



Report to the City Council
March 2, 2021

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

- 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

- Our Responsibility as the City's Auditors
 - 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

- 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, 2020, and the changes in financial position and cash flows for the year then ended. . .

Audit Scope and Results

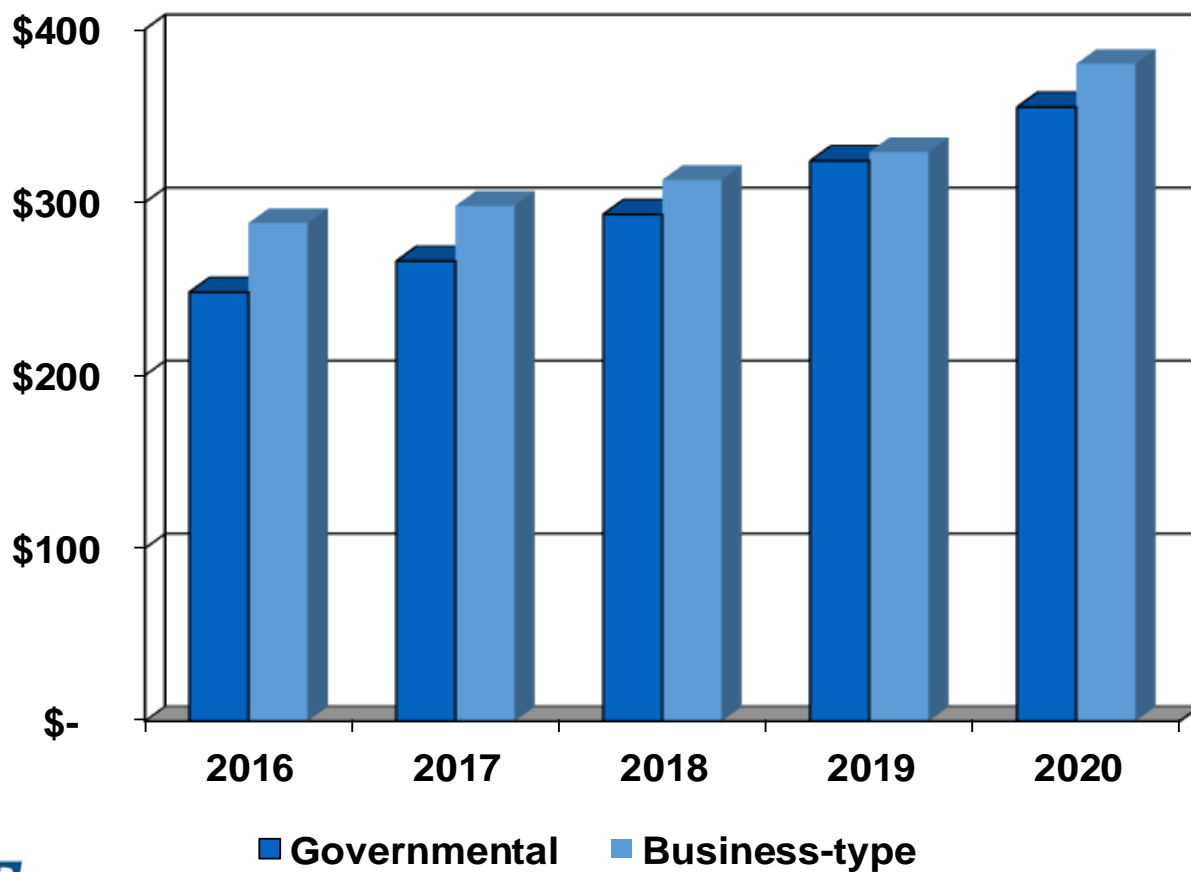
- Compliance With Laws and Regulations is the Responsibility of Management
- Our Responsibility
 - Reasonable assurance about whether noncompliance that could have a direct and material effect on a major federal or state program occurred
 - Examine evidence supporting the City's compliance

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, 2020 . . .

