



Report to the City Council
February 18, 2020

City of Waco, Texas



Report to the City Council

- Audit Scope and Results
- Financial Observations
- Internal Control and Compliance Observations

Audit Scope and Results

- The Financial Statements are the Responsibility of Management
- Our Responsibility
 - Audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*

Audit Scope and Results

- Our Responsibility (continued)
 - Reasonable assurance the financial statements are free of material misstatements
 - Examine evidence supporting amounts and disclosures in the financial statements
 - Assess accounting principles used and estimates made by management
 - Evaluating the overall financial statement presentation

Audit Scope and Results

- Opinion Units of the City
 - Government-wide financial statement level
 - Governmental activities
 - Business-type activities
 - Fund financial statement level
 - Each major fund
 - Aggregate remaining funds
 - Aggregate discretely-presented component units

Audit Scope and Results

- As a result of our audit procedures, in our opinion, -
 - . . .the financial statements do present fairly, in all material respects, the financial position at September 30, 2019, and the changes in financial position and cash flows for the year then ended. . .

Audit Scope and Results

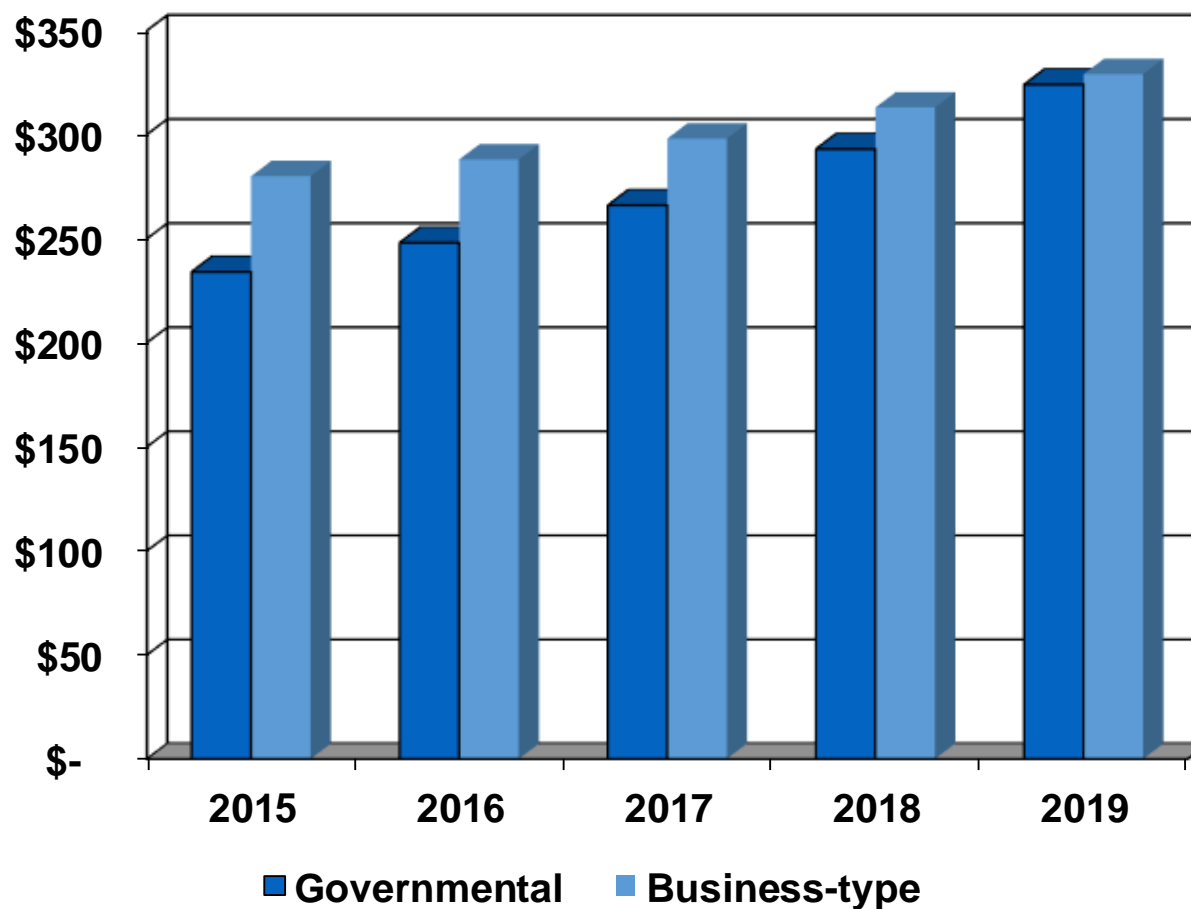
- Compliance With Laws and Regulations is the Responsibility of Management
- Our Responsibility
 - Audit conducted in accordance with Uniform Guidance and UGMS of Texas
 - Reasonable assurance about whether noncompliance that could have a direct and material effect on a major federal or state program occurred
 - Examine evidence supporting the City's compliance

