

City of Waco FY2022 Audit



City Council
February 21, 2023

Agenda

- **Single Audit Results**
- **Required Communications**
- **Financial Audit Results**

Single Audit Results

- Major Programs for FY2022
 - State Program:
 - Texas Office of the Governor:
 - Texas Anti-Gang Program
 - Federal Programs:
 - U.S. Department of Transportation
 - Airport Improvement Program (AL #20.106)*
 - U.S. Department of Agriculture
 - Supplemental Nutrition Program for Women, Infants, and Children – WIC (AL #10.557)

* Received COVID-19 funding >50% of total expenditures

AL – Assistance Listing Number (formerly called the CFDA Number)

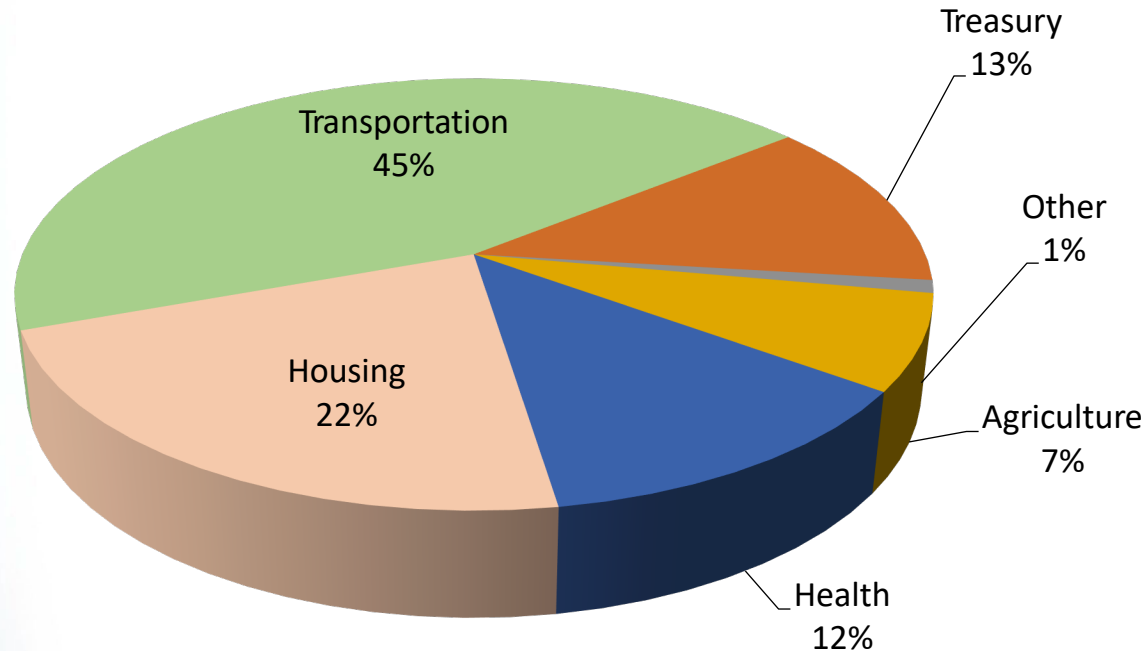
Single Audit Results

- Major Programs for FY2022 (continued)
 - Federal Programs:
 - U.S. Department of Treasury
 - Coronavirus State and Local Fiscal Recovery Funds (AL #21.027)*
 - U.S. Department of Health and Human Services
 - Immunization Cooperative Agreements (AL #93.268)*

