



ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Year Ended
September 30, 2023

Annual Comprehensive Financial Report
of the



City of Waco, Texas

Prepared by the
Fiscal Management Services Department
Year Ended September 30, 2023

City of Waco, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2023

MAYOR

Dillon Meek

CITY COUNCIL

Jim Holmes, Mayor Pro Tem
Andrea Barefield
Alice Rodriguez
Josh Borderud
Darius Ewing

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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February 16, 2024

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, 2023, 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, 2023. 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 complements 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 1, 2023 for the fiscal year 2023-2024. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. The fiscal year 2023-2024 budget was legally enacted through passage of a resolution on August 29, 2023.

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 20,800. Baylor offers more than 126 undergraduate degree programs, 80 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 over 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 134,158 in October 2022 to 137,691 by September 2023. Total employment at the beginning of fiscal year 2023 - 2024 was 132,642 while the unemployment rate was 3.54%.

Unassigned fund balance in the general fund (29.0% of fiscal year 2024 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, 2023, for the water, wastewater, solid waste, and drainage funds were 173%, 186%, 214%, and 274%, respectively.

Financial Information

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

FY 2022-2023 Initiatives & Accomplishments

In 2023, 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 2023, the Gross Domestic Product for the region eclipsed \$16 billion and Real Per Capita Income hit \$46,074 annually. This year the City of Waco completed an Economic Development Strategic Plan that will guide our path forward as we continue to facilitate economic

development within the City and diversify the local economy. In addition, in December 2023, the modernization of our Airport Terminal was completed. Significant projects and accomplishments supporting Economic Development include:

- Substantial completion of construction of 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.
- Recruitment of a nationally recognized BBQ restaurant to Waco.
- 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 of 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.
- Expanded Tax Increment Reinvestment Zone (TIRZ) 4 by 1,017 acres. Within the expanded zone, the development of a new paper recycling facility began during the year. The project is estimated to exceed \$1 billion.
- The City began working on re-envisioning its downtown a proposed redevelopment that will bring over \$2 billion in investment.
- Four new hotels are currently under construction in Waco: AC Hotel by Marriott (182 rooms), EVEN Hotel (130 rooms), Holiday Inn Express (110 rooms), and Hyatt Place (113 rooms).
- Tourism development and attraction continues to thrive in Waco.
 - The Waco Convention and Visitors Bureau introduced Waco’s new Mobile Welcome Center in May 2023. Since then, the van has appeared at numerous parades, Baylor football games, and local festivals.
 - The CVB Sales Team booked the National Square Dance Convention for Waco for June 2026. The city-wide convention brings over 3,000 square dancers to Waco from all over the United States.
 - 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 96,566 guests in 2023 and set an annual park revenue record by selling 56,216 pieces of inventory.
 - Cottonwood Creek Golf Course had more than 49,000 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 celebrated and supported the Texas Ranger Bicentennial in 2023. The museum was recognized as one of the top 30 among 1,314 museums in Texas by TripAdvisor and Fox Network. as a Top 5 attraction in the annual ‘Locals Love Us’ poll, and placed in the top 10% of museums on TripAdvisor.

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

- 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.

- Enabling free public WiFi at the Dewey Community Center, Multipurpose Center, Doris Miller Community Center, East Waco Library, South Waco Community Center, Central Library, and South Waco Library that covers indoor and outdoor WiFi access for our residents.
- Implementation of an electronic bidding platform.
- Development of a Diversity, Equity, and Inclusion employee work group
- Implementation of an employee catastrophic leave program.
- Supporting employee well-being by adding a new critical incident program to its available employee resources.
- Enhancing the City’s bilingual pay program, which rewards employees who frequently utilize bilingual skills, to include two recognition levels and consider languages other than just Spanish based on business need.
- Adopting a 30% repeating non-retro COLA for retirees effective January 2024 to support retirees in their years after City service.
- Implementation of a program to include HUB brokers in all competitive investment purchase that has resulted in HUB participating in 83% of all transactions this year and transacting over \$86 million on the City’s behalf.
- Holding the Plug into Equity Conference a dynamic gathering of thought leaders, professionals, and advocates committed to fostering a more inclusive and equitable society, this conference aimed to explore and advance equity in our community by delving into critical topics surrounding equity, diversity, and social justice.

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 Waco Police Department has seen the lowest violent and non-violent crimes reporting in over two decades. The year 2023 is projected to have an overall decrease of 17.1% compared to 2022. This year, we are projected to end the year with the lowest overall crime numbers since 2000. These reductions are attributed to the hard work and dedication of all Waco Police Officers, our Professional Staff AND our community members. These results show that we are “Better Together” and “Safer Together” when everyone works collaboratively.
- The Waco Police Department began a partnership with the Heart of Texas Behavioral Health Network (BHN) to hire behavioral health clinicians in our Waco PD Dispatch center under a new pilot program. Three new employees will be hired under a 4-year grant managed by BHN to work with callers who are experiencing a mental or behavioral health crisis that does not require a police response.
- The Canine Unit has expanded to a four-member team consisting of one supervisor and three canine handlers.
- The Animal Shelter held 3 SpayStreet clinics at local Waco parks for free/low cost spay/neuter surgery and microchips to McLennan County and City residents.
- SpayStreet Waco program, offering free and low cost spay/neuter surgery and microchip services to Waco residents through a partnership with the Animal Birth Control, resulted in 1826 total spay and neuter surgeries completed, and 1044 pets microchipped.
- The shelter passed the Department of State Health Services’ (DSHS) annual inspection for the Animal Shelter, Impoundment, and Rabies Quarantine Facilities in September with a “Satisfactory” facility rating- The highest rating from DSHS
- The Waco Animal Shelter continued to maintain a save rate of over 90%
- Instituted the City’s 1st Homeless Court in coordination with the Salvation Army.
- Implemented the Youth Offender Prevention Program (YOPP) at the local high schools to curtail juvenile crime and educate students on consequences.

- Initiated the City's 1st Amnesty program which helped the Court break collection records in the first 3 months after the Amnesty period, and helped over 1100 people resolve their old debts and warrants so they they can obtain their driver's license.
- Created community service programs that include projects such as the graffiti cleanup and trash cleanup projects that help beautify the city while allowing defendants to resolve citations with community service.
- The Fire Department's capability to respond to wildland firefighting will be enhanced through a State and a City initiative. A Texas A&M Forest Service \$625,000 grant funded one tactical tender vehicle. The grant was possible due to the Fire Department's participation in the Texas Intrastate Fire Mutual Aid System. In addition, the City funded three replacement Type VI brush trucks that had exceeded their operational life cycle.
- The PURVIS fire station automated internet protocol alerting system implementation is complete. This system provides an expedite alerting to firefighters of a dispatch with location and the nature of emergency that improves emergency response times.
- Completed design for a new Fire Station #15 to serve the growing West Waco area.
- Hired 11 new firefighters

Waco continues to invest in the improvement of infrastructure. During Fiscal Year 2022-2023, the City invested over \$215 million in capital investments included:

- \$44 million for street rehabilitation and street preservation
- \$3 million for drainage improvements
- \$18.4 million for Solid Waste investments
- \$5.2 million for Engineering projects
- \$30.8 million in water system improvements
- \$24.7 million in wastewater system improvements and \$15.1 million in improvements at the Waco Metropolitan Area Regional Sewer System treatment plant
- \$46 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 2023 we saw the completion of the Downtown Implementation Plan and the Human Resources Strategy. Several plans remain ongoing including the Disparity Study, Water and Wastewater Master Plans, In 2023, successes within this goal included:

- The MyWaco App hit 7,845 downloads, 8,589 requests submitted, and 8,213 closed requests.
- Waco Transit System received zero findings on their Triennial Review conducted by the Federal Transit Administration. This review, which is conducted every three years, is one of FTA's management tools for examining recipient performance and adherence to current FTA requirements and policies.
- Active management of the purchase card (credit card) program resulted in a rebate of \$247,596.04. \$37,061.32 over last year's rebate.
- Continued expansion of the City's mywacoshop.com via Shopify, to enable eCommerce for key City departments.

Key successes in Enhancing Quality of Life in Waco include:

- In 2023 the Cameron Park Zoo began construction on two significant infrastructure projects. Penguin Shores will be an immersive unique animal experience featuring African black footed penguins and black footed cats. The Education Center and Veterinary Hospital Complex located at the front of the zoo will expand programming for educational programming, health care, and training programs offered by the zoo. Both projects are scheduled to open in the summer of 2024.

- Prior to Spring Break 2023, The Cameron Park Zoo re-opened the Plaza Café. The Plaza Café features a special blend of coffee created for the zoo along with a unique sampling of eats and treats.
- Completed the restoration of the historic Waco Suspension Bridge and managed ongoing improvement projects at Doris Miller Community Center, the Challenger and Lake Air Little League Fields. Initiated community engagement plans for the regional park at Floyd Casey, Lions Park and China Spring and design plans for Chapel Park and the Downtown Riverwalk. Completed Citywide Master Trail Plan.
- Dewey Community Center earned a 4-star Texas Rising Star Rating.
- Produced annual community events such as the Brazos Nights concert series, Fourth on the Brazos celebration and Waco Wonderland festival, which generated a combined attendance of more than 60,000.
- The City of Waco Parks Department earned recognition by the Texas Festivals and Events Association with 7 gold awards.
- Facilitated outdoor event permits for more than 150 community events and parades, including the Waco Ironman 70.3 race, Texas Food Truck Showdown, Juneteenth Parade, the Disc Golf Pro Tour, and the Waco Rowing Regatta.
- Began design of the Bledsoe-Miller STEM and Cultural Arts Center.
- Completed renovations of the Doris Miller Community Center.
- Began implementation of the Housing Strategic Plan.
- The Library planned and implemented *Storytime On the Go*. This program shifts story times outside of the Library and into daycare in order to reach more kids.
- Code Compliance staff removed and disposed of 146 tires and 11,240 pounds of trash from the rights-of-way, demolished 14 dilapidated and hazardous structures, secured 18 properties to prevent unauthorized entry, addressed 171 multi-family concerns and contracted to have 3,203 lots mowed or cleared of brush and trash.
- The Office of Neighborhood Engagement staff attended 131 Neighborhood Association meetings and events and assisted 2 Neighborhood Associations with becoming reactivated.
- 16 Neighborhood Grants awarded to Neighborhood Associations for a total of \$59,864

In 2023, the Sustainability division of the City Manager’s Office selected a firm to design and support the Community Center Generators project to support the ongoing use of Waco Community Centers as warming/cooling centers during extreme weather events. Additional efforts to support sustainability include:

- Completion of the installation of all new glass on the Waco Police Tower
- Waco Transit System completed a Fleet Transition Study to explore and analyze costs, benefits, timeline, and risks of various low/zero emission fleet propulsion options and was awarded \$3,133,129 in Competitive Grant funds for the procurement of four battery electric buses, and four charging stations.
- Completed a fleet study that included recommendations for fleet replacement, rightsizing & sustainability analysis, and steps to add electric vehicles to the fleet.
- Received and put in service eight electric vehicles and four electric model transport carts, supporting sustainability goals.
- Partnered with Baylor University to receive a \$1,000,000 National Science Award for an innovative waste-to-energy pilot project.
- Contracted with an experienced company to prepare Feasibility studies for proposed Solar Utility Farms at all the City’s closed landfill sites.
- Completed an Initial Landfill Gas to Energy Feasibility Study.

- Received a \$10,000 Grant from the Urban Sustainability Network for Outreach programs in support of Sustainability.
- Collaborated with Keep Waco Beautiful, Urban REAP, Baylor University and McLennan Community College to host the Green Communities Conference.

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, 2022. This was the 41st 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, 2023. 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



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, 2022

Christopher P. Morill

Executive Director/CEO





Financial Section





JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | 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, 2023, 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, 2023, 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.

An independent member of the BDO Alliance USA

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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. 91, *Conduit Debt Obligations*; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; and GASB Statement No. 99, *Omnibus 2022*, each of which were adopted effective October 1, 2022. 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 21, and the other required supplementary information on pages 97 through 101, (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 February 16, 2024, 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.

Jaymes. Reitzmeier, Boyd + Therrell, A.C.

February 16, 2024





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, 2023. 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 VIII through XV 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, 2023 by \$1,016,022,622 (net position). Of this amount, \$234,233,223 (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$91,724,183.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$333,442,487. The fund balance components are nonspendable - \$1,455,599, restricted - \$179,483,951, committed - \$70,424,708, assigned - \$23,097,386 and unassigned - \$58,980,843. The City Council approves the amounts reported as committed and assigned.
- As of September 30, 2023, unassigned fund balance for the General Fund was \$58,980,843 or 29% of the Fiscal Year 2024 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 23 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 23 - 27 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 28 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, grants fund and Tax Increment Fund No. 1 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, fleet services, information technology (IT), and proprietary vehicle and equipment replacement. 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 41 of this report provide separate information for the water, wastewater, solid waste, and Cameron Park Zoo 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 46 and 47 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 48 through 94 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 97 through 101 of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information beginning on page 105 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 \$1,016,022,622 as of September 30, 2023.

The largest portion of the City's net position (\$704,444,610) reflects its net investment in capital assets (e.g., land, building, equipment, improvements, museum collections, construction in progress, infrastructure, water rights, lease assets, and subscription assets), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide service to residents; consequently, these assets are not available for future spending. Although the City's investment in its capital 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	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 411,494,514	\$ 350,486,194	\$ 426,444,266	\$ 326,179,707	\$ 837,938,780	\$ 676,665,901
Capital assets	492,556,278	409,650,749	658,421,042	623,991,228	1,150,977,320	1,033,641,977
Total assets	904,050,792	760,136,943	1,084,865,308	950,170,935	1,988,916,100	1,710,307,878
Total deferred outflows of resources	46,328,324	13,011,619	8,802,447	3,563,802	55,130,771	16,575,421
Liabilities						
Long-term liabilities	374,924,171	238,035,057	498,268,170	454,555,110	873,192,341	692,590,167
Other liabilities	91,041,620	55,658,100	57,909,510	15,188,826	148,951,130	70,846,926
Total liabilities	465,965,791	293,693,157	556,177,680	469,743,936	1,022,143,471	763,437,093
Total deferred inflows of resources	1,810,174	30,132,714	4,070,604	9,015,053	5,880,778	39,147,767
Net position:						
Net investment in capital assets	315,202,560	291,986,241	389,242,050	351,255,892	704,444,610	643,242,133
Restricted	76,753,494	49,999,974	591,295	899,971	77,344,789	50,899,945
Unrestricted	90,647,097	107,336,476	143,586,126	122,819,885	234,233,223	230,156,361
Total net position	\$ 482,603,151	\$ 449,322,691	\$ 533,419,471	\$ 474,975,748	\$ 1,016,022,622	\$ 924,298,439

A portion of the City's net position (\$77,344,789) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$234,233,223) of unrestricted net position may be used to meet the City's ongoing obligation to residents and creditors in accordance with the City's fund designation and fiscal policies.

As of September 30, 2023, 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 \$91,724,183 during the current fiscal year.

FINANCIAL SECTION

Analysis of the City's operations - The following table provides a summary of the City's operations for the year ended September 30, 2023. Governmental activities increased the City's net position by \$33,280,460 and represented 36% of the total increase. Business-type activities increased the City's net position by \$58,443,723 and represented 64% of the total increase.

Changes in Net Position

	Year Ended September 30,					
	2023			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 10,720,420	\$ 163,565,083	\$ 174,285,503	\$ 10,299,957	\$ 149,410,715	\$ 159,710,672
Operating grants and contributions	22,518,303	12,476,167	34,994,470	18,455,983	6,995,722	25,451,705
Capital grants and contributions	3,695,505	25,428,101	29,123,606	22,773,022	31,328,186	54,101,208
General revenues:						
Ad valorem taxes	105,558,497	-	105,558,497	101,204,561	-	101,204,561
Sales taxes	55,744,974	-	55,744,974	54,078,904	-	54,078,904
Franchise taxes	16,429,419	-	16,429,419	16,424,001	-	16,424,001
Hotel/motel taxes	-	6,475,224	6,475,224	-	6,120,368	6,120,368
Other taxes	1,649,254	-	1,649,254	1,468,276	-	1,468,276
Investment earnings	24,779,322	5,543,789	30,323,111	(4,681,366)	(1,995,863)	(6,677,229)
Miscellaneous	3,767,602	-	3,767,602	3,417,510	-	3,417,510
Total revenues	244,863,296	213,488,364	458,351,660	223,440,848	191,859,128	415,299,976
Expenses:						
General government	28,879,531	-	28,879,531	37,898,024	-	37,898,024
Public works	17,445,123	-	17,445,123	13,192,410	-	13,192,410
Public safety	100,583,942	-	100,583,942	82,716,607	-	82,716,607
Culture and recreation	23,824,505	-	23,824,505	19,340,512	-	19,340,512
Housing and community development	11,548,298	-	11,548,298	6,574,493	-	6,574,493
Public health	11,137,890	-	11,137,890	10,151,107	-	10,151,107
Interest on long-term debt	6,720,892	-	6,720,892	4,657,397	-	4,657,397
Water	-	50,540,255	50,540,255	-	43,736,573	43,736,573
Wastewater	-	44,333,232	44,333,232	-	36,827,351	36,827,351
Solid waste	-	30,736,959	30,736,959	-	23,722,537	23,722,537
Cameron Park Zoo	-	8,715,345	8,715,345	-	6,764,818	6,764,818
Airport	-	5,790,586	5,790,586	-	5,170,896	5,170,896
Convention services	-	7,892,219	7,892,219	-	5,414,985	5,414,985
Ranger Hall of Fame	-	1,976,635	1,976,635	-	1,597,859	1,597,859
Transit services	-	8,229,764	8,229,764	-	7,810,717	7,810,717
Cottonwood Creek Golf Course	-	2,963,035	2,963,035	-	2,102,667	2,102,667
Drainage	-	5,309,266	5,309,266	-	3,467,729	3,467,729
Total expenses	200,140,181	166,487,296	366,627,477	174,530,550	136,616,132	311,146,682
Increase in net position before transfers	44,723,115	47,001,068	91,724,183	48,910,298	55,242,996	104,153,294
Transfers	(11,442,655)	11,442,655	-	1,853,671	(1,853,671)	-
Increase in net position	33,280,460	58,443,723	91,724,183	50,763,969	53,389,325	104,153,294
Net position, beginning of year	449,322,691	474,975,748	924,298,439	398,558,722	421,586,423	820,145,145
Net position, end of year	\$ 482,603,151	\$ 533,419,471	\$ 1,016,022,622	\$ 449,322,691	\$ 474,975,748	\$ 924,298,439



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

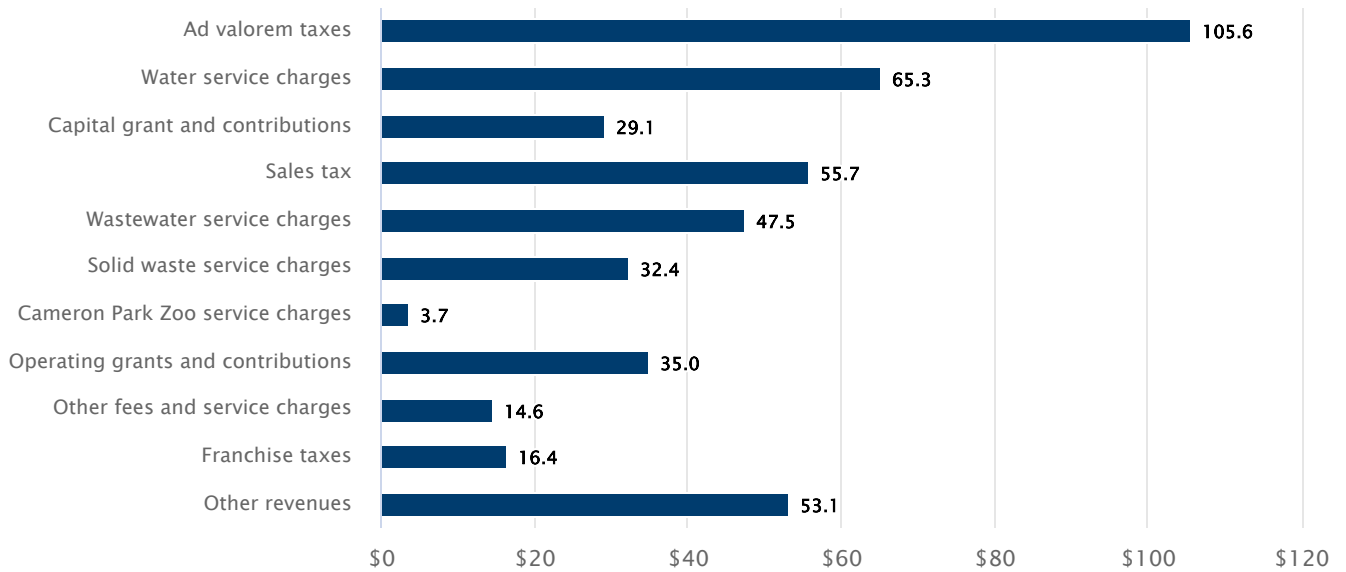
- Overall, governmental revenues increased by \$21.4 million (9.6%). Ad valorem taxes reflected an increase of \$4.4 million (4.3%), primarily as a result of growth in the property tax base as the property tax rate for the City was reduced by \$.0007282 per \$100 of valuation for the fiscal year. Sales taxes reported an increase of \$1.7 million (3.1%) reflecting continued growth in economic activities and the impacts of inflation on the costs of goods and services.. Charges for services reported an increase of \$0.4 million (4.1%) primarily due to increased park/recreation activities and revenue from permits. Operating grants reported an increase of \$4.1 million (22.0%) primarily due to COVID-19 related grant funding. In addition, a decrease in capital grants of \$19.1 million (83.8%) was seen due to less developer contributed assets and one-time contributions for capital assets. Investment earnings increased \$29.5 million (629.3%) primarily due to an increase in interest rates and the maturity of older investments that had interest rates below market rates resulting in significant unrealized losses in the previous year.
- Overall, governmental expenses increased \$25.6 million (14.7%). A 6% salary increase for all eligible employees was included in Fiscal Year (FY) 2022-23. The increase year over year is a result of the City's focus on investing in public safety as seventeen new positions were approved to be added as part of the budget. The City also continued to invest in maintaining roadways to reduce future capital needs to allow a focus on those areas that need more significant improvements. 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:

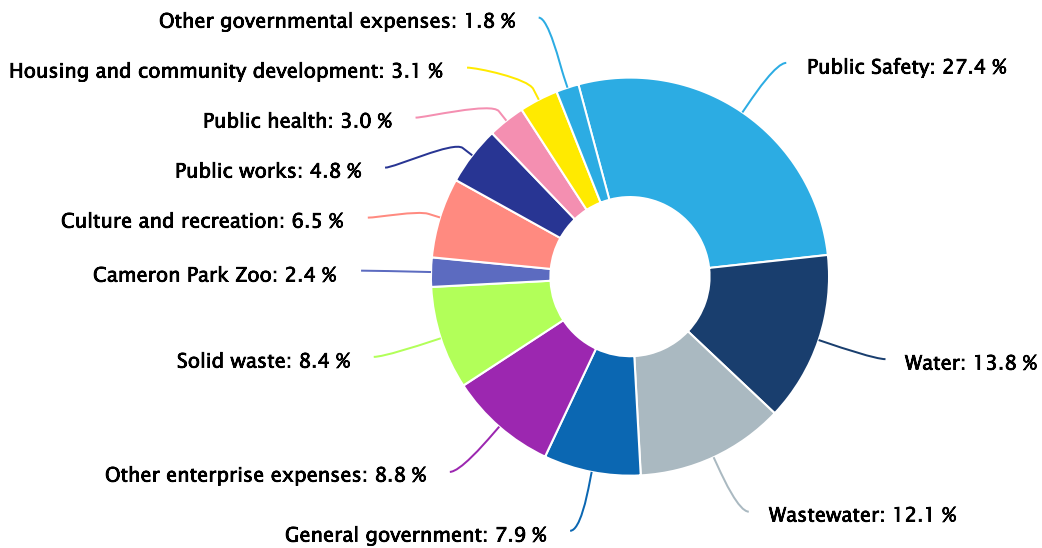
- Charges for services increased by almost \$14.2 million (9.5%) as compared to prior year due to an increase in rates to help spur conservation efforts by shifting more of the increase to be volume based. The change in revenue for the four major funds follows: increase for water (\$4.8 million) , increase for wastewater (\$3.3 million) , increase for solid waste (\$4.7 million) , and an increase for Cameron Park Zoo (\$0.4 million) Critical infrastructure needs continue to be a significant factor contributing to changes in rates. The other nonmajor enterprise funds reported a combined net decrease of \$2.2 million due to the Cameron Park Zoo fund becoming a major fund. A positive indicator of growth in the economy was the increased \$0.4 million (5.8%) in hotel/motel taxes. Operating grants reported an increase of \$5.5 million (78.3%) primarily in the Airport Fund due to CARES act funding being used for operating activities and capital grants and contributions decreased \$5.9 million (18.8%) due to decreased development activity. Airport reported a decrease of \$1.7 million for capital grants due to FAA funding and CARES grant funding decreasing. Investment earnings increased \$7.5 million (377.8%) primarily due to an increase in interest rates and the maturity of older investments that had interest rates below market rates resulting in significant unrealized losses in the previous year.
- Total expenses increased \$29.9 million (21.9%). The increase was primarily due to increased personnel costs of \$4.7 million as a result of the 6% salary increase. Depreciation and amortization expense increased by \$4.0 million as the city continues to invest in capital assets. Other expenses also increased by \$2.9 million due to claims expense in the solid waste fund and increases in indirect expenses and franchise fees as a result of the increased revenues from the rate adjustments during the year.

FINANCIAL SECTION

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 \$333,442,487. Approximately 0.4% (\$1,455,599) 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 53.8% (\$179,483,951) 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 21.1% (\$70,424,708) 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 6.9% (\$23,097,386) 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 \$58,980,843 (17.7%) is reported as unassigned. Refer to page 55 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 29.0% of 2024 budgeted revenues. The fund balance of the general fund at the end of the current year reported an increase of \$7.1 million. Total revenues in the general fund increased \$17,740,498 as compared to the prior year and were \$15,524,122 more than the final budget. Key factors in general fund revenue are as follows:

- Increases of approximately 4.2 million dollars in property tax revenues resulted primarily from growth in net assessed taxable values of approximately 14.0%. Property taxes represented approximately 41% of total general fund revenues.
- Sales tax revenue reported an increase of almost 1.7 million dollars as compared to prior year, with actual amounts exceeding the amount originally budgeted for the fiscal year by approximately 8.6 million dollars. This increase was the result of increased wages, economic growth, a return to pre-pandemic employment levels, and increases in costs for goods and services. This revenue source represents 30% of total general fund revenues.
- Gross receipts fees, which had been budgeted conservatively, increased slightly (\$42,830) as compared to prior year. Approximately 9% of total general fund revenues came from gross receipts fees.
- Investment earnings which totaled 7.6 million dollars in fiscal year 2023 increased 10.1 million dollars from the prior year due to the increase in interest rates and the maturity of older investments that had a lower than market rate which reduced the reduction in investment earnings when reporting investments at fair market value. Approximately 4% of total general fund revenues came from investment earnings.

The Street Improvement Fund, primarily generates its revenues from annual bond issues intended to fund street improvements. Proceeds from the bond issue in fiscal year 2023 totaled \$25.7 million, a decrease of \$14.7 million. Transfers in decreased \$4.5 million compared to fiscal year 2022. Expenditures for the fund increased by \$2.4 million to \$28.4 million. Overall fund balance, which is split between restricted (\$64.6 million) and committed (\$6.0 million) fund balance, increased by \$0.9 million to \$70.7 million.

The Grants Fund generates the majority (97.6%) of its revenues from federal and state grants. Intergovernmental revenues increased by \$6.1 million primarily from revenue received related to the American Rescue Plan Act

State and Local Fiscal Recovery Funds which totaled \$7.9 million this year compared to \$2.8 million 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 \$3,465 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.

The Tax Increment Fund No. 1 Fund, a new major fund this year, generates the majority (76.7%) of its revenues from a property tax increment based on the member governments of the zone. Property tax revenues decreased 4.7 million due to Waco ISD leaving the zone and no longer contributing. Proceeds from bond issuances in fiscal year 2023 totaled 40.5 million for activities related to the RiverFront Development including a new parking garage adjacent to the new Foster Pavilion, street improvements, and beginning phase for improvements to the downtown Riverwalk. In addition, the City entered into a purchase agreement with Baylor University for land in the zone that will be paid to Baylor over a five-year period beginning in Fiscal Year 2023-2024, this is shown as the capital asset financing other financing source (\$14.3 million). Overall fund balance, which is entirely restricted for tax increment zone activities, increased \$22.5 million to \$66.1 million.

Proprietary funds - The City's proprietary fund statements beginning on page 41 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 - \$49,921,056, wastewater - \$42,821,792, solid waste - \$13,696,289, and Cameron Park Zoo - 16,521,474. These funds recognized changes in total net position during 2023 as follows: water - \$18,608,304, wastewater - \$8,799,366, solid waste - \$1,911,397 and Cameron Park Zoo - \$21,420,076.

General Fund budgetary highlights - The difference between the original budget and the final amended budget for appropriations was a net increase of \$1,570,284. The primary differences can be briefly summarized as follows:

Total increases to the budget were \$28,426,650 with many of these related to capital needs. The budget increases are as follows:

- \$7,468,263 increase for purchase orders that rolled from FY 2022
- \$6,000,000 increase for transfer to Special Projects Reserve Fund
- \$1,600,000 increase for the Cameron Park Zoo Fund to cover increased water and sewer charges
- \$1,000,000 increase to purchase land for future city needs.
- \$350,000 increase for the We All Win program
- \$100,000 increase for economic development activities
- \$50,000 increase to support the Waco Metropolitan Planning Organization
- \$38,000 increase for additional merchandise purchases for the Waco Mammoth Site

Funding for the increases was provided primarily by general fund unassigned fund balance in excess of policy requirements.

Total decrease to the budget was \$26,856,366 due to unexpended economic development funds (\$14,750,000) and closed purchase orders whereby not all funds were needed to complete the purchase (\$151,163).

For a more detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2023, refer to the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on pages 32 to 40 of this report.

Capital Assets

The City of Waco's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$1,150,977,320 (net of accumulated depreciation/amortization).

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

- Implemented *Governmental Accounting Standards Board (GASB) Statement No. 96 - Subscription-Based Information Technology Arrangements* which resulted in the addition of \$1.0 million in capital assets after amortization. These assets are amortized over the life of the contract underlying the subscription.
- Capitalized approximately \$47.8 million for various water, drainage and wastewater systems projects and developer contributions.
- Capitalized \$36.0 million in street infrastructure and developer contributions.
- Capitalized \$20.5 million for park improvements.

Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 96,896,160	\$ 76,875,119	\$ 25,457,581	\$ 18,451,306	\$ 122,353,741	\$ 95,326,425
Buildings	94,520,386	93,627,631	98,905,344	98,737,780	193,425,730	192,365,411
Improvements other than buildings	91,225,547	74,649,782	808,095,046	758,671,945	899,320,593	833,321,727
Machinery and equipment	83,098,511	75,320,827	78,645,390	71,248,685	161,743,901	146,569,512
Museum collections	-	-	2,657,924	2,652,924	2,657,924	2,652,924
Infrastructure	415,203,882	395,605,304	-	-	415,203,882	395,605,304
Construction work in progress	95,939,209	60,120,973	68,226,134	66,016,274	164,165,343	126,137,247
Water rights	-	-	36,792,490	36,792,490	36,792,490	36,792,490
Lease assets, right-of use	3,248,375	2,685,329	622,645	580,903	3,871,020	3,266,232
Subscription-based IT arrangements	1,368,699	-	-	-	1,368,699	-
Less: accumulated depreciation and amortization	(388,944,491)	(369,234,216)	(460,981,512)	(429,161,079)	(849,926,003)	(798,395,295)
Total capital assets	<u>\$ 492,556,278</u>	<u>\$ 409,650,749</u>	<u>\$ 658,421,042</u>	<u>\$ 623,991,228</u>	<u>\$ 1,150,977,320</u>	<u>\$ 1,033,641,977</u>

Additional information on the City’s capital assets can be found in Note IV on pages 66 - 68 of this report.

