



# SEPTEMBER FINANCIAL REPORT FISCAL YEAR 2023



City of Waco  
Fiscal Management Services



# 2023 YEAR END BUDGET FINANCIAL REPORT

---

## Overview

---

- This budget year-end Report includes:
  - Unaudited financials through the end of the Fiscal Year.
  - Nonfinancial data is most current.
  - Comparison to Budget and Same Period Last Year
  - This report does not include accounting year-end entries (accruals).

	General Fund				
	FY 2022 YTD Actuals	FY 2023 Budget	Year to Date Actuals	Year to Year Variance	Actuals to Budget
Revenues					
Operating					
Property Tax	73,155,490	77,669,584	77,718,128	4,562,638	100.1%
Sales Tax	53,307,957	47,140,406	55,707,447	2,399,489	118.2%
Business and occupation Fees	10,312,065	9,640,987	10,545,575	233,510	109.4%
Taxes (PILOT)	5,625,185	5,905,216	5,905,216	280,031	100.0%
Business and occupation Fees (Enterprise Funds)					
	5,515,628	5,500,000	5,360,527	(155,101)	97.5%
Other	2,759,698	4,371,442	2,984,063	224,365	68.3%
Intergovernmental	2,880,721	2,744,899	3,376,333	495,612	123.0%
Licenses and Permits	3,007,110	2,729,917	3,258,403	251,293	119.4%
Charges for Services	1,687,839	1,950,223	1,976,152	288,313	101.3%
Fines	1,473,560	1,492,426	1,464,762	(8,798)	98.1%
Interest on Investments	1,036,356	1,245,000	8,392,283	7,355,927	674.1%
Contributions	701,928	719,500	695,267	(6,661)	96.6%
Net Merchandise Sale	401,002	332,300	438,020	37,018	131.8%
Operating Total	161,864,540	161,441,900	177,822,175	15,957,636	110.1%
Non-Operating					
Indirect - Cost Allocation Overhead	9,947,662	10,223,730	10,321,799	374,138	101.0%
Interdepartmental Billing	3,283,247	3,478,064	3,505,769	222,522	100.8%
Transfers In	3,530,000	50,000	50,000	(3,480,000)	100.0%
Transfer from Surplus	-	-	-	-	0.0%
Non-Operating Total	16,760,909	13,751,794	13,877,569	(2,883,340)	100.9%
Revenues Total	178,625,449	175,193,694	191,699,744	13,074,295	109.4%
Expenses					
Operating					
Salaries and Wages	74,717,107	80,517,816	80,043,479	5,326,372	99.4%
Employee Benefits	26,183,608	29,900,082	28,691,396	2,507,788	96.0%
Purchased Professional Technical Services	8,957,780	16,116,308	14,807,210	5,849,430	91.9%
Supplies	8,398,823	9,872,941	10,113,329	1,714,506	102.4%
Maintenance	9,644,343	7,978,961	6,831,798	(2,812,545)	85.6%
Other Purchased Services	5,053,309	4,520,615	4,562,634	(490,676)	100.9%
Contracts with Others	3,054,093	4,404,273	2,761,947	(292,146)	62.7%
Purchased Property Services	1,503,472	1,700,546	1,533,260	29,788	90.2%
Other	691,318	1,002,665	762,688	71,370	76.1%
Operating Total	138,203,853	156,014,207	150,107,741	11,903,888	96.2%
Non-Operating					
Transfers Out	10,301,876	16,887,646	16,332,858	6,030,983	96.7%
Transfers Out - Cash CIP	19,800,000	15,679,016	14,561,215	(5,238,785)	92.9%
Capital Expenditures	2,447,618	4,439,517	5,009,977	2,562,359	112.8%
Indirect - Cost Allocation Overhead	205,019	199,175	177,644	(27,375)	89.2%
Interdepartmental Billing	331	2,324	2,324	1,993	100.0%
Contracts with Others	172,865	-	-	(172,865)	0.0%
Purchasing Card Default	-	-	-	-	0.0%
Transfer to Surplus	-	-	-	-	0.0%
Non-Operating Total	32,927,709	37,207,677	36,084,019	3,156,310	97.0%
Expenses Total	171,131,562	193,221,884	186,191,760	15,060,198	96.4%
Revenues Over/ (Under) Expenses	7,493,887	(18,028,190)	5,507,984	(1,985,903)	

