



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Waco, Texas



For the Year Ended
September 30, 2022

Annual Comprehensive Financial Report
of the



City of Waco, Texas

Prepared by the
Fiscal Management Services Department
Year Ended September 30, 2022

City of Waco, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2022

MAYOR

Dillon Meek

CITY COUNCIL

Kelly Palmer, Mayor Pro Tem
(Resigned as of 11/4/2022)

Andrea Barefield

Alice Rodriguez

Josh Borderud

Jim Holmes

CITY MANAGER

Bradley Ford

DEPUTY CITY MANAGER

Deidra Emerson

ASSISTANT CITY MANAGERS

Paul Cain

Ryan Holt

Lisa Blackmon

CHIEF FINANCIAL OFFICER

Nicholas Sarpy



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Introductory Section





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January 30, 2023

To the Honorable Mayor, Members of the City Council and Residents of the
City of Waco, Texas:

The Annual Comprehensive Financial Report (ACFR) of the City of Waco (the City) for the fiscal year ended September 30, 2022, including the independent auditor’s report, is hereby submitted. This ACFR is published to provide the Mayor and City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Section 14 of the City Charter requires an annual audit by independent certified public accountants. The Waco City Council has selected the accounting firm of Jaynes, Reitmeier, Boyd & Therrell, P.C. to perform this service. In addition to meeting the requirements set forth in the City Charter, the audit also was designed to meet the requirements of the federal Single Audit Act and related U. S. Office of Management and Budget Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and “frequently asked questions (“FAQs”) and other guidance issued by the U.S. Department of the Treasury.

Jaynes, Reitmeier, Boyd & Therrell, P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Waco’s financial statements for the year ended September 30, 2022. The independent auditor’s report is presented in the financial section of this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984; the Single Audit Act Amendments of 1996, Uniform Guidance, and the *Texas Grant Management Standards* of the State of Texas. As a part of the City’s single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state award programs, as well as to determine that the City has complied with applicable laws and regulations. The independent auditor’s reports related specifically to the single audit are included in separate single audit reports.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of Waco

Waco is the 24th largest city in Texas and the county seat of McLennan County, which has an area of more than 1,000 square miles. Historically, the City has been a trade and agricultural center for the Central Texas region. Efforts by the community’s leadership over the past several years have led to diversification in the regional economy, a major factor contributing to significant improvement in growth and development.

The City of Waco operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and five Council Members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing citizens to boards and committees

and hiring the City Manager, City Attorney, Municipal Judge, and City Secretary. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City government, and for hiring the heads of the various departments.

Council Members are elected by single-member districts on a non-partisan basis to serve two year terms. The Mayor is elected at-large and serves no more than three two-year terms. Elections for the position of Mayor and two Council Member positions are held in even-numbered years while elections for three Council Member positions are held in odd-numbered years.

The City provides the following services as authorized by its charter: public safety, highways and streets, health and social services, cultural and recreational services, public improvements, planning and zoning, and general administrative services. In addition to general government activities, the City provides water, wastewater and solid waste services, a municipal airport, a public transit system and a convention center. The City also is financially accountable for two legally separate entities, all of which are reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements. (See Note I.A.)

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual, appropriated budgets are adopted for the General Fund, Health Programs Fund and General Obligation Debt Fund. All annual appropriations lapse at fiscal year-end. Also, project length financial plans are employed for all Capital Projects Funds and the Grants Fund.

The City Manager presented the proposed operating budget to the City Council on August 2, 2022 for the fiscal year 2022-2023. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. The fiscal year 2022-2023 budget was legally enacted through passage of a resolution on August 30, 2022.

Factors Affecting Financial Condition

Local Economy

Waco is the most populous city nearest the geographic center of Texas' population and is often referred to as the "Heart of Texas." At the confluence of the Bosque River and the 890-mile Brazos River, Waco lies between the three largest cities in the state: 90 miles south of Dallas, 200 miles northwest of Houston and 180 miles northeast of San Antonio. It is less than 100 miles from the state capital of Austin. The City sits on the rich southern agricultural Blackland Prairie on the east and cattle country of the rolling Grand Prairie on the west.

The central location in the state makes the City commercially attractive as a logistics hub. Waco straddles the major north/south route of Interstate Highway 35, "the Main Street of Texas," which stretches from Laredo at the Mexican border to Duluth, Minnesota in the north. The "port-to-plains" route of State Highway 6 crosses Waco east to west, leading from the Gulf Coast to the West Texas High Plains.

Economic experts predict a bright future for Waco because of the diversification of the manufacturing industry, influx of high technology companies, a booming tourist trade, stability in the financial sector, availability of diverse higher education opportunities and steady population growth. Waco will continue to attract new industry because the City provides a high quality labor force, attractive real estate opportunities, favorable tax treatment and abundant natural resources.

Waco's top ten taxpayers include a candy manufacturer, a soft drink bottler, an aircraft components manufacturer, an eye care products manufacturer, one retail shopping center, an electric utility, a natural gas utility, a paint and coatings manufacturer, multi-family housing complex, and a poultry processor. Seven of the top ten employers are education, government, or healthcare related.

The educational sector contributes significantly to the City's economic stability. Waco is the home of Baylor University (Baylor), a private university with a student enrollment of approximately 20,600. Baylor offers more than 126 undergraduate degree programs, 79 master's degree programs and 47 doctoral programs. McLennan

Community College (MCC) is a public, two-year college with an enrollment of over 7,700 students. MCC offers a comprehensive range of educational programs including associate's degree programs, workforce development training and continuing education courses. Additionally, several bachelor's degree programs are available on the MCC campus through partnerships with four-year state universities. With an enrollment of over 4,300, Texas State Technical College offers associate's degrees and certificates in 50 programs of study, preparing a workforce to meet the demands of industry and business.

The Waco Metropolitan Statistical Area (MSA) covers 1,834 square miles. The City encompasses 101 square miles, including 14 square miles of water, within the Waco corporate limits. The average Waco MSA labor force grew from 130,481 in October 2021 to 131,074 by September 2022. Total employment at the beginning of fiscal year 2022 - 2023 was 126,985 while the unemployment rate was 3.4%.

Unassigned fund balance in the general fund (36.1% of fiscal year 2023 budgeted revenues) exceeds the financial management policy guidelines set by the City Council. In fiscal year 2020, the City Council established a guideline of 28% designed to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

The City's five-year Capital Improvement Program is a plan for both long-term and short-term capital needs. Debt payments are structured to provide that capital assets funded by debt have a longer life than the debt associated with those assets.

Relevant Financial Policies

In addition to the general fund balance financial policy mentioned above, the City also strives to maintain a positive unrestricted net position in the City's water, wastewater, solid waste, and drainage funds to provide sufficient reserves for emergencies and revenue shortfalls--establishing minimum working capital 30% of annual revenues and 2% of tangible capital assets of the fund as reported in the most recently audited Annual Comprehensive Financial Report (ACFR). The working capital percentages as compared to the required minimum working capital at September 30, 2022, for the water, wastewater, solid waste, and drainage funds were 149%, 172%, 186%, and 126%, respectively.

Financial Information

Information on the City's general accounting policies and budgetary controls is provided in the Notes to the Financial Statements.

FY 2021-2022 Initiatives & Accomplishments

In 2022, the City Council renewed their commitment to the following strategic goals for the City of Waco:

- Facilitate Economic Development
- Create a Culture of Equity and Inclusion
- Provide a Safe and Resilient City
- Improve Infrastructure
- Build a High Performing Government
- Enhance Quality of Life
- Support Sustainability

These goals illuminate the paths toward realization of the City Council's vision for Waco:

Our home: where everyone belongs and thrives while moving forward together.

Waco continues to see tremendous growth and economic success. In 2022, the Gross Domestic Product for the region eclipsed \$15 billion and Real Per Capita Income hit \$45,069 annually. This year the City of Waco underwent

an extensive Economic Development Study with the final Strategic Plan expected in early 2023. Significant projects and accomplishments supporting Economic Development include:

- Unprecedented \$4.6 million investment in local small businesses through the development and implementation of the We All Win small business support program. This program recognizes the dedicated and hard-working people that keep the Waco economy moving and attempts to reduce the impacts of COVID-19, construction, and long-term blight on our community.
- Construction started on the Foster Pavilion and Development Center, a 223,547 square-foot facility with a capacity for over 7,000 fans including a standing-room-only area for approximately 500 spectators.
- Creation of the new TIRZ in late 2021 and first meeting of the Board in May 2022: this new zone is the largest tax increment reinvestment zone in Waco in terms of acreage and will facilitate the re-development of multiple commercial corridors, the development of multiple strategic properties, and public improvements to facilitate additional re-development within the zone such as hike and bike connectivity between downtown Waco, the Floyd Casey development, and Cottonwood Creek development.
- Floyd Casey Redevelopment continues: this project will create a minimum total investment of \$100 million by the developer and builders and will contain a minimum of 240 single family lots consisting of 26 Brownstones, 72 Zero Lot Lines, 47 Cottages, 20 Urban Residential Type 1, 60 Urban Residential Type 2, 10 Landmark residential, and 5 heritage residential.
- Construction begins on the new Magnolia Headquarters: Magnolia operates multiple business lines in Waco and has 530 existing employees. The relocation of their corporate headquarters will create 75 additional full-time jobs paying at least \$15 per hour, with an overall average wage of not less than \$42,000 and offering health insurance benefits. Magnolia will retain the existing 530 positions and cause 200 employees, both new and existing, to be located at the Headquarters.
- AstenJohnson committed to invest approximately \$22 million in real property improvements and \$18 million in personal property improvements in support of their Waco operations. In addition, the company will create 36 full-time permanent jobs paying at least \$15 per hour and offering health insurance benefits to all employees, paying the majority of the health insurance premium. At full employment AstenJohnson will provide and maintain an overall average wage of at least \$47,360, before benefits.

Air transportation growth and development continued in 2022. Outgoing passenger enplanements trended up in 2022, rising 15% over 2021 (as of November 2022) with over 50,000 passengers flying Waco. The Airport Terminal Building Modernization project concluded Phase 1 of demolition and will transition into Phase 2 of the project in early 2023.

Tourism development and attraction continues to thrive in Waco.

- The Cameron Park Zoo was listed as one of TripAdvisor's Top 10 Zoos in Texas and among the Top 50 Zoos in the United States.
- The Waco Mammoth National Monument served 87,500 guests in 2022, ranking #37 out of 72 National Monuments in the United States.
- Cottonwood Creek Golf Course had more than 45,000 rounds of golf played, the most rounds played in 15 years, and brought in the highest amount of revenue in course history.
- The Texas Ranger Hall of Fame and Museum saw an 18% increase in attendance over FY2021, and was rated on TripAdvisor's "30 Highest Rated Things To Do in Texas" list as well as True West Magazine's Readers' Choice Award for Best Museum in 2022.
- Four new hotels are currently under construction in Waco: AC Hotel by Marriott (182 rooms), Cambria Suites (130 rooms), EVEN Hotel (130 rooms), and Holiday Inn Express (110 rooms). Additionally, two boutique hotels are under construction in existing downtown structures. Waco's existing boutique hotel, Pivovar, a Czech-concept hotel, restaurant, and bakery, enjoyed the highest RevPar in the State of Texas during July-September

2022 according to Source Strategies, and other Waco-area hotels appeared in the top ten for RevPar during the same period.

A culture of equity and inclusion remains a constant focus of the City organization. Accomplishments under this goal to date include:

- Unprecedented property tax relief to residents in the coming budget year with modifications to the homestead exemption and over 65 exemption, and addition of a disability exemption.
- Development of a Diversity, Equity, and Inclusion employee work group
- Implementation of an Employee Education Assistance program
- Recognition of Juneteenth as an employee holiday
- Continuation of the Disparity Study to determine that all firms or businesses have equal access to contracting opportunities on the City's contracts and associated subcontracts and recommend strategies to ensure full and fair competition in Waco
- Continued employee participation in Race Equity Institute training
- Establishment of a Health Equity, Promotion, and Prevention Division within the Waco McLennan County Public Health Department

A safe and resilient city safeguards its residents and visitors from crimes, disaster, and other potential dangers and threats and creates an environment that fosters energy, enthusiasm, and excitement. Accomplishments in public safety include:

- The Drug Enforcement Unit participated in a yearlong federal narcotics investigation with assistance from the FBI, DEA, and McLennan County Sheriff's Office that culminated with 28 subjects federally indicted and 27 of those subjects arrested. Throughout the investigation over 31 kilograms of methamphetamine, 4.6 kilograms of marijuana, 8.5 ounces of cocaine, \$25,000 in US currency, and 13 guns were seized.
- The Burglary Unit worked a 6-month long investigation involving several stolen vehicles and property. As a result of this investigation, \$465,000 worth of stolen vehicles were recovered. Six suspects were identified, with five being arrested and one still wanted. These suspects were charged with Engaging in Organized Criminal Activity. Addition of Sergeant and K9 to expand the Waco Police Department Canine Unit
- Newly formed Neighborhood Engagement Team and Community Outreach Units hit the ground running in January 2022 as part of the Relational Policing Efforts. These teams hosted public events throughout the year including the Crime Prevention Summit, Community Opportunity event, Public Citizen Response to Active Shooter education events, Back to School Bash, and Trunk or Treats as well as participation in community events and neighborhood association meetings.
- Social Resource Coordinator, a joint effort between the City of Waco and Prosper Waco, served 254 individuals and made a total of 541 resource linkages during pilot year (August 2021- August 2022).
- Held the Grand Opening of the new Fire Station 6 and Fire Administration Building at the historic 25th Street Theater location
- Approval for a new Fire Station #15 design
- Hired 15 new firefighters
- Seven new Spartan Apparatus, six engines and one aerial truck, were placed into service and three new Spartan Fire Engines were ordered along with three Brush Trucks
- Acceptance of over 6,100 animals to the Waco Animal Shelter and closing out the year with a live release rate of 93.27%

In 2022, the Sustainability division of the City Manager's Office coordinated with the Emergency Management staff and Purchasing team to issue a Request for Qualifications for Community Center Generators to support the

ongoing use of Waco Community Centers as warming/cooling centers during extreme weather events. Departments throughout the City organization continue to implement findings from the comprehensive After Action Report developed in 2021 following Winter Storm Uri.

Waco continues to invest in the improvement of infrastructure. During Fiscal Year 2021-2022, the City invested over \$118 million in capital investments included:

- \$41.6 million for street rehabilitation and street preservation
- \$2.9 million for drainage improvements
- \$7.6 million for Solid Waste investments
- \$4 million for Engineering projects
- \$26.5 million in water system improvements
- \$6 million in wastewater system improvements and \$9.3 million in improvements at the Waco Metropolitan Area Regional Sewer System treatment plant
- \$10.7 million in Park improvements

The City continues to make great strides under the goal to Build a High Performing Government as City leadership evaluates operations and procedures with an eye towards strategic planning. In 2022 we saw the completion of the Reimagine Waco Transit plan, the Trails Master Plan, a Housing Study, a Safety Plan, and the Texas Ranger Hall of Fame Master Plan along with continued implementation of the Communications Strategic Plan. Several plans remain ongoing including the Economic Development Strategic Plan, Disparity Study, Water and Wastewater Master Plans, the Downtown Implementation Plan, Human Resources Strategy, Landfill Gas Feasibility Study and a City Hall Land Use Plan. In 2022, successes within this goal included:

- Revised Inclement Weather, Emergencies, and Disaster Policy and implemented a new Employee Emergency Notification System to improve communication and minimize disruption to City services during these types of events.
- Since the launch of the MyWaco app in early 2022 there have been over 5,500 downloads, 3,766 submitted requests, and 3,572 closed requests.
- Development and launch of the mywacoshop.com via Shopify, to enable eCommerce for key City departments.
- Launch of a new version of booking and sales software to allow customers to book Parks and Recreation facilities, register for programs, and buy tickets online.
- Implementation of a Road Closure Map integrated with Waze and Google Maps to better notify travelers of construction in the downtown Waco corridor.
- Hiring of a new Long Range Planning Manager.
- Implementation of Easy Route software in conjunction with Routeware to ensure more efficient Solid Waste collection routes.
- Active management of and participation in the P-Card program resulted in over \$210,000 of rebates, and participation in various purchasing cooperatives resulted in a rebate of \$25,000.
- Established performance measures for all City departments through the annual budget process.

Key successes in Enhancing Quality of Life in Waco include:

- The Cameron Park Zoo maintained accreditation through the Association of Zoos and Aquariums. In 2022, the African Hoofstock Barn construction was completed. Additionally, Facilities and Zoo staff completed the design of the Education & Veterinary Complex and the Penguin Shores Exhibit.
- Acquisition of 86 acres for a future park in the China Spring area.
- Completion of the Buena Vista Park renovation project.

- Ongoing Park Improvement Projects at the Suspension Bridge, Challenger and Lake Air Little League Fields, Lions Park, and the Doris Miller Community Center.
- Coordination of master plans for Waco’s Trail System, Cotton Palace Park, and the Downtown Riverwalk.
- Over 10,000 children served in youth summer camps, after school care, and recreation programs.
- Over 60,000 attendees at City events including the Brazos Nights concert series, Fourth on the Brazos, and Waco Wonderland.
- Facilitation of permits for more than 150 community events and parades including the Waco Ironman Races, the Disc Golf Pro Tour, the Texas State Horseshoe Championships, Chalk Walk on Austin Avenue, and the inaugural Waco Rowing Regatta.
- Completion of a successful graffiti abatement and pilot program and introduction of a new graffiti nuisance ordinance.
- Implementation of Free Public WiFi at the Dewey Community Center to provide indoor and outdoor WiFi access to residents.
- Creation of new Library Programs including STEAM Storytime to promote Science, Technology, Engineering, Arts, and Mathematics exposure and a new Storywalk at the Dewey Community Center.
- Creation of task groups to implement the findings of the Strategic Housing Program.
- The Office of Neighborhood Engagement staff attended 107 Neighborhood Association meetings and events and assisted 2 Neighborhood Associations with becoming reactivated.
- 9 Neighborhood Grants awarded to Neighborhood Associations for a total of \$35,519
- The first Waco City Academy class met for 10 sessions in the fall of 2022, gaining valuable insight into City of Waco operations, services, and opportunities.

In 2022, we saw these accomplishments in support of sustainability:

- Added the position of Chief Sustainability Officer to the Sustainability Division of the City Manager’s Office.
- Completed extensive energy and water audits on over 60 municipal buildings.
- Sustainability Division staff collaborated with local community organizations to facilitate the Green Communities Conference and launched an ongoing lunch and learn workshop series on sustainability topics.
- Development Services Department selected as a finalist to receive \$15,000 to implement SolarApp+ Solar Photovoltaic permitting system, a system designed to expedite photovoltaic permitting by the Department of Energy.
- Installation of two solar powered poles and solar powered trailers with security cameras at the Waco Regional Airport and City Hall to provide sustainable solutions for the enhancement of safety and security at these public locations.
- Integration of a Ford Mach-E electric vehicle into the Development Services fleet line-up.
- Council District Curbside Cleanup Events, Household Hazard Waste Day collections, and scrap tire collections continue, with significant community participation.
- 34,400 customers visited the Cobbs Recycling Center and 2,660 tons of recyclables were collected at curbside.
- Styrofoam was added as an acceptable recyclable material at the Cobbs Recycling Center and a Goodwill Donations Center was added to support diversion of materials from the Landfill.
- Solid Waste Staff collaborated with Keep Waco Beautiful and O-I Glass to establish the Glass4Good glass recycling program.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waco for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. This was the 40th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting Program, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City has also received the Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2022. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The preparation of this report would not have been possible without the skill, effort and dedication of the City staff. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report.

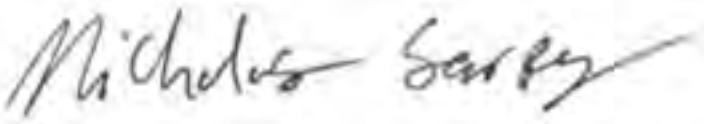
We also acknowledge the thorough, professional, and courteous manner in which our independent auditors, Jaynes, Reitmeier, Boyd & Therrell, P.C., conducted the audit.

In closing, without the leadership and unfailing support for maintaining the highest standards of professionalism in the management of the City's finances of the governing body of the City of Waco, preparation of this report would not have been possible.

Respectfully submitted,



Bradley Ford



Nicholas Sarpy,
Chief Finance Officer

INTRODUCTORY SECTION



PROMOTE **EQUITY** AND **INCLUSION** IN ALL THAT WE DO
 PROVIDE **EXCELLENT** AND **INNOVATIVE** SERVICES
 SERVE WITH **INTEGRITY**
 INVEST IN **PEOPLE**
 FOCUS ON **TEAMWORK**

CITY ORGANIZATIONAL STRUCTURE

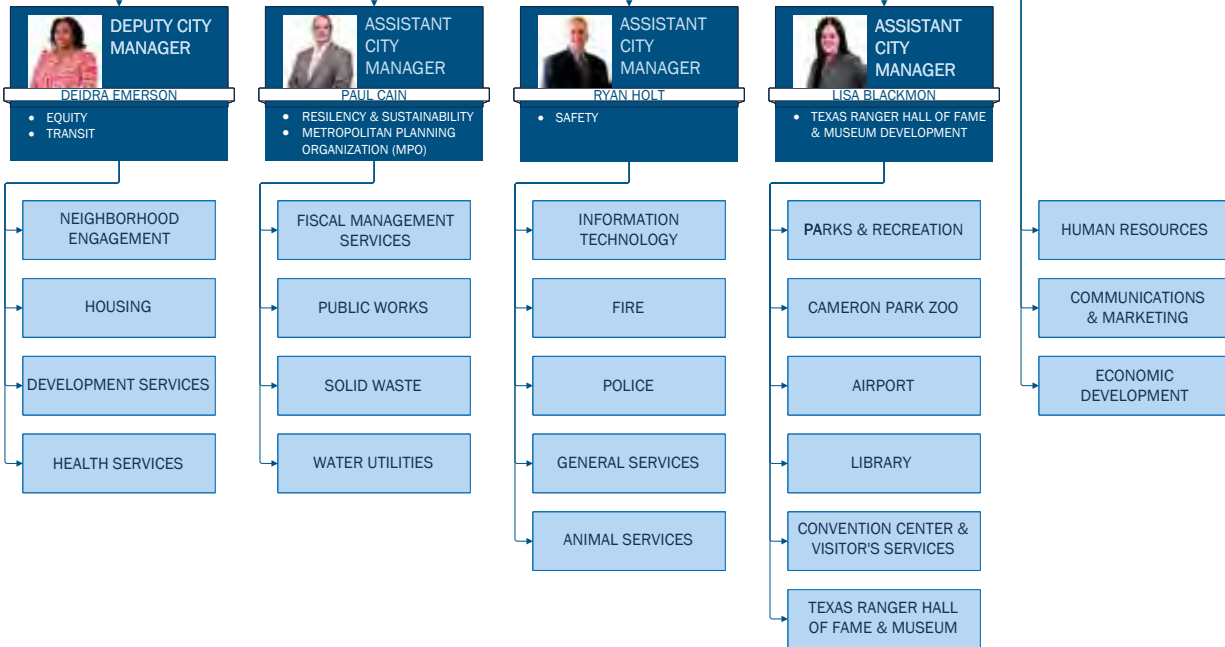
MAYOR DILLON MEEK
 ANDREA BAREFIELD, DIST. 1
 ALICE RODRIGUEZ, DIST. 2
 JOSH BORDERUD, DIST. 3
 MAYOR PRO TEM KELLY PALMER, DIST. 4
 JIM HOLMES, DIST. 5
CITY COUNCIL

CITY MANAGER
BRADLEY FORD

CITY ATTORNEY
JENNIFER RICHIE

CITY SECRETARY
MICHELLE HICKS

MUNICIPAL COURT JUDGE
ROBERT "BOBBY" GARCIA





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Waco
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Executive Director/CEO





Financial Section





JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 800 | Waco, TX 76710
P.O. Box 7516 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Waco, Texas:

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Waco, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Waco, Texas as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Baylor Waco Stadium Authority, a component unit of the City, and Waco Tourism Public Improvement District, a fiduciary component unit of the City reported as a custodial fund, were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

Management of the City is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Change in Accounting Principles

As discussed in Note IV. S. to the financial statements, the City adopted Governmental Accounting Standards Board (“GASB”) Statement No. 87, *Leases*; GASB Statement No. 92, *Omnibus 2020*; GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*; and GASB Statement No. 100, *Accounting Changes and Error Corrections*, each of which were adopted effective October 1, 2021. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 10 through 20, and the other required supplementary information on pages 90 through 94, (collectively, the “required supplementary information”) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information Included in the Annual Comprehensive Financial Report***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Jaynes, Reitmeier, Boyd, and Thewell, P.C.

January 30, 2023





MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Waco (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages XII through XIX of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of September 30, 2022 by \$924,298,439 (net position). Of this amount, \$230,156,361 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$104,153,294.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$277,589,248. The fund balance components are nonspendable - \$3,263,604, restricted - \$131,116,725, committed - \$64,699,803, assigned - \$15,370,577 and unassigned - \$63,138,539. The City Council approves the amounts reported as committed and assigned.
- As of September 30, 2022, unassigned fund balance for the General Fund was \$63,138,539 or 36.1% of the Fiscal Year 2023 budgeted general fund revenues.

Overview Of The Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements, which begin on page 22 of this report, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public works, public safety, culture and recreation, public health, and housing and community development. The business-type activities of the City include water, wastewater, solid waste, airport, convention services, Ranger Hall of Fame, Cameron Park Zoo, transit services, Cottonwood Creek Golf Course, and drainage.

The government-wide financial statements can be found on pages 22 - 25 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories - governmental funds, proprietary funds, and fiduciary funds.

Governmental funds-Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Beginning on page 26 of this report, information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, street improvement fund and grants fund which are considered major funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance. Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining and individual fund statements and schedules elsewhere in this report.

Proprietary funds - The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, wastewater, solid waste, airport, convention services, Ranger Hall of Fame, Cameron Park Zoo, transit services, Cottonwood Creek Golf Course operations, and drainage.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its risk management, employee health insurance, engineering, and fleet services. These internal service functions have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type financial statements, only in more detail. The basic proprietary fund financial statements which begin on page 39 of this report provide separate information for the water, wastewater, and solid waste enterprise funds since these are considered to be major funds of the City. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining and individual fund statements and schedules elsewhere in this report. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining and individual fund statements and schedules elsewhere in this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position can be found on pages 43 and 44 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 86 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's changes in its net pension liability, related pension contributions, and changes in total OPEB liability. Required supplementary information can be found on pages 90 through 94 of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information beginning on page 98 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Waco, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$924,298,439 as of September 30, 2022.

The largest portion of the City's net position (\$643,242,133) reflects its net investment in capital assets (e.g., land, building, equipment, improvements, museum collections, construction in progress, infrastructure and water rights), less any outstanding debt used to acquire those assets. The City uses these capital and lease assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital and lease assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 350,486,194	\$ 293,080,072	\$ 326,179,707	\$ 276,495,998	\$ 676,665,901	\$ 569,576,070
Capital and lease assets	409,650,749	363,026,005	623,991,228	583,006,410	1,033,641,977	946,032,415
Total assets	<u>760,136,943</u>	<u>656,106,077</u>	<u>950,170,935</u>	<u>859,502,408</u>	<u>1,710,307,878</u>	<u>1,515,608,485</u>
Total deferred outflows of resources	<u>13,011,619</u>	<u>13,608,981</u>	<u>3,563,802</u>	<u>4,142,723</u>	<u>16,575,421</u>	<u>17,751,704</u>
Long-term liabilities	238,035,057	198,296,696	454,555,110	425,079,715	692,590,167	623,376,411
Other liabilities	55,658,100	61,131,821	15,188,826	15,079,370	70,846,926	76,211,191
Total liabilities	<u>293,693,157</u>	<u>259,428,517</u>	<u>469,743,936</u>	<u>440,159,085</u>	<u>763,437,093</u>	<u>699,587,602</u>
Total deferred inflows of resources	<u>30,132,714</u>	<u>11,727,819</u>	<u>9,015,053</u>	<u>1,899,623</u>	<u>39,147,767</u>	<u>13,627,442</u>
Net position:						
Net investment in capital assets	291,986,241	262,466,289	351,255,892	311,977,431	643,242,133	574,443,720
Restricted	49,999,974	51,245,572	899,971	1,082,677	50,899,945	52,328,249
Unrestricted	<u>107,336,476</u>	<u>84,846,861</u>	<u>122,819,885</u>	<u>108,526,315</u>	<u>230,156,361</u>	<u>193,373,176</u>
Total net position	<u>\$ 449,322,691</u>	<u>\$ 398,558,722</u>	<u>\$ 474,975,748</u>	<u>\$ 421,586,423</u>	<u>\$ 924,298,439</u>	<u>\$ 820,145,145</u>

A portion of the City's net position (\$50,899,945) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$230,156,361) of unrestricted net position may be used to meet the City's ongoing obligation to citizens and creditors in accordance with the City's fund designation and fiscal policies.

As of September 30, 2022, the City has positive balances in all three categories of net position, both for the City as a whole, as well as for its governmental and business-type activities separately. The same situation held true for the prior fiscal year.

The government's net position increased by \$104,153,294 during the current fiscal year.

Analysis of the City's operations - The following table provides a summary of the City's operations for the year ended September 30, 2022. Governmental activities increased the City's net position by \$50,763,969 and represented 49% of the total. Business-type activities increased the City's net position by \$53,389,325 and represented 51% of the total increase.

Changes in Net Position

	Year Ended September 30,					
	2022			2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 10,299,957	\$ 149,410,715	\$ 159,710,672	\$ 8,703,930	\$ 127,171,595	\$ 135,875,525
Operating grants and contributions	18,455,983	6,995,722	25,451,705	16,122,738	7,190,824	23,313,562
Capital grants and contributions	22,773,022	31,328,186	54,101,208	14,300,491	21,233,196	35,533,687
General revenues:						
Ad valorem taxes	101,204,561	-	101,204,561	96,322,780	-	96,322,780
Sales taxes	54,078,904	-	54,078,904	48,720,357	-	48,720,357
Franchise taxes	16,424,001	-	16,424,001	14,523,390	-	14,523,390
Hotel/motel taxes	-	6,120,368	6,120,368	-	4,519,547	4,519,547
Other taxes	1,468,276	-	1,468,276	1,368,393	-	1,368,393
Investment earnings	(4,681,366)	(1,995,863)	(6,677,229)	669,398	200,269	869,667
Miscellaneous	3,417,510	-	3,417,510	2,834,269	-	2,834,269
Total revenues	223,440,848	191,859,128	415,299,976	203,565,746	160,315,431	363,881,177
Expenses:						
General government	37,898,024	-	37,898,024	25,498,744	-	25,498,744
Public works	13,192,410	-	13,192,410	17,613,038	-	17,613,038
Public safety	82,716,607	-	82,716,607	79,691,854	-	79,691,854
Culture and recreation	19,340,512	-	19,340,512	18,044,204	-	18,044,204
Housing and community development	6,574,493	-	6,574,493	5,617,611	-	5,617,611
Public health	10,151,107	-	10,151,107	9,604,109	-	9,604,109
Interest on long-term debt	4,657,397	-	4,657,397	3,789,974	-	3,789,974
Water	-	43,736,573	43,736,573	-	40,438,161	40,438,161
Wastewater	-	36,827,351	36,827,351	-	30,142,967	30,142,967
Solid waste	-	23,722,537	23,722,537	-	22,960,146	22,960,146
Airport	-	5,170,896	5,170,896	-	5,370,976	5,370,976
Convention services	-	5,414,985	5,414,985	-	3,315,097	3,315,097
Ranger Hall of Fame	-	1,597,859	1,597,859	-	1,631,553	1,631,553
Cameron Park Zoo	-	6,764,818	6,764,818	-	5,879,107	5,879,107
Transit services	-	7,810,717	7,810,717	-	7,246,662	7,246,662
Cottonwood Creek Golf Course	-	2,102,667	2,102,667	-	1,911,463	1,911,463
Drainage	-	3,467,729	3,467,729	-	116,493	116,493
Total expenses	174,530,550	136,616,132	311,146,682	159,859,534	119,012,625	278,872,159
Increase in net position before transfers	48,910,298	55,242,996	104,153,294	43,706,212	41,302,806	85,009,018
Transfers	1,853,671	(1,853,671)	-	74,108	(74,108)	-
Increase in net position	50,763,969	53,389,325	104,153,294	43,780,320	41,228,698	85,009,018
Net position, beginning of year	398,558,722	421,586,423	820,145,145	354,778,402	380,357,725	735,136,127
Net position, end of year	\$ 449,322,691	\$ 474,975,748	\$ 924,298,439	\$ 398,558,722	\$ 421,586,423	\$ 820,145,145

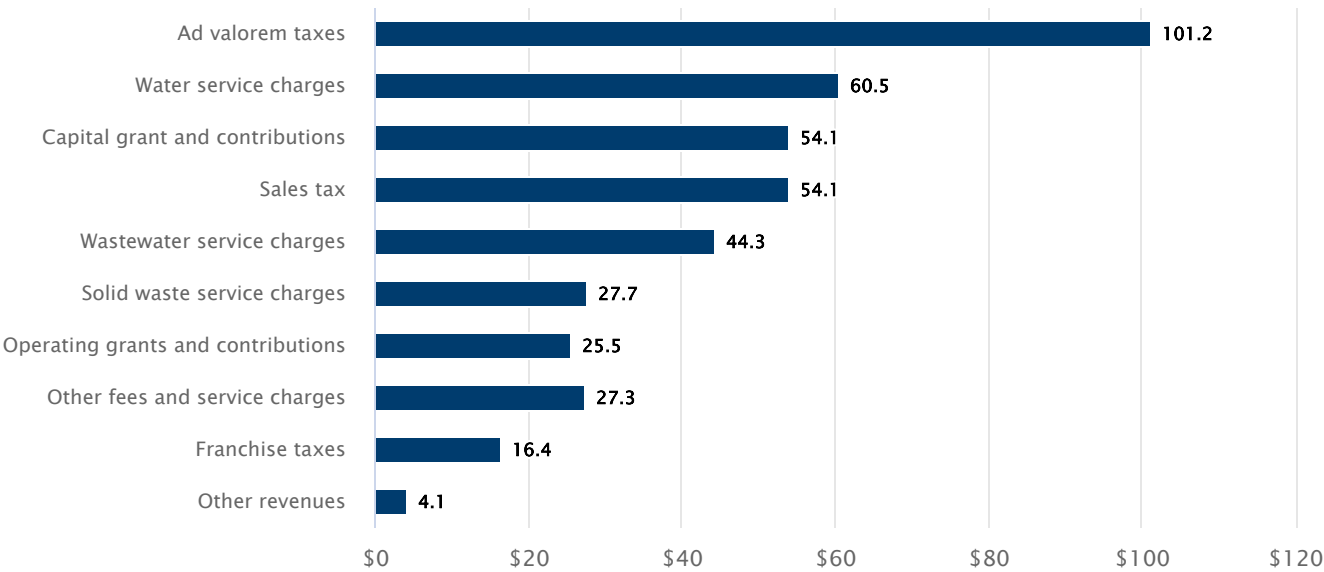
Governmental activities - Key elements of the change in governmental net position include:

- Overall, governmental revenues increased by \$19.9 million (9.8%). Ad valorem taxes reflected an increase of \$4.9 million (5.1%), primarily as a result of growth in the property tax base including an increase of over \$209 million as a result of new construction. Sales taxes reported an increase of \$5.4 million (11.0%) reflecting strong economic activities. Charges for services reported an increase of \$1.6 million (18.3%) primarily due to increased park/recreation activities and revenue from permits. Operating grants reported an increase of \$2.3 million (14.5%) primarily due to COVID-19 related grant funding. In addition, an increase in capital grants of \$8.5 million (59.2%) was seen due to developer contributed assets and one-time contributions for capital assets. Investment earnings decreased \$5.4 million (799.3%) primarily due to a decrease in market values of marketable securities as a result of the historic pace at which the Federal Reserve has increased interest rates.
- Overall, governmental expenses increased by \$14.7 million (9.2%). A 3% salary increase for all eligible employees was included in Fiscal Year (FY) 2021-22. The budget also included increasing all employees to a minimum wage of \$15 per hour and added a 12th holiday for Juneteenth. The budget reflected the City's focus on investing in public safety as seventeen new positions were approved to be added. To accomplish Council's goals, four other positions for economic development, development services, and strategic communication efforts were included in the budget. As expected, significant fluctuations in pension expense may occur in response to changes in fair value of plan assets and the total pension liability.

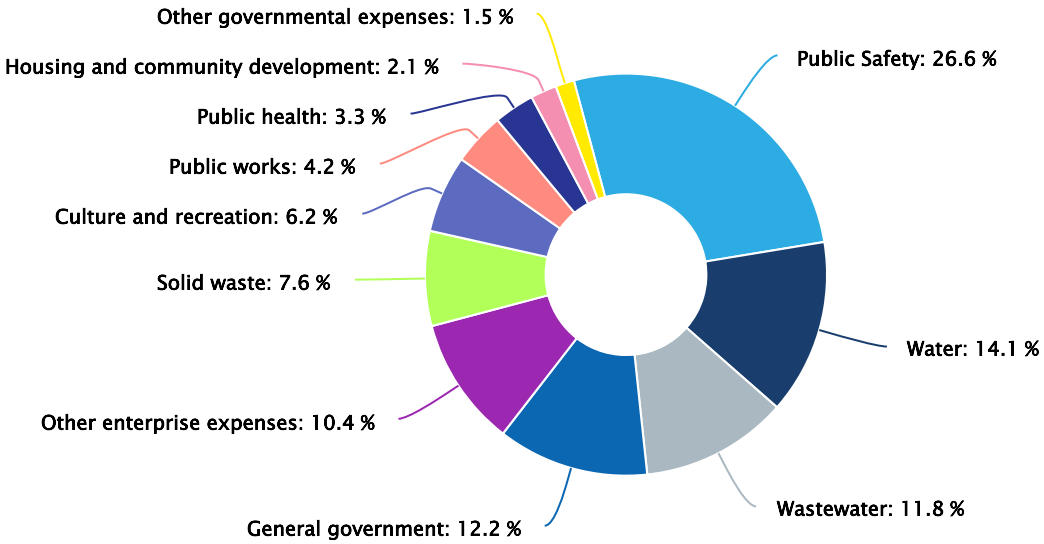
Business-type activities - Key elements of the increase in business-type net position include:

- Charges for services increased by almost \$22.2 million (17.5%) as compared to prior year due to a dry weather year which saw increased usage of water and associated flows through the wastewater system. In addition, increased activity from growth and operations at Solid Waste contributed to the growth in revenues. The fiscal year 2022 budget saw no increases in water and wastewater residential rates. The change in revenue for the three major funds follows: increase for water (\$8.0 million) increase for wastewater (\$2.0 million) and increase for solid waste (\$4.5 million) Critical infrastructure needs continue to be a significant factor contributing to changes in rates. The other nonmajor enterprise funds reported a combined net increase of \$7.7 million. This increase was primarily due to the Drainage utility fund which began charging a fee in fiscal year 2022. The remaining increase was spread across the other nonmajor enterprise funds as the city continues to rebound from the pandemic. A positive indicator of growth in the economy was the increased \$1.6 million (35.4%) in hotel/motel taxes. Operating grants reported a decrease of \$0.2 million (2.7%) and capital grants and contributions increased \$10.1 million (47.5%). Of the increase in capital grants, \$25.5 million was due to developer contributed assets for water, wastewater, and drainage. Airport reported an increase of \$0.9 million for capital grants due to FAA funding and CARES grant funding. Cameron Park Zoo reported an increase of \$0.9 million compared to the prior year due to the zoo expansion project which is being funded through an inter-local agreement with McLennan County. Investment earnings decreased \$2.2 million (1096.6%) primarily due to a decrease in market values of marketable securities as a result of the historic pace at which the Federal Reserve has increased interest rates.
- Total expenses increased \$17.6 million (14.8%). The increase was primarily due to increased personnel costs of \$3.3 million as a result of the 3% salary increase and increasing the minimum wages for city employees to \$15 per hour. Depreciation and amortization expense increased by \$2.8 million as the city continues to invest in capital and leased assets. Other expenses also increased by \$7.1 million due to claims expense in the wastewater fund and increases in indirect expenses and franchise fees as a result of the drier weather during the year.

Revenues by Source (in \$ millions)



Expenses by Activity (Percent of Total)



Financial Analysis Of The Government's Funds

Governmental funds - The focus of the City of Waco's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Waco's governmental funds reported combined ending fund balances of \$277,589,248. Approximately 1.2% (\$3,263,604) of this total amount constitutes nonspendable fund balance. Nonspendable fund balance represents net resources that cannot be spent because of their form or because they must remain intact. Included in this component are inventories, real estate held for sale and permanent funds. Approximately 47.2% (\$131,116,725) of the total fund balance is classified as restricted. Restricted fund balance reflects resources that are subject to externally enforceable legal restrictions. This classification includes debt service, capital projects, and special revenue funds such as tax increment zones. Approximately 23.3% (\$64,699,803) of the fund balance is reported as committed. Committed fund balances represent resources whose use has a self-imposed limitation imposed by the City Council and would require formal action to remove or modify the commitment. This classification includes resources that have been committed for economic development initiatives, capital projects and public health. Approximately 5.5% (\$15,370,577) of the fund balance is reported as assigned which reflects the City's intended use of resources. These intended uses are approved by the City Manager and Finance Director based upon direction of the City Council. The remainder of the fund balance of \$63,138,539 (22.7%) is reported as unassigned. Refer to page 51 of this report for a more detailed presentation of governmental fund balances.

The City Council approved an amendment to the City's financial management policy statement to provide for general fund unassigned fund balance to be maintained at 28% of the next year's budgeted revenues. Unassigned general fund balance at the end of the current fiscal year is 36.1% of 2023 budgeted revenues. The fund balance of the general fund at the end of the current year reported an increase of nearly \$3.0 million. Total revenues in the general fund increased \$10,630,543 as compared to the prior year and were \$11,231,718 more than the final budget. Key factors in general fund revenue are as follows:

- Increases of approximately 4.0 million dollars in property tax revenues resulted primarily from growth in net assessed taxable values of approximately 5.8%. Property taxes represented approximately 43% of total general fund revenues.
- Sales tax revenue reported an increase of almost 5.4 million dollars as compared to prior year, with actual amounts exceeding the amount originally budgeted for the fiscal year by approximately 10.5 million dollars. This increase was the result of economic stimulus from the federal government, adding spending capabilities for families from the child tax credit, increased wages, and a return to pre-pandemic employment levels. This revenue source represents 32% of total general fund revenues.
- Gross receipts fees, which had been budgeted conservatively, increased slightly (\$1,862,956) as compared to prior year. Approximately 10% of total general fund revenues came from gross receipts fees.

The Street Improvement Fund, a new major fund this year, primarily generates its revenues from annual bond issues intended to fund street improvements. Proceeds from the bond issue in fiscal year 2022 totaled nearly \$40.4 million, an increase of \$11.2 million as the City continues its efforts to improve streets and city infrastructure. Further, transfers in increased \$2.8 million compared to fiscal year 2021. This increase included funding of \$1.25 million for the new bridge maintenance program. Expenditures for the fund increased by \$8.7 million to \$26.0 million. Overall fund balance, which is split between restricted (\$60.9 million) and committed (\$8.9 million) fund balance, increased by \$22.4 million to \$69.8 million.

The Grants Fund, a new major fund this year, generates the majority (97.6%) of its revenues from federal and state grants. Intergovernmental revenues increased by \$1.5 million primarily from revenue received related to the American Rescue Plan Act State and Local Fiscal Recovery Funds which totaled \$2.8 million this year compared to nothing last year. Generally, revenues in this fund fluctuate from one year to the next, based on timing of

expenditures which are usually offset by revenues as most grants are on the reimbursement basis, and grant awards received by the City. Fund balance for the grants fund decreased \$79,514 from the prior year primarily related to the Texas Department of Transportation Elm Avenue grant and spending down of the match as the project continues to progress. Total fund balance was slightly more than \$1.7 million with all of it being restricted for specific purposes.

Proprietary funds - The City's proprietary fund statements beginning on page 39 of this report provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective major proprietary funds are water - \$51,007,411, wastewater - \$41,793,248, and solid waste - \$10,991,507. These funds recognized changes in total net position during 2022 as follows: water - \$19,999,990, wastewater - \$16,632,485, and solid waste - \$3,236,622.

General Fund budgetary highlights - The difference between the original budget and the final amended budget for appropriations was a net increase of \$3,754,262. The primary differences can be briefly summarized as follows:

Total increases to the budget were \$17,745,325 with many of these related to capital needs. The budget increases are as follows:

- \$11,000,000 increase for transfer to Special Projects Reserve Fund
- \$2,028,907 increase for purchase orders that rolled from FY 2021
- \$3,420,000 increase for pavilion project
- \$350,000 increase for the disparity study
- \$434,698 increase for various operational needs
- \$162,500 increase for COVID-19 cost recovery services
- \$100,000 increase for additional merchandise purchases for the Waco Mammoth Site
- \$50,000 increase for economic development activities
- \$87,220 increase for additional vehicles
- \$35,000 increase for lead abatement and reclamation at the police firing range
- \$77,000 increase for annual maintenance of critical software

Funding for the increases was provided primarily by general fund unassigned fund balance in excess of policy requirements and sales tax revenue in excess of budget.

Total decrease to the budget was \$13,991,063 due to unexpended economic development funds.

For a more detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2022, refer to the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on pages 30 to 38 of this report.

Capital Assets

The City of Waco's investment in capital and lease assets for its governmental and business-type activities as of September 30, 2022, amounts to \$1,033,641,977 (net of accumulated depreciation/amortization).

This investment in capital and lease assets includes land, building, machinery and equipment, improvements other than buildings, museum collections, water rights, infrastructure and construction work in progress. Major capital and lease asset events occurring during the current fiscal year included the following:

- Implemented *Governmental Accounting Standards Board (GASB) Statement No. 87 - Leases* which resulted in the addition of \$2.5 million in lease assets after amortization. These assets are amortized over the life of the contract underlying the lease asset.

FINANCIAL SECTION

- Capitalized approximately \$56.7 million for various water, drainage and wastewater systems projects and developer contributions.
- Capitalized \$44.0 million in street infrastructure and developer contributions.
- Capitalized \$9.6 million for parks improvements.

Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 76,875,119	\$ 68,002,913	\$ 18,451,306	\$ 18,201,777	\$ 95,326,425	\$ 86,204,690
Buildings	93,627,631	87,549,652	98,737,780	87,321,091	192,365,411	174,870,743
Improvements other than buildings	74,649,782	71,569,994	758,671,945	648,202,335	833,321,727	719,772,329
Machinery and equipment	75,320,827	70,451,366	71,248,685	67,233,113	146,569,512	137,684,479
Museum collections	-	-	2,652,924	2,287,924	2,652,924	2,287,924
Infrastructure	395,605,304	361,005,560	-	-	395,605,304	361,005,560
Construction work in progress	60,120,973	55,510,849	66,016,274	129,419,511	126,137,247	184,930,360
Water rights	-	-	36,792,490	32,482,879	36,792,490	32,482,879
Lease assets, right-of use	2,685,329	-	580,903	-	3,266,232	-
Less: accumulated depreciation/amortization	(369,234,216)	(351,064,329)	(429,161,079)	(402,142,220)	(798,395,295)	(753,206,549)
Total capital and lease assets	<u>\$ 409,650,749</u>	<u>\$ 363,026,005</u>	<u>\$ 623,991,228</u>	<u>\$ 583,006,410</u>	<u>\$ 1,033,641,977</u>	<u>\$ 946,032,415</u>

Additional information on the City's capital and lease assets can be found in Note IV on pages 60 - 61 of this report.

Debt Administration

At the end of the current fiscal year, the City of Waco had total bonded debt, leases and notes payable and capital financing agreement obligations of \$638,198,846. Of this amount, \$630,524,438 represents bonded debt backed by the full faith and credit of the government. The \$1,219,301 note payable is for purchase of pump station and water transmission lines. The \$4,030,702 capital financing obligation is for new fire trucks. The lease obligations are for various equipment and facilities used for city operations.

Bonds and Notes Payable

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation certificates	\$ 194,856,487	\$ 152,549,918	\$ 435,667,951	\$ 405,489,590	\$ 630,524,438	\$ 558,039,508
Lease obligations	1,984,527	-	439,878	-	2,424,405	-
Notes payable	-	-	1,219,301	1,317,649	1,219,301	1,317,649
Capital financing agreement obligation	4,030,702	4,504,822	-	-	4,030,702	4,504,822
	<u>\$ 200,871,716</u>	<u>\$ 157,054,740</u>	<u>\$ 437,327,130</u>	<u>\$ 406,807,239</u>	<u>\$ 638,198,846</u>	<u>\$ 563,861,979</u>

During the 2022 fiscal year, the City issued \$97,400,000 (including \$5,065,000 taxable) in general obligation certificates of obligation. The proceeds will be used to pay the cost of (1) construction, expansion, renovation, restoration and repair of and improvements to City fire and police stations and facilities, including in each case the acquisition of land and rights-of-way in connection therewith; (2) construction and acquisition of, and improvements

to, City streets, traffic control systems, sidewalks, landscaping, street lighting and drainage, including in each case the acquisition of land and rights-of-way in connection therewith; (3) construction, acquisition, restoration, and improvement of parks and recreational facilities, including in each case the acquisition of land and rights-of-way in connection therewith; (4) the acquisition of vehicles, fire-fighting equipment and other equipment for authorized City purposes; (5) improvements to the City’s sanitary sewer system and facilities, including in each case the acquisition of land and rights-of-way in connection therewith; (6) improvements to the City’s waterworks system and facilities, including in each case the acquisition of land and rights-of-way in connection therewith; (7) construction, acquisition, and improvement of the City’s solid waste disposal system, facilities and equipment; (8) improvements to the City’s drainage utility system and facilities, including in each case, the acquisition of land and rights-of-way in connection therewith; and (9) professional services incurred in connection with items (1) through (8), and to pay the costs incurred in connection with the issuance.

The City also issued \$24,570,000 of general obligation refunding bonds which were used to refund existing general obligation debt. This current refunding was undertaken to reduce total debt service payments by \$2,521,500 over the next fourteen years, resulting in an economic gain of \$2,188,453.

Additional information on the City of Waco’s long-term debt can be found in Note IV on pages 71 to 74 of this report.

The City’s bond ratings are listed below:

	Moody’s Investors Service	Standard And Poor’s
General Obligation Bonds	Aa1	AA+

Economic Factors and Next Year’s Budgets and Rates

The fiscal year 2023 budget builds upon the foundation from the Fiscal Year 2022 budget development, in which we saw a new focus on equity, policing, and economic development strategies. In this budget you will see a continued alignment to Council’s established priorities. In the current financial climate, staff and Council worked together to build a budget that limits increases to monthly City tax and utility service bills for homeowners and non-residential/non-homeowners alike: 2.8% and 5.1% respectively despite the growing general inflation rate, 9.1% as of June 2022.

As our City continues to grow, so do the demands on our core services of public safety, streets, and utilities. The FY23 adopted budget addresses these issues in several ways. The Capital Improvements Program will be at a record level thanks to financial flexibility efforts. The budget brings more than \$50 million for General Fund infrastructure which will be spent on streets, parks, and city facilities. In addition, the City will continue to invest millions in our water, wastewater, solid waste, and drainage systems.

The FY23 budget contemplates the second year in a row of a tax rate reduction. At \$0.760000, the proposed tax rate is almost 0.75 cents lower than the previous rate. This reduction in the tax rate is on top of an increased exemption for Homesteads (going from 10% to 15%), increased exemption for persons over 65 (from \$5,000 to \$50,000), and the establishment of a new exemption of \$50,000 for disabled persons.

The adopted fiscal year 2023 General Fund revenue budget increased by nearly \$10.2 million or 6.28% compared to the adopted fiscal year 2022 budget. This is primarily due to sales tax increasing by \$3.5 million and property tax revenues increasing by \$4 million due to increased valuations. The fiscal year 2023 budget includes a \$2.1 million utilization of surplus to provide cash funding for capital projects. This amount is assigned in fund balance in the general fund at September 30, 2022. The budget included a general salary increase of 6% which is one of the largest increases in recent years to help retain and attract the best workforce possible. The Texas Municipal Retirement System (TMRS) benefit provisions of the City’s plan were reviewed during the fiscal year 2012 budget process and as a result, the City Council approved a plan change to turn off annually repeating annuity increases. The City’s contribution rate for 2023 (13.67%) decreased slightly from the 2022 rate (14.34%). The City plans to contribute more than the full rate to assist in reducing the unfunded liability more quickly.

The FY23 budget continues efforts by the Texas Ranger Hall of Fame and Cameron Park Zoo to limit support received by the General Fund through increases in adult admission fees. In addition, this budget proposed increases to the plan review fee and inspection fees on public infrastructure installed by developers to better align costs of the services to the fee charged.

The budget includes several changes to the water, wastewater, and solid waste fees. This budget increases the residential rates for Solid Waste from \$16.10 to \$17.70 per month and keeps water rates for customers that use 8,000 gallons of water a month or less the same as Fiscal Year 2022, which is the average consumption for residential customers. This approach will incentivize water conservation and continues our approach to an equitable billing structure. Wastewater rates maintain the base charges for residential in-city limit customers and the volumetric rate is proposed to increase from \$5.42 to \$5.83. The municipal drainage fee will increase from \$5.41 to \$5.51 per equivalent residential unit (ERU) which is in line with the originally adopted fee schedule for the new municipal drainage utility.

