

FY 2024 Q4 FINANCIAL REPORT

Unaudited/Preliminary Results

11.19.2024



D. Blu Kostelich
ACM/CFO

FY2024 4TH QUARTER FINANCIAL REPORT

Overview

- Major Fund Financials through FY Q3
 - General Fund
 - Water Fund
 - Wastewater Fund
 - Solid Waste Fund
 - Drainage Fund
- Investment Performance Review

EXECUTIVE SUMMARY

Q4 Unaudited Actual vs. Adopted Budget			
Operating Fund	Revenues	Expenses	Net Result
General Fund	✓	6% Under Budget	✓
Water Utilities	✓	✓	✓
Wastewater Utilities	12% Over Budget	✓	✓
Solid Waste	7% Over Budget	✓	✓
Drainage Utilities	✓	11% Under Budget	✓

✓ Year-End Forecast within 3% of Budget

GENERAL FUND

Revenues

- Strong investment returns and sales tax collections offsetting lag in property tax collections
- \$7.3M transfer in was budgeted use of reserves – not needed

Expenses

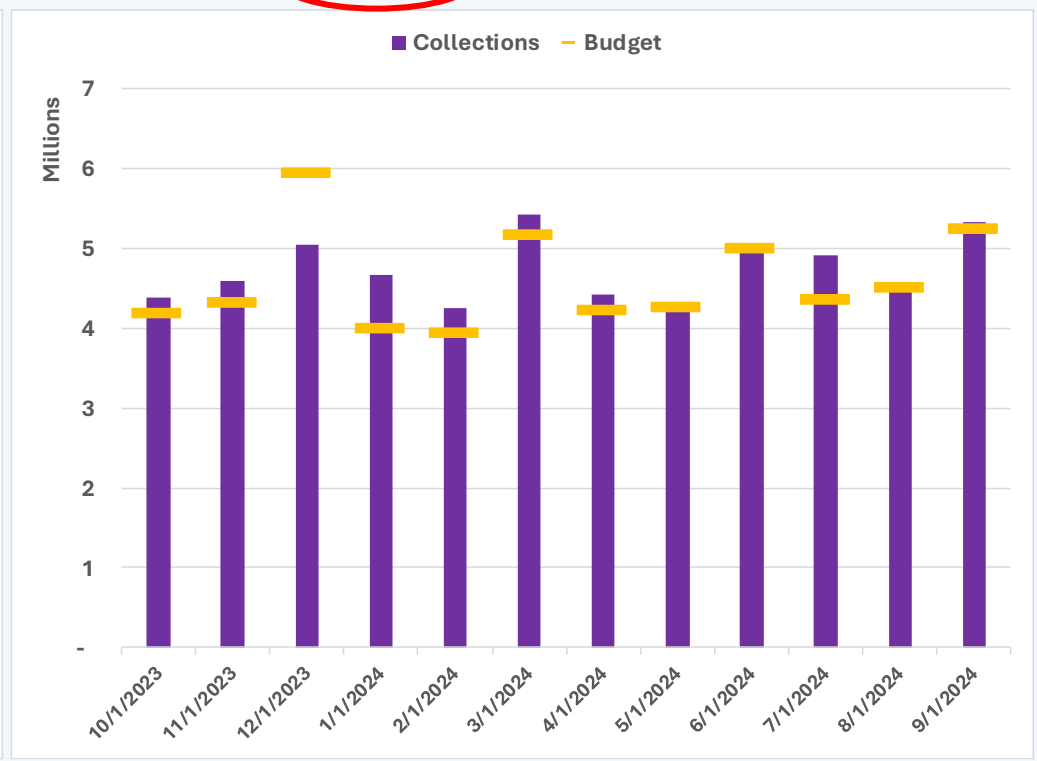
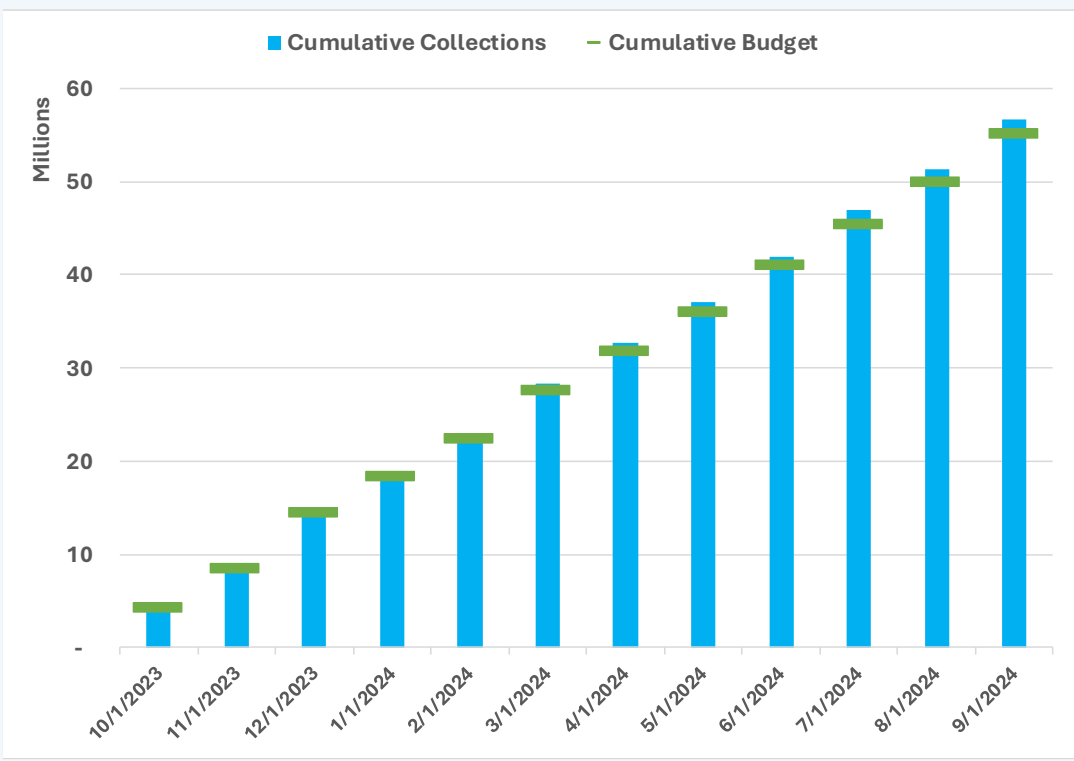
- Vacancies and general operational savings fueling surplus
- Transfers lower due to change in street capacity program