## Q4 – General Fund Financial Update

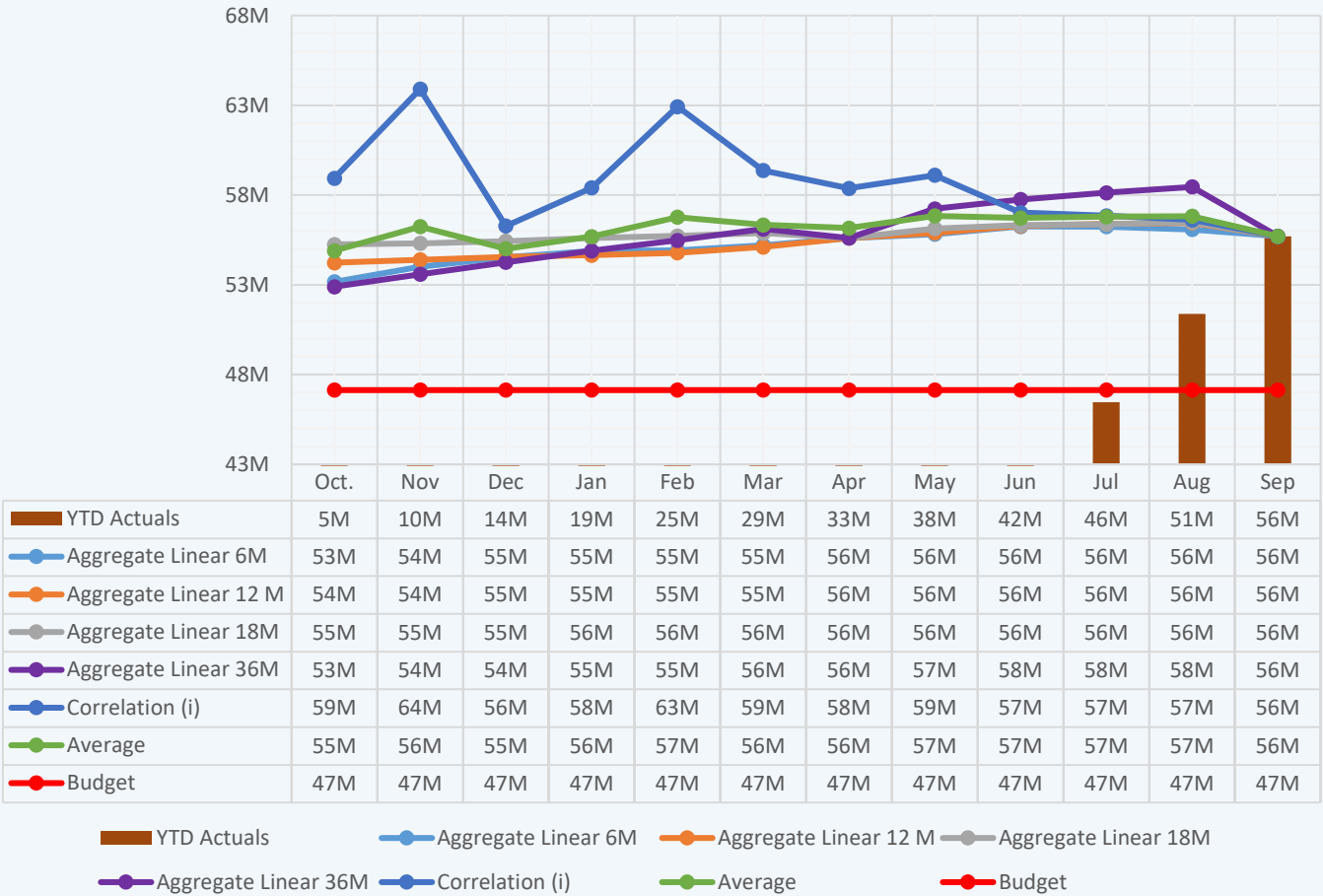
- Revenues for the General Fund are budgeted at \$175.2M for the fiscal year. Revenues totaled \$191.7M or 109.4% of budget. The largest dollar increase in revenues is interest on investments due to changes in market values of investments.
- The expenditure budget for the General Fund is \$193.2M. Expenses total \$186.2M or 96.4% of budget.
- Compared to last year, revenues are higher because of higher property taxes, larger sales tax collections, and interest on investments. Expenses are higher by \$15.0M due to higher purchased professional services and increased personnel costs.