Audit Scope and Results

- As a result of our audit procedures, in our opinion, -
 - . . .the City complied, in all material respects, with the direct and material requirements . . . that are applicable to each of its major federal and state programs for the year ended September 30, 2019 . . .

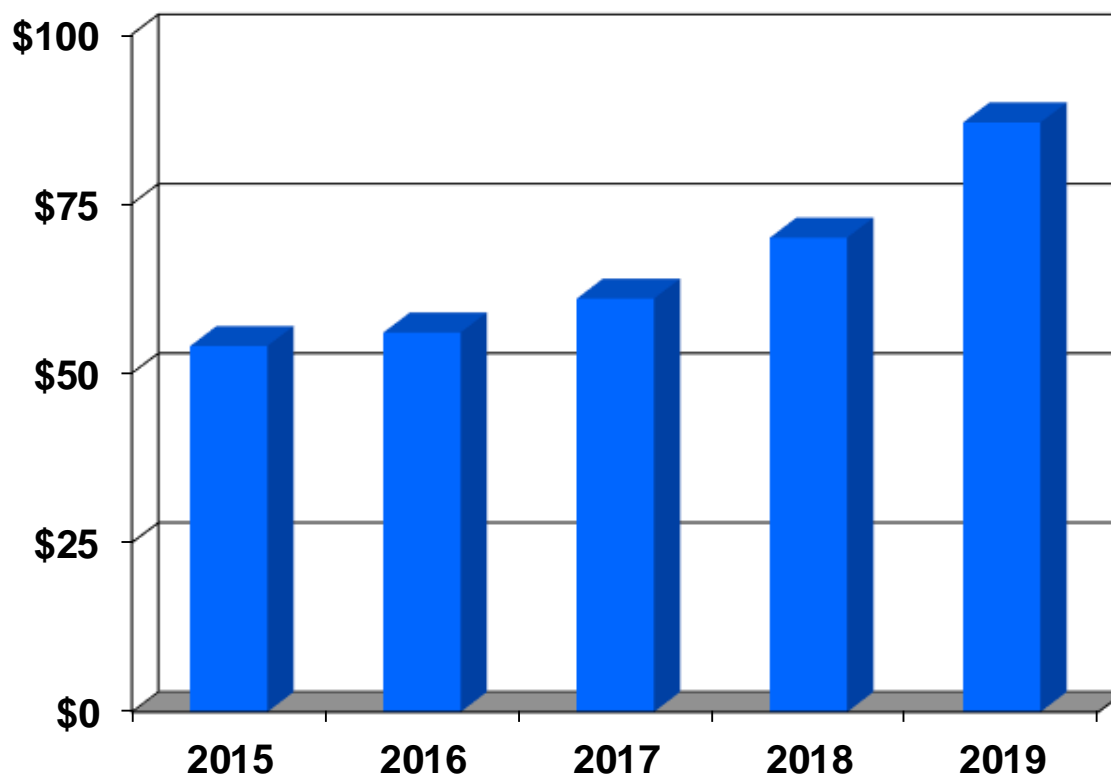
Financial Observations

Net Position (in millions)



Financial Observations

General Fund Balance (in millions)