	Actual YTD FY 2021	Actual YTD FY 2022	Actual YTD FY 2023	Revised Budget FY 2024	Actual YTD FY 2024	Variance to Revised Fav/(Unfav)
Revenues						
Property Taxes	69,055,234	73,155,490	77,341,587	90,047,214	86,740,133	(3,307,081)
Sales Taxes	48,720,357	54,078,904	55,744,974	55,140,406	56,707,944	1,567,538
Franchise Fees	9,305,551	10,584,741	10,181,031	10,440,000	9,414,795	(1,025,205)
City of Waco PILOT/GR	10,238,330	11,116,489	11,871,311	13,044,084	12,427,087	(616,997)
Charges for Services	2,273,973	2,052,425	2,308,516	927,779	1,144,846	217,067
License & Permits	2,785,079	3,123,178	3,337,109	3,010,116	2,897,059	(113,057)
Intergovernmental	2,274,102	2,380,721	2,760,165	2,104,899	2,574,206	469,307
Fees & Fines	1,524,620	1,452,881	1,464,822	1,472,360	1,451,978	(20,382)
Interest	198,817	2,123	7,204,569	4,000,000	10,389,203	6,389,203
Other Revenue	15,372,405	16,317,116	17,105,998	16,252,214	17,118,070	865,856
Transfers In	1,787,133	3,530,000	50,000	7,390,656	50,000	(7,340,656)
Total Revenue	163,535,600	177,794,067	189,370,082	203,829,728	200,915,320	(2,914,408)
Expense by Category						
Salaries and Wages	65,970,582	70,531,582	78,164,874	81,106,494	78,249,267	2,857,227
Employee Benefits	23,945,049	25,426,362	29,864,261	32,522,887	31,464,004	1,058,883
Professional/Technical Services	6,568,800	8,991,723	13,262,089	14,169,480	13,954,549	214,931
Purchased Property Services	1,239,334	2,917,534	2,080,039	1,828,893	1,740,098	88,795
Maintenance	8,128,755	8,997,321	5,497,619	6,903,562	6,191,889	711,673
Other Purchased Services	3,564,143	4,393,493	4,382,460	5,152,643	5,351,290	(198,647)
Supplies	6,891,304	7,944,200	9,471,260	8,606,353	7,787,381	818,972
Other Operating Expenses	801,663	701,140	690,885	860,208	731,528	128,680
Contracts with Other	3,144,723	3,266,958	2,802,747	7,588,901	4,437,509	3,151,391
Interdepartmental Billings	1,031	331	2,324	4,759	9,141	(4,382)
Capital Expenditures	2,347,071	2,238,258	3,694,671	2,530,513	1,161,539	1,368,974
Transfers Out	41,121,119	30,101,876	30,896,608	47,927,433	46,046,054	1,881,379
Total Expenses	163,723,573	165,510,777	180,809,838	209,202,127	197,124,250	12,077,877
Surplus / (Deficit)	(187,973)	12,283,290	8,560,244	(5,372,399)	3,791,070	