# Q4 – General Fund Highlights

## Key Trends:

- Revenues total 109.4% of budget.
  - Sales tax is 118.2% of budget due to strong collections compared to budget throughout the fiscal year
  - Licenses and Permits are 119.4% of budget due to growth
  - Interest on Investments are 674.1% of budget due to high interest rates and market value adjustments
- Expense total 96.4% of budget.
  - Salaries & Benefits came in below budget due to vacancies in the fund; however, Salaries and Wages totaled 99.4% of budget tightness in the largest expense category
  - Maintenance totals 85.6% of budget due to reduced costs for building, vehicle and traffic signs/light repair.

Sales Tax Forecast



Cameron Park Zoo Fund					
	FY 2022 YTD Actuals	FY 2023 Budget	Year to Date Actuals	Year to Year Variance	Actuals to Budget
Revenues					
Operating					
Charges for Services	2,480,846	2,715,729	2,513,995	33,149	92.6%
Net Merchandise Sale	1,350,058	1,778,320	1,132,566	(217,492)	63.7%
Other	65,700	73,600	488,693	422,993	664.0%
Interest on Investments	15,902	23,000	186,406	170,504	810.5%
Contributions	8,614	21,644	24,738	16,124	114.3%
Intergovernmental	-	-	28,197	28,197	0.0%
<b>Operating Total</b>	<b>3,921,120</b>	<b>4,612,293</b>	<b>4,374,595</b>	<b>453,475</b>	<b>94.8%</b>
Non-Operating					
Transfers In	1,908,369	3,446,770	3,446,770	1,538,401	100.0%
Transfer from Surplus	-	-	-	-	0.0%
<b>Non-Operating Total</b>	<b>1,908,369</b>	<b>3,446,770</b>	<b>3,446,770</b>	<b>1,538,401</b>	<b>100.0%</b>
<b>Revenues Total</b>	<b>5,829,489</b>	<b>8,059,063</b>	<b>7,821,365</b>	<b>1,991,876</b>	<b>97.1%</b>
Expenses					
Operating					
Salaries and Wages	2,427,358	3,112,947	2,898,354	470,996	93.1%
Purchased Property Services	588,562	2,631,905	1,899,734	1,311,172	72.2%
Employee Benefits	994,156	1,217,075	1,185,165	191,010	97.4%
Supplies	928,535	957,513	992,674	64,139	103.7%
Purchased Professional Technical Services	161,116	465,894	464,483	303,367	99.7%
Other	622,830	424,357	442,637	(180,193)	104.3%
Other Purchased Services	147,697	199,689	266,887	119,190	133.7%
Maintenance	221,057	178,037	159,848	(61,208)	89.8%
Contracts with Others	100,000	100,000	-	(100,000)	0.0%
<b>Operating Total</b>	<b>6,191,311</b>	<b>9,287,416</b>	<b>8,309,783</b>	<b>2,118,472</b>	<b>89.5%</b>
Non-Operating					
Capital Expenditures	9,614	668,050	657,609	647,995	98.4%
Interdepartmental Billing	-	19,090	19,090	19,090	100.0%
Indirect - Cost Allocation Overhead	-	-	-	-	0.0%
<b>Non-Operating Total</b>	<b>9,614</b>	<b>687,140</b>	<b>676,699</b>	<b>667,085</b>	<b>98.5%</b>
<b>Expenses Total</b>	<b>6,200,924</b>	<b>9,974,557</b>	<b>8,986,481</b>	<b>2,785,557</b>	<b>90.1%</b>
<b>Revenues Over/ (Under) Expenses</b>	<b>(371,436)</b>	<b>(1,915,493)</b>	<b>(1,165,117)</b>	<b>(793,681)</b>	