Debt Administration

At the end of the current fiscal year, the City of Waco had total bonded debt, leases, subscriptions, notes payable and capital financing agreement obligations of \$806,222,697. Of this amount, \$784,339,374 represents bonded debt backed by the full faith and credit of the government. The \$3,550,183 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	
	2023	2022	2023	2022	2023	2022
General obligation certificates	\$ 283,713,891	\$ 194,856,487	\$ 500,625,483	\$ 435,667,951	\$ 784,339,374	\$ 630,524,438
Lease obligations	1,669,122	1,984,527	282,791	439,878	1,951,913	2,424,405
SBITAs	944,760	-	-	-	944,760	-
Notes payable	14,313,701	-	1,122,766	1,219,301	15,436,467	1,219,301
Capital financing agreement obligation	3,550,183	4,030,702	-	-	3,550,183	4,030,702
	<u>\$ 304,191,657</u>	<u>\$ 200,871,716</u>	<u>\$ 502,031,040</u>	<u>\$ 437,327,130</u>	<u>\$ 806,222,697</u>	<u>\$ 638,198,846</u>

During the 2023 fiscal year, the City issued 188,740,000 (including 36,700,000 taxable) in combination tax and revenue 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 stations, 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, including traffic control systems, traffic safety improvements, landscaping, and street lighting, bridges, sidewalks and drainage improvement facilities, 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 the Cameron Park Zoo, and 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; (9) construction, acquisition, and improvement of City parking structures, including in each case the acquisition of land and rights-of-way in connection therewith; and (10) professional services incurred in connection with items (1) through (9), and to pay the costs incurred in connection with the issuance.

Additional information on the City of Waco’s long-term debt can be found in Note IV on pages 77 to 82 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

This budget builds upon the foundation from the Fiscal Year 2023 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. The average homeowner will see less than a dollar a day (98.8 cents) increase in their total tax and utility bill (\$360.62 annually), - 33 cents per day for the new Street Maintenance Fee. For the third year in a row, we have a budget with a tax rate reduction. This brings us to the lowest tax rate in more than a decade.

As our City continues to grow, so do the demands on our core services of public safety, streets, and utilities. The FY24 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 \$114.8 million for General Fund infrastructure which will be spent on public safety, streets, bridges, parks, and city facilities. Specific projects receiving funding include \$1 million for the neighborhood improvements program project and \$12.5 million for the third and final year of funding for the construction and development of a new regional park at the former site of Floyd Casey Stadium in South Waco.

In addition, the City will invest \$123.8 million to improve our airport, golf course, water, wastewater, solid waste, and drainage systems. Specific projects funded include \$46.3 million for the expansion of the Bullhide Wastewater Treatment Plant to handle growth on the west and southwest ends of the City, \$13.2 million for the construction of the new regional landfill (MSW 2400), and nearly \$3 million for equipment for the new solid waste transfer station to begin operations.

This Fiscal Year 2023-2024 budget includes a net increase of 74.6076 new FTEs. The new positions represent a focus on public safety (14 FTEs), ensuring a high-performing government by adding positions in administration (2 FTEs), development services (2 FTEs), quality of life - parks & recreation and neighborhood engagement (3 FTE) and Cameron Park Zoo (4 FTEs), and improvement of infrastructure and supporting sustainability - water utilities (14 FTEs) solid waste (17 FTEs). These positions are critical as the City grows and staff strives to accomplish the goals of the Council.

The City's outstanding workforce understands that public service is a career dedicated to serving others. As a personnel-driven service provider, 73% of the General Fund operating budget is dedicated to employee compensation and benefits. In response to the fiscal climate nationwide, this year we aggressively pursued compensation and benefits enhancements to ensure the City of Waco remains an employer of choice. This budget includes a 5% general salary increase across the board and additional salary enhancements within our public safety departments for civilian and sworn personnel, a prospective cost of living adjustment for City retirees, additions to our bilingual pay incentive, and the creation of a catastrophic leave donation program.

The City has a competitive health benefits program available for employees and their dependents. The Human Resources Department, in conjunction with the benefits consultant, has worked this year to change insurance providers to mitigate costs while still providing the competitive and excellent plan design that our employees are accustomed to. For the 4th year in a row, City employees will see no increase in their monthly insurance costs. We have added a first-class enhancement for mental health benefits and support with a reduction in mental health copays from \$75 to \$25.

The City participates in the Texas Municipal Retirement System (TMRS) for full-time employees. TMRS calculates the City's required contributions based on an actuarial formula that looks at the City's pension liabilities compared to its pension assets. The City has budgeted an 18% contribution for FY24 to help reduce the overall liability and maintain financial stability and establish a 30% reoccurring Cost of Living Adjustment (COLA) for retired city employees. The City's participation in the TMRS system provides a financially sound pension for employees, which is very different from self-funded pensions for some major cities.

This budget contemplates the third year in a row of a tax rate reduction. At \$0.755000, the proposed tax rate is half a cent (\$.005) lower than the previous rate.

The budget continues efforts by the Cottonwood Creek Golf Course and the Cameron Park Zoo to limit support received by the General Fund. The Cameron Park Zoo proposes increases to adult admission fees. The Cottonwood Creek Golf Course proposes to increase green fees and fees for range buckets. In addition, the budget proposes increases to development and inspection review fees on public infrastructure installed by developers to better align the costs of the services to the fee charged.



FINANCIAL SECTION

There are several changes to the water, wastewater, and solid waste fees. This budget increases the residential rates for Solid Waste from \$17.70 to \$19.11 per month. The budget slightly reduces water rates for customers that use 8,000 gallons of water a month or less, 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 increase by 10% over last year. The municipal drainage fee will increase from \$5.51 to \$6.30 per equivalent residential unit (ERU) which is in line with the originally adopted fee schedule for the new municipal drainage utility.

The adopted fiscal year 2024 General Fund revenue budget, which includes the utilization of fund balance of \$7.3 million, increased by nearly \$26.4 million or 16.3% compared to the adopted fiscal year 2023 budget. This is primarily due to sales tax increasing by \$8.0 million and property tax revenues increasing by \$12.4 million due to increased valuations. The fiscal year 2024 budget includes a \$7.3 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, 2023.

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, PO Box 2570, Waco, Texas 76702-2570, or call (254) 750-5694.



BASIC FINANCIAL STATEMENTS



Statement of Net Position
September 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Waco Health Facilities Development Corporation
Assets					
Cash and investments	\$ 385,386,296	\$ 164,350,289	\$ 549,736,585	\$ 124,860	\$ 32,791
Receivables (net of allowances for uncollectibles):					
Accounts	3,935,387	20,883,339	24,818,726	47,283	-
Special assessments	11,474	-	11,474	-	-
Taxes	12,756,562	-	12,756,562	-	-
Leases	1,157,031	4,129,887	5,286,918	-	-
Intergovernmental receivable	2,992,721	5,396,474	8,389,195	-	-
Prepaid expense	350,000	206,878	556,878	4,057	-
Accrued interest receivable	-	-	-	-	-
Internal balances	3,158,996	(3,158,996)	-	-	-
Due from others as fiscal agent	-	-	-	-	-
Inventories	1,547,897	1,989,524	3,537,421	-	-
Restricted cash and investments	-	232,646,871	232,646,871	-	-
Notes receivable	131,893	-	131,893	-	-
Real estate held for resale	66,257	-	66,257	-	-
Capital assets not being depreciated:					
Land	96,896,160	25,457,581	122,353,741	-	-
Museum collections	-	2,657,924	2,657,924	-	-
Construction in progress	95,939,209	68,226,134	164,165,343	-	-
Capital assets, net of accumulated depreciation and amortization:					
Buildings	50,351,833	41,118,109	91,469,942	-	-
Machinery and equipment	23,272,156	22,322,790	45,594,946	5,927	-
Improvements other than buildings	39,992,119	478,885,664	518,877,783	-	-
Infrastructure	183,276,827	-	183,276,827	-	-
Water rights	-	19,443,833	19,443,833	-	-
Lease asset	1,822,145	309,007	2,131,152	-	-
Subscription-based information technology arrangements	1,005,829	-	1,005,829	-	-
Total assets	<u>904,050,792</u>	<u>1,084,865,308</u>	<u>1,988,916,100</u>	<u>182,127</u>	<u>32,791</u>
Deferred outflows of resources					
Deferred losses on refundings of debt	447,589	1,397,950	1,845,539	-	-
Deferred outflows on pension liability	45,484,778	7,404,497	52,889,275	-	-
Deferred outflows on OPEB liability	395,957	-	395,957	-	-
Total deferred outflows of resources	<u>\$ 46,328,324</u>	<u>\$ 8,802,447</u>	<u>\$ 55,130,771</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

Statement of Net Position
September 30,

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Waco Health Facilities Development Corporation
Liabilities					
Accounts payable	\$ 21,044,473	\$ 4,342,413	\$ 25,386,886	\$ 40,277	\$ -
Accrued liabilities	7,786,937	4,161,318	11,948,255	-	-
Accrued interest payable	2,397,845	4,523,437	6,921,282	-	-
Unearned revenue	24,341,017	618,052	24,959,069	10,353	-
Escrow funds	433,021	-	433,021	-	-
Customer deposits	921,609	-	921,609	-	-
Advanced deposits from Baylor University	-	-	-	131,497	-
Liabilities payable from restricted assets	-	8,448,499	8,448,499	-	-
Noncurrent liabilities:					
Due within one year	34,116,718	35,815,791	69,932,509	-	-
Due in more than one year	374,924,171	498,268,170	873,192,341	-	-
Total liabilities	<u>465,965,791</u>	<u>556,177,680</u>	<u>1,022,143,471</u>	<u>182,127</u>	<u>-</u>
Deferred inflows of resources					
Deferred gains on refundings of debt	-	7,423	7,423	-	-
Deferred inflows on pension liability	-	-	-	-	-
Deferred inflows on OPEB liability	676,608	-	676,608	-	-
Deferred inflows on unavailable revenue	-	-	-	-	-
Deferred inflows on leases	1,133,566	4,063,181	5,196,747	-	-
Total deferred inflows of resources	<u>1,810,174</u>	<u>4,070,604</u>	<u>5,880,778</u>	<u>-</u>	<u>-</u>
Net position					
Net investment in capital assets	315,202,560	389,242,050	704,444,610	-	-
Restricted for:					
Tax increment financing/public improvement district	68,899,695	-	68,899,695	-	-
Housing and community development	429,560	-	429,560	-	-
Culture and recreation	180,040	-	180,040	-	-
Public safety	3,462,374	-	3,462,374	-	-
Public works	254,197	-	254,197	-	-
Communications and Marketing	-	-	-	-	-
Debt service	-	-	-	-	-
Parks and cemetery care - nonexpendable	332,430	-	332,430	-	-
Capital projects	3,195,198	591,295	3,786,493	-	-
Unrestricted	90,647,097	143,586,126	234,233,223	-	32,791
Total net position	<u>\$ 482,603,151</u>	<u>\$ 533,419,471</u>	<u>\$ 1,016,022,622</u>	<u>\$ -</u>	<u>\$ 32,791</u>

See accompanying notes to financial statements



**Statement of Activities
Year Ended September 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ (28,879,531)	\$ 3,448,932	\$ 8,538,212	\$ 310,434
Public works	(17,445,123)	-	-	3,271,175
Public safety	(100,583,942)	3,594,522	4,005,664	94,146
Culture and recreation	(23,824,505)	2,143,986	1,296,100	19,750
Housing and community development	(11,548,298)	155,495	2,725,520	-
Public health	(11,137,890)	1,377,485	5,952,807	-
Interest on long-term debt	(6,720,892)	-	-	-
Total governmental activities	<u>(200,140,181)</u>	<u>10,720,420</u>	<u>22,518,303</u>	<u>3,695,505</u>
Business-type activities:				
Water	(50,540,255)	65,278,697	23,745	5,842,502
Wastewater	(44,333,232)	47,532,961	37,078	5,042,438
Solid waste	(30,736,959)	32,394,805	12,454	-
Cameron Park Zoo	(8,715,345)	3,709,845	49,823	10,509,803
Airport	(5,790,586)	988,944	7,187,083	2,136,052
Convention services	(7,892,219)	1,603,257	-	-
Ranger Hall of Fame	(1,976,635)	601,566	-	57,567
Transit services	(8,229,764)	2,370,101	5,165,984	598,694
Cottonwood Creek Golf Course	(2,963,035)	2,414,141	-	-
Drainage	(5,309,266)	6,670,766	-	1,241,045
Total business-type activities	<u>(166,487,296)</u>	<u>163,565,083</u>	<u>12,476,167</u>	<u>25,428,101</u>
Total primary government	<u>\$ (366,627,477)</u>	<u>\$ 174,285,503</u>	<u>\$ 34,994,470</u>	<u>\$ 29,123,606</u>
Component Units:				
Baylor Waco Stadium Authority	\$ (2,656,260)	\$ 599,498	\$ 2,056,762	\$ -
Waco Health Facilities Development Corporation	-	-	-	-
Total component units	<u>\$ (2,656,260)</u>	<u>\$ 599,498</u>	<u>\$ 2,056,762</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

FINANCIAL SECTION

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
\$ (16,581,953)	\$ -	\$ (16,581,953)	\$ -	\$ -
(14,173,948)	-	(14,173,948)	-	-
(92,889,610)	-	(92,889,610)	-	-
(20,364,669)	-	(20,364,669)	-	-
(8,667,283)	-	(8,667,283)	-	-
(3,807,598)	-	(3,807,598)	-	-
(6,720,892)	-	(6,720,892)	-	-
<u>(163,205,953)</u>	<u>-</u>	<u>(163,205,953)</u>	<u>-</u>	<u>-</u>
-	20,604,689	20,604,689	-	-
-	8,279,245	8,279,245	-	-
-	1,670,300	1,670,300	-	-
-	5,554,126	5,554,126	-	-
-	4,521,493	4,521,493	-	-
-	(6,288,962)	(6,288,962)	-	-
-	(1,317,502)	(1,317,502)	-	-
-	(94,985)	(94,985)	-	-
-	(548,894)	(548,894)	-	-
-	2,602,545	2,602,545	-	-
-	34,982,055	34,982,055	-	-
<u>\$ (163,205,953)</u>	<u>\$ 34,982,055</u>	<u>\$ (128,223,898)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 95,322,503	\$ -	\$ 95,322,503	\$ -	\$ -
10,235,994	-	10,235,994	-	-
55,744,974	-	55,744,974	-	-
16,429,419	-	16,429,419	-	-
-	6,475,224	6,475,224	-	-
1,649,254	-	1,649,254	-	-
24,779,322	5,543,789	30,323,111	-	1,285
3,767,602	-	3,767,602	-	-
(11,442,655)	11,442,655	-	-	-
<u>196,486,413</u>	<u>23,461,668</u>	<u>219,948,081</u>	<u>-</u>	<u>1,285</u>
33,280,460	58,443,723	91,724,183	-	1,285
449,322,691	474,975,748	924,298,439	-	31,506
<u>\$ 482,603,151</u>	<u>\$ 533,419,471</u>	<u>\$ 1,016,022,622</u>	<u>\$ -</u>	<u>\$ 32,791</u>

See accompanying notes to financial statements

**Balance Sheet
Governmental Funds
September 30, 2023**

	General Fund	Street Improvement Fund	Grants Fund	Tax Increment Fund No. 1	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 95,060,976	\$ 75,110,573	\$ 25,363,870	\$ 75,145,245	\$ 95,031,994	\$ 365,712,658
Receivables, net of allowances:						
Accounts	3,535,443	-	200,209	307	23,872	3,759,831
Special assessments	-	-	-	-	11,474	11,474
Taxes	12,154,573	-	-	90,802	601,989	12,847,364
Notes	-	-	131,893	-	-	131,893
Leases	1,157,031	-	-	-	-	1,157,031
Advances to other funds	-	-	-	-	168,368	168,368
Intergovernmental receivable	16,653	-	1,886,394	-	1,089,674	2,992,721
Inventory	1,117,009	-	-	-	-	1,117,009
Real estate held for resale	6,160	-	60,097	-	-	66,257
Due from other funds	4,839,671	-	154,932	-	3,614,580	8,609,183
Total assets	\$ 117,887,516	\$ 75,110,573	\$ 27,797,395	\$ 75,236,354	\$ 100,541,951	\$ 396,573,789
Liabilities						
Accounts payable	4,579,878	4,424,668	586,284	8,402,136	2,560,074	20,553,040
Accrued liabilities	4,577,674	16,115	63,333	585,943	1,609,600	6,852,665
Unearned revenue	50,039	-	24,290,978	-	-	24,341,017
Due to other funds	1,053,645	-	1,147,315	154,932	3,614,580	5,970,472
Deposits	921,609	-	-	-	-	921,609
Escrow funds	318,649	-	-	-	113,834	432,483
Total liabilities	11,501,494	4,440,783	26,087,910	9,143,011	7,898,088	59,071,286
Deferred inflows of resources						
Unavailable revenue:						
Property taxes	2,184,905	-	-	-	569,970	2,754,875
Court fines	160,101	-	-	-	-	160,101
Special assessments	-	-	-	-	11,474	11,474
Leases	1,133,566	-	-	-	-	1,133,566
Total deferred inflows of resources	3,478,572	-	-	-	581,444	4,060,016
Fund balances						
Nonspendable:						
Inventory	1,117,009	-	-	-	-	1,117,009
Parks and cemetery care	-	-	-	-	332,430	332,430
Real estate held for resale	6,160	-	-	-	-	6,160
Restricted for:						
Capital projects	-	64,645,493	-	-	38,671,077	103,316,570
Culture and recreation	-	-	126,072	-	53,968	180,040
Debt service	-	-	-	-	969,001	969,001
Housing and community development	-	-	489,657	-	-	489,657
Communications and marketing	1,912,417	-	-	-	-	1,912,417
Public works	-	-	254,197	-	-	254,197
Public safety	-	-	839,559	-	2,622,815	3,462,374
Tax increment zone activities	-	-	-	66,093,343	1,382,540	67,475,883
Waco Public Improvement District	-	-	-	-	1,423,812	1,423,812
Committed to:						
Capital projects	-	6,024,297	-	-	42,186,943	48,211,240
Economic development	17,793,635	-	-	-	-	17,793,635
Public health	-	-	-	-	4,419,833	4,419,833
Assigned to:						
Culture and recreation	217,980	-	-	-	-	217,980
Economic development	11,233,433	-	-	-	-	11,233,433
Housing and community development	-	-	-	-	-	284,163
Other	1,685,142	-	-	-	-	1,685,142
Public safety	1,892,908	-	-	-	-	1,892,908
Public works	443,104	-	-	-	-	443,104
Subsequent year's budget appropriation	7,340,656	-	-	-	-	7,340,656
Unassigned	58,980,843	-	-	-	-	58,980,843
Total fund balances	102,907,450	70,669,790	1,709,485	66,093,343	92,062,419	333,442,487
Total liabilities, deferred inflows of resources, and fund balances	\$ 117,887,516	\$ 75,110,573	\$ 27,797,395	\$ 75,236,354	\$ 100,541,951	\$ 396,573,789

See accompanying notes to financial statements



FINANCIAL SECTION

Reconciliation of the Balance Sheet to the Statement of Net Position September 30, 2023

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

Total fund balances - governmental funds (page 30)	\$ 333,442,487
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	489,913,152
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.	2,926,450
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.	16,141,342
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(359,820,280)</u>
Net position of governmental activities (page 27)	<u>\$ 482,603,151</u>

See accompanying notes to financial statements

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2023**

	General Fund	Street Improvement Fund	Grants Fund	Tax Increment Fund No. 1	Total Nonmajor Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 133,086,560	\$ -	\$ -	\$ 8,840,350	\$ 19,062,204	\$ 160,989,114
Special assessments	-	-	-	-	776,425	776,425
Business and occupation fees	16,429,419	-	-	-	-	16,429,419
Permits, licenses and fees	3,162,803	-	-	-	1,205,613	4,368,416
Fines	1,404,021	-	-	-	473,479	1,877,500
Charges for services	2,863,857	-	-	-	-	2,863,857
Investment earnings	7,567,725	-	31,008	2,681,143	10,474,278	20,754,154
Contributions	707,260	-	-	-	202,696	909,956
Intergovernmental	2,762,665	-	13,884,825	-	5,449,554	22,097,044
Program income	-	-	59,670	-	176,612	236,282
Other	17,068,290	-	261,385	-	965,439	18,295,114
Total revenues	185,052,600	-	14,236,888	11,521,493	38,786,300	249,597,281
Expenditures:						
Current:						
General government	34,595,539	-	521,114	7,454,366	727,987	43,299,006
Public works	8,984,832	-	1,596,048	-	-	10,580,880
Public safety	93,092,116	-	1,852,952	-	43,833	94,988,901
Culture and recreation	20,049,051	-	-	-	-	20,049,051
Housing and community development	739,684	-	10,697,275	-	-	11,436,959
Public health	-	-	-	-	11,066,013	11,066,013
Debt service:						
Principal	-	-	-	-	10,060,000	10,060,000
Interest and fiscal charges	-	-	-	-	7,448,292	7,448,292
Bond issuance costs	-	-	-	380,833	407,422	788,255
Capital outlay	-	28,374,155	-	33,397,855	27,245,738	89,017,748
Total expenditures	157,461,222	28,374,155	14,667,389	41,233,054	56,999,285	298,735,105
Excess (deficiency) of revenues over expenditures	27,591,378	(28,374,155)	(430,501)	(29,711,561)	(18,212,985)	(49,137,824)
Other financing sources (uses):						
Refunding bonds issued	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-
General obligation bonds issued	-	25,000,454	-	40,480,000	33,509,546	98,990,000
Premium on general obligation bonds	-	734,546	-	45,833	1,397,073	2,177,452
Capital asset financing	-	-	-	14,313,701	-	14,313,701
Financing of leases	189,225	-	-	-	-	189,225
Financing of Subscriptions	768,816	-	-	-	-	768,816
Transfers in	5,955,216	3,524,482	432,600	-	22,605,220	32,517,518
Transfers out	(27,396,608)	(16,301)	(5,564)	(2,630,428)	(13,916,748)	(43,965,649)
Total other financing sources (uses)	(20,483,351)	29,243,181	427,036	52,209,106	43,595,091	104,991,063
Net change in fund balances	7,108,027	869,026	(3,465)	22,497,545	25,382,106	55,853,239
Fund balances, beginning of year - previously stated	95,799,423	69,800,764	1,712,950	-	110,276,111	277,589,248
Changes within reporting entity	-	-	-	43,595,798	(43,595,798)	-
Fund balances, beginning of year - adjusted	95,799,423	69,800,764	1,712,950	43,595,798	66,680,313	277,589,248
Fund balances, end of year	\$ 102,907,450	\$70,669,790	\$1,709,485	\$66,093,343	\$92,062,419	\$ 333,442,487

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, 2023**

Amounts reported for governmental activities in the Statement of Activities (pages 26 - 27) are different because:

Net change in fund balances - total governmental funds (page 30)	\$ 55,853,239
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.	79,459,108
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is to increase net position.	1,864,801
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	214,148
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.	(72,423)
When subscriptions 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 subscription; however, in the statement of activities, the present value of the future subscription is recognized as a subscription asset and a liability, and amortized over the lease term. Further, subscription payments are recorded as expenses in the governmental funds and are recorded as a reduction of the liability in Governmental Activities.	37,459
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.	(104,940,634)
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.	(3,220,898)
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>4,085,660</u>
Change in net position of governmental activities (pages 26 - 27)	<u>\$ 33,280,460</u>

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Revenue					
Taxes:					
Sales tax income	\$ 47,140,406	\$ 47,140,406	\$ 55,744,974	\$ 8,604,568	\$ 54,078,904
Property taxes	77,119,584	77,119,584	76,638,544	(481,040)	72,435,691
Interest and penalty on taxes	550,000	550,000	703,042	153,042	719,799
Total taxes	<u>124,809,990</u>	<u>124,809,990</u>	<u>133,086,560</u>	<u>8,276,570</u>	<u>127,234,394</u>
Business and occupation fees:					
Occupation taxes	110,987	110,987	78,656	(32,331)	116,068
Gross receipts taxes	15,280,000	15,280,000	16,350,763	1,070,763	16,307,933
Total business and occupation fees	<u>15,390,987</u>	<u>15,390,987</u>	<u>16,429,419</u>	<u>1,038,432</u>	<u>16,424,001</u>
Permits, licenses and fees:					
Building permits	1,335,441	1,335,441	1,774,506	439,065	1,692,402
Plumbing permits	398,733	398,733	432,903	34,170	375,243
Electrical permits	518,187	518,187	588,413	70,226	544,975
Heating and air conditioning licenses	240,037	240,037	193,779	(46,258)	153,227
Fire inspection fees	84,818	84,818	83,001	(1,817)	57,109
Cab permits	733	733	1,100	367	550
House moving permits	-	-	-	-	330
Open air/street vending	5,938	5,938	11,645	5,707	7,610
Sign permits	28,194	28,194	34,960	6,766	36,335
Subdivision fees	39,236	39,236	42,496	3,260	38,490
Total permits, licenses and fees	<u>2,651,317</u>	<u>2,651,317</u>	<u>3,162,803</u>	<u>511,486</u>	<u>2,906,271</u>
Fines:					
Court fines	1,382,322	1,382,322	1,313,913	(68,409)	1,363,558
Auto impound fees	91,243	91,243	90,108	(1,135)	86,523
Total fines	<u>1,473,565</u>	<u>1,473,565</u>	<u>1,404,021</u>	<u>(69,544)</u>	<u>1,450,081</u>
Charges for services:					
Recreation	872,922	872,922	1,069,450	196,528	835,170
Weed mowing	69,249	69,249	148,019	78,770	149,214
Library fees	134,200	134,200	78,139	(56,061)	92,758
Animal pick up	15,600	15,600	(88)	(15,688)	16,097
Animal shelter fees	665,533	665,533	480,444	(185,089)	365,084
Grounds maintenance	59,600	59,600	59,600	-	58,469
Graphics	70,000	70,000	91,828	21,828	87,438
Police security	63,119	63,119	48,760	(14,359)	89,530
Airport services	860,000	860,000	887,705	27,705	849,035
Total charges for services	<u>2,810,223</u>	<u>2,810,223</u>	<u>2,863,857</u>	<u>53,634</u>	<u>2,542,795</u>
Interest on investments	1,285,000	1,285,000	7,567,725	6,282,725	(2,536,875)
Contributions	704,500	719,500	707,260	(12,240)	701,928
Intergovernmental	2,209,899	2,209,899	2,762,665	552,766	2,380,721

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Revenues (continued)					
Other:					
Indirect expense reimbursements	10,758,730	10,758,730	10,859,185	100,455	10,447,662
False alarm fines	15,300	15,300	1,400	(13,900)	2,800
BSC civil penalties	3,561	3,561	59,401	55,840	20,679
Rents from real estate	395,100	395,100	392,141	(2,959)	371,153
Miscellaneous revenue	5,815,456	5,815,456	4,167,362	(1,648,094)	3,880,744
Sale of real estate	-	-	1,510	1,510	1,200
Sale of other scrap	10,000	10,000	19,974	9,974	26,855
Zoning applications	78,600	78,600	95,650	17,050	99,550
Commission from sale of mixed drinks	700,000	700,000	872,970	172,970	820,965
Commission on municipal court fines	45,000	45,000	53,678	8,678	54,539
Commission on concessions	318,250	356,250	473,338	117,088	427,020
Garage sale permits	-	-	-	-	1,290
Lease revenues	-	-	71,681	71,681	54,329
Special assessments	-	-	-	-	-
Total other	<u>18,139,997</u>	<u>18,177,997</u>	<u>17,068,290</u>	<u>(1,109,707)</u>	<u>16,208,786</u>
Total revenue	<u>169,475,478</u>	<u>169,528,478</u>	<u>185,052,600</u>	<u>15,524,122</u>	<u>167,312,102</u>
Expenditures					
General government					
Administrative services:					
Salaries and wages	3,174,577	3,008,841	2,632,150	376,691	2,668,880
Employee benefits	827,766	781,805	695,309	86,496	721,487
Purchased professional/technical services	330,921	335,921	164,986	170,935	436,479
Purchased property services	40,770	40,770	55,205	(14,435)	191,439
Maintenance	-	-	17,324	(17,324)	161,076
Other purchased services	381,667	381,667	365,795	15,872	548,479
Supplies	113,594	113,594	207,947	(94,353)	199,430
Capital expenditures	-	-	8,366	(8,366)	19,348
Other	238,618	404,851	77,990	326,861	90,618
Total administrative services	<u>5,107,913</u>	<u>5,067,449</u>	<u>4,225,072</u>	<u>842,377</u>	<u>5,037,236</u>
City secretary:					
Salaries and wages	460,361	460,361	412,515	47,846	326,721
Employee benefits	161,770	161,770	149,172	12,598	125,819
Purchased professional/technical services	127,350	127,350	49,520	77,830	99,806
Purchased property services	-	-	-	-	-
Maintenance	35,065	35,065	5,142	29,923	38,428
Other purchased services	35,583	35,583	40,293	(4,710)	26,982
Supplies	119,267	119,267	102,371	16,896	22,557
Capital expenditures	-	32,467	32,467	-	-
Other	-	-	-	-	-
Total city secretary	<u>939,396</u>	<u>971,863</u>	<u>791,480</u>	<u>180,383</u>	<u>640,313</u>
Finance services:					
Salaries and wages	2,245,229	2,245,229	2,182,777	62,452	1,591,116
Employee benefits	733,592	733,592	708,825	24,767	527,400
Purchased professional/technical services	136,870	142,384	138,595	3,789	177,683
Purchased property services	54,074	54,074	123,294	(69,220)	3,108
Maintenance	165,952	165,952	43,051	122,901	12,544
Other purchased services	73,085	73,085	98,651	(25,566)	29,784
Supplies	30,422	30,422	34,288	(3,866)	22,474
Capital expenditures	-	-	-	-	-
Other	78,609	78,609	77,427	1,182	60,675
Total finance services	<u>3,517,833</u>	<u>3,523,347</u>	<u>3,406,908</u>	<u>116,439</u>	<u>2,424,784</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, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Expenditures (continued)					
General government (continued)					
Legal services:					
Salaries and wages	1,268,756	1,268,756	1,209,935	58,821	1,053,126
Employee benefits	378,137	378,137	355,709	22,428	313,318
Purchased professional/technical services	4,450	4,450	612	3,838	130
Purchased property services	-	-	19,696	(19,696)	-
Maintenance	2,085	2,085	640	1,445	179
Other purchased services	39,538	39,538	53,052	(13,514)	28,119
Supplies	44,905	44,905	14,918	29,987	34,151
Capital expenditures	-	-	-	-	-
Total legal services	1,737,871	1,737,871	1,654,562	83,309	1,429,023
Development services:					
Salaries and wages	2,792,518	2,792,518	2,626,573	165,945	1,785,529
Employee benefits	1,013,332	1,013,332	964,034	49,298	628,594
Purchased professional/technical services	992,327	992,327	656,388	335,939	39,736
Purchased property services	115,162	115,162	117,476	(2,314)	105,375
Maintenance	26,190	26,190	16,723	9,467	37,726
Other purchased services	148,252	148,252	114,240	34,012	73,211
Supplies	130,747	130,747	121,569	9,178	72,320
Capital expenditures	26,917	66,892	110,078	(43,186)	46,609
Other	61,715	61,715	88,403	(26,688)	69,146
Total development services	5,307,160	5,347,135	4,815,484	531,651	2,858,246
Human resources:					
Salaries and wages	1,344,524	1,344,524	1,312,355	32,169	1,058,518
Employee benefits	535,274	535,274	473,852	61,422	346,834
Purchased professional/technical services	20,268	20,268	50,042	(29,774)	23,978
Purchased property services	-	-	143,908	(143,908)	-
Maintenance	2,893	2,893	6,509	(3,616)	5,254
Other purchased services	213,622	213,622	155,988	57,634	117,872
Supplies	62,413	62,413	12,850	49,563	20,199
Total human resources	2,178,994	2,178,994	2,155,504	23,490	1,572,655
Communications and marketing:					
Salaries and wages	938,854	938,854	1,076,292	(137,438)	699,804
Employee benefits	320,319	320,319	358,963	(38,644)	238,068
Purchased professional/technical services	95,040	95,040	25,581	69,459	39,695
Purchased property services	-	-	5,780	(5,780)	-
Maintenance	48,115	48,115	60,594	(12,479)	44,155
Other purchased services	28,732	28,732	57,309	(28,577)	38,650
Supplies	67,992	67,992	83,534	(15,542)	67,498
Capital expenditures	60,000	60,000	-	60,000	37,637
Other	29,500	29,500	7,687	21,813	26,344
Total communications and marketing	1,588,552	1,588,552	1,675,740	(87,188)	1,191,851
Information technology services:					
Salaries and wages	-	-	-	-	1,971,232
Employee benefits	-	-	-	-	682,354
Purchased professional/technical services	-	164,040	52,695	111,345	413,981
Purchased property services	-	-	120,006	(120,006)	1,314,579
Maintenance	-	16,663	2,201	14,462	2,326,123
Other purchased services	-	24,244	54	24,190	126,433
Supplies	-	(11)	-	(11)	236,296
Capital expenditures	-	522,282	437,325	84,957	418,211
Total information technology services	-	727,218	612,281	114,937	7,489,209