The fiscal year 2023 budget also sees investment of over \$262.64 million in the City's capital improvements program. These funds will be utilized for new City facilities (a new fire station) as well as maintenance and repair of existing facilities, repair, maintenance, and improvement of City infrastructure (street, water, wastewater), dedicated investment in the City's drainage infrastructure, continued funding for the City's planned new landfill, as well as continued investment in the City's park system.

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Nicholas Sarpy, Chief Financial Officer, P. O. Box 2570, Waco, Texas 76702-2570, or call (254) 750-5694.



BASIC FINANCIAL STATEMENTS



Statement of Net Position
September 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Waco Health Facilities Development Corporation
Assets					
Cash and investments	\$ 325,773,155	\$ 125,950,585	\$ 451,723,740	\$ 62,440	\$ 31,506
Receivables (net of allowances for uncollectibles):					
Accounts	4,025,439	16,043,762	20,069,201	59,073	-
Special assessments	11,615	-	11,615	-	-
Taxes	12,388,845	-	12,388,845	-	-
Leases	1,069,313	4,281,206	5,350,519	-	-
Intergovernmental receivable	2,971,965	6,554,359	9,526,324	-	-
Prepaid expense	-	359,645	359,645	5,923	-
Accrued interest receivable	-	-	-	-	-
Internal balances	649,438	(649,438)	-	-	-
Due from others as fiscal agent	-	-	-	-	-
Inventories	1,257,631	1,661,215	2,918,846	-	-
Restricted cash and investments	-	171,978,373	171,978,373	-	-
Notes receivable	297,536	-	297,536	-	-
Real estate held for resale	2,041,257	-	2,041,257	-	-
Lease asset, net of accumulated amortization	2,066,496	459,010	2,525,506	-	-
Capital assets not being depreciated:					
Land	76,875,119	18,451,306	95,326,425	-	-
Museum collections	-	2,652,924	2,652,924	-	-
Construction in progress	60,120,973	66,016,274	126,137,247	-	-
Capital assets, net of accumulated depreciation:					
Buildings	52,634,320	44,289,420	96,923,740	-	-
Machinery and equipment	20,085,846	19,851,091	39,936,937	15,429	-
Improvements other than buildings	26,590,927	451,779,411	478,370,338	-	-
Infrastructure	171,277,068	-	171,277,068	-	-
Water rights	-	20,491,792	20,491,792	-	-
Total assets	<u>760,136,943</u>	<u>950,170,935</u>	<u>1,710,307,878</u>	<u>142,865</u>	<u>31,506</u>
Deferred outflows of resources					
Deferred outflows of resources:					
Deferred losses on refundings of debt	660,050	1,642,110	2,302,160	-	-
Deferred outflows on pension liability	11,804,664	1,921,692	13,726,356	-	-
Deferred outflows on OPEB liability	546,905	-	546,905	-	-
Total deferred outflows of resources	<u>13,011,619</u>	<u>3,563,802</u>	<u>16,575,421</u>	-	-
Liabilities					
Accounts payable	10,465,908	1,891,396	12,357,304	33,933	-
Accrued liabilities	9,916,660	2,689,120	12,605,780	-	-
Accrued interest payable	1,901,590	3,299,200	5,200,790	-	-
Unearned revenue	32,188,253	372,623	32,560,876	4,604	-
Escrow funds	380,610	-	380,610	-	-
Customer deposits	805,079	-	805,079	-	-
Advanced deposits from Baylor University	-	-	-	104,328	-
Liabilities payable from restricted assets	-	6,936,487	6,936,487	-	-
Noncurrent liabilities:					
Due within one year	29,019,078	30,332,402	59,351,480	-	-
Due in more than one year	209,015,979	424,222,708	633,238,687	-	-
Total liabilities	<u>293,693,157</u>	<u>469,743,936</u>	<u>763,437,093</u>	<u>142,865</u>	-
Deferred inflows of resources:					
Deferred gains on refundings of debt	-	37,000	37,000	-	-
Deferred inflows on pension liability	29,030,829	4,725,956	33,756,785	-	-
Deferred inflows on OPEB liability	40,459	-	40,459	-	-
Deferred inflows on unavailable revenue	-	-	-	-	-
Deferred inflows on leases	1,061,426	4,252,097	5,313,523	-	-
Total deferred inflows of resources	<u>30,132,714</u>	<u>9,015,053</u>	<u>39,147,767</u>	-	-
Net position					
Net investment in capital assets	291,986,241	351,255,892	643,242,133	-	-
Restricted for:					
Tax increment financing/public improvement district	43,962,768	-	43,962,768	-	-
Housing and community development	320,122	-	320,122	-	-
Culture and recreation	172,880	-	172,880	-	-
Public safety	2,906,310	-	2,906,310	-	-
Public works	463,656	-	463,656	-	-
Communications and Marketing	1,805,112	-	1,805,112	-	-
Debt service	-	-	-	-	-
Parks and cemetery care - nonexpendable	323,713	-	323,713	-	-
Capital projects	45,413	899,971	945,384	-	-
Unrestricted	107,336,476	122,819,885	230,156,361	-	31,506
Total net position	<u>\$ 449,322,691</u>	<u>\$ 474,975,748</u>	<u>\$ 924,298,439</u>	<u>\$ -</u>	<u>\$ 31,506</u>

See accompanying notes to financial statements



Statement of Activities
Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ (37,898,024)	\$ 3,224,862	\$ 4,943,443	\$ 9,777,699
Public works	(13,192,410)	-	-	12,985,735
Public safety	(82,716,607)	3,573,643	3,603,207	9,588
Culture and recreation	(19,340,512)	1,897,583	1,127,321	-
Housing and community development	(6,574,493)	182,053	2,528,728	-
Public health	(10,151,107)	1,421,816	6,253,284	-
Interest on long-term debt	(4,657,397)	-	-	-
Total governmental activities	<u>(174,530,550)</u>	<u>10,299,957</u>	<u>18,455,983</u>	<u>22,773,022</u>
Business-type activities:				
Water	(43,736,573)	60,465,793	12,803	7,867,232
Wastewater	(36,827,351)	44,246,666	11,818	10,776,086
Solid waste	(23,722,537)	27,657,212	-	-
Airport	(5,170,896)	1,198,799	2,054,544	3,835,068
Convention services	(5,414,985)	1,284,486	-	-
Ranger Hall of Fame	(1,597,859)	545,315	597,218	365,000
Cameron Park Zoo	(6,764,818)	3,329,794	-	1,448,775
Transit services	(7,810,717)	2,759,798	4,319,339	-
Cottonwood Creek Golf Course	(2,102,667)	2,138,556	-	-
Drainage	(3,467,729)	5,784,296	-	7,036,025
Total business-type activities	<u>(136,616,132)</u>	<u>149,410,715</u>	<u>6,995,722</u>	<u>31,328,186</u>
Total primary government	<u>\$ (311,146,682)</u>	<u>\$ 159,710,672</u>	<u>\$ 25,451,705</u>	<u>\$ 54,101,208</u>
Component Units:				
Baylor Waco Stadium Authority	\$ (2,674,818)	\$ 572,692	\$ 2,102,126	\$ -
Waco Health Facilities Development Corporation	-	-	-	-
Total component units	<u>\$ (2,674,818)</u>	<u>\$ 572,692</u>	<u>\$ 2,102,126</u>	<u>\$ -</u>
General revenues:				
Taxes:				
		Property		
		Property tax increment financing		
		Sales		
		Franchise		
		Hotel/motel		
		Other		
		Unrestricted investment earnings		
		Miscellaneous		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position, beginning of year		
		Net position, end of year		

See accompanying notes to financial statements

Net Revenues (Expenses) and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Waco Health Facilities Development Corporation
\$ (19,952,020)	\$ -	\$ (19,952,020)	\$ -	\$ -
(206,675)	-	(206,675)	-	-
(75,530,169)	-	(75,530,169)	-	-
(16,315,608)	-	(16,315,608)	-	-
(3,863,712)	-	(3,863,712)	-	-
(2,476,007)	-	(2,476,007)	-	-
(4,657,397)	-	(4,657,397)	-	-
<u>(123,001,588)</u>	<u>-</u>	<u>(123,001,588)</u>	<u>-</u>	<u>-</u>
-	24,609,255	24,609,255	-	-
-	18,207,219	18,207,219	-	-
-	3,934,675	3,934,675	-	-
-	1,917,515	1,917,515	-	-
-	(4,130,499)	(4,130,499)	-	-
-	(90,326)	(90,326)	-	-
-	(1,986,249)	(1,986,249)	-	-
-	(731,580)	(731,580)	-	-
-	35,889	35,889	-	-
-	9,352,592	9,352,592	-	-
-	<u>51,118,491</u>	<u>51,118,491</u>	<u>-</u>	<u>-</u>
<u>\$ (123,001,588)</u>	<u>\$ 51,118,491</u>	<u>\$ (71,883,097)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 87,615,776	\$ -	\$ 87,615,776	\$ -	\$ -
13,588,785	-	13,588,785	-	-
54,078,904	-	54,078,904	-	-
16,424,001	-	16,424,001	-	-
-	6,120,368	6,120,368	-	-
1,468,276	-	1,468,276	-	-
(4,681,366)	(1,995,863)	(6,677,229)	-	(469)
3,417,510	-	3,417,510	-	-
1,853,671	(1,853,671)	-	-	-
<u>173,765,557</u>	<u>2,270,834</u>	<u>176,036,391</u>	<u>-</u>	<u>(469)</u>
50,763,969	53,389,325	104,153,294	-	(469)
398,558,722	421,586,423	820,145,145	-	31,975
<u>\$ 449,322,691</u>	<u>\$ 474,975,748</u>	<u>\$ 924,298,439</u>	<u>\$ -</u>	<u>\$ 31,506</u>

See accompanying notes to financial statements

Balance Sheet
Governmental Funds
September 30, 2022

	General Fund	Street Improvement Fund	Grants Fund	Total Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 90,764,909	\$ 73,810,328	\$ 32,813,406	\$ 112,540,167	\$ 309,928,810
Receivables, net of allowances:					
Accounts	3,856,083	-	160,309	9,047	4,025,439
Special assessments	-	-	-	11,615	11,615
Taxes	11,929,240	-	-	459,605	12,388,845
Notes	-	-	297,536	-	297,536
Leases	1,069,313	-	-	-	1,069,313
Advances to other funds	-	-	-	168,368	168,368
Intergovernmental receivable	30,978	-	1,596,614	1,344,373	2,971,965
Inventory	958,731	-	-	-	958,731
Real estate held for resale	6,160	-	60,097	1,975,000	2,041,257
Due from other funds	2,035,392	-	606,599	2,965,379	5,607,370
Total assets	<u>\$ 110,650,806</u>	<u>\$ 73,810,328</u>	<u>\$ 35,534,561</u>	<u>\$ 119,473,554</u>	<u>\$ 339,469,249</u>
Liabilities					
Accounts payable	\$ 2,839,583	\$ 3,010,746	\$ 789,639	\$ 3,534,936	\$ 10,174,904
Accrued liabilities	6,503,686	998,818	43,664	1,576,039	9,122,207
Unearned revenue	52,539	-	32,135,714	-	32,188,253
Due to other funds	1,011,186	-	852,594	3,571,978	5,435,758
Deposits	805,079	-	-	-	805,079
Escrow funds	314,302	-	-	65,770	380,072
Total liabilities	<u>11,526,375</u>	<u>4,009,564</u>	<u>33,821,611</u>	<u>8,748,723</u>	<u>58,106,273</u>
Deferred inflows of resources					
Unavailable revenue:					
Property taxes	2,003,413	-	-	437,105	2,440,518
Court fines	260,169	-	-	-	260,169
Special assessments	-	-	-	11,615	11,615
Leases	1,061,426	-	-	-	1,061,426
Total deferred inflows of resources	<u>3,325,008</u>	<u>-</u>	<u>-</u>	<u>448,720</u>	<u>3,773,728</u>
Total liabilities and deferred inflows of resources	<u>14,851,383</u>	<u>4,009,564</u>	<u>33,821,611</u>	<u>9,197,443</u>	<u>61,880,001</u>
Fund balances					
Nonspendable:					
Inventory	958,731	-	-	-	958,731
Parks and cemetery care	-	-	-	323,713	323,713
Real estate held for resale	6,160	-	-	1,975,000	1,981,160
Restricted for:					
Capital projects	-	60,898,483	-	18,977,084	79,875,567
Culture and recreation	-	-	125,339	47,541	172,880
Debt service	-	-	-	720,211	720,211
Housing and community development	-	-	380,219	-	380,219
Communications and Marketing	1,805,112	-	-	-	1,805,112
Public works	-	-	463,657	-	463,657
Public safety	-	-	743,735	2,162,576	2,906,311
Tax increment zone activities	-	-	-	43,667,730	43,667,730
Waco Public Improvement District	-	-	-	1,125,038	1,125,038
Committed to:					
Capital projects	-	8,902,281	-	37,063,437	45,965,718
Economic development	14,520,304	-	-	-	14,520,304
Public health	-	-	-	4,213,781	4,213,781
Assigned to:					
Culture and recreation	68,132	-	-	-	68,132
Economic development	6,493,032	-	-	-	6,493,032
Housing and community development	-	-	-	-	-
Other	4,116,731	-	-	-	4,116,731
Public safety	1,618,899	-	-	-	1,618,899
Public works	951,973	-	-	-	951,973
Subsequent year's budget appropriation	2,121,810	-	-	-	2,121,810
Unassigned	63,138,539	-	-	-	63,138,539
Total fund balances	<u>\$ 95,799,423</u>	<u>\$ 69,800,764</u>	<u>\$ 1,712,950</u>	<u>\$ 110,276,111</u>	<u>\$ 277,589,248</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 110,650,806</u>	<u>\$ 73,810,328</u>	<u>\$ 35,534,561</u>	<u>\$ 119,473,554</u>	<u>\$ 339,469,249</u>

See accompanying notes to financial statements

**Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2022**

Amounts reported for governmental activities in the statements of net position are different because:

Total fund balances - governmental funds (page 28)	\$ 277,589,248
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	406,936,465
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.	2,712,302
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	12,055,682
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,063,034
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(252,034,040)</u>
Net position of governmental activities (page 25)	<u>\$ 449,322,691</u>

See accompanying notes to financial statements

FINANCIAL SECTION

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year Ended September 30, 2022

	General Fund	Street Improvement Fund	Grants Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 127,234,394	\$ -	\$ -	\$ 28,075,620	\$ 155,310,014
Special assessments	-	-	-	650,962	650,962
Business and occupation fees	16,424,001	-	-	-	16,424,001
Permits, licenses and fees	2,906,271	-	-	1,250,511	4,156,782
Fines	1,450,081	-	-	712,580	2,162,661
Charges for services	2,542,795	-	-	-	2,542,795
Investment earnings	(2,536,875)	-	(10,668)	(1,935,187)	(4,482,730)
Contributions	701,928	-	-	8,333,490	9,035,418
Intergovernmental	2,380,721	-	7,958,760	7,465,005	17,804,486
Program income	-	-	69,248	170,440	239,688
Other	16,208,786	-	140,222	1,105,347	17,454,355
Total revenues	<u>167,312,102</u>	<u>-</u>	<u>8,157,562</u>	<u>45,828,768</u>	<u>221,298,432</u>
Expenditures:					
Current:					
General government	38,122,080	-	449,107	13,894,482	52,465,669
Public works	7,354,611	-	1,400,277	-	8,754,888
Public safety	85,029,296	-	1,514,156	92,345	86,635,797
Culture and recreation	16,429,108	-	55,603	-	16,484,711
Housing and community development	1,994,111	-	5,293,241	-	7,287,352
Public health	-	-	-	10,677,502	10,677,502
Debt service:					
Principal	-	-	-	9,585,000	9,585,000
Interest and fiscal charges	-	-	-	5,482,871	5,482,871
Bond issuance costs	-	-	-	489,287	489,287
Capital outlay	-	26,005,295	-	17,831,428	43,836,723
Total expenditures	<u>148,929,206</u>	<u>26,005,295</u>	<u>8,712,384</u>	<u>58,052,915</u>	<u>241,699,800</u>
Excess (deficiency) of revenues over expenditures	<u>18,382,896</u>	<u>(26,005,295)</u>	<u>(554,822)</u>	<u>(12,224,147)</u>	<u>(20,401,368)</u>
Other financing sources (uses):					
Refunding bonds issued	-	-	-	1,585,000	1,585,000
Payment to refunded bond escrow agent	-	-	-	(1,816,002)	(1,816,002)
Premium on refunding bonds	-	-	-	241,411	241,411
General obligation bonds issued	-	34,501,884	-	11,783,116	46,285,000
Premium on general obligation bonds	-	5,890,598	-	2,011,762	7,902,360
Financing of Leases	2,307,239	-	373,868	-	2,681,107
Transfers in	9,155,185	8,050,000	101,440	19,287,348	36,593,973
Transfers out	(26,851,876)	-	-	(7,671,405)	(34,523,281)
Total other financing sources (uses)	<u>(15,389,452)</u>	<u>48,442,482</u>	<u>475,308</u>	<u>25,421,230</u>	<u>58,949,568</u>
Net change in fund balances	<u>2,993,444</u>	<u>22,437,187</u>	<u>(79,514)</u>	<u>13,197,083</u>	<u>38,548,200</u>
Fund balances, beginning of year - previously stated	92,805,979	-	-	146,235,069	239,041,048
Changes within reporting entity	-	47,363,577	1,792,464	(49,156,041)	-
Fund balances, beginning of year - adjusted	<u>92,805,979</u>	<u>47,363,577</u>	<u>1,792,464</u>	<u>97,079,028</u>	<u>239,041,048</u>
Fund balances, end of year	<u>\$ 95,799,423</u>	<u>\$ 69,800,764</u>	<u>\$ 1,712,950</u>	<u>\$ 110,276,111</u>	<u>\$ 277,589,248</u>

See accompanying notes to financial statements

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2022**

Amounts reported for governmental activities in the Statement of Activities (pages 24 - 25) are different because:

Net change in fund balances - total governmental funds (page 28)	\$ 38,548,200
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	31,961,795
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is to increase net position.	12,735,090
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	53,643
When leases in which the City is the lessee are used in governmental activities, an expenditure and other financing source are recorded in the governmental funds for the amount of present value of the future lease; however, in the statement of activities, the present value of the future lease is recognized as a lease, right-of-use asset and a liability, and amortized over the lease term. Further, lease payments are recorded as expenses in the governmental funds and are recorded as a reduction of the liability in Governmental Activities.	78,488
The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(44,138,649)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	12,943,898
Internal service funds are used by management to charge the costs of certain services to individual funds. The change in net position of internal service funds is reported with governmental activities.	<u>(1,418,496)</u>
Change in net position of governmental activities (pages 24 - 25)	<u>\$ 50,763,969</u>

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2022
(With Comparative Actual Amounts for Year Ended September 30, 2021)**

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Revenue					
Taxes:					
Sales tax income	\$ 43,600,094	\$ 43,600,094	\$ 54,078,904	\$ 10,478,810	\$ 48,720,357
Property taxes	73,173,104	73,173,104	72,435,691	(737,413)	68,451,663
Interest and penalty on taxes	577,730	577,730	719,799	142,069	603,571
Totals	117,350,928	117,350,928	127,234,394	9,883,466	117,775,591
Business and occupation fees:					
Occupation taxes	96,354	96,354	116,068	19,714	78,414
Gross receipts taxes	14,340,261	14,340,261	16,307,933	1,967,672	14,444,977
Totals	14,436,615	14,436,615	16,424,001	1,987,386	14,523,391
Permits, licenses and fees:					
Building permits	1,200,000	1,200,000	1,692,402	492,402	1,537,446
Plumbing permits	339,607	339,607	375,243	35,636	334,303
Electrical permits	458,891	458,891	544,975	86,084	473,385
Heating and air conditioning licenses	171,741	171,741	153,227	(18,514)	163,546
Fire inspection fees	84,818	84,818	57,109	(27,709)	75,614
Cab permits	733	733	550	(183)	550
House moving permits	-	-	330	330	-
Open air/street vending	5,488	5,488	7,610	2,122	4,985
Sign permits	28,194	28,194	36,335	8,141	30,658
Subdivision fees	36,118	36,118	38,490	2,372	31,678
Totals	2,325,590	2,325,590	2,906,271	580,681	2,652,165
Fines:					
Court fines	1,382,321	1,459,321	1,363,558	(95,763)	1,353,106
Auto impound fees	91,243	91,243	86,523	(4,720)	77,293
Totals	1,473,564	1,550,564	1,450,081	(100,483)	1,430,399
Charges for services:					
Recreation	969,147	969,147	835,170	(133,977)	579,867
Weed mowing	62,549	62,549	149,214	86,665	72,109
Library fees	134,200	134,200	92,758	(41,442)	80,828
Animal pick up	15,600	15,600	16,097	497	18,176
Animal shelter fees	386,856	386,856	365,084	(21,772)	427,834
Grounds maintenance	58,469	58,469	58,469	-	60,204
Graphics	77,099	77,099	87,438	10,339	83,105
Police security	-	-	89,530	89,530	57,831
Airport services	780,000	780,000	849,035	69,035	894,019
Totals	2,483,920	2,483,920	2,542,795	58,875	2,273,973
Interest on investments	142,000	142,000	(2,536,875)	(2,678,875)	227,211
Contributions	75,616	75,616	701,928	626,312	766,646
Intergovernmental	\$ 2,041,693	\$ 2,041,693	\$ 2,380,721	\$ 339,028	\$ 2,277,704

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2022
(With Comparative Actual Amounts for Year Ended September 30, 2021)**

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Revenues (continued)					
Other:					
Indirect expense reimbursements	10,307,176	10,379,790	10,447,662	67,872	9,847,928
False alarm fines	15,300	15,300	2,800	(12,500)	9,220
BSC civil penalties	3,561	3,561	20,679	17,118	85,000
Rents from real estate	391,000	391,000	371,153	(19,847)	307,607
Miscellaneous revenue	3,854,097	3,854,097	3,880,744	26,647	3,307,473
Sale of real estate	-	-	1,200	1,200	-
Sale of other scrap	10,500	10,500	26,855	16,355	17,008
Zoning applications	53,244	53,244	99,550	46,306	54,500
Commission from sale of mixed drinks	698,000	698,000	820,965	122,965	717,478
Commission on municipal court fines	25,000	25,000	54,539	29,539	49,624
Commission on concessions	142,966	242,966	427,020	184,054	358,641
Garage sale permits	-	-	1,290	1,290	-
Lease revenues	-	-	54,329	54,329	-
Special assessments	-	-	-	-	-
Totals	<u>15,500,844</u>	<u>15,673,458</u>	<u>16,208,786</u>	<u>535,328</u>	<u>14,754,479</u>
Total revenue	<u>155,830,770</u>	<u>156,080,384</u>	<u>167,312,102</u>	<u>11,231,718</u>	<u>156,681,559</u>
Expenditures					
General Government					
Administrative Services:					
Salaries and wages	2,778,098	2,755,098	2,668,880	86,218	2,114,567
Employee benefits	741,211	741,211	721,487	19,724	560,250
Purchased professional/technical services	226,494	355,726	436,479	(80,753)	297,950
Purchased property services	41,636	41,636	191,439	(149,803)	19,722
Maintenance	151,246	151,246	161,076	(9,830)	131,988
Other purchased services	534,997	536,967	548,479	(11,512)	474,332
Supplies	119,670	125,657	199,430	(73,773)	147,441
Capital expenditures	-	-	19,348	(19,348)	2,012
Other expenses	238,618	395,469	90,618	304,851	8,969
Total Administrative Services	<u>4,831,970</u>	<u>5,103,010</u>	<u>5,037,236</u>	<u>65,774</u>	<u>3,757,231</u>
City Secretary:					
Salaries and wages	424,501	424,501	326,721	97,780	345,674
Employee benefits	151,291	151,291	125,819	25,472	126,220
Purchased professional/technical services	127,357	127,357	99,806	27,551	102,610
Purchased property services	-	-	-	-	-
Maintenance	35,065	35,065	38,428	(3,363)	35,368
Other purchased services	37,518	37,518	26,982	10,536	41,669
Supplies	120,612	88,112	22,557	65,555	37,133
Capital expenditures	-	32,500	-	32,500	8,171
Other expenses	-	-	-	-	-
Total City Secretary	<u>896,344</u>	<u>896,344</u>	<u>640,313</u>	<u>256,031</u>	<u>696,845</u>
Finance Services:					
Salaries and wages	1,665,567	1,665,567	1,591,116	74,451	1,441,554
Employee benefits	543,363	543,363	527,400	15,963	492,029
Purchased professional/technical services	127,010	145,248	177,683	(32,435)	127,519
Purchased property services	614	614	3,108	(2,494)	-
Maintenance	14,706	14,706	12,544	2,162	-
Other purchased services	46,140	46,140	29,784	16,356	23,528
Supplies	25,622	25,622	22,474	3,148	20,089
Capital expenditures	-	-	-	-	-
Other expenses	78,000	78,000	60,675	17,325	36,997
Total Finance Services	<u>2,501,022</u>	<u>2,519,260</u>	<u>2,424,784</u>	<u>94,476</u>	<u>2,141,716</u>

(Continued)

See accompanying notes to financial statements

FINANCIAL SECTION

General Fund Statement of Revenue, Expenditures, & Changes in Fund Balance - Budget and Actual

Year Ended September 30, 2022

(With Comparative Actual Amounts for Year Ended September 30, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Expenditures (continued)					
General Government (continued)					
Legal Services:					
Salaries and wages	1,117,679	1,117,679	1,053,126	64,553	983,662
Employee benefits	336,334	336,334	313,318	23,016	290,213
Purchased professional/technical services	4,450	4,450	130	4,320	4,761
Maintenance	1,260	1,260	179	1,081	-
Other purchased services	33,974	33,974	28,119	5,855	16,354
Supplies	40,765	44,743	34,151	10,592	36,098
Capital expenditures	-	-	-	-	5,886
Total Legal Services	<u>1,534,462</u>	<u>1,538,440</u>	<u>1,429,023</u>	<u>109,417</u>	<u>1,336,974</u>
Development services:					
Salaries and wages	1,700,180	1,848,632	1,785,529	63,103	1,585,013
Employee benefits	601,251	652,618	628,594	24,024	686,426
Purchased professional/technical services	31,360	37,673	39,736	(2,063)	56,064
Purchased property services	101,906	101,906	105,375	(3,469)	95,256
Maintenance	45,033	45,033	37,726	7,307	18,956
Other purchased services	87,739	87,739	73,211	14,528	58,614
Supplies	73,081	83,116	72,320	10,796	48,955
Capital expenditures	-	77,475	46,609	30,866	-
Other expenses	37,780	37,780	69,146	(31,366)	56,318
Total Development Services	<u>2,678,330</u>	<u>2,971,972</u>	<u>2,858,246</u>	<u>113,726</u>	<u>2,605,602</u>
Human Resources:					
Salaries and wages	1,112,388	1,112,388	1,058,518	53,870	944,454
Employee benefits	361,801	361,801	346,834	14,967	303,234
Purchased professional/technical services	16,568	16,568	23,978	(7,410)	40,260
Purchased property services	1,500	1,500	-	1,500	-
Maintenance	11,053	11,053	5,254	5,799	5,920
Other purchased services	178,459	178,459	117,872	60,587	104,580
Supplies	17,820	17,820	20,199	(2,379)	23,339
Total Human Resources	<u>1,699,589</u>	<u>1,699,589</u>	<u>1,572,655</u>	<u>126,934</u>	<u>1,421,787</u>
Communications and marketing:					
Salaries and wages	910,998	900,998	699,804	201,194	562,401
Employee benefits	229,234	229,234	238,068	(8,834)	190,879
Purchased professional/technical services	85,040	103,082	39,695	63,387	48,146
Purchased property services	-	-	-	-	-
Maintenance	56,301	56,301	44,155	12,146	42,745
Other purchased services	21,776	21,776	38,650	(16,874)	13,818
Supplies	67,872	67,872	67,498	374	48,968
Other expenses	24,000	24,000	26,344	(2,344)	26,053
Capital expenditures	250,000	250,000	37,637	212,363	27,656
Total Communications and Marketing	<u>1,645,221</u>	<u>1,653,263</u>	<u>1,191,851</u>	<u>461,412</u>	<u>960,666</u>
Information Technology Services:					
Salaries and wages	2,111,193	1,950,193	1,971,232	(21,039)	1,870,215
Employee benefits	722,926	722,926	682,354	40,572	644,851
Purchased professional/technical services	345,900	477,109	413,981	63,128	213,455
Purchased property services	-	-	1,314,579	(1,314,579)	-
Maintenance	1,904,808	2,386,091	2,326,123	59,968	1,887,316
Other purchased services	514,172	559,432	126,433	432,999	407,189
Supplies	140,485	173,395	236,296	(62,901)	171,590
Capital expenditures	1,091,822	1,140,231	418,211	722,020	436,802
Total Information Technology Services	<u>6,831,306</u>	<u>7,409,377</u>	<u>7,489,209</u>	<u>(79,832)</u>	<u>5,631,418</u>

(Continued)

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2022
(With Comparative Actual Amounts for Year Ended September 30, 2021)**

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Expenditures (continued)					
General Government (continued)					
General services:					
Salaries and wages	1,614,187	1,614,187	1,526,971	87,216	1,503,776
Employee benefits	648,231	648,231	622,902	25,329	600,625
Purchased professional/technical services	1,453,799	1,455,049	1,141,946	313,103	850,671
Purchased property services	7,062	7,062	12,156	(5,094)	8,405
Maintenance	1,436,995	1,494,800	1,055,728	439,072	1,577,912
Other purchased services	79,403	78,603	438,410	(359,807)	67,988
Supplies	256,307	257,107	238,987	18,120	213,399
Capital expenditures	-	-	-	-	-
Total General Services	5,495,984	5,555,039	5,037,100	517,939	4,822,776
Office of Economic Development					
Salaries and wages	465,362	465,362	269,548	195,814	200,126
Employee benefits	139,758	139,758	92,556	47,202	64,415
Purchased professional/technical services	509,856	539,356	335,775	203,581	16,742
Purchased property services	3,150	3,150	219,096	(215,946)	-
Maintenance	-	-	213	(213)	-
Other purchased services	37,793	37,793	37,455	338	10,845
Supplies	31,650	31,650	35,563	(3,913)	30,493
Capital expenditures	-	3,360,000	729,572	2,630,428	-
Total Economic Development	1,187,569	4,577,069	1,719,778	2,857,291	322,621
Economic Development					
Purchased professional/technical services	202,204	552,204	-	552,204	-
Other expenses	2,750,000	2,750,000	-	2,750,000	-
Total Economic Development	2,952,204	3,302,204	-	3,302,204	-
Economic Development Incentive					
Purchased professional/technical services	3,250,000	4,540,000	4,537,302	2,698	1,246,082
Other expense	15,286,064	5,000	5,000	-	7,204
Total Economic Development Incentive	18,536,064	4,545,000	4,542,302	2,698	1,253,286
Contributions:					
McLennan County	185,567	185,567	176,580	8,987	160,358
HOTRMHMR	39,322	39,322	39,322	-	39,322
H. O. T. Council of Governments	12,000	12,000	11,652	348	11,652
The Advocacy Center	84,419	84,419	83,065	1,354	84,419
Greater Waco Chamber	175,000	225,000	225,000	-	175,000
Central Texas African American Chamber	175,000	175,000	125,000	50,000	175,000
Cen-Tex Hispanic Chamber	125,000	125,000	125,000	-	157,500
City Center Waco	164,000	164,000	147,496	16,504	164,000
Central Texas Senior Ministry	35,000	35,000	35,000	-	35,000
Economic Development Grants	535,000	535,000	513,710	21,290	496,466
McLennan County Appraisal District	815,639	815,639	799,154	16,485	728,151

(Continued)

See accompanying notes to financial statements

FINANCIAL SECTION

General Fund Statement of Revenue, Expenditures, & Changes in Fund Balance - Budget and Actual Year Ended September 30, 2022 (With Comparative Actual Amounts for Year Ended September 30, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Expenditures (continued)					
General Government (continued)					
Contributions: (continued)					
Greater Waco Collective Impact Initiative	100,000	108,333	100,000	8,333	125,966
Greater Waco Sports Commission	75,000	75,000	75,000	-	75,000
Historic Waco Foundation/Arts-Historic					
Agencies	29,250	29,250	29,250	-	29,250
Creative Waco	427,000	508,325	413,500	94,825	463,000
HOT Goodwill Industries, Inc.	-	-	-	-	-
Start Up Waco	-	-	-	-	50,000
MCIF	100,000	100,000	50,000	50,000	50,000
Caritas of Waco	-	-	-	-	-
Campus Town	29,000	36,250	29,000	7,250	29,000
Riverfront	-	-	-	-	-
Total Contributions	<u>3,106,197</u>	<u>3,253,105</u>	<u>2,977,729</u>	<u>275,376</u>	<u>3,049,084</u>
Miscellaneous:					
Salaries and wages	-	-	3,140	(3,140)	229,706
Employee benefits	-	-	1,585	(1,585)	119,252
Purchased professional/technical services	584,763	783,931	693,839	90,092	472,043
Maintenance	6,500	6,500	1,323	5,177	4,935
Other purchased services	1,412	1,412	4,787	(3,375)	745
Supplies	7,903	7,903	6,755	1,148	21,233
Capital expenditures	-	-	12,340	(12,340)	-
Other expenses	357,000	327,000	478,085	(151,085)	404,773
Total Miscellaneous	<u>957,578</u>	<u>1,126,746</u>	<u>1,201,854</u>	<u>(75,108)</u>	<u>1,252,687</u>
Total General Government	<u>54,853,840</u>	<u>46,150,418</u>	<u>38,122,080</u>	<u>8,028,338</u>	<u>29,252,693</u>
Public Works					
Streets:					
Salaries and wages	2,136,680	2,136,680	1,924,652	212,028	1,885,568
Employee benefits	960,194	960,194	892,255	67,939	859,487
Purchased professional/technical services	2,206,340	2,407,497	2,116,958	290,539	1,773,231
Purchased property services	24,288	24,288	26,848	(2,560)	16,176
Maintenance	1,401,217	1,420,722	1,014,788	405,934	958,714
Other purchased services	133,573	132,876	124,710	8,166	112,580
Supplies	285,553	285,553	390,523	(104,970)	345,673
Other expenses	-	-	-	-	175,840
Capital expenditures	104,107	212,722	863,877	(651,155)	1,107,134
Total Streets	<u>7,251,952</u>	<u>7,580,532</u>	<u>7,354,611</u>	<u>225,921</u>	<u>7,234,403</u>
Total Public Works	<u>7,251,952</u>	<u>7,580,532</u>	<u>7,354,611</u>	<u>225,921</u>	<u>7,234,403</u>
Public Safety					
Municipal Court:					
Salaries and wages	842,128	842,128	849,719	(7,591)	807,321
Employee benefits	300,935	300,935	301,937	(1,002)	285,235
Purchased professional/technical services	24,300	24,300	46,764	(22,464)	7,990
Maintenance	920	77,920	77,202	718	73,644
Other purchased services	15,982	15,982	12,439	3,543	11,640
Supplies	77,413	77,413	60,255	17,158	65,575
Other expenses	13,000	13,000	12,333	667	11,431
Total Municipal Court	<u>1,274,678</u>	<u>1,351,678</u>	<u>1,360,649</u>	<u>(8,971)</u>	<u>1,262,836</u>

(Continued)

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2022
(With Comparative Actual Amounts for Year Ended September 30, 2021)**

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Expenditures (continued)					
Emergency Management Services:					
Salaries and wages	350,273	350,273	352,991	(2,718)	322,873
Employee benefits	126,567	126,567	127,017	(450)	115,999
Purchased professional/technical services	89,128	89,128	22,476	66,652	57,596
Purchased property services	3,000	3,000	14,744	(11,744)	32,361
Maintenance	506,389	506,389	425,182	81,207	425,152
Other purchased services	84,975	84,975	29,264	55,711	40,994
Supplies	353,508	353,508	362,445	(8,937)	350,236
Other expenses	136,671	136,671	205,019	(68,348)	79,487
Total Emergency Management Services	<u>1,650,511</u>	<u>1,650,511</u>	<u>1,539,138</u>	<u>111,373</u>	<u>1,424,698</u>
Fire Services:					
Salaries and wages	19,299,121	19,299,121	20,836,002	(1,536,881)	19,609,433
Employee benefits	7,134,101	7,134,101	7,409,481	(275,380)	6,974,586
Purchased professional/technical services	177,614	76,774	145,552	(68,778)	94,906
Purchased property services	75,706	75,706	144,880	(69,174)	83,192
Maintenance	886,818	913,627	836,455	77,172	928,750
Other purchased services	1,116,002	1,002,193	998,744	3,449	960,497
Supplies	1,279,149	1,356,675	1,436,133	(79,458)	784,049
Capital expenditures	272,378	439,862	32,326	407,536	30,847
Total Fire Services	<u>30,240,889</u>	<u>30,298,059</u>	<u>31,839,573</u>	<u>(1,541,514)</u>	<u>29,466,260</u>
Police Services:					
Salaries and wages	28,074,019	28,074,019	28,482,263	(408,244)	27,257,827
Employee benefits	10,229,470	10,229,470	10,100,756	128,714	9,568,921
Purchased professional/technical services	786,646	782,934	507,051	275,883	793,495
Purchased property services	120,270	120,270	837,461	(717,191)	120,122
Maintenance	2,090,531	2,047,429	1,636,273	411,156	863,770
Other purchased services	1,187,574	1,188,854	1,252,612	(63,758)	1,094,277
Supplies	1,700,042	1,859,562	2,008,686	(149,124)	2,129,125
Capital expenditures	332,559	498,678	63,934	434,744	671,979
Other expenses	900	900	1,317	(417)	1,048
Total Police Services	<u>44,522,011</u>	<u>44,802,116</u>	<u>44,890,353</u>	<u>(88,237)</u>	<u>42,500,564</u>
Traffic Services					
Salaries and wages	1,044,810	1,044,810	810,904	233,906	805,725
Employee benefits	445,014	445,014	375,417	69,597	365,291
Purchased professional/technical services	854,175	1,234,438	679,412	555,026	84,419
Purchased property services	2,787	2,787	2,421	366	2,371
Maintenance	1,070,736	1,117,013	889,089	227,924	674,647
Other purchased services	34,956	34,956	39,733	(4,777)	27,916

(Continued)

See accompanying notes to financial statements

FINANCIAL SECTION

General Fund Statement of Revenue, Expenditures, & Changes in Fund Balance - Budget and Actual

Year Ended September 30, 2022

(With Comparative Actual Amounts for Year Ended September 30, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Expenditures (continued)					
Public Safety (continued)					
Traffic Services (continued)					
Supplies	694,845	694,845	706,786	(11,941)	715,994
Capital expenditures	87,166	87,166	-	87,166	126,749
Totals Traffic Services	<u>4,234,489</u>	<u>4,661,029</u>	<u>3,503,762</u>	<u>1,157,267</u>	<u>2,803,112</u>
Animal Services					
Salaries and wages	949,729	949,729	758,640	191,089	718,851
Employee benefits	392,464	392,464	338,963	53,501	310,286
Purchased professional/technical services	287,974	287,974	340,798	(52,824)	286,964
Purchased property services	23,880	23,880	20,824	3,056	17,049
Maintenance	83,997	83,997	58,843	25,154	60,597
Other purchased services	75,454	75,454	59,823	15,631	56,451
Supplies	460,728	460,728	317,930	142,798	295,250
Capital expenditures	-	-	-	-	36,436
Other expenses	1,000	1,000	-	1,000	-
Totals Animal Services	<u>2,275,226</u>	<u>2,275,226</u>	<u>1,895,821</u>	<u>379,405</u>	<u>1,781,884</u>
Total Public Safety	<u>84,197,804</u>	<u>85,038,619</u>	<u>85,029,296</u>	<u>9,323</u>	<u>79,239,354</u>
Culture & Recreation					
Library Services:					
Salaries and wages	2,210,465	2,190,465	2,057,251	133,214	1,958,375
Employee benefits	792,585	792,585	763,149	29,436	722,950
Purchased professional/technical services	162,343	199,374	205,580	(6,206)	173,622
Purchased property services	30,139	30,139	29,277	862	20,469
Maintenance	175,176	194,084	183,558	10,526	157,785
Other purchased services	151,668	99,414	92,420	6,994	89,653
Supplies	879,837	917,846	920,175	(2,329)	779,303
Capital expenditures	-	-	-	-	-
Other expenses	1,500	1,561	1,933	(372)	1,502
Total Library Services	<u>4,403,713</u>	<u>4,425,468</u>	<u>4,253,343</u>	<u>172,125</u>	<u>3,903,659</u>
Parks:					
Salaries and wages	4,186,305	3,744,305	3,717,654	26,651	3,255,667
Employee benefits	1,838,176	1,838,176	1,711,826	126,350	1,533,689
Purchased professional/technical services	757,174	1,328,048	1,065,721	262,327	856,559
Purchased property services	885,996	885,996	930,720	(44,724)	844,701
Maintenance	791,141	794,294	810,777	(16,483)	857,930
Other purchased services	236,594	236,594	213,154	23,440	220,160
Supplies	826,198	771,886	920,914	(149,028)	780,925
Capital expenditures	-	40,641	40,641	-	47,804
Other expenses	116,736	216,736	202,256	14,480	240,677
Total Parks	<u>9,638,320</u>	<u>9,856,676</u>	<u>9,613,663</u>	<u>243,013</u>	<u>8,638,112</u>
Recreation Services:					
Salaries and wages	1,162,435	1,162,435	1,136,270	26,165	863,669
Employee benefits	342,657	342,657	342,365	292	291,195
Purchased professional/technical services	502,122	502,122	511,902	(9,780)	194,571
Purchased property services	-	-	1,990	(1,990)	-
Maintenance	28,502	28,502	26,436	2,066	24,699
Other purchased services	278,345	278,345	250,047	28,298	184,144

(Continued)

See accompanying notes to financial statements

General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual

Year Ended September 30, 2022

(With Comparative Actual Amounts for Year Ended September 30, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Expenditures (continued)					
Culture & Recreation (continued)					
Recreation Services: (continued)					
Supplies	258,683	258,683	280,720	(22,037)	211,706
Capital expenditures	-	17,880	-	17,880	-
Other expenses	16,700	16,700	12,372	4,328	3,953
Total Recreation Services	2,589,444	2,607,324	2,562,102	45,222	1,773,937
Total Culture & Recreation	16,631,477	16,889,468	16,429,108	460,360	14,315,708
Housing & Community Development					
Housing Services:					
Salaries and wages	1,215,754	1,150,754	836,176	314,578	570,891
Employee benefits	445,370	445,370	351,255	94,115	276,459
Purchased professional/technical services	278,695	373,993	232,498	141,495	202,082
Purchased property services	28,825	28,825	425,968	(397,143)	27,054
Maintenance	10,927	10,927	10,656	271	13,330
Other purchased services	56,183	56,183	51,005	5,178	37,934
Supplies	40,509	40,509	60,807	(20,298)	45,884
Other expenses	35,000	35,000	25,746	9,254	17,781
Total Housing Services	2,111,263	2,141,561	1,994,111	147,450	1,191,415
Total Housing & Community Development	2,111,263	2,141,561	1,994,111	147,450	1,191,415
Total Expenditures	165,046,336	157,800,598	148,929,206	8,871,392	131,233,573
Excess of revenues over expenditures	(9,215,566)	(1,720,214)	18,382,896	20,103,110	25,447,986
Other Financing Sources (Uses):					
Transfers in:					
Abandoned Motor Vehicles	50,000	50,000	50,000	-	50,000
Court Security	60,000	60,000	60,000	-	91,505
Insurance	-	-	-	-	1,645,628
Rolling Stock	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Special Projects Reserve	-	3,420,000	3,420,000	-	-
Revenue in lieu of property taxes	5,625,185	5,625,185	5,625,185	-	5,353,541
Total transfers in	5,735,185	9,155,185	9,155,185	-	7,140,674
Transfers out:					
Street Improvements:					
Street Cash CIP	(8,050,000)	(8,050,000)	(8,050,000)	-	(5,099,277)
Capital Improvements:					
Facilities Cash CIP	(750,000)	(750,000)	(750,000)	-	(40,000)
Parks Cash CIP	-	-	-	-	(650,000)
Cameron Park Zoo	(1,846,770)	(1,846,770)	(1,846,770)	-	(2,846,770)
Cottonwood Creek Golf Course	-	-	-	-	(678,304)
Transit	(701,728)	(701,728)	(701,728)	-	-
Airport Services	-	-	-	-	-
Health Services	(3,863,148)	(3,863,148)	(3,863,148)	-	(3,863,148)
Ranger Hall of Fame	(688,790)	(688,790)	(538,790)	150,000	(538,787)
Housing demo-lot clearing	-	-	-	-	(175,000)
Fire Cash CIP	-	-	-	-	-
Transit Cash CIP	-	-	-	-	-
Hazmat	-	-	-	-	(36,470)
Stormwater	-	-	-	-	(440,000)
Special Projects Reserve	-	(11,000,000)	(11,000,000)	-	(17,448,505)
Grant (police)	(216,000)	(216,000)	(101,440)	114,560	(61,826)
Total transfers out	(16,116,436)	(27,116,436)	(26,851,876)	264,560	(31,878,087)

(Continued)

See accompanying notes to financial statements


FINANCIAL SECTION

**General Fund Statement of Revenue, Expenditures,
 & Changes in Fund Balance -
 Budget and Actual
 Year Ended September 30, 2022
 (With Comparative Actual Amounts for Year Ended September 30, 2021)**

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Expenditures (continued)					
Other Financing Sources (Uses): (continued)					
Financing of Leases	-	-	2,307,239	2,307,239	-
Total other financing sources (uses)	<u>(10,381,251)</u>	<u>(17,961,251)</u>	<u>(15,389,452)</u>	<u>2,571,799</u>	<u>(24,737,413)</u>
Net change in fund balances	(19,596,817)	(19,681,465)	2,993,444	22,674,909	710,573
Fund balance, beginning of year	<u>70,498,438</u>	<u>70,972,370</u>	<u>92,805,979</u>	<u>21,833,609</u>	<u>92,095,406</u>
Fund balance, end of year	<u>\$ 50,901,621</u>	<u>\$ 51,290,905</u>	<u>\$ 95,799,423</u>	<u>\$ 44,508,518</u>	<u>\$ 92,805,979</u>

See accompanying notes to financial statements

**Statement of Net Position
Proprietary Funds
September 30, 2022**

	Business-type Activities					Governmental
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets:						
Cash and investments	\$ 48,848,086	\$ 43,729,690	\$ 18,213,040	\$ 15,159,769	\$ 125,950,585	\$ 15,844,345
Accounts receivable, net of allowances	6,728,340	4,685,402	2,836,888	1,793,132	16,043,762	-
Lease receivable	27,379	-	6,498	391,482	425,359	-
Prepaid expense	321,196	30,849	-	7,600	359,645	-
Due from other funds	-	-	-	701,728	701,728	309,458
Intergovernmental receivable	629,576	329,772	-	5,595,011	6,554,359	-
Restricted cash and investments	5,188,922	1,681,094	60,222	6,249	6,936,487	-
Inventories	413,205	42,632	-	1,205,378	1,661,215	298,900
Total current assets	<u>62,156,704</u>	<u>50,499,439</u>	<u>21,116,648</u>	<u>24,860,349</u>	<u>158,633,140</u>	<u>16,452,703</u>
Noncurrent assets:						
Restricted cash and investments	66,152,380	78,199,099	8,087,151	12,603,256	165,041,886	-
Advances to other funds	525,336	-	-	-	525,336	-
Lease receivable	752,303	-	6,479	3,097,065	3,855,847	-
Lease, right-of-use assets, net of accumulated amortization	76,466	25,620	33,896	323,028	459,010	3,462
Capital assets:						
Land	3,180,914	3,361,999	8,258,110	3,650,283	18,451,306	38,800
Buildings	10,962,893	21,820,904	1,370,137	64,583,846	98,737,780	920,153
Improvements other than buildings	396,008,927	254,106,252	30,876,058	77,680,708	758,671,945	118,289
Machinery and equipment	10,405,070	14,152,841	27,033,371	19,657,403	71,248,685	1,778,958
Museum collections	-	-	-	2,652,924	2,652,924	-
Construction work in progress	23,588,582	31,256,384	4,673,474	6,497,834	66,016,274	-
Intangible water rights	36,792,490	-	-	-	36,792,490	-
Less: accumulated depreciation	(185,377,288)	(93,756,857)	(48,770,657)	(101,134,384)	(429,039,186)	(2,208,412)
Total noncurrent assets	<u>363,068,073</u>	<u>309,166,242</u>	<u>31,568,019</u>	<u>89,611,963</u>	<u>793,414,297</u>	<u>651,250</u>
Total assets	<u>425,224,777</u>	<u>359,665,681</u>	<u>52,684,667</u>	<u>114,472,312</u>	<u>952,047,437</u>	<u>17,103,953</u>
Deferred outflows of resources						
Deferred losses on refundings of debt	1,351,409	290,701	-	-	1,642,110	-
Deferred outflows on pension liability	823,583	549,054	549,055	-	1,921,692	-
Total deferred outflows of resources	<u>2,174,992</u>	<u>839,755</u>	<u>549,055</u>	<u>-</u>	<u>3,563,802</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>427,399,769</u>	<u>360,505,436</u>	<u>53,233,722</u>	<u>114,472,312</u>	<u>955,611,239</u>	<u>17,103,953</u>

See accompanying notes to financial statements

FINANCIAL SECTION

	Business-type Activities					Governmental Activities
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable	707,544	289,530	218,057	676,265	1,891,396	291,004
Accrued liabilities	711,129	599,581	275,047	1,103,363	2,689,120	794,453
Lease liability	30,613	11,463	18,139	140,122	200,337	1,131
Unearned revenue	-	-	-	372,623	372,623	-
Due to other funds	-	-	-	1,182,798	1,182,798	-
Compensated absences payable	886,181	440,539	592,039	766,943	2,685,702	359,828
Refundable contracts	-	-	-	-	-	-
Notes payable	96,535	-	-	-	96,535	-
Escrow funds	-	-	-	-	-	538
Bonds payable	12,920,000	9,445,000	1,760,000	180,000	24,305,000	-
Accrued interest payable	1,609,163	1,282,515	167,669	239,853	3,299,200	-
Estimated claims and judgments	-	3,044,828	-	-	3,044,828	3,502,764
Current liabilities payable from restricted assets:						
Accounts payable	1,616,471	1,681,094	60,222	6,249	3,364,036	-
Customer deposits	3,572,451	-	-	-	3,572,451	-
Total Current Liabilities	22,150,087	16,794,550	3,091,173	4,668,216	46,704,026	4,949,718
Noncurrent liabilities:						
Refundable contracts	999,241	192,542	-	-	1,191,783	-
Estimated landfill closure and post-closure care costs	-	-	7,072,031	-	7,072,031	-
Advances from other funds	-	-	-	693,704	693,704	-
Lease liability	35,778	10,750	11,783	182,214	240,525	1,963
Compensated absences payable	680,092	120,852	486,014	384,840	1,671,798	96,590
Bonds payable	212,760,407	173,714,129	13,064,297	11,824,118	411,362,951	-
Notes payable	1,122,766	-	-	-	1,122,766	-
Net pension liability	668,938	445,958	445,958	-	1,560,854	-
Total noncurrent liabilities	216,267,222	174,484,231	21,080,083	13,084,876	424,916,412	98,553
Total liabilities	238,417,309	191,278,781	24,171,256	17,753,092	471,620,438	5,048,271
Deferred inflows of resources						
Deferred inflows on pension liability	2,025,408	1,350,274	1,350,274	-	4,725,956	-
Deferred gains on refundings of debt	-	-	37,000	-	37,000	-
Deferred inflows on leases	772,868	-	13,282	3,465,947	4,252,097	-
Total deferred inflows of resources	2,798,276	1,350,274	1,400,556	3,465,947	9,015,053	-
Total liabilities and deferred inflows of resources	241,215,585	192,629,055	25,571,812	21,219,039	480,635,491	5,048,271
Net position						
Net investment in capital assets	135,176,773	126,083,133	16,670,403	73,325,583	351,255,892	648,166
Restricted for						
Capital projects	-	-	-	899,971	899,971	-
Unrestricted	51,007,411	41,793,248	10,991,507	19,027,719	122,819,885	11,407,516
Total net position	\$ 186,184,184	\$ 167,876,381	\$ 27,661,910	\$ 93,253,273	\$ 474,975,748	\$ 12,055,682