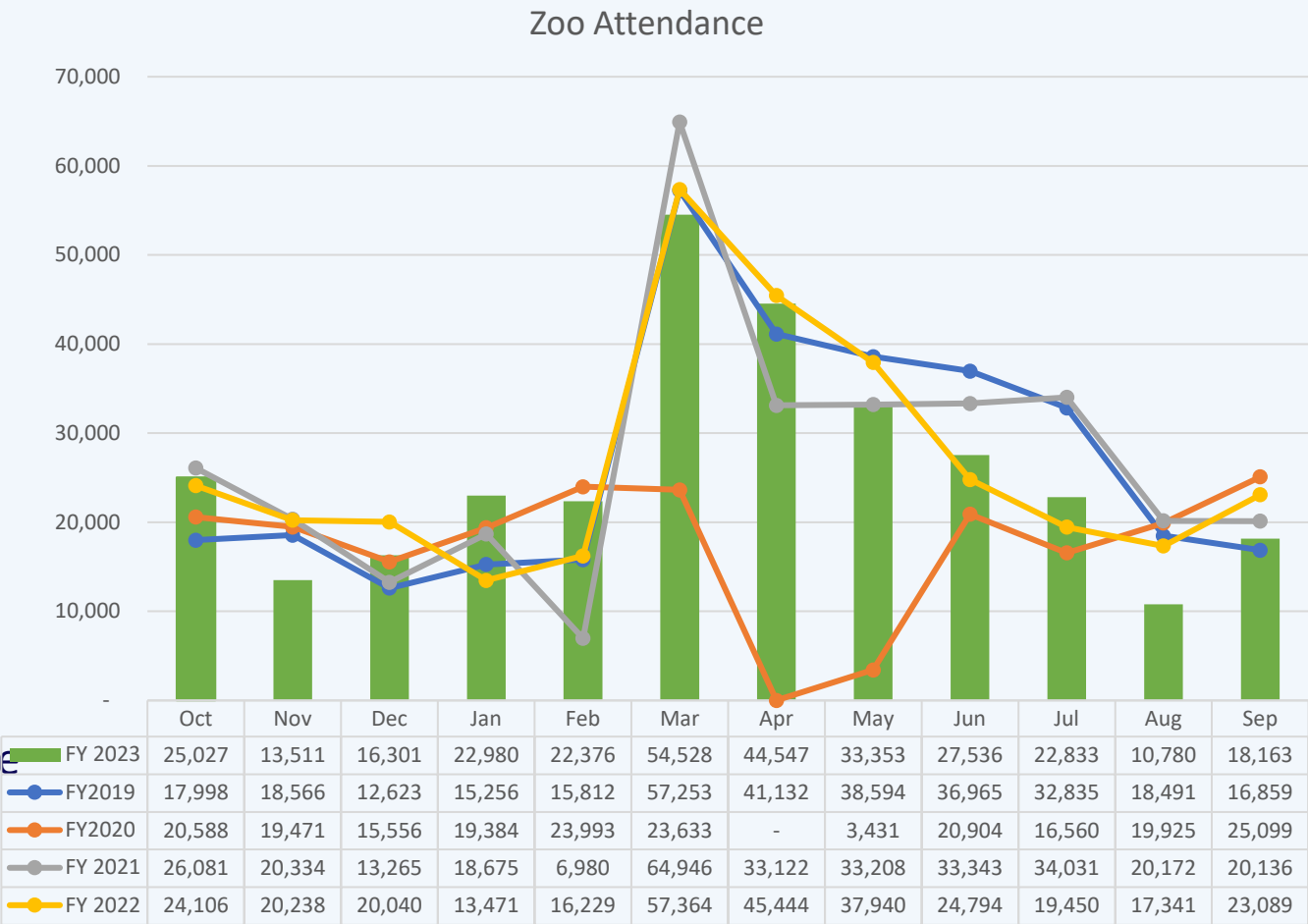
## Q4 – Cameron Park Zoo Fund Financial Update

- Revenues are budgeted at \$8.1M for FY 23. Revenues total \$7.8M, or 97.1% of budget. Year over year revenues are up over \$2.0M due to an increase in transfers in of \$1.5M from the General Fund.
- Expenses for FY 23 are budgeted at \$10.0M. Expenses totaled \$9.0M, or 90.1% of budget. The year over year increase in expenses of \$2.8M is a result of capital expenditures related to the aviary netting replacement, personnel cost increases, and increased costs for water usage at the zoo.