(Continued)

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Expenditures (continued)					
General government (continued)					
General services:					
Salaries and wages	1,898,188	1,898,188	1,892,212	5,976	1,526,971
Employee benefits	744,541	744,541	742,893	1,648	622,902
Purchased professional/technical services	1,230,698	1,235,698	1,253,411	(17,713)	1,141,946
Purchased property services	16,777	16,777	16,337	440	12,156
Maintenance	1,446,154	1,520,541	887,378	633,163	1,055,728
Other purchased services	111,415	111,415	151,278	(39,863)	438,410
Supplies	301,907	301,907	343,478	(41,571)	238,987
Capital expenditures	75,896	75,896	-	75,896	-
Total general services	5,825,576	5,904,963	5,286,987	617,976	5,037,100
Office of economic development:					
Salaries and wages	428,577	428,577	427,255	1,322	269,548
Employee benefits	130,232	130,232	128,813	1,419	92,556
Purchased professional/technical services	15,131	47,524	82,797	(35,273)	335,775
Purchased property services	53,460	53,460	65,990	(12,530)	219,096
Maintenance	-	-	170	(170)	213
Other purchased services	34,602	34,602	40,366	(5,764)	37,455
Supplies	31,555	31,555	43,828	(12,273)	35,563
Capital expenditures	-	-	-	-	729,572
Total office of economic development	693,557	725,950	789,219	(63,269)	1,719,778
Economic development:					
Purchased professional/technical services	633,032	974,621	278,692	695,929	-
Other	2,750,000	2,750,000	1,658,610	1,091,390	-
Total economic development	3,383,032	3,724,621	1,937,302	1,787,319	-
Economic development incentive:					
Purchased professional/technical services	3,500,000	3,500,000	875,000	2,625,000	4,537,302
Other	14,750,000	-	-	-	5,000
Total economic development incentive	18,250,000	3,500,000	875,000	2,625,000	4,542,302
Contributions:					
McLennan County	190,000	190,000	192,575	(2,575)	176,580
HOTRMHMR	39,322	39,322	39,322	-	39,322
H. O. T. Council of Governments	-	-	-	-	11,652
The Advocacy Center	84,419	84,419	82,388	2,031	83,065
Greater Waco Chamber	175,000	275,000	250,000	25,000	225,000
Central Texas African American Chamber	125,000	125,000	125,000	-	125,000
Cen-Tex Hispanic Chamber	125,000	125,000	125,000	-	125,000
City Center Waco	164,000	164,000	-	164,000	147,496
Central Texas Senior Ministry	40,000	40,000	40,000	-	35,000
Economic development grants	1,000,000	1,000,000	212,592	787,408	513,710
McLennan County Appraisal District	877,685	877,685	826,211	51,474	799,154

(Continued)

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Expenditures (continued)					
General government (continued)					
Contributions: (continued)					
Greater Waco Collective Impact Initiative	100,000	100,000	58,333	41,667	100,000
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	561,825	372,600	189,225	413,500
HOT Goodwill Industries, Inc.	-	-	-	-	-
Start Up Waco	-	-	-	-	-
MCIF	60,000	110,000	50,000	60,000	50,000
Mission Waco	-	-	3,272	(3,272)	50,000
Caritas of Waco	-	-	-	-	-
Campus Town	29,000	36,250	7,250	29,000	29,000
Riverfront	-	-	-	-	-
Total contributions	3,540,676	3,832,751	2,488,793	1,343,958	2,977,729
Miscellaneous:					
Salaries and wages	(2,925,358)	(2,925,358)	8,925	(2,934,283)	3,140
Employee benefits	53,377	1,171,177	1,909,155	(737,978)	1,585
Purchased professional/technical services	650,000	892,840	552,129	340,711	693,839
Maintenance	1,711	1,711	3,100	(1,389)	1,323
Other purchased services	5,771	5,771	371	5,400	4,787
Supplies	31,245	31,245	6,207	25,038	6,755
Capital expenditures	-	1,003,000	946,572	56,428	12,340
Other	369,000	366,000	454,748	(88,748)	478,085
Total miscellaneous	(1,814,254)	546,386	3,881,207	(3,334,821)	1,201,854
Total general government	50,256,306	39,377,100	34,595,539	4,781,561	38,122,080
Public works					
Streets:					
Salaries and wages	2,617,407	2,656,843	2,476,002	180,841	1,924,652
Employee benefits	1,137,922	1,159,475	1,030,482	128,993	892,255
Purchased professional/technical services	2,364,107	2,549,617	2,213,442	336,175	2,116,958
Purchased property services	21,637	21,637	29,451	(7,814)	26,848
Maintenance	1,106,618	1,106,618	891,490	215,128	1,014,788
Other purchased services	140,410	140,410	133,326	7,084	124,710
Supplies	781,561	792,947	899,819	(106,872)	390,523
Other	-	-	-	-	-
Capital expenditures	429,400	652,250	1,310,820	(658,570)	863,877
Total streets	8,599,062	9,079,797	8,984,832	94,965	7,354,611
Total public works	8,599,062	9,079,797	8,984,832	94,965	7,354,611
Public safety					
Municipal court:					
Salaries and wages	883,043	883,043	823,905	59,138	849,719
Employee benefits	314,554	314,554	300,266	14,288	301,937
Purchased professional/technical services	118,799	118,799	92,341	26,458	46,764
Purchased professional/technical services	-	-	2,966	(2,966)	-
Maintenance	82,115	82,115	80,974	1,141	77,202
Other purchased services	18,952	18,952	11,995	6,957	12,439
Supplies	79,462	79,462	66,830	12,632	60,255
Other	13,000	13,000	13,614	(614)	12,333
Total municipal court	1,509,925	1,509,925	1,392,891	117,034	1,360,649

(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, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Expenditures (continued)					
Public safety (continued)					
Emergency management services:					
Salaries and wages	375,142	375,142	370,357	4,785	352,991
Employee benefits	134,195	134,195	131,879	2,316	127,017
Purchased professional/technical services	210,752	196,475	151,186	45,289	22,476
Purchased property services	34,788	34,788	-	34,788	14,744
Maintenance	517,739	532,016	364,948	167,068	425,182
Other purchased services	88,542	88,506	32,190	56,316	29,264
Supplies	390,371	390,371	91,258	299,113	362,445
Other	199,175	199,175	189,338	9,837	205,019
Total emergency management services	<u>1,950,704</u>	<u>1,950,668</u>	<u>1,331,156</u>	<u>619,512</u>	<u>1,539,138</u>
Fire services:					
Salaries and wages	22,190,672	22,190,672	22,081,755	108,917	20,836,002
Employee benefits	7,933,931	7,933,931	7,836,161	97,770	7,409,481
Purchased professional/technical services	495,502	430,011	416,529	13,482	145,552
Purchased property services	104,195	107,243	87,757	19,486	144,880
Maintenance	1,002,383	956,206	638,562	317,644	836,455
Other purchased services	1,182,648	1,164,905	1,130,670	34,235	998,744
Supplies	1,416,298	1,400,136	1,372,788	27,348	1,436,133
Capital expenditures	110,000	649,077	487,119	161,958	32,326
Total fire services	<u>34,435,629</u>	<u>34,832,181</u>	<u>34,051,341</u>	<u>780,840</u>	<u>31,839,573</u>
Police services:					
Salaries and wages	31,132,348	30,982,749	30,247,193	735,556	28,482,263
Employee benefits	11,013,357	11,013,357	10,695,720	317,637	10,100,756
Purchased professional/technical services	3,356,147	3,356,587	3,107,436	249,151	507,051
Purchased property services	147,963	147,963	210,032	(62,069)	837,461
Maintenance	1,702,444	1,630,435	1,276,605	353,830	1,636,273
Other purchased services	1,175,690	1,175,690	1,778,505	(602,815)	1,252,612
Supplies	2,724,917	2,807,729	2,593,489	214,240	2,008,686
Capital expenditures	600,000	1,114,622	88,108	1,026,514	63,934
Other	1,500	1,500	1,465	35	1,317
Total police services	<u>51,854,366</u>	<u>52,230,632</u>	<u>49,998,553</u>	<u>2,232,079</u>	<u>44,890,353</u>
Traffic services:					
Salaries and wages	1,211,243	1,211,243	1,036,918	174,325	810,904
Employee benefits	495,942	495,942	442,470	53,472	375,417
Purchased professional/technical services	967,351	1,031,944	570,283	461,661	679,412
Purchased property services	2,977	2,977	2,932	45	2,421
Maintenance	1,053,571	868,123	665,729	202,394	889,089
Other purchased services	39,581	39,581	55,433	(15,852)	39,733

(Continued)

See accompanying notes to financial statements

**General Fund Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Expenditures (continued)					
Public safety (continued)					
Traffic services: (continued)					
Supplies	805,278	805,278	777,357	27,921	706,786
Capital expenditures	-	-	-	-	-
Total traffic services	<u>4,575,943</u>	<u>4,455,088</u>	<u>3,551,122</u>	<u>903,966</u>	<u>3,503,762</u>
Animal services:					
Salaries and wages	1,186,942	1,186,942	1,110,164	76,778	758,640
Employee benefits	454,280	454,280	439,692	14,588	338,963
Purchased professional/technical services	499,765	487,765	517,525	(29,760)	340,798
Purchased property services	19,375	19,375	44,159	(24,784)	20,824
Maintenance	78,466	102,098	72,322	29,776	58,843
Other purchased services	69,075	69,075	107,866	(38,791)	59,823
Supplies	471,135	469,242	401,342	67,900	317,930
Capital expenditures	-	74,174	73,983	191	-
Other expenses	1,000	1,000	-	1,000	-
Total animal services	<u>2,780,038</u>	<u>2,863,951</u>	<u>2,767,053</u>	<u>96,898</u>	<u>1,895,821</u>
Total public safety	<u>97,106,605</u>	<u>97,842,445</u>	<u>93,092,116</u>	<u>4,750,329</u>	<u>85,029,296</u>
Culture & recreation					
Library services:					
Salaries and wages	2,451,293	2,451,293	2,169,581	281,712	2,057,251
Employee benefits	860,938	860,938	804,668	56,270	763,149
Purchased professional/technical services	785,328	797,333	790,242	7,091	205,580
Purchased property services	31,433	31,433	238,565	(207,132)	29,277
Maintenance	134,825	134,825	53,145	81,680	183,558
Other purchased services	133,172	133,172	90,173	42,999	92,420
Supplies	918,499	933,948	1,018,303	(84,355)	920,175
Capital expenditures	-	6,283	-	6,283	-
Other	1,800	1,800	2,053	(253)	1,933
Total library services	<u>5,317,288</u>	<u>5,351,025</u>	<u>5,166,730</u>	<u>184,295</u>	<u>4,253,343</u>
Parks:					
Salaries and wages	4,920,003	4,570,003	4,379,820	190,183	3,717,654
Employee benefits	2,071,068	2,071,068	1,935,676	135,392	1,711,826
Purchased professional/technical services	2,133,941	2,291,905	1,884,637	407,268	1,065,721
Purchased property services	974,557	974,557	940,032	34,525	930,720
Maintenance	736,840	736,150	858,362	(122,212)	810,777
Other purchased services	254,365	254,365	260,116	(5,751)	213,154
Supplies	1,057,617	1,025,924	1,270,664	(244,740)	920,914
Capital expenditures	180,000	214,693	214,552	141	40,641
Other	176,736	214,736	229,325	(14,589)	202,256
Total parks	<u>12,505,127</u>	<u>12,353,401</u>	<u>11,973,184</u>	<u>380,217</u>	<u>9,613,663</u>
Recreation services:					
Salaries and wages	2,116,642	1,995,642	1,211,285	784,357	1,136,270
Employee benefits	468,224	468,224	370,716	97,508	342,365
Purchased professional/technical services	569,055	690,055	655,266	34,789	511,902
Purchased property services	-	-	-	-	1,990
Maintenance	36,160	36,160	34,109	2,051	26,436
Other purchased services	306,901	306,901	290,703	16,198	250,047

(Continued)

See accompanying notes to financial statements

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

Year Ended September 30, 2023

(With Comparative Actual Amounts for Year Ended September 30, 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Expenditures (continued)					
Culture & recreation (continued)					
Recreation Services: (continued)					
Supplies	276,088	276,088	310,049	(33,961)	280,720
Capital expenditures	-	17,880	17,880	-	-
Other	18,800	18,800	19,129	(329)	12,372
Total recreation services	<u>3,791,870</u>	<u>3,809,750</u>	<u>2,909,137</u>	<u>900,613</u>	<u>2,562,102</u>
Total culture & recreation	<u>21,614,285</u>	<u>21,514,176</u>	<u>20,049,051</u>	<u>1,465,125</u>	<u>16,429,108</u>
Housing & community development					
Housing services:					
Salaries and wages	298,921	404,155	366,502	37,653	836,176
Employee benefits	95,778	141,739	118,436	23,303	351,255
Purchased professional/technical services	87,975	127,975	70,034	57,941	232,498
Purchased property services	35,330	80,330	85,661	(5,331)	425,968
Maintenance	-	-	92	(92)	10,656
Other purchased services	17,045	32,547	27,527	5,020	51,005
Supplies	2,780	2,780	5,595	(2,815)	60,807
Other expenses	35,000	385,000	65,837	319,163	25,746
Total housing services	<u>572,829</u>	<u>1,174,526</u>	<u>739,684</u>	<u>434,842</u>	<u>1,994,111</u>
Total housing & community development	<u>572,829</u>	<u>1,174,526</u>	<u>739,684</u>	<u>434,842</u>	<u>1,994,111</u>
Total expenditures	<u>178,149,087</u>	<u>168,988,044</u>	<u>157,461,222</u>	<u>11,526,822</u>	<u>148,929,206</u>
Excess (deficiency) of revenues over expenditures	<u>(8,673,609)</u>	<u>540,434</u>	<u>27,591,378</u>	<u>27,050,944</u>	<u>18,382,896</u>
Other Financing Sources (Uses):					
Transfers in:					
Abandoned Motor Vehicles	50,000	50,000	50,000	-	50,000
Court Security	-	-	-	-	60,000
Insurance	-	-	-	-	-
Rolling stock	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Special Projects Reserve	-	-	-	-	3,420,000
Revenue in lieu of property taxes	5,905,216	5,905,216	5,905,216	-	5,625,185
Total transfers in	<u>5,955,216</u>	<u>5,955,216</u>	<u>5,955,216</u>	<u>-</u>	<u>9,155,185</u>
Transfers out:					
Street improvements:					
Street Maintenance	(2,050,000)	(3,510,000)	(3,510,000)	-	(8,050,000)
Street cash CIP	(4,900,000)	(3,524,482)	(3,524,482)	-	(8,050,000)
Capital improvements:					
Facilities cash CIP	-	(2,630,428)	(2,630,428)	-	(750,000)
Parks cash CIP	(120,000)	(317,502)	(317,502)	-	-
Cameron Park Zoo	(1,846,770)	(3,446,770)	(3,446,770)	-	(1,846,770)
Rolling stock	(2,018,173)	(2,018,173)	(2,018,173)	-	-
Equipment replacement cash CIP	(70,630)	(70,630)	(70,630)	-	-
Cottonwood Creek Golf Course	(500,000)	(500,000)	(500,000)	-	-
Transit	(701,728)	(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	(1,100,000)	(1,100,000)	(1,100,000)	-	(538,790)
Housing demo-lot clearing	-	-	-	-	-
Fire cash CIP	-	-	-	-	-
Transit cash CIP	-	-	-	-	-
Stormwater	-	-	-	-	-
Special Projects Reserve	-	(6,000,000)	(6,000,000)	-	(11,000,000)
Grant (police)	(216,000)	(365,599)	(365,475)	124	(101,440)
Grant (MPO)	-	(50,000)	(50,000)	-	-
Total transfers out	<u>(17,386,449)</u>	<u>(28,098,460)</u>	<u>(27,396,608)</u>	<u>701,852</u>	<u>(26,851,876)</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, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Other Financing Sources (Uses): (continued)					
Financing of leases	-	-	189,225	189,225	2,307,239
Financing of Subscriptions	-	-	768,816	768,816	-
Total other financing sources (uses)	<u>(11,431,233)</u>	<u>(22,143,244)</u>	<u>(20,483,351)</u>	<u>1,659,893</u>	<u>(15,389,452)</u>
Net change in fund balances	(20,104,842)	(21,602,810)	7,108,027	28,710,837	2,993,444
Fund balance, beginning of year	<u>95,799,423</u>	<u>95,799,423</u>	<u>95,799,423</u>	-	<u>92,805,979</u>
Fund balance, end of year	<u>\$ 75,694,581</u>	<u>\$ 74,196,613</u>	<u>\$ 102,907,450</u>	<u>\$ 28,710,837</u>	<u>\$ 95,799,423</u>

See accompanying notes to financial statements

Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities					Governmental Activities	
	Water Fund	Wastewater Fund	Solid Waste Fund	Cameron Park Zoo Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Assets							
Current assets:							
Cash and investments	\$ 53,540,551	\$ 49,950,099	\$ 22,182,462	\$ 16,700,597	\$ 21,976,580	\$ 164,350,289	\$ 19,673,638
Accounts receivable, net of allowances	8,826,028	4,974,898	3,211,622	1,856,193	2,014,598	20,883,339	84,754
Lease receivable	27,721	-	6,499	-	530,699	564,919	-
Prepaid expense	206,878	-	-	-	-	206,878	350,000
Due from other funds	-	-	-	-	701,728	701,728	351,917
Intergovernmental receivable	618,235	319,136	-	-	4,459,103	5,396,474	-
Restricted cash and investments	6,651,481	1,565,992	171,294	-	-	8,388,767	-
Inventories	480,210	24,526	-	353,092	1,131,696	1,989,524	430,888
Total current assets	70,351,104	56,834,651	25,571,877	18,909,882	30,814,404	202,481,918	20,891,197
Noncurrent assets:							
Restricted cash and investments	78,534,451	111,473,550	21,817,216	-	12,432,887	224,258,104	-
Advances to other funds	525,336	-	-	-	-	525,336	-
Lease receivable	725,753	-	-	-	2,839,215	3,564,968	-
Capital assets:							
Land	4,305,908	7,703,403	9,777,989	-	3,670,281	25,457,581	38,800
Buildings	11,166,659	21,820,904	1,379,037	10,447,289	54,091,455	98,905,344	920,153
Improvements other than buildings	412,754,296	283,989,727	29,842,875	19,110,331	62,397,817	808,095,046	118,289
Machinery and equipment	11,879,468	15,389,256	29,390,410	1,053,902	20,932,354	78,645,390	2,740,881
Lease, right-of-use assets	104,594	38,680	51,643	1,001	426,539	622,457	1,396,236
Subscription-based information technology arrangement	-	-	-	-	-	-	572,864
Museum collections	-	-	-	-	2,657,924	2,657,924	-
Construction work in progress	30,772,327	12,437,775	5,313,513	8,443,850	11,258,669	68,226,134	103,901
Intangible water rights	36,792,490	-	-	-	-	36,792,490	-
Less: accumulated depreciation and amortization	(197,956,197)	(105,079,389)	(50,556,415)	(24,426,031)	(82,963,292)	(460,981,324)	(3,247,998)
Total noncurrent assets	389,605,085	347,773,906	47,016,268	14,630,342	87,743,849	886,769,450	2,643,126
Total assets	459,956,189	404,608,557	72,588,145	33,540,224	118,558,253	1,089,251,368	23,534,323
Deferred outflows of resources							
Deferred losses on refundings of debt	1,153,612	244,338	-	-	-	1,397,950	-
Deferred outflows on pension liability	3,173,357	2,115,570	2,115,570	-	-	7,404,497	-
Total deferred outflows of resources	4,326,969	2,359,908	2,115,570	-	-	8,802,447	-
Total assets and deferred outflows of resources	464,283,158	406,968,465	74,703,715	33,540,224	118,558,253	1,098,053,815	23,534,323

See accompanying notes to financial statements

	Business-type Activities					Governmental Activities	
	Water Fund	Wastewater Fund	Solid Waste Fund	Cameron Park Zoo Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Liabilities							
Current liabilities:							
Accounts payable	1,237,229	572,664	295,116	1,149,664	1,087,740	4,342,413	491,433
Accrued liabilities	759,617	317,027	341,456	735,307	2,007,911	4,161,318	934,272
Lease liability	23,781	8,166	10,528	244	150,081	192,800	313,418
Subscriptions	-	-	-	-	-	-	220,545
Unearned revenue	-	-	-	20,328	597,724	618,052	-
Due to other funds	-	-	-	-	3,692,356	3,692,356	-
Compensated absences payable	894,743	422,532	561,284	372,169	490,329	2,741,057	630,228
Refundable contracts	-	-	-	-	-	-	-
Notes payable	31,325	-	-	-	-	31,325	-
Escrow funds	-	-	-	-	-	-	538
Bonds payable	14,180,000	10,560,000	1,730,000	-	360,000	26,830,000	-
Accrued interest payable	1,853,176	1,977,908	552,639	-	139,714	4,523,437	-
Estimated claims and judgments	-	6,020,609	-	-	-	6,020,609	4,042,728
Current liabilities payable from restricted assets:							
Accounts payable	2,971,530	1,565,992	171,294	-	57,161	4,765,977	-
Customer deposits	3,682,522	-	-	-	-	3,682,522	-
Total Current Liabilities	25,633,923	21,444,898	3,662,317	2,277,712	8,583,016	61,601,866	6,633,162
Noncurrent liabilities:							
Refundable contracts	992,808	192,542	-	-	-	1,185,350	-
Estimated landfill closure and post-closure care costs	-	-	7,805,256	-	-	7,805,256	-
Advances from other funds	-	-	-	-	693,704	693,704	-
Lease liability	20,343	6,368	12,448	500	50,332	89,991	334,194
Subscriptions	-	-	-	-	-	-	139,573
Compensated absences payable	803,551	175,989	576,300	110,940	349,863	2,016,643	286,052
Bonds payable	224,947,959	204,963,205	29,550,145	-	14,334,174	473,795,483	-
Notes payable	1,091,441	-	-	-	-	1,091,441	-
Net pension liability	5,264,574	3,509,716	3,509,716	-	-	12,284,006	-
Total noncurrent liabilities	233,120,676	208,847,820	41,453,865	111,440	15,428,073	498,961,874	759,819
Total liabilities	258,754,599	230,292,718	45,116,182	2,389,152	24,011,089	560,563,740	7,392,981
Deferred inflows of resources							
Deferred inflows on pension liability	-	-	-	-	-	-	-
Deferred gains on refundings of debt	-	-	7,423	-	-	7,423	-
Deferred inflows on leases	736,071	-	6,803	-	3,320,307	4,063,181	-
Total deferred inflows of resources	736,071	-	14,226	-	3,320,307	4,070,604	-
Total liabilities and deferred inflows of resources	259,490,670	230,292,718	45,130,408	2,389,152	27,331,396	564,634,344	7,392,981
Net position							
Net investment in capital assets	154,871,432	133,853,955	15,877,018	14,629,598	70,010,047	389,242,050	1,638,029
Restricted for							
Capital projects	-	-	-	-	591,295	591,295	-
Unrestricted	49,921,056	42,821,792	13,696,289	16,521,474	20,625,515	143,586,126	14,503,313
Total net position	\$ 204,792,488	\$ 176,675,747	\$ 29,573,307	\$ 31,151,072	\$ 91,226,857	\$ 533,419,471	\$ 16,141,342

See accompanying notes to financial statements

FINANCIAL SECTION

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds Year Ended September 30, 2023

	Business-type Activities						Governmental Activities
	Water Fund	Wastewater Fund	Solid Waste Fund	Cameron Park Zoo Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:							
Charges for services	\$ 64,875,489	\$ 46,631,885	\$ 32,237,664	\$ 2,513,995	\$ 11,706,845	\$ 157,965,878	\$ 39,548,715
Net merchandise sales	-	-	-	733,455	882,886	1,616,341	-
Contributions	-	-	-	24,739	46,790	71,529	-
Other	403,208	901,076	157,141	437,656	2,005,128	3,904,209	196,631
Total operating revenues	<u>65,278,697</u>	<u>47,532,961</u>	<u>32,394,805</u>	<u>3,709,845</u>	<u>14,641,649</u>	<u>163,557,957</u>	<u>39,745,346</u>
Operating expenses:							
Salaries and wages	6,972,755	4,721,751	5,965,409	2,898,354	8,269,814	28,828,083	6,028,635
Employee benefits	3,146,367	2,134,954	2,810,104	1,185,165	2,784,819	12,061,409	2,184,006
Purchased professional/technical services	2,703,143	2,468,239	3,131,232	445,404	4,232,353	12,980,371	3,269,555
Purchased property services	212,113	96,874	21,650	1,638,699	781,282	2,750,618	76,205
Maintenance	4,259,841	3,540,399	3,584,559	159,848	1,343,881	12,888,528	1,877,430
Other purchased services	1,176,455	569,690	577,622	218,413	3,245,429	5,787,609	2,235,013
Supplies	6,520,502	3,665,367	2,891,506	994,198	1,910,827	15,982,400	1,062,908
Other	6,389,275	9,536,813	6,679,941	88,035	3,995,857	26,689,921	22,091,046
Depreciation/Amortization	12,886,541	11,627,960	3,420,574	1,087,216	5,191,010	34,213,301	803,987
Total operating expenses	<u>44,266,992</u>	<u>38,362,047</u>	<u>29,082,597</u>	<u>8,715,332</u>	<u>31,755,272</u>	<u>152,182,240</u>	<u>39,628,785</u>
Operating income (loss)	<u>21,011,705</u>	<u>9,170,914</u>	<u>3,312,208</u>	<u>(5,005,487)</u>	<u>(17,113,623)</u>	<u>11,375,717</u>	<u>116,561</u>
Nonoperating revenues (expenses):							
Investment earnings	2,110,571	1,795,404	764,074	117,343	756,397	5,543,789	3,999,701
Other income	-	16,301	-	49,823	7,126	73,250	-
Hotel/motel tax	-	-	-	-	6,475,224	6,475,224	-
Contributions	-	-	-	-	60,567	60,567	-
Intergovernmental revenues	23,745	20,777	12,454	-	12,353,067	12,410,043	-
Bond issuance costs	(190,625)	(291,880)	(191,146)	-	-	(673,651)	-
Interest expense and fiscal charges	(6,053,359)	(5,521,560)	(702,309)	(13)	(393,433)	(12,670,674)	(25,678)
Gain (loss) on disposal of capital assets	(29,279)	(157,745)	(760,907)	-	(12,800)	(960,731)	(10,400)
Total nonoperating revenues (expenses)	<u>(4,138,947)</u>	<u>(4,138,703)</u>	<u>(877,834)</u>	<u>167,153</u>	<u>19,246,148</u>	<u>10,257,817</u>	<u>3,963,623</u>
Income (loss) before contributions and transfers	<u>16,872,758</u>	<u>5,032,211</u>	<u>2,434,374</u>	<u>(4,838,334)</u>	<u>2,132,525</u>	<u>21,633,534</u>	<u>4,080,184</u>
Capital contributions	5,842,502	5,042,438	-	10,509,803	3,972,791	25,367,534	-
Transfers in	7	3	-	15,748,607	1,750,000	17,498,617	5,853
Transfers out	(4,106,963)	(1,275,286)	(522,977)	-	(150,736)	(6,055,962)	(377)
Changes in net position	<u>18,608,304</u>	<u>8,799,366</u>	<u>1,911,397</u>	<u>21,420,076</u>	<u>7,704,580</u>	<u>58,443,723</u>	<u>4,085,660</u>
Total net position, beginning of year - previously stated	<u>186,184,184</u>	<u>167,876,381</u>	<u>27,661,910</u>		<u>93,253,273</u>	<u>474,975,748</u>	<u>12,055,682</u>
Changes within reporting entity				<u>9,730,996</u>	<u>(9,730,996)</u>		
Total net position, beginning of year - adjusted	<u>186,184,184</u>	<u>167,876,381</u>	<u>27,661,910</u>	<u>9,730,996</u>	<u>83,522,277</u>	<u>474,975,748</u>	<u>12,055,682</u>
Total net position, end of year	<u>\$ 204,792,488</u>	<u>\$ 176,675,747</u>	<u>\$ 29,573,307</u>	<u>\$ 31,151,072</u>	<u>\$ 91,226,857</u>	<u>\$ 533,419,471</u>	<u>\$ 16,141,342</u>

See accompanying notes to financial statements

**Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023**

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water Fund	Wastewater Fund	Solid Waste Fund	Cameron Park Zoo Fund	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:							
Cash received from customers	\$ 63,280,488	\$ 47,259,766	\$ 32,021,353	\$ 2,011,863	\$ 14,480,404	\$ 159,053,874	\$ 39,493,549
Cash paid to suppliers for goods and services	(20,674,860)	(16,883,032)	(16,044,303)	(1,951,292)	(14,881,107)	(70,434,594)	(30,060,045)
Cash paid to employees for services	(9,734,061)	(6,641,641)	(8,535,809)	(4,032,081)	(10,880,014)	(39,823,606)	(7,739,625)
Net cash provided by (used for) operating activities	32,871,567	23,735,093	7,441,241	(3,971,510)	(11,280,717)	48,795,674	1,693,879
Cash flows from noncapital financing activities:							
Intergovernmental revenue	35,086	31,413	12,454	-	10,602,325	10,681,278	-
Contributions	-	-	-	-	60,567	60,567	-
Other nonoperating income	-	-	-	49,823	-	49,823	-
Hotel/motel tax	-	-	-	-	6,475,074	6,475,074	-
Passenger facility charges	-	-	-	-	7,126	7,126	-
Transfers from other funds	7	3	-	15,748,607	4,259,558	20,008,175	5,853
Transfers to other funds	(4,106,970)	(1,275,289)	(522,977)	-	(150,736)	(6,055,972)	(42,836)
Net cash provided by (used for) noncapital financing activities	(4,071,877)	(1,243,873)	(510,523)	15,798,430	21,253,914	31,226,071	(36,983)
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(20,020,746)	(12,432,104)	(5,780,544)	(7,814,015)	(6,812,760)	(52,860,169)	(1,078,432)
Principal and interest payments for lease assets	(31,546)	(12,695)	(21,646)	(187)	(144,243)	(210,317)	(518,816)
Principal and interest payments for SBITAs	-	-	-	-	-	-	(216,558)
Proceeds from sale of debt	28,500,052	43,200,000	18,184,447	-	2,690,056	92,574,555	-
Capital contributions	130,152	245,490	-	10,509,803	2,731,745	13,617,190	-
Principal paid on debt	(13,016,535)	(9,445,000)	(1,760,000)	-	-	(24,221,535)	-
Interest paid on debt	(7,934,543)	(6,462,557)	(506,490)	(13)	(493,452)	(15,397,055)	(13,498)
Net cash provided by (used for) capital and related financing activities	(12,373,166)	15,093,134	10,115,767	2,695,588	(2,028,654)	13,502,669	(1,827,304)
Cash flows from investing activities:							
Investment earnings	2,110,571	1,795,404	764,074	117,343	756,396	5,543,788	3,999,701
Net cash provided by (used for) investing activities	2,110,571	1,795,404	764,074	117,343	756,396	5,543,788	3,999,701
Net increase (decrease) in cash and cash equivalents	18,537,095	39,379,758	17,810,559	14,639,851	8,700,939	99,068,202	3,829,293
Cash and cash equivalents, beginning of year	120,189,388	123,609,883	26,360,413	2,060,746	25,708,528	297,928,958	15,844,345
Cash and cash equivalents, end of year	<u>\$ 138,726,483</u>	<u>\$ 162,989,641</u>	<u>\$ 44,170,972</u>	<u>\$ 16,700,597</u>	<u>\$ 34,409,467</u>	<u>\$ 396,997,160</u>	<u>\$ 19,673,638</u>

See accompanying notes to financial statements

Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds						Governmental
	Water Fund	Wastewater Fund	Solid Waste Fund	Cameron Park Zoo Fund	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ 21,011,705	\$ 9,170,914	\$ 3,312,208	\$ (5,005,487)	\$ (17,113,623)	\$ 11,375,717	\$ 116,562
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Provision for uncollectible accounts receivable	75,744	65,565	22,287	-	11,918	175,514	-
Depreciation/Amortization	12,886,541	11,627,960	3,420,574	1,087,216	5,191,010	34,213,301	803,987
Other nonoperating income	-	16,301	-	-	-	16,301	-
Changes in assets and liabilities:							
Decrease (increase) in assets:							
Accounts receivable	(2,173,433)	(355,061)	(397,022)	(1,673,244)	(416,571)	(5,015,331)	(84,754)
Prepaid items	114,318	30,849	-	-	7,600	152,767	(350,000)
Inventories	(67,005)	18,106	-	(88,832)	(190,578)	(328,309)	(131,988)
Lease receivable	26,208	-	6,478	-	118,633	151,319	-
Increase (decrease) in liabilities:							
Accounts payable	529,685	283,134	77,060	1,098,254	130,405	2,118,538	200,428
Accrued liabilities	48,488	(282,554)	66,410	609,903	709,862	1,152,109	139,819
Unearned revenue	-	-	-	(24,738)	270,167	245,429	-
Estimated landfill closure and post-closure care costs	-	-	733,225	-	-	733,225	-
Compensated absences payable	132,021	37,130	59,531	25,418	146,100	400,200	459,861
Net pension liability	220,454	146,968	146,969	-	-	514,391	-
Customer deposits	110,071	-	-	-	-	110,071	-
Estimated claims and judgments	-	2,975,781	-	-	-	2,975,781	539,964
Deferred inflow on leases	(36,797)	-	(6,479)	-	(145,640)	(188,916)	-
Refundable Contracts	(6,433)	-	-	-	-	(6,433)	-
Net cash provided by (used for) operating activities	<u>\$ 32,871,567</u>	<u>\$ 23,735,093</u>	<u>\$ 7,441,241</u>	<u>\$ (3,971,510)</u>	<u>\$ (11,280,717)</u>	<u>\$ 48,795,674</u>	<u>\$ 1,693,879</u>
Noncash investing, capital, and financing activities:							
Contributions of capital assets	5,712,350	4,796,948	-	228,111	1,246,045	11,983,454	-
Lease, right-of-use assets	10,848	4,987	29,761	1,001	28,023	74,620	1,462,069
Subscription assets	-	-	-	-	-	-	455,905

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 notes to financial statements

**Statement of Fiduciary Net Position
September 30, 2023**

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 4,246,186
Accounts receivable	141,451
Intergovernmental receivable	<u>797,143</u>
Total assets	<u>5,184,780</u>
Liabilities	
Accounts payable	9,244
Accrued liabilities	<u>252,144</u>
Total liabilities	<u>261,388</u>
Net position	
Restricted for other organizations and governments	<u>4,923,392</u>
Total net position	<u>\$ 4,923,392</u>

See accompanying notes to financial statements

**Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2023**

	<u>Custodial Funds</u>
Additions	
Charges for services	\$ 105,072
Public improvement assessments	1,517,157
Investment earnings	146,545
Intergovernmental revenue	1,973,887
Other	862,009
Total additions	4,604,670
Deductions	
Salaries and wages	731,056
Employee benefits	143,701
Purchased professional/technical services	163,754
Maintenance	82,660
Other purchased services	114,719
Supplies	178,752
Other	2,277,500
Total deductions	3,692,142
Net increase (decrease) in fiduciary net position	912,528
Net position, beginning	4,010,864
Net position, ending	\$ 4,923,392

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 **tax increment fund no. 1** is used to account for activity of the tax increment district, Reinvestment Zone Number One.