See accompanying notes to financial statements

**Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2022**

	Business-type Activities				Governmental Activities	
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:						
Charges for services	\$ 59,758,640	\$ 43,400,394	\$ 27,436,912	\$ 12,901,859	\$ 143,497,805	\$ 26,781,779
Net merchandise sales	-	-	-	1,492,116	1,492,116	-
Contributions	-	-	-	27,676	27,676	-
Other	707,153	822,936	220,300	2,466,912	4,217,301	104,168
Total operating revenues	60,465,793	44,223,330	27,657,212	16,888,563	149,234,898	26,885,947
Operating expenses:						
Salaries and wages	5,828,388	4,190,648	4,947,411	9,128,440	24,094,887	3,205,137
Employee benefits	1,524,257	1,094,296	1,547,222	3,408,801	7,574,576	1,228,735
Purchased professional/ technical services	1,749,221	2,162,015	2,918,467	2,670,024	9,499,727	2,211,538
Purchased property services	165,214	100,284	25,519	768,882	1,059,899	64,526
Maintenance	3,957,019	2,893,371	3,125,648	1,276,160	11,252,198	224,882
Other purchased services	1,035,983	437,004	187,316	2,462,026	4,122,329	1,733,265
Supplies	5,167,796	2,973,490	2,737,930	2,672,232	13,551,448	222,735
Other	6,039,723	9,053,989	4,897,576	3,744,871	23,736,159	18,847,555
Depreciation/Amortization	12,051,817	9,170,121	3,034,113	5,947,069	30,203,120	150,389
Total operating expenses	37,519,418	32,075,218	23,421,202	32,078,505	125,094,343	27,888,762
Operating income (loss)	22,946,375	12,148,112	4,236,010	(15,189,942)	24,140,555	(1,002,815)
Nonoperating revenues (expenses):						
Investment earnings	(789,390)	(662,371)	(280,473)	(263,629)	(1,995,863)	(217,923)
Other income	-	23,336	-	152,481	175,817	-
Hotel/motel tax	-	-	-	6,120,368	6,120,368	-
Contributions	-	-	-	597,218	597,218	-
Intergovernmental revenues	12,803	11,818	-	6,373,883	6,398,504	-
Bond issuance costs	(316,538)	(169,966)	(119,056)	(108,928)	(714,488)	-
Interest expense and fiscal charges	(5,263,129)	(4,582,167)	(172,084)	(142,238)	(10,159,618)	(10)
Gain (loss) on disposal of capital assets	(637,488)	-	(10,195)	-	(647,683)	-
Total nonoperating revenues (expenses)	(6,993,742)	(5,379,350)	(581,808)	12,729,155	(225,745)	(217,933)
Income (loss) before contributions and transfers	15,952,633	6,768,762	3,654,202	(2,460,787)	23,914,810	(1,220,748)
Capital contributions	7,867,232	10,776,086	-	12,704,136	31,347,454	-
Transfers in	145,042	233,395	96,930	3,426,879	3,902,246	530,881
Transfers out	(3,964,917)	(1,145,758)	(514,510)	(150,000)	(5,775,185)	(728,634)
Changes in net position	19,999,990	16,632,485	3,236,622	13,520,228	53,389,325	(1,418,501)
Total net position, beginning of year	166,184,194	151,243,896	24,425,288	79,733,045	421,586,423	13,474,183
Total net position, end of year	\$ 186,184,184	\$ 167,876,381	\$ 27,661,910	\$ 93,253,273	\$ 474,975,748	\$ 12,055,682

See accompanying notes to financial statements

Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds					Governmental
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	\$ 60,841,862	\$ 44,075,764	\$ 27,179,266	\$ 16,693,690	\$ 148,790,582	\$ 26,885,947
Cash paid to suppliers for goods and services	(18,067,053)	(15,022,880)	(13,699,953)	(13,871,514)	(60,661,400)	(22,544,718)
Cash paid to employees for services	(8,048,408)	(5,866,149)	(6,950,777)	(12,576,033)	(33,441,367)	(4,385,274)
Net cash provided by (used for) operating activities	34,726,401	23,186,735	6,528,536	(9,753,857)	54,687,815	(44,045)
Cash flows from noncapital financing activities:						
Intergovernmental revenue	12,803	46,474	-	3,902,608	3,961,885	-
Contributions	36,748	-	-	597,218	633,966	-
Hotel/motel tax	-	-	-	5,970,761	5,970,761	-
Passenger facility charges	-	-	-	152,480	152,480	-
Transfers from other funds	145,042	233,395	96,930	2,725,152	3,200,519	455,598
Transfers to other funds	(3,964,917)	(1,145,758)	(514,510)	459,655	(5,165,530)	(728,634)
Net cash provided by (used for) noncapital financing activities	(3,770,324)	(865,889)	(417,580)	13,807,874	8,754,081	(273,036)
Cash flows from capital and related financing activities:						
Aquisition of capital assets	(14,076,407)	(20,596,038)	(5,295,154)	(5,978,925)	(45,946,524)	(10,988)
Principal and interest payments for lease assets	(30,682)	(3,407)	(15,397)	(83,587)	(133,073)	(1,127)
Proceeds from sale of debt	22,000,000	15,500,000	7,650,489	12,108,928	57,259,417	-
Capital contributions	-	-	-	5,648,843	5,648,843	-
Impact Fees	41,944	74,152	-	-	116,096	-
Payments in lieu of drainage facilities	-	-	-	100,000	100,000	-
Principal paid on debt	(12,445,000)	(9,140,000)	(1,140,000)	-	(22,725,000)	-
Interest paid on debt	(7,678,342)	(6,304,939)	(280,846)	(6,078)	(14,270,205)	(10)
Payment of bond issuance costs	-	-	-	(108,928)	(108,928)	-
Net cash provided by (used for) capital and related financing activities	(12,188,487)	(20,470,232)	919,092	11,680,253	(20,059,374)	(12,125)
Cash flows from investing activities:						
Investment earnings	(789,390)	(662,371)	(280,473)	(263,629)	(1,995,863)	(217,923)
Net cash provided by (used for) investing activities	(789,390)	(662,371)	(280,473)	(263,629)	(1,995,863)	(217,923)
Net increase (decrease) in cash and cash equivalents	17,978,200	1,188,243	6,749,575	15,470,641	41,386,659	(547,129)
Cash and cash equivalents, beginning of year	102,211,188	122,421,640	19,610,838	12,298,633	256,542,299	16,391,474
Cash and cash equivalents, end of year	\$ 120,189,388	\$ 123,609,883	\$ 26,360,413	\$ 27,769,274	\$ 297,928,958	\$ 15,844,345
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 22,946,375	\$ 12,148,112	\$ 4,236,010	\$ (15,189,942)	\$ 24,140,555	\$ (1,002,815)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Provision for uncollectible accounts receivable	88,274	46,372	29,529	17,918	182,093	-
Depreciation/Amortization	12,051,817	9,170,121	3,034,113	5,947,069	30,203,120	150,389
Other nonoperating income	-	23,336	-	-	23,336	-
Changes in assets and liabilities:						
Decrease (increase) in assets:						
Accounts receivable	(118,734)	(217,274)	(507,780)	(393,010)	(1,236,798)	-
Prepaid items	(7,660)	(8,345)	-	(7,600)	(23,605)	-
Inventories	(154,411)	(19,003)	-	(122,573)	(295,987)	24,282
Lease receivable	(779,682)	-	(12,977)	(3,488,547)	(4,281,206)	-
Increase (decrease) in liabilities:						
Accounts payable	188,046	(340,939)	(330,331)	(350,749)	(833,973)	146,395
Accrued liabilities	79,249	(64,509)	62,630	44,357	121,727	358,950
Unearned revenue	-	-	-	202,819	202,819	-
Estimated landfill closure and post-closure care costs	-	-	519,143	-	519,143	-
Compensated absences payable	120,312	(13,703)	67,179	120,454	294,242	29,205
Net pension liability	(873,396)	(582,261)	(582,262)	-	(2,037,919)	-
Customer deposits	413,343	-	-	-	413,343	-
Estimated claims and judgments	-	3,044,828	-	-	3,044,828	249,549
Deferred inflow on leases	772,868	-	13,282	3,465,947	4,252,097	-
Net cash provided by (used for) operating activities	\$ 34,726,401	\$ 23,186,735	\$ 6,528,536	\$ (9,753,857)	\$ 54,687,815	\$ (44,045)
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ 7,825,288	\$ 10,701,934	\$ -	\$ 6,971,340	\$ 25,498,562	\$ -
Lease, right-of-use assets	\$ 97,073	\$ 33,704	\$ 45,319	\$ 404,807	\$ 580,903	\$ 4,221
Proceeds of refunding bonds used for payment to refunded bond escrow agent	\$ 21,172,459	\$ 4,625,613	\$ 544,818	\$ -	\$ 26,342,890	\$ -
Transfer of Capital Assets from Governmental Activities	\$ -	\$ -	\$ -	\$ 19,267	\$ -	\$ -

See accompanying notes to financial statements

Statement of Fiduciary Net Position
September 30, 2022

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 3,931,795
Accounts receivable	133,690
Intergovernmental receivable	211,813
Notes receivable	-
Capital assets, net	-
Total assets	<u>4,277,298</u>
Liabilities	
Accounts payable	1,325
Accrued liabilities	265,109
Total liabilities	<u>266,434</u>
Net position	
Restricted for other organizations and governments	<u>4,010,864</u>
Total net position	<u>\$ 4,010,864</u>

See accompanying notes to financial statements

**Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2022**

	<u>Custodial Funds</u>
Additions	
Charges for services	\$ 138,920
Public improvement assessments	1,509,624
Investment earnings	(56,122)
Intergovernmental revenue	1,267,129
Other	182,837
Total additions	<u>3,042,388</u>
Deductions	
Salaries and wages	\$ 636,791
Employee benefits	117,728
Purchased professional/technical services	153,967
Maintenance	61,336
Other purchased services	108,632
Supplies	188,634
Other	1,786,078
Total deductions	<u>3,053,166</u>
Net increase (decrease) in fiduciary net position	<u>(10,778)</u>
Net position, beginning	4,021,642
Net position, ending	<u>\$ 4,010,864</u>

See accompanying notes to financial statements



I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Waco, Texas (the City) is a municipal corporation governed by an elected mayor and a five-member Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. All fiduciary activities are reported only in the fund financial statements.

Discretely presented component units - The following discretely presented component units are included in the reporting entity of the City:

The *Baylor Waco Stadium Authority* (the Authority) was created in 2014 as a nonprofit local government corporation for the purpose of managing and operating Baylor University's McLane Stadium (the Stadium) for all events that are not designated Baylor University events. The Authority is governed by five directors who are appointed by the City Council and may be removed by the City Council at any time, with or without cause. In March 2014, the Authority entered into a 30-year tri-party operating agreement with Baylor University (BU) and the City. In the event the operating agreement terminates, operating funds in excess of obligations payable will be used in the following priority: repayment of funds advanced to the Authority by BU that are subject to reimbursement; repairs and maintenance of the Stadium; and distribution to BU and the City in proportion to each entity's contribution to the construction of the Stadium. Separately issued financial reports for the Authority may be obtained from the Authority at 1001 South M.L.K. Jr. Blvd., Waco, Texas.

The *Waco Health Facilities Development Corporation* (the WHFDC) was created in 1983 under the Health Facilities Development Act as a public, nonprofit corporation for the purpose of issuing obligations in order to finance all or part of the cost of one or more health facilities to assist with the maintenance of public health. The WHFDC is governed by five members who are appointed by the City Council and may only be removed with cause. Additionally, the WHFDC is prohibited from issuing bonded debt without the approval of the City Council. The WHFDC does not issue separate financial statements.

Although WHFDC does not issue separate financial statements, the entity's governmental activity is reported in its respective single fund and all information is presented within the government-wide financial statements.

Fiduciary component unit - The following fiduciary component unit is included as a custodial fund of the City:

The authorization to create a Tourism Public Improvement District was granted by the Texas State Legislature through HB 1474 on June 14, 2019. The *Waco Tourism Public Improvement District* (WTPID) was created by the Waco City Council by Resolution 2020-513 on August 4, 2020, for the purpose of generating additional funding to increase tourism and hotel stays in Waco hotels. The WTPID is funded by a 2% assessment on hotels with 75 or more rooms within the city limits of Waco, Texas. The 2% assessment is charged on actual overnight stays at these hotels.

On September 15, 2020, the Waco City Council approved a contract with the Waco Tourism Public Improvement District Corporation (WTPIDC) to manage the funds generated by the special assessment. The WTPIDC is a Texas nonprofit corporation governed by nine directors who represent a cross-section of included hotels in terms of size, brand, and demographics. The Director of Conventions and Tourism is an ex-officio on the board.

Activities of the Waco Tourism Public Improvement District are guided by a Service and Assessment Plan which is reviewed and adopted by the Waco City Council each year. Separately issued financial reports for the WTPID may be obtained from the WTPID administrator via the website at wacotpid.com.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenue* includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*.

The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus*, and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting* for reporting its assets and liabilities.



I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *street improvement fund* is used to account primarily for bond proceeds used for capital improvements to the City's street infrastructure.

The *grants fund* is used to account for governmental grant activity of the City beyond those accounted for in other funds.

The City reports the following non-major governmental funds:

The *special revenue funds* account for proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The *debt service funds* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital project funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The *permanent funds* account for private donations and endowments whereby interest earnings are restricted in accordance with the endowment terms.

The City reports the following major proprietary funds:

The *water fund* accounts for the activities of the City's water services.

The *wastewater fund* accounts for the activities of the City's sewer services.

The *solid waste fund* accounts for the activities of the City's sanitation services.

The City reports the following non-major proprietary funds:

The *non-major proprietary funds* consist of enterprise funds, which are used to account for operations, other than the major proprietary funds listed above, and are operated in a manner similar to private business enterprises.

Additionally, the City reports the following fund types:

Internal service funds account for insurance/risk management services, health insurance, fleet services, and engineering services provided to other departments or agencies of the government on a cost reimbursement basis.

I. Summary of Significant Accounting Policies (continued)**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Fiduciary funds - custodial funds account for receipts and disbursements for the Urban Renewal Agency, the Heart of Texas Housing Finance Corporation, Waco Public Improvement District No. 2, Rural Transit Services, and Waco Tourism Public Improvement District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance*Deposits and Investments*

The City considers all highly liquid investments (including restricted assets) in money market mutual funds, demand deposits, certificates of deposit, repurchase agreements, commercial paper, and U.S. Treasury bills with an original maturity of three months or less to be cash equivalents. For the purposes of the statements of cash flows, all pooled cash and investments are considered to be cash equivalents. Maturities in excess of three months when purchased may be deposited or withdrawn by the proprietary funds at any time without prior notice or penalty, therefore having the characteristics of demand deposits.

State statutes authorize the City to invest in U. S. Treasury and agency securities, commercial paper, money market mutual funds, repurchase agreements, and government investment pools.

Investments for the City, as well as for its component units, are reported at fair value. The City invests in local government investment pools (LGIPs) that were created to function as money market mutual funds within appropriate state laws and regulations. Each of these LGIPs seeks to maintain a constant \$1.00 net asset value per share.

The City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The City determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.



I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 90 days are estimated to be uncollectible and comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 6.32% of outstanding property taxes as of September 30, 2022.

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 31. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Inventories and Prepaid Items

All inventories are valued using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain proceeds of the enterprise fund bonds and certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, and similar items), and water rights are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Assets	Years
Landfill improvements	3-5
Buildings	20-50
Water rights	35
Improvements	5-50
Equipment	5-20
Infrastructure	35-125

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits ("OPEB")

The fiduciary net position of the City's defined benefit life insurance plan (OPEB Plan) has been determined using the flow of economic resources measurement focus and the full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from the OPEB Plan's net position. Benefit payments are recognized when due and payable in accordance with benefit terms. There are no investments as this is a pay-as-you-go plan.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government wide and proprietary fund financial statements. For governmental activities and proprietary funds, a liability is reported for a portion of accumulated sick leave when it is probable that the government will make termination payments. A liability for compensated



I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable amortized bond premium. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases

In the government-wide financial statements and proprietary fund types in the fund financial statements, lease obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In addition, the government-wide financial statements and proprietary fund types in the fund financial statements report the lease assets which are amortized over the life of the contract.

In the fund financial statements, governmental fund types recognize an other financing source - financing of leases during the current period when a new lease whereby the City is the lessee is entered into. When the City is the lessor of an asset, the lease receivable is reported on the governmental fund financial statements, proprietary fund types fund financial statements, and the government-wide financial statements at the present value of future lease payments. The lease receivable is offset by a deferred inflow of resources. The lease receivable is reduced as payments are received and the deferred inflow of resources is amortized over the contract period using the applicable borrowing rate of the City at the time the lease contract is entered into.

Fund Balance

In the fund financial statements, governmental fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through a resolution. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are also approved by the City Council through a resolution.

For the classification of governmental fund balances, the City considers the order of expenditures to be made from the most restrictive first when more than one classification is available. The order of spending available resources is as follows: restricted, committed, assigned, and unassigned.

The City Council has adopted Financial Management Policy Statements that include the policy to strive to maintain the general fund unassigned fund balance at 28% of budgeted revenues. General fund unassigned fund balance at September 30, 2022 was 36.1% of fiscal year 2023 budgeted revenues.

The following detail of fund balances by classification is shown for major and nonmajor governmental funds:

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

	General Fund	Street Improvement Fund	Grants Fund	Other Funds	Total
Fund balances:					
Nonspendable:					
Inventory	\$ 958,731	\$ -	\$ -	\$ -	\$ 958,731
Real estate held for resale	6,160	-	-	1,975,000	1,981,160
Parks and cemetery care	-	-	-	323,713	323,713
Restricted for:					
Communications and Marketing activities	1,805,112	-	-	-	1,805,112
Debt service activities	-	-	-	720,211	720,211
Capital projects activities	-	60,898,483	-	18,977,084	79,875,567
Tax increment zone activities	-	-	-	43,667,730	43,667,730
Housing and community development activities	-	-	380,219	-	380,219
Public works activities	-	-	463,657	-	463,657
Public safety activities	-	-	743,735	2,162,576	2,906,311
Culture and recreation activities	-	-	125,339	47,541	172,880
Waco Public Improvement District activities	-	-	-	1,125,038	1,125,038
Committed to:					
Economic development activities	14,520,304	-	-	-	14,520,304
Capital projects activities	-	8,902,281	-	37,063,437	45,965,718
Public health services	-	-	-	4,213,781	4,213,781
Assigned to:					
Economic development activities	6,493,032	-	-	-	6,493,032
Housing and community development activities	-	-	-	-	-
Public safety activities	1,618,899	-	-	-	1,618,899
Public works activities	951,973	-	-	-	951,973
Culture and recreation activities	68,132	-	-	-	68,132
Subsequent year's budget appropriation	2,121,810	-	-	-	2,121,810
Other activities	4,116,731	-	-	-	4,116,731
Unassigned	63,138,539	-	-	-	63,138,539
	<u>\$ 95,799,423</u>	<u>\$ 69,800,764</u>	<u>\$ 1,712,950</u>	<u>\$ 110,276,111</u>	<u>\$ 277,589,248</u>

Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated as a condition of the gift instrument, that the principal is to be maintained in perpetuity, and invested for the purpose of producing present and future income. The City is subject to the State of Texas Uniform Prudent Management of institutional Funds Act (UPMIFA) in relation to endowment funds.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.



II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$252,034,040 difference are as follows:

Serial bonds and certificates of obligation	\$ (181,715,000)
Less: deferred charge on refunding (to be amortized as interest expense)	660,050
Plus: issuance premium (to be amortized as interest expense)	(13,141,486)
Capital financing agreement	(4,030,702)
Accrued interest payable	(1,901,590)
Compensated absences	(20,349,980)
Net pension liability and pension related deferred outflows/inflows of \$17,226,165 (to be amortized as pension expense)	(26,814,282)
Refundable contracts	(80,007)
Contracts payable	(830,000)
Lease Liability	(1,981,443)
Net other post-employment benefit (OPEB) liability and related deferred outflows/inflows of \$506,446 (to be amortized as OPEB expense)	<u>(1,849,600)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (252,034,040)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$31,961,795 difference are as follows:

Capital outlay	\$ 50,861,916
Depreciation expense	<u>(18,900,121)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 31,961,795</u>

Another element of that reconciliation states, “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, transfers and donations) is to increase net position.” The details of this \$12,735,090 difference are as follows:

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (continued)

Donations and transfers of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources	\$ 12,735,090
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 12,735,090</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$53,643 difference are as follows:

Court fines	\$ 83,844
Property taxes	(26,549)
Special assessments	<u>(3,652)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 53,643</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$44,138,649 difference are as follows:

Issuance of general obligation debt and refunding debt	\$ (47,870,000)
Plus: premium on issuance	(8,143,771)
Principal repayments:	
General obligation debt	9,585,000
Payment to escrow agent for refunding	1,816,002
Capital financing agreement	474,120
Note payable	<u>-</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (44,138,649)</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$12,943,898 difference are as follows:

OPEB liability	\$ (154,164)
Compensated absences	(738,482)
Net pension liability	12,518,670
Accrued interest	(698,849)
Amortization of deferred charge on refunding	(249,244)
Amortization of bond premiums	<u>2,265,967</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 12,943,898</u>



II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (continued)

Another element of that reconciliation states, “When leases in which the City is the lessee are used in governmental activities, an expenditure is recorded in the governmental funds for the amount of present value of the future lease; however, in the statement of activities, the present value of the future lease is recognized as a lease, right-of-use asset and amortized over the lease term.” The details of this \$78,488 difference are as follows:

Lease Acquisitions - Other Financing Sources	\$ (2,681,107)
Lease Acquisitions - Expenditure adjustment - lease, right-of-use asset	2,681,107
Lease Amortizations	(618,074)
Lease Principal Payments	<u>696,562</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 78,488</u>

III. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual, appropriated budgets are adopted for the general fund, health fund and general obligation debt fund. All annual appropriations lapse at fiscal year- end. Project-length financial plans are adopted for all capital projects funds including the street improvement fund and the grants fund.

Prior to August 5, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of a resolution.

Expenditures may not legally exceed appropriations at the fund level for each legally adopted annual budget. The City Council made supplemental budgetary appropriation changes during the fiscal year. In addition, transfer of appropriations between funds requires the approval of the City Council. The reported budgetary data has been revised for these amendments legally authorized during the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Outstanding encumbrances for governmental funds as of September 30, 2022 are \$7,116,639 for the general fund, \$21,831,894 for the street improvement Fund, \$8,868,413 for the Grants Fund and \$21,186,878 for other nonmajor funds.

IV. Detail Notes on All Funds

A. Deposits and Investments

As of September 30, 2022, the City has U.S. Federal agency securities of \$151,500,921, U.S. Treasury Obligations of \$90,989,777, General Municipal Obligations of \$141,748,206 and Commercial Paper of \$12,092,648 which are valued using quoted market prices (Level 1).

As of September 30, 2022, the City had the following investments:

	Total investments	Percent of Portfolio	Weighted Average Maturity (in Years)
Investments reported at amortized cost:			
Texas Local Government Investment Pool (Tex Pool)	\$ 102,906,123	16.39%	0.07
Texas Local Government Investment Pool (TexPool Prime)	96,155,832	15.32%	0.04
Texas Short-Term Asset Reserve (TexSTAR)	5,695,629	0.91%	0.03
Total local government investment pools	204,757,584	32.62%	-
Money market mutual funds	17,104,210	2.72%	0.04
Collateralized bank savings accounts	9,577,530	1.53%	-
Investments reported at fair value:			
U.S. Federal agency securities	151,500,921	24.13%	1.33
U.S. Treasury Obligations	90,989,777	14.49%	0.49
General Municipal Obligations	141,748,206	22.58%	0.77
Commercial Paper	12,092,648	1.93%	0.73
Total investments	\$ 627,770,876	100.00%	0.58

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the maturities of its investments as follows: maturities of U. S. Treasury obligations, U. S. Federal agency securities and repurchase agreements cannot exceed three years. Further, the weighted average maturity of the City’s pooled operating portfolio shall at no time exceed one year with the calculation to include all portfolio securities, bank and savings account deposits and local government pools and money fund holdings. The weighted average maturity for the City’s pooled operating portfolio pursuant to this calculation was 0.72 years as of September 30, 2022.

Credit Risk

For an investment, credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations. Texas Government Code Chapter 2256, Public Funds Investment Act, restricts the types of investments in which the City may invest.

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

The City’s investment policy addresses credit quality by further restricting authorized investments to the following:

- U.S. Treasury obligations
- Other obligations of the U. S. Government guaranteed by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States
- U.S. Federal agency securities
- Repurchase agreements and flexible repurchase agreements, collateralized by U.S. Treasury obligations or U.S. federal agency securities, or by pass through mortgage-backed securities issued by the U.S. federal agencies
- Money market mutual funds rated not less than AAAM by Standard & Poor’s, Aaa by Moody’s or AAA/VI+ by Fitch
- Depository Certificates of Deposit guaranteed by the FDIC. Deposits in excess of the FDIC insured amount are secured in accordance with City of Waco Policy
- Local Government Investment Pools rated not less than AAAM by Standard & Poor’s, Aaa by Moody’s or AAA/VI+ by Fitch
- Fully insured or collateralized depository interest bearing banking accounts of any bank in Texas to include fully FDIC insured money market account spread programs
- Debt obligations of any US state, agency, city, county, or other political sub-divisions of any US state rated as to investment quality by a nationally recognized investment rating agency firm not less than A or equivalent, with a stated maximum maturity of three years.
- Commercial paper that has a stated maturity of 270 days or fewer from the date of its issuance; and rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies; or one nationally recognized credit rating agency and fully secured by an irrevocable letter of credit (LOC) issued by a bank organized and existing under the laws of the United States or any state.

The City’s investments in TexPool and TexSTAR are rated AAAM by Standard & Poor’s; and U. S. Federal agency securities are rated Aaa by Moody’s, and AA+ by Standard and Poor’s.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government’s investments in the securities of a single issuer. The City’s investment policy includes an investment objective of seeking diversification to avoid unreasonable risk. More than 5% of the City’s investments at September 30, 2022 were in securities of the following issuers:

U.S. Agency Issuer	Fair Value	Percent of Portfolio
Federal Home Loan Bank	\$ 131,706,652	20.96%
United States Treasury	\$ 90,989,777	14.48%

IV. Detail Notes on All Funds

A. Deposits and Investments

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. City policy requires all deposits to be fully secured in accordance with the Texas Government Code, Chapter 2257, by either surety bonds, letters of credit of the United States or its agencies and instrumentalities, or by eligible securities held by an independent third-party custodian.

For an investment, custodial credit risk is the risk that in the event of the failure of the counter-party, the City would not be able to recover the value of its investment or collateralized securities that are in the possession of an outside third party. The City’s investment policy requires that the purchase of investment securities be settled on a delivery versus payment basis and that ownership of all securities be perfected in the name of the City.

Reconciliation of Cash and Investments

Carrying amount of deposits and cash on hand	\$ (105,461)
Carrying amount of investments	<u>627,770,876</u>
 Total	 <u>\$ 627,665,415</u>
 Cash and investments - governmental activities	 \$ 325,773,155
Cash and investments - business-type activities	125,950,585
Restricted cash and investments - business-type activities	171,978,373
Component units, excluding Baylor Waco Stadium Authority	31,506
Custodial funds	<u>3,931,796</u>
 Total	 <u>\$ 627,665,415</u>

The City issues certificates of obligation to fund capital projects for governmental and business-type activities. Interest earnings on the majority of unspent proceeds of all certificates of obligation are accounted for in the capital projects fund.

Local Government Investment Pools

TexPool. The Comptroller of Public Accounts (the Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company) which is authorized to operate TexPool. Federated Investors, Inc. provides asset management services to TexPool. Additionally, the Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. There are no maximum transaction amounts and withdrawals from TexPool may be made daily. TexPool uses amortized cost rather than fair value to report net assets to compute share prices.

TexSTAR. TexSTAR is a Texas public funds investment pool that is co-administered by J.P. Morgan Asset Management and Hilltop Securities Inc. TexSTAR is managed by a five-member governing board comprised of three representatives of eligible governmental entities and one member designated by each of the co-administrators.

There are no maximum transaction amounts and withdrawals from TexSTAR may be made daily. TexSTAR uses amortized cost rather than the fair value to report net assets to compute share prices.

IV. Detail Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the City’s individual major funds and nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Street Improvement Fund	Grants Fund	Water	Wastewater	Solid Waste	Nonmajor and Other Funds	Total
Receivables:								
Taxes	\$ 12,100,291	\$ -	\$ -	\$ -	\$ -	\$ -	459,605	\$ 12,559,896
Accounts	12,164,564	-	160,309	9,323,587	6,185,205	4,061,763	1,861,009	33,756,437
Special assessments	-	-	-	-	-	-	11,615	11,615
Intergovernmental	30,978	-	1,596,614	629,576	329,772	-	6,939,384	9,526,324
Leases	1,069,313	-	-	779,682	-	12,977	3,488,547	5,350,519
Notes	-	-	297,536	-	-	-	-	297,536
Gross receivables	25,365,146	-	2,054,459	10,732,845	6,514,977	4,074,740	12,760,160	61,502,327
Less: allowance for uncollectibles	8,479,532	-	-	2,595,247	1,499,803	1,224,875	58,830	13,858,287
Net total receivables	<u>\$ 16,885,614</u>	<u>\$ -</u>	<u>\$ 2,054,459</u>	<u>\$ 8,137,598</u>	<u>\$ 5,015,174</u>	<u>\$ 2,849,865</u>	<u>\$ 12,701,330</u>	<u>\$ 47,644,040</u>

Revenues of the water, wastewater, solid waste, and the nonmajor enterprise fund -drainage - funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water sales	\$ 88,274
Uncollectibles related to wastewater charges	46,372
Uncollectibles related to solid waste charges	29,529
Uncollectibles related to drainage charges	<u>17,918</u>
Total uncollectibles of the current fiscal year	<u>\$ 182,093</u>

IV. Detail Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended September 30, 2022 was as follows:

	Primary Government			Balance September 30, 2022
	Balance October 1, 2021	Increases	Decreases	
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 68,002,913	\$ 8,872,206	\$ -	\$ 76,875,119
Construction in progress	55,510,849	45,922,216	(41,312,092)	60,120,973
Total capital assets not being depreciated	<u>123,513,762</u>	<u>54,794,422</u>	<u>(41,312,092)</u>	<u>136,996,092</u>
Capital assets, being depreciated:				
Buildings	87,549,652	6,077,979	-	93,627,631
Machinery and equipment	70,451,366	6,385,716	(1,516,255)	75,320,827
Improvements other than buildings	71,569,994	3,079,788	-	74,649,782
Infrastructure	361,005,560	34,599,744	-	395,605,304
Total capital assets being depreciated	<u>590,576,572</u>	<u>50,143,227</u>	<u>(1,516,255)</u>	<u>639,203,544</u>
Less accumulated depreciation:				
Buildings	37,748,366	3,244,945	-	40,993,311
Machinery and equipment	52,214,532	4,519,147	(1,498,698)	55,234,981
Improvements other than buildings	45,406,436	2,652,419	-	48,058,855
Infrastructure	215,694,995	8,633,241	-	224,328,236
Total accumulated depreciation	<u>351,064,329</u>	<u>19,049,752</u>	<u>(1,498,698)</u>	<u>368,615,383</u>
Total capital assets being depreciated, net	<u>239,512,243</u>	<u>31,093,475</u>	<u>(17,557)</u>	<u>270,588,161</u>
Total capital assets, net	<u>\$ 363,026,005</u>	<u>\$ 85,887,897</u>	<u>\$ (41,329,649)</u>	<u>\$ 407,584,253</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 18,201,777	\$ 249,529	\$ -	\$ 18,451,306
Construction in progress	129,419,511	33,898,783	(97,302,020)	66,016,274
Museum collections	2,287,924	365,000	-	2,652,924
Total capital assets not being depreciated	<u>149,909,212</u>	<u>34,513,312</u>	<u>(97,302,020)</u>	<u>87,120,504</u>
Capital assets, being depreciated:				
Buildings	87,321,091	11,416,689	-	98,737,780
Machinery and equipment	67,233,113	4,785,218	(769,646)	71,248,685
Improvements other than buildings	648,202,335	113,531,909	(3,062,299)	758,671,945
Water rights - impound fee	32,482,879	4,309,611	-	36,792,490
Total capital assets being depreciated	<u>835,239,418</u>	<u>134,043,427</u>	<u>(3,831,945)</u>	<u>965,450,900</u>
Less accumulated depreciation:				
Buildings	51,354,206	3,094,154	-	54,448,360
Machinery and equipment	47,332,727	4,824,318	(759,451)	51,397,594
Improvements other than buildings	288,140,982	21,176,362	(2,424,810)	306,892,534
Water rights - impound fee	15,314,305	986,393	-	16,300,698
Total accumulated depreciation	<u>402,142,220</u>	<u>30,081,227</u>	<u>(3,184,261)</u>	<u>429,039,186</u>
Total capital assets being depreciated, net	<u>433,097,198</u>	<u>103,962,200</u>	<u>(647,684)</u>	<u>536,411,714</u>
Total capital assets, net	<u>\$ 583,006,410</u>	<u>\$ 138,475,512</u>	<u>\$ (97,949,704)</u>	<u>\$ 623,532,218</u>

IV. Detail Notes on All Funds (continued)

C. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,267,973
Public works	9,314,946
Public safety	4,184,046
Culture and recreation	4,189,657
Public health	93,130
Total depreciation expense - governmental activities	<u>\$ 19,049,752</u>

Depreciation expense was charged to functions/programs as follows:

Business-type activities:	
Water	\$ 12,031,210
Wastewater	9,162,037
Solid waste	3,022,690
Airport	2,747,782
Convention services	903,261
Ranger Hall of Fame	160,814
Cameron Park Zoo	1,094,085
Transit services	730,484
Cottonwood Creek Golf Course	139,810
Drainage	\$ 89,054
Total depreciation expense - business-type activities	<u>\$ 30,081,227</u>

Construction commitments

The City has active construction projects as of September 30, 2022. At year-end the City’s commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street projects	\$ 39,152,014	\$ 22,321,503
Water projects	23,588,582	21,159,924
Wastewater projects	31,256,384	12,280,030
Solid waste	4,673,474	3,683,164
Other projects	27,466,793	26,241,537
Total	<u>\$ 126,137,247</u>	<u>\$ 85,686,158</u>

IV. Detail Notes on All Funds (continued)

C. Capital Assets (continued)

Annually, the city calculates its net investment in capital and lease assets. The following table demonstrates the calculation for the major funds of the city and the internal service funds:

	Governmental Activities	Business-Type Activities	Water Fund	Wastewater Fund	Solid Waste Fund	Non-Major Enterprise Funds	Governmental Activities Internal Service Funds
Capital and lease assets, net of accumulated depreciation/amortization	\$ 409,650,749	\$ 623,991,228	\$ 295,638,054	\$ 230,967,143	\$ 23,474,389	\$ 73,911,642	\$ 651,250
Less: Bonds Payable	(181,715,000)	(417,249,345)	(214,300,000)	(178,024,345)	(14,450,000)	(10,475,000)	-
Plus: Unspent bond proceeds	82,627,165	164,178,467	66,152,380	78,199,099	8,087,151	11,739,837	-
Plus: Deferred losses on refundings of debt	660,050	1,642,110	1,351,409	290,701	-	-	-
Less: Deferred gain on refundings of debt	-	(37,000)	-	-	(37,000)	-	-
Less: Lease Liabilities	(1,984,527)	(439,878)	(66,121)	(22,139)	(29,840)	(321,778)	(3,084)
Less: Refundable Contracts	(80,007)	(1,191,783)	(999,241)	(192,542)	-	-	-
Less: Notes Payable	-	(1,219,301)	(1,219,301)	-	-	-	-
Less: Unamortized Premium/Discount	(13,141,487)	(18,418,606)	(11,380,407)	(5,134,784)	(374,297)	(1,529,118)	-
Less: Capital Financing Agreement (Fire Trucks)	(4,030,702)	-	-	-	-	-	-
Net Investment in Capital Assets	\$ 291,986,241	\$ 351,255,892	\$ 135,176,773	\$ 126,083,133	\$ 16,670,403	\$ 73,325,583	\$ 648,166

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2022 is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 852,594
Grants	Nonmajor governmental	606,599
General	Nonmajor business-type	1,182,798
Nonmajor business-type	General	701,728
Internal service	General	309,458
Nonmajor governmental	Nonmajor governmental	2,965,379
		<u>\$ 6,618,556</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from other funds

Receivable Fund	Payable Fund	Amount
Water	Nonmajor business-type	\$ 525,336
Nonmajor governmental	Nonmajor business-type	168,368
		<u>\$ 693,704</u>

IV. Detail Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers (continued)

All advances resulted from loans to Cottonwood Creek Golf Course Fund made for operating and capital improvements since the City took over management responsibilities. Amounts are not expected to be paid within the next fiscal year.

Interfund transfers

	Transfers in									
	General	Street Improvement	Grants	Water	Wastewater	Solid Waste	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total
Transfers out:										
General	\$ -	\$ 8,050,000	\$ 101,440	\$ -	\$ -	\$ -	\$ 15,613,148	\$ 3,087,288	\$ -	\$ 26,851,876
Street Improvement	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-
Water	3,964,917	-	-	-	-	-	-	-	-	3,964,917
Wastewater	1,145,758	-	-	-	-	-	-	-	-	1,145,758
Solid waste	514,510	-	-	-	-	-	-	-	-	514,510
Nonmajor governmental	3,530,000	-	-	-	-	-	3,644,405	-	497,000	7,671,405
Nonmajor enterprise	-	-	-	-	-	-	-	150,000	-	150,000
Internal service	-	-	-	145,042	233,395	96,930	29,795	189,591	33,881	728,634
Total transfers	<u>\$ 9,155,185</u>	<u>\$ 8,050,000</u>	<u>\$ 101,440</u>	<u>\$ 145,042</u>	<u>\$ 233,395</u>	<u>\$ 96,930</u>	<u>\$ 19,287,348</u>	<u>\$ 3,426,879</u>	<u>\$ 530,881</u>	<u>\$ 41,027,100</u>

Transfers are used to (1) move revenues from the fund responsible for collecting them to the fund responsible for expending them as required by statute or budget, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) move unspent interest earnings on certificates of obligation from the capital projects fund to enterprise funds. Additionally, transfers from the internal service fund are for charge adjustments in accordance with the City’s financial management policy.

During the year, governmental funds paid for assets totaling \$19,267 that were contributed to the non-major enterprise funds (Ranger Hall of Fame Fund and Cameron Park Zoo Fund) of the City for operations.

In the year ended September 30, 2022, the City made payments from various funds to the general fund in lieu of taxes. The City reported these payments as transfers. Transfers were made from the following funds in the following amounts.

Water	\$ 3,964,917
Wastewater	1,145,758
Solid waste	514,510
Total payments in lieu of taxes	<u>\$ 5,625,185</u>

IV. Detail Notes on All Funds (continued)

E. Leases

City as Lessee

The City has entered into various lease agreements for the right of use for computer equipment, other machinery and equipment, buildings and vehicles. The related lease assets and lease liabilities are presented as amounts equal to the present value of lease payments that are payable during the remaining lease term. The lease asset is amortized on a straight-line basis over the term of the lease. The lease terms range from 1-7 years. As of September 30, 2022, the lease assets and accumulated amortization consisted of the following.

	Balance October 1, 2021	Additions	Retirements	Balance September 30, 2022
Governmental activities:				
Leases-Right of Use:				
Computer Equipment	\$ -	\$ 1,066,498	\$ -	\$ 1,066,498
Other Equipment	-	186,436	-	186,436
Buildings	-	1,432,395	-	1,432,395
Vehicles	-	-	-	-
Total leases-right of use	-	<u>2,685,329</u>	-	<u>2,685,329</u>
Accumulated amortization:				
Computer Equipment	\$ -	\$ (278,076)	\$ -	\$ (278,076)
Other Equipment	-	(60,247)	-	(60,247)
Buildings	-	(280,510)	-	(280,510)
Vehicles	-	-	-	-
Total accumulated amortization	-	<u>(618,833)</u>	-	<u>(618,833)</u>
 Total governmental lease assets-net	 \$ -	 <u>\$ 2,066,496</u>	 \$ -	 <u>\$ 2,066,496</u>

	Lease Assets	Accumulated Amortization	Net Book Value
Governmental Funds	\$ 2,681,108	\$ (618,074)	\$ 2,063,034
Internal service funds-engineering	\$ 4,221	\$ (759)	\$ 3,462
 Total governmental activities-lease assets, net	 <u>\$ 2,685,329</u>	 <u>\$ (618,833)</u>	 <u>\$ 2,066,496</u>

Amortization by Functional Area

General Government	\$ 302,699
Public Works	1,653
Public Safety	255,943
Culture and Recreation	2,506
Public Health	-
Housing and Community Development	<u>56,032</u>
 Total Amortization-Governmental Activities	 <u>\$ 618,833</u>

IV. Detail Notes on All Funds (continued)

E. Leases (Continued)

	Balance October 1, 2021	Additions	Retirements	Balance September 30, 2022
Business-type activities:				
Leases-Right of Use:				
Computer Equipment	\$ -	\$ 174,395	\$ -	\$ 174,395
Other Equipment	-	-	-	-
Buildings	-	169,907	-	169,907
Vehicles	-	236,601	-	236,601
Total leases-right of use	-	580,903	-	580,903
Accumulated amortization:				
Computer Equipment	\$ -	\$ (38,308)	\$ -	\$ (38,308)
Other Equipment	-	-	-	-
Buildings	-	(22,366)	-	(22,366)
Vehicles	-	(61,219)	-	(61,219)
Total accumulated amortization	-	(121,893)	-	(121,893)
Business-type activities leases-net	\$ -	\$ 459,010	\$ -	\$ 459,010

	Lease Assets	Accumulated Amortization	Net Book Value
Water Fund	\$ 97,073	\$ (20,607)	\$ 76,466
Wastewater Fund	33,704	(8,084)	25,620
Solid Waste Fund	45,319	(11,423)	33,896
Convention Services Fund	1,415	(147)	1,268
Ranger Hall of Fame Fund	1,543	(225)	1,318
Cottonwood Creek Golf Course Fund	236,600	(61,218)	175,382
Drainage (Stormwater) Fund	165,249	(20,189)	145,060
Total business-type activities-lease assets, net	\$ 580,903	\$ (121,893)	\$ 459,010

Amortization by Fund	
Water	\$ 20,607
Wastewater	8,084
Solid Waste	11,423
Convention Services	147
Ranger Hall of Fame	225
Cottonwood Creek Golf Course	61,218
Drainage (Stormwater)	20,189
Total Amortization-Business-Type Activities	\$ 121,893

IV. Detail Notes on All Funds (continued)

E. Leases (Continued)

	Balance October 1, 2021	Additions	Retirements	Balance September 30, 2022
Total primary government:				
Leases-Right of Use:				
Computer Equipment	\$ -	\$ 1,240,893	\$ -	\$ 1,240,893
Other Equipment	-	186,436	-	186,436
Buildings	-	1,602,302	-	1,602,302
Vehicles	-	236,601	-	236,601
Total leases-right of use	<u>-</u>	<u>3,266,232</u>	<u>-</u>	<u>3,266,232</u>
Accumulated amortization:				
Computer Equipment	\$ -	\$ (316,384)	\$ -	\$ (316,384)
Other Equipment	-	(60,247)	-	(60,247)
Buildings	-	(302,876)	-	(302,876)
Vehicles	-	(61,219)	-	(61,219)
Total accumulated amortization	<u>-</u>	<u>(740,726)</u>	<u>-</u>	<u>(740,726)</u>
Total primary government leases-net	<u>\$ -</u>	<u>\$ 2,525,506</u>	<u>\$ -</u>	<u>\$ 2,525,506</u>
	Lease Assets	Accumulated Amortization	Net Book Value	
Total Governmental Activities	\$ 2,685,329	\$ (618,833)	\$ 2,066,496	
Total Business-Type Activities	\$ 580,903	\$ (121,893)	\$ 459,010	
Total primary government - lease assets, net	<u>\$ 3,266,232</u>	<u>\$ (740,726)</u>	<u>\$ 2,525,506</u>	

Future principal and interest payments required to be made through maturity for all lease liabilities as of September 30, 2022 are as follows

Year ended September 30	Principal	Interest	Total
Governmental activities:			
2023	\$ 785,494	\$ 14,627	\$ 800,121
2024	664,425	8,919	673,344
2025	336,834	3,831	340,665
2026	96,145	1,143	97,288
2027	67,616	568	68,184
2028	34,012	80	34,092
Total governmental activities	<u>\$ 1,984,526</u>	<u>\$ 29,168</u>	<u>\$ 2,013,694</u>



IV. Detail Notes on All Funds (continued)

E. Leases (Continued)

Year ended September 30	Principal	Interest	Total
Business-type activities:			
2023	\$ 199,354	\$ 9,239	\$ 208,593
2024	178,740	4,043	182,783
2025	<u>61,785</u>	<u>596</u>	<u>62,381</u>
Total business-type activities	<u>\$ 439,879</u>	<u>\$ 13,878</u>	<u>\$ 453,757</u>

Year ended September 30	Principal	Interest	Total
Total primary government:			
2023	\$ 984,848	\$ 23,866	\$ 1,008,714
2024	843,165	12,962	856,127
2025	398,619	4,427	403,046
2026	96,145	1,143	97,288
2027	67,616	568	68,184
2028	<u>34,012</u>	<u>80</u>	<u>34,092</u>
Total primary government	<u>\$ 2,424,405</u>	<u>\$ 43,046</u>	<u>\$ 2,467,451</u>

City as Lessor

The City leases properties to other entities such as land, buildings and infrastructure. The related receivables and deferred inflows of resources are presented as amounts equal to the present value of lease payments expected to be received during the lease term. The deferred inflows of resources are amortized as lease revenue on a straight-line basis over the lease term. The total amount of lease revenue and lease related interest revenue recognized in the current reporting period is \$553,178.

Principal and interest payments scheduled to be received from lease receivables for all future periods are as follows.

IV. Detail Notes on All Funds (continued)

E. Leases (Continued)

Year ended September 30	Principal	Interest	Total
Governmental activities:			
2023	\$ 29,791	\$ 19,051	\$ 48,842
2024	22,776	18,666	41,442
2025	21,722	18,320	40,042
2026	22,071	17,971	40,042
2027	19,945	17,615	37,560
2028-2032	102,027	82,773	184,800
2033-2037	106,662	73,638	180,300
2038-2042	116,540	63,760	180,300
2043-2047	57,437	55,663	113,100
2048-2052	57,800	50,500	108,300
2053-2057	63,449	44,851	108,300
2058-2062	61,031	38,969	100,000
2063-2067	66,995	33,005	100,000
2068-2072	73,543	26,457	100,000
2073-2077	80,730	19,270	100,000
2078-2082	88,619	11,381	100,000
2083-2087	67,091	2,909	70,000
Total governmental activities	\$ 1,058,229	\$ 594,799	\$ 1,653,028

Reconciliation to Statement of Net Position

Total Principal	Accrued Interest Receivable	Total Receivable per Statement of Net Position
\$ 1,058,229	\$ 11,084	\$ 1,069,313

Year ended September 30	Principal	Interest	Total
Business-type activities			
2023	\$ 422,119	\$ 53,000	\$ 475,119
2024	419,892	49,788	469,680
2025	334,757	46,619	381,376
2026	280,385	43,714	324,099
2027	225,041	40,934	265,975
2028-2032	787,145	174,453	961,598
2033-2037	676,599	129,978	806,577
2038-2042	610,358	69,738	680,096
2043-2047	343,899	33,112	377,011
2048-2052	177,770	4,865	182,635
Total business-type activities	\$ 4,277,965	\$ 646,201	\$ 4,924,166



IV. Detail Notes on All Funds (continued)

E. Leases (Continued)

Reconciliation to Statement of Net Position - Business-type activities			
	Total Principal	Accrued Interest Receivable	Total Receivable per Statement of Net Position
Current Portion - proprietary funds			
Water Fund	\$ 26,203	\$ 1,176	\$ 27,379
Solid Waste Fund	6,458	40	6,498
Nonmajor Funds			
Airport Fund	324,420	1,874	326,294
Ranger Hall of Fame	668	4	672
Transit Services Fund	64,370	146	64,516
Total Nonmajor Funds	<u>389,458</u>	<u>2,024</u>	<u>391,482</u>
Total current portion - proprietary funds	<u>422,119</u>	<u>3,240</u>	<u>425,359</u>
Noncurrent Portion - proprietary funds			
Water Fund	752,303	0	752,303
Solid Waste Fund	6,479	0	6,479
Nonmajor Funds			
Airport Fund	2,870,173	0	2,870,173
Ranger Hall of Fame	3,867	0	3,867
Transit Services Fund	223,025	0	223,025
Total Nonmajor Funds	<u>3,097,065</u>	<u>0</u>	<u>3,097,065</u>
Total noncurrent portion - proprietary funds	<u>3,855,847</u>	<u>0</u>	<u>3,855,847</u>
Total Business--Type Activities	<u>\$ 4,277,966</u>	<u>\$ 3,240</u>	<u>\$ 4,281,206</u>
Year ended September 30			
Total primary government:	Principal	Interest	Total
2023	\$ 451,910	\$ 72,051	\$ 523,961
2024	442,668	68,454	511,122
2025	356,479	64,939	421,418
2026	302,456	61,685	364,141
2027	244,986	58,549	303,535
2028-2032	889,172	257,226	1,146,398
2033-2037	783,261	203,616	986,877
2038-2042	726,898	133,498	860,396
2043-2047	401,336	88,775	490,111
2048-2052	235,570	55,365	290,935
2053-2057	63,449	44,851	108,300
2058-2062	61,031	38,969	100,000
2063-2067	66,995	33,005	100,000
2068-2072	73,543	26,457	100,000
2073-2077	80,730	19,270	100,000
2078-2082	88,619	11,381	100,000
2083-2087	67,091	2,909	70,000
Total primary government	<u>\$ 5,336,194</u>	<u>\$ 1,241,000</u>	<u>\$ 6,577,194</u>

IV. Detail Notes on All Funds (continued)

E. Leases (Continued)

Reconciliation to Statement of Net Position			
	Total Principal	Accrued Interest Receivable	Total Receivable per Statement of Net Position
Governmental activities	\$ 1,058,229	\$ 11,084	\$ 1,069,313
Business-Type of Activities			
Water Fund	778,506	1,176	779,682
Solid Waste Fund	12,937	40	12,977
Nonmajor Funds			
Airport Fund	3,194,593	1,874	3,196,467
Ranger Hall of Fame	4,535	4	4,539
Transit Services Fund	287,395	146	287,541
Total Business-Type Activities	4,277,966	3,240	4,281,206
Total primary government	\$ 5,336,195	\$ 14,324	\$ 5,350,519

Regulated Leases

The City and American Airlines, Inc. entered into an Airline Use and Lease Agreement for use of facilities located at Waco Regional Airport for the purpose of conducting an air transportation business. The initial noncancellable term of the lease ends March 31, 2025 and can be extended to March 30, 2027 upon mutual agreement of both parties. The agreement provides for fixed monthly payments for the exclusive use of counter space, administrative areas, and baggage/storage areas. Variable joint use fees are also charged for the number of passengers using the facility, the number of times the airline uses the passenger loading bridges, and the total landed weight from all airline flights. Total fixed payments and variable payments received in the current year are listed below.

Fixed payments	\$ 23,456
Variable payments	5,332
Total payments	\$ 28,788

The future minimum lease payments from this regulated lease are listed below.

Year ended September 30	Principal	Interest	Total
Regulated Leases			
2023	\$ 22,704	\$ 752	\$ 23,456
2024	22,888	568	23,456
2025	23,072	384	23,456
2026	23,376	197	23,573
2027	11,817	28	11,845
Total Regulated Leases	\$ 103,857	\$ 1,929	\$ 105,786



IV. Detail Notes on All Funds (continued)

F. Long-term Debt

Capital financing agreement

The City acquired certain capital assets during 2021 for governmental activities through a capital financing agreement with Bank of America Public Capital Corp. The agreement, which is paid from the General Fund, provides for 10 annual payments of \$534,913 at an interest rate of 1.3495%. The assets acquired through this agreement are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Governmental activities:			
Fire trucks	\$ 5,000,000	\$ 208,333	\$ 4,791,667
 Total	 <u>\$ 5,000,000</u>	 <u>\$ 208,333</u>	 <u>\$ 4,791,667</u>

Annual debt service requirements to maturity for this capital financing agreement are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 480,519	\$ 54,394
2024	487,003	47,910
2025	493,575	41,338
2026	500,236	34,677
2027	506,987	27,926
2028-2030	1,562,382	42,357
Total	<u>\$ 4,030,702</u>	<u>\$ 248,602</u>

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenue.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as five-year to thirty-year serial bonds with approximately equal amounts of debt service each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.50% - 5.00%	\$ 147,610,000
Governmental activities - refunding	2.00% - 5.00%	34,105,000
Business-type activities	0.92% - 5.00%	313,955,000
Business-type activities - refunding	2.00% - 5.00%	101,415,000
		<u>\$ 597,085,000</u>

IV. Detail Notes on All Funds (continued)

F. Long-term Debt (continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 10,060,000	\$ 7,445,420	\$ 24,305,000	\$ 15,446,325
2024	10,375,000	6,211,519	25,545,000	13,525,389
2025	10,705,000	5,709,156	24,420,000	12,380,045
2026	11,005,000	5,190,919	23,390,000	11,285,923
2027	11,335,000	4,678,869	24,200,000	10,266,591
2028-2032	46,655,000	17,402,169	129,750,000	36,666,830
2033-2037	45,280,000	9,333,984	118,915,000	15,330,105
2038-2042	34,055,000	2,760,063	42,265,000	2,890,600
2043-2047	2,245,000	98,831	1,165,000	301,575
2048-2052	-	-	1,415,000	108,675
Total	<u>\$ 181,715,000</u>	<u>\$ 58,830,930</u>	<u>\$ 415,370,000</u>	<u>\$ 118,202,058</u>

Current refunding of debt

On March 15, 2022, the City issued \$24,570,000 General Obligation Refunding Bonds Series 2022 to refund \$27,850,000 of existing general obligation debt on the call date of March 25, 2022. The true interest cost of the refunding bonds is 1.91% with a final maturity of February 1, 2035. The reacquisition price exceeded the net carrying amount of the refunded debt by \$163,622. This amount is being amortized over the life of the refunding bonds. The refunding transaction was undertaken to reduce total debt service payments by \$2,521,500 over the next fourteen years, resulting in an economic gain of \$2,188,453.