# Q4 – Cameron Park Zoo Fund Highlights

## Key Trends:

- Revenues total 97.1% of budget. This is due to reduced merchandise sales compared to the previous fiscal year.
  - Charges for Services are 92.6% of budget due to decreased attendance in the summer
  - Net Merchandise sales are 63.7% of budget due to decreased profit margins
- Expenses total 90.1% of budget mainly due to savings from purchased property services. These accounts received a transfer in based on actual costs of utilities. The final year end actuals were lower than the transfer amount entered.
  - Other Purchased Services are 133.7% of budget due to costs incurred from leasing modular buildings
- Cost Recovery is 48.7%





	Cottonwood FY 2022 YTD Actuals	Creek Golf Fund FY 2023 Budget	Year to Date Actuals	Year to Year Variance	Actuals to Budget
Revenues					
Operating					
Charges for Services	1,793,085	1,732,126	2,044,078	250,994	118.0%
Net Merchandise Sale	780,199	753,000	817,065	36,866	108.5%
Interest on Investments	11,485	15,000	101,481	89,996	676.5%
Other	7,738	7,476	5,798	(1,939)	77.6%
Contributions	(1)	-	-	1	0.0%
<b>Operating Total</b>	<b>2,592,505</b>	<b>2,507,602</b>	<b>2,968,422</b>	<b>375,917</b>	<b>118.4%</b>
Non-Operating					
Transfers In	12,403	500,000	500,000	487,597	100.0%
Transfer from Surplus	-	-	-	-	0.0%
<b>Non-Operating Total</b>	<b>12,403</b>	<b>500,000</b>	<b>500,000</b>	<b>487,597</b>	<b>100.0%</b>
<b>Revenues Total</b>	<b>2,604,908</b>	<b>3,007,602</b>	<b>3,468,422</b>	<b>863,514</b>	<b>115.3%</b>
Expenses					
Operating					
Purchased Professional Technical Services	650,193	693,141	785,292	135,099	113.3%
Salaries and Wages	531,784	539,901	549,569	17,785	101.8%
Other	473,590	503,658	486,577	12,986	96.6%
Supplies	228,737	348,348	268,645	39,908	77.1%
Employee Benefits	208,162	245,238	226,503	18,341	92.4%
Other Purchased Services	143,538	167,360	150,977	7,439	90.2%
Maintenance	98,674	154,839	146,531	47,856	94.6%
Purchased Property Services	10,425	14,106	12,848	2,422	91.1%
<b>Operating Total</b>	<b>2,345,103</b>	<b>2,666,591</b>	<b>2,626,940</b>	<b>281,837</b>	<b>98.5%</b>
Non-Operating					
Capital Expenditures	-	276,500	275,199	275,199	99.5%
Interdepartmental Billing	-	5,917	5,917	5,917	100.0%
Transfers Out	-	-	-	-	0.0%
Depreciation & Amortization	-	-	-	-	0.0%
Indirect - Cost Allocation Overhead	-	-	-	-	0.0%
<b>Non-Operating Total</b>	<b>-</b>	<b>282,417</b>	<b>281,116</b>	<b>281,116</b>	<b>99.5%</b>
<b>Expenses Total</b>	<b>2,345,103</b>	<b>2,949,008</b>	<b>2,908,056</b>	<b>562,953</b>	<b>98.6%</b>
<b>Revenues Over/ (Under) Expenses</b>	<b>259,804</b>	<b>58,594</b>	<b>560,366</b>	<b>300,562</b>	