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 **Cameron Park Zoo** fund accounts for the activities of the City's zoo.

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:

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

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

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 5.56% of outstanding property taxes as of September 30, 2023.

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 statement of net position 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	7-74

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.

Subscriptions

In the government-wide financial statements and proprietary fund types in the fund financial statements, subscription 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 subscription assets which are amortized over the life of the contract.

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.

I. Summary of Significant Accounting Policies (continued)

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

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, 2023 was 29.0% of fiscal year 2024 budgeted revenues.

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

	General Fund	Street	Grants Fund	Tax Increment Fund No. 1	Other Funds	Total
Fund balances:						
Nonspendable:						
Inventory	\$ 1,117,009	\$ -	\$ -	\$ -	\$ -	\$ 1,117,009
Real estate held for resale	6,160	-	-	-	-	6,160
Parks and cemetery care	-	-	-	-	332,430	332,430
Restricted for:						
Communications and Marketing activities	1,912,417	-	-	-	-	1,912,417
Debt service activities	-	-	-	-	969,001	969,001
Capital projects activities	-	64,645,493	-	-	38,671,077	103,316,570
Tax increment zone activities	-	-	-	66,093,343	1,382,540	67,475,883
Housing and community development activities	-	-	489,657	-	-	489,657
Public works activities	-	-	254,197	-	-	254,197
Public safety activities	-	-	839,559	-	2,622,815	3,462,374
Culture and recreation activities	-	-	126,072	-	53,968	180,040
Waco Public Improvement District activities	-	-	-	-	1,423,812	1,423,812
Committed to:						
Economic development activities	17,793,635	-	-	-	-	17,793,635
Capital projects activities	-	6,024,297	-	-	42,186,943	48,211,240
Public health services	-	-	-	-	4,419,833	4,419,833
Assigned to:						
Economic development activities	11,233,433	-	-	-	-	11,233,433
Housing and community development activities	284,163	-	-	-	-	284,163
Public safety activities	1,892,908	-	-	-	-	1,892,908
Public works activities	443,104	-	-	-	-	443,104
Culture and recreation activities	217,980	-	-	-	-	217,980
Subsequent year's budget appropriation	7,340,656	-	-	-	-	7,340,656
Other activities	1,685,142	-	-	-	-	1,685,142
Unassigned	58,980,843	-	-	-	-	58,980,843
	<u>\$102,907,450</u>	<u>\$ 70,669,790</u>	<u>\$ 1,709,485</u>	<u>\$66,093,343</u>	<u>\$92,062,419</u>	<u>\$ 333,442,487</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 and amortization, 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

**I. Summary of Significant Accounting Policies (continued)*****D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)***

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 \$359,820,280 difference are as follows:

Serial bonds and certificates of obligation	\$ (270,645,000)
Less: deferred charge on refunding (to be amortized as interest expense)	447,589
Plus: issuance premium (to be amortized as interest expense)	(13,068,891)
Capital financing agreement	(3,550,183)
Accrued interest payable	(2,397,845)
Compensated absences	(21,928,773)
Net pension liability and pension related deferred outflows/inflows of \$45,484,778 (to be amortized as pension expense)	(29,974,112)
Refundable contracts	(80,007)
Contracts payable	(830,000)
Lease Liability	(1,021,510)
Subscription Liability	(584,642)
Net other post-employment benefit (OPEB) liability and related deferred outflows/inflows of \$280,651 (to be amortized as OPEB expense)	(1,873,205)
Notes Payable	<u>(14,313,701)</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ (359,820,280)</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 \$79,459,108 difference are as follows:

Capital outlay	\$ 97,991,606
Depreciation expense	<u>(18,532,498)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 79,459,108</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 \$1,864,801 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	\$ 1,864,801
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,864,801</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 \$214,148 difference are as follows:

Court fines	\$ (100,068)
Property taxes	<u>314,216</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 214,148</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 \$104,940,634 difference are as follows:

Issuance of general obligation debt	\$ (98,990,000)
Plus: premium on issuance	(2,177,452)
Principal repayments:	
General obligation debt	10,060,000
Capital financing agreement	480,519
Note payable	<u>(14,313,701)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (104,940,634)</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 \$3,220,898 difference are as follows:

OPEB liability	\$ (23,605)
Compensated absences	(1,578,793)
Net pension liability	(3,159,830)
Accrued interest	(496,255)
Amortization of deferred charge on refunding	(212,461)
Amortization of bond premiums	<u>2,250,046</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (3,220,898)</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 \$72,423 difference are as follows:

Lease Acquisitions - Other Financing Sources	\$	(233,311)
Lease Acquisitions - Expenditure adjustment - lease, right-of-use asset		233,311
Lease Amortizations		(480,849)
Lease Principal Payments		493,422
Lease Assets transferred to other funds		<u>(84,996)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	<u><u>(72,423)</u></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 Subscriptions 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 subscription; however, in the statement of activities, the present value of the future subscription is recognized as a subscription asset and amortized over the agreement term.” The details of this \$37,459 difference are as follows:

Subscription Acquisitions - Other Financing Sources	\$ (795,834)
Subscription Acquisitions - Expenditure adjustment - subscription asset	795,834
Subscription Implementation Costs Capitalized	27,018
Subscription Amortization	(173,733)
Subscription Principal Payments	<u>184,174</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 37,459</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, 2023 are \$4,382,685 for the general fund.

IV. Detail Notes on All Funds

A. Deposits and Investments

As of September 30, 2023, the City has U.S. Federal agency securities of \$302,043,439, U.S. Treasury Obligations of \$104,521,729, General Municipal Obligations of \$41,151,319, Commercial Paper of \$29,023,240, and Certificate of Deposit of \$18,000,000 which are valued using quoted market prices (Level 1).

As of September 30, 2023, the City had the following investments:

	<u>Total investments</u>	<u>Percent of Portfolio</u>	<u>Weighted Average Maturity (in Years)</u>
Investments reported at amortized cost:			
Texas Local Government Investment Pool (Tex Pool)	\$ 216,958,340	27.80%	0.08
Texas Local Government Investment Pool (TexPool Prime)	30,576,150	3.92%	0.13
Texas Short-Term Asset Reserve (TexSTAR)	<u>5,959,175</u>	<u>0.76%</u>	<u>0.07</u>
 Total local government investment pools	 253,493,665	 32.49%	 -
 Money market mutual funds	 25,407,987	 3.26%	 0.07
Collateralized bank savings accounts	6,650,990	0.85%	-
Certificate of Deposit	18,000,000	2.31%	1.73
Investments reported at fair value:			
U.S. Federal agency securities	302,043,439	38.71%	0.67
U.S. Treasury Obligations	104,521,729	13.40%	0.46
General Municipal Obligations	41,151,319	5.27%	0.59
Commercial Paper	<u>29,023,240</u>	<u>3.72%</u>	<u>0.56</u>
 Total investments	 <u>\$ 780,292,369</u>	 <u>100.00%</u>	 <u>0.44</u>

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 0.44 years as of September 30, 2023.

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, 2023 were in securities of the following issuers:

U.S. Agency Issuer	Fair Value	Percent of Portfolio
Federal Home Loan Bank	\$ 252,433,919	32.12%
United States Treasury	104,521,729	13.30%

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

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	\$ 6,370,064
Carrying amount of investments	<u>780,292,369</u>
Total	<u>\$ 786,662,433</u>
Cash and investments - governmental activities	\$ 385,386,296
Cash and investments - business-type activities	164,350,289
Restricted cash and investments - business-type activities	232,646,871
Component units, excluding Baylor Waco Stadium Authority	32,791
Custodial funds	<u>4,246,186</u>
Total	<u>\$ 786,662,433</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.

TexPool Prime. 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 Prime. Federated Investors, Inc. provides asset management services to TexPool Prime. Additionally, the Comptroller has established an advisory board composed of both participants in TexPool Prime and other persons who do not have a business relationship with TexPool Prime. The advisory board members review the investment policy and management fee structure. There are no maximum transaction

**IV. Detail Notes on All Funds (continued)****A. Deposits and Investments (continued)**

amounts and withdrawals from TexPool Prime may be made daily. TexPool Prime 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	Tax Increment Fund No. 1	Water	Wastewater	Solid Waste	Cameron Park Zoo Fund	Nonmajor and Other Funds	Total
Receivables:										
Taxes	\$ 12,325,624	\$ -	\$ -	\$ 90,802	\$ -	\$ -	\$ -	\$ -	\$ 697,974	\$ 13,114,400
Accounts	12,944,736	-	200,209	307	11,497,021	6,468,318	4,458,785	1,856,193	2,093,296	39,518,864
Special assessments	-	-	-	-	-	-	-	-	11,474	11,474
Intergovernmental	16,653	-	1,886,394	-	618,235	319,136	-	-	5,548,777	8,389,195
Leases	1,157,031	-	-	-	753,474	-	6,499	-	3,369,914	5,286,918
Notes	-	-	131,893	-	-	-	-	-	-	131,893
Gross receivables	26,444,044	-	2,218,496	91,109	12,868,730	6,787,454	4,465,284	1,856,193	11,721,435	66,452,744
Less: allowance for uncollectibles	9,580,344	-	-	-	2,670,993	1,493,420	1,247,163	-	66,057	15,057,976
Net total receivables	\$ 16,863,700	\$ -	\$ 2,218,496	\$ 91,109	\$ 10,197,737	\$ 5,294,034	\$ 3,218,121	\$ 1,856,193	\$ 11,655,378	\$ 51,394,768

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	\$ 75,744
Uncollectibles related to wastewater charges	65,565
Uncollectibles related to solid waste charges	22,287
Uncollectibles related to drainage charges	11,918
Total uncollectibles of the current fiscal year	\$ 175,514



IV. Detail Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

	Primary Government			Balance September 30, 2023
	Balance October 1, 2022	Increases	Decreases	
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 76,875,119	\$ 20,027,659	\$ (6,619)	\$ 96,896,160
Construction in progress	60,120,973	71,859,622	(36,041,386)	95,939,209
Total capital assets not being depreciated	136,996,092	91,887,281	(36,048,005)	192,835,369
Capital assets, being depreciated:				
Buildings	93,627,631	1,064,022	(171,266)	94,520,386
Machinery and equipment	75,320,827	7,878,368	(100,686)	83,098,511
Improvements other than buildings	74,649,782	16,581,052	(5,288)	91,225,547
Infrastructure	395,605,304	19,598,580	-	415,203,882
Total capital assets being depreciated	639,203,544	45,122,022	(277,240)	684,048,326
Less accumulated depreciation:				
Buildings	40,993,311	3,346,509	(171,267)	44,168,553
Machinery and equipment	55,234,981	4,660,197	(68,823)	59,826,355
Improvements other than buildings	48,058,855	3,179,860	(5,287)	51,233,428
Infrastructure	224,328,236	7,598,819	-	231,927,055
Total accumulated depreciation	368,615,383	18,785,385	(245,377)	387,155,391
Total capital assets being depreciated, net	270,588,161	26,336,637	(31,863)	296,892,935
Lease assets:				
Buildings	1,432,395	-	-	1,432,395
Computer equipment	1,066,498	628,880	(65,834)	1,629,544
Other equipment	186,436	-	-	186,436
Total lease assets	2,685,329	628,880	(65,834)	3,248,375
Less accumulated amortization:				
Buildings	280,510	374,124	-	654,634
Computer equipment	278,076	407,401	(36,273)	649,204
Other equipment	60,247	62,145	-	122,392
Total accumulated amortization	618,833	843,670	(36,273)	1,426,230
Total lease assets, net	2,066,496	(214,790)	(29,561)	1,822,145
Subscription-based information technology arrangement assets:				
Subscription-based information technology arrangements	-	1,368,699	-	1,368,699
Less accumulated amortization:				
Subscription-based information technology arrangements	-	362,870	-	362,870

IV. Detail Notes on All Funds (continued)

C. Capital Assets

Total subscription-based information technology arrangements, net	-	1,005,829	-	1,005,829
<hr/>				
Total lease & subscription assets being amortized, net	2,066,496	791,039	(29,561)	2,827,974
<hr/>				
Total governmental activities capital assets	\$ 409,650,749	\$ 119,014,957	\$ (36,109,429)	\$ 492,556,278
<hr/>				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 18,451,306	\$ 7,006,275	\$ -	25,457,581
Construction in progress	66,016,274	40,714,146	(38,504,286)	68,226,134
Museum collections	2,652,924	5,000	-	2,657,924
Total capital assets not being depreciated	<u>87,120,504</u>	<u>47,725,421</u>	<u>(38,504,286)</u>	<u>96,341,639</u>
Capital assets, being depreciated:				
Buildings	98,737,780	271,770	(104,206)	98,905,344
Machinery and equipment	71,248,685	8,346,742	(950,225)	78,645,202
Improvements other than buildings	758,671,945	51,512,136	(2,089,035)	808,095,046
Water rights - impound fee	36,792,490	-	-	36,792,490
Total capital assets being depreciated	<u>965,450,900</u>	<u>60,130,648</u>	<u>(3,143,466)</u>	<u>1,022,438,082</u>
Less accumulated depreciation:				
Buildings	54,448,360	3,443,079	(104,207)	57,787,232
Machinery and equipment	51,397,594	5,777,260	(852,442)	56,322,412
Improvements other than buildings	306,892,534	23,742,774	(1,425,923)	329,209,385
Water rights - impound fee	16,300,698	1,047,959	-	17,348,657
Total accumulated depreciation	<u>429,039,186</u>	<u>34,011,072</u>	<u>(2,382,572)</u>	<u>460,667,686</u>
Total capital assets being depreciated, net	<u>536,411,714</u>	<u>26,119,576</u>	<u>(760,894)</u>	<u>561,770,396</u>
Lease assets:				
Computer equipment	174,395	60,364	(10,629)	224,130
Other equipment	-	-	-	-
Buildings	169,907	-	(7,993)	161,914
Vehicles	236,601	-	-	236,601
Total lease assets being amortized	<u>580,903</u>	<u>60,364</u>	<u>(18,622)</u>	<u>622,645</u>
Less accumulated amortization:				
Computer equipment	38,308	57,481	(2,492)	93,297
Other equipment	-	-	-	-
Buildings	22,366	58,658	(7,992)	73,032
Vehicles	61,219	86,090	-	147,309
Total accumulated amortization	<u>121,893</u>	<u>202,229</u>	<u>(10,484)</u>	<u>313,638</u>
Total lease assets being amortized, net	<u>459,010</u>	<u>(141,865)</u>	<u>(8,138)</u>	<u>309,007</u>
<hr/>				
Total business-type activities capital assets	<u>\$ 623,991,228</u>	<u>\$ 73,703,132</u>	<u>\$ (39,273,318)</u>	<u>\$ 658,421,042</u>



IV. Detail Notes on All Funds (continued)

C. Capital Assets (continued)

Depreciation/Amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,692,863
Public works	8,792,863
Public safety	4,614,289
Culture and recreation	4,772,194
Public health	<u>119,716</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 19,991,925</u>
Business-type activities:	
Water	\$ 12,886,541
Wastewater	11,627,960
Solid waste	3,420,574
Cameron Park Zoo	1,087,216
Airport	2,854,458
Convention services	915,099
Ranger Hall of Fame	163,625
Transit services	762,549
Cottonwood Creek Golf Course	204,611
Drainage	<u>290,668</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 34,213,301</u>

Construction commitments

The City has active construction projects as of September 30, 2023. At year-end the City’s commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street projects	\$ 51,681,138	\$ 23,603,917
Water projects	30,772,327	12,605,015
Wastewater projects	12,437,775	28,202,440
Solid waste	5,313,513	3,799,149
Other projects	<u>63,960,590</u>	<u>57,356,104</u>
 Total	 <u>\$ 164,165,343</u>	 <u>\$ 125,566,625</u>

IV. Detail Notes on All Funds (continued)

C. Capital Assets (continued)

Annually, the city calculates its net investment in capital 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	Cameron Park Zoo Fund	Non-Major Enterprise Funds	Governmental Activities Internal Service Funds
Capital assets, net of accumulated depreciation/ amortization	\$ 492,556,278	\$ 658,421,042	\$ 309,819,545	\$ 236,300,356	\$ 25,199,052	\$ 14,630,342	\$ 72,471,747	\$ 2,645,759
Less: Bonds Payable	(270,645,000)	(480,815,000)	(228,465,000)	(208,195,000)	(30,855,000)		(13,300,000)	-
Plus: Unspent bond proceeds	126,470,357	232,646,871	85,185,932	113,039,542	21,988,510	-	12,432,887	-
Plus: Deferred losses on refundings of debt	447,589	1,397,950	1,153,612	244,338	-	-	-	-
Less: Deferred gain on refundings of debt	-	(7,423)	-	-	(7,423)	-	-	-
Less: Lease Liabilities	(1,669,122)	(282,791)	(44,124)	(14,534)	(22,976)	(744)	(200,413)	(647,612)
Less: Subscriptions Liabilities	(944,760)	-	-	-	-	-	-	(360,118)
Less: Refundable Contracts	(80,007)	(1,185,350)	(992,808)	(192,542)	-	-	-	-
Less: Notes Payable	(14,313,701)	(1,122,766)	(1,122,766)	-	-	-	-	-
Less: Unamortized Premium/ Discount	(13,068,891)	(19,810,483)	(10,662,959)	(7,328,205)	(425,145)	-	(1,394,174)	-
Less: Capital Financing Agreement (Fire Trucks)	(3,550,183)	-	-	-	-	-	-	-
Net Investment in Capital Assets	\$ 315,202,560	\$ 389,242,050	\$ 154,871,432	\$ 133,853,955	\$ 15,877,018	\$ 14,629,598	\$ 70,010,047	\$ 1,638,029

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2023 is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 1,147,315
General	Nonmajor business-type	3,692,356
Grants	Tax Increment Fund No. 1	154,932
Nonmajor business-type	General	701,728
Internal service	General	351,917
Nonmajor governmental	Nonmajor governmental	3,614,580
		<u>\$ 9,662,828</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

IV. Detail Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers (continued)

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

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	Tax Increment Fund No. 1	Water	Wastewater	Cameron Park Zoo	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total
Transfers out:											
General	\$ -	\$ 3,524,482	\$ 415,475	\$ -	\$ -	\$ -	\$ 3,446,770	\$ 18,409,881	\$ 1,600,000	\$ -	\$ 27,396,608
Street Improvement	-	-	16,301	-	-	-	-	-	-	-	16,301
Grants	-	-	824	-	-	-	-	-	-	4,740	5,564
Tax Increment Fund No. 1								2,630,428			2,630,428
Water	4,106,963	-	-	-	-	-	-	-	-	-	4,106,963
Wastewater	1,275,286	-	-	-	-	-	-	-	-	-	1,275,286
Solid waste	522,967	-	-	-	7	3	-	-	-	-	522,977
Nonmajor governmental	50,000	-	-	-	-	-	12,301,837	1,564,911	-	-	13,916,748
Nonmajor enterprise	-	-	-	-	-	-	-	-	150,000	736	150,736
Internal service	-	-	-	-	-	-	-	-	-	377	377
Total transfers	<u>\$ 5,955,216</u>	<u>\$ 3,524,482</u>	<u>\$ 432,600</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 3</u>	<u>\$ 15,748,607</u>	<u>\$ 22,605,220</u>	<u>\$ 1,750,000</u>	<u>\$ 5,853</u>	<u>\$ 50,021,988</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.

In the year ended September 30, 2023, 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	\$ 4,106,963
Wastewater	1,275,286
Solid waste	<u>522,967</u>
Total payments in lieu of taxes	<u>\$ 5,905,216</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.

Future principal and interest payments required to be made through maturity for all lease liabilities as of September 30, 2023 are as follows:

Year ended September 30			
Governmental activities:	Principal	Interest	Total
2024	\$ 789,877	\$ 25,461	\$ 815,338
2025	491,193	15,089	506,282
2026	254,425	6,886	261,311
2027	67,616	568	68,184
2028	66,012	80	66,092
Total governmental activities	<u>\$ 1,669,123</u>	<u>\$ 48,084</u>	<u>\$ 1,717,207</u>
Business-type activities:	Principal	Interest	Total
2024	\$ 192,800	\$ 5,376	\$ 198,176
2025	75,059	1,507	76,566
2026	14,932	471	15,403
Total business-type activities	<u>\$ 282,791</u>	<u>\$ 7,354</u>	<u>\$ 290,145</u>
Primary government:	Principal	Interest	Total
2024	\$ 982,677	\$ 30,837	\$ 1,013,514
2025	566,252	16,596	582,848
2026	269,357	7,357	276,714
2027	67,616	568	68,184
2028	66,012	80	66,092
Total primary government	<u>\$ 1,951,914</u>	<u>\$ 55,438</u>	<u>\$ 2,007,352</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 \$611,780.

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

Year ended September 30	Principal	Interest	Total
Governmental activities:			
2024	\$ 31,989	\$ 20,613	\$ 52,602
2025	25,164	20,038	45,202
2026	22,541	19,661	42,202
2027	20,423	19,297	39,720
2028	22,232	18,937	41,169
2029-2033	119,633	88,553	208,186
2034-2038	142,575	77,144	219,719
2039-2043	153,995	63,443	217,438
2044-2048	53,645	54,655	108,300
2049-2053	58,888	49,412	108,300
2054-2058	62,983	43,657	106,640
2059-2063	62,180	37,820	100,000
2064-2068	68,256	31,744	100,000
2069-2073	74,927	25,073	100,000
2074-2078	82,249	17,751	100,000
2079-2083	90,287	9,713	100,000
2084-2087	48,354	1,646	50,000
Total governmental activities	\$ 1,140,321	\$ 599,157	\$ 1,739,478

Reconciliation to Statement of Net Position

Total Principal	Accrued Interest Receivable	Total Receivable per Statement of Net Position
\$ 1,140,321	\$ 16,710	\$ 1,157,031

Year ended September 30	Principal	Interest	Total
Business-type activities			
2024	\$ 440,139	\$ 52,427	\$ 492,566
2025	355,276	48,987	404,263
2026	301,181	45,804	346,985
2027	243,509	42,749	286,258
2028	200,753	40,150	240,903
2029-2033	829,527	171,270	1,000,797
2034-2038	776,422	121,448	897,870
2039-2043	520,753	60,632	581,385
2044-2048	346,060	26,813	372,873
2049-2053	112,569	2,134	114,703
Total business-type activities	\$ 4,126,189	\$ 612,414	\$ 4,738,603

IV. Detail Notes on All Funds (continued)

E. Leases

	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	\$ 26,549	\$ 1,172	\$ 27,721
Solid waste fund	6,479	20	6,499
Nonmajor funds			
Airport fund	462,739	2,386	465,125
Ranger Hall of Fame	676	3	679
Transit services fund	64,778	117	64,895
Total nonmajor funds	528,193	2,506	530,699
Total current portion - proprietary funds	561,221	3,698	564,919
Noncurrent portion - proprietary funds			
Water fund	725,753	0	725,753
Solid waste fund	0	0	0
Nonmajor funds			
Airport fund	2,677,777	0	2,677,777
Ranger Hall of Fame	3,191	0	3,191
Transit services fund	158,247	0	158,247
Total nonmajor funds	2,839,215	0	2,839,215
Total noncurrent portion - proprietary funds	3,564,968	0	3,564,968
Total business-type activities	\$ 4,126,189	\$ 3,698	\$ 4,129,887



IV. Detail Notes on All Funds (continued)

E. Leases

Year ended September 30

Total primary government:

	Principal	Interest	Total
2024	\$ 472,128	\$ 73,040	\$ 545,168
2025	380,440	69,025	449,465
2026	323,722	65,465	389,187
2027	263,932	62,046	325,978
2028	222,985	59,087	282,072
2028-2032	949,160	259,823	1,208,983
2033-2037	918,997	198,592	1,117,589
2038-2042	674,748	124,075	798,823
2043-2047	399,705	81,468	481,173
2048-2052	171,457	51,546	223,003
2053-2057	62,983	43,657	106,640
2058-2062	62,180	37,820	100,000
2063-2067	68,256	31,744	100,000
2068-2072	74,927	25,073	100,000
2073-2077	82,249	17,751	100,000
2078-2082	90,287	9,713	100,000
2083-2087	48,354	1,646	50,000
	<u>\$ 5,266,510</u>	<u>\$ 1,211,571</u>	<u>\$ 6,478,081</u>

Total primary government

Reconciliation to Statement of Net Position

	Total Principal	Accrued Interest Receivable	Total Receivable per Statement of Net Position
Governmental activities	\$ 1,140,321	\$ 16,710	\$ 1,157,031
Business-type activities			
Water fund	752,302	1,172	753,474
Solid waste fund	6,479	20	6,499
Nonmajor funds			
Airport fund	3,140,516	2,386	3,142,902
Ranger Hall of Fame	3,867	3	3,870
Transit services fund	223,025	117	223,142
	<u>4,126,189</u>	<u>3,698</u>	<u>4,129,887</u>
Total business-type activities			
Total primary government	<u>\$ 5,266,510</u>	<u>\$ 20,408</u>	<u>\$ 5,286,918</u>

IV. Detail Notes on All Funds (continued)

E. Leases

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	5,135
Total payments	<u>\$ 28,591</u>

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

Year ended September 30

Regulated leases	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	22,888	568	23,456
2025	23,072	384	23,456
2026	23,376	197	23,573
2027	<u>11,817</u>	<u>28</u>	<u>11,845</u>
Total regulated leases	<u>\$ 81,153</u>	<u>\$ 1,177</u>	<u>\$ 82,330</u>



IV. Detail Notes on All Funds (continued)

F. SBITA

Subscription-based Information Technology Arrangements

The City has entered into subscription-based information technology arrangements (SBITAs) for the right to use software. The related SBITA assets and SBITA liabilities are presented as amounts equal to the present value of payments that are payable during the remaining term. The SBITA asset is amortized on a straight-line basis over the term of the SBITA. The SBITA terms range from 1-5 years.

The total of the City’s subscription assets are recorded at a cost of \$1,368,699, less accumulated amortization of \$362,870.

The future subscription payments under SBITA agreements are as follows :

Year ended September 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities			
2024	\$355,499	\$28,949	\$384,448
2025	288,543	17,407	305,950
2026	177,167	9,050	186,217
2027	<u>123,551</u>	<u>4,084</u>	<u>127,635</u>
Total	<u>\$944,760</u>	<u>\$59,490</u>	<u>\$1,004,250</u>

IV. Detail Notes on All Funds (continued)

G. 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	\$ 625,000	\$ 4,375,000
 Total	 <u>\$ 5,000,000</u>	 <u>\$ 625,000</u>	 <u>\$ 4,375,000</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>
2024	\$ 487,003	\$ 47,910
2025	493,575	41,338
2026	500,236	34,677
2027	506,987	27,926
2028	513,829	21,084
2029-2030	1,048,553	21,273
Total	<u>\$ 3,550,183</u>	<u>\$ 194,208</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% - 6.00%	\$ 242,200,000
Governmental activities - refunding	2.00% - 5.00%	28,445,000
Business-type activities	1.50% - 6.00%	389,535,000
Business-type activities - refunding	2.00% - 5.00%	91,280,000
		<u>\$ 751,460,000</u>

IV. Detail Notes on All Funds (continued)

G. 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
2024	\$ 10,375,000	\$ 12,318,973	\$ 26,830,000	\$ 19,152,349
2025	10,705,000	10,205,441	27,240,000	16,410,318
2026	11,005,000	9,687,204	26,365,000	15,168,896
2027	11,335,000	9,175,154	27,315,000	13,994,738
2028	10,890,000	8,670,904	28,310,000	12,822,276
2029-2033	63,505,000	35,502,694	145,645,000	47,568,915
2034-2038	64,525,000	23,273,344	126,820,000	23,055,976
2039-2043	49,935,000	12,352,175	53,085,000	8,186,010
2044-2048	19,320,000	6,182,906	9,135,000	3,184,500
2049-2053	19,050,000	1,887,611	10,070,000	1,002,219
Total	<u>\$ 270,645,000</u>	<u>\$ 129,256,406</u>	<u>\$ 480,815,000</u>	<u>\$ 160,546,197</u>

IV. Detail Notes on All Funds (continued)

G. Long-term Debt (continued)

Notes payable

The City entered agreements with Baylor University during 2022 to purchase land for \$15,221,017. The transaction was closed during 2023. The agreement provided that the City would pay \$300,000 cash at closing, and make 5 annual payments of \$2,984,203, with no interest accruing on the unpaid principal balance. Interest is imputed at 1.40% over the term of the agreement.