Financial Observations

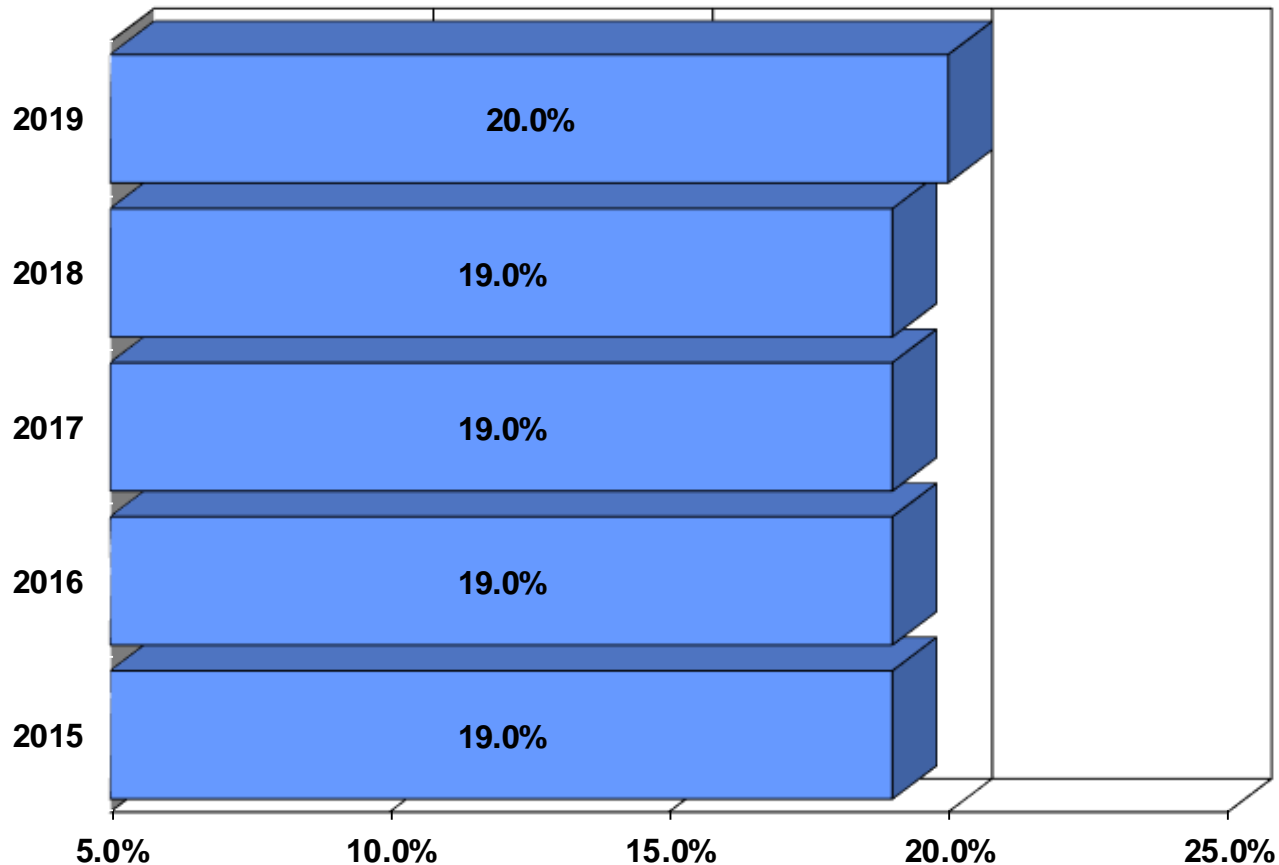
General Fund Balance (in 000's)

	2019	2018
Nonspendable	\$ 970	968
Restricted	1,318	1,271
Committed	13,689	10,933
Assigned	40,807	29,955
Unassigned	30,539	26,965
Total fund balance	\$ 87,323	70,092

Financial Observations

Unassigned Fund Balance to Budgeted Expenditures

Council Approved Minimum = 20%



Financial Observations

General Fund – Budget (in 000's)

	Actual	Budget
Revenues	\$ 143,909	134,332
Expenditures	117,585	130,158
Revenues over expenditures	26,324	4,174
Other financing sources (uses)	(9,093)	(10,626)
Net change in fund balance	\$ 17,231	(6,452)

Financial Observations

Enterprise Funds - Working Capital to Revenues

Council Approved Minimum = 30%

	2019	2018
Water Fund	58%	59%
Wastewater Fund	65%	60%
Solid Waste Fund	73%	101%

Internal Controls and Compliance

- Noted No Material Weaknesses in Internal Control Over Financial Reporting
- No Findings Related to Internal Controls for Major Federal and State Award Programs

Internal Controls and Compliance

- Noted No Instances of Material Noncompliance with Direct and Material Compliance Requirements for Each Major Federal or State Program



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