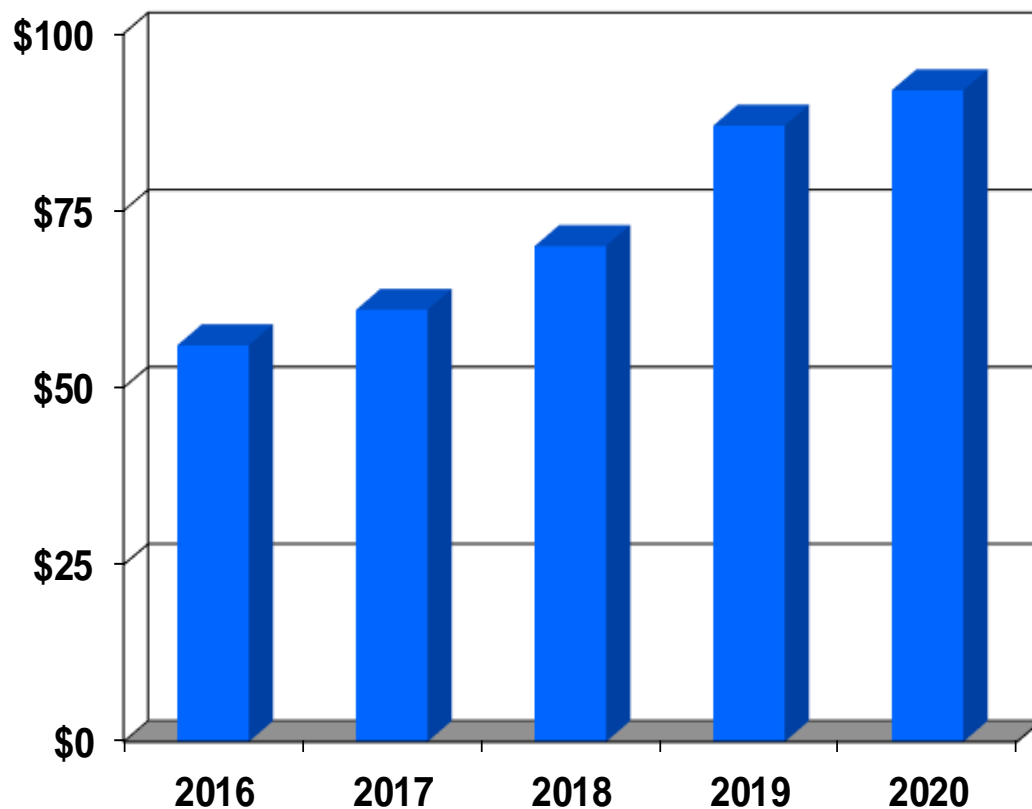
Financial Observations

Net Position (in millions)



Financial Observations

General Fund Balance (in millions)



Financial Observations

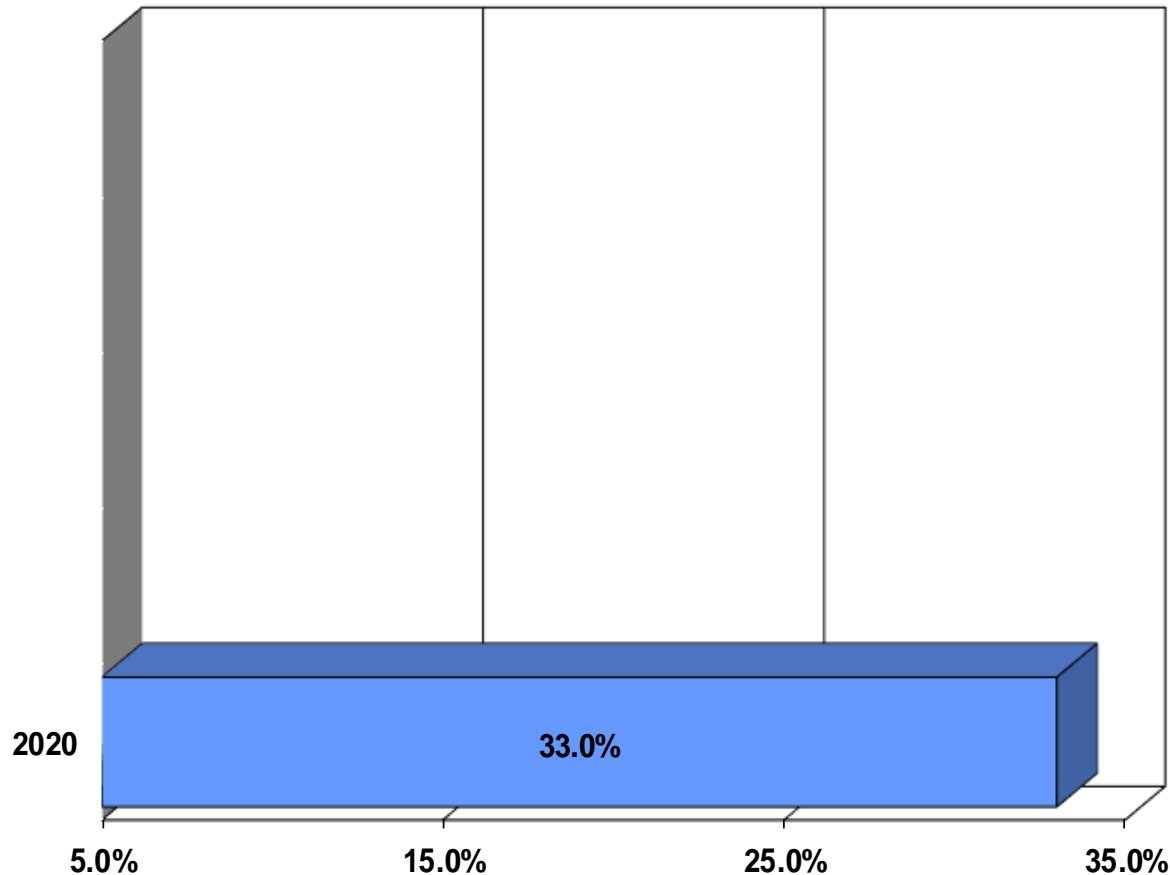
General Fund Balance (in 000's)

	2020	2019
Nonspendable	\$ 1,031	970
Restricted	1,472	1,318
Committed	14,496	13,689
Assigned	27,006	40,807
Unassigned	48,090	30,539
Total fund balance	\$ 92,095	87,323

Financial Observations

Unassigned Fund Balance to Budgeted Revenues

Council Approved Minimum = 28%



Financial Observations

General Fund – Budget (in 000's)

	Actual	Budget
Revenues	\$ 152,393	148,588
Expenditures	128,003	138,497
Revenues over expenditures	24,390	10,091
Other financing sources (uses)	(19,618)	(19,710)
Net change in fund balance	\$ 4,772	(9,619)

Financial Observations

Enterprise Funds - Working Capital to Revenues
Council Approved Minimum = 30%

	2020	2019
Water Fund	62%	58%
Wastewater Fund	74%	65%
Solid Waste Fund	65%	73%

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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