* Received COVID-19 funding >50% of total expenditures

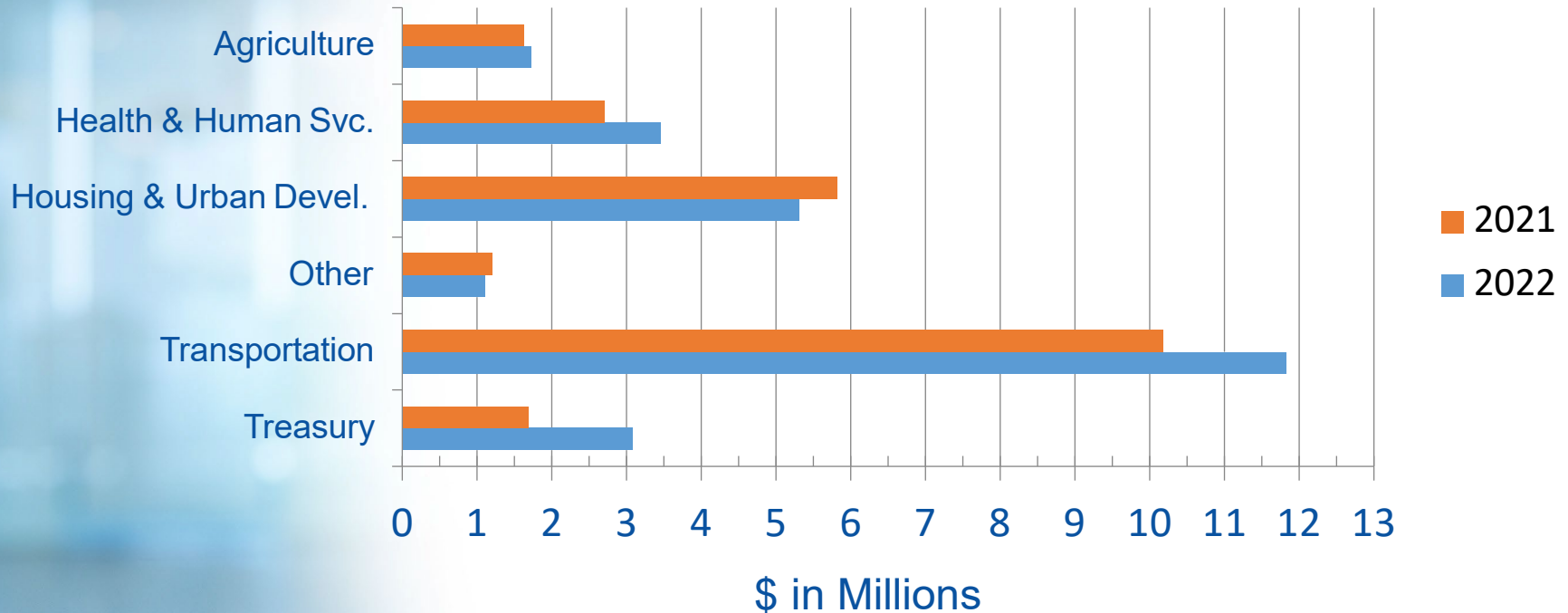
Single Audit Results

Total Federal Expenditures for FY2022 By Granting Authority



Single Audit Results

Comparison of Total Grant Expenditures



Opinion on Each Major Federal and State Program

- *In our opinion, the City complied, in all material respects, with the compliance requirements that are applicable to each of its major federal and state programs for the year ended September 30, 2022*

Single Audit Reporting

- Federal & State Programs
 - No material weaknesses in internal controls
 - No instances of material noncompliance
- Passenger Facility Charge (PFC) Compliance
 - No findings

Required Communications

- Letter to City Council
- Management Representation Letter and Summary of Uncorrected Misstatements

Financial Audit Results: Notable Accounting Matters

- New Accounting Standard
 - Implemented GASB 87 – Leases
 - Results in presentation of right-of-use lease assets, lease liabilities, and deferred inflows on lease revenues
 - Additional disclosures for leases
- Other New Funds
 - Presented as major governmental funds
 - Street Improvements
 - Grants

Financial Audit Results: Notable Accounting Matters (Continued)