Year Ending September 30,	Note Payable	
	Principal	Interest
2024	\$ 2,783,626	\$ 200,578
2025	2,822,632	161,571
2026	2,862,186	122,017
2027	2,902,294	81,910
2028	2,942,964	41,240
Total	<u>\$ 14,313,702</u>	<u>\$ 607,316</u>

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
2024	\$ 31,325	\$ 48,257
2025	32,716	46,866
2026	34,169	45,413
2027	35,687	43,895
2028	37,272	42,310
2029-2033	212,708	185,202
2034-2038	264,327	133,582
2039-2043	328,474	69,435
2044-2047	146,088	6,444
Total	<u>\$ 1,122,766</u>	<u>\$ 621,404</u>



IV. Detail Notes on All Funds (continued)

G. 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, 2023.

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 \$0.760000 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 \$1,265,357 have been recorded as a liability in the accompanying statement of net position.

IV. Detail Notes on All Funds (continued)

G. Long-term Debt (continued)

Changes in long-term liabilities

Long-term liability activity (shown in thousands of dollars) for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 181,715	\$ 98,990	\$ 10,060	\$ 270,645	\$ 10,375
Plus: premium on bonds	13,142	2,177	2,250	13,069	-
Total bonds payable	<u>194,857</u>	<u>101,167</u>	<u>12,310</u>	<u>283,714</u>	<u>10,375</u>
Other long-term liabilities:					
Capital financing agreement	4,031	-	481	3,550	487
Contracts payable	830	-	-	830	-
Notes payable	-	14,314	-	14,314	2,784
Refundable contracts	80	-	-	80	-
Estimated claims and judgments	3,503	21,716	21,176	4,043	4,043
Lease liabilities	1,985	635	951	1,669	790
Subscription liabilities	-	1,337	392	945	355
Compensated absences	20,806	16,228	14,190	22,844	15,284
Net pension liability	9,588	86,247	20,376	75,459	-
OPEB liability	2,356	75	838	1,593	-
Total other long-term liabilities	<u>43,179</u>	<u>140,552</u>	<u>58,404</u>	<u>125,327</u>	<u>23,743</u>
Governmental activity long-term liabilities	<u>\$ 238,036</u>	<u>\$ 241,719</u>	<u>\$ 70,714</u>	<u>\$ 409,041</u>	<u>\$ 34,118</u>

IV. Detail Notes on All Funds (continued)

G. Long-term Debt (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 415,370	\$ 89,750	\$ 24,305	\$ 480,815	\$ 26,830
Plus: premium on bonds	20,298	3,826	4,314	19,810	-
Total bonds payable	<u>435,668</u>	<u>93,576</u>	<u>28,619</u>	<u>500,625</u>	<u>26,830</u>
Other long-term liabilities:					
Refundable contracts	1,192	-	7	1,185	-
Estimated claims and judgments	3,045	2,976	-	6,021	6,021
Estimated landfill closure	7,072	733	-	7,805	-
Note payable	1,219	-	96	1,123	31
Lease liabilities	440	60	217	283	193
Compensated absences	4,358	3,086	2,686	4,758	2,741
Net pension liability	1,560	14,041	3,317	12,284	-
Total other long-term liabilities	<u>18,886</u>	<u>20,896</u>	<u>6,323</u>	<u>33,459</u>	<u>8,986</u>
Business-type activity long-term liabilities	<u>\$ 454,554</u>	<u>\$ 114,472</u>	<u>\$ 34,942</u>	<u>\$ 534,084</u>	<u>\$ 35,816</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, \$916,280, \$4,042,728, \$647,612, \$360,118 of internal service funds' compensated absences, estimated claims and judgments, leases, and subscriptions 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.

H. Restricted Assets

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

Customer deposits	\$ 3,682,522
Bond construction account	228,226,707
Capital grants and contributions	<u>737,642</u>
Total restricted assets	<u>\$ 232,646,871</u>

IV. Detail Notes on All Funds (continued)

I. 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 \$9,700,000 at September 30, 2023.

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, \$591,971,000 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. Additionally, the City purchases \$1,000,000 of 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 2023, 2022, or 2021. 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):

	2023	2022
Unpaid claims, beginning of fiscal year	\$ 6,548	\$ 3,253
Incurred claims (including IBNRs)	24,692	21,556
Claim payments	(21,176)	(18,261)
Unpaid claims, end of fiscal year	<u>\$ 10,064</u>	<u>\$ 6,548</u>



IV. Detail Notes on All Funds (continued)

J. 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.

K. 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, will be provided by tax increment revenue, is expected to be provided as follows:

Year	Amount
2024	\$ 6,740,000
2025	6,740,000
2026	6,740,000
2027	6,740,000
2028	6,740,000
Total	<u>\$ 33,700,000</u>

IV. Detail Notes on All Funds (continued)

L. 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 and was rolled forward to December 31, 2022.

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 and rolled forward to December 31, 2022
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	4.05% as of December 31, 2022
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:

2022	4.05%
2021	1.84%
2020	2.00%
2019	2.75%
2018	3.71%
2017	3.31%



IV. Detail Notes on All Funds (continued)

L. *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 12/31/2021	<u>\$ 2,356,046</u>
Changes for the year:	
Service cost	32,122
Interest	43,143
Difference between expected and actual experience of the total OPEB liability	(1,965)
Changes in assumptions or other inputs	(782,005)
Benefit payments	<u>(54,787)</u>
Net changes	<u>(763,492)</u>
Balance at 12/31/2022	<u>\$ 1,592,554</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 4.05%, 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 (3.05%) or 1-percentage-point higher (5.05%) than the current discount rate:

	1% Decrease (3.05%)	Discount Rate (4.05%)	1% Increase (5.05%)
Total OPEB liability	<u>\$ 1,889,926</u>	<u>\$ 1,592,554</u>	<u>\$ 1,361,796</u>

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$80,555. At September 30, 2023, 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	\$ 49,172	\$ 1,881
Changes in assumptions or other inputs	302,072	674,727
Contributions subsequent to the measurement date	44,713	-
Totals	<u>\$ 395,957</u>	<u>\$ 676,608</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$44,713 will be recognized as a reduction of the OPEB liability for the year ended September 30, 2024.

IV. Detail Notes on All Funds (continued)

L. *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,	
2024	\$ (12,221)
2025	(2,563)
2026	(62,666)
2027	(112,509)
2028	(128,813)
Thereafter	(6,592)
	\$ (325,364)

M. *Defined Benefit Pension Plan*

Plan Description

The City participates as one of 919 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 TMRS Act, Subtitle G, Title 8, Texas Government Code (the 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 is not fiscally dependent on 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. 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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	1,205
Inactive employees entitled to but not yet receiving benefits	767
Active employees	1,530
	3,502

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 100%, 150% or 200%, 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)

M. Defined Benefit Pension Plan (continued)

Employees for the City of Waco were required to contribute 7.0% of their annual compensation during the fiscal year. The contribution rates for the City of Waco were 14.34% and 13.67% in calendar years 2022 and 2023, respectively. The City’s contributions to TMRS for the year ended September 30, 2023 were \$17,399,086 and were in excess of the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2022 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, 2022 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 2023 are summarized in the following table:

IV. Detail Notes on All Funds (continued)

M. Defined Benefit Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
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, 2021	\$ 571,550,660	\$ 560,401,689	\$ 11,148,971
Changes for the year:			
Service cost	15,578,411	-	15,578,411
Interest	38,004,152	-	38,004,152
Difference between expected and actual experience	5,491,169	-	5,491,169
Contributions - employer	-	15,866,907	(15,866,907)
Contributions - employee	-	7,404,082	(7,404,082)
Net investment income	-	(40,859,607)	40,859,607
Benefit payments, including refunds of employee contributions	(32,630,782)	(32,630,782)	-
Administrative expense	-	(353,988)	353,988
Other changes	-	422,413	(422,413)
Net changes	26,442,950	(50,150,975)	76,593,925
Balance at December 31, 2022	\$ 597,993,610	\$ 510,250,714	\$ 87,742,896



IV. Detail Notes on All Funds (continued)

M. 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 (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
City’s net pension liability (asset)	\$ 161,475,436	\$ 87,742,896	\$ 26,118,615

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, 2023, the City recognized pension expense of \$21,085,308.

At September 30, 2023, 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	\$ 4,590,210	\$ -
Changes in actuarial assumptions	21,085	-
Net difference between projected and actual earnings on pension plan investments	35,007,280	-
Contributions subsequent to the measurement date	13,270,700	-
Total	<u>\$ 52,889,275</u>	<u>\$ -</u>

\$13,270,700 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, 2024. 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:	
2023	\$ 3,066,824
2024	10,210,518
2025	10,603,892
2026	15,737,341
2027	-
Thereafter	-
	<u>\$ 39,618,575</u>

IV. Detail Notes on All Funds (continued)

N. 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 4.63 percent interest rate assumption (the prevailing 20-year municipal bond rate as of the measurement date) is \$67,743 at September 30, 2023.

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:

2023	\$	18,444
2022		18,444
2021		18,444

O. 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 2023, the City contributed \$20,000 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.

P. 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 \$7,805,256 as of September 30, 2023, which is based on 96.88% usage (filled) of the landfill. It is estimated that an additional \$251,206 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 \$8,056,462 is based on the amount that would be paid if

IV. Detail Notes on All Funds (continued)

P. 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, 2023. However, the actual cost of closure and postclosure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

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	\$ 48,517,064
Commercial -personal property	21,131,271
Residential	3,585,142
	\$ 73,233,477

Sales Tax and Hotel Occupancy 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 and hotel occupancy taxes generated by agreed upon development projects. These agreements have been entered for periods ranging from 5 to 15 years, and for various percentages of City sales taxes and hotel occupancy taxes generated. As of September 30, 2023, the City has accrued \$433,072 for estimated rebates payable under these agreements.

IV. Detail Notes on All Funds (continued)

S. Adoption of Accounting Pronouncement

Effective October 1, 2022, the City adopted the provisions of the following accounting standards:

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.

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).

GASB Statement No. 96, *Subscription-Based Information technology arrangements (SBITAs)* (issued June 2017) - the objective of this statement is to increase the usefulness of governments’ financial statements by requiring reporting of certain SBITA liabilities that are currently not reported. It will enhance comparability of financial statements among governments that have entered into SBITAs. The statement requires notes to financial statements related to the timing, significance, and purpose of a government’s SBITAs. The effect of this statement as of September 30, 2023 are that the City now reports Subscription assets, net of accumulated amortization of \$1,005,829, and Subscription liabilities of \$944,760. These changes effectively increased the net position of the City by \$61,069 for the year ended September 30, 2023.

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.

T. Changes in Reporting Units

Changes in reporting units consisted of the following:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
	Funds			
	Tax Increment Fund No.1	Nonmajor Governmental Funds	Cameron Park Zoo Fund	Nonmajor Enterprise Funds
09/30/22, as previously reported	\$ -	\$ 110,276,111	\$ -	\$ 93,253,273
Change within reporting entity (from nonmajor to major funds)	43,595,798	(43,595,798)	9,730,996	(9,730,996)
09/30/22, as restated	\$ 43,595,798	\$ 66,680,313	\$ 9,730,996	\$ 83,522,277

**IV. Detail Notes on All Funds (continued)*****U. Subsequent Events***

On December 14, 2023 the Baylor Waco Stadium Authority passed a resolution to dissolve. The resolution went into effect December 31, 2023. The Stadium Authority is a discretely presented component unit for the City since 2014. Baylor University assumed all of the Authority's assets and liabilities.

V. 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. 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.

GASB Statement No. 102, *Certain Risk Disclosures* (issued December 2023) - the objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. 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,			
	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 15,578,411	\$ 14,106,380	\$ 13,485,534	\$ 12,631,699
Interest (on the Total Pension Liability)	38,004,152	36,620,216	35,331,031	33,835,653
Difference between expected and actual experience	5,491,169	772,515	467,755	2,546,787
Change in assumptions	-	-	-	1,426,701
Benefit payments, including refunds of employee contributions	(32,630,782)	(30,833,961)	(30,157,451)	(27,270,560)
Net change in Total Pension Liability	26,442,950	20,665,150	19,126,869	23,170,280
Total Pension Liability - beginning	571,550,660	550,885,510	531,758,641	508,588,361
Total Pension Liability - ending (a)	\$ 597,993,610	\$ 571,550,660	\$ 550,885,510	\$ 531,758,641
Plan Fiduciary Net Position				
Contributions - employer	\$ 15,866,907	\$ 14,376,751	\$ 13,774,969	\$ 13,084,126
Contributions - employee	7,404,082	6,709,917	6,432,786	6,105,921
Net investment income	(40,859,607)	65,741,181	36,300,324	65,178,854
Benefit payments, including refunds of employee contributions	(32,630,782)	(30,833,961)	(30,157,451)	(27,270,560)
Administrative expense	(353,988)	(304,437)	(235,076)	(368,538)
Other	422,413	2,085	(9,170)	(11,069)
Net change in Plan Fiduciary Net Position	(50,150,975)	55,691,536	26,106,382	56,718,734
Plan Fiduciary Net Position - Beginning	560,401,689	504,710,153	478,603,771	421,885,037
Plan Fiduciary Net Position - ending (b)	\$ 510,250,714	\$ 560,401,689	\$ 504,710,153	\$ 478,603,771
Net Pension Liability - ending (a) - (b)	\$ 87,742,896	\$ 11,148,971	\$ 46,175,357	\$ 53,154,870
Plan Fiduciary Net Position as a percentage of				
Total Pension Liability	85.33%	98.05%	91.62%	90.00%
Covered payroll	\$ 105,759,750	\$ 95,831,384	\$ 91,738,327	\$ 87,115,165
Net Pension Liability as a percentage of covered payroll	82.96%	11.63%	50.33%	61.02%

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.

2018	2017	2016	2015	2014
\$ 12,098,625	\$ 11,780,852	\$ 11,202,475	\$ 10,455,324	\$ 9,662,721
32,475,392	31,314,896	30,078,486	29,600,291	28,296,862
2,542,969	(378,999)	280,568	(2,438,332)	1,770,413
-	-	-	7,544,258	-
(27,192,449)	(24,173,783)	(22,893,267)	(22,685,162)	(20,326,595)
19,924,537	18,542,966	18,668,262	22,476,379	19,403,401
488,663,824	470,120,858	451,452,596	428,976,217	409,572,816
<u>\$ 508,588,361</u>	<u>\$ 488,663,824</u>	<u>\$ 470,120,858</u>	<u>\$ 451,452,596</u>	<u>\$ 428,976,217</u>
\$ 12,489,042	\$ 11,357,317	\$ 9,999,248	\$ 9,928,219	\$ 10,444,097
5,828,911	5,705,023	5,401,710	5,284,986	5,371,982
(13,303,463)	54,977,759	25,606,114	569,868	21,154,751
(27,192,449)	(24,173,783)	(22,893,267)	(22,685,162)	(20,326,595)
(257,236)	(284,984)	(289,241)	(347,125)	(220,877)
(13,441)	(14,442)	(15,583)	(17,145)	(18,160)
(22,448,636)	47,566,890	17,808,981	(7,266,359)	16,405,198
444,333,673	396,766,783	378,957,802	386,224,161	369,818,963
<u>\$ 421,885,037</u>	<u>\$ 444,333,673</u>	<u>\$ 396,766,783</u>	<u>\$ 378,957,802</u>	<u>\$ 386,224,161</u>
\$ 86,703,324	\$ 44,330,151	\$ 73,354,075	\$ 72,494,794	\$ 42,752,056
82.95%	90.93%	84.40%	83.94%	90.03%
\$ 83,209,253	\$ 81,079,501	\$ 77,045,909	\$ 75,489,706	\$ 76,730,734
104.20%	54.67%	95.21%	96.03%	55.72%

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

	September 30,			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 15,867,291	\$ 14,671,341	\$ 14,212,473	\$ 12,999,559
Contributions in relation to the actuarially determined contribution	17,399,086	15,306,766	14,660,849	13,700,810
Contribution deficiency (excess)	\$ (1,531,795)	\$ (635,425)	\$ (448,376)	\$ (701,251)
Covered payroll	\$ 116,073,817	\$ 101,735,595	\$ 97,364,217	\$ 91,247,898
Contributions as a percentage of covered payroll	14.99%	15.05%	15.06%	15.01%

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	23 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.

	2019	2018	2017	2016	2015
\$	12,034,470	\$ 11,797,668	\$ 10,942,485	\$ 9,918,113	\$ 9,999,116
	12,836,559	12,249,630	10,942,485	9,918,113	9,999,116
\$	(802,089)	\$ (451,962)	\$ -	\$ -	\$ -
\$	85,461,415	\$ 82,982,040	\$ 79,821,678	\$ 76,215,914	\$ 75,315,307
	15.02%	14.76%	13.71%	13.01%	13.28%

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

	December 31,					
	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 32,122	\$ 29,183	\$ 19,735	\$ 11,927	\$ 14,881	\$ 11,106
Interest	43,143	44,710	52,625	55,780	53,178	55,396
Difference between expected and actual experience	(1,965)	26,125	(265)	94,095	(563)	-
Changes in assumptions or other inputs	(782,005)	63,449	302,958	303,781	(112,575)	137,980
Benefit payments	(54,787)	(56,632)	(59,206)	(59,493)	(53,608)	(53,860)
Net change in Total OPEB Liability	(763,492)	106,835	315,847	406,090	(98,687)	150,622
Total OPEB Liability - beginning	2,356,046	2,249,211	1,933,364	1,527,274	1,625,961	1,475,339
Total OPEB Liability - ending	\$ 1,592,554	\$ 2,356,046	\$ 2,249,211	\$ 1,933,364	\$ 1,527,274	\$ 1,625,961
Covered-employee payroll	\$105,998,966	\$ 96,929,150	\$ 91,635,627	\$ 87,115,165	\$ 83,209,248	\$ 76,362,199
Total OPEB liability as a percentage of covered-employee payroll	1.50%	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	4.05% as of December 31, 2022
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:
	2022 4.05%
	2021 1.84%
	2020 2.00%
	2019 2.75%
	2018 3.71%
	2017 3.31%

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.

See accompanying independent auditor's report.



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES







General Fund



**Comparative Balance Sheets
Governmental Funds
September 30, 2023 and 2022**

	General Fund	
	2023	2022
Assets		
Cash and investments	\$ 95,060,976	\$ 90,764,909
Accounts receivable, net of allowance	3,535,443	3,856,083
Taxes receivable, net of allowance	12,154,573	11,929,240
Leases receivable, net of allowance	1,157,031	1,069,313
Intergovernmental receivable	16,653	30,978
Inventory	1,117,009	958,731
Real estate held for resale	6,160	6,160
Due from other funds	4,839,671	2,035,392
Total assets	\$ 117,887,516	\$ 110,650,806
Liabilities		
Accounts payable	4,579,878	2,839,583
Accrued liabilities	4,577,674	6,503,686
Unearned revenue	50,039	52,539
Due to other funds	1,053,645	1,011,186
Deposits	921,609	805,079
Escrow funds	318,649	314,302
Total liabilities	11,501,494	11,526,375
Deferred inflow of resources		
Unavailable revenue - property taxes	2,184,905	2,003,413
Unavailable revenue - court fines	160,101	260,169
Unavailable revenue - leases	1,133,566	1,061,426
Total deferred inflows of resources	3,478,572	3,325,008
Total liabilities and deferred inflows of resources	14,980,066	14,851,383
Fund balance (deficit)		
Nonspendable:		
Inventory	1,117,009	958,731
Real estate held for resale	6,160	6,160
Restricted for:		
Communications and marketing	1,912,417	1,805,112
Committed to:		
Economic development	17,793,635	14,520,304
Assigned to:		
Culture and recreation	217,980	68,132
Economic development	11,233,433	6,493,032
Housing and community development	284,163	-
Other	1,685,142	4,116,731
Public safety	1,892,908	1,618,899
Public works	443,104	951,973
Subsequent year's budget appropriation of fund balances	7,340,656	2,121,810
Unassigned	58,980,843	63,138,539
Total fund balance (deficit)	102,907,450	95,799,423
Total liabilities, deferred inflows of resources, and fund balance	\$ 117,887,516	\$ 110,650,806

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Years Ended September 30, 2023 and 2022**

	General Fund	
	2023	2022
Revenues:		
Taxes	\$ 133,086,560	\$ 127,234,394
Business and occupation fees	16,429,419	16,424,001
Permits, licenses and fees	3,162,803	2,906,271
Fines	1,404,021	1,450,081
Charges for services	2,863,857	2,542,795
Investment earnings	7,567,725	(2,536,875)
Contributions	707,260	701,928
Intergovernmental	2,762,665	2,380,721
Other	17,068,290	16,208,786
Total revenues	185,052,600	167,312,102
Expenditures:		
Current:		
General government	34,595,539	38,122,080
Public works	8,984,832	7,354,611
Public safety	93,092,116	85,029,296
Culture and recreation	20,049,051	16,429,108
Housing and community development	739,684	1,994,111
Total expenditures	157,461,222	148,929,206
Excess of revenues over expenditures	27,591,378	18,382,896
Other financing sources (uses):		
Financing of leases	189,225	2,307,239
Financing of Subscriptions	768,816	-
Transfers in	5,955,216	9,155,185
Transfers out	(27,396,608)	(26,851,876)
Total other financing sources(uses)	(20,483,351)	(15,389,452)
Net change in fund balance	7,108,027	2,993,444
Fund balance, beginning of year	95,799,423	92,805,979
Fund balance, end of year	\$ 102,907,450	\$ 95,799,423

See accompanying independent auditor's report.





Street Improvement Fund



**Comparative Balance Sheets
Governmental Funds
September 30, 2023 and 2022**

	<u>Street Improvement Fund</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Cash and investments	\$ 75,110,573	\$ 73,810,328
Total assets	<u>\$ 75,110,573</u>	<u>\$ 73,810,328</u>
Liabilities		
Accounts payable	4,424,668	3,010,746
Accrued liabilities	16,115	998,818
Total liabilities	<u>4,440,783</u>	<u>4,009,564</u>
Deferred inflow of resources		
Total deferred inflows of resources	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>4,440,783</u>	<u>4,009,564</u>
Fund balance (deficit)		
Nonspendable:		
Restricted for:		
Capital projects	64,645,493	60,898,483
Committed to:		
Capital projects	<u>6,024,297</u>	<u>8,902,281</u>
Total fund balance (deficit)	<u>70,669,790</u>	<u>69,800,764</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 75,110,573</u>	<u>\$ 73,810,328</u>

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Years Ended September 30, 2023 and 2022**

	<u>Street Improvement Fund</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Other	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>
Expenditures:		
Current:		
Capital outlay	28,374,155	26,005,295
Total expenditures	<u>28,374,155</u>	<u>26,005,295</u>
Excess of revenues over expenditures	<u>(28,374,155)</u>	<u>(26,005,295)</u>
Other financing sources (uses):		
General obligation bonds issued	25,000,454	34,501,884
Premiums on general obligation bonds	734,546	5,890,598
Transfers in	3,524,482	8,050,000
Transfers out	(16,301)	-
Total other financing sources(uses)	<u>29,243,181</u>	<u>48,442,482</u>
Net change in fund balance	869,026	22,437,187
Fund balance, beginning of year	<u>69,800,764</u>	<u>47,363,577</u>
Fund balance, end of year	<u>\$ 70,669,790</u>	<u>\$ 69,800,764</u>

See accompanying independent auditor's report.





Grants Fund



Sub-Combining Comparative Balance Sheets
Grants Fund
September 30, 2023
(With Comparative Totals for September 30, 2022)

	HUD Home Program	HUD Community Development Block Grant	HUD Lead Hazard
Assets			
Cash and investments	\$ 87,785	\$ 499,739	\$ -
Accounts receivable, net of allowances	-	200,209	-
Due from other funds	-	-	-
Notes receivable	74,765	57,128	-
Intergovernmental receivable	51,094	328,262	16,986
Real estate held for resale	-	60,097	-
Total assets	\$ 213,644	\$ 1,145,435	\$ 16,986
Liabilities			
Accounts payable	49,504	63,546	5,000
Accrued liabilities	670	5,302	2,248
Unearned revenue	-	-	-
Due to other funds	-	-	9,738
Escrow funds	-	-	-
Total liabilities	50,174	68,848	16,986
Fund balances (deficits)			
Restricted for:			
Culture and recreation	-	-	-
Housing and community development	163,470	317,434	-
Public works	-	-	-
Public safety	-	759,153	-
Tax increment zone activities	-	-	-
Waco Public Improvement District	-	-	-
Committed to:			
Public health	-	-	-
Assigned:			
	-	-	-
Total fund balances (deficits)	163,470	1,076,587	-
Total liabilities and fund balances	\$ 213,644	\$ 1,145,435	\$ 16,986

See accompanying independent auditor's report.

Fire LEOSE	Justice Assistance Grant 2022	Police LEOSE	HUD EDI Grant	Grande Clear Source Cable Ordinance	COVID American Rescue Plan	HUD Continuum of Care
\$ 2,043	\$ -	\$ 26,714	\$ 8,753	\$ 85,374	\$ 24,168,251	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	43,869
-	-	-	-	-	-	-
<u>\$ 2,043</u>	<u>\$ -</u>	<u>\$ 26,714</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ 24,168,251</u>	<u>\$ 43,869</u>
-	-	-	-	-	227,810	17,193
-	-	-	-	-	3,864	-
-	-	-	-	-	23,936,577	-
-	-	-	-	-	-	26,676
-	-	-	-	-	-	-
-	-	-	-	-	24,168,251	43,869
-	-	-	-	85,374	-	-
-	-	-	8,753	-	-	-
-	-	-	-	-	-	-
2,043	-	26,714	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,043</u>	<u>-</u>	<u>26,714</u>	<u>8,753</u>	<u>85,374</u>	<u>-</u>	<u>-</u>
<u>\$ 2,043</u>	<u>\$ -</u>	<u>\$ 26,714</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ 24,168,251</u>	<u>\$ 43,869</u>

(continued)

See accompanying independent auditor's report.

**Sub-Combining Comparative Balance Sheets
Grants Fund
September 30, 2023
(With Comparative Totals for September 30, 2022)**

	Hazmat Program	TWC Childcare Services	Opiod Settlement Fund	HUD HMIS Grant 19	HUD HMIS Grant 20
Assets					
Cash and investments	\$ 51,649	\$ 232,134	\$ 160,730	\$ -	\$ -
Accounts receivable, net of allowances	-	-	-	-	-
Due from other funds	-	-	-	-	-
Notes receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	10,587	-
Real estate held for resale	-	-	-	-	-
Total assets	\$ 51,649	\$ 232,134	\$ 160,730	\$ 10,587	\$ -
Liabilities					
Accounts payable	-	38,463	-	5,374	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	193,671	160,730	-	-
Due to other funds	-	-	-	5,213	-
Escrow funds	-	-	-	-	-
Total liabilities	-	232,134	160,730	10,587	-
Fund balances (deficits)					
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)	51,649	-	-	-	-
Total liabilities and fund balances	\$ 51,649	\$ 232,134	\$ 160,730	\$ 10,587	\$ -

See accompanying independent auditor's report.

SHSP 2022	STEP Compre- hensive	TXDOT MPO FHWA	CJD Family Violence 2021-2022	CJD Family Violence 2022-2023	Brownfields	Tx Anti-Gang Grant 2021-2022	Tx Anti-Gang Grant 2022-2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	20,888	382,923	8,897	-	-	43,657	188,159
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 20,888</u>	<u>\$ 382,923</u>	<u>\$ 8,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,657</u>	<u>\$ 188,159</u>
-	-	107	-	-	-	27,783	-
-	-	9,566	5,645	-	-	13,991	-
-	-	-	-	-	-	-	-
-	20,888	273,985	3,252	-	-	1,883	188,159
-	-	-	-	-	-	-	-
-	20,888	283,658	8,897	-	-	43,657	188,159
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	99,265	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	99,265	-	-	-	-	-
<u>\$ -</u>	<u>\$ 20,888</u>	<u>\$ 382,923</u>	<u>\$ 8,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,657</u>	<u>\$ 188,159</u>

(continued)

See accompanying independent auditor's report.

Sub-Combining Comparative Balance Sheets
Grants Fund
September 30, 2023
(With Comparative Totals for September 30, 2022)

	Library Memorial Fund	Shapley P Ross Memorial Fund	TXDOT TASA Gurley Lane	TXDOT TASA Elm
Assets				
Cash and investments	\$ 40,698	\$ -	\$ -	\$ -
Accounts receivable, net of allowances	-	-	-	-
Due from other funds	-	-	-	154,932
Notes receivable	-	-	-	-
Intergovernmental receivable	-	-	-	620,196
Real estate held for resale	-	-	-	-
Total assets	\$ 40,698	\$ -	\$ -	\$ 775,128
Liabilities				
Accounts payable	-	-	-	151,504
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	468,692
Escrow funds	-	-	-	-
Total liabilities	-	-	-	620,196
Fund balances (deficits)				
Restricted for:				
Culture and recreation	40,698	-	-	-
Housing and community development	-	-	-	-
Public works	-	-	-	154,932
Public safety	-	-	-	-
Tax increment zone activities	-	-	-	-
Waco Public Improvement District	-	-	-	-
Committed to:				
Public health	-	-	-	-
Assigned:				
Total fund balances (deficits)	40,698	-	-	154,932
Total liabilities and fund balances	\$ 40,698	\$ -	\$ -	\$ 775,128

See accompanying independent auditor's report.

TXDOT JH Hines	COPS Hiring	MPO Safe Streets for All	Total 2023	Total 2022
\$ -	\$ -	\$ -	\$ 25,363,870	\$ 32,813,406
-	-	-	200,209	160,309
-	-	-	154,932	606,599
-	-	-	131,893	297,536
-	168,373	2,503	1,886,394	1,596,614
-	-	-	60,097	60,097
<u>\$ -</u>	<u>\$ 168,373</u>	<u>\$ 2,503</u>	<u>\$ 27,797,395</u>	<u>\$ 35,534,561</u>
-	-	-	586,284	789,639
-	21,292	755	63,333	43,664
-	-	-	24,290,978	32,135,714
-	147,081	1,748	1,147,315	852,594
-	-	-	-	-
<u>-</u>	<u>168,373</u>	<u>2,503</u>	<u>26,087,910</u>	<u>33,821,611</u>
-	-	-	126,072	125,339
-	-	-	489,657	380,219
-	-	-	254,197	463,657
-	-	-	839,559	743,735
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,709,485</u>	<u>1,712,950</u>
<u>\$ -</u>	<u>\$ 168,373</u>	<u>\$ 2,503</u>	<u>\$ 27,797,395</u>	<u>\$ 35,534,561</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, 2023 (With Comparative Totals for the Year Ended September 30, 2022)

	HUD			
	HUD Home Program	Community Development Block Grant	HUD Lead Hazard	Fire LEOSE
Revenues:				
Investment earnings	\$ -	\$ 29,302	\$ -	\$ -
Intergovernmental	346,741	1,687,609	182,559	-
Program income	7,067	43,292	5,434	-
Other	-	204,782	-	-
Total revenues	<u>353,808</u>	<u>1,964,985</u>	<u>187,993</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	145,298	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	224,992	1,750,279	187,993	-
Total expenditures	<u>224,992</u>	<u>1,895,577</u>	<u>187,993</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,816</u>	<u>69,408</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>
Net change in fund balances	128,816	69,408	-	-
Fund balances, beginning of year - previously stated	34,654	1,007,179	-	2,043
Changes within reporting entity	-	-	-	-
Fund balances, beginning of year - adjusted	34,654	1,007,179	-	2,043
Fund balances, end of year	<u>\$ 163,470</u>	<u>\$ 1,076,587</u>	<u>\$ -</u>	<u>\$ 2,043</u>

See accompanying independent auditor's report.