Notes payable

The City has entered into an agreement with the City of West, Texas to supply water for 40 years pursuant to an agreed-upon rate structure. As part of the agreement, the City purchased a pump station and water transmission line for \$12,814 monthly for 18 years and \$6,632 monthly for 22 years. Interest is imputed at 4.35% over the term of the agreement.

Year Ending September 30,	Note Payable	
	Principal	Interest
2023	\$ 96,535	\$ 51,046
2024	31,325	48,257
2025	32,716	46,866
2026	34,169	45,413
2027	35,687	43,895
2028-2032	203,663	194,247
2033-2037	253,087	144,822
2038-2042	314,506	83,403
2043-2046	217,613	14,501
Total	<u>\$ 1,219,301</u>	<u>\$ 672,450</u>

IV. Detail Notes on All Funds (continued)

F. Long-term Debt (continued)

Other long-term debt information

Proceeds from general obligation bonds are subject to arbitrage rebate regulations. Estimated rebatable arbitrage has been recorded as a reduction to interest on investments.

During 1985, the City entered into a development agreement which provided that the City repay \$830,000 for public improvements at an interest rate not to exceed 8%. Repayment of principal and accrual of interest will not begin until revenue is received from the area designated in the development agreement. Annual requirements will be based on the revenue generated from future developments, which cannot be reasonably estimated at September 30, 2022.

There is no specific maximum debt limit established by law for the City; therefore, the limit is governed by the City’s ability to levy and collect taxes. The City’s maximum legal rate is \$1.85 per \$100 valuation; the tax rate for the current fiscal year is \$0.767282 per \$100 valuation.

The various bond obligations contain certain financial limitations and restrictions. The ordinances authorizing the issuance of general obligation bonds created an interest and sinking fund (general debt service fund). The ordinances require the City to ascertain a rate and amount of tax which will be sufficient to pay interest as it comes due and provide a reserve fund which is adequate to meet principal as it matures. The City is in compliance with all such significant financial restrictions.

Refundable contracts

The City maintains a policy of refunding to subdivision developers certain costs for the construction of water and wastewater improvements and streets and drainage facilities, applicable to single family housing developments. The policy was created to encourage the construction of single family residences within the corporate limits of the City. Amounts under contract which have not yet been refunded of \$1,271,790 have been recorded as a liability in the accompanying statement of net position.

Changes in long-term liabilities

Long-term liability activity (shown in thousands of dollars) for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 145,245	\$ 47,870	\$ 11,400	\$ 181,715	\$ 10,060
Plus: premium on bonds	7,305	8,144	2,307	13,142	-
Total bonds payable	152,550	56,014	13,707	194,857	10,060
Capital financing agreement	4,505	-	474	4,031	481
Contracts payable	830	-	-	830	-
Refundable contracts	80	-	-	80	-
Estimated claims and judgments	3,253	18,496	18,246	3,503	3,503
Lease liabilities	-	2,686	701	1,985	785
Note payable	-	-	-	-	-
Compensated absences	20,039	15,143	14,376	20,806	14,190
Net pension liability	39,711	44,551	74,674	9,588	-
OPEB liability	2,249	164	57	2,356	-
Total other long-term liabilities	70,667	81,040	108,528	43,179	18,959
Governmental activity long-term liabilities	\$ 223,217	\$ 137,054	\$ 122,235	\$ 238,036	\$ 29,019

IV. Detail Notes on All Funds (continued)

F. Long-term Debt (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 390,030	\$ 74,100	\$ 48,760	\$ 415,370	\$ 24,305
Plus: premium on bonds	15,460	9,960	5,122	20,298	-
Total bonds payable	<u>405,490</u>	<u>84,060</u>	<u>53,882</u>	<u>435,668</u>	<u>24,305</u>
Refundable contracts	1,192	-	-	1,192	-
Estimated claims and judgments	-	3,045	-	3,045	3,045
Estimated landfill closure	6,553	519	-	7,072	-
Note payable	1,318	-	99	1,219	97
Lease liabilities	-	581	141	440	199
Compensated absences	4,063	2,638	2,343	4,358	2,686
Net pension liability	6,464	7,252	12,156	1,560	-
Total other long-term liabilities	<u>19,590</u>	<u>14,035</u>	<u>14,739</u>	<u>18,886</u>	<u>6,027</u>
Business-type activity long-term liabilities	<u>\$ 425,080</u>	<u>\$ 98,095</u>	<u>\$ 68,621</u>	<u>\$ 454,554</u>	<u>\$ 30,332</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$456,418 and \$3,502,764 of internal service funds' compensated absences and estimated claims and judgments, respectively, are included in the above governmental amounts. Also, for the governmental activities, compensated absences, net pension liability, other post-employment benefits, and leases are generally liquidated by the general fund. Refundable contracts are liquidated by the street and drainage refundable contracts debt service fund.

G. Restricted Assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

Customer deposits	\$ 3,572,451
Bond construction account	167,542,503
Capital grants and contributions	<u>863,419</u>
Total restricted assets	<u>\$ 171,978,373</u>

IV. Detail Notes on All Funds (continued)

H. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance and participates in a joint self-insured program. The City has established the insurance fund and health insurance fund (internal services funds) to account for and finance its risk management activities. All funds participate in these programs and make payments to these funds based on actuarial estimates of the amounts needed to pay prior and current-year claims and to establish reserves for catastrophic losses. The reserves for catastrophic losses were approximately \$9,600,000 at September 30, 2022.

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, federal and state mandated programs, changes in legal doctrines, damage awards (including frequency and amount of payouts), and economic and social trends. Accordingly, claims are reevaluated periodically to consider the effects of such factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The insurance fund provides coverage for up to a maximum of \$750,000 for each non-civil service workers' compensation claim and \$600,000 for each civil service workers' compensation claim. The City purchases commercial insurance for workers' compensation claims in excess of coverage provided by the fund. For general liability claims prior to fiscal year 2002, the insurance fund provided coverage for up to \$250,000 for each individual and \$500,000 aggregate for general liability claims and up to \$100,000 for each property damage claim. Beginning with fiscal year 2002, the insurance fund participates in a joint self-insured program for each general liability or property damage claim. The City purchases coverage for claims in excess of \$50,000. The commercial liability coverage limits are \$1,000,000 per occurrence for general liability with a \$2,000,000 annual aggregate, except for law enforcement liability for which the limits are \$5,000,000 per occurrence and \$10,000,000 annual aggregate. The coverage limits for the City's property are: \$10,000,000 aggregate for automobile catastrophe, \$552,077,609 aggregate for real and personal property, \$15,239,790 aggregate for mobile equipment and \$5,000,000 per accident for boiler and machinery.

Effective January 1, 2006, the City began to self-insure for health insurance claims. The City purchases unlimited stop-loss protection for individual claims exceeding \$250,000, as well as unlimited aggregate protection for claims exceeding 125% of expected annual claims.

There have been no claim settlements in excess of the insurance and stop loss coverages that have been procured in 2022, 2021, or 2020. Changes in the amounts of estimated unpaid liability, workers' compensation and health insurance claims during the past two years are as follows (shown in thousands of dollars):

	2022	2021
Unpaid claims, beginning of fiscal year	\$ 3,253	\$ 3,314
Incurred claims (including IBNRs)	21,556	16,937
Claim payments	(18,261)	(16,998)
Unpaid claims, end of fiscal year	\$ 6,548	\$ 3,253

IV. Detail Notes on All Funds (continued)

I. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

There are currently several claims and lawsuits pending against the City. It is the opinion of the City Attorney and management that there is no pending litigation against the City that, if decided against the City, would have a material adverse effect upon the operations of the City or that would exceed the contingency amounts set aside for such purpose.

J. Commitments

The City Council has approved \$1,047,306 to be refunded to subdivision developers for certain costs for the construction of water improvements once applicable contract requirements are met. During 2015, the City Council determined that the City shall not enter into any new water refund contracts for any subdivisions or developments for which construction plans had not been submitted to the City by May 12, 2015.

During 2022, the City Council approved project/financing plan amendments and agreements committing funds from Tax Increment Reinvestment Zone Number One (the Zone) to provide partial funding of \$34,000,000 to fund land acquisition and to incentivize the location of the new Paul and Alejandra Foster Basketball Pavilion mixed-use entertainment facility in the downtown riverfront. This funding, which may be provided by a combination of tax increment revenue and the issuance of debt to be repaid by the Zone, is expected to be provided as follows:

Year	Amount
2023	\$ 300,000
2024	6,740,000
2025	6,740,000
2026	6,740,000
2027	6,740,000
2028	6,740,000

IV. Detail Notes on All Funds (continued)

K. Postemployment Benefits Other Than Pensions (OPEB)

Benefits provided. The City administers a single-employer defined benefit life insurance plan. The plan provides \$2,500 of life insurance to each qualified retiree. Optional \$3,500 or \$5,000 in life insurance is available at the retiree’s expense. According to the City’s personnel policy, retirees who have retired under the Texas Municipal Retirement System (TMRS) with a minimum of twenty years of service are eligible for postretirement life insurance benefits. There are no plan assets, as this is a pay-as you go plan.

Employees covered by benefit terms. At December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	616
Active plan members	1,477
	2,093
	2,093

Total OPEB Liability

The actuarial valuation was performed as of December 31, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	December 31, 2021
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	1.84% as of December 31, 2021
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Participation Rates	100% of eligible retirees will choose to receive the employer paid life benefit;
Other Information	45% of those with coverage are assumed to elect optional coverage of \$5,000.
Notes	Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2021	1.84%
2020	2.00%
2019	2.75%
2018	3.71%
2017	3.31%
2016	3.81%

IV. Detail Notes on All Funds (continued)

K. *Postemployment Benefits Other Than Pensions (OPEB) (continued)*

The discount rate was based on the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2020	\$ 2,249,211
Changes for the year:	
Service cost	29,183
Interest	44,710
Difference between expected and actual experience of the total OPEB liability	26,125
Changes in assumptions or other inputs	63,449
Benefit payments	(56,632)
Net changes	106,835
Balance at 12/31/2021	<u>\$ 2,356,046</u>

Sensitivity for the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City calculated using a discount rate of 1.84%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current discount rate:

	1% Decrease (0.84%)	Discount Rate (1.84%)	1% Increase (2.84%)
Total OPEB liability	<u>\$ 2,899,353</u>	<u>\$ 2,356,046</u>	<u>\$ 1,945,672</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of \$208,746. At September 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 69,093	\$ 376
Changes in assumptions or other inputs	435,262	40,083
Contributions subsequent to the measurement date	42,550	-
Total	<u>\$ 546,905</u>	<u>\$ 40,459</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$42,550 will be recognized as a reduction of the OPEB liability for the year ended September 30, 2023.

IV. Detail Notes on All Funds (continued)

K. Postemployment Benefits Other Than Pensions (OPEB) (continued)

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Year Ended December 31,	
2022	\$ 134,853
2023	117,342
2024	127,000
2025	66,897
2026	17,054
Thereafter	750
	\$ 463,896

L. Defined Benefit Pension Plan

Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the member’s benefit is calculated based on the sum of the member’s contributions with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

Employees covered by benefit terms:

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	1,154
Inactive employees entitled to but not yet receiving benefits	718
Active employees	1,477
	3,349

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member’s total compensation, and the city matching ratios are either 1:1 (1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city’s contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

IV. Detail Notes on All Funds (continued)

L. *Defined Benefit Pension Plan (continued)*

Employees for the City of Waco were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the City of Waco were 14.69% and 14.34% in calendar years 2021 and 2022, respectively. The City’s contributions to TMRS for the year ended September 30, 2022 were \$15,306,766 and were in excess of the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2021 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:



IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.55%
Core Fixed Income	6.00%	2.00%
Non-Core Fixed Income	20.00%	5.68%
Other Public and Private Markets	12.00%	7.22%
Real Estate	12.00%	6.85%
Hedge Funds	5.00%	5.35%
Private Equity	10.00%	10.00%
Total	100.00%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75% . The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2020	\$ 550,885,510	\$ 504,710,153	\$ 46,175,357
Changes for the year:			
Service cost	14,106,380	-	14,106,380
Interest	36,620,216	-	36,620,216
Difference between expected and actual experience	772,515	-	772,515
Contributions - employer	-	14,376,751	(14,376,751)
Contributions - employee	-	6,709,917	(6,709,917)
Net investment income	-	65,741,181	(65,741,181)
Benefit payments, including refunds of employee contributions	(30,833,961)	(30,833,961)	-
Administrative expense	-	(304,437)	304,437
Other changes	-	2,085	(2,085)
Net changes	20,665,150	55,691,536	(35,026,386)
Balance at December 31, 2021	\$ 571,550,660	\$ 560,401,689	\$ 11,148,971

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Sensitivity of the Net Pension Liability to changes in the discount rate: The following presents the Net Pension Liability of the city, calculated using the discount rate of 6.75%, as well as what the city's Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 81,517,427	\$ 11,148,971	\$ (47,717,722)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension expense of \$657,364.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,627,347	-
Changes in actuarial assumptions	372,489	-
Net difference between projected and actual earnings on pension plan investments	-	33,756,785
Contributions subsequent to the measurement date	11,726,520	-
Total	<u>\$ 13,726,356</u>	<u>33,756,785</u>

\$11,726,520 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended December 31:	
2022	\$ (4,364,971)
2023	(14,100,513)
2024	(6,956,819)
2025	(6,334,646)
2026	-
	<u>\$ (31,756,949)</u>

IV. Detail Notes on All Funds (continued)

M. Fire and Police One-half Pay Pension

The City funded on a pay-as-you-go basis and administered a one-half single employer defined benefit pension plan for employees who were not eligible to participate when TMRS was adopted. Any policeman, fireman or fire alarm operator employed by the City prior to September 12, 1950, and their named dependents are entitled to benefits under this plan. Employees were able to retire after 25 years of service. The City Council passed an ordinance for pension pay equal to one-half of the salary for each employee at the time of retirement.

There are two retired firemen’s dependents remaining under this plan.

An actuarial valuation has not been performed on this plan due to its small relative size. The estimated unfunded liability based on the present value of future benefits with a 4.40 percent interest rate assumption (the prevailing 20-year municipal bond rate as of the measurement date) is \$73,547 at September 30, 2022.

These benefits are budgeted and recorded in the general fund as expenditures in the year paid. Total costs of these paid benefits for the three years ended September 30, are as follows:

2022	\$	18,444
2021		18,444
2020		18,444

N. Deferred Compensation Plans

The City offers its employees deferred compensation plans, considered to be a defined contribution pension plan, created in accordance with Internal Revenue Code Section 457. The plans, available to employees at their option, permits participants to defer a portion of their salary until future years. In fiscal year 2022, the City contributed \$15,000 which was the City’s required contribution amount. Employees are immediately vested in their contributions and those that the City is required to contribute towards in accordance with Internal Revenue Code Section 457 requirements. The City does not report any liability related to the plan beyond the annual contribution; there is no assurance on available funds upon an employee’s retirement or termination. The deferred compensation is not available to participants until termination, retirement, death, or an unforeseeable emergency.

The City’s fiduciary responsibility for the plan is that of exercising “due care” in selecting a third-party administrator. Federal legislation requires that Section 457 plan assets be held in trust for employees; therefore, employee assets held in Section 457 plan assets are held in trust for employees. Employee assets held in Section 457 plans are not the property of the City and are not subject to claims of the City’s general creditors.

O. Solid Waste Landfill Closure and Post-closure Care Cost

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of usage of the landfill to date. The estimated liability for landfill closure and post-closure care costs included in accrued liabilities is \$7,072,031 as of September 30, 2022, which is based on 93.93% usage (filled) of the landfill. It is estimated that an additional \$457,374 will be recognized as closure and post-closure care expenses between the date of the statement of net position and the date the landfill is expected to be filled to capacity (2025). The estimated total current cost of the landfill closure and post closure care \$7,529,405 is based on the amount that would be paid if

IV. Detail Notes on All Funds (continued)

O. Solid Waste Landfill Closure and Post-closure Care Cost (continued)

all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of September 30, 2022. However, the actual cost of closure and postclosure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

P. Waco Public Improvement District #2

Waco Public Improvement District No. 2 transactions are recorded in a custodial fund as the City acts as an agent for the property owner in collecting assessments and forwarding the collections to the bondholders. However, the City is not obligated in any manner for repayment of these special assessments. As of September 30, 2022, such special assessment debt outstanding totaled \$103,000.

Q. Related Organization

Waco Education Finance Corporation is a related organization to which the City appoints board members but for which the City has no significant financial accountability.

R. Tax Abatements

Property tax abatements

The City of Waco negotiates property tax abatements on an individual basis. All abatements are governed by Section 312 of the Texas Tax Code and the City of Waco Guidelines and Policy Statement which are revised and adopted every two years in accordance with state law. These guidelines permit the City to abate property taxes for a variety of economic development purposes such as business relocation, retention, and expansion and include abatements for real and personal property improvements.

City guidelines generally limit abatements to periods of five to seven years. Abatements may be granted for 5% to 90% of taxable values through a direct reduction of the applicant’s property tax bill based upon the location of the property, square footage of the property, and/or the type of economic development commitments made to the City. Each abatement is supported by an agreement that enumerates the criteria under which compliance will be assessed annually and the manner in which tax revenue may be recaptured if the stated criteria are not met. Examples of compliance requirements and related commitments by recipients include addition of total minimum number of full-time jobs and minimum number of jobs for residents of the City as well as property improvement values.

The City has not made any commitments as part of the agreements other than to reduce taxes, and they are not subject to any tax abatement agreements entered into by other governmental entities or by component units. Gross dollar amounts by which the City’s tax revenues were reduced during the fiscal year as a result of tax abatement agreements were as follows:

Abatement Program	Abatements Granted
Commercial -Real Property	\$ 81,216,520
Commercial -Personal Property	21,908,169
Residential	2,951,230
	<u>\$ 106,075,919</u>



IV. Detail Notes on All Funds (continued)

R. Tax Abatements (continued)

Sales Tax Abatements

Pursuant to Chapter 380 of the Local Government Code, the City has entered into agreements with commercial and industrial businesses to promote economic development and stimulate business and commercial activity in the City by granting rebates of City sales taxes generated by agreed upon development projects. These sales tax rebate agreements have been entered for periods ranging from 5 to 15 years, and for various percentages of City sales taxes generated. As of September 30, 2022, the City has accrued \$186,182 for estimated sales tax rebates payable under these agreements.

S. Adoption of Accounting Pronouncement

Effective October 1, 2021, the City adopted the provisions of the following accounting standards:

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (issued June 2017) - the objective of this statement is to increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that are currently not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. The statement requires notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The effect of this statement as of September 30, 2022 are that the City now reports Lease Receivables of \$5,350,519, lease assets, net of accumulated amortization of \$2,525,506, Lease liabilities of \$2,424,405, and deferred inflows of resources related to leases of \$5,313,523. These changes effectively increased the net position of the City by \$138,097 for the year ended September 30, 2022.

Governmental Accounting Standards Board (GASB) Statement No. 92, *Omnibus 2020 (issued January 2020)* - the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing, and insurance related activities of public entity risk pools, fair value of investments, and derivative instruments. This standard was implemented in conjunction with the implementation of GASB Statement No. 87, *Leases*.

Governmental Accounting Standards Board (GASB) Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code ("IRC") Section 457 Deferred Compensation Plans (issued June 2020)* - the objectives of this statement are to (1) increase consistency and comparability of the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board; (2) mitigate costs associated with the reporting of certain defined benefit and defined contribution plans as fiduciary component units, and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for IRC Section 457 plans. Certain provisions relating to component unit criteria are effective upon issuance. As a result of implementation of this accounting standard the City now discloses its deferred compensation plans including the contributions as the equivalent of a defined contribution pension plan whereby the City has no long-term obligation.

Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62 (Issued June 2022)* - the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption of this accounting pronouncement had the following effect on the financial statements:

IV. Detail Notes on All Funds (continued)

S. Adoption of Accounting Pronouncement (continued)

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Funds		
	Street Improvement Fund	Grants Fund	Nonmajor Governmental Funds
09/30/21, as previously reported	\$ -	\$ -	\$ 146,235,069
Change within reporting entity (from nonmajor to major funds)	47,363,577	1,792,464	(49,156,041)
09/30/21, as restated	\$ 47,363,577	\$ 1,792,464	\$ 97,079,028

T. Subsequent Events

There were no subsequent events after the fiscal year ended through the report date.

U. Authoritative Pronouncements Not Yet Effective

This summary of pronouncements issued by the Governmental Accounting Standards Board (GASB) which may impact the City but are not yet effective follows. The City has not yet determined the effects of the adoption of these pronouncements on the financial statements.

GASB Statement No. 91, *Conduit Debt Obligations* (issued May 2019) - the objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the City’s financial statements for the fiscal year beginning on October 1, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (Issued March 2020) - the primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the City’s financial statements for the fiscal year beginning on October 1, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (issued May 2020) - the objective of this statement is to provide guidance for subscription based information technology arrangements (“SBITA”). It will define SBITA contracts, provide guidance on the accounting for SBITAs, and require disclosures regarding the SBITAs. The requirements of this statement are effective for the City’s financial statements for the fiscal year beginning on October 1, 2022.

GASB Statement No. 99, *Omnibus 2022* (issued April 2022) - the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements related to derivative instruments, leases, public-private and public-public partnerships, subscription-based information technology arrangements (SBITA), use of the London Interbank Offered Rate (LIBOR), Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenues, clarification related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and terminology related to resource flow statements from Statement No. 53 and (2) accounting and financial reporting for financial guarantees. The requirements related to LIBOR, SNAP, nonmonetary transactions, pledges of future revenues, clarification related to the focus of the government-wide financial statements, and terminology updates related to Statements No. 63 and 53 were implemented as part of the current financial statement reporting period. The requirements related to leases, public-private and public-public partnerships, subscription-based information technology arrangements (SBITA) are effective for the City’s financial statements for the fiscal year beginning on October 1, 2022. The requirements related to financial guarantees and the classification

**IV. Detail Notes on All Funds (continued)*****U. Authoritative Pronouncements Not Yet Effective (continued)***

and reporting of derivative instruments within the scope of Statement 53 are effective for the City's financial statements for the fiscal year beginning October 1, 2023.

GASB Statement No. 101, *Compensated Absences* (issued June 2022) - the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this statement are effective for the City's financial statements for the fiscal year beginning on October 1, 2024.





REQUIRED SUPPLEMENTAL INFORMATION



**Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Measurement Dates**

	December 31,			
	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 14,106,380	\$ 13,485,534	\$ 12,631,699	\$ 12,098,625
Interest (on the Total Pension Liability)	36,620,216	35,331,031	33,835,653	32,475,392
Difference between expected and actual experience	772,515	467,755	2,546,787	2,542,969
Change in assumptions	-	-	1,426,701	-
Benefit payments, including refunds of employee contributions	(30,833,961)	(30,157,451)	(27,270,560)	(27,192,449)
Net change in Total Pension Liability	20,665,150	19,126,869	23,170,280	19,924,537
Total Pension Liability - beginning	550,885,510	531,758,641	508,588,361	488,663,824
Total Pension Liability - ending (a)	\$ 571,550,660	\$ 550,885,510	\$ 531,758,641	\$ 508,588,361
Plan Fiduciary Net Position				
Contributions - employer	\$ 14,376,751	\$ 13,774,969	\$ 13,084,126	\$ 12,489,042
Contributions - employee	6,709,917	6,432,786	6,105,921	5,828,911
Net investment income	65,741,181	36,300,324	65,178,854	(13,303,463)
Benefit payments, including refunds of employee contributions	(30,833,961)	(30,157,451)	(27,270,560)	(27,192,449)
Administrative expense	(304,437)	(235,076)	(368,538)	(257,236)
Other	2,085	(9,170)	(11,069)	(13,441)
Net change in Plan Fiduciary Net Position	55,691,536	26,106,382	56,718,734	(22,448,636)
Plan Fiduciary Net Position - Beginning	504,710,153	478,603,771	421,885,037	444,333,673
Plan Fiduciary Net Position - ending (b)	\$ 560,401,689	\$ 504,710,153	\$ 478,603,771	\$ 421,885,037
Net Pension Liability - ending (a) - (b)	\$ 11,148,971	\$ 46,175,357	\$ 53,154,870	\$ 86,703,324
Plan Fiduciary Net Position as a percentage of				
Total Pension Liability	98.05%	91.62%	90.00%	82.95%
Covered payroll	\$ 95,831,384	\$ 91,738,327	\$ 87,115,165	\$ 83,209,253
Net Pension Liability as a percentage of covered payroll	11.63%	50.33%	61.02%	104.20%

Note: Effective October 1, 2014, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68. This schedule is intended to show information for ten years. Information for years prior to 2014 is not available; however, additional years will be included as they become available.

See accompanying independent auditor's report.

2017	2016	2015	2014
\$ 11,780,852	\$ 11,202,475	\$ 10,455,324	\$ 9,662,721
31,314,896	30,078,486	29,600,291	28,296,862
(378,999)	280,568	(2,438,332)	1,770,413
-	-	7,544,258	-
<u>(24,173,783)</u>	<u>(22,893,267)</u>	<u>(22,685,162)</u>	<u>(20,326,595)</u>
18,542,966	18,668,262	22,476,379	19,403,401
<u>470,120,858</u>	<u>451,452,596</u>	<u>428,976,217</u>	<u>409,572,816</u>
<u>\$ 488,663,824</u>	<u>\$ 470,120,858</u>	<u>\$ 451,452,596</u>	<u>\$ 428,976,217</u>
\$ 11,357,317	\$ 9,999,248	\$ 9,928,219	\$ 10,444,097
5,705,023	5,401,710	5,284,986	5,371,982
54,977,759	25,606,114	569,868	21,154,751
(24,173,783)	(22,893,267)	(22,685,162)	(20,326,595)
(284,984)	(289,241)	(347,125)	(220,877)
<u>(14,442)</u>	<u>(15,583)</u>	<u>(17,145)</u>	<u>(18,160)</u>
47,566,890	17,808,981	(7,266,359)	16,405,198
<u>396,766,783</u>	<u>378,957,802</u>	<u>386,224,161</u>	<u>369,818,963</u>
<u>\$ 444,333,673</u>	<u>\$ 396,766,783</u>	<u>\$ 378,957,802</u>	<u>\$ 386,224,161</u>
\$ 44,330,151	\$ 73,354,075	\$ 72,494,794	\$ 42,752,056
90.93%	84.40%	83.94%	90.03%
\$ 81,079,501	\$ 77,045,909	\$ 75,489,706	\$ 76,730,734
54.67%	95.21%	96.03%	55.72%

**Schedule of Pension Contributions
Last Ten Fiscal Years Ended**

	September 30,			
	2022	2021	2020	2019
Actuarially determined contribution	\$ 14,671,341	\$ 14,212,473	\$ 12,999,559	\$ 12,034,470
Contributions in relation to the actuarially determined contribution	15,306,766	14,660,849	13,700,810	12,836,559
Contribution deficiency (excess)	\$ (635,425)	\$ (448,376)	\$ (701,251)	\$ (802,089)
Covered payroll	\$ 101,735,595	\$ 97,364,217	\$ 91,247,898	\$ 85,461,415
Contributions as a percentage of covered payroll	15.05%	15.06%	15.01%	15.02%

Notes to Schedule of Pension Contributions

Valuation Date:

Note Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018 Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee Table used for females. The rates are projected on a fully generational basis with scale UMP.
Mortality	
Other Information	There were no benefit changes during the year.

The City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, An Amendment of GASE Statement No. 27, effective October 1, 2014. Information for years prior to 2015 is not available.

See accompanying independent auditor's report.

2018	2017	2016	2015
\$ 11,797,668	\$ 10,942,485	\$ 9,918,113	\$ 9,999,116
12,249,630	10,942,485	9,918,113	9,999,116
\$ (451,962)	\$ -	\$ -	\$ -
\$ 82,982,040	\$ 79,821,678	\$ 76,215,914	\$ 75,315,307
14.76%	13.71%	13.01%	13.28%

**Schedule of Changes in Total OPEB Liability and Related Ratios
Last Ten Measurement Dates**

	December 31,				
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 29,183	\$ 19,735	\$ 11,927	\$ 14,881	\$ 11,106
Interest	44,710	52,625	55,780	53,178	55,396
Difference between expected and actual experience	26,125	(265)	94,095	(563)	-
Changes in assumptions or other inputs	63,449	302,958	303,781	(112,575)	137,980
Benefit payments	(56,632)	(59,206)	(59,493)	(53,608)	(53,860)
Net change in Total OPEB Liability	106,835	315,847	406,090	(98,687)	150,622
Total OPEB Liability - beginning	2,249,211	1,933,364	1,527,274	1,625,961	1,475,339
Total OPEB Liability - ending	<u>\$ 2,356,046</u>	<u>\$ 2,249,211</u>	<u>\$ 1,933,364</u>	<u>\$ 1,527,274</u>	<u>\$ 1,625,961</u>
Covered-employee payroll	<u>\$ 96,929,150</u>	<u>\$ 91,635,327</u>	<u>\$ 87,115,165</u>	<u>\$ 83,209,248</u>	<u>\$ 76,362,199</u>
Total OPEB liability as a percentage of covered-employee payroll	2.43%	2.45%	2.22%	1.84%	2.13%

Notes to Schedule of Changes in Total OPEB Liability and Related Ratios

Valuation Date:	December 31, 2021
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	1.84% as of December 31, 2021
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Participation Rates	100% of eligible retirees will choose to receive the employer paid life benefit; 45% of those with coverage are assumed to elect optional coverage of \$5,000.
Other Information:	
Notes	Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:
	2021 1.84%
	2020 2.00%
	2019 2.75%
	2018 3.71%
	2017 3.31%
	2016 3.81%

For the December 31, 2021 measurement date, the participation rates were updated to better reflect plan experience. For the December 31, 2019 measurement date, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study.

There are no assets accumulated in a trust to pay related benefits.

The City implemented GASB Statement No. 75, Accounting and Financial Reporting/or Postemployment Benefits Other than Pensions, effective October 1, 2017. Information for years prior to 2017 is not available.



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES







General Fund



**Comparative Balance Sheets
Governmental Funds
September 30, 2022 and 2021**

	General Fund	
	2022	2021
Assets		
Cash and investments	\$ 90,764,909	\$ 85,871,205
Accounts receivable, net of allowance	3,856,083	3,694,693
Taxes receivable, net of allowance	11,929,240	11,152,771
Leases receivable, net of allowance	1,069,313	-
Intergovernmental receivable	30,978	86,043
Inventory	958,731	874,629
Real estate held for resale	6,160	6,160
Due from other funds	2,035,392	1,885,445
Total assets	\$ 110,650,806	\$ 103,570,946
Liabilities		
Accounts payable	\$ 2,839,583	\$ 2,075,059
Accrued liabilities	6,503,686	5,170,532
Unearned revenue	52,539	52,539
Due to other funds	1,011,186	234,175
Deposits	805,079	720,589
Escrow funds	314,302	310,453
Total liabilities	\$ 11,526,375	\$ 8,563,347
Deferred inflow of resources		
Unavailable revenue - property taxes	\$ 2,003,413	\$ 2,025,295
Unavailable revenue - court fines	260,169	176,325
Unavailable revenue - leases	1,061,426	-
Total deferred inflows of resources	3,325,008	2,201,620
Total liabilities and deferred inflows of resources	14,851,383	10,764,967
Fund balance (deficit)		
Nonspendable:		
Inventory	958,731	874,629
Real estate held for resale	6,160	6,160
Restricted for:		
Communications and Marketing	1,805,112	1,636,663
Committed to:		
Economic development	14,520,304	16,025,074
Assigned to:		
Culture and recreation	68,132	163,113
Economic development	6,493,032	6,493,032
Housing and community development	-	32,899
Other	4,116,731	1,118,170
Public safety	1,618,899	694,975
Public works	951,973	365,062
Subsequent year's budget appropriation of fund balances	2,121,810	1,293,553
Unassigned	63,138,539	64,102,649
Total fund balance (deficit)	\$ 95,799,423	\$ 92,805,979
Total liabilities, deferred inflows of resources, and fund balance	\$ 110,650,806	\$ 103,570,946

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Years Ended September 30, 2022 and 2021**

	General Fund	
	2022	2021
Revenues:		
Taxes	\$ 127,234,394	\$ 117,775,591
Business and occupation fees	16,424,001	14,523,391
Permits, licenses and fees	2,906,271	2,652,165
Fines	1,450,081	1,430,399
Charges for services	2,542,795	2,273,973
Investment earnings	(2,536,875)	227,211
Contributions	701,928	766,646
Intergovernmental	2,380,721	2,277,704
Other	16,208,786	14,754,479
Total revenues	167,312,102	156,681,559
Expenditures:		
Current:		
General government	38,122,080	29,252,693
Public works	7,354,611	10,037,515
Public safety	85,029,296	76,436,242
Culture and recreation	16,429,108	14,315,708
Housing and community development	1,994,111	1,191,415
Total expenditures	148,929,206	131,233,573
Excess of revenues over expenditures	18,382,896	25,447,986
Other financing sources (uses):		
Financing of Leases	2,307,239	-
Transfers in	9,155,185	7,140,674
Transfers out	(26,851,876)	(31,878,087)
Total other financing sources(uses)	(15,389,452)	(24,737,413)
Net change in fund balance	2,993,444	710,573
Fund balance, beginning of year	92,805,979	92,095,406
Fund balance, end of year	\$ 95,799,423	\$ 92,805,979

See accompanying independent auditor's report.





Street Improvement Fund



Comparative Balance Sheets
Governmental Funds
September 30, 2022 and 2021

	Street Improvement Fund	
	2022	2021
Assets		
Cash and investments	\$ 73,810,328	\$ 50,155,790
Total assets	\$ 73,810,328	\$ 50,155,790
Liabilities		
Accounts payable	\$ 3,010,746	\$ 2,003,064
Accrued liabilities	998,818	789,149
Total liabilities	\$ 4,009,564	\$ 2,792,213
Deferred inflow of resources		
Total deferred inflows of resources	\$ -	\$ -
Total liabilities and deferred inflows of resources	\$ 4,009,564	\$ 2,792,213
Fund balance (deficit)		
Nonspendable:		
Restricted for:		
Capital projects	60,898,483	41,252,124
Committed to:		
Capital Projects	8,902,281	6,111,453
Total fund balance (deficit)	\$ 69,800,764	\$ 47,363,577
Total liabilities, deferred inflows of resources, and fund balance	\$ 73,810,328	\$ 50,155,790

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Years Ended September 30, 2022 and 2021**

	Street Improvement Fund	
	2022	2021
Revenues:		
Other	-	-
Total revenues	-	-
Expenditures:		
Current:		
Capital Outlay	\$ 26,005,295	\$ 17,295,623
Total expenditures	26,005,295	17,295,623
Excess of revenues over expenditures	(26,005,295)	(17,295,623)
Other financing sources (uses):		
General obligation bonds issued	34,501,884	27,928,777
Premiums on general obligation bonds	5,890,598	1,224,623
Transfers in	8,050,000	5,201,195
Transfers out	-	(72,160)
Total other financing sources(uses)	48,442,482	34,282,435
Net change in fund balance	22,437,187	16,986,812
Fund balance, beginning of year	47,363,577	30,376,765
Fund balance, end of year	\$ 69,800,764	\$ 47,363,577

See accompanying independent auditor's report.





Grants Fund



Sub-Combining Comparative Balance Sheets
Grants Fund
September 30, 2022
(With Comparative Totals for September 30, 2021)

	HUD Home Program	HUD Community Development Block Grant	HUD Lead Hazard	COVID Emergency Rental Assistance
Assets				
Cash and investments	\$ -	\$ 462,113	\$ -	\$ -
Accounts receivable, net of allowances	-	156,917	-	-
Due from other funds	-	-	-	-
Notes receivable	177,738	119,798	-	-
Intergovernmental receivable	155,724	360,545	26,028	-
Real estate held for resale	-	60,097	-	-
Total assets	\$ 333,462	\$ 1,159,470	\$ 26,028	\$ -
Liabilities				
Accounts payable	241,231	148,444	-	-
Accrued liabilities	24,469	3,847	2,217	-
Unearned revenue	-	-	-	-
Due to other funds	33,108	-	23,811	-
Escrow funds	-	-	-	-
Total liabilities	298,808	152,291	26,028	-
Fund balances (deficits)				
Nonspendable:	-	-	-	-
Restricted for:				
Culture and recreation	-	-	-	-
Housing and Community Development	34,654	336,812	-	-
Public Works	-	-	-	-
Public safety	-	670,367	-	-
Tax increment zone activities	-	-	-	-
Waco Public Improvement District	-	-	-	-
Committed to:				
Public health	-	-	-	-
Assigned:	-	-	-	-
Total fund balances (deficits)	34,654	1,007,179	-	-
Total liabilities and fund balances	\$ 333,462	\$ 1,159,470	\$ 26,028	\$ -

See accompanying independent auditor's report.

Fire LEOSE	Justice Assistance Grant COVID 2	Police LEOSE	TWDB Wetland Grant	HUD EDI Grant	Grande Clear Source Cable Ordinance	TXDOT Riverwalk	COVID American Rescue Plan	HUD Continuum of Care
\$ 2,043	\$ -	\$ 11,544	\$ -	\$ 8,753	\$ 85,374	\$ -	\$ 31,901,909	\$ 1,973
-	-	3,392	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	13,889
-	-	-	-	-	-	-	-	-
<u>\$ 2,043</u>	<u>\$ -</u>	<u>\$ 14,936</u>	<u>\$ -</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ -</u>	<u>\$ 31,901,909</u>	<u>\$ 15,862</u>
-	-	-	-	-	-	-	9,538	15,862
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	31,892,371	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	31,901,909	15,862
-	-	-	-	-	-	-	-	-
-	-	-	-	-	85,374	-	-	-
-	-	-	-	8,753	-	-	-	-
-	-	-	-	-	-	-	-	-
2,043	-	14,936	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,043</u>	<u>-</u>	<u>14,936</u>	<u>-</u>	<u>8,753</u>	<u>85,374</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,043</u>	<u>\$ -</u>	<u>\$ 14,936</u>	<u>\$ -</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ -</u>	<u>\$ 31,901,909</u>	<u>\$ 15,862</u>

(continued)

See accompanying independent auditor's report.

Sub-Combining Comparative Balance Sheets
Grants Fund
September 30, 2022
(With Comparative Totals for September 30, 2021)

	Hazmat Program	Texas Parks and Wildlife Grant	TWC Childcare Services	Texas St Library and Archive	HUD HMIS Grant 19	HUD HMIS Grant 20
Assets						
Cash and investments	\$ 51,649	\$ -	\$ 243,343	\$ -	\$ -	\$ -
Accounts receivable, net of allowances	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	12,932
Real estate held for resale	-	-	-	-	-	-
Total assets	<u>\$ 51,649</u>	<u>\$ -</u>	<u>\$ 243,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,932</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,903
Accrued liabilities	-	-	-	-	-	-
Unearned revenue	-	-	243,343	-	-	-
Due to other funds	-	-	-	-	-	11,029
Escrow funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>243,343</u>	<u>-</u>	<u>-</u>	<u>12,932</u>
Fund balances (deficits)						
Nonspendable:	-	-	-	-	-	-
Restricted for:						
Culture and recreation	-	-	-	-	-	-
Housing and Community Development	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	51,649	-	-	-	-	-
Tax increment zone activities	-	-	-	-	-	-
Waco Public Improvement District	-	-	-	-	-	-
Committed to:						
Public health	-	-	-	-	-	-
Assigned:	-	-	-	-	-	-
Total fund balances (deficits)	<u>51,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 51,649</u>	<u>\$ -</u>	<u>\$ 243,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,932</u>

See accompanying independent auditor's report.

SHSP 2019	SHSP 2020	SHSP 2020 Police	SHSP 2018	STEP Compre- hensive	TXDOT MPO FHWA	Victim Services 2020	CJD Family Violence 2022-2023	CJD Family Violence 2021-2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	27,053	115,688	-	11,255	4,082
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,053</u>	<u>\$ 115,688</u>	<u>\$ -</u>	<u>\$ 11,255</u>	<u>\$ 4,082</u>
\$ -	\$ -	-	-	-	331	-	-	-
-	-	-	-	-	7,273	-	5,357	-
-	-	-	-	-	-	-	-	-
-	-	-	-	27,053	108,084	-	5,898	4,082
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,053</u>	<u>115,688</u>	<u>-</u>	<u>11,255</u>	<u>4,082</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,053</u>	<u>\$ 115,688</u>	<u>\$ -</u>	<u>\$ 11,255</u>	<u>\$ 4,082</u>

(continued)

See accompanying independent auditor's report.

Sub-Combining Comparative Balance Sheets
Grants Fund
September 30, 2022
(With Comparative Totals for September 30, 2021)

	Brownfields	Tx Anti-Gang Grant 2022-2023	Tx Anti-Gang Grant 2021-2022	National Incident Based Reporting System	Justice Assistance Grant COVID 1	Justice Assistance Grant 2020
Assets						
Cash and investments	\$ 4,740	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net of allowances	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Intergovernmental receivable	-	43,505	890	-	-	-
Real estate held for resale	-	-	-	-	-	-
Total assets	<u>\$ 4,740</u>	<u>\$ 43,505</u>	<u>\$ 890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities						
Accounts payable	\$ -	\$ 26,866	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	501	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	16,138	890	-	-	-
Escrow funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>43,505</u>	<u>890</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)						
Nonspendable:						
Restricted for:						
Culture and recreation	-	-	-	-	-	-
Housing and Community Development	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	4,740	-	-	-	-	-
Tax increment zone activities	-	-	-	-	-	-
Waco Public Improvement District	-	-	-	-	-	-
Committed to:						
Public health	-	-	-	-	-	-
Assigned:	-	-	-	-	-	-
Total fund balances (deficits)	<u>4,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,740</u>	<u>\$ 43,505</u>	<u>\$ 890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Justice Assistance Grant 2019	Justice Assistance Grant 2021	Library Memorial Fund	Shapley P Ross Memorial Fund	TXDOT TASA Gurley Lane	TXDOT TASA Elm	TXDOT JH Hines	Total 2022	Total 2021
\$ -	\$ -	\$ 39,774	\$ 191	\$ -	\$ -	\$ -	\$ 32,813,406	\$ 17,966,570
-	-	-	-	-	-	-	160,309	120,317
-	-	-	-	-	606,599	-	606,599	606,599
-	-	-	-	-	-	-	297,536	268,384
-	29,277	-	-	-	211,173	584,573	1,596,614	2,086,818
-	-	-	-	-	-	-	60,097	60,097
<u>\$ -</u>	<u>\$ 29,277</u>	<u>\$ 39,774</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 817,772</u>	<u>\$ 584,573</u>	<u>\$ 35,534,561</u>	<u>\$ 21,108,785</u>
\$ -	\$ 23,380	\$ -	\$ -	\$ -	\$ 99,509	\$ 222,575	\$ 789,639	\$ 626,789
-	-	-	-	-	-	-	43,664	16,887
-	-	-	-	-	-	-	32,135,714	17,360,343
-	5,897	-	-	-	261,814	354,790	852,594	1,312,302
-	-	-	-	-	-	-	-	-
-	29,277	-	-	-	361,323	577,365	33,821,611	19,316,321
-	-	39,774	191	-	-	-	125,339	140,757
-	-	-	-	-	-	-	380,219	296,952
-	-	-	-	-	456,449	7,208	463,657	678,759
-	-	-	-	-	-	-	743,735	675,996
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	39,774	191	-	456,449	7,208	1,712,950	1,792,464
<u>\$ -</u>	<u>\$ 29,277</u>	<u>\$ 39,774</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 817,772</u>	<u>\$ 584,573</u>	<u>\$ 35,534,561</u>	<u>\$ 21,108,785</u>

See accompanying independent auditor's report.

FINANCIAL SECTION

Sub-Combining Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances Grants Fund For the Year Ended September 30, 2022 (With Comparative Totals for the Year Ended September 30, 2021)

	HUD HUD Home Program	HUD Community Development Block Grant	HUD Lead Hazard	COVID Emergency Rental Assistance	Fire LEOSE
Revenues:					
Investment earnings	\$ -	\$ (10,103)	\$ -	\$ -	\$ -
Intergovernmental	459,234	1,334,296	291,716	257,050	-
Program income	29,099	37,454	-	-	-
Other	-	109,978	-	-	-
Total revenues	<u>488,333</u>	<u>1,471,625</u>	<u>291,716</u>	<u>257,050</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	46,508	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and community development	454,167	1,322,649	291,716	257,050	-
Total expenditures	<u>454,167</u>	<u>1,369,157</u>	<u>291,716</u>	<u>257,050</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,166</u>	<u>102,468</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Financing of Leases	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	34,166	102,468	-	-	-
Fund balances, beginning of year - previously stated	488	904,711	-	-	2,043
Changes within reporting entity	-	-	-	-	-
Fund balances, beginning of year - adjusted	488	904,711	-	-	2,043
Fund balances, end of year	<u>\$ 34,654</u>	<u>\$ 1,007,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,043</u>

See accompanying independent auditor's report.

Justice Assistance Grant COVID 2	Police LEOSE	TWDB Wetland Grant	HUD EDI Grant	Grande Clear Source Cable Ordinance	TXDOT Riverwalk	COVID American Rescue Plan	HUD Continuum of Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	11,900	-	-	-	-	2,828,316	45,731
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,900	-	-	-	-	2,828,316	45,731
-	-	-	-	-	-	-	-
-	3,700	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,828,316	45,731
-	3,700	-	-	-	-	2,828,316	45,731
-	8,200	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,200	-	-	-	-	-	-
-	6,736	-	8,753	85,374	-	-	-
-	-	-	-	-	-	-	-
-	6,736	-	8,753	85,374	-	-	-
\$ -	\$ 14,936	\$ -	\$ 8,753	\$ 85,374	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

FINANCIAL SECTION

**Sub-Combining Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Grants Fund
For the Year Ended September 30, 2022
(With Comparative Totals for the Year Ended September 30, 2021)**

	Texas		TEXAS					
	Hazmat Program	Parks and Wildlife Grants	TWC Childcare Services	St Library and Archives	HUD HMIS Grant 19	HUD HMIS Grant 20	SHSP 2019	SHSP 2020
Revenues:								
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	25,636	-	1,099	58,223	-	-
Program income	-	-	-	-	2,695	-	-	-
Other	6,172	-	-	-	-	5,959	-	-
Total revenues	6,172	-	25,636	-	3,794	64,182	-	-
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Housing and community development	-	-	25,636	-	3,794	64,182	-	-
Total expenditures	-	-	25,636	-	3,794	64,182	-	-
Excess (deficiency) of revenues over (under) expenditures	6,172	-	-	-	-	-	-	-
Other financing sources (uses):								
Financing of Leases	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	6,172	-	-	-	-	-	-	-
Fund balances, beginning of year - previously stated	45,477	-	-	-	-	-	-	-
Changes within reporting entity	-	-	-	-	-	-	-	-
Fund balances, beginning of year - adjusted	45,477	-	-	-	-	-	-	-
Fund balances, end of year	\$ 51,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

SHSP 2020 Police	SHSP 2021	STEP Comprehensive	TXDOT MPO FHWA	Victim Services 2020	CJD Family Violence 2022-2023	CJD Family Violence 2021-2022	Brownfields	Tx Anti-Gang Grant 2022-2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	88,164	104,139	446,257	-	11,255	68,083	-	43,505
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	88,164	104,139	446,257	-	11,255	68,083	-	43,505
-	-	-	449,107	-	-	-	-	-
-	88,164	130,368	-	-	16,079	138,470	-	43,505
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	88,164	130,368	449,107	-	16,079	138,470	-	43,505
-	-	(26,229)	(2,850)	-	(4,824)	(70,387)	-	-
-	-	-	2,850	-	-	-	-	-
-	-	26,229	-	-	4,824	70,387	-	-
-	-	-	-	-	-	-	-	-
-	-	26,229	2,850	-	4,824	70,387	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,740	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,740	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,740	\$ -

See accompanying independent auditor's report.

FINANCIAL SECTION

Sub-Combining Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances Grants Fund For the Year Ended September 30, 2022 (With Comparative Totals for the Year Ended September 30, 2021)

	Tx Anti-Gang Grant 2021-2022	National Based Incident Based Reporting System	Justice Assistance Grant COVID 1	Justice Assistance Grant 2020	Justice Assistance Grant 2019
Revenues:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	607,396	-	453	22,594	-
Program income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>607,396</u>	<u>-</u>	<u>453</u>	<u>22,594</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	955,777	-	453	22,594	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total expenditures	<u>955,777</u>	<u>-</u>	<u>453</u>	<u>22,594</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(348,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Financing of Leases	348,381	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>348,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-
Fund balances, beginning of year - previously stated	-	-	-	-	-
Changes within reporting entity	-	-	-	-	-
Fund balances, beginning of year - adjusted	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Justice Assistance Grant 2021	Library Memorial Fund	Shapley P Ross Memorial Fund	TXDOT TASA Gurley Lane	TXDOT TASA Elm	TXDOT JH HINES	Totals	
						2022	2021
\$ -	\$ (562)	\$ (3)	\$ -	\$ -	\$ -	\$ (10,668)	\$ 862
68,538	-	-	-	600,602	584,573	7,958,760	6,425,772
-	-	-	-	-	-	69,248	34,273
-	18,113	-	-	-	-	140,222	63,135
<u>68,538</u>	<u>17,551</u>	<u>(3)</u>	<u>-</u>	<u>600,602</u>	<u>584,573</u>	<u>8,157,562</u>	<u>6,524,042</u>
-	-	-	-	-	-	449,107	413,902
68,538	-	-	-	-	-	1,514,156	1,309,962
-	-	-	-	750,752	649,525	1,400,277	426,653
-	55,603	-	-	-	-	55,603	9,326
-	-	-	-	-	-	5,293,241	4,466,995
<u>68,538</u>	<u>55,603</u>	<u>-</u>	<u>-</u>	<u>750,752</u>	<u>649,525</u>	<u>8,712,384</u>	<u>6,626,838</u>
-	(38,052)	(3)	-	(150,150)	(64,952)	(554,822)	(102,796)
-	22,637	-	-	-	-	373,868	-
-	-	-	-	-	-	101,440	497,386
-	-	-	-	-	-	-	(101,918)
-	<u>22,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,308</u>	<u>395,468</u>
-	(15,415)	(3)	-	(150,150)	(64,952)	(79,514)	292,672
-	55,189	194	-	606,599	72,160	1,792,464	1,499,792
-	-	-	-	-	-	-	-
-	<u>55,189</u>	<u>194</u>	<u>-</u>	<u>606,599</u>	<u>72,160</u>	<u>1,792,464</u>	<u>1,499,792</u>
<u>\$ -</u>	<u>\$ 39,774</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 456,449</u>	<u>\$ 7,208</u>	<u>\$ 1,712,950</u>	<u>\$ 1,792,464</u>

See accompanying independent auditor's report.





Nonmajor Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Debt Service Funds are used to account for the accumulation of resources and payment of debt for governmental funds.

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.



**Combining Governmental Balance Sheet
Nonmajor Governmental Funds
September 30, 2022
(With Comparative Totals for September 30, 2021)**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds	
					2022	2021
Assets						
Cash and investments	\$ 52,453,217	\$ 697,711	\$ 59,065,526	\$ 323,713	\$ 112,540,167	\$ 169,592,476
Accounts receivable, net of allowances	9,047	-	-	-	9,047	130,023
Due from other funds	-	-	2,965,379	-	2,965,379	2,077,128
Special assessments	11,615	-	-	-	11,615	15,267
Taxes receivable, net of allowance	-	459,605	-	-	459,605	463,377
Notes receivable	-	-	-	-	-	268,384
Advances to other funds	-	-	168,368	-	168,368	168,368
Intergovernmental receivable	1,344,373	-	-	-	1,344,373	3,408,780
Real estate held for resale	-	-	1,975,000	-	1,975,000	60,097
Total assets	<u>\$ 53,818,252</u>	<u>\$ 1,157,316</u>	<u>\$ 64,174,273</u>	<u>\$ 323,713</u>	<u>\$ 119,473,554</u>	<u>\$ 176,183,900</u>
Liabilities						
Accounts payable	1,178,870	-	2,356,066	-	3,534,936	6,507,220
Accrued liabilities	738,732	-	837,307	-	1,576,039	2,187,791
Unearned revenue	-	-	-	-	-	17,360,343
Due to other funds	606,599	-	2,965,379	-	3,571,978	3,389,430
Escrow funds	65,770	-	-	-	65,770	47,008
Total liabilities	<u>2,589,971</u>	<u>-</u>	<u>6,158,752</u>	<u>-</u>	<u>8,748,723</u>	<u>29,491,792</u>
Deferred inflows of resources						
Unavailable revenue-property taxes	-	437,105	-	-	437,105	441,772
Unavailable revenue-special assessments	11,615	-	-	-	11,615	15,267
Total deferred inflows of resources	<u>11,615</u>	<u>437,105</u>	<u>-</u>	<u>-</u>	<u>448,720</u>	<u>457,039</u>
Total liabilities and deferred inflows of resources	<u>2,601,586</u>	<u>437,105</u>	<u>6,158,752</u>	<u>-</u>	<u>9,197,443</u>	<u>29,948,831</u>
Fund balances (deficits)						
Nonspendable:						
Parks and cemetery care	-	-	-	323,713	323,713	326,896
Real estate held for resale	-	-	1,975,000	-	1,975,000	-
Restricted for:						
Capital projects	-	-	18,977,084	-	18,977,084	55,153,344
Culture and recreation	47,541	-	-	-	47,541	180,414
Debt service	-	720,211	-	-	720,211	1,303,947
Housing and community development	-	-	-	-	-	296,952
Public works	-	-	-	-	-	678,759
Public safety	2,162,576	-	-	-	2,162,576	2,285,587
Tax increment zone activities	43,667,730	-	-	-	43,667,730	44,304,621
Waco Public Improvement District	1,125,038	-	-	-	1,125,038	1,034,429
Committed to:						
Capital projects	-	-	37,063,437	-	37,063,437	37,279,317
Public health	4,213,781	-	-	-	4,213,781	3,390,803
Total fund balances (deficits)	<u>51,216,666</u>	<u>720,211</u>	<u>58,015,521</u>	<u>323,713</u>	<u>110,276,111</u>	<u>146,235,069</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 53,818,252</u>	<u>\$ 1,157,316</u>	<u>\$ 64,174,273</u>	<u>\$ 323,713</u>	<u>\$ 119,473,554</u>	<u>\$ 176,183,900</u>

See accompanying independent auditor's report.