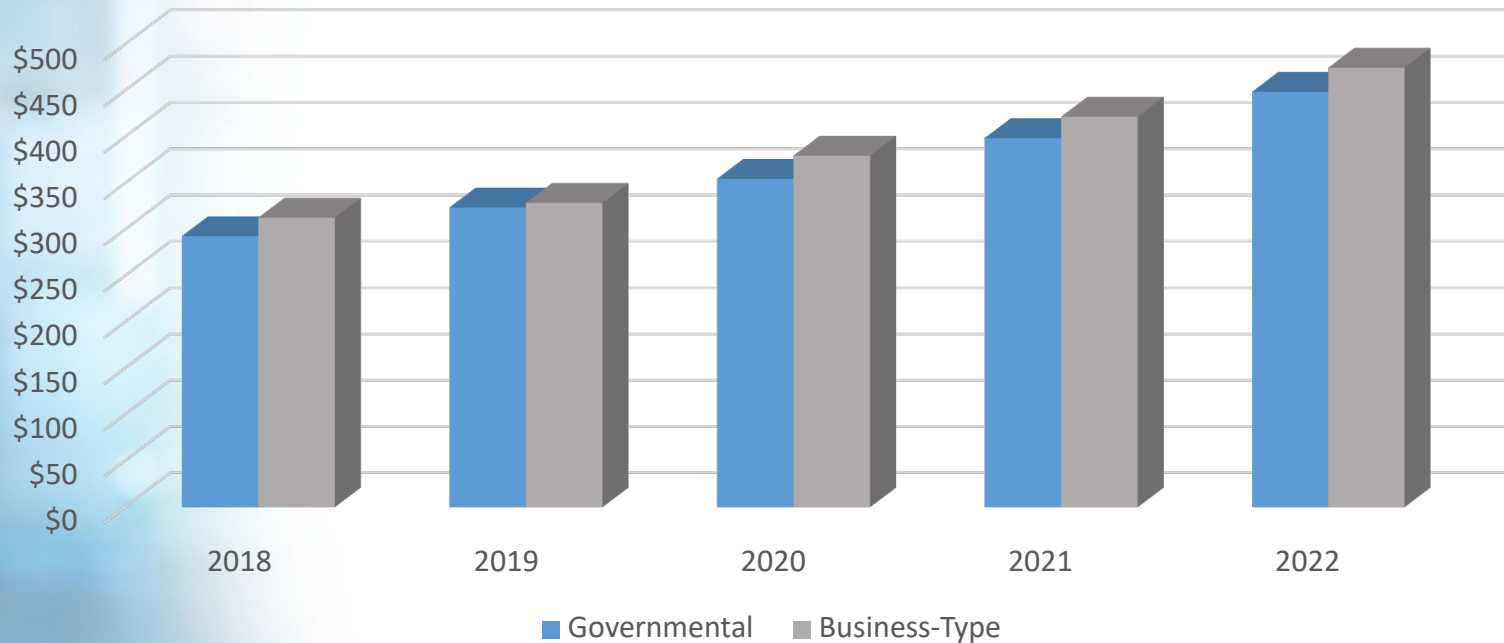
- Debt Issuance
 - Certificates of Obligation - \$97,400,000 issuance
 - Of the total, \$5,065,000 was taxable (to Solid Waste)
 - Allocated among:
 - General Government
 - Water
 - Wastewater/WMARSS
 - Drainage
 - Solid Waste
 - Refunding Bonds - \$24,570,000 issuance
 - Allocated among:
 - General Government
 - Water
 - Wastewater
 - Solid Waste

Financial Audit Results: Notable Accounting Matters (Continued)

- Pension Liability
 - Measurement Date: December 31, 2021
 - Decreased \$14.4 million to \$11.1 million
 - Cause: Return on assets for measurement period
- Other Post-Employment Benefits (OPEB) Liability
 - Measurement Date: December 31, 2021
 - Increased \$107k to \$2.4 million
 - Cause: Change in assumptions
 - No assets in this plan

