.

Applicable percentages were estimated by determining the portion of the another government units assessed value that is within the City's boundaries and dividing by each unit's total assessed value.

# City of Harlingen, Texas Principal Property Taxpayers

Fiscal Year Ended September 30, 2021

Principal Taxpayer	Type of Business	Fiscal Year Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation
VHS Harlingen Hospital Company LLC	Medical Services	\$ 67,316,259	1.95%
AEP Texas Inc	Electricity Suppliers	40,938,690	1.18%
Y & O Harlingen Corners LLC	Shopping Center Operations	27,853,669	0.80%
Boyer Harlingen LC	Real Estate Developers	27,575,632	0.80%
HMC Realty LLC	Real Estate Developers	24,480,000	0.71%
VHS Harlingen Hospital Company LLC	Medical Services	21,314,461	0.62%
Rancho Harlingen Corners LLC	Shopping Center Operations	19,586,199	0.57%
Harlingen Town Center LLC	Shopping Center Operations	19,295,266	0.56%
Valle Vista Mall Realty	Shopping Center Operations	19,000,000	0.55%
EAN Holdings LLC	Equipment Rental	16,425,744	0.47%
		\$ 283,785,920	8.20%

Source: Cameron Appraisal District

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### **DEBT SERVICE SECTION**

### **City of Harlingen, Texas** Debt Service Requirements to Maturity - Primary Government

	20	013		20	16	2016			2019	Э	2021				
Fiscal	General Obligation			Certif	icate	General O		General Ob	ligation	General Obligation				Grand Total	
Year	Bonds			of Obli	gation	Bon	Bonds			Bonds		Total	Total	Principal	
Ending	Principal	Inte	rest	Principal	Interest	Principal	Interest	Рі	rincipal	Interest	Principal	Interest	Principal	Interest	and Interest
9/30/2022	\$ 210,000	\$ 2	0,000	\$ 415,000	\$ 437,398	\$ 2,280,000	\$ 508,500	\$	125,000	\$ 71,975	\$ 485,000	\$ 129,750	\$ 3,515,000 \$	1,167,623	\$ 4,682,623
9/30/2023	215,000	1	4,688	430,000	425,944	2,400,000	391,500		140,000	65,350	495,000	115,200	3,680,000	1,012,682	4,692,682
9/30/2024	220,000	1	9,250	450,000	413,001	2,500,000	294,000		145,000	58,225	510,000	100,350	3,825,000	874,826	4,699,826
9/30/2025	260,000	:	3,250	460,000	398,826	2,645,000	216,825		170,000	52,050	330,000	85,050	3,865,000	756,001	4,621,001
9/30/2026	-		-	475,000	383,876	2,990,000	132,300		180,000	45,000	335,000	75,150	3,980,000	636,326	4,616,326
9/30/2027	-		-	490,000	367,964	2,915,000	43,725		185,000	35,875	345,000	65,100	3,935,000	512,664	4,447,664
9/30/2028	-		-	510,000	350,814	-	-		200,000	26,250	70,000	54,750	780,000	431,814	1,211,814
9/30/2029	-		-	525,000	332,199	-	-		210,000	16,000	70,000	52,650	805,000	400,849	1,205,849
9/30/2030	-		-	545,000	311,304	-	-		215,000	5,375	75,000	50,550	835,000	367,229	1,202,229
9/30/2031	-		-	570,000	289,613	-	-		-	-	305,000	48,300	875,000	337,913	1,212,913
9/30/2032	-		-	595,000	266,927	-	-		-	-	315,000	39,150	910,000	306,077	1,216,077
9/30/2033	-		-	620,000	242,294	-	-		-	-	320,000	29,700	940,000	271,994	1,211,994
9/30/2034	-		-	645,000	216,626	-	-		-	-	330,000	20,100	975,000	236,726	1,211,726
9/30/2035	-		-	670,000	189,923	-	-		-	-	340,000	10,200	1,010,000	200,123	1,210,123
9/30/2036	-		-	700,000	162,185	-	-		-	-	-		700,000	162,185	862,185
9/30/2037	-		-	730,000	133,205	-	-		-	-	-		730,000	133,205	863,205
9/30/2038	-		-	760,000	101,888	-	-		-	-	-		760,000	101,888	861,888
9/30/2039	-		-	790,000	69,284	-	-		-	-	-		790,000	69,284	859,284
9/30/2040			-	825,000	35,393	-	-		-	-	-		825,000	35,393	860,393
	\$ 905,000	\$ 4	7,188	\$ 11,205,000	\$ 5,128,664	\$ 15,730,000	\$ 1,586,850	\$ 1	L,570,000	\$ 376,100	\$ 4,325,000	\$ 876,000	\$ 33,735,000 \$	8,014,802	\$ 41,749,802