CITY OF WACO SALES TAX

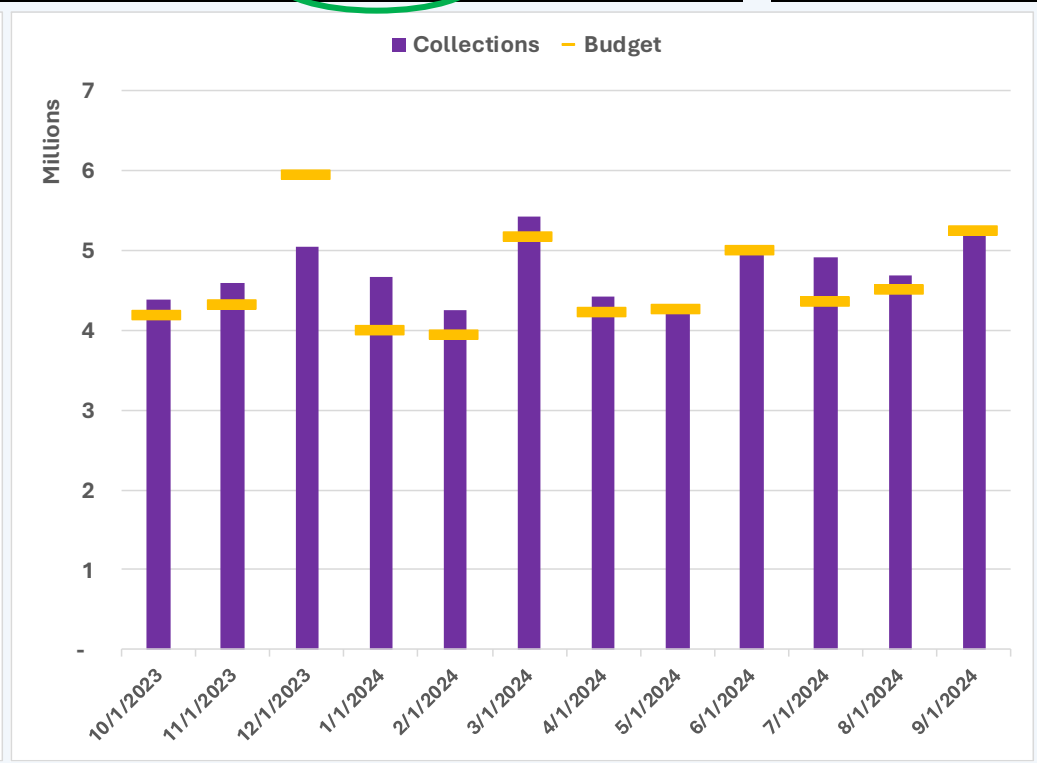
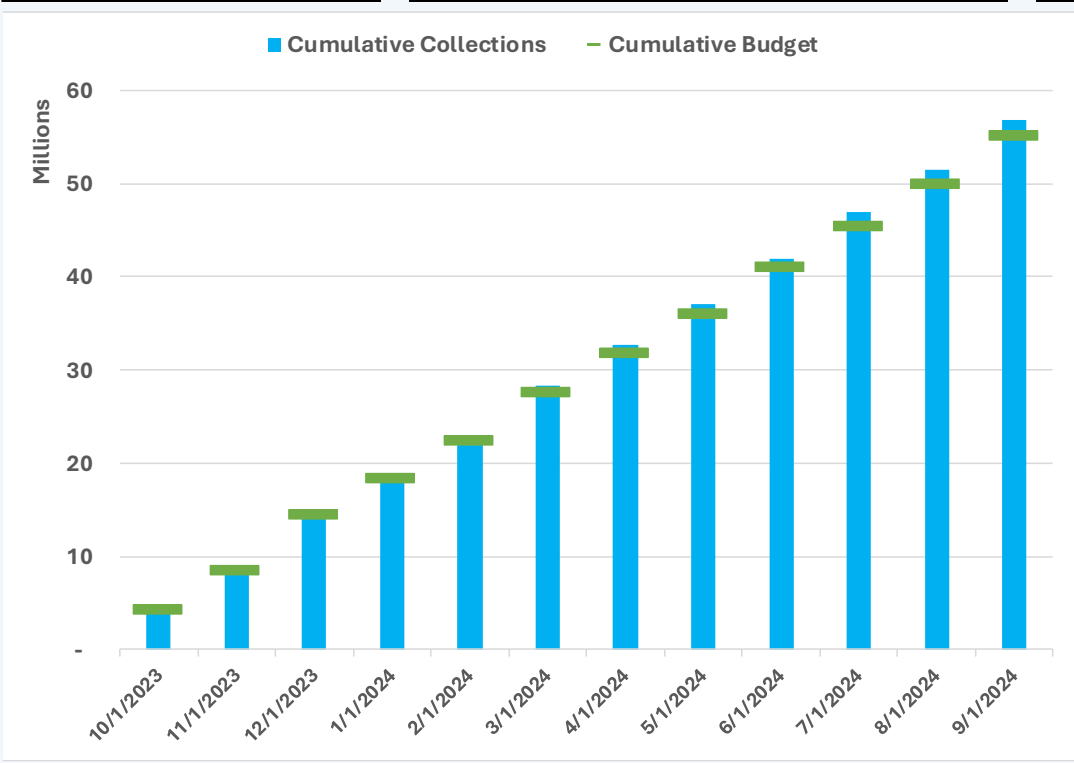
Q3 ESTIMATE