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022
(With Comparative Totals for Year Ended September 30, 2021)**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals	
					2022	2021
Revenues:						
Taxes	\$ 13,588,785	\$ 14,486,835	\$ -	\$ -	\$ 28,075,620	\$ 27,139,464
Special assessments	650,962	-	-	-	650,962	644,776
Permits, licenses and fees	1,250,511	-	-	-	1,250,511	1,037,971
Fines	712,580	-	-	-	712,580	500,891
Investment earnings	(780,274)	(2,700)	(1,149,030)	(3,183)	(1,935,187)	415,142
Contributions	-	-	8,333,490	-	8,333,490	-
Intergovernmental	6,965,005	-	500,000	-	7,465,005	12,467,638
Program income	170,440	-	-	-	170,440	189,220
Other	1,105,347	-	-	-	1,105,347	589,631
Total revenues	<u>23,663,356</u>	<u>14,484,135</u>	<u>7,684,460</u>	<u>(3,183)</u>	<u>45,828,768</u>	<u>42,984,733</u>
Expenditures:						
Current:						
General government	13,894,482	-	-	-	13,894,482	13,463,664
Public safety	92,345	-	-	-	92,345	1,380,302
Public works	-	-	-	-	-	426,653
Culture and recreation	-	-	-	-	-	9,326
Housing and community development	-	-	-	-	-	4,466,995
Public health	10,677,502	-	-	-	10,677,502	9,765,137
Debt service:						
Principal	-	9,585,000	-	-	9,585,000	8,780,000
Interest and fiscal charges	-	5,482,871	-	-	5,482,871	5,144,979
Bond issuance costs	-	489,287	-	-	489,287	160,006
Capital outlay	-	-	17,831,428	-	17,831,428	37,837,873
Total expenditures	<u>24,664,329</u>	<u>15,557,158</u>	<u>17,831,428</u>	<u>-</u>	<u>58,052,915</u>	<u>81,434,935</u>
Excess (deficiency) of revenues over (under) expenditures	(1,000,973)	(1,073,023)	(10,146,968)	(3,183)	(12,224,147)	(38,450,202)
Other financing sources (uses):						
Refunding bonds issued	-	1,585,000	-	-	1,585,000	3,155,000
Payment to refunded bond escrow agent	-	(1,816,002)	-	-	(1,816,002)	(3,539,057)
Premium on refunding bonds	-	241,411	-	-	241,411	350,193
General obligation bonds issued	-	409,041	11,374,075	-	11,783,116	28,960,000
Premium on general obligation bonds	-	69,837	1,941,925	-	2,011,762	1,230,197
Capital financing agreement proceeds	-	-	-	-	-	5,000,000
Transfers in	3,892,943	-	15,394,405	-	19,287,348	30,325,055
Transfers out	(2,054,405)	-	(5,617,000)	-	(7,671,405)	(3,062,539)
Total other financing sources (uses)	<u>1,838,538</u>	<u>489,287</u>	<u>23,093,405</u>	<u>-</u>	<u>25,421,230</u>	<u>62,418,849</u>
Net change in fund balances	837,565	(583,736)	12,946,437	(3,183)	13,197,083	23,968,647
Fund balances, beginning of year - previously stated	52,171,565	1,303,947	92,432,661	326,896	146,235,069	122,266,422
Change within reporting entity	(1,792,464)	-	(47,363,577)	-	(49,156,041)	-
Fund balances, beginning of year - Adjusted	50,379,101	1,303,947	45,069,084	326,896	97,079,028	122,266,422
Fund balances, end of year	<u>\$ 51,216,666</u>	<u>\$ 720,211</u>	<u>\$ 58,015,521</u>	<u>\$ 323,713</u>	<u>\$ 110,276,111</u>	<u>\$ 146,235,069</u>

See accompanying independent auditor's report.





Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Tax Increment Funds – These funds are used to account for the governmental activities of three tax increment districts – Reinvestment Zone Number One, Reinvestment Zone Number Two, and Reinvestment Zone Number Three.

Health Programs Fund – This fund is used to account for the activities of the City’s health programs operated within McLennan County. Financing is provided from patients’ fees, assessments from other governments, and other miscellaneous revenues and federal and state awards.

Waco Public Improvement District No. 1 Fund – This fund was created by the government as a means of authorizing the City to undertake improvements and services to a designated geographic area in the central business district/central city.

Abandoned Motor Vehicle Fund – This fund is used to account for the activities of the City for handling abandoned motor vehicles picked up by the Police Department and sold at public auction. Article 1436-2, Section 5 of the Penal Code and Ordinance Number 2858, Section 28-42 control the handling of abandoned motor vehicles. Financing is provided from the sale of abandoned motor vehicles at public auction.

Police Forfeitures Fund – This fund is used to account for the receipt and expenditure of revenues derived from crime seizures that are for police purposes.

Court Local Municipal Jury Fund – This fund is used to account for the receipt and expenditure of revenues from court fines restricted for jury reimbursements or jury services.

Court Local Truancy Prevention and Diversion Fund – This fund is used to account for the receipt and expenditure of revenues from court fines restricted for juvenile case managers.

Court Security Fund – This fund is used to account for the receipt and expenditure of revenues from court fines restricted for court security.

Court Technology Fund – This fund is used to account for the receipt and expenditure of revenues from court fines restricted for court technology.

Hamilton Memorial Fund – This fund is used to account for earnings from principal used for improvements to Cameron Park.

Miss Nellie’s Park Maintenance Fund – This fund is used to account for earnings from principal used to maintain Miss Nellie’s Pretty Place.



**Nonmajor Special Revenue Funds
Combining Balance Sheets
September 30, 2022
(With Comparative Totals for September 30, 2021)**

	<u>Tax Increment Fund No. 1</u>	<u>Tax Increment Fund No. 2</u>	<u>Tax Increment Fund No. 3</u>
Assets			
Cash and investments	\$ 45,401,503	\$ -	\$ 71,932
Accounts receivable, net of allowances	307	-	-
Due from other funds	-	-	-
Special assessments receivable	-	-	-
Notes receivable	-	-	-
Intergovernmental receivable	-	-	-
Real estate held for resale	-	-	-
Total assets	<u>\$ 45,401,810</u>	<u>\$ -</u>	<u>\$ 71,932</u>
Liabilities			
Accounts payable	\$ 613,470	\$ -	\$ -
Accrued liabilities	585,943	-	-
Unearned revenue	-	-	-
Due to other funds	606,599	-	-
Escrow funds	-	-	-
Total liabilities	<u>1,806,012</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,806,012</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)			
Restricted for:			
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public works	-	-	-
Public safety	-	-	-
Tax increment zone activities	43,595,798	-	71,932
Waco Public Improvement District	-	-	-
Committed to:			
Public health	-	-	-
Total fund balances (deficits)	<u>43,595,798</u>	<u>-</u>	<u>71,932</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 45,401,810</u>	<u>\$ -</u>	<u>\$ 71,932</u>

See accompanying independent auditor's report.

Health Programs Fund	Waco Public Improvement District No. 1 Fund	Abandoned Motor Vehicle Fund	Police Forfeitures Fund
\$ 3,485,520	\$ 1,281,146	\$ 1,428,143	\$ 463,177
-	8,740	-	-
-	-	-	-
-	11,615	-	-
-	-	-	-
1,344,373	-	-	-
-	-	-	-
<u>\$ 4,829,893</u>	<u>\$ 1,301,501</u>	<u>\$ 1,428,143</u>	<u>\$ 463,177</u>
\$ 397,553	\$ 164,848	\$ 418	\$ 2,280
152,789	-	-	-
-	-	-	-
-	-	-	-
65,770	-	-	-
<u>616,112</u>	<u>164,848</u>	<u>418</u>	<u>2,280</u>
-	11,615	-	-
-	11,615	-	-
<u>616,112</u>	<u>176,463</u>	<u>418</u>	<u>2,280</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,427,725	460,897
-	-	-	-
-	1,125,038	-	-
4,213,781	-	-	-
<u>4,213,781</u>	<u>1,125,038</u>	<u>1,427,725</u>	<u>460,897</u>
<u>\$ 4,829,893</u>	<u>\$ 1,301,501</u>	<u>\$ 1,428,143</u>	<u>\$ 463,177</u>

(continued)

See accompanying independent auditor's report.

**Nonmajor Special Revenue Funds
Combining Balance Sheets
September 30, 2022
(With Comparative Totals for September 30, 2021)**

	Court Local Municipal Jury Fund	Court Local Truancy Prevention and Diversion Fund	Court Security Fund
Assets			
Cash and investments	\$ 1,903	\$ 95,286	\$ 40,977
Accounts receivable, net of allowances	-	-	-
Due from other funds	-	-	-
Special assessments receivable	-	-	-
Notes receivable	-	-	-
Intergovernmental receivable	-	-	-
Real estate held for resale	-	-	-
Total assets	\$ 1,903	\$ 95,286	\$ 40,977
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Escrow funds	-	-	-
Total liabilities	-	-	-
Deferred inflows of resources			
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	-	-	-
Fund balances (deficits)			
Restricted for:			
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public works	-	-	-
Public safety	1,903	95,286	40,977
Tax increment zone activities	-	-	-
Waco Public Improvement District	-	-	-
Committed to:			
Public health	-	-	-
Total fund balances (deficits)	1,903	95,286	40,977
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,903	\$ 95,286	\$ 40,977

See accompanying independent auditor's report.

Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
			2022	2021
\$ 136,089	\$ 19,897	\$ 27,644	\$ 52,453,217	\$ 70,431,616
-	-	-	9,047	130,023
-	-	-	-	606,599
-	-	-	11,615	15,267
-	-	-	-	268,384
-	-	-	1,344,373	3,408,780
-	-	-	-	60,097
<u>\$ 136,089</u>	<u>\$ 19,897</u>	<u>\$ 27,644</u>	<u>\$ 53,818,252</u>	<u>\$ 74,920,766</u>
\$ 301	\$ -	\$ -	\$ 1,178,870	\$ 2,721,783
-	-	-	738,732	685,899
-	-	-	-	17,360,343
-	-	-	606,599	1,918,901
-	-	-	65,770	47,008
<u>301</u>	<u>-</u>	<u>-</u>	<u>2,589,971</u>	<u>22,733,934</u>
-	-	-	11,615	15,267
-	-	-	11,615	15,267
<u>301</u>	<u>-</u>	<u>-</u>	<u>2,601,586</u>	<u>22,749,201</u>
-	19,897	27,644	47,541	180,414
-	-	-	-	296,952
-	-	-	-	678,759
135,788	-	-	2,162,576	2,285,587
-	-	-	43,667,730	44,304,621
-	-	-	1,125,038	1,034,429
-	-	-	-	-
-	-	-	4,213,781	3,390,803
<u>135,788</u>	<u>19,897</u>	<u>27,644</u>	<u>51,216,666</u>	<u>52,171,565</u>
<u>\$ 136,089</u>	<u>\$ 19,897</u>	<u>\$ 27,644</u>	<u>\$ 53,818,252</u>	<u>\$ 74,920,766</u>

See accompanying independent auditor's report.

FINANCIAL SECTION

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds Year Ended September 30, 2022 (With Comparative Totals for September 30, 2021)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3
Revenues:			
Property taxes	\$ 13,529,825	\$ 58,960	\$ -
Special assessments	-	-	-
Permits, licenses and fees	-	-	-
Fines	-	-	-
Investment earnings	(687,680)	4,108	(1,071)
Intergovernmental	1,668,869	-	-
Program income	-	-	-
Other	-	-	-
Total revenues	<u>14,511,014</u>	<u>63,068</u>	<u>(1,071)</u>
Expenditures:			
Current:			
General government	\$ 10,902,799	\$ 2,362,698	\$ -
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public health	-	-	-
Total expenditures	<u>10,902,799</u>	<u>2,362,698</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,608,215</u>	<u>(2,299,630)</u>	<u>(1,071)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(1,226,572)	(717,833)	-
Total other financing sources (uses)	<u>(1,226,572)</u>	<u>(717,833)</u>	<u>-</u>
Net change in fund balances	2,381,643	(3,017,463)	(1,071)
Fund balances, beginning of year - previously stated	41,214,155	3,017,463	73,003
Changes within reporting entity	-	-	-
Fund balances, beginning of year - adjusted	41,214,155	3,017,463	73,003
Fund balances, end of year	<u>\$ 43,595,798</u>	<u>\$ -</u>	<u>\$ 71,932</u>

See accompanying independent auditor's report.

Health Programs Fund	Waco Public Improvement District No. 1 Fund	Abandoned Motor Vehicle Fund	Police Forfeitures Fund
\$ -	\$ -	\$ -	\$ -
-	650,962	-	-
1,250,511	-	-	-
-	-	578,105	-
(67,563)	(19,136)	-	(6,521)
5,296,136	-	-	-
170,440	-	-	-
958,013	87,768	-	49,271
<u>7,607,537</u>	<u>719,594</u>	<u>578,105</u>	<u>42,750</u>
\$ -	\$ 628,985	\$ -	\$ -
-	-	49,728	10,881
-	-	-	-
-	-	-	-
-	-	-	-
10,677,502	-	-	-
<u>10,677,502</u>	<u>628,985</u>	<u>49,728</u>	<u>10,881</u>
<u>(3,069,965)</u>	<u>90,609</u>	<u>528,377</u>	<u>31,869</u>
3,892,943	-	-	-
-	-	(50,000)	-
<u>3,892,943</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
822,978	90,609	478,377	31,869
3,390,803	1,034,429	949,348	429,028
-	-	-	-
3,390,803	1,034,429	949,348	429,028
<u>\$ 4,213,781</u>	<u>\$ 1,125,038</u>	<u>\$ 1,427,725</u>	<u>\$ 460,897</u>

See accompanying independent auditor's report.


FINANCIAL SECTION

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2022
(With Comparative Totals for September 30, 2021)

	Court Local Municipal Jury Fund	Court Local Truancy Prevention and Diversion Fund	Court Security Fund
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Permits, licenses and fees	-	-	-
Fines	1,058	53,000	43,515
Investment earnings	-	-	-
Intergovernmental	-	-	-
Program income	-	-	-
Other	-	-	-
Total revenues	1,058	53,000	43,515
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	9,179
Public works	-	-	-
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public health	-	-	-
Total expenditures	-	-	9,179
Excess (deficiency) of revenues over (under) expenditures	1,058	53,000	34,336
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	(60,000)
Total other financing sources (uses)	-	-	(60,000)
Net change in fund balances	1,058	53,000	(25,664)
Fund balances, beginning of year - previously stated	845	42,286	66,641
Changes within reporting entity	-	-	-
Fund balances, beginning of year - adjusted	845	42,286	66,641
Fund balances, end of year	\$ 1,903	\$ 95,286	\$ 40,977

See accompanying independent auditor's report.

Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
			2022	2021
\$ -	\$ -	\$ -	\$ 13,588,785	\$ 13,322,983
-	-	-	650,962	644,776
-	-	-	1,250,511	1,037,971
36,902	-	-	712,580	500,891
-	(509)	(1,902)	(780,274)	93,326
-	-	-	6,965,005	12,467,638
-	-	-	170,440	189,220
-	10,295	-	1,105,347	589,631
<u>36,902</u>	<u>9,786</u>	<u>(1,902)</u>	<u>23,663,356</u>	<u>28,846,436</u>
-	-	-	13,894,482	13,409,149
22,557	-	-	92,345	1,380,302
-	-	-	-	426,653
-	-	-	-	9,326
-	-	-	-	4,466,995
-	-	-	10,677,502	9,765,137
<u>22,557</u>	<u>-</u>	<u>-</u>	<u>24,664,329</u>	<u>29,457,562</u>
<u>14,345</u>	<u>9,786</u>	<u>(1,902)</u>	<u>(1,000,973)</u>	<u>(611,126)</u>
-	-	-	3,892,943	4,390,329
-	-	-	(2,054,405)	(1,260,379)
-	-	-	1,838,538	3,129,950
14,345	9,786	(1,902)	837,565	2,518,824
121,443	10,111	29,546	52,171,565	49,652,741
-	-	-	(1,792,464)	-
121,443	10,111	29,546	50,379,101	49,652,741
<u>\$ 135,788</u>	<u>\$ 19,897</u>	<u>\$ 27,644</u>	<u>\$ 51,216,666</u>	<u>\$ 52,171,565</u>

See accompanying independent auditor's report.





Tax Increment Fund No. 1



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Tax Increment Fund No. 1	
	2022	2021
Assets		
Cash and investments	\$ 45,401,503	\$ 42,954,505
Accounts receivable, net of allowance	307	-
Total assets	\$ 45,401,810	\$ 42,954,505
Liabilities		
Accounts payable	\$ 613,470	\$ 547,808
Accrued liabilities	585,943	585,943
Due to other funds	606,599	606,599
Total liabilities	1,806,012	1,740,350
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	43,595,798	41,214,155
Total fund balance (deficit)	43,595,798	41,214,155
Total liabilities and fund balance	\$ 45,401,810	\$ 42,954,505

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Tax Increment Fund No. 1	
	2022	2021
Revenues:		
Property taxes	\$ 13,529,825	\$ 13,154,229
Investment earnings	(687,680)	77,560
Intergovernmental	1,668,869	1,574,808
Total revenues	14,511,014	14,806,597
Expenditures:		
Current:		
General government	10,902,799	12,231,474
Total expenditures	10,902,799	12,231,474
Excess (deficiency) of revenues over (under) expenditures	3,608,215	2,575,123
Other financing sources (uses):		
Transfers out	(1,226,572)	(1,016,956)
Total other financing uses	(1,226,572)	(1,016,956)
Net change in fund balances	2,381,643	1,558,167
Fund balances, beginning of year	41,214,155	39,655,988
Fund balances, end of year	\$ 43,595,798	\$ 41,214,155

See accompanying independent auditor's report.





Tax Increment Fund No. 2



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Tax Increment Fund No. 2	
	2022	2021
Assets		
Cash and investments	\$ -	\$ 3,017,463
Total assets	\$ -	\$ 3,017,463
Fund Balances		
Restricted for:		
Tax increment zone activities	\$ -	\$ 3,017,463
Total fund balances	\$ -	\$ 3,017,463

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Tax Increment Fund No. 2	
	2022	2021
Revenues:		
Property taxes	\$ 58,960	\$ 168,541
Investment earnings	4,108	5,100
Intergovernmental	-	20,733
Total revenues	<u>63,068</u>	<u>194,374</u>
Expenditures:		
Current:		
General Government	2,362,698	-
Total expenditures	<u>2,362,698</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,299,630)</u>	<u>194,374</u>
Other financing sources (uses):		
Transfers out	(717,833)	-
Total other financing sources (uses)	<u>(717,833)</u>	<u>-</u>
Net change in fund balances	(3,017,463)	194,374
Fund balances, beginning of year	3,017,463	2,823,089
Fund balances, end of year	<u>\$ -</u>	<u>\$ 3,017,463</u>

See accompanying independent auditor's report.





Tax Increment Fund No. 3



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Tax Increment Fund No. 3	
	2022	2021
Assets		
Cash and investments	\$ 71,932	\$ 73,003
Total assets	\$ 71,932	\$ 73,003
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	\$ 71,932	\$ 73,003
Total fund balances	\$ 71,932	\$ 73,003

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Tax Increment Fund No. 3	
	2022	2021
Revenues:		
Property taxes	\$ -	\$ 213
Investment earnings	(1,071)	127
Intergovernmental	-	24
Total revenues	(1,071)	364
Expenditures:		
Current:		
General government	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	(1,071)	364
Net change in fund balance	(1,071)	364
Fund balance, beginning of year	73,003	72,639
Fund balance, end of year	\$ 71,932	\$ 73,003

See accompanying independent auditor's report.





Health Programs Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Health Programs Fund	
	2022	2021
Assets		
Cash and investments	\$ 3,485,520	\$ 3,595,925
Intergovernmental receivable	1,344,373	1,321,962
Total assets	\$ 4,829,893	\$ 4,917,887
Liabilities		
Accounts payable	\$ 397,553	\$ 1,397,007
Accrued liabilities	152,789	83,069
Escrow funds	65,770	47,008
Total liabilities	616,112	1,527,084
Fund balance (deficit)		
Committed to:		
Public health	4,213,781	3,390,803
Total fund balance (deficit)	4,213,781	3,390,803
Total liabilities and fund balance	\$ 4,829,893	\$ 4,917,887

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Years Ended September 30, 2022 and 2021**

	Health Programs Fund	
	2022	2021
Revenues:		
Permits, licenses and fees	\$ 1,250,511	\$ 1,037,971
Investment earnings	(67,563)	6,391
Intergovernmental	5,296,136	4,446,301
Program income	170,440	154,947
Other	958,013	376,668
Total revenues	\$ 7,607,537	\$ 6,022,278
Expenditures:		
Current:		
Public health	10,677,502	9,765,137
Total expenditures	10,677,502	9,765,137
Excess (deficiency) of revenues over expenditures	(3,069,965)	(3,742,859)
Other financing sources (uses):		
Transfers in	3,892,943	3,892,943
Total other financing sources (uses)	3,892,943	3,892,943
Net change in fund balance	822,978	150,084
Fund balance, beginning of year	3,390,803	3,240,719
Fund balance, end of year	\$ 4,213,781	\$ 3,390,803

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Health Programs Fund
For the Year Ended September 30, 2022
(With Comparative Actual Amounts for Year Ended September 30, 2021)**

	Budgeted Amounts		2022	Variance with	2021
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Health Administrative Services:					
Death and birth certificates	257,819	257,819	318,148	60,329	286,735
Investment earnings	4,000	4,000	(67,563)	(71,563)	6,391
Intergovernmental	160,000	160,000	284,561	124,561	325,105
Revenue-other	728,548	728,548	957,881	229,333	370,042
Total	1,150,367	1,150,367	1,493,027	342,660	988,273
Environmental Health Services:					
Health and welfare fees	631,336	631,336	735,205	103,869	637,876
Intergovernmental	96,707	96,707	-	(96,707)	-
Revenue-other	-	-	132	132	33
Total	728,043	728,043	735,337	7,294	637,909
Health Nursing Services:					
Health and welfare fees	78,782	78,782	170,360	91,578	90,591
Revenue-other	-	-	-	-	3,260
Total	78,782	78,782	170,360	91,578	93,851
Sexually Transmitted Disease:					
Health and welfare fees	25,152	25,152	26,798	1,646	22,769
Total	25,152	25,152	26,798	1,646	22,769
HIV/AIDS Services:					
Revenue-other	-	-	-	-	36
Total	-	-	-	-	36
Public Health Services:					
Program income	-	170,440	170,440	-	154,945
Intergovernmental	-	5,011,575	5,011,575	-	4,121,196
Revenue-other	-	-	-	-	3,299
Total	-	5,182,015	5,182,015	-	4,279,440
Total revenue	1,982,344	7,164,359	7,607,537	443,178	6,022,278
Expenditures:					
Health Administrative Services:					
Salaries and wages	606,235	606,235	605,756	479	425,427
Employee benefits	269,946	269,946	228,687	41,259	168,280
Purchased professional/technical services	134,718	138,049	109,811	28,238	175,656
Purchased property services	3,145	3,145	2,938	207	2,938
Maintenance	5,320	68,742	70,782	(2,040)	5,203
Other purchased services	46,500	45,106	44,582	524	175,694
Supplies	42,730	62,930	59,599	3,331	40,624
Contracts with others	1,176,736	1,176,736	1,176,736	-	1,222,168
Other	693,967	693,967	696,940	(2,973)	799,957
Capital Expenditures	-	-	-	-	-
Total health administrative services	2,979,297	3,064,856	2,995,831	69,025	3,015,947

(Continued)

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Health Programs Fund
For the Year Ended September 30, 2022
(With Comparative Actual Amounts for Year Ended September 30, 2021)**

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Environmental Health Services:					
Salaries and wages	480,210	480,210	541,656	(61,446)	472,648
Employee benefits	182,945	182,945	162,678	20,267	129,543
Purchased professional/technical services	14,990	21,303	6,864	14,439	10,990
Maintenance	19,395	19,395	20,404	(1,009)	405
Other purchased services	38,058	39,373	19,890	19,483	16,840
Supplies	71,485	71,485	72,045	(560)	55,213
Contracts with others	-	-	-	-	51,830
Capital expenditures	-	32,000	-	32,000	27,182
Total environmental health services:	<u>807,083</u>	<u>846,711</u>	<u>823,537</u>	<u>23,174</u>	<u>764,651</u>
Dental Health Services:					
Purchased professional/technical services	-	-	-	-	-
Other purchased services	-	-	-	-	-
Supplies	-	-	-	-	-
Total dental health services	-	-	-	-	-
Health Nursing Services:					
Salaries and wages	1,077,224	1,046,224	525,678	520,546	388,397
Employee benefits	379,355	379,355	246,519	132,836	165,702
Purchased professional/technical services	41,481	41,481	22,338	19,143	226,151
Purchased property services	-	-	-	-	45,195
Maintenance	6,920	6,720	4,301	2,419	4,253
Other purchased services	124,157	111,051	55,363	55,688	124,930
Supplies	316,749	304,218	186,989	117,229	115,475
Capital Expenditures	6,100	37,100	30,963	6,137	5,685
Total public health nursing services	<u>1,951,986</u>	<u>1,926,149</u>	<u>1,072,151</u>	<u>853,998</u>	<u>1,075,788</u>
Sexually Transmitted Disease:					
Salaries and wages	269,189	269,189	229,026	40,163	256,127
Employee benefits	96,741	96,741	89,232	7,509	94,379
Purchased professional/technical services	18,015	20,015	11,069	8,946	11,398
Maintenance	1,170	1,170	1,097	73	1,345
Other purchased services	26,195	26,195	12,880	13,315	10,914
Supplies	24,760	26,460	47,801	(21,341)	34,458
Total sexually transmitted disease	<u>436,070</u>	<u>439,770</u>	<u>391,105</u>	<u>48,665</u>	<u>408,621</u>
HIV/AIDS Services:					
Salaries and wages	149,340	149,340	145,345	3,995	152,281
Employee benefits	51,754	51,754	50,309	1,445	53,938
Purchased professional/technical services	6,000	6,000	-	6,000	237
Maintenance	5,000	5,000	-	5,000	237
Other purchased services	18,138	18,138	9,513	8,625	9,335
Supplies	8,100	8,100	7,695	405	4,899
Total HIV/AIDS services	<u>238,332</u>	<u>238,332</u>	<u>212,862</u>	<u>25,470</u>	<u>220,690</u>
Public Health Services:					
Salaries and wages	-	2,194,180	2,194,180	-	1,772,001
Employee benefits	-	872,920	872,920	-	709,916
Purchased professional/technical services	-	977,339	977,339	-	511,089
Purchased property services	-	59,124	59,124	-	52,755
Maintenance	-	8,045	8,045	-	226,711
Other purchased services	-	426,261	426,261	-	385,606
Supplies	-	306,511	306,511	-	350,693
Other	-	296,156	296,156	-	259,619
Capital Expenditures	-	41,480	41,480	-	11,050
Total public health services	-	<u>5,182,016</u>	<u>5,182,016</u>	-	<u>4,279,440</u>
Total expenditures	<u>\$ 6,412,768</u>	<u>\$ 11,697,834</u>	<u>\$ 10,677,502</u>	<u>\$ 1,020,332</u>	<u>\$ 9,765,137</u>

(Continued)

See accompanying independent auditor's report.

FINANCIAL SECTION

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Health Programs Fund
For the Year Ended September 30, 2022
(With Comparative Actual Amounts for Year Ended September 30, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
	Original	Final			
Excess (deficiency) of revenue over expenditures	<u>(4,430,424)</u>	<u>(4,533,475)</u>	<u>(3,069,965)</u>	<u>1,463,510</u>	<u>(3,742,859)</u>
Other financing sources (uses):					
Transfers in	3,892,943	3,892,943	3,892,943	-	3,892,943
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>3,892,943</u>	<u>3,892,943</u>	<u>3,892,943</u>	<u>-</u>	<u>3,892,943</u>
Net change in fund balance	(537,481)	(640,532)	822,978	1,463,510	150,084
Fund balance, beginning of year	<u>3,058,796</u>	<u>2,965,165</u>	<u>3,390,803</u>	<u>425,638</u>	<u>3,240,719</u>
Fund balance, end of year	<u>\$ 2,521,315</u>	<u>\$ 2,324,633</u>	<u>\$ 4,213,781</u>	<u>\$ 1,889,148</u>	<u>\$ 3,390,803</u>

See accompanying independent auditor's report.



Waco Public Improvement
District No. 1 Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Waco Public Improvement District No. 1 Fund	
	2022	2021
Assets		
Cash and investments	\$ 1,281,146	\$ 1,171,532
Accounts receivable, net of allowance	8,740	9,706
Special assessments receivable	11,615	15,267
Total assets	\$ 1,301,501	\$ 1,196,505
Liabilities		
Accounts payable	\$ 164,848	\$ 146,809
Total liabilities	164,848	146,809
Deferred Inflows of Resources		
Unavailable revenue - special assessments	11,615	15,267
Total deferred inflows of resources	11,615	15,267
Total liabilities and deferred inflows of resources	176,463	162,076
Fund Balance		
Restricted for:		
Waco Public Improvement District	1,125,038	1,034,429
Total fund balance (deficit)	1,125,038	1,034,429
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,301,501	\$ 1,196,505

See accompanying independent auditor's report.

Waco Public Improvement District No. 1 Fund
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Years Ended September 30, 2022 and 2021

	Waco Public Improvement District No. 1 Fund	
	2022	2021
Revenues:		
Special assessments taxes	\$ 650,962	\$ 644,776
Investment earnings	(19,136)	2,307
Other	87,768	2,433
Total revenues	719,594	649,516
Expenditures:		
Current:		
General government	628,985	763,773
Total expenditures	628,985	763,773
Excess (deficiency) of revenues over expenditures	90,609	(114,257)
Net change in fund balance	90,609	(114,257)
Fund balance, beginning of year	1,034,429	1,148,686
Fund balance, end of year	\$ 1,125,038	\$ 1,034,429

See accompanying independent auditor's report.





Abandoned Motor Vehicle Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Abandoned Motor Vehicle Fund	
	2022	2021
Assets		
Cash and investments	\$ 1,428,143	\$ 949,833
Total assets	\$ 1,428,143	\$ 949,833
Liabilities		
Accounts payable	\$ 418	\$ 485
Total liabilities	418	485
Fund Balance (deficit)		
Restricted for:		
Public safety	1,427,725	949,348
Total fund balance	1,427,725	949,348
 Total liabilities and fund balance	 \$ 1,428,143	 \$ 949,833

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Abandoned Motor Vehicle Fund	
	2022	2021
Revenues:		
Auto impound fees	\$ 578,105	\$ 388,998
Total revenues	578,105	388,998
Expenditures:		
Current:		
Public safety	49,728	19,703
Total expenditures	49,728	19,703
Excess (deficiency) of revenues over expenditures	528,377	369,295
Other financing sources (uses):		
Transfers out	(50,000)	(50,000)
Total other financing sources (uses)	(50,000)	(50,000)
Net change in fund balance	478,377	319,295
Fund balance, beginning of year	949,348	630,053
Fund balance, end of year	\$ 1,427,725	\$ 949,348

See accompanying independent auditor's report.





Police Forfeitures Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Police Forfeitures Fund	
	2022	2021
Assets		
Cash and investments	\$ 463,177	\$ 431,308
Total assets	\$ 463,177	\$ 431,308
Liabilities		
Accounts payable	\$ 2,280	\$ 2,280
Total liabilities	2,280	2,280
Fund Balance (deficit)		
Restricted for:		
Public safety	460,897	429,028
Total fund balance (deficit)	460,897	429,028
Total liabilities and fund balance	\$ 463,177	\$ 431,308

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Police Forfeitures Fund	
	2022	2021
Revenues:		
Investment earnings	\$ (6,521)	\$ 717
Other	49,271	147,395
Total revenues	42,750	148,112
Expenditures:		
Current:		
Public safety	10,881	18,841
Total expenditures	10,881	18,841
Excess (deficiency) of revenues over expenditures	31,869	129,271
Net change in fund balance	31,869	129,271
Fund balance, beginning of year	429,028	299,757
Fund balance, end of year	\$ 460,897	\$ 429,028

See accompanying independent auditor's report.





Court Local Municipal Jury Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Court Local	Municipal Jury Fund
	2022	2021
Assets		
Cash and investments	\$ 1,903	\$ 845
Total assets	\$ 1,903	\$ 845
 Fund Balance (deficit)		
Restricted for:		
Public safety	\$ 1,903	\$ 845
Total liabilities and fund balance	\$ 1,903	\$ 845

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	<u>Court Local Municipal Jury Fund</u>	
	<u>2022</u>	<u>2021</u>
Revenues:		
Fines	\$ 1,058	\$ 845
Total revenues	<u>1,058</u>	<u>845</u>
Expenditures:		
Current:		
Public safety	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,058</u>	<u>845</u>
Net change in fund balance	1,058	845
Fund balance, beginning of year	845	-
Fund balance, end of year	<u>\$ 1,903</u>	<u>\$ 845</u>

See accompanying independent auditor's report.





Court Local Truancy
Prevention and Diversion
Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Court Local Truancy Prevention and Diversion Fund	
	2022	2021
Assets		
Cash and investments	\$ 95,286	\$ 42,286
Total assets	\$ 95,286	\$ 42,286
 Fund Balance		
Restricted for:		
Public safety	95,286	42,286
Total fund balance (deficit)	\$ 95,286	\$ 42,286

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Court Local Truancy Prevention and Diversion Fund	
	2022	2021
Revenues:		
Fines	\$ 53,000	\$ 42,286
Total revenues	<u>53,000</u>	<u>42,286</u>
Expenditures:		
Current:		
Public safety	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>53,000</u>	<u>42,286</u>
Net change in fund balance	53,000	42,286
Fund balance, beginning of year	42,286	-
Fund balance, end of year	<u>\$ 95,286</u>	<u>\$ 42,286</u>

See accompanying independent auditor's report.





Court Security Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Court Security Fund	
	2022	2021
Assets		
Cash and investments	\$ 40,977	\$ 66,641
Total assets	\$ 40,977	\$ 66,641
 Fund Balance		
Restricted for:		
Public safety	\$ 40,977	\$ 66,641
Total fund balance (deficit)	\$ 40,977	\$ 66,641

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Court Security Fund	
	2022	2021
Revenues:		
Fines	\$ 43,515	\$ 36,749
Total revenues	43,515	36,749
Expenditures:		
Current:		
Public safety	9,179	11,305
Total expenditures	9,179	11,305
Excess of revenues over expenditures	34,336	25,444
Other financing sources (uses):		
Transfers out	(60,000)	(91,505)
Total other financing sources (uses)	(60,000)	(91,505)
Net change in fund balance	(25,664)	(66,061)
Fund balance, beginning of year	66,641	132,702
Fund balance, end of year	\$ 40,977	\$ 66,641

See accompanying independent auditor's report.





Court Technology Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Court Technology Fund	
	2022	2021
Assets		
Cash and investments	\$ 136,089	\$ 122,048
Total assets	\$ 136,089	\$ 122,048
Liabilities		
Accounts payable	\$ 301	\$ 605
Total liabilities	301	605
Fund Balance (deficit)		
Restricted for:		
Public safety	135,788	121,443
Total fund balance	135,788	121,443
 Total liabilities and fund balance	 \$ 136,089	 \$ 122,048

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Court Technology Fund	
	2022	2021
Revenues:		
Fines	\$ 36,902	\$ 32,013
Total revenues	36,902	32,013
Expenditures:		
Current:		
Public safety	22,557	20,491
Total expenditures	22,557	20,491
Excess (deficiency) of revenues over expenditures	14,345	11,522
Net change in fund balance	14,345	11,522
Fund balance, beginning of year	121,443	109,921
Fund balance, end of year	\$ 135,788	\$ 121,443

See accompanying independent auditor's report.





Hamilton Memorial Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Hamilton Memorial Fund	
	2022	2021
Assets		
Cash and investments	\$ 19,897	\$ 10,111
Total assets	\$ 19,897	\$ 10,111
Fund Balance		
Restricted for:		
Culture and recreation	\$ 19,897	\$ 10,111
Total fund balance (deficit)	\$ 19,897	\$ 10,111

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Hamilton Memorial Fund	
	2022	2021
Revenues:		
Investment earnings	\$ (509)	\$ 35
Other	10,295	-
Total revenues	\$ 9,786	\$ 35
Expenditures:		
Current:		
Culture and recreation	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	9,786	35
Net change in fund balance	9,786	35
Fund balance, beginning of year	10,111	10,076
Fund balance, end of year	\$ 19,897	\$ 10,111

See accompanying independent auditor's report.





Miss Nellie's Park
Maintenance Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2022 and 2021**

	Miss Nellie's Park Maintenance Fund	
	2022	2021
Assets		
Cash and investments	\$ 27,644	\$ 29,546
Total assets	\$ 27,644	\$ 29,546
Fund balance (deficit)		
Restricted for:		
Culture and recreation	\$ 27,644	\$ 29,546
Total fund balance (deficit)	\$ 27,644	\$ 29,546

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2022 and 2021**

	Miss Nellie's Park Maintenance Fund	
	2022	2021
Revenues:		
Investment earnings	\$ (1,902)	\$ 227
Total revenues	(1,902)	227
Expenditures:		
Current:		
Culture and recreation	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	(1,902)	227
Other financing sources:		
Transfers in	-	-
Total other financing sources	-	-
Net change in fund balance	(1,902)	227
Fund balance, beginning of year	29,546	29,319
Fund balance, end of year	\$ 27,644	\$ 29,546

See accompanying independent auditor's report.





Nonmajor Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and payment of debt for governmental funds.

Street and Drainage Refundable Contracts Fund - This fund is used to account for the accumulation of resources and payment of street and drainage refundable contracts.

General Obligation Debt Fund - This fund is used to account for the accumulation of resources and payment of general obligation principal and interest from governmental resources.



Comparative Balance Sheets
Nonmajor Debt Service Funds
September 30, 2022
(with Comparative Totals for September 30, 2021)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt	Totals	
			2022	2021
Assets				
Cash and investments	\$ 4,204	\$ 693,507	\$ 697,711	\$ 1,282,342
Taxes receivable	-	459,605	459,605	463,377
Total assets	\$ 4,204	\$ 1,153,112	\$ 1,157,316	\$ 1,745,719
Deferred inflows of resources				
Unavailable revenue - property taxes	\$ -	\$ 437,105	\$ 437,105	\$ 441,772
Total deferred inflows of resources	-	437,105	437,105	441,772
Fund balances (deficits)				
Restricted for:				
Debt service	4,204	716,007	720,211	1,303,947
Total fund balances (deficits)	4,204	716,007	720,211	1,303,947
Total deferred inflows of resources and fund balances	\$ 4,204	\$ 1,153,112	\$ 1,157,316	\$ 1,745,719

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Years Ended September 30, 2022 and 2021**

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2022	2021
Revenues:				
Taxes	\$ -	\$ 14,486,835	\$ 14,486,835	\$ 13,816,481
Investment earnings	-	(2,700)	(2,700)	4,020
Total revenues	<u>-</u>	<u>14,484,135</u>	<u>14,484,135</u>	<u>13,820,501</u>
Expenditures:				
Current				
Debt service:				
Principal	-	9,585,000	9,585,000	8,780,000
Interest and fiscal charges	-	5,482,871	5,482,871	5,144,979
Bond issuance costs	-	489,287	489,287	160,006
Total expenditures	<u>-</u>	<u>15,557,158</u>	<u>15,557,158</u>	<u>14,084,985</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,073,023)</u>	<u>(1,073,023)</u>	<u>(264,484)</u>
Other financing sources (uses):				
Refunding bonds issued	-	1,585,000	1,585,000	3,155,000
Payment to refunded bond escrow agent	-	(1,816,002)	(1,816,002)	(3,539,057)
Premium on refunding bonds	-	241,411	241,411	350,193
General obligation bonds issued	-	409,041	409,041	131,223
Premium on general obligation bonds	-	69,837	69,837	5,574
Transfers in	-	-	-	865,026
Total other financing sources (uses)	<u>-</u>	<u>489,287</u>	<u>489,287</u>	<u>967,959</u>
Net change in fund balances	-	(583,736)	(583,736)	703,475
Fund balances, beginning of year	4,204	1,299,743	1,303,947	600,472
Fund balances, end of year	<u>\$ 4,204</u>	<u>\$ 716,007</u>	<u>\$ 720,211</u>	<u>\$ 1,303,947</u>

See accompanying independent auditor's report.

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Obligation Debt Fund
For the Year Ended September 30, 2022
(With Comparative Totals for the Year Ended September 30, 2021)**

	Budgeted Amounts		2022	Variance with	2021
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Property taxes	\$ 14,592,816	\$ 14,592,816	\$ 14,486,835	\$ (105,981)	\$ 13,816,481
Investment earnings	2,920	2,920	(2,700)	(5,620)	4,020
Total revenues	<u>14,595,736</u>	<u>14,595,736</u>	<u>14,484,135</u>	<u>(111,601)</u>	<u>13,820,501</u>
Expenditures:					
Debt service:					
Principal	9,585,000	9,585,000	9,585,000	-	8,780,000
Interest and fiscal charges	5,489,186	5,489,186	5,482,871	6,315	5,144,979
Bond issuance costs	-	489,300	489,287	13	160,006
Total expenditures	<u>15,074,186</u>	<u>15,563,486</u>	<u>15,557,158</u>	<u>6,328</u>	<u>14,084,985</u>
Excess (deficiency) of revenues under expenditures	<u>(478,450)</u>	<u>(967,750)</u>	<u>(1,073,023)</u>	<u>(105,273)</u>	<u>(264,484)</u>
Other financing sources (uses):					
Refunding bonds issued	-	-	1,585,000	1,585,000	3,155,000
Payment to refunded bond escrow agent	-	-	(1,816,002)	(1,816,002)	(3,539,057)
Premium on refunding bonds	-	-	241,411	241,411	350,193
General obligation bonds issued	-	-	409,041	409,041	131,223
Premium on general obligation bonds	-	489,300	69,837	(419,463)	5,574
Transfers in	-	-	-	-	865,026
Total other financing sources (uses)	<u>-</u>	<u>489,300</u>	<u>489,287</u>	<u>(13)</u>	<u>967,959</u>
Net change in fund balance	(478,450)	(478,450)	(583,736)	(105,286)	703,475
Fund balances, beginning of year	811,668	811,668	1,299,743	488,075	596,268
Fund balances, end of year	<u>\$ 333,218</u>	<u>\$ 333,218</u>	<u>\$ 716,007</u>	<u>\$ 382,789</u>	<u>\$ 1,299,743</u>

See accompanying independent auditor's report.



Nonmajor Capital Projects Funds

Capital Projects Funds - are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Improvement Fund - This fund is used to account for the acquisition/renovation of buildings, rolling stock, computer equipment, and other City purposes.

Equipment Replacement Fund - This fund is used to account for funding for future equipment replacement.

Special Projects Reserve Fund - This fund will be utilized to help fulfill and achieve the strategic goals and objectives outlined by the Mayor and City Council to build a high performing government and improve infrastructure.

2022/2021/2020 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2019 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2018 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2017 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2016 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

Impact Fee Fund - This fund is used to account for the 11 roadway service area impact fees which the City began collecting on June 1, 2021.



**Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2022
(With Comparative Totals for September 30, 2021)**

	Capital Improvement Fund	Equipment Replacement Fund	Special Projects Reserve Fund	2022/2021/2020 Bond Issue Fund
Assets				
Cash and investments	\$ 7,306,018	\$ 1,500,000	\$ 26,875,209	\$ 17,634,687
Due from other funds	2,965,379	-	-	-
Advance to other funds	168,368	-	-	-
Real estate held for resale	-	-	1,975,000	-
Total assets	<u>\$ 10,439,765</u>	<u>\$ 1,500,000</u>	<u>\$ 28,850,209</u>	<u>\$ 17,634,687</u>
Liabilities:				
Accounts payable	\$ 937,831	\$ -	\$ 45,220	\$ 1,372,115
Accrued liabilities	598,218	-	1,900	232,979
Due to other funds	-	-	-	-
Total liabilities	<u>1,536,049</u>	<u>-</u>	<u>47,120</u>	<u>1,605,094</u>
Fund Balances:				
Nonspendable:				
Real estate held for resale	-	-	1,975,000	-
Restricted for:				
Capital projects	168,368	-	-	16,029,593
Committed for:				
Capital projects	8,735,348	1,500,000	26,828,089	-
Total fund balances	<u>8,903,716</u>	<u>1,500,000</u>	<u>28,803,089</u>	<u>16,029,593</u>
Total liabilities and fund balances	<u>\$ 10,439,765</u>	<u>\$ 1,500,000</u>	<u>\$ 28,850,209</u>	<u>\$ 17,634,687</u>

See accompanying independent auditor's report.

2019 Bond Issue Fund	2018 Bond Issue Fund	2017 Bond Issue Fund	2016 Bond Issue Fund	Impact Fees	Totals	
					2022	2021
\$ 2,490,412	\$ 2,563,680	\$ 650,107	\$ -	\$ 45,413	\$ 59,065,526	\$ 97,551,622
-	-	-	-	-	2,965,379	1,470,529
-	-	-	-	-	168,368	168,368
-	-	-	-	-	1,975,000	-
<u>\$ 2,490,412</u>	<u>\$ 2,563,680</u>	<u>\$ 650,107</u>	<u>\$ -</u>	<u>\$ 45,413</u>	<u>\$ 64,174,273</u>	<u>\$ 99,190,519</u>
\$ -	\$ 900	\$ -	\$ -	\$ -	\$ 2,356,066	\$ 3,785,437
-	-	4,210	-	-	837,307	1,501,892
519,601	2,445,778	-	-	-	2,965,379	1,470,529
<u>519,601</u>	<u>2,446,678</u>	<u>4,210</u>	<u>-</u>	<u>-</u>	<u>6,158,752</u>	<u>6,757,858</u>
-	-	-	-	-	1,975,000	-
1,970,811	117,002	645,897	-	45,413	18,977,084	55,153,344
-	-	-	-	-	37,063,437	37,279,317
<u>1,970,811</u>	<u>117,002</u>	<u>645,897</u>	<u>-</u>	<u>45,413</u>	<u>58,015,521</u>	<u>92,432,661</u>
<u>\$ 2,490,412</u>	<u>\$ 2,563,680</u>	<u>\$ 650,107</u>	<u>\$ -</u>	<u>\$ 45,413</u>	<u>\$ 64,174,273</u>	<u>\$ 99,190,519</u>

See accompanying independent auditor's report.

FINANCIAL SECTION

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended September 30, 2022 (With Comparative Totals for the Year Ended September 30, 2021)

	Capital Improvement Fund	Equipment Replacement Fund	Special Projects Reserve Fund	2022/2021/2020 Bond Issue Fund
Revenues:				
Investment earnings	\$ -	\$ -	\$ -	\$ (1,309,022)
Contributions	9,588	-	8,277,698	-
Intergovernmental	-	-	500,000	-
Total revenues	<u>9,588</u>	<u>-</u>	<u>8,777,698</u>	<u>(1,309,022)</u>
Expenditures:				
Capital outlay	5,970,599	-	6,423,519	3,098,796
Total expenditures	<u>5,970,599</u>	<u>-</u>	<u>6,423,519</u>	<u>3,098,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,961,011)</u>	<u>-</u>	<u>2,354,179</u>	<u>(4,407,818)</u>
Other financing sources (uses):				
General obligation bonds issued	-	-	-	11,374,075
Premium on general obligation bonds	-	-	-	1,941,925
Capital financing agreement proceeds	-	-	-	-
Transfers in	2,450,000	-	12,944,405	-
Transfers out	-	-	(3,917,000)	-
Total other financing sources (uses)	<u>2,450,000</u>	<u>-</u>	<u>9,027,405</u>	<u>13,316,000</u>
Net change in fund balances	(3,511,011)	-	11,381,584	8,908,182
Fund balances, beginning of year - previously stated	12,414,727	1,500,000	17,421,505	7,121,411
Changes within reporting entity	-	-	-	-
Fund balances, beginning of year - adjusted	12,414,727	1,500,000	17,421,505	7,121,411
Fund balances, end of year	<u>\$ 8,903,716</u>	<u>\$ 1,500,000</u>	<u>\$ 28,803,089</u>	<u>\$ 16,029,593</u>

See accompanying independent auditor's report.

2019 Bond Issue Fund	2018 Bond Issue Fund	2017 Bond Issue Fund	2016 Bond Issue Fund	Impact Fees	Totals	
					2022	2021
\$ 30,979	\$ 123,885	\$ 5,861	\$ 58	\$ (791)	\$ (1,149,030)	\$ 317,404
-	-	-	-	46,204	8,333,490	-
-	-	-	-	-	500,000	-
<u>30,979</u>	<u>123,885</u>	<u>5,861</u>	<u>58</u>	<u>45,413</u>	<u>7,684,460</u>	<u>317,404</u>
1,218,431	709,594	317,821	92,668	-	17,831,428	37,837,873
<u>1,218,431</u>	<u>709,594</u>	<u>317,821</u>	<u>92,668</u>	<u>-</u>	<u>17,831,428</u>	<u>37,837,873</u>
<u>(1,187,452)</u>	<u>(585,709)</u>	<u>(311,960)</u>	<u>(92,610)</u>	<u>45,413</u>	<u>(10,146,968)</u>	<u>(37,520,469)</u>
-	-	-	-	-	11,374,075	28,828,777
-	-	-	-	-	1,941,925	1,224,623
-	-	-	-	-	-	5,000,000
-	-	-	-	-	15,394,405	25,069,700
(519,601)	(1,170,000)	(1,500)	(8,899)	-	(5,617,000)	(1,802,160)
<u>(519,601)</u>	<u>(1,170,000)</u>	<u>(1,500)</u>	<u>(8,899)</u>	<u>-</u>	<u>23,093,405</u>	<u>58,320,940</u>
(1,707,053)	(1,755,709)	(313,460)	(101,509)	45,413	12,946,437	20,800,471
3,677,864	1,872,711	959,357	101,509	-	92,432,661	71,632,190
-	-	-	-	-	(47,363,577)	-
<u>3,677,864</u>	<u>1,872,711</u>	<u>959,357</u>	<u>101,509</u>	<u>-</u>	<u>45,069,084</u>	<u>71,632,190</u>
<u>\$ 1,970,811</u>	<u>\$ 117,002</u>	<u>\$ 645,897</u>	<u>\$ -</u>	<u>\$ 45,413</u>	<u>\$ 58,015,521</u>	<u>\$ 92,432,661</u>

See accompanying independent auditor's report.





Nonmajor Permanent Funds

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Rosemound Cemetery Perpetual Fund - This fund is used to account for funds previously provided by the sale of cemetery lots.

Hamilton Memorial Fund - This fund is used to account for funds provided by a private donor. Income from this fund is to be used for improvements to Cameron Park.

Miss Nellie's Park Endowment Fund - This fund is used to account for funds provided by a private donor. Income from this fund is to be used to maintain Miss Nellie's Pretty Place.



**Combining Balance Sheet Nonmajor Permanent Funds
September 30, 2022
(With Comparative Totals for September 30, 2021)**

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2022	2021
Assets					
Cash and investments	\$ 213,713	\$ 10,000	\$ 100,000	\$ 323,713	\$ 326,896
Total assets	<u>\$ 213,713</u>	<u>\$ 10,000</u>	<u>\$ 100,000</u>	<u>\$ 323,713</u>	<u>\$ 326,896</u>
Fund balances (deficits)					
Restricted for:					
Parks and cemetery care	\$ 213,713	\$ 10,000	\$ 100,000	\$ 323,713	\$ 326,896
Total fund balances (deficits)	<u>\$ 213,713</u>	<u>\$ 10,000</u>	<u>\$ 100,000</u>	<u>\$ 323,713</u>	<u>\$ 326,896</u>

See accompanying independent auditor's report.



Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Permanent Funds
 For the Year Ended September 30, 2022
 (With Comparative Totals for Year Ended September 30, 2021)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2022	2021
Revenues:					
Investment earnings	\$ (3,183)	\$ -	\$ -	\$ (3,183)	\$ 392
Total revenues	<u>(3,183)</u>	<u>-</u>	<u>-</u>	<u>(3,183)</u>	<u>392</u>
Expenditures:					
Current:					
General government	-	-	-	-	54,515
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,183)</u>	<u>-</u>	<u>-</u>	<u>(3,183)</u>	<u>(54,123)</u>
Net change in fund balances	(3,183)	-	-	(3,183)	(54,123)
Fund balances, beginning of year	216,896	10,000	100,000	326,896	381,019
Fund balances, end of year	<u>\$ 213,713</u>	<u>\$ 10,000</u>	<u>\$ 100,000</u>	<u>\$ 323,713</u>	<u>\$ 326,896</u>

See accompanying independent auditor's report.





Major Enterprise Funds

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenue earned, costs incurred and/or net income is necessary for management accountability.

Water Fund- This fund is used to account for the activities necessary for the provision of water services.

Wastewater Fund - This fund is used to account for the activities necessary for the provision of sewer services.

Solid Waste Fund - This fund is used to account for the activities necessary for the provision of sanitation services.







Water Fund



**Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2022 and 2021**

	Water Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 48,848,086	\$ 45,621,463
Accounts receivable, net of allowances	6,728,340	6,697,880
Lease receivable	27,379	-
Prepaid expense	321,196	313,536
Intergovernmental receivable	629,576	666,324
Restricted cash and investments	5,188,922	5,001,637
Inventory	413,205	258,794
Total current assets	62,156,704	58,559,634
Noncurrent assets:		
Restricted cash and investments	66,152,380	51,588,088
Advances to other funds	525,336	525,336
Lease receivable	752,303	-
Lease, right-of-use assets, net of accumulated amortization	76,466	-
Capital assets:		
Land	3,180,914	3,180,914
Buildings	10,962,893	10,457,345
Improvements other than buildings	396,008,927	358,318,718
Machinery & Equipment	10,405,070	10,190,509
Construction work in progress	23,588,582	47,472,380
Intangible water rights	36,792,490	32,482,879
Less: accumulated depreciation and amortization	(185,377,288)	(175,449,748)
Total capital and lease assets	295,638,054	286,652,997
Total noncurrent assets	363,068,073	338,766,421
Total assets	425,224,777	397,326,055
Deferred outflows of resources:		
Deferred losses on refundings of debt	1,351,409	1,700,368
Deferred outflows on pension liability	823,583	840,485
Total deferred outflows of resources	2,174,992	2,540,853
Total assets and deferred outflows of resources	\$ 427,399,769	\$ 399,866,908

See accompanying independent auditor's report.

	Water Fund	
	2022	2021
Liabilities		
Current liabilities:		
Accounts payable	707,544	519,498
Accrued liabilities	711,129	631,880
Due to other funds	-	-
Compensated absences payable	886,181	748,679
Lease liability	30,613	-
Refundable contracts	-	92,588
Notes payable	96,535	98,348
Contracts payable	-	-
Bonds payable	12,920,000	12,445,000
Accrued interest payable	1,609,163	1,677,676
Current liabilities payable from restricted assets:		
Accounts payable	1,616,471	1,842,529
Due to other funds	-	-
Customer deposits	3,572,451	3,159,108
Total current liabilities	<u>22,150,087</u>	<u>21,215,306</u>
Noncurrent liabilities:		
Refundable contracts	999,241	906,653
Compensated absences payable	680,092	697,282
Lease liabilities	35,778	-
Contracts payable	-	-
Bonds payable	212,760,407	206,059,528
Notes payable	1,122,766	1,219,301
Net pension liability	668,938	2,770,521
Total noncurrent liabilities	<u>216,267,222</u>	<u>211,653,285</u>
Total liabilities	<u>238,417,309</u>	<u>232,868,591</u>
Deferred inflows of resources:		
Deferred inflows on pension liability	2,025,408	814,123
Deferred inflows on leases	772,868	-
Total deferred inflows of resources	<u>2,798,276</u>	<u>814,123</u>
Total liabilities and deferred inflows of resources	<u>241,215,585</u>	<u>233,682,714</u>
Net Position		
Net investment in capital assets	135,176,773	119,120,035
Restricted for debt service	-	-
Unrestricted	51,007,411	47,064,159
Total net position	<u>\$ 186,184,184</u>	<u>\$ 166,184,194</u>

See accompanying independent auditor's report.

FINANCIAL SECTION

Comparative Statement of Revenues, Expenses and Changes in Fund Net Position Major Enterprise Funds Years Ended September 30, 2022 and 2021

	Water Fund	
	2022	2021
Operating revenues:		
Charges for services	\$ 59,758,640	\$ 51,801,140
Other	707,153	647,658
Total operating revenue	<u>60,465,793</u>	<u>52,448,798</u>
Operating expenses:		
Salaries and wages	5,828,388	5,302,979
Employee benefits	1,524,257	1,726,615
Purchased professional/technical services	1,749,221	1,758,053
Purchased property services	165,214	183,521
Maintenance	3,957,019	3,491,026
Other purchased services	1,035,983	1,312,330
Supplies	5,167,796	4,266,742
Other	6,039,723	5,540,638
Depreciation/amortization	12,051,817	11,252,920
Total operating expenses	<u>37,519,418</u>	<u>34,834,824</u>
Operating income	<u>22,946,375</u>	<u>17,613,974</u>
Nonoperating revenue (expenses)		
Investment earnings	(789,390)	80,870
Contributions	-	-
Intergovernmental revenue	12,803	411,859
Other income	-	-
Bond issuance costs	(316,538)	(233,395)
Interest expense and fiscal charges	(5,263,129)	(5,369,942)
Gain (loss) on disposal of capital assets	(637,488)	-
Total nonoperating revenue (expenses)	<u>(6,993,742)</u>	<u>(5,110,608)</u>
Income before contributions and transfers	15,952,633	12,503,366
Capital Contributions	7,867,232	8,847,195
Transfers in	145,042	145,042
Transfers out	(3,964,917)	(3,808,039)
Change in net position	<u>19,999,990</u>	<u>17,687,564</u>
Total net position, beginning of year	166,184,194	148,496,630
Total net position, end of year	<u>\$ 186,184,184</u>	<u>\$ 166,184,194</u>

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Water Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 60,841,862	\$ 52,312,009
Cash paid to suppliers for goods and services	(18,067,053)	(16,847,971)
Cash paid to employees for services	(8,048,408)	(7,599,731)
Net cash provided by operating activities	34,726,401	27,864,307
Cash flows from noncapital financing activities:		
Intergovernmental revenue	12,803	411,859
Contributions	36,748	(174,362)
Transfer from other funds	145,042	145,042
Transfer to other funds	(3,964,917)	(3,808,039)
Net cash used for noncapital financing activities	(3,770,324)	(3,425,500)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(14,076,407)	(24,531,760)
Principal and interest payments for lease assets	(30,682)	-
Impact Fees	41,944	-
Proceeds from sale of debt	22,000,000	21,643,581
Payment of refundable contracts	-	(92,588)
Principal paid on debt	(12,445,000)	(12,235,000)
Interest paid on debt	(7,678,342)	(7,208,556)
Net cash used for capital and related financing activities	(12,188,487)	(22,424,323)
Cash flows from investing activities:		
Investment earnings	(789,390)	80,870
Net cash provided by investing activities	(789,390)	80,870
Net increase in cash and cash equivalents	17,978,200	2,095,354
Cash and cash equivalents, beginning of year	102,211,188	100,115,834
Cash and cash equivalents, end of year	\$ 120,189,388	\$ 102,211,188
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	22,946,375	17,613,974
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	88,274	97,040
Depreciation/amortization	12,051,817	11,252,920
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(118,734)	(275,460)
Lease receivable	(779,682)	-
Prepaid expenses	(7,660)	17,793
Inventory	(154,411)	(884)
Increase (decrease) in liabilities:		
Accounts payable	188,046	(241,561)
Accrued liabilities	79,249	(331,893)
Deferred inflow-leases	772,868	-
Compensated absences payable	120,312	160,208
Net pension liability	(873,396)	(469,461)
Customer deposits	413,343	41,631
Net cash provided by operating activities	\$ 34,726,401	\$ 27,864,307
Schedule of Noncash capital and related financing activities:		
Contributions of capital assets	\$ 7,825,288	\$ 8,847,195
Proceeds of refunding bonds used for bond issuance costs and payment to refunded bond escrow agent	\$ 21,172,459	\$ 20,049,628
Lease, right-of-use assets	\$ 97,073	\$ -

See accompanying independent auditor's report.





Wastewater Fund



**Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2022 and 2021**

	Wastewater Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 43,729,690	\$ 40,917,535
Accounts receivable, net of allowance	4,685,402	4,514,500
Prepaid expense	30,849	22,504
Intergovernmental receivable	329,772	364,428
Restricted cash and investments	1,681,094	1,888,402
Inventory	42,632	23,629
Total current assets	50,499,439	47,730,998
Noncurrent assets:		
Restricted cash and investments	78,199,099	79,615,703
Lease, right-of-use assets, net of accumulated amortization	25,620	-
Capital assets:		
Land	3,361,999	3,361,999
Buildings	21,820,904	11,818,016
Improvements other than buildings	254,106,252	188,966,952
Equipment	14,152,841	13,571,644
Construction work in progress	31,256,384	76,310,990
Less: accumulated depreciation and amortization	(93,756,857)	(85,008,621)
Total capital and lease assets	230,967,143	209,020,980
Total noncurrent assets	309,166,242	288,636,683
Total assets	359,665,681	336,367,681
Deferred outflows of resources:		
Deferred losses on refundings of debt	290,701	481,222
Deferred outflows on pension liability	549,054	560,324
Total deferred outflows of resources	839,755	1,041,546
Total assets and deferred outflows of resources	\$ 360,505,436	\$ 337,409,227

See accompanying independent auditor's report.

	Wastewater Fund	
	2022	2021
Liabilities		
Current liabilities:		
Accounts payable	\$ 289,530	\$ 630,469
Accrued liabilities	599,581	664,090
Compensated absences payable	440,539	338,181
Lease liability	11,463	-
Bonds payable	9,445,000	9,140,000
Accrued interest payable	1,282,515	1,253,939
Estimated claims and judgments payable	3,044,828	-
Current liabilities payable from restricted assets:		
Accounts payable	1,681,094	1,888,402
Total current liabilities	<u>16,794,550</u>	<u>13,915,081</u>
Noncurrent liabilities:		
Refundable contracts	192,542	192,542
Compensated absences payable	120,852	236,913
Lease liability	10,750	-
Bonds payable	173,714,129	169,431,032
Net pension liability	445,958	1,847,013
Total noncurrent liabilities	<u>174,484,231</u>	<u>171,707,500</u>
Total liabilities	<u>191,278,781</u>	<u>185,622,581</u>
Deferred inflows of resources		
Deferred inflows on pension liability	1,350,274	542,750
Total deferred inflows of resources	<u>1,350,274</u>	<u>542,750</u>
Net Position		
Net investment in capital assets	126,083,133	110,354,331
Unrestricted	41,793,248	40,889,565
Total net position	<u>\$ 167,876,381</u>	<u>\$ 151,243,896</u>

See accompanying independent auditor's report.

FINANCIAL SECTION

Comparative Statement of Revenue, Expenses and Changes in Fund Net Position Major Enterprise Funds Years Ended September 30, 2022 and 2021

	Wastewater Fund	
	2022	2021
Operating revenues:		
Charges for services	\$ 43,400,394	\$ 41,396,970
Other	822,936	782,561
Total operating revenues	<u>44,223,330</u>	<u>42,179,531</u>
Operating expenses:		
Salaries and wages	4,190,648	3,843,610
Employee benefits	1,094,296	1,197,132
Purchased professional/technical services	2,162,015	1,804,206
Purchased property services	100,284	104,734
Maintenance	2,893,371	3,119,557
Other purchased services	437,004	406,932
Supplies	2,973,490	2,747,399
Other	9,053,989	5,125,952
Depreciation/amortization	9,170,121	7,178,629
Total operating expenses	<u>32,075,218</u>	<u>25,528,151</u>
Operating income	<u>12,148,112</u>	<u>16,651,380</u>
Nonoperating revenue (expenses)		
Investment earnings	(662,371)	75,422
Other income	23,336	65,884
Intergovernmental revenue	11,818	214,969
Gain (loss) on disposal of capital assets	-	(50,278)
Bond issuance costs	(169,966)	(103,168)
Interest expense and fiscal charges	(4,582,167)	(4,461,370)
Total nonoperating revenue (expenses)	<u>(5,379,350)</u>	<u>(4,258,541)</u>
Income (loss) before contributions and transfers	6,768,762	12,392,839
Capital Contributions	10,776,086	8,926,428
Transfers in	233,395	233,395
Transfers out	(1,145,758)	(1,057,215)
Change in net position	<u>16,632,485</u>	<u>20,495,447</u>
Total net position, beginning of year	151,243,896	130,748,449
Total net position, end of year	<u>\$ 167,876,381</u>	<u>\$ 151,243,896</u>

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Wastewater Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 44,075,764	\$ 42,218,660
Cash paid to suppliers for goods and services	(15,022,880)	(13,340,686)
Cash paid to employees for services	(5,866,149)	(5,304,818)
Net cash provided by operating activities	<u>23,186,735</u>	<u>23,573,156</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenue	46,474	214,969
Contributions	-	283,556
Other nonoperating income	-	65,884
Transfers from other funds	233,395	233,395
Transfers to other funds	(1,145,758)	(1,057,215)
Net cash used for noncapital financing activities	<u>(865,889)</u>	<u>(259,411)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(20,596,038)	(23,233,298)
Proceeds from sale of debt	15,500,000	21,776,871
Principal and interest payments for lease assets	(3,407)	-
Impact Fees	74,152	-
Principal paid on capital debt	(9,140,000)	(8,540,000)
Interest paid on capital debt	(6,304,939)	(6,131,252)
Net cash provided by (used for) capital and related financing activities	<u>(20,470,232)</u>	<u>(16,127,679)</u>
Cash flows from investing activities:		
Investment earnings	(662,371)	75,422
Net cash provided by investing activities	<u>(662,371)</u>	<u>75,422</u>
Net increase in cash and cash equivalents	1,188,243	7,261,488
Cash and cash equivalents, beginning of year	122,421,640	115,160,152
Cash and cash equivalents, end of year	<u>\$ 123,609,883</u>	<u>\$ 122,421,640</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 12,148,112	\$ 16,651,380
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	46,372	71,712
Depreciation/amortization	9,170,121	7,178,629
Other nonoperating income	23,336	-
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(217,274)	(32,583)
Inventory	(19,003)	(18,379)
Prepaid expenses	(8,345)	-
Increase (decrease) in liabilities:		
Accounts payable	(340,939)	(431,079)
Accrued liabilities	(64,509)	379,000
Compensated absences payable	(13,703)	87,450
Estimate claims and judgments payable	3,044,828	-
Net pension liability	(582,261)	(312,974)
Net cash provided by operating activities	<u>\$ 23,186,735</u>	<u>\$ 23,573,156</u>
Schedule of Noncash capital, and related financing activities:		
Contribution of capital assets	<u>\$ 10,701,934</u>	<u>\$ 8,926,428</u>
Lease, right-of-use assets	<u>\$ 33,704</u>	<u>\$ -</u>
Proceeds of refunding bonds used for bond issuance costs and payment to refunded bond escrow agent	<u>\$ 4,625,613</u>	<u>\$ 1,150,072</u>

See accompanying independent auditor's report.





Solid Waste Fund



Solid Waste Fund
Comparative Statements of Net Position
September 30, 2022 and 2021

	Solid Waste Fund	
	2022	2021
Assets		
Current Assets:		
Cash and investments	18,213,040	16,021,656
Accounts receivable, net of allowance	2,836,888	2,358,637
Lease receivable	6,498	-
Restricted cash and investments	60,222	4,520
Total current assets	21,116,648	18,384,813
Noncurrent assets:		
Restricted cash and investments	8,087,151	3,584,662
Lease receivables	6,479	-
Lease, right-of-use assets, net of accumulated amortization	33,896	-
Capital assets:		
Land	8,258,110	8,258,110
Buildings	1,370,137	1,370,137
Improvements other than buildings	30,876,058	30,876,058
Equipment	27,033,371	24,272,948
Construction work in progress	4,673,474	2,727,526
Less: Accumulated depreciation and amortization	(48,770,657)	(46,382,257)
Total capital and lease assets	23,474,389	21,122,522
Total noncurrent assets	31,568,019	24,707,184
Total assets	52,684,667	43,091,997
Deferred outflows of resources		
Deferred outflows on pension liability	549,055	560,324
Total deferred outflows of resources	549,055	560,324
Total assets and deferred outflows of resources	53,233,722	43,652,321

See accompanying independent auditor's report.

	Solid Waste Fund	
	2022	2021
Liabilities		
Current Liabilities:		
Accounts payable	218,057	548,389
Accrued liabilities	275,047	212,417
Compensated absences payable	592,039	532,317
Lease liability	18,139	-
Bonds payable	1,760,000	1,140,000
Accrued interest payable	167,669	94,152
Current liabilities payable from restricted assets:		
Accounts payable	60,222	4,520
Total current liabilities	<u>3,091,173</u>	<u>2,531,795</u>
Noncurrent Liabilities:		
Estimated landfill closure and postclosure care costs	7,072,031	6,552,888
Compensated absences payable	486,014	478,557
Lease liability	11,783	-
Bonds payable	13,064,297	7,274,030
Net pension liability	445,958	1,847,013
Total noncurrent liabilities	<u>21,080,083</u>	<u>16,152,488</u>
Total liabilities	<u>24,171,256</u>	<u>18,684,283</u>
Deferred inflows of resources		
Deferred gains on refundings of debt	37,000	-
Deferred inflows on pension liability	1,350,274	542,750
Deferred inflows on leases	13,282	-
Total deferred inflows of resources	<u>1,400,556</u>	<u>542,750</u>
Total liabilities and deferred inflows of resources	<u>25,571,812</u>	<u>19,227,033</u>
Net position		
Net investment in capital assets	16,670,403	16,293,154
Unrestricted	10,991,507	8,132,134
Total net position	<u>\$ 27,661,910</u>	<u>\$ 24,425,288</u>

See accompanying independent auditor's report.

FINANCIAL SECTION

Comparative Statements of Revenues, Expenses and Changes in Fund Net Position Major Enterprise Funds Years Ended September 30, 2022 and 2021

	Solid Waste Fund	
	2022	2021
Operating revenue:		
Charges for services	\$ 27,436,912	\$ 22,822,574
Other	220,300	314,741
Total operating revenues	<u>27,657,212</u>	<u>23,137,315</u>
Operating expenses:		
Salaries and wages	4,947,411	4,299,205
Employee benefits	1,547,222	1,562,981
Purchased professional/technical services	2,918,467	2,805,600
Purchased property services	25,519	44,436
Maintenance	3,125,648	2,973,264
Other purchased services	187,316	411,409
Supplies	2,737,930	2,242,469
Other	4,897,576	4,191,318
Depreciation/amortization	3,034,113	3,119,482
Total operating expenses	<u>23,421,202</u>	<u>21,650,164</u>
Operating income	<u>4,236,010</u>	<u>1,487,151</u>
Nonoperating revenue (expenses):		
Investment earnings	(280,473)	26,382
Intergovernmental revenue	-	20,000
Gain (loss) on disposal of capital assets	(10,195)	(1,166,244)
Bond issuance cost	(119,056)	(57,231)
Interest expense and fiscal charges	(172,084)	(86,507)
Total nonoperating revenue (expenses)	<u>(581,808)</u>	<u>(1,263,600)</u>
Income (loss) before contributions and transfers	3,654,202	223,551
Transfers In	96,930	96,930
Transfers out	(514,510)	(488,287)
Changes in net position	<u>3,236,622</u>	<u>(167,806)</u>
Total net position, beginning of year	24,425,288	24,593,094
Total net position, end of year	<u>\$ 27,661,910</u>	<u>\$ 24,425,288</u>

See accompanying independent auditor's report.

Comparative Statement of Cash Flows
Major Enterprise Fund
Years Ended September 30, 2022 and 2021

	Solid Waste Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 27,179,266	\$ 22,831,059
Cash paid to suppliers for goods and services	(13,699,953)	(13,277,805)
Cash paid to employees for services	(6,950,777)	(5,924,465)
Net cash provided by operating activities	6,528,536	3,628,789
Cash flows from noncapital financing activities:		
Intergovernmental revenue	-	20,000
Transfers from other funds	96,930	96,930
Transfers to other funds	(514,510)	(488,287)
Net cash used for noncapital financing activities	(417,580)	(371,357)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(5,295,154)	(4,027,139)
Principal and interest payments for lease assets	(15,397)	-
Principal paid on debt	(1,140,000)	(1,195,000)
Interest paid on debt	(280,846)	(134,584)
Proceeds from sale of debt	7,650,489	6,150,000
Net cash used for capital and related financing activities	919,092	793,277
Cash flows from investing activities:		
Investment earnings	(280,473)	26,382
Net cash provided by investing activities	(280,473)	26,382
Net increase in cash and cash equivalents	6,749,575	4,077,091
Cash and cash equivalents, beginning of year	19,610,838	15,533,747
Cash and cash equivalents, end of year	\$ 26,360,413	\$ 19,610,838
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	4,236,010	1,487,151
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	29,529	43,780
Depreciation/amortization	3,034,113	3,119,482
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(507,780)	(350,036)
Lease receivable	(12,977)	-
Increase (decrease) in liabilities:		
Accounts payable	(330,331)	(518,410)
Accrued liabilities	62,630	(269,150)
Estimated landfill closure and post-closure care costs	519,143	298,646
Compensated absences payable	67,179	130,300
Net pension liability	(582,262)	(312,974)
Deferred inflow on leases	13,282	-
Net cash provided by operating activities	\$ 6,528,536	\$ 3,628,789
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	\$ 45,319	\$ -
Transfer of capital assets to general government	\$ -	\$ -
Payment to refunded bond escrow agent	\$ 544,818	\$ -

See accompanying independent auditor's report.





Nonmajor Enterprise Funds

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenue earned, costs incurred and/or net income is necessary for management accountability.

Airport Fund - This fund is used to account for the provision of passenger and freight air services to the residents of the City and surrounding areas.

Convention Services Fund - This fund is used to account for the provision of convention facilities.

Ranger Hall of Fame Fund - This fund is used to account for the provision of this facility to the public.

Cameron Park Zoo Fund - This fund is used to account for the provision of this facility to the public.

Transit Services Fund - This fund is used to account for the provision of public transit services to the residents of the City.

Cottonwood Creek Golf Course Fund - This fund is used to account for the provision of this facility to the public.

Drainage (Stormwater) Utility Fund - This fund is used to account for the provision of services for maintenance and improvements to the City's drainage system and other stormwater program activities.



**Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2022
(With Comparative Totals for September 30, 2022)**

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund	Cameron Park Zoo Fund
Assets				
Current assets:				
Cash and investments	\$ 146,568	\$ 8,240,989	\$ 398,781	\$ 2,060,746
Due from other funds	-	-	-	-
Accounts receivable, net of allowances	32,246	721,682	18,000	182,949
Lease receivable	326,294	-	672	-
Intergovernmental receivable	4,268,934	-	-	-
Restricted cash and investments	-	-	-	-
Prepaid Expense	-	-	-	-
Inventories	-	75,785	97,748	264,260
Total current assets	<u>4,774,042</u>	<u>9,038,456</u>	<u>515,201</u>	<u>2,507,955</u>
Noncurrent assets:				
Restricted cash and investments	-	-	863,419	-
Lease receivable	2,870,173	-	3,867	-
Lease, right-of-use assets, net of accumulated amortization	-	1,268	1,318	-
Capital assets:				
Land	2,977,470	-	-	-
Buildings	15,625,930	27,182,675	3,733,320	10,408,924
Improvements other than buildings	48,397,542	555,845	418,768	19,110,331
Equipment	2,394,808	1,601,942	509,521	702,018
Museum collections	-	-	2,652,924	-
Construction work in progress	4,287,592	18,009	-	1,020,154
Less: accumulated depreciation	(42,050,333)	(14,781,967)	(2,294,950)	(23,338,816)
Total capital and lease assets	<u>31,633,009</u>	<u>14,577,772</u>	<u>5,020,901</u>	<u>7,902,611</u>
Total noncurrent assets	<u>34,503,182</u>	<u>14,577,772</u>	<u>5,888,187</u>	<u>7,902,611</u>
Total assets	<u>39,277,224</u>	<u>23,616,228</u>	<u>6,403,388</u>	<u>10,410,566</u>
Liabilities				
Current liabilities:				
Accounts payable	435,438	57,987	7,801	51,410
Accrued liabilities	149,535	61,066	26,421	125,403
Unearned revenue	61,814	181,743	-	45,066
Due to other funds	-	-	-	-
Compensated absences payable	55,053	133,205	121,316	334,709
Lease liability	-	352	386	-
Bonds payable	-	-	-	-
Accrued interest payable	-	-	-	-
Current liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Total current liabilities	<u>701,840</u>	<u>434,353</u>	<u>155,924</u>	<u>556,588</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Compensated absences payable	48,295	14,225	64,644	122,982
Lease liability	-	707	772	-
Bonds payable	-	-	-	-
Total noncurrent liabilities	<u>48,295</u>	<u>14,932</u>	<u>65,416</u>	<u>122,982</u>
Total liabilities	<u>\$ 750,135</u>	<u>\$ 449,285</u>	<u>\$ 221,340</u>	<u>\$ 679,570</u>
Deferred inflows of resources:				
Deferred inflows on leases	3,174,788	-	4,515	-
Total deferred inflows of resources	<u>3,174,788</u>	<u>-</u>	<u>4,515</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ 3,924,923</u>	<u>\$ 449,285</u>	<u>\$ 225,855</u>	<u>\$ 679,570</u>
Net position				
Net investment in capital assets	31,633,009	14,576,722	5,019,747	7,902,611
Restricted for:				
Capital projects	432,075	-	7,030	-
Unrestricted	3,287,217	8,590,221	1,150,756	1,828,385
Total net position	<u>\$ 35,352,301</u>	<u>\$ 23,166,943</u>	<u>\$ 6,177,533</u>	<u>\$ 9,730,996</u>

See accompanying independent auditor's report.

Transit Services Fund	Cottonwood Creek Golf Course Fund	Drainage (Stormwater) Utility Fund	Totals	
			2022	2021
\$ -	\$ 1,871,114	\$ 2,441,571	\$ 15,159,769	\$ 12,160,558
701,728	-	-	701,728	-
313,977	-	524,278	1,793,132	795,765
64,516	-	-	391,482	-
1,326,077	-	-	5,595,011	3,596,408
-	-	6,249	6,249	-
-	7,600	-	7,600	-
541,067	226,518	-	1,205,378	1,082,805
<u>2,947,365</u>	<u>2,105,232</u>	<u>2,972,098</u>	<u>24,860,349</u>	<u>17,635,536</u>
-	-	11,739,837	12,603,256	138,075
223,025	-	-	3,097,065	-
-	175,382	145,060	323,028	-
423,284	-	249,529	3,650,283	3,400,754
6,919,608	713,389	-	64,583,846	63,675,593
244,951	2,017,246	6,936,025	77,680,708	70,040,607
12,901,314	1,340,725	207,075	19,657,403	19,198,012
-	-	-	2,652,924	2,287,924
1,161,445	-	10,634	6,497,834	2,908,615
(14,984,904)	(3,594,360)	(89,054)	(101,134,384)	(95,301,594)
<u>6,665,698</u>	<u>652,382</u>	<u>7,459,269</u>	<u>73,911,642</u>	<u>66,209,911</u>
<u>6,888,723</u>	<u>652,382</u>	<u>19,199,106</u>	<u>89,611,963</u>	<u>66,347,986</u>
<u>9,836,088</u>	<u>2,757,614</u>	<u>22,171,204</u>	<u>114,472,312</u>	<u>83,983,522</u>
29,091	39,396	55,142	676,265	723,490
69,722	645,499	25,717	1,103,363	1,059,007
84,000	-	-	372,623	169,804
1,182,798	-	-	1,182,798	573,143
-	63,367	59,293	766,943	710,591
-	85,803	53,581	140,122	-
-	-	180,000	180,000	-
-	-	239,853	239,853	-
-	-	6,249	6,249	-
<u>1,365,611</u>	<u>834,065</u>	<u>619,835</u>	<u>4,668,216</u>	<u>3,236,035</u>
-	693,704	-	693,704	693,704
-	134,694	-	384,840	320,738
-	89,159	91,576	182,214	-
-	-	11,824,118	11,824,118	-
-	917,557	11,915,694	13,084,876	1,014,442
<u>\$ 1,365,611</u>	<u>\$ 1,751,622</u>	<u>\$ 12,535,529</u>	<u>\$ 17,753,092</u>	<u>\$ 4,250,477</u>
286,644	-	-	3,465,947	-
286,644	-	-	3,465,947	1,014,442
<u>\$ 1,652,255</u>	<u>\$ 1,751,622</u>	<u>\$ 12,535,529</u>	<u>\$ 21,219,039</u>	<u>\$ 4,250,477</u>
6,665,698	477,726	7,050,070	73,325,583	66,209,911
460,866	-	-	899,971	1,082,677
1,057,269	528,266	2,585,605	19,027,719	12,440,457
<u>\$ 8,183,833</u>	<u>\$ 1,005,992</u>	<u>\$ 9,635,675</u>	<u>\$ 93,253,273</u>	<u>\$ 79,733,045</u>

See accompanying independent auditor's report.

FINANCIAL SECTION

Combining Statement of Revenues, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year Ended September 30, 2022 (With Comparative Totals for the Year Ended September 30, 2021)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund	Cameron Park Zoo Fund
Operating revenues:				
Charges for services	\$ 448,739	\$ 986,461	\$ 369,752	\$ 2,480,847
Net merchandise sales	-	216,896	162,853	774,633
Contributions	-	19,062	-	8,614
Other	597,579	62,067	12,710	65,700
Total operating revenues	<u>1,046,318</u>	<u>1,284,486</u>	<u>545,315</u>	<u>3,329,794</u>
Operating expenses:				
Salaries and wages	545,948	1,066,530	841,468	2,427,358
Employee benefits	243,620	511,817	311,288	1,043,115
Purchased professional/technical services	344,444	466,794	139,322	161,116
Purchased property services	24,287	39,848	8,859	588,562
Maintenance	162,565	245,441	5,533	221,057
Other purchased services	83,568	1,575,803	44,239	147,697
Supplies	149,200	343,272	83,875	927,552
Other	869,482	262,063	2,232	154,276
Depreciation/amortization	2,747,782	903,408	161,039	1,094,085
Total operating expenses	<u>5,170,896</u>	<u>5,414,976</u>	<u>1,597,855</u>	<u>6,764,818</u>
Operating income (loss)	<u>(4,124,578)</u>	<u>(4,130,490)</u>	<u>(1,052,540)</u>	<u>(3,435,024)</u>
Nonoperating revenues (expenses):				
Investment earnings	(14,631)	(130,630)	(20,604)	(30,855)
Other income	152,481	-	-	-
Hotel/motel tax	-	6,120,368	-	-
Contributions	-	-	597,218	-
Intergovernmental revenue	2,054,544	-	-	-
Interest expense and fiscal charges	-	(9)	(4)	-
Bond issuance cost	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>2,192,394</u>	<u>5,989,729</u>	<u>576,610</u>	<u>(30,855)</u>
Income (loss) before contributions and transfers	(1,932,184)	1,859,239	(475,930)	(3,465,879)
Capital contributions	3,835,068	-	377,573	1,455,470
Transfers in	54,674	42,298	707,407	1,908,369
Transfers out	-	(150,000)	-	-
Net change in net position	<u>1,957,558</u>	<u>1,751,537</u>	<u>609,050</u>	<u>(102,040)</u>
Total net position, beginning of year	<u>33,394,743</u>	<u>21,415,406</u>	<u>5,568,483</u>	<u>9,833,036</u>
Total net position, end of the year	<u>\$ 35,352,301</u>	<u>\$ 23,166,943</u>	<u>\$ 6,177,533</u>	<u>\$ 9,730,996</u>

See accompanying independent auditor's report.

Transit Services Fund	Cottonwood Creek Golf Course Fund	Drainage (Stormwater) Utility Fund	Totals	
			2022	2021
\$ 1,113,679	\$ 1,793,085	\$ 5,709,296	\$ 12,901,859	\$ 6,457,261
-	337,734	-	1,492,116	1,214,331
-	-	-	27,676	40,584
1,646,119	7,737	75,000	2,466,912	1,467,675
<u>2,759,798</u>	<u>2,138,556</u>	<u>5,784,296</u>	<u>16,888,563</u>	<u>9,179,851</u>
3,057,172	531,783	658,181	9,128,440	7,647,376
864,309	210,355	224,297	3,408,801	2,758,974
622,541	650,193	285,614	2,670,024	1,786,659
27,594	79,732	-	768,882	597,122
511,134	98,674	31,756	1,276,160	1,151,249
533,609	48,518	28,592	2,462,026	1,389,986
912,903	228,802	26,628	2,672,232	2,331,507
550,971	47,516	1,858,331	3,744,871	1,813,501
730,484	201,029	109,242	5,947,069	5,846,869
<u>7,810,717</u>	<u>2,096,602</u>	<u>3,222,641</u>	<u>32,078,505</u>	<u>25,323,243</u>
<u>(5,050,919)</u>	<u>41,954</u>	<u>2,561,655</u>	<u>(15,189,942)</u>	<u>(16,143,392)</u>
1,997	(28,482)	(40,424)	(263,629)	17,595
-	-	-	152,481	186,023
-	-	-	6,120,368	4,519,547
-	-	-	597,218	32,005
4,319,339	-	-	6,373,883	6,511,991
-	(6,065)	(136,160)	(142,238)	-
-	-	(108,928)	(108,928)	-
-	-	-	-	(173,915)
<u>4,321,336</u>	<u>(34,547)</u>	<u>(285,512)</u>	<u>12,729,155</u>	<u>11,093,246</u>
(729,583)	7,407	2,276,143	(2,460,787)	(5,050,146)
-	-	7,036,025	12,704,136	3,570,187
701,728	12,403	-	3,426,879	4,843,452
-	-	-	(150,000)	(150,000)
(27,855)	19,810	9,312,168	13,520,228	3,213,493
<u>8,211,688</u>	<u>986,182</u>	<u>323,507</u>	<u>79,733,045</u>	<u>76,519,552</u>
<u>\$ 8,183,833</u>	<u>\$ 1,005,992</u>	<u>\$ 9,635,675</u>	<u>\$ 93,253,273</u>	<u>\$ 79,733,045</u>

See accompanying independent auditor's report.

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022
(With Comparative Totals for September 30, 2021)**

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Cash flows from operating activities:			
Cash received from customers	\$ 1,093,612	\$ 1,303,352	\$ 527,291
Cash paid to suppliers for goods and services	(1,672,427)	(2,923,007)	(303,397)
Cash paid to employees for services	(764,842)	(1,535,251)	(1,153,435)
Net cash provided by (used for) operating activities	<u>(1,343,657)</u>	<u>(3,154,906)</u>	<u>(929,541)</u>
Cash flows from noncapital financing activities:			
Intergovernmental revenue	(164,804)	-	-
Contributions	-	-	597,218
Hotel/motel tax	-	5,970,761	-
Passenger facility charges	152,480	-	-
Transfers from other funds	54,674	42,298	707,408
Transfers to other funds	-	(150,000)	-
Net cash provided by (used for) noncapital financing activities	<u>42,350</u>	<u>5,863,059</u>	<u>1,304,626</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(3,630,887)	(49,741)	(382,838)
Interest paid on debt	-	(9)	(4)
Proceeds from sale of debt	-	-	-
Payment of bond issuance costs	-	-	-
Payments in lieu of drainage facilities	-	-	-
Principal payments for lease assets	-	(356)	(385)
Capital contributions	3,835,068	-	365,000
Proceeds from insurance recoveries	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>204,181</u>	<u>(50,106)</u>	<u>(18,227)</u>
Cash flows from investing activities:			
Investment earnings	(14,631)	(130,630)	(20,604)
Net cash provided by (used for) investing activities	<u>(14,631)</u>	<u>(130,630)</u>	<u>(20,604)</u>
Net increase (decrease) in cash and cash equivalents	(1,111,757)	2,527,417	336,254
Cash and cash equivalents, beginning of year	1,258,325	5,713,572	925,946
Cash and cash equivalents, end of year	<u>\$ 146,568</u>	<u>\$ 8,240,989</u>	<u>\$ 1,262,200</u>
Reconciliation of operating income (loss) to net cash used for operating activities:			
Operating income (loss)	(4,124,578)	(4,130,490)	(1,052,540)
Adjustment to reconcile operating income (loss) to net cash used for operating activities:			
Provision for uncollectible accounts receivable	-	-	-
Depreciation/Amortization	2,747,782	903,408	161,039
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	7,159	(60,503)	(18,000)
Lease receivable	(3,196,467)	-	(4,539)
Inventory	-	(12,145)	(20,562)
Prepaid Assets	-	-	-
Increase (decrease) in liabilities:			
Accounts payable	(162,042)	21,087	1,306
Accrued liabilities	127,439	14,352	8,603
Deferred inflow-leases	3,174,788	-	4,515
Unearned revenue	61,814	79,369	-
Compensated absences payable	20,448	30,016	(9,363)
Net cash provided by (used for) operating activities	<u>\$ (1,343,657)</u>	<u>\$ (3,154,906)</u>	<u>\$ (929,541)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ -	\$ -
Transfer of Capital Assets from Governmental Activities	\$ -	\$ -	\$ 12,572
Lease, right-of-use assets	\$ -	\$ 1,415	\$ 1,543

Additionally, variances in capital contributions per the statement of revenues, expenses and changes in net position - proprietary funds as compared to capital contributions from capital and related financing activities and noncash investing, capital and financing activities result from changes in the following item: intergovernmental accounts receivables, accounts payable and accrued liabilities related to capital items.

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Drainage (Stormwater) Utility Fund	Totals	
				2022	2021
\$ 3,610,904	\$ 2,759,658	\$ 2,138,856	\$ 5,260,017	\$ 16,693,690	\$ 9,143,509
(2,335,309)	(3,289,723)	(1,119,112)	(2,228,539)	(13,871,514)	(9,555,595)
<u>(3,446,856)</u>	<u>(4,148,999)</u>	<u>(722,728)</u>	<u>(803,922)</u>	<u>(12,576,033)</u>	<u>(10,200,048)</u>
<u>(2,171,261)</u>	<u>(4,679,064)</u>	<u>297,016</u>	<u>2,227,556</u>	<u>(9,753,857)</u>	<u>(10,612,134)</u>
-	4,067,412	-	-	3,902,608	8,472,922
-	-	-	-	597,218	32,005
-	-	-	-	5,970,761	4,289,984
-	-	-	-	152,480	158,380
1,908,369	609,655	12,403	-	3,334,807	4,843,452
-	-	-	-	(150,000)	(1,455,080)
<u>1,908,369</u>	<u>4,677,067</u>	<u>12,403</u>	<u>-</u>	<u>13,807,874</u>	<u>16,341,663</u>
(1,454,470)	-	-	(460,989)	(5,978,925)	(4,562,079)
-	-	(6,065)	-	(6,078)	-
-	-	-	12,108,928	12,108,928	-
-	-	-	(108,928)	(108,928)	-
-	-	-	100,000	100,000	-
-	-	(61,639)	(21,207)	(83,587)	-
1,448,775	-	-	-	5,648,843	3,445,719
-	-	-	-	-	27,643
<u>(5,695)</u>	<u>-</u>	<u>(67,704)</u>	<u>11,617,804</u>	<u>11,680,253</u>	<u>(1,088,717)</u>
(30,855)	1,997	(28,482)	(40,424)	(263,629)	17,595
<u>(30,855)</u>	<u>1,997</u>	<u>(28,482)</u>	<u>(40,424)</u>	<u>(263,629)</u>	<u>17,595</u>
(299,442)	-	213,233	13,804,936	15,470,641	4,658,407
<u>2,360,188</u>	<u>-</u>	<u>1,657,881</u>	<u>382,721</u>	<u>12,298,633</u>	<u>7,640,226</u>
<u>\$ 2,060,746</u>	<u>\$ -</u>	<u>\$ 1,871,114</u>	<u>\$ 14,187,657</u>	<u>\$ 27,769,274</u>	<u>\$ 12,298,633</u>
(3,435,024)	(5,050,919)	41,954	2,561,655	(15,189,942)	(16,143,392)
-	-	-	17,918	17,918	-
1,094,085	730,484	201,029	109,242	5,947,069	5,846,869
289,723	(69,493)	300	(542,196)	(393,010)	(10,013)
-	(287,541)	-	-	(3,488,547)	-
(83,007)	2,116	(8,975)	-	(122,573)	(62,769)
-	-	(7,600)	-	(7,600)	-
(79,497)	(139,211)	5,227	2,381	(350,749)	(56,399)
44,202	(221,394)	48,691	22,464	44,357	(179,006)
-	286,644	-	-	3,465,947	-
(8,614)	70,250	-	-	202,819	(433)
6,871	-	16,390	56,092	120,454	(6,991)
<u>\$ (2,171,261)</u>	<u>\$ (4,679,064)</u>	<u>\$ 297,016</u>	<u>\$ 2,227,556</u>	<u>\$ (9,753,857)</u>	<u>\$ (10,612,134)</u>
\$ 35,315	\$ -	\$ -	\$ 6,936,025	\$ 6,971,340	\$ 132,656
<u>\$ 6,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,267</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,601</u>	<u>\$ 165,248</u>	<u>\$ 404,807</u>	<u>\$ -</u>

See accompanying independent auditor's report.





Airport Fund



Airport Fund
Comparative Statements of Net Position
September 30, 2022 and 2021

	Airport Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 146,568	\$ 1,258,325
Accounts receivable, net of allowances	32,246	39,405
Lease receivable	326,294	-
Intergovernmental receivable	4,268,934	2,049,586
Total current assets	4,774,042	3,347,316
Noncurrent assets:		
Lease receivable	2,870,173	-
Capital assets:		
Land	2,977,470	2,977,470
Buildings	15,625,930	15,625,930
Improvements other than buildings	48,397,542	47,714,906
Equipment	2,394,808	2,209,054
Construction work in progress	4,287,592	1,248,572
Less: accumulated depreciation	(42,050,333)	(39,329,551)
Total capital assets	31,633,009	30,446,381
Total noncurrent assets	34,503,182	30,446,381
Total assets	39,277,224	33,793,697
Liabilities		
Current liabilities:		
Accounts payable	435,438	293,958
Accrued liabilities	149,535	22,096
Unearned revenue	61,814	-
Compensated absences payable	55,053	81,787
Total current liabilities	701,840	397,841
Noncurrent liabilities:		
Compensated absences payable	48,295	1,113
Total noncurrent liabilities	48,295	1,113
Total liabilities	750,135	398,954
Deferred inflows of resources:		
Deferred inflows on leases	3,174,788	-
Total deferred inflows of resources	3,174,788	-
Total liabilities and deferred inflows of resources	3,924,923	398,954
Net Position:		
Net Investment in capital assets	31,633,009	30,446,381
Restricted for:		
Capital projects	432,075	364,086
Unrestricted	3,287,217	2,584,276
Total net position	\$ 35,352,301	\$ 33,394,743

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Airport Fund	
	2022	2021
Operating revenues:		
Charges for services	\$ 448,739	\$ 623,861
Other	597,579	240,185
Total operating revenues	1,046,318	864,046
Operating expenses:		
Salaries and wages	545,948	537,843
Employee benefits	243,620	225,798
Purchased professional/technical services	344,444	194,679
Purchased property services	24,287	22,302
Maintenance	162,565	306,266
Other purchased services	83,568	81,134
Supplies	149,200	163,525
Other	869,482	896,966
Depreciation/amortization	2,747,782	2,768,548
Total operating expenses	5,170,896	5,197,061
Operating income (loss)	(4,124,578)	(4,333,015)
Nonoperating revenues (expenses):		
Investment earnings	(14,631)	3,133
Other Income	152,481	158,380
Intergovernmental Revenue	2,054,544	2,235,681
Gain (loss) on disposal of capital assets	-	(173,915)
Total nonoperating revenues (expenses)	2,192,394	2,223,279
Income (loss) before contributions and transfers	(1,932,184)	(2,109,736)
Capital contributions	3,835,068	2,940,488
Transfers in	54,674	54,674
Change in net position	1,957,558	885,426
Total net position, beginning of year	33,394,743	32,509,317
Total net position, end of year	\$ 35,352,301	\$ 33,394,743

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Airport Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 1,093,612	\$ 880,886
Cash paid to suppliers for goods and services	(1,672,427)	(1,604,634)
Cash paid to employees for services	(764,842)	(791,277)
Net cash provided by (used for) operating activities	(1,343,657)	(1,515,025)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	(164,804)	2,569,831
Passenger facility charges	152,480	158,380
Transfer from other funds	54,674	54,674
Transfer to other funds	-	(664,200)
Net cash provided by (used for) noncapital financing activities	42,350	2,118,685
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(3,630,887)	(2,769,815)
Capital contributions	3,835,068	3,421,347
Net cash provided by (used for) capital and related financing activities	204,181	651,532
Cash flows from investing activities:		
Investment earnings	(14,631)	3,133
Net cash provided by investing activities	(14,631)	3,133
Net increase (decrease) in cash and cash equivalents	(1,111,757)	1,258,325
Cash and cash equivalents, beginning of year	1,258,325	-
Cash and cash equivalents, end of year	\$ 146,568	\$ 1,258,325
Reconciliation of operating loss to net cash used for operating activities:		
Operating income (loss)	\$ (4,124,578)	\$ (4,333,015)
Adjustments to reconcile operating loss to net cash provided (used) by for operating activities:		
Depreciation/amortization	2,747,782	2,768,548
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	7,159	16,840
Lease receivable	(3,196,467)	-
Increase (decrease) in liabilities:		
Accounts payable	(162,042)	61,601
Accrued liabilities	127,439	(29,775)
Deferred inflow-leases	3,174,788	-
Unearned revenue	61,814	-
Compensated absences payable	20,448	776
Net cash provided by (used for) operating activities	\$ (1,343,657)	\$ (1,515,025)
Noncash capital, and related financing activities:		
Lease, right-of-use assets,	\$ -	\$ -
Contributions of capital assets	\$ -	\$ -

Noncash investing, capital, and financing activities:

Additionally, variances in capital contributions per the statement of revenues, expenses and changes in net position - proprietary funds as compared to capital contributions from capital and related financing activities and noncash investing, capital and financing activities result from changes in the following items: intergovernmental accounts receivable, account payable and accrued liabilities related to capital items.

See accompanying independent auditor's report.



Convention Services Fund



**Comparative Statement of Net Position
Nonmajor Services Funds
September 30, 2022 and 2021**

	Convention Services Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 8,240,989	\$ 5,713,572
Accounts receivable, net of allowance	721,682	511,576
Inventory	75,785	63,640
Total current assets	9,038,456	6,288,788
Noncurrent assets:		
Lease, right-of-use assets, net of accumulated amortization	1,268	-
Capital assets:		
Buildings	27,182,675	27,182,675
Improvements other than buildings	555,845	555,845
Equipment	1,601,942	1,575,706
Construction in progress	18,009	-
Less: Accumulated depreciation	(14,781,967)	(13,884,206)
Total capital and lease assets	14,577,772	15,430,020
Total noncurrent assets	14,577,772	15,430,020
Total assets	23,616,228	21,718,808
Liabilities		
Current liabilities:		
Accounts payable	57,987	36,900
Accrued liabilities	61,066	46,714
Unearned revenue	181,743	102,374
Compensated absences payable	133,205	117,414
Lease liability	352	-
Total current liabilities	434,353	303,402
Noncurrent liabilities:		
Compensated absences payable	14,225	-
Lease liability	707	-
Total noncurrent liabilities	14,932	-
Total liabilities	449,285	303,402
Deferred inflows of resources:		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	449,285	303,402
Net Position		
Net investment capital assets	14,576,722	15,430,020
Unrestricted	8,590,221	5,985,386
Total net position	\$ 23,166,943	\$ 21,415,406

See accompanying independent auditor's report.

**Comparative Statements of Revenue, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Convention Services Fund	
	2022	2021
Operating revenue:		
Charges for services	\$ 986,461	\$ 405,591
Net merchandise sales	216,896	27,722
Contributions	19,062	40,343
Other	62,067	25,331
Total operating revenue	1,284,486	498,987
Operating expenses:		
Salaries and wages	1,066,530	756,444
Employee benefits	511,817	355,121
Purchased professional/technical services	466,794	113,699
Purchased property services	39,848	30,803
Maintenance	245,441	163,089
Other purchased services	1,575,803	582,978
Supplies	343,272	246,992
Other	262,063	158,139
Depreciation/amortization	903,408	907,832
Total operating expenses	5,414,976	3,315,097
Operating income (loss)	(4,130,490)	(2,816,110)
Nonoperating revenues (expenses):		
Hotel/motel tax	6,120,368	4,519,547
Investment earnings	(130,630)	7,241
Interest expense and fiscal charges	(9)	-
Total nonoperating revenues (expenses)	5,989,729	4,526,788
Income (loss) before contributions and transfers	1,859,239	1,710,678
Transfers in	42,298	42,298
Transfers out	(150,000)	(150,000)
Change in net position	1,751,537	1,602,976
Total net position, beginning of year	21,415,406	19,812,430
Total net position, end of year	\$ 23,166,943	\$ 21,415,406

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Convention Services Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 1,303,352	\$ 520,175
Cash paid to suppliers for goods and services	(2,923,007)	(1,822,374)
Cash paid to employees for services	(1,535,251)	(839,939)
Net cash provided by (used for) operating activities	(3,154,906)	(2,142,138)
Cash flows from noncapital financing activities:		
Hotel/motel tax	5,970,761	4,289,984
Transfer from other funds	42,298	42,298
Transfer to other funds	(150,000)	(150,000)
Net cash provided by (used for) noncapital financing activities	5,863,059	4,182,282
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(49,741)	(317,596)
Interest paid on debt	(9)	-
Principal payments for lease assets	(356)	-
Net cash provided by (used for) capital and related financing activities	(50,106)	(317,596)
Cash flows from investing activities:		
Investment earnings	(130,630)	7,241
Net cash provided by investing activities	(130,630)	7,241
Net increase (decrease) in cash and cash equivalents	2,527,417	1,729,789
Cash and cash equivalents, beginning of year	5,713,572	3,983,783
Cash and cash equivalents, end of year	\$ 8,240,989	\$ 5,713,572
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (4,130,490)	\$ (2,816,110)
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities:		
Depreciation/ amortization	903,408	907,832
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(60,503)	(5,788)
Inventory	(12,145)	(8,270)
Increase (decrease) in liabilities:		
Accounts payable	21,087	(161,019)
Accrued liabilities	14,352	(32,766)
Unearned revenue	79,369	26,976
Compensated absences payable	30,016	(52,993)
Net cash provided by (used for) operating activities	\$ (3,154,906)	\$ (2,142,138)
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	\$ 1,415	\$ -

See accompanying independent auditor's report.



Ranger Hall of Fame Fund



**Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2022 and 2021**

	Ranger Hall of Fame Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 398,781	\$ 787,871
Accounts receivable, net of allowance	18,000	-
Lease receivable	672	-
Inventory	97,748	77,186
Total current assets	515,201	865,057
Noncurrent assets:		
Lease receivable	3,867	-
Lease, right-of-use assets, net of accumulated amortization	1,318	-
Restricted cash and investments	863,419	138,075
Capital assets:		
Buildings	3,733,320	3,720,747
Improvements other than buildings	418,768	418,768
Equipment	509,521	491,684
Museum collections	2,652,924	2,287,924
Construction in progress	-	-
Less: Accumulated depreciation	(2,294,950)	(2,134,136)
Total capital and lease assets	5,020,901	4,784,987
Total noncurrent assets	5,888,187	4,923,062
Total assets	6,403,388	5,788,119
Liabilities		
Current liabilities:		
Accounts payable	7,801	6,495
Accrued liabilities	26,421	17,818
Compensated absences payable	121,316	153,688
Lease liability	386	-
Total current liabilities	155,924	178,001
Noncurrent liabilities:		
Compensated absences payable	64,644	41,635
Lease liability	772	-
Total noncurrent liabilities	65,416	41,635
Total liabilities	221,340	219,636
Deferred inflows of resources:		
Deferred inflows on leases	4,515	-
Total deferred inflows of resources	4,515	-
Total liabilities and deferred inflows of resources	225,855	219,636
Net Position		
Net investment in capital assets	5,019,747	4,784,987
Restricted for:		
Capital projects	7,030	257,726
Unrestricted	1,150,756	525,770
Total net position	\$ 6,177,533	\$ 5,568,483

See accompanying independent auditor's report.