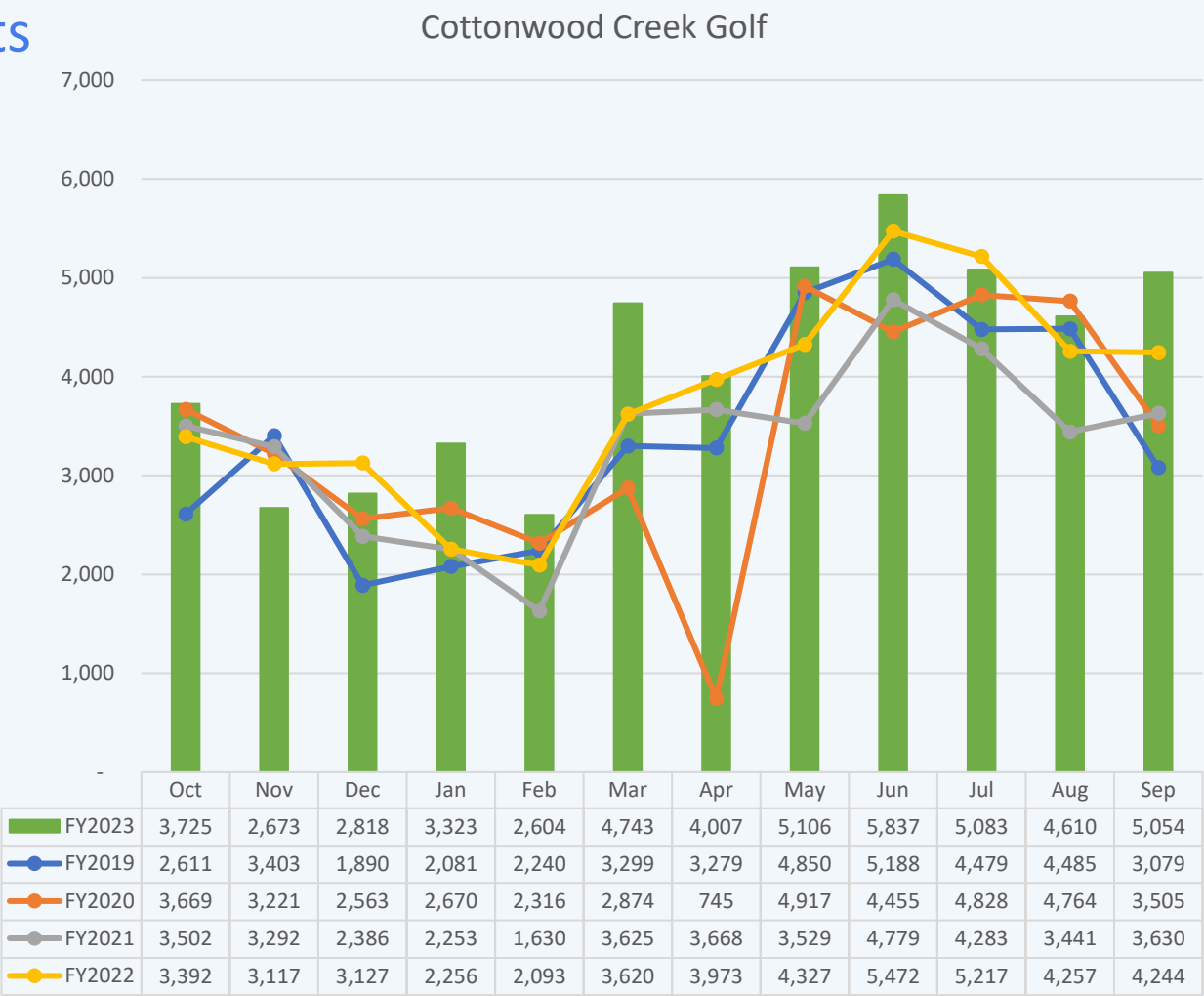
## Q4 – Cottonwood Creek Financial Update

- Revenues are budgeted at \$3.0M for FY 23. Revenues total \$3.5M, or 115.3% of budget. Revenues from operations are \$376K more than last year.
- Expenses for FY 23 are budgeted at \$2.9M. Expenses totaled \$2.9M or 98.6% of budget. Expenses are \$563K more than last year due to temporary services and capital expenditures.