		Prior Fiscal Year				Current Fiscal Year						
Month Generated	Comptroller Remit	Prior Year Budget	Prior Year Actual	\$ Over / (Under) Budget	% to Budget	Current Month Budget	Current Month Collections	Forecasted Collections	\$ Over / (Under) Budget	% to Budget	\$ Over / (Under) Prior Year	% to Prior Year
October 2023	December 2023	\$ 3,581,208	\$ 4,253,706	\$ 672,498	18.8%	\$ 4,188,959	\$ 4,377,067		\$ 188,108	4.5%	\$ 123,362	2.9%
November 2023	January 2024	3,689,647	4,539,320	849,674	23.0%	4,315,801	4,585,234		269,433	6.2%	45,914	1.0%
December 2023	February 2024	5,081,349	6,021,931	940,582	18.5%	5,943,683	5,034,670		(909,014)	-15.3%	(987,261)	-16.4%
January 2024	March 2024	3,412,201	3,969,988	557,786	16.3%	3,991,272	4,662,447		671,176	16.8%	692,460	17.4%
February 2024	April 2024	3,368,253	4,166,169	797,916	23.7%	3,939,865	4,250,451		310,586	7.9%	84,282	2.0%
March 2024	May 2024	4,424,548	5,399,117	974,569	22.0%	5,175,419	5,428,475		253,056	4.9%	29,358	0.5%
April 2024	June 2024	3,601,223	3,913,909	312,686	8.7%	4,212,371	4,424,126		211,754	5.0%	510,217	13.0%
May 2024	July 2024	3,645,970	4,406,393	760,423	20.9%	4,264,712	4,254,307		(10,406)	-0.2%	(152,086)	-3.5%
June 2024	August 2024	4,275,753	4,936,203	660,450	15.4%	5,001,373	4,956,032		(45,341)	-0.9%	19,829	0.4%
July 2024	September 2024	3,722,698	4,320,016	597,318	16.0%	4,354,461	4,916,912		562,451	12.9%	596,896	13.8%
August 2024	October 2024	3,848,188	4,696,264	848,075	22.0%	4,501,248		4,494,416	(6,832)	-0.2%	(201,847)	-4.3%
September 2024	November 2024	4,489,368	5,121,959	632,591	14.1%	5,251,240		5,322,741	71,500	1.4%	200,781	3.9%
Fiscal Year Total		\$ 47,140,406	\$ 55,744,973	\$ 8,604,567	18.3%	\$ 55,140,406		\$ 56,706,878	\$ 1,566,472	2.8%	\$ 961,905	1.7%