Justice Assistance Grant 2022	Police LEOSE	HUD EDI Grant	Grande Clear Source Cable Ordinance	COVID American Rescue Plan	HUD Continuum of Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40,444	11,778	-	-	7,955,793	49,453
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,444</u>	<u>11,778</u>	<u>-</u>	<u>-</u>	<u>7,955,793</u>	<u>49,453</u>
-	-	-	-	-	-
40,444	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	7,955,793	49,453
<u>40,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,955,793</u>	<u>49,453</u>
-	11,778	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,778	-	-	-	-
-	14,936	8,753	85,374	-	-
-	-	-	-	-	-
-	14,936	8,753	85,374	-	-
<u>\$ -</u>	<u>\$ 26,714</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ -</u>	<u>\$ -</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, 2023
(With Comparative Totals for the Year Ended September 30, 2022)**

	Hazmat Program	TWC Childcare Services	Opioid Settlement Fund	HUD HMIS Grant 19	HUD HMIS Grant 20	SHSP 2022	STEP Comprehensive
Revenues:							
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	475,629	-	47,300	1,818	19,950	86,460
Program income	-	-	-	3,877	-	-	-
Other	-	-	-	-	141	-	-
Total revenues	<u>-</u>	<u>475,629</u>	<u>-</u>	<u>51,177</u>	<u>1,959</u>	<u>19,950</u>	<u>86,460</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	19,950	108,075
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Housing and community development	-	475,629	-	51,177	1,959	-	-
Total expenditures	<u>-</u>	<u>475,629</u>	<u>-</u>	<u>51,177</u>	<u>1,959</u>	<u>19,950</u>	<u>108,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,615)</u>
Other financing sources (uses):							
Financing of Leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	21,615
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,615</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year - previously stated	51,649	-	-	-	-	-	-
Changes within reporting entity	-	-	-	-	-	-	-
Fund balances, beginning of year - adjusted	<u>51,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 51,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

TXDOT MPO FHWA	CJD Family Violence 2021-2022	CJD Family Violence 2022-2023	Brownfields	Tx Anti-Gang Grant 2021-2022	Tx Anti-Gang Grant 2022-2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
513,570	8,897	44,879	-	43,657	784,979
-	-	-	-	-	-
50,000	-	-	-	-	-
<u>563,570</u>	<u>8,897</u>	<u>44,879</u>	<u>-</u>	<u>43,657</u>	<u>784,979</u>
513,679	-	-	-	-	-
-	12,710	165,164	-	43,657	784,979
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>513,679</u>	<u>12,710</u>	<u>165,164</u>	<u>-</u>	<u>43,657</u>	<u>784,979</u>
<u>49,891</u>	<u>(3,813)</u>	<u>(120,285)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
50,000	3,813	120,285	-	-	-
(626)	-	-	(4,740)	-	-
<u>49,374</u>	<u>3,813</u>	<u>120,285</u>	<u>(4,740)</u>	<u>-</u>	<u>-</u>
99,265	-	-	(4,740)	-	-
-	-	-	4,740	-	-
-	-	-	-	-	-
-	-	-	4,740	-	-
<u>\$ 99,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**Sub-Combining Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Grants Fund
For the Year Ended September 30, 2023
(With Comparative Totals for the Year Ended September 30, 2022)**

	Library Memorial Fund	Shapley P Ross Memorial Fund	TXDOT TASA Gurley Lane	TXDOT TASA Elm
Revenues:				
Investment earnings	\$ 1,699	\$ 7	\$ -	\$ -
Intergovernmental	-	-	-	1,206,069
Program income	-	-	-	-
Other	6,462	-	-	-
Total revenues	<u>8,161</u>	<u>7</u>	<u>-</u>	<u>1,206,069</u>
Expenditures:				
Current:				
General government	7,435	-	-	-
Public safety	-	-	-	-
Public works	-	-	16,301	1,507,586
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Total expenditures	<u>7,435</u>	<u>-</u>	<u>16,301</u>	<u>1,507,586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>726</u>	<u>7</u>	<u>(16,301)</u>	<u>(301,517)</u>
Other financing sources (uses):				
Financing of Leases	-	-	-	-
Transfers in	198	-	16,301	-
Transfers out	-	(198)	-	-
Total other financing sources (uses)	<u>198</u>	<u>(198)</u>	<u>16,301</u>	<u>-</u>
Net change in fund balances	<u>924</u>	<u>(191)</u>	<u>-</u>	<u>(301,517)</u>
Fund balances, beginning of year - previously stated	39,774	191	-	456,449
Changes within reporting entity	-	-	-	-
Fund balances, beginning of year - adjusted	<u>39,774</u>	<u>191</u>	<u>-</u>	<u>456,449</u>
Fund balances, end of year	<u>\$ 40,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,932</u>

See accompanying independent auditor's report.

TXDOT JH HINES	COPS Hiring	MPO Safe Streets for All	Totals	
			2023	2022
\$ -	\$ -	\$ -	\$ 31,008	\$ (10,668)
64,953	309,784	2,503	13,884,825	7,958,760
-	-	-	59,670	69,248
-	-	-	261,385	140,222
<u>64,953</u>	<u>309,784</u>	<u>2,503</u>	<u>14,236,888</u>	<u>8,157,562</u>
-	-	-	521,114	449,107
-	529,546	3,129	1,852,952	1,514,156
72,161	-	-	1,596,048	1,400,277
-	-	-	-	55,603
-	-	-	10,697,275	5,293,241
<u>72,161</u>	<u>529,546</u>	<u>3,129</u>	<u>14,667,389</u>	<u>8,712,384</u>
<u>(7,208)</u>	<u>(219,762)</u>	<u>(626)</u>	<u>(430,501)</u>	<u>(554,822)</u>
-	-	-	-	373,868
-	219,762	626	432,600	101,440
-	-	-	(5,564)	-
-	<u>219,762</u>	<u>626</u>	<u>427,036</u>	<u>475,308</u>
<u>(7,208)</u>	-	-	<u>(3,465)</u>	<u>(79,514)</u>
<u>7,208</u>	-	-	<u>1,712,950</u>	<u>1,792,464</u>
-	-	-	-	-
<u>7,208</u>	-	-	<u>1,712,950</u>	<u>1,792,464</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,709,485</u>	<u>\$ 1,712,950</u>

See accompanying independent auditor's report.





Tax Increment Fund No. 1



**Comparative Balance Sheets
Governmental Funds
September 30, 2023 and 2022**

	<u>Tax Increment Fund No. 1</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Cash and investments	\$ 75,145,245	\$ 45,401,503
Accounts receivable, net of allowance	307	307
Tax receivable, net of allowance	90,802	-
Total assets	<u><u>\$ 75,236,354</u></u>	<u><u>\$ 45,401,810</u></u>
Liabilities		
Accounts payable	8,402,136	613,470
Accrued liabilities	585,943	585,943
Due to other funds	154,932	606,599
Total liabilities	<u><u>9,143,011</u></u>	<u><u>1,806,012</u></u>
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	66,093,343	43,595,798
Total fund balance (deficit)	<u><u>66,093,343</u></u>	<u><u>43,595,798</u></u>
Total liabilities and fund balance	<u><u>\$ 75,236,354</u></u>	<u><u>\$ 45,401,810</u></u>

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Years Ended September 30, 2023 and 2022**

	Tax Increment Fund No. 1	
	2023	2022
Revenues:		
Property taxes	\$ 8,840,350	\$ 13,529,825
Investment earnings	2,681,143	(687,680)
Intergovernmental	-	1,668,869
Total revenues	11,521,493	14,511,014
Expenditures:		
Current:		
Capital expenditures	33,397,855	-
General government	7,454,366	10,902,799
Bond issuance costs	380,833	-
Total expenditures	41,233,054	10,902,799
Excess (deficiency) of revenues over (under) expenditures	(29,711,561)	3,608,215
Other financing sources (uses):		
General obligation bonds issued	40,480,000	-
Premiums on general obligation bonds	45,833	-
Capital asset financing	14,313,701	-
Transfers out	(2,630,428)	(1,226,572)
Total other financing uses	52,209,106	(1,226,572)
Net change in fund balances	22,497,545	2,381,643
Fund balances, beginning of year	43,595,798	41,214,155
Fund balances, end of year	\$ 66,093,343	\$ 43,595,798

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, 2023
(With Comparative Totals for September 30, 2022)**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds	
					2023	2022
Assets						
Cash and investments	\$ 12,972,866	\$ 947,553	\$ 80,779,145	\$ 332,430	\$ 95,031,994	\$ 112,540,167
Accounts receivable, net of allowances	23,872	-	-	-	23,872	9,047
Due from other funds	-	-	3,614,580	-	3,614,580	2,965,379
Special assessments	11,474	-	-	-	11,474	11,615
Taxes receivable, net of allowance	10,571	591,418	-	-	601,989	459,605
Advances to other funds	-	-	168,368	-	168,368	168,368
Intergovernmental receivable	1,089,674	-	-	-	1,089,674	1,344,373
Real estate held for resale	-	-	-	-	-	1,975,000
Total assets	\$ 14,108,457	\$ 1,538,971	\$ 84,562,093	\$ 332,430	\$ 100,541,951	\$ 119,473,554
Liabilities						
Accounts payable	590,369	-	1,969,705	-	2,560,074	3,534,936
Accrued liabilities	294,614	-	1,314,986	-	1,609,600	1,576,039
Due to other funds	-	-	3,614,580	-	3,614,580	3,571,978
Escrow funds	113,834	-	-	-	113,834	65,770
Total liabilities	998,817	-	6,899,271	-	7,898,088	8,748,723
Deferred inflows of resources						
Unavailable revenue-property taxes	-	569,970	-	-	569,970	437,105
Unavailable revenue-special assessments	11,474	-	-	-	11,474	11,615
Total deferred inflows of resources	11,474	569,970	-	-	581,444	448,720
Total liabilities and deferred inflows of resources	1,010,291	569,970	6,899,271	-	8,479,532	9,197,443
Fund balances (deficits)						
Nonspendable:						
Parks and cemetery care	-	-	-	332,430	332,430	323,713
Real estate held for resale	-	-	-	-	-	1,975,000
Restricted for:						
Capital projects	3,195,198	-	35,475,879	-	38,671,077	18,977,084
Culture and recreation	53,968	-	-	-	53,968	47,541
Debt service	-	969,001	-	-	969,001	720,211
Public safety	2,622,815	-	-	-	2,622,815	2,162,576
Tax increment zone activities	1,382,540	-	-	-	1,382,540	43,667,730
Waco Public Improvement District	1,423,812	-	-	-	1,423,812	1,125,038
Committed to:						
Capital projects	-	-	42,186,943	-	42,186,943	37,063,437
Public health	4,419,833	-	-	-	4,419,833	4,213,781
Total fund balances (deficits)	13,098,166	969,001	77,662,822	332,430	92,062,419	110,276,111
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 14,108,457	\$ 1,538,971	\$ 84,562,093	\$ 332,430	\$ 100,541,951	\$ 119,473,554

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, 2023
(With Comparative Totals for Year Ended September 30, 2022)**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals	
					2023	2022
Revenues:						
Taxes	\$ 1,395,644	\$ 17,666,560	\$ -	\$ -	\$ 19,062,204	\$ 28,075,620
Special assessments	776,425	-	-	-	776,425	650,962
Permits, licenses and fees	1,205,613	-	-	-	1,205,613	1,250,511
Fines	473,479	-	-	-	473,479	712,580
Investment earnings	294,415	85,426	10,085,720	8,717	10,474,278	(1,935,187)
Contributions	-	-	202,696	-	202,696	8,333,490
Intergovernmental	5,139,119	-	310,435	-	5,449,554	7,465,005
Program income	171,562	-	5,050	-	176,612	170,440
Other	965,439	-	-	-	965,439	1,105,347
Total revenues	10,421,696	17,751,986	10,603,901	8,717	38,786,300	45,828,768
Expenditures:						
Current:						
General government	727,987	-	-	-	727,987	13,894,482
Public safety	43,833	-	-	-	43,833	92,345
Public health	11,066,013	-	-	-	11,066,013	10,677,502
Debt service:						
Principal	-	10,060,000	-	-	10,060,000	9,585,000
Interest and fiscal charges	-	7,448,292	-	-	7,448,292	5,482,871
Bond issuance costs	-	407,422	-	-	407,422	489,287
Capital outlay	314,802	-	26,930,936	-	27,245,738	17,831,428
Total expenditures	12,152,635	17,915,714	26,930,936	-	56,999,285	58,052,915
Excess (deficiency) of revenues over (under) expenditures	(1,730,939)	(163,728)	(16,327,035)	8,717	(18,212,985)	(12,224,147)
Other financing sources (uses):						
Refunding bonds issued	-	-	-	-	-	1,585,000
Payment to refunded bond escrow agent	-	-	-	-	-	(1,816,002)
Premium on refunding bonds	-	-	-	-	-	241,411
General obligation bonds issued	-	-	33,509,546	-	33,509,546	11,783,116
Premium on general obligation bonds	-	412,518	984,555	-	1,397,073	2,011,762
Transfers in	7,373,148	-	15,232,072	-	22,605,220	19,287,348
Transfers out	(164,911)	-	(13,751,837)	-	(13,916,748)	(7,671,405)
Total other financing sources (uses)	7,208,237	412,518	35,974,336	-	43,595,091	25,421,230
Net change in fund balances	5,477,298	248,790	19,647,301	8,717	25,382,106	13,197,083
Fund balances, beginning of year - previously stated	51,216,666	720,211	58,015,521	323,713	110,276,111	146,235,069
Change within reporting entity	(43,595,798)	-	-	-	(43,595,798)	(49,156,041)
Fund balances, beginning of year - Adjusted	7,620,868	720,211	58,015,521	323,713	66,680,313	97,079,028
Fund balances, end of year	\$ 13,098,166	\$ 969,001	\$ 77,662,822	\$ 332,430	\$ 92,062,419	\$ 110,276,111

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 two tax increment districts – Reinvestment Zone Number Three, and Reinvestment Zone Number Four.

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.

Street Maintenance Fund – This fund is used to account for receipts and expenditures related to maintaining streets.



**Nonmajor Special Revenue Funds
Combining Balance Sheets
September 30, 2023
(With Comparative Totals for September 30, 2022)**

	Tax Increment Fund No. 3	Tax Increment Fund No. 4
Assets		
Cash and investments	\$ 195,148	\$ 1,240,102
Accounts receivable, net of allowances	-	-
Taxes receivable, net of allowance	-	10,571
Due from other funds	-	-
Special assessments receivable	-	-
Notes receivable	-	-
Intergovernmental receivable	-	-
Real estate held for resale	-	-
Total assets	\$ 195,148	\$ 1,250,673
Liabilities		
Accounts payable	-	-
Accrued liabilities	6,325	56,956
Unearned revenue	-	-
Due to other funds	-	-
Escrow funds	-	-
Total liabilities	6,325	56,956
Deferred inflows of resources		
Unavailable revenue-special assessments	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	6,325	56,956
Fund balances (deficits)		
Restricted for:		
Capital Projects	-	-
Culture and recreation	-	-
Housing and community development	-	-
Public works	-	-
Public safety	-	-
Tax increment zone activities	188,823	1,193,717
Waco Public Improvement District	-	-
Committed to:		
Public health	-	-
Total fund balances (deficits)	188,823	1,193,717
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 195,148	\$ 1,250,673

(continued)

See accompanying independent auditor's report.

Health Programs Fund	Waco Public Improvement District No. 1 Fund	Abandoned Motor Vehicle Fund	Police Forfeitures Fund
\$ 3,891,100	\$ 1,530,319	\$ 1,712,262	\$ 543,617
15,132	8,740	-	-
-	-	-	-
-	-	-	-
-	11,474	-	-
-	-	-	-
1,089,674	-	-	-
-	-	-	-
<u>\$ 4,995,906</u>	<u>\$ 1,550,533</u>	<u>\$ 1,712,262</u>	<u>\$ 543,617</u>
336,166	115,247	309	2,280
126,073	-	-	-
-	-	-	-
-	-	-	-
113,834	-	-	-
<u>576,073</u>	<u>115,247</u>	<u>309</u>	<u>2,280</u>
-	11,474	-	-
-	11,474	-	-
<u>576,073</u>	<u>126,721</u>	<u>309</u>	<u>2,280</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,711,953	541,337
-	-	-	-
-	1,423,812	-	-
4,419,833	-	-	-
<u>4,419,833</u>	<u>1,423,812</u>	<u>1,711,953</u>	<u>541,337</u>
<u>\$ 4,995,906</u>	<u>\$ 1,550,533</u>	<u>\$ 1,712,262</u>	<u>\$ 543,617</u>

See accompanying independent auditor's report.

**Nonmajor Special Revenue Funds
Combining Balance Sheets
September 30, 2023
(With Comparative Totals for September 30, 2022)**

	Court Local Municipal Jury Fund	Court Local Truancy Prevention and Diversion Fund	Court Security Fund
Assets			
Cash and investments	\$ 2,736	\$ 136,969	\$ 79,598
Accounts receivable, net of allowances	-	-	-
Taxes receivable, net of allowance	-	-	-
Due from other funds	-	-	-
Special assessments receivable	-	-	-
Notes receivable	-	-	-
Intergovernmental receivable	-	-	-
Real estate held for resale	-	-	-
Total assets	\$ 2,736	\$ 136,969	\$ 79,598
Liabilities			
Accounts payable	-	-	433
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Escrow funds	-	-	-
Total liabilities	-	-	433
Deferred inflows of resources			
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	-	-	433
Fund balances (deficits)			
Restricted for:			
Capital projects	-	-	-
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public works	-	-	-
Public safety	2,736	136,969	79,165
Tax increment zone activities	-	-	-
Waco Public Improvement District	-	-	-
Committed to:			
Public health	-	-	-
Total fund balances (deficits)	2,736	136,969	79,165
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,736	\$ 136,969	\$ 79,598

See accompanying independent auditor's report.

Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Street Maintenance Fund	Totals	
				2023	2022
\$ 150,835	\$ 21,117	\$ 32,851	\$ 3,436,212	\$ 12,972,866	\$ 52,453,217
-	-	-	-	23,872	9,047
-	-	-	-	10,571	-
-	-	-	-	-	-
-	-	-	-	11,474	11,615
-	-	-	-	-	-
-	-	-	-	1,089,674	1,344,373
-	-	-	-	-	-
<u>\$ 150,835</u>	<u>\$ 21,117</u>	<u>\$ 32,851</u>	<u>\$ 3,436,212</u>	<u>\$ 14,108,457</u>	<u>\$ 53,818,252</u>
180	-	-	135,754	590,369	1,178,870
-	-	-	105,260	294,614	738,732
-	-	-	-	-	-
-	-	-	-	-	606,599
-	-	-	-	113,834	65,770
<u>180</u>	<u>-</u>	<u>-</u>	<u>241,014</u>	<u>998,817</u>	<u>2,589,971</u>
-	-	-	-	11,474	11,615
-	-	-	-	11,474	11,615
<u>180</u>	<u>-</u>	<u>-</u>	<u>241,014</u>	<u>1,010,291</u>	<u>2,601,586</u>
-	-	-	3,195,198	3,195,198	-
-	21,117	32,851	-	53,968	47,541
-	-	-	-	-	-
-	-	-	-	-	-
150,655	-	-	-	2,622,815	2,162,576
-	-	-	-	1,382,540	43,667,730
-	-	-	-	1,423,812	1,125,038
-	-	-	-	4,419,833	4,213,781
<u>150,655</u>	<u>21,117</u>	<u>32,851</u>	<u>3,195,198</u>	<u>13,098,166</u>	<u>51,216,666</u>
<u>\$ 150,835</u>	<u>\$ 21,117</u>	<u>\$ 32,851</u>	<u>\$ 3,436,212</u>	<u>\$ 14,108,457</u>	<u>\$ 53,818,252</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, 2023 (With Comparative Totals for September 30, 2022)

	Tax Increment Fund No. 3	Tax Increment Fund No. 4
Revenues:		
Property taxes	\$ 99,110	\$ 1,296,534
Special assessments	-	-
Permits, licenses and fees	-	-
Fines	-	-
Investment earnings	3,935	11,510
Intergovernmental	13,846	-
Program income	-	-
Other	-	-
Total revenues	<u>116,891</u>	<u>1,308,044</u>
Expenditures:		
Current:		
General government	-	114,327
Public safety	-	-
Public works	-	-
Culture and recreation	-	-
Housing and community development	-	-
Public health	-	-
Capital outlay	-	-
Total expenditures	<u>-</u>	<u>114,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>116,891</u>	<u>1,193,717</u>
Other financing sources (uses):		
Proceeds from debt	-	-
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	116,891	1,193,717
Fund balances, beginning of year - previously stated	71,932	-
Changes within reporting entity	-	-
Fund balances, beginning of year - adjusted	71,932	-
Fund balances, end of year	<u>\$ 188,823</u>	<u>\$ 1,193,717</u>

See accompanying independent auditor's report.

Health Programs Fund	Waco Public Improvement District No. 1 Fund	Abandoned Motor Vehicle Fund	Police Forfeitures Fund
\$ -	\$ -	\$ -	\$ -
-	776,425	-	-
1,205,613	-	-	-
-	-	351,648	-
193,536	60,284	-	18,723
5,125,273	-	-	-
171,562	-	-	-
827,844	75,725	-	61,870
<u>7,523,828</u>	<u>912,434</u>	<u>351,648</u>	<u>80,593</u>
-	613,660	-	-
-	-	17,420	153
-	-	-	-
-	-	-	-
11,066,013	-	-	-
-	-	-	-
<u>11,066,013</u>	<u>613,660</u>	<u>17,420</u>	<u>153</u>
<u>(3,542,185)</u>	<u>298,774</u>	<u>334,228</u>	<u>80,440</u>
-	-	-	-
3,863,148	-	-	-
(114,911)	-	(50,000)	-
<u>3,748,237</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
206,052	298,774	284,228	80,440
4,213,781	1,125,038	1,427,725	460,897
-	-	-	-
4,213,781	1,125,038	1,427,725	460,897
<u>\$ 4,419,833</u>	<u>\$ 1,423,812</u>	<u>\$ 1,711,953</u>	<u>\$ 541,337</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, 2023
(With Comparative Totals for September 30, 2022)

	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	833	41,683	43,043
Investment earnings	-	-	-
Intergovernmental	-	-	-
Program income	-	-	-
Other	-	-	-
Total revenues	<u>833</u>	<u>41,683</u>	<u>43,043</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	4,855
Public works	-	-	-
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public health	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>4,855</u>
Excess (deficiency) of revenues over (under) expenditures	<u>833</u>	<u>41,683</u>	<u>38,188</u>
Other financing sources (uses):			
Proceeds from debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	833	41,683	38,188
Fund balances, beginning of year - previously stated	1,903	95,286	40,977
Changes within reporting entity	-	-	-
Fund balances, beginning of year - adjusted	1,903	95,286	40,977
Fund balances, end of year	<u>\$ 2,736</u>	<u>\$ 136,969</u>	<u>\$ 79,165</u>

See accompanying independent auditor's report.

Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Street Maintenance Fund	Totals	
				2023	2022
\$ -	\$ -	\$ -	\$ -	\$ 1,395,644	\$ 13,588,785
-	-	-	-	776,425	650,962
-	-	-	-	1,205,613	1,250,511
36,272	-	-	-	473,479	712,580
-	1,220	5,207	-	294,415	(780,274)
-	-	-	-	5,139,119	6,965,005
-	-	-	-	171,562	170,440
-	-	-	-	965,439	1,105,347
<u>36,272</u>	<u>1,220</u>	<u>5,207</u>	<u>-</u>	<u>10,421,696</u>	<u>23,663,356</u>
-	-	-	-	727,987	13,894,482
21,405	-	-	-	43,833	92,345
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	11,066,013	10,677,502
-	-	-	314,802	314,802	-
<u>21,405</u>	<u>-</u>	<u>-</u>	<u>314,802</u>	<u>12,152,635</u>	<u>24,664,329</u>
<u>14,867</u>	<u>1,220</u>	<u>5,207</u>	<u>(314,802)</u>	<u>(1,730,939)</u>	<u>(1,000,973)</u>
-	-	-	-	-	-
-	-	-	3,510,000	7,373,148	3,892,943
-	-	-	-	(164,911)	(2,054,405)
-	-	-	<u>3,510,000</u>	<u>7,208,237</u>	<u>1,838,538</u>
14,867	1,220	5,207	3,195,198	5,477,298	837,565
135,788	19,897	27,644	-	51,216,666	52,171,565
-	-	-	-	(43,595,798)	(1,792,464)
135,788	19,897	27,644	-	7,620,868	50,379,101
<u>\$ 150,655</u>	<u>\$ 21,117</u>	<u>\$ 32,851</u>	<u>\$ 3,195,198</u>	<u>\$ 13,098,166</u>	<u>\$ 51,216,666</u>

See accompanying independent auditor's report.





Tax Increment Fund No. 3



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Tax Increment Fund No. 3	
	2023	2022
Assets		
Cash and investments	\$ 195,148	\$ 71,932
Total assets	\$ 195,148	\$ 71,932
Liabilities		
Accrued Liabilities	6,325	-
Total liabilities	6,325	-
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	188,823	71,932
Total fund balances	188,823	71,932
Total liabilities, deferred inflows of resources, and fund balance	\$ 195,148	\$ 71,932

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Tax Increment Fund No. 3	
	2023	2022
Revenues:		
Property taxes	\$ 99,110	\$ -
Investment earnings	3,935	(1,071)
Intergovernmental	13,846	-
Total revenues	116,891	(1,071)
Expenditures:		
Current:		
General government	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	116,891	(1,071)
Net change in fund balance	116,891	(1,071)
Fund balance, beginning of year	71,932	73,003
Fund balance, end of year	\$ 188,823	\$ 71,932

See accompanying independent auditor's report.





Tax Increment Fund No. 4



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Tax Increment Fund No. 4	
	2023	2022
Assets		
Cash and investments	\$ 1,240,102	\$ -
Accounts receivable, net of allowances	10,571	-
Total assets	\$ 1,250,673	\$ -
Liabilities		
Accrued Liabilities	56,956	-
Total liabilities	56,956	-
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	1,193,717	-
Total fund balances	\$ 1,193,717	\$ -
 Total liabilities, deferred inflows of resources, and fund balance	\$ 1,250,673	\$ -

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Tax Increment Fund No. 4	
	2023	2022
Revenues:		
Property taxes	\$ 1,296,534	\$ -
Investment earnings	11,510	-
Intergovernmental	-	-
Total revenues	1,308,044	-
Expenditures:		
Current:		
General government	114,327	-
Total expenditures	114,327	-
Excess (deficiency) of revenues over expenditures	1,193,717	-
Net change in fund balance	1,193,717	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ 1,193,717	\$ -

See accompanying independent auditor's report.





Health Programs Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Health Programs Fund	
	2023	2022
Assets		
Cash and investments	\$ 3,891,100	\$ 3,485,520
Accounts receivable, net of allowances	15,132	-
Intergovernmental receivable	1,089,674	1,344,373
Total assets	\$ 4,995,906	\$ 4,829,893
Liabilities		
Accounts payable	336,166	397,553
Accrued liabilities	126,073	152,789
Escrow funds	113,834	65,770
Total liabilities	576,073	616,112
Fund balance (deficit)		
Committed to:		
Public health	4,419,833	4,213,781
Total fund balance (deficit)	4,419,833	4,213,781
Total liabilities and fund balance	\$ 4,995,906	\$ 4,829,893

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, 2023 and 2022**

	Health Programs Fund	
	2023	2022
Revenues:		
Permits, licenses and fees	\$ 1,205,613	\$ 1,250,511
Investment earnings	193,536	(67,563)
Intergovernmental	5,125,273	5,296,136
Program income	171,562	170,440
Other	827,844	958,013
Total revenues	7,523,828	7,607,537
Expenditures:		
Current:		
Public health	11,066,013	10,677,502
Total expenditures	11,066,013	10,677,502
Excess (deficiency) of revenues over expenditures	(3,542,185)	(3,069,965)
Other financing sources (uses):		
Transfers in	3,863,148	3,892,943
Transfers out	(114,911)	-
Total other financing sources (uses)	3,748,237	3,892,943
Net change in fund balance	206,052	822,978
Fund balance, beginning of year	4,213,781	3,390,803
Fund balance, end of year	\$ 4,419,833	\$ 4,213,781

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, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023	Variance with	2022
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Health administrative services:					
Death and birth certificates	\$ 265,391	\$ 265,391	\$ 331,542	\$ 66,151	\$ 318,148
Investment earnings	40,000	40,000	193,536	153,536	(67,563)
Intergovernmental	160,000	160,000	340,245	180,245	284,561
Revenue-other	817,141	817,141	815,687	(1,454)	957,881
Total health administrative services	<u>1,282,532</u>	<u>1,282,532</u>	<u>1,681,010</u>	<u>398,478</u>	<u>1,493,027</u>
Environmental health services:					
Health and welfare fees	631,337	631,337	665,384	34,047	735,205
Intergovernmental	96,707	96,707	39,668	(57,039)	-
Revenue-other	-	-	212	212	132
Total environmental health services	<u>728,044</u>	<u>728,044</u>	<u>705,264</u>	<u>(22,780)</u>	<u>735,337</u>
Health nursing services:					
Health and welfare fees	81,167	81,167	186,544	105,377	170,360
Revenue-other	-	-	-	-	-
Total health nursing services	<u>81,167</u>	<u>81,167</u>	<u>186,544</u>	<u>105,377</u>	<u>170,360</u>
Sexually transmitted disease:					
Health and welfare fees	25,152	25,152	22,143	(3,009)	26,798
Total sexually transmitted disease	<u>25,152</u>	<u>25,152</u>	<u>22,143</u>	<u>(3,009)</u>	<u>26,798</u>
HIV/AIDS services:					
Revenue-other	-	-	-	-	-
Total HIV/AIDS services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public health services:					
Program income	-	171,562	171,562	-	170,440
Intergovernmental	-	4,745,359	4,745,359	-	5,011,575
Revenue-other	-	11,946	11,946	-	-
Total Public health services	<u>-</u>	<u>4,928,867</u>	<u>4,928,867</u>	<u>-</u>	<u>5,182,015</u>
Total revenue	<u>2,116,895</u>	<u>7,045,762</u>	<u>7,523,828</u>	<u>478,066</u>	<u>7,607,537</u>
Expenditures:					
Health administrative services:					
Salaries and wages	687,497	687,497	985,375	(297,878)	605,756
Employee benefits	240,817	240,817	445,520	(204,703)	228,687
Purchased professional/technical services	477,630	477,630	446,729	30,901	109,811
Purchased property services	3,330	3,330	3,649	(319)	2,938
Maintenance	33,300	33,300	15,665	17,635	70,782
Other purchased services	141,566	137,789	78,379	59,410	44,582
Supplies	66,528	70,305	41,606	28,699	59,599
Contracts with others	1,176,736	1,176,736	1,176,736	-	1,176,736
Other	499,147	499,147	500,506	(1,359)	696,940
Capital expenditures	-	39,095	39,094	1	-
Total health administrative services	<u>3,326,551</u>	<u>3,365,646</u>	<u>3,733,259</u>	<u>(367,613)</u>	<u>2,995,831</u>

(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, 2023
(With Comparative Actual Amounts for Year Ended September 30, 2022)**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Environmental health services:					
Salaries and wages	505,710	505,710	508,457	(2,747)	541,656
Employee benefits	191,822	191,822	166,596	25,226	162,678
Purchased professional/technical services	11,278	11,278	10,970	308	6,864
Purchased property services	-	-	2,520	(2,520)	-
Maintenance	6,203	6,203	15,103	(8,900)	20,404
Other purchased services	37,005	37,005	23,420	13,585	19,890
Supplies	82,483	82,483	101,390	(18,907)	72,045
Contracts with others	-	-	-	-	-
Capital expenditures	-	24,470	-	24,470	-
Total environmental health services:	<u>834,501</u>	<u>858,971</u>	<u>828,456</u>	<u>30,515</u>	<u>823,537</u>
Health nursing services:					
Salaries and wages	1,024,777	1,024,777	350,085	674,692	525,678
Employee benefits	331,706	331,706	201,715	129,991	246,519
Purchased professional/technical services	55,936	55,936	40,126	15,810	22,338
Purchased property services	48,585	19,873	4,340	15,533	-
Maintenance	5,892	19,892	863	19,029	4,301
Other purchased services	58,372	65,767	53,906	11,861	55,363
Supplies	295,212	306,259	219,420	86,839	186,989
Capital expenditures	-	-	-	-	30,963
Total public health nursing services	<u>1,820,480</u>	<u>1,824,210</u>	<u>870,455</u>	<u>953,755</u>	<u>1,072,151</u>
Sexually transmitted disease:					
Salaries and wages	293,385	293,385	274,368	19,017	229,026
Employee benefits	103,830	103,830	101,587	2,243	89,232
Purchased professional/technical services	29,303	29,303	24,235	5,068	11,069
Maintenance	1,170	1,170	470	700	1,097
Other purchased services	24,816	24,816	25,738	(922)	12,880
Supplies	31,167	31,167	31,646	(479)	47,801
Total sexually transmitted disease	<u>483,671</u>	<u>483,671</u>	<u>458,044</u>	<u>25,627</u>	<u>391,105</u>
HIV/AIDS Services:					
Salaries and wages	189,362	189,362	160,665	28,697	145,345
Employee benefits	64,362	64,362	57,068	7,294	50,309
Purchased professional/technical services	5,030	5,030	5,030	-	-
Maintenance	-	-	-	-	-
Other purchased services	22,084	22,084	16,983	5,101	9,513
Supplies	11,429	11,429	7,185	4,244	7,695
Total HIV/AIDS services	<u>292,267</u>	<u>292,267</u>	<u>246,931</u>	<u>45,336</u>	<u>212,862</u>
Public health services:					
Salaries and wages	-	2,418,255	2,418,255	-	2,194,180
Employee benefits	-	921,912	921,912	-	872,920
Purchased professional/technical services	-	392,230	392,230	-	977,339
Purchased property services	-	93,401	93,401	-	59,124
Maintenance	-	174,824	174,824	-	8,045
Other purchased services	-	449,641	449,641	-	426,261
Supplies	-	139,824	139,824	-	306,511
Other	-	319,848	319,848	-	296,156
Capital Expenditures	-	18,933	18,933	-	41,480
Total public health services	-	<u>4,928,868</u>	<u>4,928,868</u>	-	<u>5,182,016</u>
Total expenditures	<u>6,757,470</u>	<u>11,753,633</u>	<u>11,066,013</u>	<u>687,620</u>	<u>10,677,502</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, 2023 (With Comparative Actual Amounts for Year Ended September 30, 2022)

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget	2022 Actual Amounts
	Original	Final			
Excess (deficiency) of revenue over expenditures	(4,640,575)	(4,707,871)	(3,542,185)	1,165,686	(3,069,965)
Other financing sources (uses):					
Transfers in	3,863,148	3,863,148	3,863,148	-	3,892,943
Transfers out	-	(114,911)	(114,911)	-	-
Total other financing sources (uses)	3,863,148	3,748,237	3,748,237	-	3,892,943
Net change in fund balance	(777,427)	(959,634)	206,052	1,165,686	822,978
Fund balance, beginning of year	4,213,781	4,213,781	4,213,781	1,889,148	3,390,803
Fund balance, end of year	<u>\$ 3,436,354</u>	<u>\$ 3,254,147</u>	<u>\$ 4,419,833</u>	<u>\$ 1,165,686</u>	<u>\$ 4,213,781</u>

See accompanying independent auditor's report.