# Q4 – Cottonwood Creek Course Fund Highlights

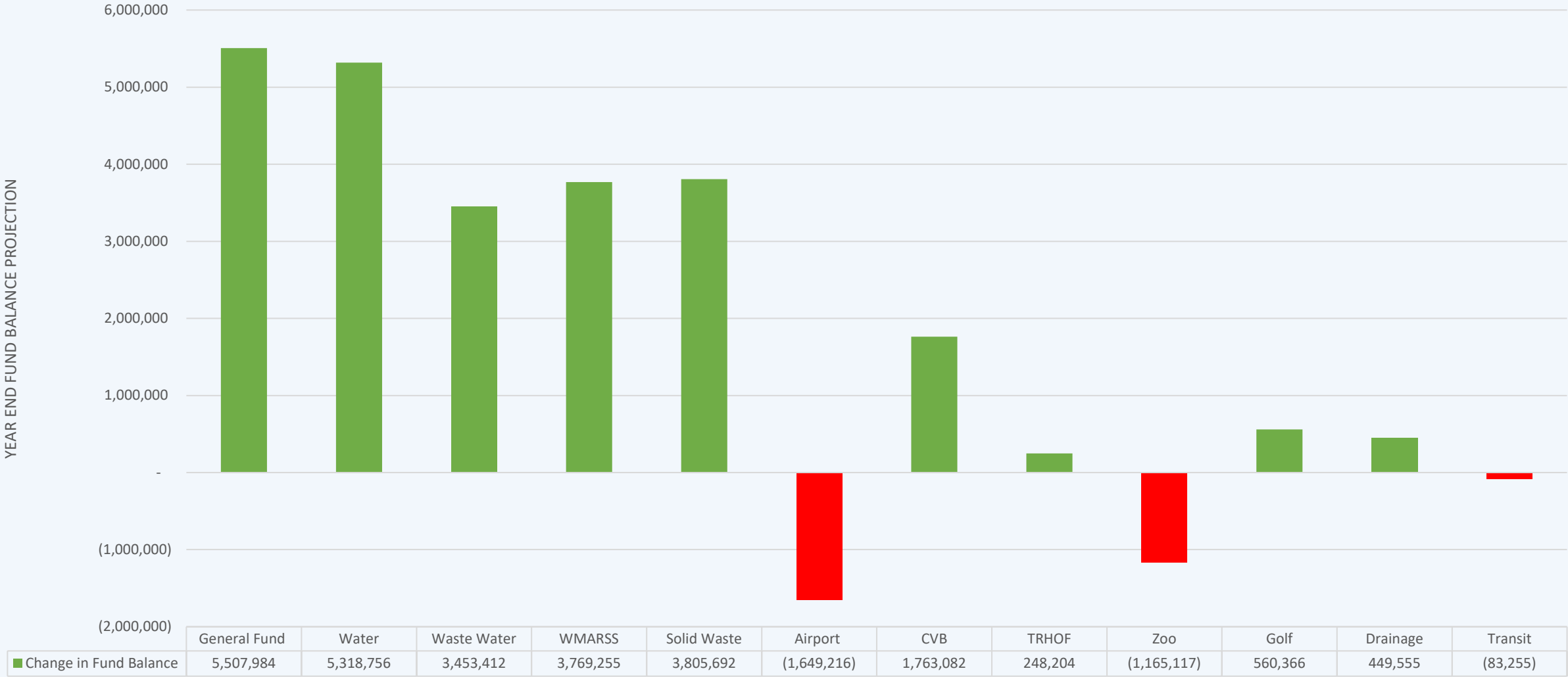
## Key Trends:

- Revenues total 115.3% of budget.
  - Charges for Services are 118.0% of budget due to the most rounds of golf played in course history
  - Net Merchandise Sales are 108.5% due to the number of visitors at the course leading to increased sales in the pro shop
- Expenses total 98.6% of budget.
  - Purchased Professional Technical Services are 113.3% of budget due to increased course maintenance
  - Other Purchased Services are 90.2% of budget due to reduced costs in travel/training and custom equipment.
- Cost Recovery is 102.1%