CITY OF WACO SALES TAX

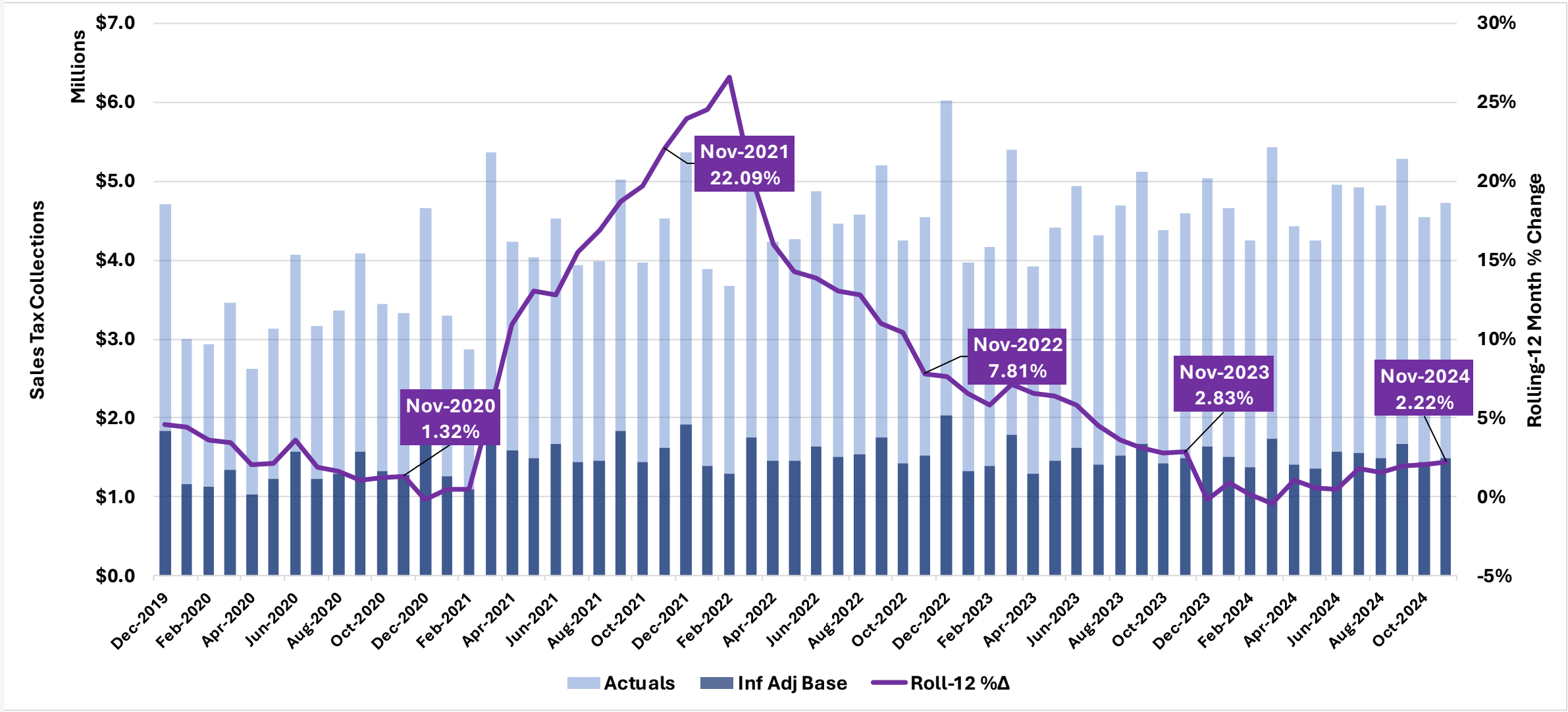
		Prior Fiscal Year				Current Fiscal Year						
Month Generated	Comptroller Remit	Prior Year Budget	Prior Year Actual	\$ Over / (Under) Budget	% to Budget	Current Month Budget	Current Month Collections	Forecasted Collections	\$ Over / (Under) Budget	% to Budget	\$ Over / (Under) Prior Year	% to Prior Year
October 2023	December 2023	\$ 3,581,208	\$ 4,253,706	\$ 672,498	18.8%	\$ 4,188,959	\$ 4,377,067		\$ 188,108	4.5%	\$ 123,362	2.9%
November 2023	January 2024	3,689,647	4,539,320	849,674	23.0%	4,315,801	4,585,234		269,433	6.2%	45,914	1.0%
December 2023	February 2024	5,081,349	6,021,931	940,582	18.5%	5,943,683	5,034,670		(909,014)	-15.3%	(987,261)	-16.4%
January 2024	March 2024	3,412,201	3,969,988	557,786	16.3%	3,991,272	4,662,447		671,176	16.8%	692,460	17.4%
February 2024	April 2024	3,368,253	4,166,169	797,916	23.7%	3,939,865	4,250,451		310,586	7.9%	84,282	2.0%
March 2024	May 2024	4,424,548	5,399,117	974,569	22.0%	5,175,419	5,428,475		253,056	4.9%	29,358	0.5%
April 2024	June 2024	3,601,223	3,913,909	312,686	8.7%	4,212,371	4,424,126		211,754	5.0%	510,217	13.0%
May 2024	July 2024	3,645,970	4,406,393	760,423	20.9%	4,264,712	4,254,307		(10,406)	-0.2%	(152,086)	-3.5%
June 2024	August 2024	4,275,753	4,936,203	660,450	15.4%	5,001,373	4,956,032		(45,341)	-0.9%	19,829	0.4%
July 2024	September 2024	3,722,698	4,320,016	597,318	16.0%	4,354,461	4,916,912		562,451	12.9%	596,896	13.8%
August 2024	October 2024	3,848,188	4,696,264	848,075	22.0%	4,501,248	4,683,818		182,570	4.1%	(12,446)	-0.3%
September 2024	November 2024	4,489,368	5,121,959	632,591	14.1%	5,251,240	5,277,184		25,944	0.5%	155,225	3.0%
Fiscal Year Total		\$ 47,140,406	\$ 55,744,973	\$ 8,604,567	18.3%	\$ 55,140,406	\$ 56,850,723		\$ 1,710,317	3.1%	\$ 1,105,750	2.0%