Waco Public Improvement
District No. 1 Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Waco Public Improvement District No. 1 Fund	
	<u>2023</u>	<u>2022</u>
Assets		
Cash and investments	\$ 1,530,319	\$ 1,281,146
Accounts receivable, net of allowance	8,740	8,740
Special assessments receivable	11,474	11,615
Total assets	<u>\$ 1,550,533</u>	<u>\$ 1,301,501</u>
Liabilities		
Accounts payable	115,247	164,848
Total liabilities	<u>115,247</u>	<u>164,848</u>
Deferred Inflows of Resources		
Unavailable revenue - special assessments	11,474	11,615
Total deferred inflows of resources	<u>11,474</u>	<u>11,615</u>
Total liabilities and deferred inflows of resources	<u>126,721</u>	<u>176,463</u>
Fund Balance		
Restricted for:		
Waco Public Improvement District	1,423,812	1,125,038
Total fund balance (deficit)	<u>1,423,812</u>	<u>1,125,038</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,550,533</u>	<u>\$ 1,301,501</u>

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Waco Public Improvement District No. 1 Fund	
	2023	2022
Revenues:		
Special assessments taxes	\$ 776,425	\$ 650,962
Investment earnings	60,284	(19,136)
Other	75,725	87,768
Total revenues	912,434	719,594
Expenditures:		
Current:		
General government	613,660	628,985
Total expenditures	613,660	628,985
Excess (deficiency) of revenues over expenditures	298,774	90,609
Net change in fund balance	298,774	90,609
Fund balance, beginning of year	1,125,038	1,034,429
Fund balance, end of year	\$ 1,423,812	\$ 1,125,038

See accompanying independent auditor's report.





Abandoned Motor Vehicle Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Abandoned Motor Vehicle Fund	
	2023	2022
Assets		
Cash and investments	\$ 1,712,262	\$ 1,428,143
Total assets	\$ 1,712,262	\$ 1,428,143
Liabilities		
Accounts payable	309	418
Total liabilities	309	418
Fund Balance (deficit)		
Restricted for:		
Public safety	1,711,953	1,427,725
Total fund balance	1,711,953	1,427,725
Total liabilities and fund balance	\$ 1,712,262	\$ 1,428,143

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Abandoned Motor Vehicle Fund	
	2023	2022
Revenues:		
Auto impound fees	\$ 351,648	\$ 578,105
Total revenues	351,648	578,105
Expenditures:		
Current:		
Public safety	17,420	49,728
Total expenditures	17,420	49,728
Excess (deficiency) of revenues over expenditures	334,228	528,377
Other financing sources (uses):		
Transfers out	(50,000)	(50,000)
Total other financing sources (uses)	(50,000)	(50,000)
Net change in fund balance	284,228	478,377
Fund balance, beginning of year	1,427,725	949,348
Fund balance, end of year	\$ 1,711,953	\$ 1,427,725

See accompanying independent auditor's report.





Police Forfeitures Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Police Forfeitures Fund	
	2023	2022
Assets		
Cash and investments	\$ 543,617	\$ 463,177
Total assets	\$ 543,617	\$ 463,177
Liabilities		
Accounts payable	2,280	2,280
Total liabilities	2,280	2,280
Fund Balance (deficit)		
Restricted for:		
Public safety	541,337	460,897
Total fund balance (deficit)	541,337	460,897
Total liabilities and fund balance	\$ 543,617	\$ 463,177

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Police Forfeitures Fund	
	2023	2022
Revenues:		
Investment earnings	\$ 18,723	\$ (6,521)
Other	61,870	49,271
Total revenues	80,593	42,750
Expenditures:		
Current:		
Public safety	153	10,881
Total expenditures	153	10,881
Excess (deficiency) of revenues over expenditures	80,440	31,869
Net change in fund balance	80,440	31,869
Fund balance, beginning of year	460,897	429,028
Fund balance, end of year	\$ 541,337	\$ 460,897

See accompanying independent auditor's report.





Court Local Municipal Jury Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	<u>Court Local Municipal Jury Fund</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Cash and investments	\$ 2,736	\$ 1,903
Total assets	<u>\$ 2,736</u>	<u>\$ 1,903</u>
Fund Balance (deficit)		
Restricted for:		
Public safety	2,736	1,903
Total fund balance	<u>\$ 2,736</u>	<u>\$ 1,903</u>

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	<u>Court Local Municipal Jury Fund</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Fines	\$ 833	\$ 1,058
Total revenues	<u>833</u>	<u>1,058</u>
Expenditures:		
Current:		
Public safety	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>833</u>	<u>1,058</u>
Net change in fund balance	833	1,058
Fund balance, beginning of year	<u>1,903</u>	<u>845</u>
Fund balance, end of year	<u><u>\$ 2,736</u></u>	<u><u>\$ 1,903</u></u>

See accompanying independent auditor's report.





Court Local Truancy
Prevention and Diversion
Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Court Local Truancy Prevention and Diversion Fund	
	2023	2022
Assets		
Cash and investments	\$ 136,969	\$ 95,286
Total assets	\$ 136,969	\$ 95,286
 Fund Balance		
Restricted for:		
Public safety	136,969	95,286
Total fund balance (deficit)	\$ 136,969	\$ 95,286

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Court Local Truancy Prevention and Diversion Fund	
	<u>2023</u>	<u>2022</u>
Revenues:		
Fines	\$ 41,683	\$ 53,000
Total revenues	<u>41,683</u>	<u>53,000</u>
Expenditures:		
Current:		
Public safety	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>41,683</u>	<u>53,000</u>
Net change in fund balance	41,683	53,000
Fund balance, beginning of year	95,286	42,286
Fund balance, end of year	<u>\$ 136,969</u>	<u>\$ 95,286</u>

See accompanying independent auditor's report.





Court Security Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Court Security Fund	
	2023	2022
Assets		
Cash and investments	\$ 79,598	\$ 40,977
Total assets	\$ 79,598	\$ 40,977
Liabilities		
Accounts payable	433	-
Total liabilities	433	-
Fund Balance		
Restricted for:		
Public safety	79,165	40,977
Total fund balance (deficit)	79,165	40,977
Total fund balance (deficit)	\$ 79,598	\$ 40,977

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Court Security Fund	
	2023	2022
Revenues:		
Fines	\$ 43,043	\$ 43,515
Total revenues	43,043	43,515
Expenditures:		
Current:		
Public safety	4,855	9,179
Total expenditures	4,855	9,179
Excess of revenues over expenditures	38,188	34,336
Other financing sources (uses):		
Transfers out	-	(60,000)
Total other financing sources (uses)	-	(60,000)
Net change in fund balance	38,188	(25,664)
Fund balance, beginning of year	40,977	66,641
Fund balance, end of year	\$ 79,165	\$ 40,977

See accompanying independent auditor's report.





Court Technology Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Court Technology Fund	
	2023	2022
Assets		
Cash and investments	\$ 150,835	\$ 136,089
Total assets	\$ 150,835	\$ 136,089
Liabilities		
Accounts payable	180	301
Total liabilities	180	301
Fund Balance (deficit)		
Restricted for:		
Public safety	150,655	135,788
Total fund balance	150,655	135,788
Total liabilities and fund balance	\$ 150,835	\$ 136,089

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Court Technology Fund	
	2023	2022
Revenues:		
Fines	\$ 36,272	\$ 36,902
Total revenues	36,272	36,902
Expenditures:		
Current:		
Public safety	21,405	22,557
Total expenditures	21,405	22,557
Excess (deficiency) of revenues over expenditures	14,867	14,345
Net change in fund balance	14,867	14,345
Fund balance, beginning of year	135,788	121,443
Fund balance, end of year	\$ 150,655	\$ 135,788

See accompanying independent auditor's report.





Hamilton Memorial Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Hamilton Memorial Fund	
	2023	2022
Assets		
Cash and investments	\$ 21,117	\$ 19,897
Total assets	\$ 21,117	\$ 19,897
Fund Balance		
Restricted for:		
Culture and recreation	21,117	19,897
Total fund balance (deficit)	\$ 21,117	\$ 19,897

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Hamilton Memorial Fund	
	2023	2022
Revenues:		
Investment earnings	\$ 1,220	\$ (509)
Other	-	10,295
Total revenues	1,220	9,786
Expenditures:		
Current:		
Culture and recreation	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	1,220	9,786
Net change in fund balance	1,220	9,786
Fund balance, beginning of year	19,897	10,111
Fund balance, end of year	\$ 21,117	\$ 19,897

See accompanying independent auditor's report.





Miss Nellie's Park
Maintenance Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Miss Nellie's Park Maintenance Fund	
	<u>2023</u>	<u>2022</u>
Assets		
Cash and investments	\$ 32,851	\$ 27,644
Total assets	<u>\$ 32,851</u>	<u>\$ 27,644</u>
Fund balance (deficit)		
Restricted for:		
Culture and recreation	32,851	27,644
Total fund balance (deficit)	<u>\$ 32,851</u>	<u>\$ 27,644</u>

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Miss Nellie's Park Maintenance Fund	
	<u>2023</u>	<u>2022</u>
Revenues:		
Investment earnings	\$ 5,207	\$ (1,902)
Total revenues	<u>5,207</u>	<u>(1,902)</u>
Expenditures:		
Current:		
Culture and recreation	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,207</u>	<u>(1,902)</u>
Other financing sources:		
Transfers in	-	-
Total other financing sources	<u>-</u>	<u>-</u>
Net change in fund balance	5,207	(1,902)
Fund balance, beginning of year	27,644	29,546
Fund balance, end of year	<u>\$ 32,851</u>	<u>\$ 27,644</u>

See accompanying independent auditor's report.





Street Maintenance Fund



**Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2023 and 2022**

	Street Maintenance Fund	
	2023	2022
Assets		
Cash and investments	\$ 3,436,212	\$ -
Total assets	3,436,212	-
Liabilities		
Accounts payable	135,754	-
Accrued liabilities	105,260	-
Total liabilities	241,014	-
Fund balance (deficit)		
Restricted for:		
Capital Projects	3,195,198	-
Total fund balance (deficit)	3,195,198	-
Total liabilities and fund balance	\$ 3,436,212	\$ -

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Years Ended September 30, 2023 and 2022**

	Street Maintenance Fund	
	2023	2022
Revenues:		
Investment earnings	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>
Expenditures:		
Capital Outlay	314,802	-
Total expenditures	<u>314,802</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(314,802)</u>	<u>-</u>
Other financing sources:		
Transfers in	3,510,000	-
Total other financing sources	<u>3,510,000</u>	<u>-</u>
Net change in fund balance	3,195,198	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ 3,195,198</u>	<u>\$ -</u>

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, 2023
(with Comparative Totals for September 30, 2022)**

	Street and Drainage Refundable	General	Totals	
	Contracts Fund	Obligation Debt	2023	2022
Assets				
Cash and investments	\$ 4,204	\$ 943,349	\$ 947,553	\$ 697,711
Taxes receivable	-	591,418	591,418	459,605
Total assets	<u>\$ 4,204</u>	<u>\$ 1,534,767</u>	<u>\$ 1,538,971</u>	<u>\$ 1,157,316</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	-	569,970	569,970	437,105
Total deferred inflows of resources	<u>-</u>	<u>569,970</u>	<u>569,970</u>	<u>437,105</u>
Fund balances (deficits)				
Restricted for:				
Debt service	4,204	964,797	969,001	720,211
Total fund balances (deficits)	<u>4,204</u>	<u>964,797</u>	<u>969,001</u>	<u>720,211</u>
Total deferred inflows of resources and fund balances	<u>\$ 4,204</u>	<u>\$ 1,534,767</u>	<u>\$ 1,538,971</u>	<u>\$ 1,157,316</u>

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Years Ended September 30, 2023 and 2022**

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2023	2022
Revenues:				
Taxes	\$ -	\$ 17,666,560	\$ 17,666,560	\$ 14,486,835
Investment earnings	-	85,426	85,426	(2,700)
Total revenues	-	17,751,986	17,751,986	14,484,135
Expenditures:				
Current				
Debt service:				
Principal	-	10,060,000	10,060,000	9,585,000
Interest and fiscal charges	-	7,448,292	7,448,292	5,482,871
Bond issuance costs	-	407,422	407,422	489,287
Total expenditures	-	17,915,714	17,915,714	15,557,158
Excess (deficiency) of revenues over expenditures	-	(163,728)	(163,728)	(1,073,023)
Other financing sources (uses):				
Refunding bonds issued	-	-	-	1,585,000
Payment to refunded bond escrow agent	-	-	-	(1,816,002)
Premium on refunding bonds	-	-	-	241,411
General obligation bonds issued	-	-	-	409,041
Premium on general obligation bonds	-	412,518	412,518	69,837
Transfers in	-	-	-	-
Total other financing sources (uses)	-	412,518	412,518	489,287
Net change in fund balances	-	248,790	248,790	(583,736)
Fund balances, beginning of year	4,204	716,007	720,211	1,303,947
Fund balances, end of year	\$ 4,204	\$ 964,797	\$ 969,001	\$ 720,211

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, 2023
(With Comparative Totals for the Year Ended September 30, 2022)

	Budgeted Amounts		2023	Variance with	2022
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Property taxes	\$ 17,641,619	\$ 17,641,619	\$ 17,666,560	\$ 24,941	\$ 14,486,835
Investment earnings	2,900	2,900	85,426	82,526	(2,700)
Total revenues	<u>17,644,519</u>	<u>17,644,519</u>	<u>17,751,986</u>	<u>107,467</u>	<u>14,484,135</u>
Expenditures:					
Debt service:					
Principal	10,060,000	10,060,000	10,060,000	-	9,585,000
Interest and fiscal charges	7,448,220	7,448,220	7,448,292	(72)	5,482,871
Bond issuance costs	-	-	407,422	(407,422)	489,287
Total expenditures	<u>17,508,220</u>	<u>17,508,220</u>	<u>17,915,714</u>	<u>(407,494)</u>	<u>15,557,158</u>
Excess (deficiency) of revenues under expenditures	<u>136,299</u>	<u>136,299</u>	<u>(163,728)</u>	<u>(300,027)</u>	<u>(1,073,023)</u>
Other financing sources (uses):					
Refunding bonds issued	-	-	-	-	1,585,000
Payment to refunded bond escrow agent	-	-	-	-	(1,816,002)
Premium on refunding bonds	-	-	-	-	241,411
General obligation bonds issued	-	-	-	-	409,041
Premium on general obligation bonds	-	-	412,518	412,518	69,837
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>412,518</u>	<u>412,518</u>	<u>489,287</u>
Net change in fund balance	136,299	136,299	248,790	112,491	(583,736)
Fund balances, beginning of year	<u>716,007</u>	<u>716,007</u>	<u>716,007</u>	<u>382,789</u>	<u>1,299,743</u>
Fund balances, end of year	<u>\$ 852,306</u>	<u>\$ 852,306</u>	<u>\$ 964,797</u>	<u>\$ 112,491</u>	<u>\$ 716,007</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.

2023/2022/2021/2020 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.

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, 2023
(With Comparative Totals for September 30, 2022)**

	Capital Improvement Fund	Equipment Replacement Fund	Special Projects Reserve Fund	2023/2022/2021/ 2020 Bond Issue Fund
Assets				
Cash and investments	\$ 7,258,399	\$ 1,570,630	\$ 31,345,123	\$ 33,744,695
Due from other funds	3,614,580	-	-	-
Advance to other funds	168,368	-	-	-
Real estate held for resale	-	-	-	-
Total assets	\$ 11,041,347	\$ 1,570,630	\$ 31,345,123	\$ 33,744,695
Liabilities:				
Accounts payable	862,346	-	11,905	1,095,454
Accrued liabilities	666,246	-	61,292	460,416
Due to other funds	-	-	-	-
Total liabilities	1,528,592	-	73,197	1,555,870
Fund Balances:				
Nonspendable:				
Real estate held for resale	-	-	-	-
Restricted for:				
Capital projects	168,368	-	-	32,188,825
Committed for:				
Capital projects	9,344,387	1,570,630	31,271,926	-
Total fund balances	9,512,755	1,570,630	31,271,926	32,188,825
Total liabilities and fund balances	\$ 11,041,347	\$ 1,570,630	\$ 31,345,123	\$ 33,744,695

See accompanying independent auditor's report.



2019 Bond Issue Fund	2018 Bond Issue Fund	2017 Bond Issue Fund	Impact Fees	Totals	
				2023	2022
\$ 3,882,720	\$ 2,275,432	\$ 472,160	\$ 229,986	\$ 80,779,145	\$ 59,065,526
-	-	-	-	3,614,580	2,965,379
-	-	-	-	168,368	168,368
-	-	-	-	-	1,975,000
<u>\$ 3,882,720</u>	<u>\$ 2,275,432</u>	<u>\$ 472,160</u>	<u>\$ 229,986</u>	<u>\$ 84,562,093</u>	<u>\$ 64,174,273</u>
-	-	-	-	\$ 1,969,705	\$ 2,356,066
127,032	-	-	-	1,314,986	837,307
1,519,602	2,094,978	-	-	3,614,580	2,965,379
<u>1,646,634</u>	<u>2,094,978</u>	<u>-</u>	<u>-</u>	<u>6,899,271</u>	<u>6,158,752</u>
-	-	-	-	-	1,975,000
2,236,086	180,454	472,160	229,986	35,475,879	18,977,084
-	-	-	-	42,186,943	37,063,437
<u>2,236,086</u>	<u>180,454</u>	<u>472,160</u>	<u>229,986</u>	<u>77,662,822</u>	<u>58,015,521</u>
<u>\$ 3,882,720</u>	<u>\$ 2,275,432</u>	<u>\$ 472,160</u>	<u>\$ 229,986</u>	<u>\$ 84,562,093</u>	<u>\$ 64,174,273</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, 2023 (With Comparative Totals for the Year Ended September 30, 2022)

	Capital Improvement Fund	Equipment Replacement Fund	Special Projects Reserve Fund	2023/2022/2021/2020 Bond Issue Fund
Revenues:				
Investment earnings	\$ -	\$ -	\$ 29,015	\$ 8,249,298
Contributions	19,750	-	-	-
Intergovernmental	-	-	310,434	-
Other	5,050	-	-	-
Total revenues	<u>24,800</u>	<u>-</u>	<u>339,449</u>	<u>8,249,298</u>
Expenditures:				
Capital outlay	5,946,775	-	3,349,203	17,434,167
Total expenditures	<u>5,946,775</u>	<u>-</u>	<u>3,349,203</u>	<u>17,434,167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,921,975)</u>	<u>-</u>	<u>(3,009,754)</u>	<u>(9,184,869)</u>
Other financing sources (uses):				
General obligation bonds issued	-	-	-	33,509,546
Premium on general obligation bonds	-	-	-	984,555
Capital financing agreement proceeds	-	-	-	-
Transfers in	6,531,014	70,630	8,630,428	-
Transfers out	-	-	(3,151,837)	(9,150,000)
Total other financing sources (uses)	<u>6,531,014</u>	<u>70,630</u>	<u>5,478,591</u>	<u>25,344,101</u>
Net change in fund balances	609,039	70,630	2,468,837	16,159,232
Fund balances, beginning of year - previously stated	8,903,716	1,500,000	28,803,089	16,029,593
Changes within reporting entity	-	-	-	-
Fund balances, beginning of year - adjusted	8,903,716	1,500,000	28,803,089	16,029,593
Fund balances, end of year	<u>\$ 9,512,755</u>	<u>\$ 1,570,630</u>	<u>\$ 31,271,926</u>	<u>\$ 32,188,825</u>

See accompanying independent auditor's report.



2019 Bond Issue Fund	2018 Bond Issue Fund	2017 Bond Issue Fund	Impact Fees	Totals	
				2023	2022
\$ 1,275,858	\$ 502,345	\$ 27,578	\$ 1,627	\$ 10,085,721	\$ (1,149,030)
-	-	-	182,946	202,696	8,333,490
-	-	-	-	310,434	500,000
-	-	-	-	5,050	500,000
<u>1,275,858</u>	<u>502,345</u>	<u>27,578</u>	<u>184,573</u>	<u>10,603,901</u>	<u>7,684,460</u>
10,583	8,893	181,315	-	26,930,936	17,831,428
<u>10,583</u>	<u>8,893</u>	<u>181,315</u>	<u>-</u>	<u>26,930,936</u>	<u>17,831,428</u>
<u>1,265,275</u>	<u>493,452</u>	<u>(153,737)</u>	<u>184,573</u>	<u>(16,327,035)</u>	<u>(10,146,968)</u>
-	-	-	-	33,509,546	11,374,075
-	-	-	-	984,555	1,941,925
-	-	-	-	-	-
-	-	-	-	15,232,072	15,394,405
(1,000,000)	(430,000)	(20,000)	-	(13,751,837)	(5,617,000)
<u>(1,000,000)</u>	<u>(430,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>35,974,336</u>	<u>23,093,405</u>
265,275	63,452	(173,737)	184,573	19,647,301	12,946,437
1,970,811	117,002	645,897	45,413	58,015,521	92,432,661
-	-	-	-	-	(47,363,577)
<u>1,970,811</u>	<u>117,002</u>	<u>645,897</u>	<u>45,413</u>	<u>58,015,521</u>	<u>45,069,084</u>
<u>\$ 2,236,086</u>	<u>\$ 180,454</u>	<u>\$ 472,160</u>	<u>\$ 229,986</u>	<u>\$ 77,662,822</u>	<u>\$ 58,015,521</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, 2023
(With Comparative Totals for September 30, 2022)**

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2023	2022
Assets					
Cash and investments	\$ 222,430	\$ 10,000	\$ 100,000	\$ 332,430	\$ 323,713
Total assets	\$ 222,430	\$ 10,000	\$ 100,000	\$ 332,430	\$ 323,713
Fund balances (deficits)					
Nonspendable:					
Parks and cemetery care	222,430	10,000	100,000	332,430	323,713
Total fund balances (deficits)	\$ 222,430	\$ 10,000	\$ 100,000	\$ 332,430	\$ 323,713

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, 2023
(With Comparative Totals for Year Ended September 30, 2022)**

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2023	2022
Revenues:					
Investment earnings	\$ 8,717	\$ -	\$ -	\$ 8,717	\$ (3,183)
Total revenues	<u>8,717</u>	<u>-</u>	<u>-</u>	<u>8,717</u>	<u>(3,183)</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,717</u>	<u>-</u>	<u>-</u>	<u>8,717</u>	<u>(3,183)</u>
Net change in fund balances	8,717	-	-	8,717	(3,183)
Fund balances, beginning of year	213,713	10,000	100,000	323,713	326,896
Fund balances, end of year	<u>\$ 222,430</u>	<u>\$ 10,000</u>	<u>\$ 100,000</u>	<u>\$ 332,430</u>	<u>\$ 323,713</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.

Cameron Park Zoo Fund - This fund is used to account for the operations of the zoo.







Water Fund



**Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2023 and 2022**

	Water Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 53,540,551	\$ 48,848,086
Accounts receivable, net of allowances	8,826,028	6,728,340
Lease receivable	27,721	27,379
Prepaid expense	206,878	321,196
Intergovernmental receivable	618,235	629,576
Restricted cash and investments	6,651,481	5,188,922
Inventory	480,210	413,205
Total current assets	70,351,104	62,156,704
Noncurrent assets:		
Restricted cash and investments	78,534,451	66,152,380
Advances to other funds	525,336	525,336
Lease receivable	725,753	752,303
Capital assets:		
Land	4,305,908	3,180,914
Buildings	11,166,659	10,962,893
Improvements other than buildings	412,754,296	396,008,927
Machinery & equipment	11,879,468	10,405,070
Construction work in progress	30,772,327	23,588,582
Intangible water rights	36,792,490	36,792,490
Lease, right-of-use assets	104,594	76,466
Less: accumulated depreciation and amortization	(197,956,197)	(185,377,288)
Total capital assets	309,819,545	295,638,054
Total noncurrent assets	389,605,085	363,068,073
Total assets	459,956,189	425,224,777
Deferred outflows of resources:		
Deferred losses on refundings of debt	1,153,612	1,351,409
Deferred outflows on pension liability	3,173,357	823,583
Total deferred outflows of resources	4,326,969	2,174,992
Total assets and deferred outflows of resources	\$ 464,283,158	\$ 427,399,769

See accompanying independent auditor's report.

	Water Fund	
	2023	2022
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,237,229	\$ 707,544
Accrued liabilities	759,617	711,129
Lease liability	23,781	30,613
Due to other funds	-	-
Compensated absences payable	894,743	886,181
Refundable contracts	-	-
Notes payable	31,325	96,535
Contracts payable	-	-
Bonds payable	14,180,000	12,920,000
Accrued interest payable	1,853,176	1,609,163
Current liabilities payable from restricted assets:		
Accounts payable	2,971,530	1,616,471
Due to other funds	-	-
Customer deposits	3,682,522	3,572,451
Total current liabilities	<u>25,633,923</u>	<u>22,150,087</u>
Noncurrent liabilities:		
Refundable contracts	992,808	999,241
Lease liabilities	20,343	35,778
Compensated absences payable	803,551	680,092
Contracts payable	-	-
Bonds payable	224,947,959	212,760,407
Notes payable	1,091,441	1,122,766
Net pension liability	5,264,574	668,938
Total noncurrent liabilities	<u>233,120,676</u>	<u>216,267,222</u>
Total liabilities	<u>258,754,599</u>	<u>238,417,309</u>
Deferred inflows of resources:		
Deferred inflows on pension liability	-	2,025,408
Deferred inflows on leases	736,071	772,868
Total deferred inflows of resources	<u>736,071</u>	<u>2,798,276</u>
Total liabilities and deferred inflows of resources	<u>259,490,670</u>	<u>241,215,585</u>
Net Position		
Net investment in capital assets	154,871,432	135,176,773
Restricted for debt service	-	-
Unrestricted	49,921,056	51,007,411
Total net position	<u>\$ 204,792,488</u>	<u>\$ 186,184,184</u>

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
Major Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Water Fund	
	2023	2022
Operating revenues:		
Charges for services	\$ 64,875,489	\$ 59,758,640
Other	403,208	707,153
Total operating revenue	65,278,697	60,465,793
Operating expenses:		
Salaries and wages	6,972,755	5,828,388
Employee benefits	3,146,367	1,524,257
Purchased professional/technical services	2,703,143	1,749,221
Purchased property services	212,113	165,214
Maintenance	4,259,841	3,957,019
Other purchased services	1,176,455	1,035,983
Supplies	6,520,502	5,167,796
Other	6,389,275	6,039,723
Depreciation/amortization	12,886,541	12,051,817
Total operating expenses	44,266,992	37,519,418
Operating income	21,011,705	22,946,375
Nonoperating revenue (expenses)		
Investment earnings	2,110,571	(789,390)
Contributions	-	-
Intergovernmental revenue	23,745	12,803
Other income	-	-
Bond issuance costs	(190,625)	(316,538)
Interest expense and fiscal charges	(6,053,359)	(5,263,129)
Gain (loss) on disposal of capital assets	(29,279)	(637,488)
Total nonoperating revenue (expenses)	(4,138,947)	(6,993,742)
Income before contributions and transfers	16,872,758	15,952,633
Capital contributions	5,842,502	7,867,232
Transfers in	7	145,042
Transfers out	(4,106,963)	(3,964,917)
Change in net position	18,608,304	19,999,990
Total net position, beginning of year	186,184,184	166,184,194
Total net position, end of year	\$ 204,792,488	\$ 186,184,184

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Water Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 63,280,488	\$ 60,841,862
Cash paid to suppliers for goods and services	(20,674,860)	(18,067,053)
Cash paid to employees for services	(9,734,061)	(8,048,408)
Net cash provided by operating activities	32,871,567	34,726,401
Cash flows from noncapital financing activities:		
Intergovernmental revenue	35,086	12,803
Contributions	-	36,748
Transfer from other funds	7	145,042
Transfer to other funds	(4,106,970)	(3,964,917)
Net cash used for noncapital financing activities	(4,071,877)	(3,770,324)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(20,020,746)	(14,076,407)
Principal and interest payments for lease assets	(31,546)	(30,682)
Proceeds from sale of debt	28,500,052	22,000,000
Capital Contributions	130,152	41,944
Payment of refundable contracts	-	-
Principal paid on debt	(13,016,535)	(12,445,000)
Interest paid on debt	(7,934,543)	(7,678,342)
Net cash used for capital and related financing activities	(12,373,166)	(12,188,487)
Cash flows from investing activities:		
Investment earnings	2,110,571	(789,390)
Net cash provided by investing activities	2,110,571	(789,390)
Net increase in cash and cash equivalents	18,537,095	17,978,200
Cash and cash equivalents, beginning of year	120,189,388	102,211,188
Cash and cash equivalents, end of year	\$ 138,726,483	\$ 120,189,388
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	21,011,705	22,946,375
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	75,744	88,274
Depreciation/amortization	12,886,541	12,051,817
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(2,173,433)	(118,734)
Prepaid expenses	114,318	(7,660)
Inventory	(67,005)	(154,411)
Lease receivable	26,208	(779,682)
Increase (decrease) in liabilities:		
Accounts payable	529,685	188,046
Accrued liabilities	48,488	79,249
Compensated absences payable	132,021	120,312
Net pension liability	220,454	(873,396)
Customer deposits	110,071	413,343
Deferred inflow-leases	(36,797)	772,868
Refundable Contracts	(6,433)	-
Net cash provided by operating activities	\$ 32,871,567	\$ 34,726,401
Schedule of Noncash capital and related financing activities:		
Contributions of capital assets	\$ 5,712,350	\$ 7,825,288
Proceeds of refunding bonds used for bond issuance costs and payment to refunded bond escrow agent	-	21,172,459
Lease, right-of-use assets	10,848	97,073

See accompanying independent auditor's report.





Wastewater Fund



**Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2023 and 2022**

	Wastewater Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 49,950,099	\$ 43,729,690
Accounts receivable, net of allowance	4,974,898	4,685,402
Prepaid expense	-	30,849
Intergovernmental receivable	319,136	329,772
Restricted cash and investments	1,565,992	1,681,094
Inventory	24,526	42,632
Total current assets	56,834,651	50,499,439
Noncurrent assets:		
Restricted cash and investments	111,473,550	78,199,099
Capital assets:		
Land	7,703,403	3,361,999
Buildings	21,820,904	21,820,904
Improvements other than buildings	283,989,727	254,106,252
Equipment	15,389,256	14,152,841
Construction work in progress	12,437,775	31,256,384
Lease, right-of-use assets	38,680	25,620
Less: accumulated depreciation and amortization	(105,079,389)	(93,756,857)
Total capital assets	236,300,356	230,967,143
Total noncurrent assets	347,773,906	309,166,242
Total assets	404,608,557	359,665,681
Deferred outflows of resources:		
Deferred losses on refundings of debt	244,338	290,701
Deferred outflows on pension liability	2,115,570	549,054
Total deferred outflows of resources	2,359,908	839,755
Total assets and deferred outflows of resources	\$ 406,968,465	\$ 360,505,436

See accompanying independent auditor's report.