**Comparative Statements of Revenue, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Ranger Hall of Fame Fund	
	2022	2021
Operating revenue:		
Charges for services	\$ 369,752	\$ 340,727
Net merchandise sales	162,853	144,295
Other	12,710	10,953
Total operating revenue	545,315	495,975
Operating expenses:		
Salaries and wages	841,468	791,137
Employee benefits	311,288	291,314
Purchased professional/technical services	139,322	259,662
Purchased property services	8,859	10,406
Maintenance	5,533	10,674
Other purchased services	44,239	40,308
Supplies	83,875	69,642
Other	2,232	2,291
Depreciation/amortization	161,039	156,119
Total operating expenses	1,597,855	1,631,553
Operating income (loss)	(1,052,540)	(1,135,578)
Nonoperating revenues:		
Investment earnings	(20,604)	1,703
Contributions	597,218	32,005
Interest expense and fiscal charges	(4)	-
Total nonoperating revenues (expenses)	576,610	33,708
Income (loss) before contributions and transfers	(475,930)	(1,101,870)
Capital contributions	377,573	13,500
Transfers in	707,407	707,404
Change in net position	609,050	(380,966)
Total net position, beginning of year	5,568,483	5,949,449
Total net position, end of year	\$ 6,177,533	\$ 5,568,483

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Ranger Hall of Fame Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 527,291	\$ 495,975
Cash paid to suppliers for goods and services	(303,397)	(377,297)
Cash paid to employees for services	(1,153,435)	(1,124,107)
Net cash provided by (used for) operating activities	(929,541)	(1,005,429)
Cash flows from noncapital financing activities:		
Contributions	597,218	32,005
Transfer from other funds	707,408	707,404
Net cash provided by (used for) noncapital financing activities	1,304,626	739,409
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(382,838)	(39,525)
Interest paid on debt	(4)	-
Principal payments for lease assets	(385)	-
Capital contributions	365,000	-
Net cash provided by (used for) capital and related financing activities	(18,227)	(39,525)
Cash flows from investing activities:		
Investment earnings	(20,604)	1,703
Net cash provided by investing activities	(20,604)	1,703
Net increase (decrease) in cash and cash equivalents	336,254	(303,842)
Cash and cash equivalents, beginning of year	925,946	1,229,788
Cash and cash equivalents, end of year	\$ 1,262,200	\$ 925,946
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(1,052,540)	(1,135,578)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/ amortization	161,039	156,119
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(18,000)	-
Lease receivable	(4,539)	-
Inventory	(20,562)	13,486
Increase (decrease) in liabilities:		
Accounts payable	1,306	1,799
Accrued liabilities	8,603	(32,541)
Deferred inflow-leases	4,515	-
Compensated absences payable	(9,363)	(8,714)
Net cash provided by (used for) operating activities	\$ (929,541)	\$ (1,005,429)
Noncash investing, capital, and financing activities:		
Contributions of capital assets	\$ -	\$ 13,500
Transfer of Capital Assets from Governmental Activities	\$ 12,572	\$ -
Lease, right-of-use assets	\$ 1,543	\$ -

See accompanying independent auditor's report.



Cameron Park Zoo Fund



**Comparative Statement of Net Position
Nonmajor Enterprise Fund
September 30, 2022 and 2021**

	Cameron Park Zoo Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 2,060,746	\$ 2,360,188
Accounts receivable, net of allowance	182,949	472,672
Inventory	264,260	181,253
Total current assets	2,507,955	3,014,113
Noncurrent assets:		
Capital assets:		
Buildings	10,408,924	9,513,244
Improvements other than buildings	19,110,331	19,088,891
Equipment	702,018	679,529
Construction in progress	1,020,154	498,598
Less: Accumulated depreciation	(23,338,816)	(22,244,731)
Total capital and lease assets	7,902,611	7,535,531
Total assets	10,410,566	10,549,644
Liabilities		
Current liabilities:		
Accounts payable	51,410	130,907
Accrued liabilities	125,403	81,201
Unearned Revenue	45,066	53,680
Compensated absences payable	334,709	306,019
Total current liabilities	556,588	571,807
Noncurrent liabilities:		
Compensated absences payable	122,982	144,801
Total noncurrent liabilities	122,982	144,801
Total liabilities	679,570	716,608
Deferred inflows of resources:		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	\$ 679,570	\$ 716,608
Net Position		
Net investment in capital assets	7,902,611	7,535,531
Unrestricted	1,828,385	2,297,505
Total net position	\$ 9,730,996	\$ 9,833,036

See accompanying independent auditor's report.

**Comparative Statements of Revenue, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Cameron Park Zoo Fund	
	2022	2021
Operating revenue:		
Charges for services	\$ 2,480,847	\$ 2,539,845
Net merchandise sales	774,633	762,185
Contributions	8,614	241
Other	65,700	68,315
Total operating revenue	3,329,794	3,370,586
Operating expenses:		
Salaries and wages	2,427,358	2,041,455
Employee benefits	1,043,115	883,447
Purchased professional/technical services	161,116	159,626
Purchased property services	588,562	463,710
Maintenance	221,057	124,075
Other purchased services	147,697	122,960
Supplies	927,552	820,356
Other	154,276	208,760
Depreciation	1,094,085	1,080,525
Total operating expenses	6,764,818	5,904,914
Operating income (loss)	(3,435,024)	(2,534,328)
Nonoperating revenues (expenses)		
Investment earnings	(30,855)	3,286
Total nonoperating revenues (expenses)	(30,855)	3,286
Income (loss) before contributions and transfers	(3,465,879)	(2,531,042)
Capital contributions	1,455,470	572,698
Transfers in	1,908,369	2,908,369
Change in net position	(102,040)	950,025
Total net position, beginning of year	9,833,036	8,883,011
Total net position, end of year	\$ 9,730,996	\$ 9,833,036

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Cameron Park Zoo Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 3,610,904	\$ 3,344,779
Cash paid to suppliers for goods and services	(2,335,309)	(1,954,728)
Cash paid to employees for services	(3,446,856)	(2,968,431)
Net cash provided by (used for) operating activities	(2,171,261)	(1,578,380)
Cash flows from noncapital financing activities:		
Transfer from other funds	1,908,369	2,908,369
Net cash provided by (used for) noncapital financing activities	1,908,369	2,908,369
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,454,470)	(400,659)
Capital contributions	1,448,775	-
Net cash provided by (used for) capital and related financing activities	(5,695)	(400,659)
Cash flows from investing activities:		
Investment earnings	(30,855)	3,286
Net cash provided by investing activities	(30,855)	3,286
Net increase (decrease) in cash and cash equivalents	(299,442)	932,616
Cash and cash equivalents, beginning of year	2,360,188	1,427,572
Cash and cash equivalents, end of year	\$ 2,060,746	\$ 2,360,188
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (3,435,024)	\$ (2,534,328)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/ amortization	1,094,085	1,080,525
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	289,723	-
Inventory	(83,007)	(81,050)
Increase (decrease) in liabilities:		
Accounts payable	(79,497)	(1,375)
Accrued liabilities	44,202	(91,356)
Unearned Revenues	(8,614)	91
Compensated absences payable	6,871	49,113
Net cash provided by (used for) operating activities	\$ (2,171,261)	\$ (1,578,380)
Noncash investing, capital, and financing activities:		
Transfer of Capital Assets from Governmental Activities	\$ 6,695	\$ -
Contributions of capital assets	\$ 35,315	\$ 100,027

Noncash investing, capital, and financing activities:

Additionally, variances in capital contributions per the statement of revenues, expenses and changes in net position - proprietary funds as compared to capital contributions from capital and related financing activities and noncash investing, capital and financing activities result from changes in the following items: intergovernmental accounts receivable, accounts payable and accrued liabilities related to capital items.

See accompanying independent auditor's report.



Transit Services Fund



**Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2022 and 2021**

	Transit Services Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ -	\$ -
Accounts receivable, net of allowances	313,977	244,484
Due from other funds	701,728	-
Current lease receivable	64,516	-
Intergovernmental receivable	1,326,077	1,074,150
Inventory	541,067	543,183
Total current assets	2,947,365	1,861,817
Noncurrent assets:		
Lease receivables	223,025	-
Capital assets:		
Land	423,284	423,284
Buildings	6,919,608	6,919,608
Improvements other than buildings	244,951	244,951
Equipment	12,901,314	12,901,314
Construction work in progress	1,161,445	1,161,445
Less: accumulated depreciation and amortization	(14,984,904)	(14,254,420)
Total capital and lease assets	6,665,698	7,396,182
Total noncurrent assets	6,888,723	7,396,182
Total assets	9,836,088	9,257,999
Liabilities		
Current liabilities:		
Accounts payable	29,091	168,302
Accrued liabilities	69,722	291,116
Unearned revenue	84,000	13,750
Due to other funds	1,182,798	573,143
Total current liabilities	1,365,611	1,046,311
Noncurrent liabilities:		
Total noncurrent liabilities	-	-
Total liabilities	1,365,611	1,046,311
Deferred inflows of resources:		
Deferred inflows on leases	286,644	-
Total deferred inflows of resources	286,644	-
Total liabilities and deferred inflows of resources	1,652,255	1,046,311
Net Position		
Net Investment in capital assets	6,665,698	7,396,182
Restricted for:		
Capital projects	460,866	460,866
Unrestricted	1,057,269	354,640
Total net position	\$ 8,183,833	\$ 8,211,688

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Transit Services Fund	
	2022	2021
Operating revenues:		
Charges for services	\$ 1,113,679	\$ 1,085,148
Other	1,646,119	1,115,441
Total operating revenues	2,759,798	2,200,589
Operating expenses:		
Salaries and wages	3,057,172	3,049,344
Employee benefits	864,309	806,480
Purchased professional/technical services	622,541	460,891
Purchased property services	27,594	22,783
Maintenance	511,134	448,532
Other purchased services	533,609	433,149
Supplies	912,903	743,134
Other	550,971	512,586
Depreciation	730,484	769,763
Total operating expenses	7,810,717	7,246,662
Operating loss	(5,050,919)	(5,046,073)
Nonoperating revenues (expenses):		
Investment earnings	1,997	-
Other income	-	27,643
Intergovernmental revenue	4,319,339	4,276,310
Total nonoperating revenues	4,321,336	4,303,953
Income before capital contributions and transfers	(729,583)	(742,120)
Capital contributions	-	43,501
Transfers in	701,728	-
Change in net position	(27,855)	(698,619)
Total net position, beginning of year	8,211,688	8,910,307
Total net position, end of year	\$ 8,183,833	\$ 8,211,688

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Transit Services Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 2,759,658	\$ 2,152,326
Cash paid to suppliers for goods and services	(3,289,723)	(2,637,349)
Cash paid to employees for services	(4,148,999)	(3,794,719)
Net cash provided by (used for) operating activities	(4,679,064)	(4,279,742)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	4,067,412	5,903,091
Transfer to other funds	-	(640,880)
Transfer from other funds	609,655	-
Net cash provided by (used for) noncapital financing activities	4,677,067	5,262,211
Cash flows from capital and related financing activities:		
Acquisitions of capital assets	-	(1,034,484)
Capital contributions	-	24,372
Proceeds from insurance recoveries	-	27,643
Net cash provided by (used for) capital and related financing activities	-	(982,469)
Cash flows from investing activities:		
Investment earnings	1,997	-
Net cash provided by (used for) investing activities	1,997	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(5,050,919)	(5,046,073)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:		
Depreciation/amortization	730,484	769,763
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(69,493)	(20,765)
Lease receivable	(287,541)	-
Inventory	2,116	(11,249)
Increase (decrease) in liabilities:		
Accounts payable	(139,211)	(3,030)
Accrued liabilities	(221,394)	59,112
Deferred inflow-leases	286,644	-
Unearned revenue	70,250	(27,500)
Net cash used for operating activities	\$ (4,679,064)	\$ (4,279,742)
Noncash capital, and related financing activities:		
Contributions of capital assets	\$ -	\$ 19,129

See accompanying independent auditor's report.



Cottonwood Creek Golf Course Fund



**Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2022 and 2021**

	Cottonwood Creek Golf Course Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 1,871,114	\$ 1,657,881
Accounts receivable, net of allowance	-	300
Prepaid Expense	7,600	-
Inventory	226,518	217,543
Total current assets	2,105,232	1,875,724
Noncurrent assets:		
Lease, right-of-use assets, net of accumulated amortization	175,382	-
Capital assets:		
Buildings	713,389	713,389
Improvements other than buildings	2,017,246	2,017,246
Equipment	1,340,725	1,340,725
Construction work in progress	-	-
Less: Accumulated depreciation	(3,594,360)	(3,454,550)
Total capital and lease assets	652,382	616,810
Total noncurrent assets	652,382	-
Total assets	2,757,614	2,492,534
Liabilities		
Current liabilities:		
Accounts payable	39,396	34,169
Accrued liabilities	645,499	596,808
Compensated absences payable	63,367	48,482
Lease liability	85,803	-
Total current liabilities	834,065	679,459
Noncurrent liabilities:		
Advances from other funds	693,704	693,704
Compensated absences payable	134,694	133,189
Lease liability	89,159	-
Total noncurrent liabilities	917,557	826,893
Total liabilities	1,751,622	1,506,352
Deferred inflows of resources:		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	1,751,622	1,506,352
Net position		
Net investment in capital assets	477,726	616,810
Unrestricted	528,266	369,372
Total net position	\$ 1,005,992	\$ 986,182

See accompanying independent auditor's report.

**Comparative Statements of Revenue, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Cottonwood Creek Golf Course Fund	
	2022	2021
Operating revenue:		
Charges for services	\$ 1,793,085	\$ 1,462,089
Net merchandise sales	337,734	280,129
Other	7,737	7,450
Total operating revenue	<u>2,138,556</u>	<u>1,749,668</u>
Operating expenses:		
Salaries and wages	531,783	438,348
Employee benefits	210,355	186,283
Purchased professional/technical services	650,193	540,330
Purchased property services	79,732	47,118
Maintenance	98,674	94,151
Other purchased services	48,518	126,078
Supplies	228,802	283,515
Other	47,516	31,558
Depreciation and amortization	201,029	164,082
Total operating expenses	<u>2,096,602</u>	<u>1,911,463</u>
Operating income (loss)	<u>41,954</u>	<u>(161,795)</u>
Nonoperating revenues (expenses):		
Investment earnings	(28,482)	2,232
Interest expense and fiscal charges	(6,065)	-
Total nonoperating revenues	<u>(34,547)</u>	<u>2,232</u>
Income (loss) before contributions and transfers	7,407	(159,563)
Transfers in	12,403	690,707
Change in net position	<u>19,810</u>	<u>531,144</u>
Total net position, beginning of year	986,182	455,038
Total net position, end of year	<u>\$ 1,005,992</u>	<u>\$ 986,182</u>

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Cottonwood Creek Golf Course Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 2,138,856	\$ 1,749,368
Cash paid to suppliers for goods and services	(1,119,112)	(1,138,815)
Cash paid to employees for services	(722,728)	(644,694)
Net cash provided by (used for) operating activities	297,016	(34,141)
Cash flows from noncapital financing activities:		
Transfer from other funds	12,403	690,707
Net cash provided by (used for) noncapital financing activities	12,403	690,707
Cash flows from capital and related financing activities:		
Interest paid on debt	(6,065)	-
Principal payments for lease assets	(61,639)	-
Net cash provided by (used for) capital and related financing activities	(67,704)	-
Cash flows from investing activities:		
Investment earnings	(28,482)	2,232
Net cash provided by investing activities	(28,482)	2,232
Net increase (decrease) in cash and cash equivalents	213,233	658,798
Cash and cash equivalents, beginning of year	1,657,881	999,083
Cash and cash equivalents, end of year	\$ 1,871,114	\$ 1,657,881
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 41,954	\$ (161,795)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation/ amortization	201,029	164,082
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	300	(300)
Inventory	(8,975)	24,314
Prepaid Assets	(7,600)	-
Increase (decrease) in liabilities:		
Accounts payable	5,227	(7,134)
Accrued liabilities	48,691	(54,934)
Compensated absences payable	16,390	1,626
Net cash provided by (used for) operating activities	\$ 297,016	\$ (34,141)
Noncash investing, capital and financing activities:		
Lease, right-of-use assets	\$ 236,601	\$ -

See accompanying independent auditor's report.



Drainage (Stormwater) Utility Fund



**Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2022 and 2021**

	Drainage (Stormwater) Utility Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 2,441,571	\$ 382,721
Accounts receivable, net of allowance	524,278	-
Restricted cash and investments	6,249	-
Total current assets	2,972,098	382,721
Noncurrent assets:		
Restricted cash and investments	11,739,837	-
Lease, right-of-use assets, net of accumulated amortization	145,060	-
Capital assets:		
Land	249,529	-
Improvements other than buildings	6,936,025	-
Equipment	207,075	-
Construction work in progress	10,634	-
Less: Accumulated depreciation and amortization	(89,054)	-
Total capital and lease assets	7,459,269	-
Total noncurrent assets	19,199,106	-
Total assets	22,171,204	382,721
Deferred outflows of resources		
Deferred outflows on pension liability	-	-
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	22,171,204	382,721
Liabilities		
Current Liabilities:		
Accounts payable	55,142	52,759
Accrued liabilities	25,717	3,254
Compensated absences payable	59,293	3,201
Lease liability	53,581	-
Revenue bonds payable	180,000	-
Accrued interest payable	239,853	-
Current liabilities payable from restricted assets:		
Accounts payable	6,249	-
Total current liabilities	619,835	59,214
Noncurrent Liabilities:		
Lease liability	91,576	-
Bonds payable	11,824,118	-
Total noncurrent liabilities	11,915,694	-
Total liabilities	12,535,529	59,214
Deferred inflows of resources		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	12,535,529	59,214
Net position		
Net investment in capital assets	7,050,070	-
Unrestricted	2,585,605	323,507
Total net position	\$ 9,635,675	\$ 323,507

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Drainage (Stormwater) Utility Fund	
	<u>2022</u>	<u>2021</u>
Operating revenue:		
Charges for services	5,709,296	-
Other	75,000	-
Total operating revenues	<u>\$ 5,784,296</u>	<u>\$ -</u>
 Operating expenses:		
Salaries and wages	658,181	32,805
Employee benefits	224,297	10,531
Purchased professional/technical services	285,614	57,772
Maintenance	31,756	4,462
Other purchased services	28,592	3,379
Supplies	26,628	4,343
Other	1,858,331	3,201
Depreciation/amortization	109,242	-
Total operating expenses	<u>3,222,641</u>	<u>116,493</u>
Operating income	<u>2,561,655</u>	<u>(116,493)</u>
 Nonoperating revenue (expenses):		
Investment earnings	(40,424)	-
Interest expense and fiscal charges	(136,160)	-
Bond issuance cost	(108,928)	-
Total nonoperating revenue (expenses)	<u>(285,512)</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>2,276,143</u>	<u>(116,493)</u>
Capital contribution	7,036,025	-
Transfers In	-	440,000
Changes in net position	<u>9,312,168</u>	<u>323,507</u>
Total net position, beginning of year	323,507	-
Total net position, end of year	<u>\$ 9,635,675</u>	<u>\$ 323,507</u>

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2022 and 2021**

	Drainage (Stormwater) Utility Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 5,260,017	\$ -
Cash paid to suppliers for goods and services	(2,228,539)	(20,398)
Cash paid to employees for services	(803,922)	(36,881)
Net cash provided by operating activities	2,227,556	(57,279)
Cash flows from noncapital financing activities:		
Transfers from other funds	-	440,000
Net cash used for noncapital financing activities	-	440,000
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(460,989)	-
Principal payments for lease assets	(21,207)	-
Payments in Lieu of Drainage Facilities	100,000	-
Interest paid on debt	-	-
Proceeds from sale of debt	12,108,928	-
Payment of bond issuance costs	(108,928)	-
Net cash used for capital and related financing activities	11,617,804	-
Cash flows from investing activities:		
Investment earnings	(40,424)	-
Net cash provided by investing activities	(40,424)	-
Net increase in cash and cash equivalents	13,804,936	382,721
Cash and cash equivalents, beginning of year	382,721	-
Cash and cash equivalents, end of year	\$ 14,187,657	\$ 382,721
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,561,655	\$ (116,493)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	17,918	-
Depreciation/amortization	109,242	-
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(542,196)	-
Increase (decrease) in liabilities:		
Accounts payable	2,381	52,759
Accrued liabilities	22,464	3,254
Compensated absences payable	56,092	3,201
Net cash provided by operating activities	\$ 2,227,556	\$ (57,279)
Schedule of Noncash capital and related financing activities:		
Contributions of capital assets	\$ 6,936,025	\$ -
Lease, right-of-use asset	\$ 165,248	\$ -

See accompanying independent auditor's report.



Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City and to other government units on a cost reimbursement basis.

Risk Management (Insurance) Fund - This fund is used to account for insurance and risk management activities of the City, other than health insurance.

Employee Health Insurance Fund - This fund is used to account for health insurance activities of the City.

Engineering Fund - This fund is used to account for engineering services to other City departments.

Fleet Services Fund - This fund is used to account for the repair and maintenance of motor vehicles for other City departments.



**Combining Statement of Net Position
Internal Service Funds
September 30, 2022
(With Comparative Totals for September 30, 2021)**

	Risk Management Fund	Employee Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2022	2021
Assets						
Current assets:						
Cash and investments	\$ 8,603,177	\$ 5,023,004	\$ 1,960,807	\$ 257,357	\$ 15,844,345	\$ 16,391,474
Due from other funds	-	309,458	-	-	309,458	234,175
Inventories	-	-	-	298,900	298,900	323,182
Total current assets	<u>8,603,177</u>	<u>5,332,462</u>	<u>1,960,807</u>	<u>556,257</u>	<u>16,452,703</u>	<u>16,948,831</u>
Noncurrent assets:						
Lease, right-of-use assets, net of accumulated amortization	-	-	3,462	-	3,462	-
Capital assets:						
Land	-	-	24,400	14,400	38,800	38,800
Buildings	-	-	-	920,153	920,153	920,153
Improvements other than buildings	-	-	-	118,289	118,289	118,289
Equipment	26,659	-	694,379	1,057,920	1,778,958	1,767,969
Less: accumulated depreciation	(26,659)	-	(478,075)	(1,703,678)	(2,208,412)	(2,058,781)
Total capital and lease assets	-	-	244,166	407,084	651,250	786,430
Total noncurrent assets	-	-	244,166	407,084	651,250	786,430
Total assets	<u>8,603,177</u>	<u>5,332,462</u>	<u>2,204,973</u>	<u>963,341</u>	<u>17,103,953</u>	<u>17,735,261</u>
Liabilities						
Current liabilities:						
Accounts payable	53,944	3,367	210,302	23,391	291,004	144,608
Accrued liabilities	146,784	559,064	56,296	32,309	794,453	435,503
Compensated absences payable	25,303	-	218,021	116,504	359,828	324,775
Lease liability	-	-	1,131	-	1,131	-
Escrow funds	-	-	538	-	538	538
Estimated claims and judgments payable	2,423,764	1,079,000	-	-	3,502,764	3,253,215
Total current liabilities	<u>2,649,795</u>	<u>1,641,431</u>	<u>486,288</u>	<u>172,204</u>	<u>4,949,718</u>	<u>4,158,639</u>
Noncurrent liabilities:						
Compensated absences payable	11,775	-	84,815	-	96,590	102,439
Lease liability	-	-	1,963	-	1,963	-
Total noncurrent liabilities	<u>11,775</u>	<u>-</u>	<u>86,778</u>	<u>-</u>	<u>98,553</u>	<u>102,439</u>
Total liabilities	<u>2,661,570</u>	<u>1,641,431</u>	<u>573,066</u>	<u>172,204</u>	<u>5,048,271</u>	<u>4,261,078</u>
Deferred inflows of resources						
Total deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>2,661,570</u>	<u>1,641,431</u>	<u>573,066</u>	<u>172,204</u>	<u>5,048,271</u>	<u>-</u>
Net position						
Net investment in capital assets	-	-	241,082	407,084	648,166	786,430
Unrestricted	5,941,607	3,691,031	1,390,825	384,053	11,407,516	12,687,753
Total net position	<u>\$ 5,941,607</u>	<u>\$ 3,691,031</u>	<u>\$ 1,631,907</u>	<u>\$ 791,137</u>	<u>\$ 12,055,682</u>	<u>\$ 13,474,183</u>

See accompanying independent auditor's report.

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2022
(With Comparative Totals for Year Ended September 30, 2021)**

	Risk Management Fund	Employee Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2022	2021
Operating revenues:						
Charges for services	\$ 4,844,476	\$ 16,159,321	\$ 3,793,563	\$ 1,984,419	\$ 26,781,779	\$ 24,842,006
Other	-	-	97,025	7,143	104,168	383,729
Total operating revenues	<u>4,844,476</u>	<u>16,159,321</u>	<u>3,890,588</u>	<u>1,991,562</u>	<u>26,885,947</u>	<u>25,225,735</u>
Operating expenses:						
Salaries and wages	114,249	71,924	1,906,704	1,112,260	3,205,137	3,275,347
Employee benefits	41,392	23,610	667,869	495,864	1,228,735	1,231,254
Purchased professional/technical services	412,260	809,296	939,972	50,010	2,211,538	1,334,017
Purchased property services	-	2,589	52,611	9,326	64,526	61,810
Maintenance	62,022	-	116,633	46,227	224,882	178,074
Other purchased services	1,628,055	1,665	68,257	35,288	1,733,265	1,527,538
Supplies	2,860	17,600	140,169	62,106	222,735	144,187
Other	1,911,275	15,909,896	633,365	393,019	18,847,555	17,275,987
Depreciation/Amortization	-	-	66,499	83,890	150,389	158,490
Total operating expenses	<u>4,172,113</u>	<u>16,836,580</u>	<u>4,592,079</u>	<u>2,287,990</u>	<u>27,888,762</u>	<u>25,186,704</u>
Operating income (loss)	<u>672,363</u>	<u>(677,259)</u>	<u>(701,491)</u>	<u>(296,428)</u>	<u>(1,002,815)</u>	<u>39,031</u>
Nonoperating revenues (expenses):						
Investment earnings	(129,946)	(55,154)	(28,045)	(4,778)	(217,923)	27,047
Interest expense and fiscal charges	-	-	(10)	-	(10)	-
Total nonoperating revenues (expenses)	<u>(129,946)</u>	<u>(55,154)</u>	<u>(28,055)</u>	<u>(4,778)</u>	<u>(217,933)</u>	<u>27,047</u>
Income (loss) before contributions and transfers	542,417	(732,413)	(729,546)	(301,206)	(1,220,748)	66,078
Capital contributions	-	-	-	-	-	89,801
Transfers in	-	-	512,422	18,459	530,881	33,881
Transfers out	(728,634)	-	-	-	(728,634)	(2,374,262)
Net change in net position	<u>(186,217)</u>	<u>(732,413)</u>	<u>(217,124)</u>	<u>(282,747)</u>	<u>(1,418,501)</u>	<u>(2,184,502)</u>
Total net position, beginning of year	6,127,824	4,423,444	1,849,031	1,073,884	13,474,183	15,658,685
Total net position, end of year	<u>\$ 5,941,607</u>	<u>\$ 3,691,031</u>	<u>\$ 1,631,907</u>	<u>\$ 791,137</u>	<u>\$ 12,055,682</u>	<u>\$ 13,474,183</u>

See accompanying independent auditor's report.

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022
(With Comparative Totals for Year Ended September 30, 2021)**

	Risk Management Fund	Employee Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2022	2021
Cash flows from operating activities:						
Cash received from customers	\$ 4,844,476	\$ 16,159,321	\$ 3,890,588	\$ 1,991,562	\$ 26,885,947	\$ 25,225,735
Cash paid to suppliers for goods and services	(3,837,729)	(16,360,302)	(1,758,929)	(587,758)	(22,544,718)	(20,643,820)
Cash paid to employees for services	(178,902)	(95,068)	(2,536,587)	(1,574,717)	(4,385,274)	(4,478,648)
Net cash provided by (used for) operating activities	<u>827,845</u>	<u>(296,049)</u>	<u>(404,928)</u>	<u>(170,913)</u>	<u>(44,045)</u>	<u>103,267</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	(75,283)	512,422	18,459	455,598	554,058
Transfers to other funds	(728,634)	-	-	-	(728,634)	(2,374,262)
Net cash provided by (used for) noncapital financing activities	<u>(728,634)</u>	<u>(75,283)</u>	<u>512,422</u>	<u>18,459</u>	<u>(273,036)</u>	<u>(1,820,204)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	-	(10,988)	(10,988)	-
Interest paid on debt	-	-	(10)	-	(10)	-
Principal payments for lease assets	-	-	(1,127)	-	(1,127)	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,137)</u>	<u>(10,988)</u>	<u>(12,125)</u>	<u>-</u>
Cash flows from investing activities:						
Investment earnings	(129,946)	(55,154)	(28,045)	(4,778)	(217,923)	27,047
Net cash provided by (used for) investing activities	<u>(129,946)</u>	<u>(55,154)</u>	<u>(28,045)</u>	<u>(4,778)</u>	<u>(217,923)</u>	<u>27,047</u>
Net increase (decrease) in cash and cash equivalents	(30,735)	(426,486)	78,312	(168,220)	(547,129)	(1,689,890)
Cash and cash equivalents, beginning of year	8,633,912	5,449,490	1,882,495	425,577	16,391,474	18,081,364
Cash and cash equivalents, end of year	<u>\$ 8,603,177</u>	<u>\$ 5,023,004</u>	<u>\$ 1,960,807</u>	<u>\$ 257,357</u>	<u>\$ 15,844,345</u>	<u>\$ 16,391,474</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 672,363	\$ (677,259)	\$ (701,491)	\$ (296,428)	\$ (1,002,815)	\$ 39,031
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/Amortization	-	-	66,499	83,890	150,389	158,490
Changes in assets and liabilities:						
(Increase) decrease in assets:						
Inventories	-	-	-	24,282	24,282	(122,296)
Increase (decrease) in liabilities:						
Accounts payable	(29,649)	(14)	192,078	(16,020)	146,395	14,331
Accrued liabilities	100,740	239,224	11,095	7,891	358,950	884
Compensated absences payable	(23,158)	-	26,891	25,472	29,205	73,743
Estimated claims and judgments	107,549	142,000	-	-	249,549	(60,916)
Net cash provided by (used for) operating activities	<u>\$ 827,845</u>	<u>\$ (296,049)</u>	<u>\$ (404,928)</u>	<u>\$ (170,913)</u>	<u>\$ (44,045)</u>	<u>\$ 103,267</u>
Noncash investing, capital and financing activities:						
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,801
Lease, right-of-use assets	\$ -	\$ -	\$ 4,221	\$ -	\$ 4,221	\$ -

See accompanying independent auditor's report.



Risk Management Fund



Internal Service Funds
Comparative Statement of Net Position
September 30, 2022 and 2021

	Risk Management Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 8,603,177	\$ 8,633,912
Total current assets	8,603,177	8,633,912
Noncurrent assets:		
Capital assests:		
Equipment	26,659	26,659
Less: accumulated depreciation and amortization	(26,659)	(26,659)
Total capital and lease assets	-	-
Total noncurrent assets	-	-
Total assets	8,603,177	8,633,912
Deferred Outflows of Resources		
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	8,603,177	8,633,912
Liabilities		
Current liabilities:		
Accounts payable	\$ 53,944	\$ 83,593
Accrued liabilities	146,784	46,044
Compensated absences payable	25,303	14,939
Estimated claims and judgments payable	2,423,764	2,316,215
Total current liabilities	2,649,795	2,460,791
Noncurrent liabilities:		
Compensated absences payable	11,775	45,297
Total noncurrent liabilities	11,775	45,297
Total liabilities	2,661,570	2,506,088
Deferred Inflows of Resources		
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	2,661,570	2,506,088
Net position		
Unrestricted	5,941,607	6,127,824
Total net position	\$ 5,941,607	\$ 6,127,824

See accompanying independent auditor's report.

Internal Service Funds
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
For the Years Ended September 30, 2022 and 2021

	Risk Management Fund	
	2022	2021
Operating revenues:		
Charges for services	\$ 4,844,476	\$ 4,691,013
Total operating revenues	4,844,476	4,691,013
Operating expenses:		
Salaries and wages	114,249	118,029
Employee benefits	41,392	41,352
Purchased professional/technical services	412,260	336,480
Maintenance	62,022	43,115
Other purchased services	1,628,055	1,421,963
Supplies	2,860	8,875
Other	1,911,275	1,726,125
Depreciation/amortization	-	1,342
Total operating expenses	4,172,113	3,697,281
Operating income (loss)	672,363	993,732
Nonoperating revenues (expenses):		
Investment earnings	(129,946)	13,816
Total nonoperating revenues (expenses)	(129,946)	13,816
Income (loss) before contributions and transfers	542,417	1,007,548
Transfers out	(728,634)	(2,374,262)
Change in net position	(186,217)	(1,366,714)
Total net position, beginning of year	6,127,824	7,494,538
Total net position, end of year	\$ 5,941,607	\$ 6,127,824

See accompanying independent auditor's report.

**Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2022 and 2021**

	Risk Management Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 4,844,476	\$ 4,691,013
Cash paid to suppliers for goods and services	(3,837,729)	(3,587,472)
Cash paid to employees for services	(178,902)	(147,787)
Net cash provided by (used for) operating activities	827,845	955,754
Cash flows from noncapital financing activities:		
Transfers to other funds	(728,634)	(2,374,262)
Net cash provided by (used for) noncapital financing activities	(728,634)	(2,374,262)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	-
Net cash used for capital and related financing activities	-	-
Cash flows from investing activities:		
Investment earnings	(129,946)	13,816
Net cash provided by (used for) investing activities	(129,946)	13,816
Net increase (decrease) in cash and cash equivalents	(30,735)	(1,404,692)
Cash and cash equivalents, beginning of year	8,633,912	10,038,604
Cash and cash equivalents, end of year	\$ 8,603,177	\$ 8,633,912
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 672,363	\$ 993,732
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	1,342
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Increase (decrease) in liabilities:		
Accounts payable	(29,649)	32,118
Accrued liabilities	100,740	(47,116)
Compensated absences payable	(23,158)	11,594
Estimated claims and judgments payable	107,549	(35,916)
Net cash provided by (used for) operating activities	\$ 827,845	\$ 955,754

See accompanying independent auditor's report.



Employee Health Insurance Fund



Internal Service Funds
Comparative Statement of Net Position
September 30, 2022 and 2021

	Employee Health Insurance Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 5,023,004	\$ 5,449,490
Due from other funds	309,458	234,175
Total current assets	5,332,462	5,683,665
Noncurrent assets:		
Capital assets:		
Land	-	-
Buildings	-	-
Improvements other than buildings	-	-
Equipment	-	-
Less: accumulated depreciation and amortization	-	-
Total noncurrent assets	-	-
Total assets	5,332,462	5,683,665
Deferred Outflows of Resources		
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	5,332,462	5,683,665
Liabilities		
Current liabilities:		
Accounts payable	3,367	3,381
Accrued liabilities	559,064	319,840
Compensated absences payable	-	-
Escrow funds	-	-
Estimated claims and judgments payable	1,079,000	937,000
Total current liabilities	1,641,431	1,260,221
Noncurrent liabilities:		
Compensated absences payable	-	-
Total noncurrent liabilities	-	-
Total liabilities	1,641,431	1,260,221
Deferred Inflows of Resources		
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	1,641,431	1,260,221
Net position		
Net investment in capital assets	-	-
Unrestricted	3,691,031	4,423,444
Total net position	\$ 3,691,031	\$ 4,423,444

See accompanying independent auditor's report.

Internal Service Funds
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
For the Years Ended September 30, 2022 and 2021

	Employee Health Insurance Fund	
	2022	2021
Operating revenues:		
Charges for services	\$ 16,159,321	\$ 14,929,505
Other	-	-
Total operating revenues	16,159,321	14,929,505
Operating expenses:		
Salaries and wages	71,924	69,138
Employee benefits	23,610	22,637
Purchased professional/technical services	809,296	814,221
Purchased property services	2,589	900
Maintenance	-	-
Other purchased services	1,665	1,863
Supplies	17,600	19,622
Other	15,909,896	14,622,214
Depreciation/amortization	-	-
Total operating expenses	16,836,580	15,550,595
Operating income (loss)	(677,259)	(621,090)
Nonoperating revenues (expenses):		
Investment earnings	(55,154)	9,509
Total nonoperating revenues (expenses)	(55,154)	9,509
Income (loss) before contributions and transfers	(732,413)	(611,581)
Transfers out	-	-
Change in net position	(732,413)	(611,581)
Total net position, beginning of year	4,423,444	5,035,025
Total net position, end of year	\$ 3,691,031	\$ 4,423,444

See accompanying independent auditor's report.

**Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2022 and 2021**

	Employee Health Insurance Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 16,159,321	\$ 14,929,505
Cash paid to suppliers for goods and services	(16,360,302)	(15,303,811)
Cash paid to employees for services	(95,068)	(91,775)
Net cash provided by (used for) operating activities	(296,049)	(466,081)
Cash flows from noncapital financing activities:		
Transfers (to)/from other funds	(75,283)	520,177
Net cash provided by (used for) noncapital financing activities	(75,283)	520,177
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	-
Net cash used for capital and related financing activities	-	-
Cash flows from investing activities:		
Investment earnings	(55,154)	9,509
Net cash provided by (used for) investing activities	(55,154)	9,509
Net increase (decrease) in cash and cash equivalents	(426,486)	63,605
Cash and cash equivalents, beginning of year	5,449,490	5,385,885
Cash and cash equivalents, end of year	\$ 5,023,004	\$ 5,449,490
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (677,259)	\$ (621,090)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	-
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	-	-
Inventory	-	-
Increase (decrease) in liabilities:		
Accounts payable	(14)	(205)
Accrued liabilities	239,224	180,214
Compensated absences payable	-	-
Estimated claims and judgments payable	142,000	(25,000)
Net cash provided by (used for) operating activities	\$ (296,049)	\$ (466,081)

See accompanying independent auditor's report.



Engineering Fund



Engineering Fund
Comparative Statement of Net Position
September 30, 2022 and 2021

	Engineering Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	1,960,807	1,882,495
Total current assets	1,960,807	1,882,495
Noncurrent assets:		
Lease, right-of-use assets, net of accumulated amortization	3,462	-
Capital assets:		
Land	24,400	24,400
Equipment	694,379	694,379
Less: Accumulated depreciation	(478,075)	(412,335)
Total capital and lease assets	244,166	306,444
Total noncurrent assets	244,166	306,444
Total assets	2,204,973	2,188,939
Liabilities		
Current liabilities:		
Accounts payable	210,302	18,224
Accrued liabilities	56,296	45,201
Compensated absences payable	218,021	218,803
Lease liability	1,131	-
Escrow funds	538	538
Total current liabilities	486,288	282,766
Noncurrent liabilities:		
Compensated absences payable	84,815	57,142
Lease liability	1,963	-
Total noncurrent liabilities	86,778	57,142
Total liabilities	573,066	339,908
Deferred inflows of resources:		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	573,066	339,908
Net Position		
Net investment in capital assets	241,082	306,444
Unrestricted	1,390,825	1,542,587
Total Net Position	\$ 1,631,907	\$ 1,849,031

See accompanying independent auditor's report.

Internal Service Funds
Comparative Statements of Revenue, Expenses and Changes in Net Position
For the Years Ended September 30, 2022 and 2021

	Engineering Fund	
	2022	2021
Operating revenue:		
Charges for services	\$ 3,793,563	\$ 3,232,764
Other	97,025	349,639
Total operating revenue	3,890,588	3,582,403
Operating expenses:		
Salaries and wages	1,906,704	2,029,942
Employee benefits	667,869	702,859
Purchased professional/technical services	939,972	171,644
Purchased property services	52,611	52,611
Maintenance	116,633	96,626
Other purchased services	68,257	71,878
Supplies	140,169	51,654
Other	633,365	566,937
Depreciation/amortization	66,499	73,144
Total operating expenses	4,592,079	3,817,295
Operating income (loss)	(701,491)	(234,892)
Nonoperating revenues (expenses):		
Investment earnings	(28,045)	3,178
Interest expense and fiscal charges	(10)	-
Total nonoperating revenues (expenses)	(28,055)	3,178
Income (loss) before contributions and transfers	(729,546)	(231,714)
Transfers In	512,422	15,422
Change in net position	(217,124)	(216,292)
Total net position, beginning of year,	1,849,031	2,065,323
Total net position, end of year	\$ 1,631,907	\$ 1,849,031

See accompanying independent auditor's report.

Internal Service Funds
Comparative Statements of Cash Flows
Years Ended September 30, 2022 and 2021

	Engineering Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 3,890,588	\$ 3,582,403
Cash paid to suppliers for goods and services	(1,758,929)	(1,111,457)
Cash paid to employees for services	(2,536,587)	(2,676,658)
Net cash provided by operating activities	(404,928)	(205,712)
Cash flows from noncapital financing activities:		
Transfer from other funds	512,422	15,422
Net cash provided by noncapital financing activities	512,422	15,422
Cash flows from capital and related financing activities:		
Interest paid on debt	(10)	-
Principal Payments for lease assets	(1,127)	-
Net cash used for capital and related financing activities	(1,137)	-
Cash flows from investing activities:		
Investment earnings	(28,045)	3,178
Net cash provided by investing activities	(28,045)	3,178
Net increase (decrease) in cash and cash equivalents	78,312	(187,112)
Cash and cash equivalents, beginning of year	1,882,495	2,069,607
Cash and cash equivalents, end of year	\$ 1,960,807	\$ 1,882,495
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	(701,491)	(234,892)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization	66,499	73,144
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	-	-
Increase (decrease) in liabilities:		
Accounts payable	192,078	(13,682)
Accrued liabilities	11,095	(86,425)
Compensated absences payable	26,891	56,143
Net cash provided by operating activities	\$ (404,928)	\$ (205,712)
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	\$ 4,221	\$ -

See accompanying independent auditor's report.



Fleet Service Fund



Internal Service Funds
Comparative Statement of Net Position
September 30, 2022 and 2021

	Fleet Services Fund	
	2022	2021
Assets		
Current assets:		
Cash and investments	\$ 257,357	\$ 425,577
Accounts receivable, net of allowance	-	-
Inventory	298,900	323,182
Total current assets	556,257	748,759
Noncurrent assets:		
Capital assets:		
Land	14,400	14,400
Buildings	920,153	920,153
Improvements other than buildings	118,289	118,289
Equipment	1,057,920	1,046,931
Less: Accumulated depreciation	(1,703,678)	(1,619,787)
Total capital and lease assets	407,084	479,986
Total noncurrent assets	407,084	479,986
Total assets	\$ 963,341	\$ 1,228,745
Liabilities		
Current liabilities:		
Accounts payable	\$ 23,391	\$ 39,410
Accrued liabilities	32,309	24,418
Compensated absences payable	116,504	91,033
Total current liabilities	172,204	154,861
Noncurrent liabilities:		
Compensated absences payable	-	-
Total noncurrent liabilities	-	-
Total liabilities	172,204	154,861
Net Position		
Net investment in capital assets	407,084	479,986
Unrestricted	384,053	593,898
Total net position	\$ 791,137	\$ 1,073,884

See accompanying independent auditor's report.

Internal Service Fund
Comparative Statements of Revenue, Expenses and Changes in Fund Net Position
For the Years Ended September 30, 2022 and 2021

	Fleet Services Fund	
	2022	2021
Operating revenue:		
Charges for services	\$ 1,984,419	\$ 1,988,724
Other	7,143	34,090
Total operating revenue	1,991,562	2,022,814
Operating expenses:		
Salaries and wages	1,112,260	1,058,238
Employee benefits	495,864	464,406
Purchased professional/technical services	50,010	11,672
Purchased property services	9,326	8,299
Maintenance	46,227	38,333
Other purchased services	35,288	31,834
Supplies	62,106	64,036
Other	393,019	360,711
Depreciation/amortization	83,890	84,004
Total operating expenses	2,287,990	2,121,533
Operating income (loss)	(296,428)	(98,719)
Nonoperating revenues (expenses):		
Investment earnings	(4,778)	544
Total nonoperating revenues (expenses)	(4,778)	544
Income (loss) before contributions and transfers	(301,206)	(98,175)
Capital contributions	-	89,801
Transfers In	18,459	18,459
Change in net position	(282,747)	10,085
Total net position, beginning of year	1,073,884	1,063,799
Total net position, end of year	\$ 791,137	\$ 1,073,884

See accompanying independent auditor's report.

Internal Service Funds
Comparative Statements of Cash Flows
For the Years Ended September 30, 2022 and 2021

	Fleet Service Fund	
	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 1,991,562	\$ 2,022,814
Cash paid to suppliers for goods and services	(587,758)	(641,080)
Cash paid to employees for services	(1,574,717)	(1,562,428)
Net cash used for operating activities	(170,913)	(180,694)
Cash flows from noncapital financing activities:		
Transfers from other funds	18,459	18,459
Net cash provided by (used for) noncapital financing activities	18,459	18,459
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(10,988)	-
Net cash used for capital and related financing activities	(10,988)	18,459
Cash flows from investing activities:		
Investment earnings	(4,778)	544
Net cash provided by investing activities	(4,778)	544
Net increase (decrease) in cash and cash equivalents	(168,220)	(161,691)
Cash and cash equivalents, beginning of year	425,577	587,268
Cash and cash equivalents, end of year	\$ 257,357	\$ 425,577
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (296,428)	\$ (98,719)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	83,890	84,004
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Inventory	24,282	(122,296)
Increase (decrease) in liabilities:		
Accounts payable	(16,020)	(3,900)
Accrued liabilities	7,891	(45,789)
Compensated absences payable	25,472	6,006
Net cash used for operating activities	\$ (170,913)	\$ (180,694)
Noncash investing, capital, and financing activities:		
Contributions of capital assets	\$ -	\$ 89,801

See accompanying independent auditor's report.



Custodial Funds

Urban Renewal Agency Fund - This fund is used to account for receipts and disbursements related to land sales for the Urban Renewal Agency.

Heart of Texas Housing Finance Corporation Fund - This fund is used to account for receipts and disbursements for the Heart of Texas Housing Finance Corporation established as a mechanism to issue tax-exempt debt.

Waco Public Improvement District No. 2 Fund - This fund is used to account for receipts and disbursements of funds on behalf of property owners related to drainage infrastructure improvements in the District.

Rural Transit Services Fund - This fund is used to account for receipts and disbursements under the terms of an interlocal agreement with McLennan County Rural Transit District to provide public transportation within McLennan County.

Waco Tourism Public Improvement District - This fund is used to account for receipts and disbursements for the Waco Tourism Public Improvement District established to market and promote Waco as a tourism destination.



**Combining Statement of Fiduciary Net Position
Custodial Funds
Year Ended September 30, 2022**

	Urban Renewal Agency Fund	Heart of Texas Housing Finance Corporation Fund	Waco Public Improvement District No. 2 Fund	Rural Transit Services Fund	Waco Tourism Public Improvement District Fund	Totals
Assets						
Cash and investments	\$ 60,947	\$ 2,685,717	\$ 35,949	\$ 1,018,982	\$ 130,200	\$ 3,931,795
Accounts receivable	-	-	-	210	133,480	133,690
Intergovernmental receivable	-	-	-	211,813	-	211,813
Notes receivable	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-
Total assets	<u>60,947</u>	<u>2,685,717</u>	<u>35,949</u>	<u>1,231,005</u>	<u>263,680</u>	<u>4,277,298</u>
Liabilities						
Accounts payable	-	630	-	544	151	1,325
Accrued liabilities	-	-	-	1,580	263,529	265,109
Total liabilities	<u>-</u>	<u>630</u>	<u>-</u>	<u>2,124</u>	<u>263,680</u>	<u>266,434</u>
Net position						
Restricted for other organizations and governments	60,947	2,685,087	35,949	1,228,881	-	4,010,864
Total net position	<u>\$ 60,947</u>	<u>\$ 2,685,087</u>	<u>\$ 35,949</u>	<u>\$ 1,228,881</u>	<u>\$ -</u>	<u>\$ 4,010,864</u>

See accompanying independent auditor's report.

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended September 30, 2022**

	Urban Renewal Agency Fund	Heart of Texas Housing Finance Corporation Fund	Waco Public Improvement District No. 2 Fund	Rural Transit Services Fund	Waco Tourism Public Improvement District Fund	Totals
Additions						
Charges for services	\$ -	\$ -	\$ -	\$ 138,920	\$ -	\$ 138,920
Public improvement assessments	-	-	186,490	-	1,323,134	1,509,624
Investment earnings	(908)	(40,080)	-	(15,134)	-	(56,122)
Intergovernmental revenue	-	-	-	1,267,129	-	1,267,129
Other	-	155,000	-	25,770	2,067	182,837
Total additions	<u>(908)</u>	<u>114,920</u>	<u>186,490</u>	<u>1,416,685</u>	<u>1,325,201</u>	<u>3,042,388</u>
Deductions						
Salaries and wages	-	-	-	636,791	-	636,791
Employee benefits	-	-	-	117,728	-	117,728
Purchased professional/ technical services	-	630	2,165	151,172	-	153,967
Maintenance	-	-	-	61,336	-	61,336
Other purchased services	-	-	-	108,632	-	108,632
Supplies	-	222	-	188,412	-	188,634
Other	-	218,750	181,550	60,577	1,325,201	1,786,078
Total deductions	<u>-</u>	<u>219,602</u>	<u>183,715</u>	<u>1,324,648</u>	<u>1,325,201</u>	<u>3,053,166</u>
Net increase (decrease) in fiduciary net position	<u>(908)</u>	<u>(104,682)</u>	<u>2,775</u>	<u>92,037</u>	<u>-</u>	<u>(10,778)</u>
Net position, beginning	<u>61,855</u>	<u>2,789,769</u>	<u>33,174</u>	<u>1,136,844</u>	<u>-</u>	<u>4,021,642</u>
Net position, ending	<u>\$ 60,947</u>	<u>\$ 2,685,087</u>	<u>\$ 35,949</u>	<u>\$ 1,228,881</u>	<u>\$ -</u>	<u>\$ 4,010,864</u>

See accompanying independent auditor's report.





Statistical Section







Statistical Section

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements and not disclosures says about the City's overall financial health.

Financial Trends (Tables I through IV) - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Tables V through VIII) - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity (Tables IX through XII) – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Tables XIII through XIV) – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Tables XV through XVII) - These schedules contain service and infrastructure data to help the reader understand how the information in live City's financial report relates to the services the City provides and the activities it performs.



**Net Position by Component
(Unaudited)
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 180,902,677	\$ 180,508,096	\$ 183,090,881	\$ 195,340,533
Restricted	19,391,804	18,895,396	20,655,062	23,224,157
Unrestricted	28,460,006	34,063,949	30,545,855	29,764,431
Total governmental activities net position	<u>\$ 228,754,487</u>	<u>\$ 233,467,441</u>	<u>\$ 234,291,798</u>	<u>\$ 248,329,121</u>
Business-type activities				
Net investment in capital assets	\$ 215,231,053	211,696,699	214,329,030	218,895,017
Restricted	1,180,611	1,274,319	1,370,154	700,480
Unrestricted	60,118,510	65,792,573	63,820,011	68,398,739
Total business-type activities net position	<u>\$ 276,530,174</u>	<u>\$ 278,763,591</u>	<u>\$ 279,519,195</u>	<u>\$ 287,994,236</u>
Primary government				
Net investment in capital assets	\$ 396,133,730	\$ 392,204,795	\$ 397,419,911	\$ 414,235,550
Restricted	20,572,415	20,169,715	22,025,216	23,924,637
Unrestricted	88,578,516	99,856,522	94,365,866	98,163,170
Total primary government net position	<u>\$ 505,284,661</u>	<u>\$ 512,231,032</u>	<u>\$ 513,810,993</u>	<u>\$ 536,323,357</u>

Source: Annual Comprehensive Financial Reports

Note: The City implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", in fiscal year 2014. Fiscal year 2013 amounts were restated to conform to the new statement requirements. Also, in fiscal year 2015, the City implemented the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27," and the changes are reported prospectively.