CITY OF WACO SALES TAX

Current Month Sales Tax Collections					
Current Month Actual		Current Month Budget		% to PY Actual	
\$	5,277,184	\$	5,251,240	0.5%	\$ 5,121,959 3.0%

Fiscal Year-to-Date					
FYTD Actual		FYTD Budget	% to Budget	PYTD Actual	% to PYTD Actual
\$	56,850,723	\$ 55,140,406	3.1%	\$ 55,744,973	2.0%



WATER FUND

Revenues

- Lower usage leading to lower operating revenues offset by strong contributions

- Strong investment

Expenses

- Anticipated year-end is relatively flat to budget due to operational savings, offset by a pension expense year-end adjustment

	Actual YTD FY 2021	Actual YTD FY 2022	Actual YTD FY 2023	Revised Budget FY2024	Actual YTD FY 2024	Variance Fav/(Unfav)
Operating Revenues						
Intergovernmental	-	-	23,745	-	-	-
Charges for Services	50,872,304	57,362,741	62,077,425	61,427,053	60,702,507	(724,546)
Contributions	8,847,195	7,825,288	5,712,350	-	3,219,771	3,219,771
Other Revenue	647,526	706,967	392,304	513,344	417,085	(96,259)
Non-Operating Revenues						
Interdepartmental Billing	1,447,263	2,909,147	3,350,751	3,651,599	3,697,784	46,185
Interest	79,269	(797,771)	2,043,505	1,200,000	3,090,106	1,890,106
Transfers In	145,042	145,042	7	3,367,800	-	(3,367,800)
Total Revenue	62,038,599	68,151,416	73,600,087	70,159,796	71,127,254	967,458
Expense by Category						
Salaries and Wages	5,302,979	5,828,388	6,972,755	7,660,460	7,767,483	(107,023)
Employee Benefits	1,713,675	1,512,357	3,129,282	3,289,935	5,347,429	(2,057,494)
Professional/Technical Services	1,911,922	1,893,686	2,337,565	4,278,115	3,597,898	680,217
Purchased Property Services	183,521	165,565	212,930	229,237	187,947	41,290
Maintenance	3,374,769	3,920,611	4,265,408	6,212,478	6,021,043	191,435
Other Purchased Services	1,318,147	1,040,759	1,185,140	1,599,226	1,662,919	(63,693)
Supplies	4,266,742	5,177,032	6,527,513	8,302,600	7,518,743	783,857
Other Operating Expenses	9,348,677	10,004,640	10,496,393	10,789,814	11,013,068	(223,254)
Contracts with Other	7,123	7,123	8,400	10,000	10,000	-
Interdepartmental Billings	518,295	513,063	552,522	30,000	32,949	(2,949)
Capital Expenditures	244,747	4,744,474	2,518,284	2,028,207	1,318,163	710,043
Transfers Out	21,229,095	24,067,174	23,296,782	27,683,652	27,700,263	(16,611)
Total Expenses	49,419,690	58,874,872	61,502,975	72,113,724	72,177,907	(64,183)
Surplus / (Deficit)	12,618,908	9,276,544	12,097,112	(1,953,928)	(1,050,653)	

WASTEWATER FUND

Revenues

- Increased rates in FY24 for project funding leading to higher-than-expected operating revenues
- Strong investment earnings

Expenses

- Year-end is \$2.1M unfavorable due to necessary maintenance and capital expenditures