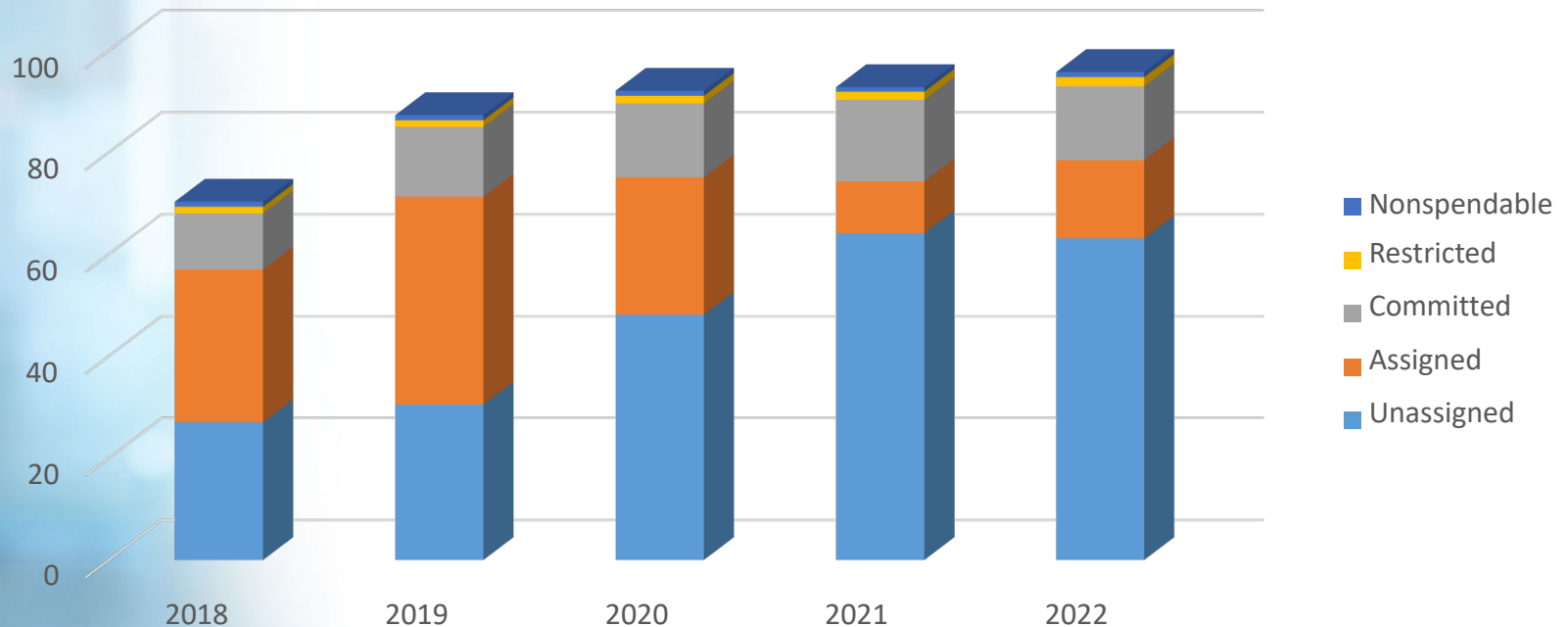
Financial Observations

Net Position (in millions)