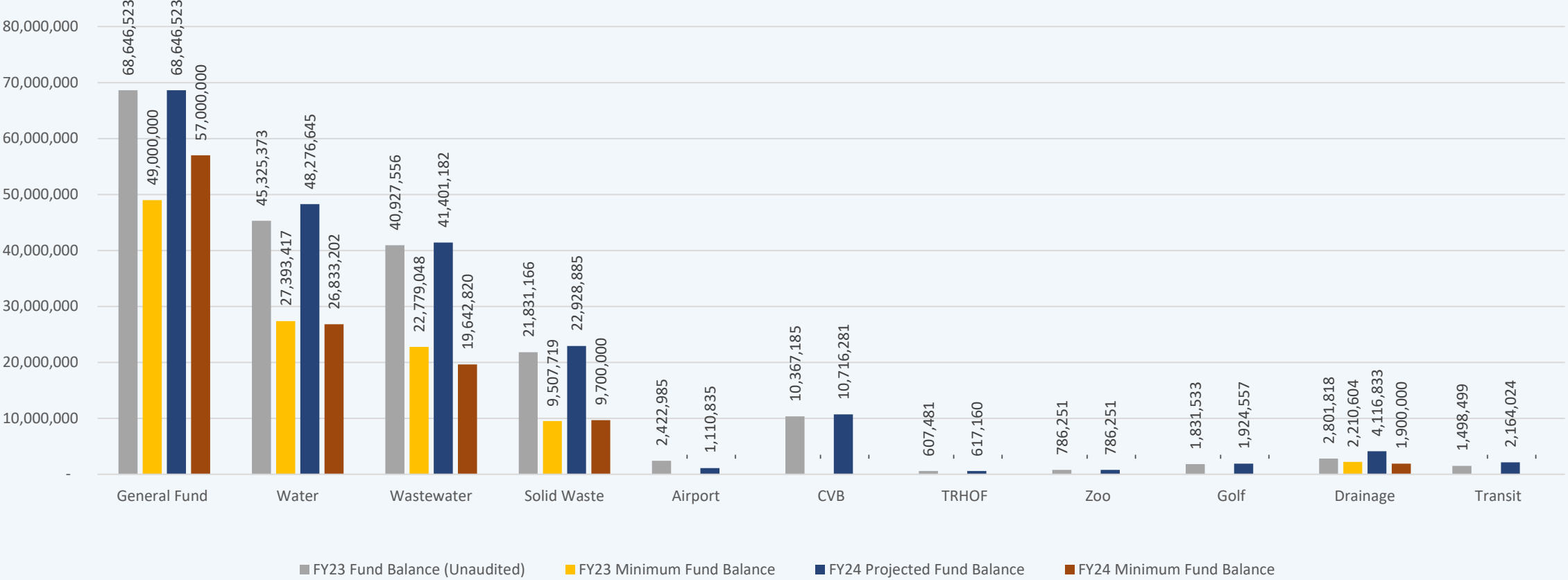




Projected Change in Fund Balance



Projected Fund Balances and Minimum Fund Balance Requirements



# Investment Report Update

- Total investment portfolio totals \$788.3M, a decrease of nearly \$24.5M from the prior quarter
- Unrealized losses have decreased to \$5.0M from \$7.1M previously
- Investment income totaled \$8.3M for the quarter and \$24.6M for the Fiscal Year
- Days to Maturity decreased to 151 days from 157 days in the prior quarter
- City of Waco portfolio yield is 4.31% compared to 5.32% for TexPool as of September 2023

# Investment Report Update

- 59 total trades this calendar year totaling \$319.5M
- HUB Brokers participated on 49 of the 59 trades or 83% of the time
- HUBs awarded 13 trades totaling \$86.2M or 27% of total amount traded

# Summary

- The FY 23 budget was set based on activity that was occurring in FY 22 and expectations for the next year.
- The FY23 budget shows continued tightness between the General Fund budget for salaries and wages and actual expenses
- The City continued to see strong sales and hotel-motel tax revenues; however, the growth in both did not always exceed the year over year rate of inflation indicating the growth is a product of increased costs not necessarily increased activity.
- Solid Waste and Cottonwood Creek Golf Course outperformed expectations this year while the Cameron Park Zoo did not meet expectations due to lower admissions and merchandise sales revenue.

# Looking Forward

- FY24 budget saw an \$8M increase in the Sales Tax budget making it in line with FY23 actuals
- FY24 General Fund budget includes one-time funding that draws down fund balance by over \$7M
- FY24 sales tax collections have started off sluggish and have not kept pace with inflation, the State of Texas and in the case of November dropped off from the prior year
- Economic backdrop and consumer sentiment will be key trends to watch in FY24 as we continue to get closer on budgeted revenues and expenses to actual performance

# Questions?

Please contact [nicholass@wacotx.gov](mailto:nicholass@wacotx.gov) for any questions.