	Actual YTD FY 2021	Actual YTD FY 2022	Actual YTD FY 2023	Revised Budget FY2024	Actual YTD FY 2024	Variance Fav/(Unfav)
Operating Revenues						
Intergovernmental	-	-	20,777	-	-	-
Charges for Services	50,987,411	53,728,398	59,000,779	65,285,694	69,957,986	4,672,292
Contributions	8,926,428	10,701,934	4,796,948	-	5,212,510	5,212,510
Other Revenue	65,884	33,211	25,776	19,450	227,432	207,982
Non-Operating Revenues						
Interdepartmental Billing	-	-	-	-	-	-
Interest	66,370	(661,109)	1,792,761	1,080,000	2,670,842	1,590,842
Transfers In	602,138	603,389	369,997	3,737,180	369,380	(3,367,800)
Total Revenue	60,648,229	64,405,823	66,007,037	70,122,324	78,438,149	8,315,825
Expense by Category						
Salaries and Wages	3,843,610	4,190,648	4,721,751	5,122,315	5,198,828	(76,513)
Employee Benefits	1,197,132	1,094,296	2,134,954	2,427,249	3,529,882	(1,102,633)
Professional/Technical Services	1,818,609	1,871,811	2,042,991	3,947,896	3,014,182	933,714
Purchased Property Services	104,734	100,398	97,140	114,309	129,168	(14,859)
Maintenance	3,119,557	2,893,371	3,236,459	5,999,128	5,094,489	904,639
Other Purchased Services	406,932	437,004	569,690	977,811	1,190,174	(212,362)
Supplies	2,747,399	2,973,490	3,677,910	4,799,075	4,412,451	386,624
Other Operating Expenses	13,662,943	17,428,064	19,716,099	22,415,001	23,033,249	(618,248)
Contracts with Other	-	-	-	-	-	-
Interdepartmental Billings	1,328,104	2,286,626	2,573,137	2,707,945	2,509,124	198,821
Capital Expenditures	252,160	1,579,007	1,132,317	1,485,722	3,973,069	(2,487,347)
Transfers Out	16,062,476	16,815,819	17,277,337	23,611,702	23,618,615	(6,913)
Total Expenses	44,543,654	51,670,535	57,179,786	73,608,154	75,703,231	(2,095,077)
Surplus / (Deficit)	16,104,575	12,735,287	8,827,252	(3,485,830)	2,734,918	

SOLID WASTE FUND

Revenues

- Increased rates in FY24 to fund two large projects
- Investment earnings remain strong

Expenses

- Operational savings leading to favorability to budget

	Actual YTD FY 2021	Actual YTD FY 2022	Actual YTD FY 2023	Revised Budget FY2024	Actual YTD FY 2024	Variance Fav/(Unfav)
Operating Revenues						
Intergovernmental	20,000	-	12,454	-	16,589	16,589
Charges for Services	22,822,574	27,436,912	32,237,664	31,737,407	32,978,078	1,240,671
Contributions	-	-	-	-	-	-
Other Revenue	238,091	220,300	157,141	159,364	168,702	9,338
Non-Operating Revenues						
Interdepartmental Billing	-	-	-	-	-	-
Interest	26,382	(280,473)	764,073	450,000	1,353,938	903,938
Transfers In	96,930	96,930	-	-	-	-
Total Revenue	23,203,977	27,473,669	33,171,332	32,346,771	34,517,308	2,170,537
Expense by Category						
Salaries and Wages	4,299,205	4,947,411	5,965,409	6,602,027	6,552,057	49,970
Employee Benefits	1,562,981	1,547,222	2,810,104	2,976,396	4,312,963	(1,336,567)
Professional/Technical Services	2,805,600	2,918,467	3,266,509	4,141,961	3,744,241	397,721
Purchased Property Services	44,436	26,132	22,017	31,552	25,062	6,490
Maintenance	2,973,264	3,069,455	3,584,558	4,990,688	4,596,680	394,008
Other Purchased Services	411,409	186,870	577,622	387,257	443,389	(56,132)
Supplies	2,242,469	2,737,930	2,891,506	3,647,090	3,099,159	547,931
Other Operating Expenses	3,553,425	4,089,626	5,696,928	4,726,925	4,226,596	500,329
Contracts with Other	62,669	62,669	75,600	90,000	90,000	-
Interdepartmental Billings	1,063,511	1,259,793	1,430,380	1,078,150	1,087,770	(9,620)
Capital Expenditures	2,083,242	243,170	452,291	246,774	142,034	104,740
Transfers Out	1,329,583	1,420,678	2,622,813	6,173,464	6,177,159	(3,695)
Total Expenses	22,431,793	22,509,424	29,395,737	35,092,285	34,497,109	595,175
Surplus / (Deficit)	772,183	4,964,244	3,775,596	(2,745,514)	20,199	