Table I

FISCAL YEAR					
2017	2018	2019	2020	2021	2022
\$ 206,699,045	\$ 216,259,979	\$ 227,983,027	\$ 243,043,416	\$ 262,466,289	\$ 291,986,241
28,463,123	36,749,778	43,936,163	48,213,632	51,245,572	49,999,974
30,980,557	40,300,435	52,477,775	63,521,354	84,846,861	107,336,476
<u>\$ 266,142,725</u>	<u>\$ 293,310,192</u>	<u>\$ 324,396,965</u>	<u>\$ 354,778,402</u>	<u>\$ 398,558,722</u>	<u>\$ 449,322,691</u>
224,211,909	231,095,661	245,071,453	285,558,323	311,977,431	351,255,892
867,925	943,463	1,057,103	1,006,408	1,082,677	899,971
73,188,454	81,336,611	82,532,465	93,792,994	108,526,315	122,819,885
<u>\$ 298,268,288</u>	<u>\$ 313,375,735</u>	<u>\$ 328,661,021</u>	<u>\$ 380,357,725</u>	<u>\$ 421,586,423</u>	<u>\$ 474,975,748</u>
\$ 430,910,954	\$ 447,355,640	\$ 473,054,480	\$ 528,601,739	\$ 574,443,720	\$ 643,242,133
29,331,048	37,693,241	44,993,266	49,220,040	52,328,249	50,899,945
104,169,011	121,637,046	135,010,240	157,314,348	193,373,176	230,156,361
<u>\$ 564,411,013</u>	<u>\$ 606,685,927</u>	<u>\$ 653,057,986</u>	<u>\$ 735,136,127</u>	<u>\$ 820,145,145</u>	<u>\$ 924,298,439</u>

**Changes in Net Position
(Unaudited)
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 20,039,649	\$ 16,223,167	\$ 15,012,962	\$ 17,591,625
Public works	13,699,976	12,205,449	12,767,308	12,385,381
Public safety	62,592,351	66,630,254	64,796,679	71,900,506
Culture and recreation	16,544,389	16,922,912	16,510,993	17,575,724
Public health	7,388,363	7,314,101	7,269,988	7,853,838
Housing and community development	2,255,720	2,974,293	2,704,824	2,421,277
Interest on long-term debt	3,798,174	3,631,452	3,155,598	2,784,644
Total governmental activities expenses	<u>126,318,622</u>	<u>125,901,628</u>	<u>122,218,352</u>	<u>132,512,995</u>
Business-type activities:				
Water	33,038,145	32,998,874	32,457,155	34,485,785
Wastewater	18,432,230	19,263,583	18,964,527	22,024,527
Solid waste	16,033,246	15,794,559	15,223,615	15,458,545
Airport	3,083,925	3,284,396	3,496,581	3,821,305
Convention services	3,941,005	3,957,683	4,074,149	4,301,096
Ranger Hall of Fame	1,343,575	1,326,695	1,333,639	1,444,823
Cameron Park Zoo	4,318,267	4,494,173	4,595,845	4,777,181
Transit services	8,046,015	8,177,708	8,188,525	8,640,336
Cottonwood Creek Golf Course	1,782,963	1,810,707	1,707,982	1,821,529
Drainage	-	-	-	-
Total business-type activities expenses	<u>90,019,371</u>	<u>91,108,378</u>	<u>90,042,018</u>	<u>96,775,127</u>
Total primary government expenses	<u>216,337,993</u>	<u>217,010,006</u>	<u>212,260,370</u>	<u>229,288,122</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	277,810	192,402	243,883	271,051
Public works	1,537	2,257	3,188	2,057
Public safety	3,703,991	5,520,650	5,373,858	5,995,911
Culture and recreation	1,054,216	1,404,877	1,279,331	1,294,784
Housing and community development	-	-	-	-
Public health	1,260,587	1,154,091	1,158,100	1,181,667
Operating grants and contributions	11,500,355	10,924,393	9,564,905	9,550,112
Capital grants and contributions	7,256,153	3,272,066	6,952,118	7,269,459
Total governmental activities program revenues	<u>25,054,649</u>	<u>22,470,736</u>	<u>24,575,383</u>	<u>25,565,041</u>

Table II

		FISCAL YEAR									
		2017	2018	2019	2020	2021	2022				
\$	21,961,388	\$	23,161,022	\$	21,418,706	\$	24,927,532	\$	25,498,744	\$	37,898,024
	13,531,718		13,738,063		15,263,962		16,663,378		17,613,038		13,192,410
	77,631,982		76,378,833		81,605,115		82,482,836		79,691,854		82,716,607
	18,409,985		18,085,607		20,036,504		18,281,256		18,044,204		19,340,512
	7,974,445		7,991,534		9,205,925		8,941,058		9,604,109		10,151,107
	2,499,865		2,220,964		2,904,350		2,752,409		5,617,611		6,574,493
	2,724,381		2,942,299		3,149,200		3,303,458		3,789,974		4,657,397
	<u>144,733,764</u>		<u>144,518,322</u>		<u>153,583,762</u>		<u>157,351,927</u>		<u>159,859,534</u>		<u>174,530,550</u>
	36,237,977		37,944,429		39,841,010		41,071,141		40,438,161		43,736,573
	22,369,323		23,339,837		27,232,626		29,284,437		30,142,967		36,827,351
	16,437,794		17,150,662		20,867,979		21,389,352		22,960,146		23,722,537
	3,948,697		3,833,773		4,333,238		5,001,016		5,370,976		5,170,896
	4,524,677		4,855,004		5,684,576		4,380,349		3,315,097		5,414,985
	1,333,563		1,390,759		1,404,669		1,517,423		1,631,553		1,597,859
	5,232,360		5,342,574		5,357,572		6,003,814		5,879,107		6,764,818
	8,360,490		7,902,796		8,234,983		7,754,706		7,246,662		7,810,717
	1,852,186		2,044,411		2,094,332		1,903,771		1,911,463		2,102,667
	-		-		-		-		116,493		3,467,729
	<u>100,297,067</u>		<u>103,804,245</u>		<u>115,050,985</u>		<u>118,306,009</u>		<u>119,012,625</u>		<u>136,616,132</u>
	<u>245,030,831</u>		<u>248,322,567</u>		<u>268,634,747</u>		<u>275,657,936</u>		<u>278,872,159</u>		<u>311,146,682</u>
	282,226		383,837		435,415		336,898		348,566		3,224,862
	972		1,315		790		1,035		-		-
	5,211,330		5,167,028		4,915,802		4,647,611		5,832,062		3,573,643
	1,574,384		1,792,366		1,688,278		657,512		1,313,651		1,897,583
	-		-		-		-		-		182,053
	1,248,994		1,179,052		1,247,897		1,116,427		1,209,651		1,421,816
	9,365,279		10,748,885		11,527,188		22,262,586		16,122,738		18,455,983
	9,608,784		11,861,689		8,561,177		4,689,356		14,300,491		22,773,022
	<u>27,291,969</u>		<u>31,134,172</u>		<u>28,376,547</u>		<u>33,711,425</u>		<u>39,127,159</u>		<u>51,528,962</u>

(Continued)

**Changes in Net Position
(Unaudited)
(Continued)**

	2013	2014	2015	2016
Business-type activities:				
Charges for services:				
Water	\$ 40,713,824	\$ 38,600,073	\$ 37,773,754	\$ 39,693,677
Wastewater	21,718,912	21,343,556	20,827,643	23,376,856
Solid waste	16,489,195	16,866,587	17,704,519	18,860,966
Airport	1,079,297	1,142,240	1,093,157	1,118,487
Convention services	1,018,086	1,213,798	1,317,100	1,402,912
Ranger Hall of Fame	410,728	420,414	490,917	559,262
Cameron Park Zoo	1,618,495	1,582,279	1,615,849	1,963,610
Transit services	3,540,047	3,373,782	3,775,380	4,112,010
Cottonwood Creek Golf Course	1,615,885	1,549,328	1,511,944	1,618,596
Drainage	-	-	-	-
Operating grants and contributions	3,419,959	3,869,760	3,566,046	3,734,120
Capital grants and contributions	4,836,705	1,682,452	3,459,180	6,998,128
Total business-type activities program revenues	<u>96,461,133</u>	<u>91,644,269</u>	<u>93,135,489</u>	<u>103,438,624</u>
Total primary government program revenues	121,515,782	114,115,005	117,710,872	129,003,665
Net (Expense)/Revenue				
Governmental activities	(101,263,973)	(103,430,892)	(97,642,969)	(106,947,954)
Business-type activities	6,441,762	535,891	3,093,471	6,663,497
Total primary government net expense	<u>(94,822,211)</u>	<u>(102,895,001)</u>	<u>(94,549,498)</u>	<u>(100,284,457)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	51,184,254	51,585,835	55,028,271	58,427,545
Tax increment financing tax	5,916,309	5,573,984	6,296,710	7,750,330
Sales taxes	31,075,760	33,487,659	35,813,531	37,371,461
Franchise taxes	13,405,186	14,181,593	13,762,575	13,734,655
Other taxes	676,254	785,905	871,076	910,456
Unrestricted investment earnings	308,603	323,760	476,804	855,366
Miscellaneous	2,153,305	1,196,841	1,214,952	1,450,460
Gain on disposal of capital assets	290,376	105,278	-	-
Transfers	81,051	902,991	2,537,789	485,004
Total governmental activities	<u>105,091,098</u>	<u>108,143,846</u>	<u>116,001,708</u>	<u>120,985,277</u>
Business-type activities:				
Hotel/motel taxes	2,095,987	2,403,171	2,707,056	3,204,122
Unrestricted investment earnings	159,463	197,346	289,580	378,946
Special item: Gain on termination of WMARSS agreement	-	-	-	-
Transfers	(81,051)	(902,992)	(2,537,789)	(485,004)
Total business-type activities	<u>2,174,399</u>	<u>1,697,526</u>	<u>458,847</u>	<u>3,098,064</u>
Total primary government	<u>107,265,497</u>	<u>109,841,372</u>	<u>116,460,555</u>	<u>124,083,341</u>
Change in Net Position				
Governmental activities	3,827,125	4,712,954	18,358,739	14,037,323
Business-type activities	8,616,161	2,233,417	3,552,318	9,761,561
Total primary government	<u>\$ 12,443,286</u>	<u>\$ 6,946,371</u>	<u>\$ 21,911,057</u>	<u>\$ 23,798,884</u>

Source: Annual Comprehensive Financial Reports

Note: The City implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", in fiscal year 2014. Fiscal year 2013 amounts were restated to conform to the new statement requirements. Also, in fiscal year 2015, the City implemented the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27," and the changes are reported prospectively.



Table II
(continued)

						FISCAL YEAR
2017	2018	2019	2020	2021	2022	
\$ 43,474,418	\$ 48,925,791	\$ 50,287,352	\$ 53,110,881	\$ 52,448,798	\$ 60,465,793	
27,826,441	30,079,874	34,435,075	38,309,365	42,245,415	44,246,666	
19,052,864	19,776,330	20,435,913	21,881,584	23,137,315	27,657,212	
1,134,454	967,939	1,317,810	967,466	1,022,426	1,198,799	
1,568,402	1,736,312	1,795,841	853,499	498,987	1,284,486	
654,740	721,386	752,273	381,521	495,975	545,315	
2,223,777	2,074,281	2,085,321	1,711,401	3,344,779	3,329,794	
3,606,218	3,232,108	3,123,994	2,547,859	2,228,232	2,759,798	
1,643,950	1,604,672	1,762,884	1,590,021	1,749,668	2,138,556	
-	-	-	-	-	5,784,296	
4,031,927	3,738,719	4,028,788	6,773,559	7,190,824	6,995,722	
3,654,269	1,048,602	3,182,243	6,358,716	21,233,196	31,328,186	
<u>108,871,460</u>	<u>113,906,014</u>	<u>123,207,494</u>	<u>134,485,872</u>	<u>155,595,615</u>	<u>187,734,623</u>	
136,163,429	145,040,186	151,584,041	168,197,297	194,722,774	239,263,585	
(117,441,795)	(113,384,150)	(125,207,215)	(123,640,502)	(120,732,375)	(123,001,588)	
8,574,393	10,101,769	8,156,509	16,179,863	36,582,990	51,118,491	
<u>(108,867,402)</u>	<u>(103,282,381)</u>	<u>(117,050,706)</u>	<u>(107,460,639)</u>	<u>(84,149,385)</u>	<u>(71,883,097)</u>	
63,095,312	68,192,298	74,555,736	77,783,241	82,999,797	87,615,776	
10,234,498	12,674,713	14,172,237	14,042,607	13,322,983	13,588,785	
38,135,659	39,017,059	40,610,169	41,033,102	48,720,357	54,078,904	
14,238,292	14,916,497	14,590,418	14,480,403	14,523,390	16,424,001	
1,063,684	1,148,309	1,273,129	1,168,421	1,368,393	1,468,276	
1,644,507	4,092,426	7,976,252	3,990,302	669,398	(4,681,366)	
1,702,214	1,162,457	3,349,070	2,989,133	2,834,269	3,417,510	
3,420,000	-	-	-	-	-	
1,721,233	462,783	(233,023)	(1,465,270)	74,108	1,853,671	
<u>135,255,399</u>	<u>141,666,542</u>	<u>156,293,988</u>	<u>154,021,939</u>	<u>164,512,695</u>	<u>173,765,557</u>	
3,724,543	4,270,253	4,617,066	3,138,696	4,519,547	6,120,368	
462,647	1,198,208	2,278,688	1,143,224	200,269	(1,995,863)	
-	-	-	29,769,651	-	-	
(1,721,233)	(462,783)	233,023	1,465,270	(74,108)	(1,853,671)	
<u>2,465,957</u>	<u>5,005,678</u>	<u>7,128,777</u>	<u>35,516,841</u>	<u>4,645,708</u>	<u>2,270,834</u>	
<u>137,721,356</u>	<u>146,672,220</u>	<u>163,422,765</u>	<u>189,538,780</u>	<u>169,158,403</u>	<u>176,036,391</u>	
17,813,604	28,282,392	31,086,773	30,381,437	43,780,320	50,763,969	
11,040,350	15,107,447	15,285,286	51,696,704	41,228,698	53,389,325	
<u>\$ 28,853,954</u>	<u>\$ 43,389,839</u>	<u>\$ 46,372,059</u>	<u>\$ 82,078,141</u>	<u>\$ 85,009,018</u>	<u>\$ 104,153,294</u>	

**Fund Balances of Governmental Funds
(Unaudited)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

	2013	2014	2015	2016
General Fund				
Nonspendable:				
Advances to other funds	\$ -	\$ -	\$ -	\$ -
Inventory	536,785	734,557	849,594	925,826
Real estate held for resale	6,160	6,160	6,160	6,160
Restricted for:				
Communications and Marketing	636,993	703,924	751,247	971,345
Culture and recreation	689,343	918,377	755,927	365,900
Public safety	377,841	83,856	119,629	-
Economic development	100,996	-	-	-
Committed to:				
Economic development	8,719,518	9,532,164	9,722,702	10,288,673
Culture and recreation	-	-	-	-
Assigned to:				
Capital improvements	9,073,859	15,050,171	4,810,928	11,891,042
Economic development	6,078,636	3,048,263	5,740,957	4,753,144
Housing and community development	25,000	25,000	142,117	3,822
Public works	470,084	4,677	352,180	300,048
Public safety	10,173	140,595	189,501	237,645
Culture and recreation	15,305	16,230	150,601	141,888
Subsequent year's budget appropriation	-	-	7,108,799	2,140,199
Other	124,312	490,289	220,123	268,004
Unreserved/Unassigned	<u>19,604,248</u>	<u>21,043,396</u>	<u>23,392,619</u>	<u>23,778,234</u>
Total General Fund	<u>\$ 46,469,253</u>	<u>\$ 51,797,659</u>	<u>\$ 54,313,084</u>	<u>\$ 56,071,930</u>

Table III

FISCAL YEAR						
2017	2018	2019	2020	2021	2022	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
855,118	962,267	963,711	1,025,496	874,629	958,731	
6,160	6,160	6,160	6,160	6,160	6,160	
1,006,021	1,271,408	1,318,309	1,471,560	1,636,663	1,805,112	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
10,645,045	10,933,118	13,688,936	14,496,364	16,025,074	14,520,304	
-	-	-	-	-	-	
14,880,555	17,425,920	25,476,197	12,917,754	-	-	
4,491,067	7,354,149	8,274,949	3,958,032	6,493,032	6,493,032	
-	44,600	-	-	32,899	-	
109,472	240,959	566,574	245,706	365,062	951,973	
507,585	753,506	699,653	757,889	694,975	1,618,899	
129,850	130,993	340,878	8,236	163,113	68,132	
2,868,343	3,588,211	4,403,230	7,979,534	1,293,553	2,121,810	
264,776	416,224	1,045,887	1,138,853	1,118,170	4,116,731	
25,058,680	26,964,901	30,539,334	48,089,822	64,102,649	63,138,539	
<u>\$ 60,822,672</u>	<u>\$ 70,092,416</u>	<u>\$ 87,323,818</u>	<u>\$ 92,095,406</u>	<u>\$ 92,805,979</u>	<u>\$ 95,799,423</u>	

(Continued)

**Fund Balances of Governmental Funds
(Unaudited)
(Continued)**

	2013	2014	2015	2016
All Other Governmental Funds:				
Nonspendable:				
Parks and cemetery care	\$ 477,891	\$ 478,848	\$ 466,997	\$ 366,560
Real estate held for sale	40,061	40,061	46,705	-
Inventory	-	-	131,805	138,360
Restricted for:				
Debt service	238,053	185,902	491,257	598,145
Capital projects	15,531,634	11,828,967	7,184,956	4,631,102
Tax increment zone activities	10,960,465	10,891,785	13,579,596	16,822,186
Housing and community development	2,676,979	2,333,652	2,059,972	2,037,017
Public works	-	-	-	-
Public safety	1,831,495	1,406,274	1,442,749	1,224,262
Culture and recreation	755,434	1,302,930	450,821	347,288
Waco Public Improvement District	611,577	645,008	716,835	755,292
Committed to :				
Capital projects	1,443,453	2,582,281	15,665,156	13,223,176
Public health	351,412	561,880	820,811	1,050,924
Total all other governmental funds	<u>\$ 34,918,454</u>	<u>\$ 32,257,588</u>	<u>\$ 43,057,660</u>	<u>\$ 41,194,312</u>

Source: Annual Comprehensive Financial Reports

Notes: The City implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities" in fiscal year 2014. Fiscal year 2013 amounts restated to conform to the new statement requirements. Also, in fiscal year 2015, the City implemented the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27," and the changes are reported prospectively.

Table III

						FISCAL YEAR
2017	2018	2019	2020	2021	2022	
\$ 368,115	\$ 371,797	\$ 378,209	\$ 381,019	\$ 326,896	\$ 323,713	
-	-	-	-	-	1,975,000	
85,685	-	-	-	-	-	
528,707	675,525	742,629	600,472	1,303,947	720,211	
12,754,861	29,469,813	35,639,375	50,835,124	55,153,344	79,875,567	
22,732,032	31,067,768	37,977,473	42,551,716	44,304,621	43,667,730	
1,570,574	1,314,573	325,423	246,965	296,952	380,219	
-	-	1,142,535	636,582	678,759	463,657	
1,208,289	1,556,260	1,568,647	1,658,699	2,285,587	2,906,311	
581,442	191,804	153,891	169,374	180,414	172,880	
888,323	906,377	1,006,241	1,148,686	1,034,429	1,125,038	
14,236,424	14,241,431	12,465,309	20,797,066	37,279,317	45,965,718	
1,741,422	2,417,446	2,514,105	3,240,719	3,390,803	4,213,781	
<u>\$ 56,695,874</u>	<u>\$ 82,212,794</u>	<u>\$ 93,913,837</u>	<u>\$ 122,266,422</u>	<u>\$ 146,235,069</u>	<u>\$ 181,789,825</u>	

**Changes in Fund Balances of Governmental Funds
(Unaudited)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

	2013	2014	2015	2016
Revenues:				
Taxes:				
Sales	\$ 31,075,760	\$ 33,487,659	\$ 35,813,531	\$ 37,371,461
Property	56,769,973	56,383,515	60,851,059	65,630,088
Interest and penalty	864,693	507,622	598,772	620,805
Special assessments	323,153	300,940	326,760	358,421
Business and occupation fees	13,405,186	14,181,593	13,762,575	13,734,655
Permits, licenses and fees	2,361,710	2,519,019	2,454,494	2,739,022
Fines	1,915,904	2,555,149	2,506,051	2,569,317
Charges for services	1,643,861	1,639,054	1,749,690	1,834,544
Investment earnings	285,712	296,370	436,017	825,795
Contributions	504,130	883,815	3,490,258	1,419,645
Intergovernmental	10,888,461	10,278,693	9,968,503	9,175,975
Program income	297,998	338,265	289,272	298,107
Other	10,327,351	10,028,613	10,971,694	11,238,248
Total revenues	<u>130,663,892</u>	<u>133,400,307</u>	<u>143,218,676</u>	<u>147,816,083</u>
Expenditures:				
General government	27,395,172	24,937,624	22,826,332	25,611,309
Public works	3,214,854	2,583,490	1,405,812	1,879,964
Public safety	60,765,347	62,521,778	62,557,857	67,172,300
Culture and recreation	12,792,566	13,998,629	13,543,825	13,427,467
Housing and community development	3,088,943	3,160,091	2,897,236	2,370,097
Public health	7,271,899	7,267,366	7,247,059	7,533,938
Capital outlay	14,814,436	10,002,288	14,758,838	26,453,338
Debt service:				
Principal	5,912,954	5,340,143	5,585,000	5,895,000
Interest and fiscal charges	3,946,312	3,788,820	3,437,349	3,283,750
Bond issuance costs	35,891	26,107	250,679	99,402
Total expenditures	<u>139,238,374</u>	<u>133,626,336</u>	<u>134,509,987</u>	<u>153,726,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,574,482)</u>	<u>(226,029)</u>	<u>8,708,689</u>	<u>(5,910,482)</u>
Other financing sources (uses):				
General obligation bonds issued	2,175,000	1,645,000	1,695,000	3,805,000
Refunding bonds issued	1,700,000	-	34,125,000	1,945,000
Capital leases	-	-	-	-
Premiums on general obligation bonds	168,544	59,040	57,044	334,219
Premiums on refunding bonds	316,832	-	6,804,247	136,375
Payments to refunded bond escrow agent	(1,999,938)	-	(40,676,302)	(2,055,353)
Financing of Leases				
Transfers in	14,935,710	17,504,831	26,296,892	23,677,980
Transfer out	(13,145,858)	(16,420,580)	(23,695,073)	(22,037,241)
Proceeds from sale of capital assets	290,376	105,278	-	-
Total other financing sources	<u>4,440,666</u>	<u>2,893,569</u>	<u>4,606,808</u>	<u>5,805,980</u>
Net change in fund balances	<u>\$ (4,133,816)</u>	<u>\$ 2,667,540</u>	<u>\$ 13,315,497</u>	<u>\$ (104,502)</u>
Debt service as a percentage of noncapital expenditures	7.94%	7.49%	7.49%	7.24%

Source: Annual Comprehensive Financial Reports

Note: The City implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities" in fiscal year 2014. Fiscal year 2013 amounts restated to conform to the new statement requirements.

Table IV

						FISCAL YEAR
2017	2018	2019	2020	2021	2022	
\$ 38,135,659	\$ 39,017,059	\$ 40,610,169	\$ 41,033,102	\$ 48,720,357	\$ 54,078,904	
72,678,709	80,168,586	87,622,628	91,162,296	95,591,126	100,511,311	
620,791	636,115	613,463	805,160	603,571	719,799	
482,959	535,505	560,432	630,654	644,776	650,962	
14,238,292	14,916,497	14,590,418	14,480,403	14,523,390	16,424,001	
2,618,623	2,482,683	2,957,028	2,967,430	3,690,136	4,156,782	
2,054,255	1,883,191	2,055,628	1,650,016	1,931,290	2,162,661	
1,939,164	2,104,779	2,101,940	1,921,824	2,273,973	2,542,795	
1,574,399	3,921,246	7,640,582	3,823,044	642,351	(4,482,730)	
1,244,774	861,550	1,072,378	829,925	766,646	9,035,418	
11,344,302	9,590,294	9,435,004	19,950,651	14,745,342	17,804,486	
222,053	246,593	194,820	227,685	189,218	239,688	
11,080,269	12,156,194	16,217,373	14,253,903	15,344,110	17,454,355	
<u>158,234,249</u>	<u>168,520,292</u>	<u>185,671,863</u>	<u>193,736,093</u>	<u>199,666,286</u>	<u>221,298,432</u>	
28,421,391	30,108,527	30,851,658	38,971,422	42,716,357	52,465,669	
1,643,939	5,119,496	7,051,885	7,926,213	10,464,167	8,754,888	
70,051,351	73,673,507	75,754,565	80,011,063	77,816,545	86,635,797	
17,688,310	14,216,289	15,201,353	15,196,451	14,325,034	16,484,711	
2,576,675	2,908,249	3,250,335	2,925,409	5,658,410	7,287,352	
7,588,586	7,906,760	8,944,992	8,813,617	9,765,137	10,677,502	
13,884,468	11,595,064	25,302,918	21,821,248	37,837,873	43,836,723	
6,685,000	6,660,000	6,555,000	7,590,000	8,780,000	9,585,000	
3,240,961	3,440,471	4,016,921	4,553,085	5,144,979	5,482,871	
84,655	140,293	203,758	123,993	160,006	489,287	
<u>151,865,336</u>	<u>155,768,656</u>	<u>177,133,385</u>	<u>187,932,501</u>	<u>212,668,508</u>	<u>241,699,800</u>	
6,368,913	12,751,636	8,538,478	5,803,592	(13,002,222)	(20,401,368)	
11,465,000	19,840,000	18,560,000	26,210,000	28,960,000	46,285,000	
-	-	9,365,000	-	3,155,000	1,585,000	
-	-	-	-	5,000,000	-	
451,335	1,180,056	1,583,439	2,551,941	1,230,197	7,902,360	
-	-	1,065,159	-	350,193	241,411	
-	-	(10,434,176)	-	(3,539,057)	(1,816,002)	
-	-	-	-	-	2,681,107	
22,351,642	13,552,009	18,871,120	31,572,912	37,465,729	36,593,973	
(20,384,586)	(12,537,037)	(18,616,575)	(33,014,272)	(34,940,626)	(34,523,281)	
-	-	-	-	-	-	
<u>13,883,391</u>	<u>22,035,028</u>	<u>20,393,967</u>	<u>27,320,581</u>	<u>37,681,436</u>	<u>58,949,568</u>	
<u>\$ 20,252,304</u>	<u>\$ 34,786,664</u>	<u>\$ 28,932,445</u>	<u>\$ 33,124,173</u>	<u>\$ 18,210,656</u>	<u>\$ 38,548,200</u>	
7.31%	7.04%	7.09%	7.77%	8.35%	8.88%	

**Assessed Value and Estimated Actual Value of Taxable Property
(Unaudited)
Last Ten Fiscal Years**

Category	2022	2021	2020	2019
Real - residential single family	\$ 6,158,778,179	\$ 5,440,236,061	\$ 5,045,208,989	\$ 4,689,727,622
Real - residential multi-family	1,324,406,224	1,309,440,113	1,204,270,853	1,156,809,421
Real - platted lots & residential inventory	254,291,978	260,120,813	254,696,041	241,199,487
Real - acreage, land only	106,943,005	106,653,807	101,075,715	95,061,274
Real - improved farm & ranch	47,294,190	44,260,405	49,625,414	47,626,117
Real - commercial & industrial	3,036,988,519	3,082,168,132	2,931,146,517	2,831,537,753
Real and tangible personal - utilities	260,021,256	245,410,126	229,487,770	217,987,430
Tangible personal - business	2,136,033,509	2,001,638,910	2,131,366,180	2,037,021,720
Tangible personal - other	3,261,760	3,099,232	2,699,122	2,370,660
Total market value	<u>13,328,018,620</u>	<u>12,493,027,599</u>	<u>11,949,576,601</u>	<u>11,319,341,484</u>
Less total exemptions	<u>1,477,887,129</u>	<u>1,293,119,298</u>	<u>1,254,695,579</u>	<u>1,253,765,578</u>
Taxable assessed value	<u>\$ 11,850,131,491</u>	<u>\$ 11,199,908,301</u>	<u>\$ 10,694,881,022</u>	<u>\$ 10,065,575,906</u>
Total direct tax rate per \$ 100 of taxable assessed value	<u>0.767282</u>	<u>0.776232</u>	<u>0.776232</u>	<u>0.776232</u>
Estimated actual taxable value	<u>\$ 13,328,018,620</u>	<u>\$ 12,493,027,599</u>	<u>\$ 11,949,576,601</u>	<u>\$ 11,319,341,484</u>
Taxable assessed value as a percentage of actual taxable value	88.9%	89.6%	89.5%	88.9%

Source: McLennan County Appraisal District, except total direct tax rates which were obtained from the City of Waco Office of Management and Budget.

Table V

						FISCAL YEAR
2018	2017	2016	2015	2014	2013	
\$ 4,103,208,707	\$ 3,666,787,394	\$ 3,442,331,305	\$ 3,330,608,637	\$ 3,193,078,012	\$ 3,145,755,030	
1,036,321,000	854,447,458	710,274,847	600,337,34	552,903,404	540,947,926	
225,165,345	216,913,884	179,995,100	192,366,941	185,737,380	161,765,042	
75,960,194	77,014,810	69,022,094	74,636,662	66,466,703	73,968,631	
41,117,522	34,974,967	29,242,020	32,499,555	28,871,288	18,486,406	
2,652,184,099	2,444,560,582	2,221,110,921	2,051,472,009	1,885,152,286	1,839,811,136	
202,093,432	192,815,272	202,959,032	177,491,413	147,349,253	140,452,424	
1,940,142,010	1,926,700,880	1,844,415,017	1,724,904,133	1,674,043,041	1,667,295,558	
2,334,390	2,325,700	2,406,350	2,424,330	2,328,520	2,236,139	
<u>10,278,526,699</u>	<u>9,416,540,947</u>	<u>8,701,756,686</u>	<u>8,186,437,414</u>	<u>7,735,929,887</u>	<u>7,590,718,292</u>	
<u>1,073,765,249</u>	<u>943,172,583</u>	<u>939,650,349</u>	<u>916,313,922</u>	<u>927,340,793</u>	<u>938,850,655</u>	
<u>\$ 9,204,761,450</u>	<u>\$ 8,473,368,364</u>	<u>\$ 7,762,106,337</u>	<u>\$ 7,270,123,492</u>	<u>\$ 6,808,589,094</u>	<u>\$ 6,651,867,637</u>	
<u>0.776232</u>	<u>0.776232</u>	<u>0.776232</u>	<u>0.776232</u>	<u>0.786232</u>	<u>0.786232</u>	
<u>\$ 10,278,526,699</u>	<u>\$ 9,416,540,947</u>	<u>\$ 8,701,756,686</u>	<u>\$ 8,186,437,414</u>	<u>\$ 7,735,929,887</u>	<u>\$ 7,590,718,292</u>	
89.6%	90.0%	89.2%	88.8%	88.0%	87.6%	

Property Tax Rates - Direct and Overlapping Governments
(Per \$100 of Assessed Value)
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	City Direct Rates			Waco Independent School District	China Spring Independent School District	La Vega Independent School District	McLennan Community College
	Operating/ General	Debt Service	Total Direct				
2013	0.637434	0.148798	0.786232	1.355180	1.374402	1.420000	0.151530
2014	0.639191	0.137041	0.776232	1.354800	1.540000	1.420000	0.151530
2015	0.646744	0.129488	0.776232	1.353240	1.538834	1.465000	0.149530
2016	0.653858	0.122374	0.776232	1.400000	1.516068	1.459000	0.149724
2017	0.662094	0.114138	0.776232	1.400000	1.421381	1.422100	0.148898
2018	0.660723	0.115509	0.776232	1.302450	1.387194	1.413532	0.150346
2019	0.673581	0.102651	0.776232	1.410000	1.358720	1.394040	0.147696
2020	0.665656	0.110576	0.776232	1.302450	1.294110	1.290269	0.147696
2021	0.646729	0.129503	0.776232	1.263953	1.257416	1.299955	0.149782
2022	0.640394	0.126888	0.767282	1.244640	1.265760	1.261350	0.149782

Note: A typical property tax bill would consist of City, school district, community college, and county taxes.

Table VI

Overlapping Rates						
McLennan County	Connally Independent School District	Midway Independent School District	Bosqueville Independent School District	Lorena Independent School District	Robinson Independent School District	McGregor Independent School District
0.460573	1.269091	1.320000	1.478460	1.310000	1.315000	1.185000
0.535293	1.265653	1.320000	1.487914	1.620000	1.315000	1.355000
0.535293	1.274394	1.320000	1.478175	1.640000	1.510000	1.355000
0.535293	1.281628	1.320000	1.507102	1.640000	1.510000	1.355000
0.525293	1.251212	1.320000	1.441544	1.579090	1.470000	1.333800
0.505293	1.374409	1.320000	1.429973	1.554090	1.406135	1.330000
0.485293	1.367955	1.320000	1.379229	1.534000	1.406135	1.330000
0.485293	1.266457	1.250000	1.322389	1.435210	1.2867	1.276100
0.468719	1.234741	1.236400	1.233088	1.332666	1.260930	1.167280
0.425000	1.215509	1.164300	1.178300	1.200310	1.172632	1.112970

**Principal Property Taxpayers
(Unaudited)
Current Year and Nine Years Ago**

Fiscal year 2022

Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
Coca Cola Company	\$ 116,996,389	0.99%
Allergan, Inc	107,266,041	0.91%
Mars Chocolate North America, LLC	95,575,594	0.81%
Oncor Electric Delivery Co., LLC	88,020,490	0.74%
L-3 Comm. Integrated Systems	70,900,623	0.60%
3503 RP Waco Central LP	62,679,540	0.53%
Sanderson Farms, Inc	60,656,115	0.51%
Atmos Energy/Mid-Tex Distribution	59,061,000	0.50%
Tractor Supply Co. of TX LP	58,593,684	0.49%
Sherwin Williams Co., Inc	55,905,720	0.47%
Total	<u>\$ 775,655,196</u>	<u>6.55%</u>

Source: McLennan County Appraisal District

Table VII

Fiscal year 2013

Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
Mars Snackfood/WM Wrigley	\$ 112,305,698	1.69%
Coca Cola Company	99,831,992	1.50%
L-3 Communications Corp.	69,209,402	1.04%
Allergan, Inc.	54,547,891	0.82%
Oncor Electric Delivery Co.	51,161,052	0.77%
Inland Western Waco Central, L.P.	50,709,220	0.76%
CBL/Richland Mall, L.P.	41,360,203	0.62%
Sherwin Williams Co. Inc.	40,508,288	0.61%
Caterpillar Logistics Services, Inc.	32,017,535	0.48%
Cargill Meat Solutions	30,287,067	0.46%
Total	\$ 581,938,348	8.75%

**Property Tax Levies and Collections
(Unaudited)
Last Ten Fiscal Years**

Fiscal Year	Tax Levy for City Operations and Debt	City Tax Levy for Tax Increment Financing	Total Tax Levy for Fiscal Year	Adjustments to Levy in Subsequent Years
2013	50,896,824	1,541,926	52,438,750	(286,341)
2014	51,208,846	1,582,983	52,791,829	(15,023)
2015	54,676,069	1,792,277	56,468,346	(210,919)
2016	58,055,153	2,224,388	60,279,541	(348,861)
2017	62,891,323	3,094,279	65,985,602	(841,619)
2018	67,536,896	3,506,068	71,042,964	(293,163)
2019	73,976,108	3,864,376	77,840,484	(645,277)
2020	79,178,817	3,942,081	83,120,898	(792,983)
2021	83,297,493	4,479,412	87,776,905	(1,259,921)
2022	86,705,114	4,474,925	91,180,039	-

Source: McLennan County Tax Office

Table VIII

Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections	
	Amount	Percentage of Adjusted Levy		Amount	Percentage of Adjusted Levy
52,152,535	51,511,537	98.77	559,884	52,071,421	99.84
52,776,922	52,019,615	98.57	667,180	52,676,996	99.81
56,257,516	55,622,582	98.87	534,738	56,143,138	99.80
59,930,720	59,465,589	99.22	357,308	59,806,109	99.79
65,144,228	64,907,474	99.64	110,310	64,995,170	99.77
70,760,795	70,504,465	99.64	90,283	70,573,073	99.73
77,205,355	76,906,987	99.61	81,003	76,940,343	99.66
82,360,320	81,374,389	98.80	681,283	81,923,436	99.47
86,725,819	85,785,642	98.92	296,997	85,785,642	98.92
91,180,039	90,303,169	99.04	-	90,303,169	99.04

**Ratio of Outstanding Debt by Type
(Unaudited)
Last Ten Fiscal Years**

Governmental Activities

Fiscal Year	General Obligation Bonds ⁽¹⁾	Capital Financing Agreement	General Obligation Bonds ⁽²⁾	Contracts Payable	Leases Payable	Refundable Contracts	Notes Payable	General Obligation Bonds
2013	91,155,603	61,608	615,000	830,000	-	80,007	-	228,080,781
2014	87,989,551	12,443	550,000	830,000	-	80,007	-	223,017,008
2015	86,321,896	-	370,000	830,000	-	80,007	968,532	223,050,091
2016	83,778,284	-	345,000	830,000	-	80,007	(399,199)	295,326,024
2017	88,004,702	-	285,000	830,000	-	80,007	645,688	314,046,707
2018	92,942,378	-	8,505,000	830,000	-	80,007	484,266	343,297,379
2019	105,635,153	-	8,100,000	830,000	-	80,007	322,844	370,491,773
2020	125,567,359	-	7,560,000	830,000	-	80,007	161,422	381,685,431
2021	146,044,918	4,504,822	6,505,000	830,000	-	80,007	-	405,489,590
2022	191,241,487	4,030,702	3,615,000	830,000	1,984,527	80,007	-	435,667,951

Note 1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note 2: Personal income information is not available at the City level. In lieu of this ratio, the percentage of total debt to actual taxable value of property is provided.

⁽¹⁾ Includes unamortized premium.

⁽²⁾ General obligation bonds payable from tax increment financing sources.

⁽³⁾ See Table V for property value data.

Source: Estimated population provided by the City of Waco Planning Office.

Table IX

Business-Type Activities					Percentage of Actual Taxable		
Notes Payable	Leases Payable	Refundable Contracts	Contracts Payable	Total Primary Government	Value of Property ⁽³⁾	Population of City	Per Capita
1,967,906	-	1,795,178	-	324,586,083	4.88%	128,125	2,533
1,898,437	-	1,952,243	-	316,329,689	4.65%	129,241	2,448
1,825,882	-	1,572,435	-	315,018,843	4.33%	130,533	2,413
1,750,105	-	1,513,751	1,306,512	385,736,793	4.97%	132,889	2,903
1,670,963	-	1,615,828	845,390	408,024,285	4.82%	135,557	3,010
1,588,306	-	1,390,948	345,841	449,464,125	4.88%	137,048	3,280
1,501,978	-	1,354,489	-	488,316,244	4.85%	139,236	3,507
1,411,816	-	1,284,371	-	518,580,406	5.15%	138,486	3,745
1,317,649	-	1,191,783	-	565,963,769	5.62%	139,982	4,043
1,219,301	439,878	1,191,783	-	640,300,636	5.35%	139,982	4,574

**Ratio of General Bonded Debt Outstanding
(Unaudited)
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding ⁽¹⁾	Less: Amounts Available in Debt Service Fund	Less: Self-Supporting Debt Outstanding	Total	Percentage of Actual Taxable Value of Property ⁽²⁾	Population of City ⁽³⁾	Per Capita
2013	319,851,384	-	228,695,781	91,155,603	1.37%	128,125	711
2014	311,556,559	-	223,567,008	87,989,551	1.29%	129,241	681
2015	309,741,987	259,739	223,420,091	86,062,157	1.18%	130,533	659
2016	379,449,308	310,501	295,671,024	83,467,783	1.08%	132,889	628
2017	402,336,409	(640,100)	314,331,707	88,644,802	1.05%	135,557	654
2018	444,744,757	104,018	351,802,379	92,838,360	1.01%	137,048	677
2019	484,226,926	120,072	378,591,773	105,515,081	1.05%	139,236	758
2020	514,812,790	-	389,245,431	125,567,359	1.17%	138,486	907
2021	558,039,508	546,081	411,994,590	145,498,837	1.30%	139,982	1,039
2022	630,524,438	-	439,282,951	191,241,487	1.60%	139,982	1,366

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ General bonded debt of both governmental and business-type activities, including unamortized premium, paid from property tax levy and revenues of the Water Fund, Wastewater Fund, Solid Waste Fund and Tax Increment Fund No. 1.

⁽²⁾ See Table V for property value data.

⁽³⁾ See Table IX for population data.

Table XI

**Direct and Overlapping Governmental Activities Debt
(Unaudited)
September 30, 2022**

Taxing Authority	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Debt Overlapping Debt
Debt repaid with property taxes:			
Waco Independent School District	\$ 383,545,000	95.46%	\$ 366,132,057
Bosqueville Independent School District	6,750,000	77.78%	5,250,150
McLennan Community College	44,450,000	55.86%	24,829,770
McLennan County	74,300,000	55.86%	41,503,980
Midway Independent School District	185,010,000	52.58%	97,278,258
LaVega Independent School District	33,212,238	42.87%	14,238,086
China Spring Independent School District	78,409,986	46.27%	36,280,301
Connally Independent School District	9,350,000	18.52%	1,731,620
Lorena Independent School District	<u>24,064,350</u>	2.12%	<u>510,164</u>
 Subtotal, overlapping debt	 <u>\$ 839,091,574</u>		 <u>\$ 587,754,386</u>
City direct debt:			
City of Waco direct debt	\$ 191,241,487	100.00%	\$ 191,241,487
Tax increment financing	3,615,000	100.00%	3,615,000
Capital Financing Agreement	4,030,702	100.00%	4,030,702
Leases Payable	1,984,527	100.00%	1,984,527
Other	<u>910,007</u>	100.00%	<u>910,007</u>
 Subtotal, direct debt	 <u>\$ 201,781,723</u>		 <u>\$ 201,781,723</u>
 Total direct and overlapping debt	 <u>\$ 1,040,873,297</u>		 <u>\$ 789,536,109</u>

(1) The percentage of overlapping debt applicable is estimated using taxable assessed values that were obtained from the McLennan County Appraisal District. Applicable percentages were estimated by determining the portion of the taxing authorities' taxable assessed values that are within the City's boundaries and dividing it by the taxing authorities' total taxable assessed values.

Sources: McLennan County Appraisal District and the Municipal Advisory Council of Texas as of September 30, 2022.

**Pledged-Revenue Coverage
(Unaudited)
Last Ten Fiscal Years**

Fiscal Year			Water and
	Gross Revenue ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service
2013 ⁽⁴⁾	62,795,257	34,036,064	28,759,193
2014 ⁽⁴⁾	60,346,778	35,497,646	24,849,132
2015 ⁽⁴⁾	59,514,895	36,477,205	23,037,690
2016 ⁽⁴⁾	64,908,762	37,994,953	26,913,809
2017 ⁽⁴⁾	72,367,283	39,791,567	32,575,716
2018 ⁽⁴⁾	80,691,818	40,693,841	39,997,977
2019 ⁽⁴⁾	86,515,694	45,386,875	41,128,819
2020 ⁽⁴⁾	93,579,089	46,837,592	46,741,497
2021 ⁽⁴⁾	95,855,770	46,796,680	49,059,090
2022 ⁽⁴⁾	103,663,756	48,372,698	55,291,058

⁽¹⁾ Total revenue including interest.

⁽²⁾ Total operating expenses exclusive of depreciation.

⁽³⁾ Includes principal and interest of general obligation bonds reported in the water and wastewater funds.

⁽⁴⁾ Although City has no outstanding revenue bonds, a limited pledge (not to exceed \$1,000) of surplus revenues of the City's water and wastewater system is used for security for certificates of obligation.

Source: Annual Comprehensive Financial Reports

Table XII

Wastewater Funds

Debt Service Requirements ⁽³⁾			Coverage
Principal	Interest	Total	
11,067,045	9,203,092	20,270,137	141.88%
10,699,857	8,698,336	19,398,193	128.10%
11,085,000	8,363,187	19,448,187	118.46%
11,555,000	8,142,857	19,697,857	136.63%
13,715,000	11,827,630	25,542,630	127.53%
15,955,000	11,139,566	27,094,566	147.62%
17,900,000	12,511,654	30,411,654	135.24%
19,615,000	13,589,334	33,204,334	140.77%
20,775,000	13,339,808	34,114,808	143.81%
22,365,000	14,337,381	36,702,381	150.65%



Table XIII

**Demographic and Economic Statistics
(Unaudited)
Last Ten Fiscal Years**

Fiscal Year	Waco Metropolitan Statistical Area (MSA) Population	Waco MSA Personal Income (thousands of dollars)	Waco MSA Per Capita Personal Income	Median Age	Unemployment Rate
2013	258,633	8,778,110	33,940	27.7	6.10%
2014	260,155	9,228,315	35,472	27.9	5.10%
2015	262,361	9,713,471	37,023	28.7	4.10%
2016	265,207	10,012,971	37,755	28.2	4.00%
2017	268,696	10,549,900	39,263	28.8	3.30%
2018	271,942	11,103,700	40,831	28.6	3.20%
2019	273,920	11,428,760	41,723	28.9	3.10%
2020	277,005	12,576,979	43,403	N/A	5.50%
2021	280,485	13,783,247	49,151	29.5	4.10%
2022	N/A	N/A	N/A	N/A	3.40%

N/A Not available

Sources: Estimated population and personal income information provided by the Bureau of Economic Analysis' Interactive Data application. Personal income information not available at the City level. Median age provided by the 2013 through 2020 American Community Surveys. Unemployment rates provided by the Bureau of Labor Statistics. The 2022 rate is as of October.

**Principal Employers
(Unaudited)
Current Year and Nine Years Ago**

Fiscal Year 2022

Employer	Employees	Percentage of Total City Employment
Baylor University	3,253	2.34%
Ascension Providence	3,075	2.21%
Waco Independent School District	2,373	1.70%
H-E-B	2,000	1.44%
Baylor Scott & White Medical Center - Hillcrest	1,736	1.25%
Texas State Technical College	1,706	1.23%
City of Waco	1,518	1.09%
McLennan County	1,201	0.86%
Sanderson Farms Inc.	1,200	0.86%
Wal-Mart	1,174	0.84%
Total	<u>19,236</u>	<u>13.82%</u>

N/A Not available

Source: Greater Waco Chamber of Commerce and the Bureau of Labor Statistics

Table XIV

Fiscal Year 2013		
Employer	Employees	Percentage of Total City Employment
Baylor University	2,675	2.28%
Waco Independent School District	2,500	2.13%
Providence Healthcare Network	2,397	2.04%
L-3 Communications	2,300	1.96%
Hillcrest Health System	1,800	1.53%
Wal-Mart Stores	1,656	1.41%
City of Waco	1,506	1.28%
H.E.B. Stores	1,500	1.28%
Midway Independent School District	1,067	0.91%
Sanderson Farms Inc.	1,041	0.89%
Total	18,442	15.71%

**Full-Time Equivalent City Government Employees by Function
(Unaudited)
Last Ten Fiscal Years**

Function:	2013	2014	2015	2016
General Government	142.78	144.80	147.80	160.48
Public Works	59.00	59.00	57.00	53.00
Public Safety	604.75	610.25	622.95	620.12
Culture and Recreation	185.45	185.45	185.41	188.22
Housing and Community Development	19.48	19.48	20.19	19.62
Public Health	82.55	83.00	81.50	80.50
Water	126.25	125.25	123.25	123.68
Wastewater/WMARSS	71.75	72.75	72.75	73.32
Solid Waste	99.00	96.00	93.50	90.00
Airport	13.77	13.77	13.52	13.52
Convention Services	33.20	35.71	35.70	34.95
Ranger Hall of Fame	15.50	15.50	15.50	15.50
Cameron Park Zoo	51.11	51.10	51.36	51.36
Cottonwood Creek Golf Course	15.96	13.00	13.00	13.00
Drainage	NA	NA	NA	NA
Insurance/Risk Management	8.00	8.00	6.00	6.00
Engineering	24.00	24.00	24.00	23.00
Fleet Services	25.00	27.00	27.00	27.00
Total	1,577.55	1,584.06	1,590.43	1,593.27

General Government:

City Manager's Office, Office of Management and Budget, Animal Shelter, City Secretary, Finance, Purchasing, Information Technology, Legal, Planning, Human Resources, Communications and Marketing, Facilities

Public Works:

Streets and Street Reconstruction

Public Safety:

Municipal Court, Inspections, Traffic, Emergency Management, Fire, Police

Culture and Recreation:

Library, Parks and Recreation

Housing:

Housing, Neighborhoods, Community Development

Source: City of Waco Office of Management and Budget

Table XV

						FISCAL YEAR
2017	2018	2019	2020	2021	2022	
163.43	166.15	168.60	168.60	191.64	210.35	
46.00	42.05	39.05	41.05	44.05	43.36	
618.23	628.32	630.95	637.95	643.18	636.82	
189.90	190.22	189.86	189.86	189.86	179.21	
19.04	18.38	19.78	19.78	19.78	34.00	
81.50	81.50	87.20	88.20	88.20	89.20	
123.31	119.80	120.49	120.49	120.49	124.16	
74.83	76.34	76.51	76.51	76.51	82.84	
91.39	90.08	90.72	90.72	91.28	98.00	
13.40	12.40	12.40	12.40	12.40	12.40	
34.96	34.95	34.95	34.95	34.95	34.95	
15.14	15.13	15.125	15.13	15.13	17.13	
50.82	48.95	58.65	61.58	61.58	62.36	
13.00	13.00	13.00	13.00	13.00	11.00	
NA	NA	NA	NA	NA	9.31	
5.00	5.00	4.00	4.00	4.00	3.00	
25.90	30.11	32.18	32.18	32.18	30.16	
29.00	28.95	28.95	28.95	28.95	28.95	
<u>1,594.85</u>	<u>1,601.32</u>	<u>1,622.40</u>	<u>1,635.35</u>	<u>1,667.17</u>	<u>1,707.20</u>	

**Operating Indicators by Function
(Unaudited)
Last Ten Fiscal Years**

Function:	2013	2014	2015	2016
Public Safety				
Police				
Number of Sworn Employees - Budgeted	246	247	247	249
Number of Traffic Citations	14,439	21,995	13,626	10,903
Number of Class "C" Citations	3,203	3,042	2,432	2,642
Calls Dispatched	113,593	109,718	114,494	109,785
Fire				
Number of Sworn Employees - Budgeted	195	201	204	204
Number of Fire Responses	9,565	8,893	9,424	9,208
Public Works				
Street Resurfacing (miles)	25.20	18.33	9.96	23.32
Culture and Recreation				
Parks and Recreation				
Number of Teams in Athletic Leagues	330	322	283	254
Number of Participants in Track/Field Events	305	340	311	324
Number of Participants in After School	4,060	4,391	4,941	4,532
Library				
Physicla Volumes in Collection	318,633	331,674	345,903	326,883
Electronic Collection	36,664	38,994	38,936	39,837
Water				
Number of Water Connections	44,336	44,912	45,042	45,914
Average Daily Water Consumption (gallons)	28,920,000	24,035,699	27,645,000	26,502,074
Maximum Storage Capacity (gallons)	42,150,000	42,150,000	42,150,000	42,150,000
Solid Waste				
Refuse Collected (tons)	52,890	54,477	59,596	58,732
Bulky/Brush Pickups (tons)	5,847	7,381	14,397	13,599
Recyclables Collected (tons)	3,011	3,302	3,422	3,104
Golf Course				
Number of Paid Rounds Played	39,894	38,232	38,571	37,881

N/A Not available

Source: City of Waco Departments

Table XVI

FISCAL YEAR					
2017	2018	2019	2020	2021	2022
253	253	253	260	267	266
10,682	11,918	15,152	12,819	12,140	15,890
2,005	1,845	2,184	1,667	1,180	1,299
102,938	97,239	102,503	102,438	95,698	99,541
204	204	204	204	204	210
13,336	15,369	19,010	19,662	19,451	20,198
37.70	11.70	50.74	115.00	23.84	29.00
352	367	378	0	164	303
288	315	342	0	333	392
4,779	3,267	2,994	0	331	1,996
336,667	324,082	337,566	363,903	372,026	359,806
11,541	5,591	6,137	7,460	8,547	8,772
46,543	46,691	47,964	48,531	49,217	50,094
26,374,910	26,933,400	26,494,200	26,350,000	25,330,000	29,114,600
42,150,000	42,150,000	44,025,000	43,565,000	43,565,000	43,565,000
60,494	79,756	79,417	63,569	80,296	130,006
13,931	12,870	13,191	4,258	4,285	4,738
2,618	3,420	4,275	4,084	3,612	3,707
39,878	43,079	40,884	40,527	40,024	45,059

**Capital Asset Statistics by Function
(Unaudited)
Last Ten Fiscal Years**

	2013	2014	2015	2016
Function:				
Public safety				
Police:				
Stations	1	1	1	1
Staffed substations	3	3	2	2
Patrol units - equipped for arrest use	71	71	74	80
Fire stations	14	14	14	14
Highways and streets				
Streets - paved (miles)	603	604	605	609
Traffic control signals	198	198	198	182
Traffic beacons and flashers	108	110	116	100
Culture and recreation				
Parks acreage	1,271	1,271	1,266	1,266
Parks	46	56	56	56
Swimming pools	-	-	1	1
Tennis courts	34	29	29	29
Community centers	5	5	5	5
Water				
Water mains (miles)	1,035	1,043	1,042	1,051
Fire hydrants	5,362	5,398	5,457	5,522
Maximum daily capacity (thousands of gallons)	75,000	75,000	75,000	75,000
Wastewater				
Sanitary sewers (miles)	846	850	852	866
Storm sewers (miles)	351	355	358	362
Maximum daily capacity (thousands of gallons)	46,500	46,500	46,500	46,500

N/A Not available

Source: City of Waco Departments

Table XVII

						FISCAL YEAR
2017	2018	2019	2020	2021	2022	
1	1	1	1	1	1	
2	2	2	2	2	2	
90	71	76	76	76	76	
13	13	13	13	13	13	
612	620	624	628	630	637	
182	197	190	185	187	198	
106	100	85	95	104	96	
1,655	1,655	1,655	1,748	1,687	1,780	
56	56	56	66	66	68	
3	3	3	3	3	4	
29	28	28	30	30	30	
6	6	6	6	6	7	
1,076	1,087	1,091	1,110	1,120	1,140	
5,663	5,744	5,778	5,851	5,929	6,027	
75,000	75,000	75,000	75,000	75,000	75,000	
874	884	887	891	902	915	
367	371	372	384	392	399	
46,500	46,500	46,500	46,500	46,500	46,500	