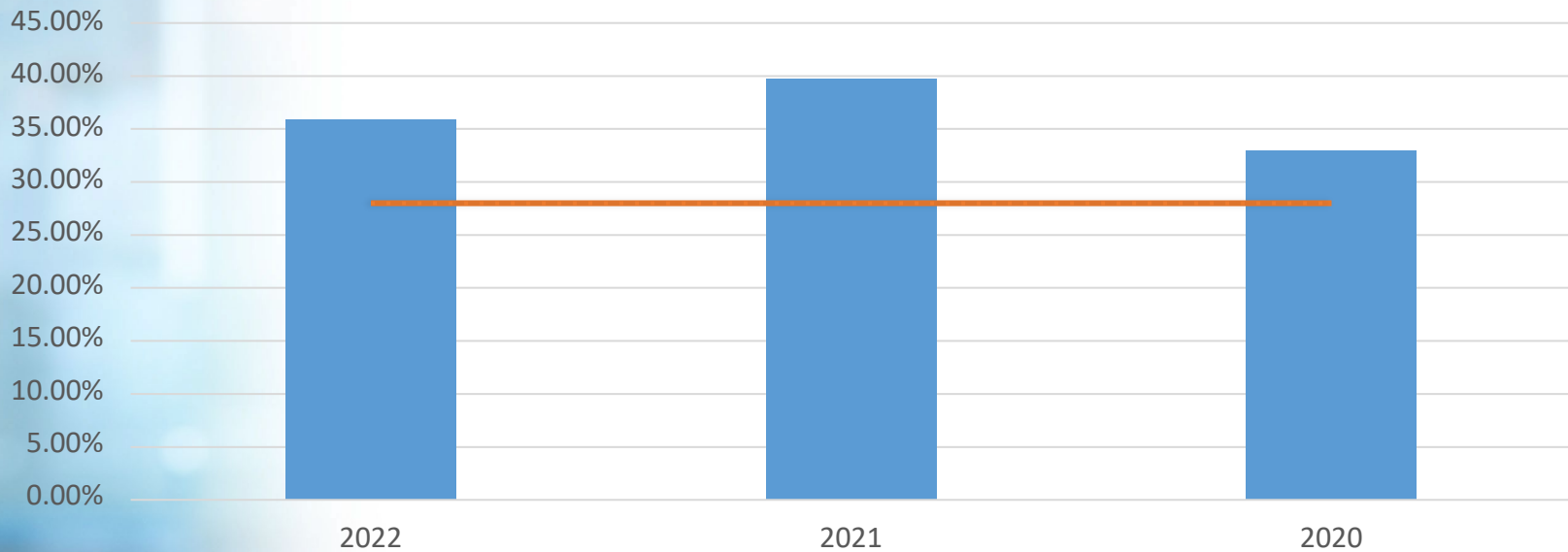
Financial Observations

General Fund Balance (in \$000s)



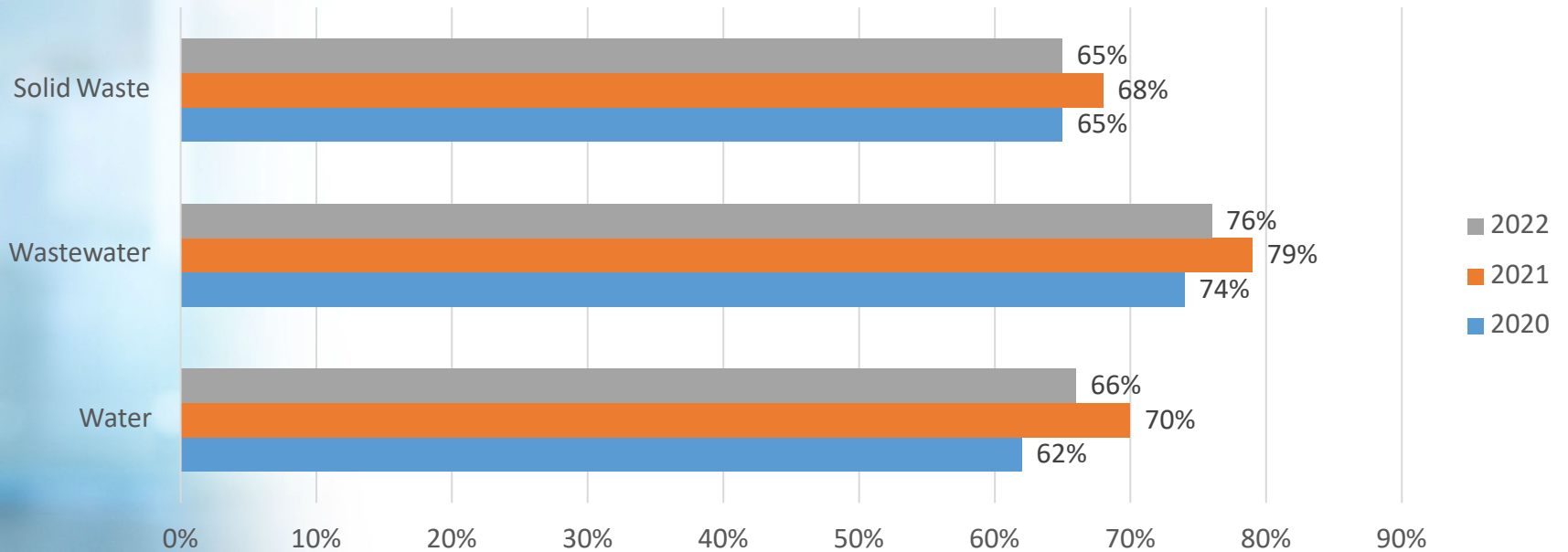
Financial Observations

Unassigned Fund Balance to Budgeted Revenues



Financial Observations

Working Capital to Revenues



Auditor Opinion

- Unmodified Opinion
- *In our opinion, the financial statements present fairly, in all material respects, the financial position as of September 30, 2022, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.*

Internal Control Over Financial Reporting and Compliance

- Internal Controls over Financial Reporting
 - No material weaknesses
- Information Technology – General Controls
 - No material weaknesses
- Yellow Book
 - No material instances of noncompliance

Questions?