DRAINAGE FUND

Revenues

- Permits and investment returns offsetting slightly lower utility collections

Expenses

- Operational savings leading to favorability to budget

	Actual YTD FY 2021	Actual YTD FY 2022	Actual YTD FY 2023	Revised Budget FY2024	Actual YTD FY 2024	Variance Fav/(Unfav)
Operating Revenues						
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	5,709,295	6,544,923	8,443,400	8,157,764	(285,636)
Contributions	-	6,936,025	1,241,045	-	-	-
Other Revenue	-	75,000	125,843	37,500	112,579	75,079
Non-Operating Revenues						
Interdepartmental Billing	-	-	-	-	-	-
Interest	-	(40,424)	106,457	50,000	230,621	180,621
Transfers In	440,000	-	-	-	-	-
Total Revenue	440,000	12,679,896	8,018,267	8,530,900	8,500,964	(29,936)
Expense by Category						
Salaries and Wages	32,805	630,743	1,201,800	1,469,706	1,416,754	52,952
Employee Benefits	10,531	198,633	432,447	573,401	558,986	14,415
Professional/Technical Services	57,772	258,621	1,282,143	2,171,649	2,094,359	77,290
Purchased Property Services	-	1,116	13,871	73,602	71,515	2,087
Maintenance	4,462	31,756	24,512	101,435	13,712	87,723
Other Purchased Services	3,379	28,592	42,526	184,307	78,800	105,507
Supplies	4,343	26,628	100,138	462,455	183,885	278,570
Other Operating Expenses	3,201	74,010	61,479	528,083	326,570	201,513
Contracts with Other	-	-	-	-	-	-
Interdepartmental Billings	-	1,784,321	1,328,338	258,645	258,645	-
Capital Expenditures	-	207,075	562,191	1,049,562	1,020,533	29,029
Transfers Out	-	-	784,860	962,540	962,925	(385)
Total Expenses	116,492	3,241,496	5,834,305	7,835,384	6,986,684	848,701
Surplus / (Deficit)	323,508	9,438,400	2,183,961	695,516	1,514,280	

INVESTMENT REPORT

Portfolio Summary

	Prior 30 Jun-24	Current 30 Sep-24
Par Value	984,029,754.69	919,353,916.86
Original Cost	976,890,247.56	910,341,068.61
Book Value	979,281,598.89	913,449,653.97
Market Value	978,404,459.74	916,382,057.46
Accrued Interest	1,949,361.26	3,321,365.63
Book Value Plus Accrued	981,230,960.14	916,771,019.61
Market Value Plus Accrued	980,353,821.00	919,703,423.09
Net Unrealized Gain/(Loss)	(877,139.15)	2,932,403.49

Income Summary

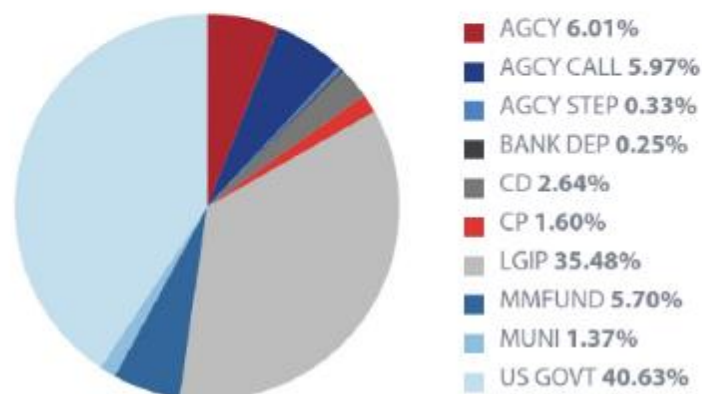
Current Period	1 Jul-24 to 30 Sep-24
Interest Income	9,884,925.96
Net Amortization/Accretion	1,339,155.22
Realized Gain/(Loss)	(0.01)
Net Income	11,224,081.18

Fiscal Year-to-Date	1 Oct-23 to 30 Sep-24
Net Income	36,380,924.09

Portfolio Characteristics

	Prior 30 Jun-24	Current 30 Sep-24
Yield to Maturity	4.736%	4.744%
Yield to Worst	4.736%	4.744%
Days to Final Maturity	111	181
Days to Effective Maturity	111	180
Duration	0.94	1.05

Asset Allocation



Transaction Summary

Transaction Type	Quantity	Principal	Interest	Total Amount	Realized Gain/Loss
Buy	182,034,104.31	(179,538,842.01)	(1,237,224.98)	(180,776,066.99)	0.00
Sell	(58,969,968.19)	58,969,968.19	0.00	58,969,968.19	0.00
Maturity	(69,300,000.00)	69,300,000.00	0.00	69,300,000.00	(0.01)
Call Redemption	(5,000,000.00)	5,000,000.00	0.00	5,000,000.00	0.00
Coupon	0.00	0.00	3,060,517.35	3,060,517.35	0.00
MMFUND Dividends	0.00	0.00	1,714,475.16	1,714,475.16	0.00

RECAP

- General Fund revenues anticipated year-end lower than with budget while expenses remain lower than budget due to mid-year change in street capacity/street fee program
- All major utilities' year-end forecasts are either in line or favorable to FY24 budget
- Investment earnings remain elevated, and markets are continuing to rally post-election; inflation concerns are back given potential policy changes

THANK YOU.

be...on.