	<u>Wastewater Fund</u>	
	<u>2023</u>	<u>2022</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 572,664	\$ 289,530
Accrued liabilities	317,027	599,581
Lease liability	8,166	11,463
Compensated absences payable	422,532	440,539
Bonds payable	10,560,000	9,445,000
Accrued interest payable	1,977,908	1,282,515
Estimated claims and judgments payable	6,020,609	3,044,828
Current liabilities payable from restricted assets:		
Accounts payable	1,565,992	1,681,094
Total current liabilities	<u>21,444,898</u>	<u>16,794,550</u>
Noncurrent liabilities:		
Refundable contracts	192,542	192,542
Lease liability	6,368	10,750
Compensated absences payable	175,989	120,852
Bonds payable	204,963,205	173,714,129
Net pension liability	3,509,716	445,958
Total noncurrent liabilities	<u>208,847,820</u>	<u>174,484,231</u>
Total liabilities	<u>230,292,718</u>	<u>191,278,781</u>
Deferred inflows of resources		
Deferred inflows on pension liability	-	1,350,274
Total deferred inflows of resources	<u>-</u>	<u>1,350,274</u>
Net Position		
Net investment in capital assets	133,853,955	126,083,133
Unrestricted	42,821,792	41,793,248
Total net position	<u>\$ 176,675,747</u>	<u>\$ 167,876,381</u>

See accompanying independent auditor's report.

**Comparative Statement of Revenue, Expenses and Changes in Fund Net Position
Major Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Wastewater Fund	
	2023	2022
Operating revenues:		
Charges for services	\$ 46,631,885	\$ 43,400,394
Other	901,076	822,936
Total operating revenues	47,532,961	44,223,330
Operating expenses:		
Salaries and wages	4,721,751	4,190,648
Employee benefits	2,134,954	1,094,296
Purchased professional/technical services	2,468,239	2,162,015
Purchased property services	96,874	100,284
Maintenance	3,540,399	2,893,371
Other purchased services	569,690	437,004
Supplies	3,665,367	2,973,490
Other	9,536,813	9,053,989
Depreciation/amortization	11,627,960	9,170,121
Total operating expenses	38,362,047	32,075,218
Operating income	9,170,914	12,148,112
Nonoperating revenue (expenses)		
Investment earnings	1,795,404	(662,371)
Other income	16,301	23,336
Intergovernmental revenue	20,777	11,818
Gain (loss) on disposal of capital assets	(157,745)	-
Bond issuance costs	(291,880)	(169,966)
Interest expense and fiscal charges	(5,521,560)	(4,582,167)
Total nonoperating revenue (expenses)	(4,138,703)	(5,379,350)
Income (loss) before contributions and transfers	5,032,211	6,768,762
Capital Contributions	5,042,438	10,776,086
Transfers in	3	233,395
Transfers out	(1,275,286)	(1,145,758)
Change in net position	8,799,366	16,632,485
Total net position, beginning of year	167,876,381	151,243,896
Total net position, end of year	\$ 176,675,747	\$ 167,876,381

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2023 and 2022**

	<u>Wastewater Fund</u>	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from customers	\$ 47,259,766	\$ 44,075,764
Cash paid to suppliers for goods and services	(16,883,032)	(15,022,880)
Cash paid to employees for services	(6,641,641)	(5,866,149)
Net cash provided by operating activities	<u>23,735,093</u>	<u>23,186,735</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenue	31,413	46,474
Contributions	-	-
Other nonoperating income	-	-
Transfers from other funds	3	233,395
Transfers to other funds	(1,275,289)	(1,145,758)
Net cash used for noncapital financing activities	<u>(1,243,873)</u>	<u>(865,889)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(12,432,104)	(20,596,038)
Principal and interest payments for lease assets	(12,695)	(3,407)
Proceeds from sale of debt	43,200,000	15,500,000
Capital Contributions	245,490	74,152
Principal paid on capital debt	(9,445,000)	(9,140,000)
Interest paid on capital debt	(6,462,557)	(6,304,939)
Net cash provided by (used for) capital and related financing activities	<u>15,093,134</u>	<u>(20,470,232)</u>
Cash flows from investing activities:		
Investment earnings	1,795,404	(662,371)
Net cash provided by investing activities	<u>1,795,404</u>	<u>(662,371)</u>
Net increase in cash and cash equivalents	39,379,758	1,188,243
Cash and cash equivalents, beginning of year	123,609,883	122,421,640
Cash and cash equivalents, end of year	<u>\$ 162,989,641</u>	<u>\$ 123,609,883</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	9,170,914	12,148,112
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	65,565	46,372
Depreciation/amortization	11,627,960	9,170,121
Other nonoperating income	16,301	23,336
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(355,061)	(217,274)
Prepaid expenses	30,849	(8,345)
Inventory	18,106	(19,003)
Increase (decrease) in liabilities:		
Accounts payable	283,134	(340,939)
Accrued liabilities	(282,554)	(64,509)
Compensated absences payable	37,130	(13,703)
Net pension liability	146,968	(582,261)
Estimate claims and judgments payable	2,975,781	3,044,828
Net cash provided by operating activities	<u>\$ 23,735,093</u>	<u>\$ 23,186,735</u>
Schedule of Noncash capital, and related financing activities:		
Contribution of capital assets	\$ 4,796,948	\$ 10,701,934
Lease, right-of-use assets	<u>4,987</u>	<u>33,704</u>
Proceeds of refunding bonds used for bond issuance costs and payment to refunded bond escrow agent	-	4,625,613

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.





Solid Waste Fund



**Comparative Statements of Net Position
Major Enterprise Funds
September 30, 2023 and 2022**

	Solid Waste Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 22,182,462	\$ 18,213,040
Accounts receivable, net of allowance	3,211,622	2,836,888
Lease receivable	6,499	6,498
Restricted cash and investments	171,294	60,222
Total current assets	25,571,877	21,116,648
Noncurrent assets:		
Restricted cash and investments	21,817,216	8,087,151
Lease receivables	-	6,479
Capital assets:		
Land	9,777,989	8,258,110
Buildings	1,379,037	1,370,137
Improvements other than buildings	29,842,875	30,876,058
Equipment	29,390,410	27,033,371
Construction work in progress	5,313,513	4,673,474
Lease, right-of-use assets	51,643	33,896
Less: Accumulated depreciation and amortization	(50,556,415)	(48,770,657)
Total capital assets	25,199,052	23,474,389
Total noncurrent assets	47,016,268	31,568,019
Total assets	72,588,145	52,684,667
Deferred outflows of resources		
Deferred outflows on pension liability	2,115,570	549,055
Total deferred outflows of resources	2,115,570	549,055
Total assets and deferred outflows of resources	\$ 74,703,715	\$ 53,233,722

See accompanying independent auditor's report.

	Solid Waste Fund	
	2023	2022
Liabilities		
Current Liabilities:		
Accounts payable	\$ 295,116	\$ 218,057
Accrued liabilities	341,456	275,047
Compensated absences payable	561,284	592,039
Lease liability	10,528	18,139
Bonds payable	1,730,000	1,760,000
Accrued interest payable	552,639	167,669
Current liabilities payable from restricted assets:		
Accounts payable	171,294	60,222
Total current liabilities	<u>3,662,317</u>	<u>3,091,173</u>
Noncurrent Liabilities:		
Estimated landfill closure and postclosure care costs	7,805,256	7,072,031
Compensated absences payable	576,300	486,014
Lease liability	12,448	11,783
Bonds payable	29,550,145	13,064,297
Net pension liability	3,509,716	445,958
Total noncurrent liabilities	<u>41,453,865</u>	<u>21,080,083</u>
Total liabilities	<u>45,116,182</u>	<u>24,171,256</u>
Deferred inflows of resources		
Deferred gains on refundings of debt	7,423	37,000
Deferred inflows on pension liability	-	1,350,274
Deferred inflows on leases	6,803	13,282
Total deferred inflows of resources	<u>14,226</u>	<u>1,400,556</u>
Total liabilities and deferred inflows of resources	<u>45,130,408</u>	<u>25,571,812</u>
Net position		
Net investment in capital assets	15,877,018	16,670,403
Unrestricted	13,696,289	10,991,507
Total net position	<u>\$ 29,573,307</u>	<u>\$ 27,661,910</u>

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenses and Changes in Fund Net Position
Major Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Solid Waste Fund	
	2023	2022
Operating revenue:		
Charges for services	\$ 32,237,664	\$ 27,436,912
Other	157,141	220,300
Total operating revenues	32,394,805	27,657,212
Operating expenses:		
Salaries and wages	5,965,409	4,947,411
Employee benefits	2,810,104	1,547,222
Purchased professional/technical services	3,131,232	2,918,467
Purchased property services	21,650	25,519
Maintenance	3,584,559	3,125,648
Other purchased services	577,622	187,316
Supplies	2,891,506	2,737,930
Other	6,679,941	4,897,576
Depreciation/amortization	3,420,574	3,034,113
Total operating expenses	29,082,597	23,421,202
Operating income	3,312,208	4,236,010
Nonoperating revenue (expenses):		
Investment earnings	764,074	(280,473)
Other Income	-	-
Intergovernmental revenue	12,454	-
Gain (loss) on disposal of capital assets	(760,907)	(10,195)
Bond issuance cost	(191,146)	(119,056)
Interest expense and fiscal charges	(702,309)	(172,084)
Total nonoperating revenue (expenses)	(877,834)	(581,808)
Income (loss) before contributions and transfers	2,434,374	3,654,202
Transfers In	-	96,930
Transfers out	(522,977)	(514,510)
Change in net position	1,911,397	3,236,622
Total net position, beginning of year	27,661,910	24,425,288
Total net position, end of year	\$ 29,573,307	\$ 27,661,910

See accompanying independent auditor's report.

Comparative Statement of Cash Flows
Major Enterprise Fund
Years Ended September 30, 2023 and 2022

	Solid Waste Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 32,021,353	\$ 27,179,266
Cash paid to suppliers for goods and services	(16,044,303)	(13,699,953)
Cash paid to employees for services	(8,535,809)	(6,950,777)
Net cash provided by operating activities	7,441,241	6,528,536
Cash flows from noncapital financing activities:		
Intergovernmental revenue	12,454	-
Transfers from other funds	-	96,930
Transfers to other funds	(522,977)	(514,510)
Net cash used for noncapital financing activities	(510,523)	(417,580)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(5,780,544)	(5,295,154)
Principal and interest payments for lease assets	(21,646)	(15,397)
Principal paid on debt	(1,760,000)	(1,140,000)
Interest paid on debt	(506,490)	(280,846)
Proceeds from sale of debt	18,184,447	7,650,489
Net cash used for capital and related financing activities	10,115,767	919,092
Cash flows from investing activities:		
Investment earnings	764,074	(280,473)
Net cash provided by investing activities	764,074	(280,473)
Net increase in cash and cash equivalents	17,810,559	6,749,575
Cash and cash equivalents, beginning of year	26,360,413	19,610,838
Cash and cash equivalents, end of year	\$ 44,170,972	\$ 26,360,413
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	3,312,208	4,236,010
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	22,287	29,529
Depreciation/amortization	3,420,574	3,034,113
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(397,022)	(507,780)
Lease receivable	6,478	(12,977)
Increase (decrease) in liabilities:		
Accounts payable	77,060	(330,331)
Accrued liabilities	66,410	62,630
Estimated landfill closure and post-closure care costs	733,225	519,143
Compensated absences payable	59,531	67,179
Net pension liability	146,969	(582,262)
Deferred inflow on leases	(6,479)	13,282
Net cash provided by operating activities	\$ 7,441,241	\$ 6,528,536
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	\$ 29,761	\$ 45,319
Transfer of capital assets to general government	-	-
Payment to refunded bond escrow agent	-	544,818

See accompanying independent auditor's report.





Cameron Park Zoo Fund



**Comparative Statement of Net Position
Major Enterprise Fund
September 30, 2023 and 2022**

	Cameron Park Zoo Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 16,700,597	\$ 2,060,746
Accounts receivable, net of allowance	1,856,193	182,949
Inventory	353,092	264,260
Total current assets	18,909,882	2,507,955
Noncurrent assets:		
Capital assets:		
Buildings	10,447,289	10,408,924
Improvements other than buildings	19,110,331	19,110,331
Equipment	1,053,902	702,018
Construction in progress	8,443,850	1,020,154
Lease, right-of-use assets	1,001	-
Less: Accumulated depreciation and amortization	(24,426,031)	(23,338,816)
Total capital assets	14,630,342	7,902,611
Total noncurrent assets	14,630,342	7,902,611
Total assets	33,540,224	10,410,566
Liabilities		
Current liabilities:		
Accounts payable	1,149,664	51,410
Accrued liabilities	735,307	125,403
Unearned Revenue	20,328	45,066
Compensated absences payable	372,169	334,709
Lease liability	244	-
Total current liabilities	2,277,712	556,588
Noncurrent liabilities:		
Compensated absences payable	110,940	122,982
Lease liability	500	-
Total noncurrent liabilities	111,440	122,982
Total liabilities	2,389,152	679,570
Deferred inflows of resources:		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	2,389,152	679,570
Net Position		
Net investment in capital assets	14,629,598	7,902,611
Unrestricted	16,521,474	1,828,385
Total net position	\$ 31,151,072	\$ 9,730,996

See accompanying independent auditor's report.

**Comparative Statements of Revenue, Expenses and Changes in Fund Net Position
Major Enterprise Funds
Years Ended September 30, 2023 and 2022**

	<u>Cameron Park Zoo Fund</u>	
	<u>2023</u>	<u>2022</u>
Operating revenue:		
Charges for services	\$ 2,513,995	\$ 2,480,847
Net merchandise sales	733,455	774,633
Contributions	24,739	8,614
Other	437,656	65,700
Total operating revenue	<u>3,709,845</u>	<u>3,329,794</u>
Operating expenses:		
Salaries and wages	2,898,354	2,427,358
Employee benefits	1,185,165	1,043,115
Purchased professional/technical services	445,404	161,116
Purchased property services	1,638,699	588,562
Maintenance	159,848	221,057
Other purchased services	218,413	147,697
Supplies	994,198	927,552
Other	88,035	154,276
Depreciation and amortization	1,087,216	1,094,085
Total operating expenses	<u>8,715,332</u>	<u>6,764,818</u>
Operating income (loss)	<u>(5,005,487)</u>	<u>(3,435,024)</u>
Nonoperating revenues (expenses)		
Investment earnings	117,343	(30,855)
Other income	49,823	-
Interest expense and fiscal charges	(13)	-
Total nonoperating revenues (expenses)	<u>167,153</u>	<u>(30,855)</u>
Income (loss) before contributions and transfers	<u>(4,838,334)</u>	<u>(3,465,879)</u>
Capital contributions	10,509,803	1,455,470
Transfers in	15,748,607	1,908,369
Change in net position	<u>21,420,076</u>	<u>(102,040)</u>
Total net position, beginning of year	9,730,996	9,833,036
Total net position, end of year	<u>\$ 31,151,072</u>	<u>\$ 9,730,996</u>

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Cameron Park Zoo Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 2,011,863	\$ 3,610,904
Cash paid to suppliers for goods and services	(1,951,292)	(2,335,309)
Cash paid to employees for services	(4,032,081)	(3,446,856)
Net cash provided by (used for) operating activities	(3,971,510)	(2,171,261)
Cash flows from noncapital financing activities:		
Other nonoperating income	49,823	-
Transfer from other funds	15,748,607	1,908,369
Net cash provided by (used for) noncapital financing activities	15,798,430	1,908,369
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(7,814,015)	(1,454,470)
Principal and interest payments for lease assets	(187)	-
Capital contributions	10,509,803	1,448,775
Interest paid on debt	(13)	-
Net cash provided by (used for) capital and related financing activities	2,695,588	(5,695)
Cash flows from investing activities:		
Investment earnings	117,343	(30,855)
Net cash provided by investing activities	117,343	(30,855)
Net increase (decrease) in cash and cash equivalents	14,639,851	(299,442)
Cash and cash equivalents, beginning of year	2,060,746	2,360,188
Cash and cash equivalents, end of year	\$ 16,700,597	\$ 2,060,746
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(5,005,487)	(3,435,024)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/ amortization	1,087,216	1,094,085
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(1,673,244)	289,723
Inventory	(88,832)	(83,007)
Increase (decrease) in liabilities:		
Accounts payable	1,098,254	(79,497)
Accrued liabilities	609,903	44,202
Unearned Revenues	(24,738)	(8,614)
Compensated absences payable	25,418	6,871
Net cash provided by (used for) operating activities	(3,971,510)	(2,171,261)
Noncash investing, capital, and financing activities:		
Transfer of Capital Assets from Governmental Activities	-	6,695
Contributions of capital assets	228,111	35,315
Lease, right-of-use assets	1,001	-

Noncash investing, capital, and financing activities:

See accompanying independent auditor's report.

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.





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.

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, 2023
(With Comparative Totals for September 30, 2023)**

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Assets			
Current assets:			
Cash and investments	\$ 3,236,965	\$ 9,491,980	\$ 666,710
Due from other funds	-	-	-
Accounts receivable, net of allowances	72,367	762,027	-
Lease receivable	465,125	-	679
Intergovernmental receivable	1,382,284	-	-
Restricted cash and investments	-	-	-
Prepaid expense	-	-	-
Inventories	-	60,428	98,501
Total current assets	5,156,741	10,314,435	765,890
Noncurrent assets:			
Restricted cash and investments	-	-	737,642
Lease receivable	2,677,777	-	3,191
Capital assets:			
Land	2,977,470	-	-
Buildings	15,625,930	27,182,675	3,754,060
Improvements other than buildings	50,983,937	555,845	418,768
Equipment	2,394,808	1,792,607	518,090
Museum collections	-	-	2,657,924
Construction work in progress	9,956,267	44,294	-
Lease, right-of-use assets, net of accumulated amortization	7,748	9,320	-
Less: accumulated depreciation	(44,904,791)	(15,697,066)	(2,458,575)
Total capital assets	37,041,369	13,887,675	4,890,267
Total noncurrent assets	39,719,146	13,887,675	5,631,100
Total assets	44,875,887	24,202,110	6,396,990
Liabilities			
Current liabilities:			
Accounts payable	847,029	57,501	11,340
Accrued liabilities	470,722	129,308	29,794
Unearned revenue	273,871	247,103	-
Due to other funds	-	-	-
Compensated absences payable	69,960	150,717	91,572
Lease liability	1,977	2,256	-
Bonds payable	-	-	-
Accrued interest payable	-	-	-
Current liabilities payable from restricted assets:			
Accounts payable	-	-	-
Total current liabilities	1,663,559	586,885	132,706
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences payable	60,775	68,501	98,709
Lease liability	3,873	4,658	-
Bonds payable	-	-	-
Total noncurrent liabilities	64,648	73,159	98,709
Total liabilities	1,728,207	660,044	231,415
Deferred inflows of resources:			
Deferred inflows on leases	3,094,735	-	3,829
Total deferred inflows of resources	3,094,735	-	3,829
Total liabilities and deferred inflows of resources	4,822,942	660,044	235,244
Net position			
Net investment in capital assets	37,035,519	13,880,761	5,627,909
Restricted for:			
Capital projects	480,799	-	110,496
Unrestricted	2,536,627	9,661,305	423,341
Total net position	\$ 40,052,945	\$ 23,542,066	\$ 6,161,746

See accompanying independent auditor's report.

Transit Services Fund	Cottonwood Creek Golf Course Fund	Drainage (Stormwater) Utility Fund	Totals	
			2023	2022
\$ -	\$ 2,525,756	\$ 6,055,169	\$ 21,976,580	\$ 15,159,769
701,728	-	-	701,728	701,728
420,717	-	759,487	2,014,598	1,793,132
64,895	-	-	530,699	391,482
3,076,819	-	-	4,459,103	5,595,011
-	-	-	-	6,249
-	-	-	-	7,600
703,309	269,458	-	1,131,696	1,205,378
<u>4,967,468</u>	<u>2,795,214</u>	<u>6,814,656</u>	<u>30,814,404</u>	<u>24,860,349</u>
-	-	11,695,245	12,432,887	12,603,256
158,247	-	-	2,839,215	3,097,065
423,284	-	269,527	3,670,281	3,650,283
6,815,401	713,389	-	54,091,455	64,583,846
244,951	2,017,246	8,177,070	62,397,817	77,680,708
14,030,667	1,426,916	769,266	20,932,354	19,657,403
-	-	-	2,657,924	2,652,924
1,199,735	-	58,373	11,258,669	6,497,834
755	236,601	172,115	426,539	323,028
(15,643,246)	(3,860,190)	(399,424)	(82,963,292)	(101,134,384)
<u>7,071,547</u>	<u>533,962</u>	<u>9,046,927</u>	<u>72,471,747</u>	<u>73,911,642</u>
<u>7,229,794</u>	<u>533,962</u>	<u>20,742,172</u>	<u>87,743,849</u>	<u>89,611,963</u>
<u>12,197,262</u>	<u>3,329,176</u>	<u>27,556,828</u>	<u>118,558,253</u>	<u>114,472,312</u>
57,563	28,995	85,312	1,087,740	676,265
57,822	1,274,984	45,281	2,007,911	1,103,363
76,750	-	-	597,724	372,623
3,692,356	-	-	3,692,356	1,182,798
-	84,964	93,116	490,329	766,943
200	89,325	56,323	150,081	140,122
-	-	360,000	360,000	180,000
-	-	139,714	139,714	239,853
-	-	57,161	57,161	6,249
<u>3,884,691</u>	<u>1,478,268</u>	<u>836,907</u>	<u>8,583,016</u>	<u>4,668,216</u>
-	693,704	-	693,704	693,704
-	121,878	-	349,863	384,840
377	-	41,424	50,332	182,214
-	-	14,334,174	14,334,174	11,824,118
<u>377</u>	<u>815,582</u>	<u>14,375,598</u>	<u>15,428,073</u>	<u>13,084,876</u>
<u>3,885,068</u>	<u>2,293,850</u>	<u>15,212,505</u>	<u>24,011,089</u>	<u>17,753,092</u>
221,743	-	-	3,320,307	3,465,947
<u>221,743</u>	<u>-</u>	<u>-</u>	<u>3,320,307</u>	<u>3,465,947</u>
<u>4,106,811</u>	<u>2,293,850</u>	<u>15,212,505</u>	<u>27,331,396</u>	<u>21,219,039</u>
7,070,970	444,637	5,950,251	70,010,047	73,325,583
-	-	-	591,295	899,971
<u>1,019,481</u>	<u>590,689</u>	<u>6,394,072</u>	<u>20,625,515</u>	<u>19,027,719</u>
<u>\$ 8,090,451</u>	<u>\$ 1,035,326</u>	<u>\$ 12,344,323</u>	<u>\$ 91,226,857</u>	<u>\$ 93,253,273</u>

See accompanying independent auditor's report.

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended September 30, 2023
(With Comparative Totals for the Year Ended September 30, 2022)**

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Operating revenues:			
Charges for services	\$ 428,126	\$ 1,137,364	\$ 440,619
Net merchandise sales	-	370,366	148,254
Contributions	-	46,790	-
Other	553,692	48,737	12,693
Total operating revenues	<u>981,818</u>	<u>1,603,257</u>	<u>601,566</u>
Operating expenses:			
Salaries and wages	685,832	1,448,987	991,530
Employee benefits	269,276	645,590	356,239
Purchased professional/technical services	445,342	771,624	268,707
Purchased property services	24,925	49,689	9,311
Maintenance	285,205	290,337	7,671
Other purchased services	103,305	2,275,134	60,665
Supplies	165,522	357,817	94,600
Other	927,603	1,125,114	24,287
Depreciation/amortization	2,854,458	915,099	163,625
Total operating expenses	<u>5,761,468</u>	<u>7,879,391</u>	<u>1,976,635</u>
Operating income (loss)	<u>(4,779,650)</u>	<u>(6,276,134)</u>	<u>(1,375,069)</u>
Nonoperating revenues (expenses):			
Investment earnings	179,151	339,078	51,879
Other income	7,126	-	-
Hotel/motel tax	-	6,475,224	-
Contributions	3,000	-	57,567
Intergovernmental revenue	7,187,083	-	-
Interest expense and fiscal charges	(29,118)	(28)	-
Bond issuance cost	-	-	-
Gain (loss) on disposal of capital assets	-	(12,800)	-
Total nonoperating revenues (expenses)	<u>7,347,242</u>	<u>6,801,474</u>	<u>109,446</u>
Income (loss) before contributions and transfers	2,567,592	525,340	(1,265,623)
Capital contributions	2,133,052	-	-
Transfers in	-	-	1,250,000
Transfers out	-	(150,217)	(164)
Net change in net position	<u>4,700,644</u>	<u>375,123</u>	<u>(15,787)</u>
Total net position, beginning of year - previously stated	<u>35,352,301</u>	<u>23,166,943</u>	<u>6,177,533</u>
Changes within reporting entity	-	-	-
Total net position, beginning of year - adjusted	<u>35,352,301</u>	<u>23,166,943</u>	<u>6,177,533</u>
Total net position, end of year	<u>40,052,945</u>	<u>23,542,066</u>	<u>6,161,746</u>

See accompanying independent auditor's report.

Transit Services Fund	Cottonwood Creek Golf Course Fund	Drainage (Stormwater) Utility Fund	Totals	
			2023	2022
\$ 985,892	\$ 2,044,078	\$ 6,670,766	\$ 11,706,845	\$ 12,901,859
-	364,266	-	882,886	1,492,116
-	-	-	46,790	27,676
1,384,209	5,797	-	2,005,128	2,466,912
<u>2,370,101</u>	<u>2,414,141</u>	<u>6,670,766</u>	<u>14,641,649</u>	<u>16,888,563</u>
3,309,948	549,569	1,283,948	8,269,814	9,128,440
818,063	226,503	469,148	2,784,819	3,408,801
623,036	785,292	1,338,351	4,232,352	2,670,024
27,127	658,773	11,457	781,282	768,882
589,625	146,531	24,512	1,343,881	1,276,160
696,400	67,399	42,526	3,245,429	2,462,026
922,432	270,318	100,138	1,910,827	2,672,232
480,560	48,476	1,389,817	3,995,857	3,744,871
762,549	204,611	290,668	5,191,010	5,947,069
<u>8,229,740</u>	<u>2,957,472</u>	<u>4,950,565</u>	<u>31,755,271</u>	<u>32,078,505</u>
<u>(5,859,639)</u>	<u>(543,331)</u>	<u>1,720,201</u>	<u>(17,113,622)</u>	<u>(15,189,942)</u>
1,603	78,228	106,457	756,396	(263,629)
-	-	-	7,126	152,481
-	-	-	6,475,224	6,120,368
-	-	-	60,567	597,218
5,165,984	-	-	12,353,067	6,373,883
(24)	(5,563)	(358,700)	(393,433)	(142,238)
-	-	-	-	(108,928)
-	-	-	(12,800)	-
<u>5,167,563</u>	<u>72,665</u>	<u>(252,243)</u>	<u>19,246,147</u>	<u>12,729,155</u>
(692,076)	(470,666)	1,467,958	2,132,525	(2,460,787)
598,694	-	1,241,045	3,972,791	12,704,136
-	500,000	-	1,750,000	3,426,879
-	-	(355)	(150,736)	(150,000)
<u>(93,382)</u>	<u>29,334</u>	<u>2,708,648</u>	<u>7,704,580</u>	<u>13,520,228</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>
-	-	-	(9,730,996)	-
<u>8,183,833</u>	<u>1,005,992</u>	<u>9,635,675</u>	<u>83,522,277</u>	-
<u>8,090,451</u>	<u>1,035,326</u>	<u>12,344,323</u>	<u>91,226,857</u>	<u>93,253,273</u>

See accompanying independent auditor's report.

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2023
(With Comparative Totals for September 30, 2022)**

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Cash flows from operating activities:			
Cash received from customers	\$ 1,127,266	\$ 1,628,275	\$ 619,556
Cash paid to suppliers for goods and services	(1,932,721)	(4,796,643)	(459,089)
Cash paid to employees for services	(923,854)	(2,012,989)	(1,343,448)
Net cash provided by (used for) operating activities	<u>(1,729,309)</u>	<u>(5,181,357)</u>	<u>(1,182,981)</u>
Cash flows from noncapital financing activities:			
Intergovernmental revenue	7,187,083	-	-
Contributions	3,000	-	57,567
Hotel/motel tax	-	6,475,074	-
Passenger facility charges	7,126	-	-
Other nonoperating income	-	-	-
Transfers from other funds	-	-	1,250,000
Transfers to other funds	-	(150,217)	(164)
Net cash provided by (used for) noncapital financing activities	<u>7,197,209</u>	<u>6,324,857</u>	<u>1,307,403</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(4,658,690)	(229,750)	(34,309)
Interest paid on debt	(29,118)	(28)	-
Proceeds from sale of debt	-	-	-
Payment of bond issuance costs	-	-	-
Payments in lieu of drainage facilities	-	-	-
Principal payments for lease assets	(1,898)	(1,809)	160
Capital contributions	2,133,052	-	-
Proceeds from insurance recoveries	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(2,556,654)</u>	<u>(231,587)</u>	<u>(34,149)</u>
Cash flows from investing activities:			
Investment earnings	179,151	339,078	51,879
Net cash provided by (used for) investing activities	<u>179,151</u>	<u>339,078</u>	<u>51,879</u>
Net increase (decrease) in cash and cash equivalents	3,090,397	1,250,991	142,152
Cash and cash equivalents, beginning of year	146,568	8,240,989	1,262,200
Cash and cash equivalents, end of year	<u>\$ 3,236,965</u>	<u>\$ 9,491,980</u>	<u>\$ 1,404,352</u>
Reconciliation of operating income (loss) to net cash used for operating activities:			
Operating income (loss)	(4,779,650)	(6,276,134)	(1,375,069)
Adjustment to reconcile operating income (loss) to net cash used for operating activities:			
Provision for uncollectible accounts receivable	-	-	-
Depreciation/Amortization	2,854,458	915,099	163,625
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	(40,121)	(40,583)	18,000
Lease receivable	53,565	-	669
Inventory	-	15,357	(753)
Prepaid Assets	-	-	-
Increase (decrease) in liabilities:			
Accounts payable	20,904	(486)	3,539
Accrued liabilities	2,144	68,242	3,373
Deferred inflow-leases	(80,053)	-	(686)
Unearned revenue	212,057	65,360	-
Compensated absences payable	27,387	71,788	4,321
Net cash provided by (used for) operating activities	<u>(1,729,309)</u>	<u>(5,181,357)</u>	<u>(1,182,981)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	-	-	5,000
Lease, right-of-use assets	7,748	9,320	-

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.

Transit Services Fund	Cottonwood Creek Golf Course Fund	Drainage (Stormwater) Utility Fund	Totals	
			2023	2022
\$ 2,255,609	\$ 2,414,141	\$ 6,435,557	\$ 14,480,404	\$ 16,693,690
(3,474,764)	(1,399,463)	(2,818,427)	(14,881,107)	(13,871,514)
(4,138,097)	(760,874)	(1,700,752)	(10,880,014)	(12,576,033)
(5,357,252)	253,804	1,916,378	(11,280,717)	(9,753,857)
3,415,242	-	-	10,602,325	3,902,608
-	-	-	60,567	597,218
-	-	-	6,475,074	5,970,761
-	-	-	7,126	152,480
-	-	-	-	-
2,509,558	500,000	-	4,259,558	3,334,807
-	-	(355)	(150,736)	(150,000)
5,924,800	500,000	(355)	21,253,914	13,807,874
(1,167,644)	(86,191)	(636,177)	(6,812,761)	(5,978,925)
(24)	(5,563)	(458,719)	(493,452)	(6,078)
-	-	2,690,056	2,690,056	12,108,928
-	-	-	-	(108,928)
-	-	-	-	100,000
(177)	(85,636)	(54,883)	(144,243)	(83,587)
598,694	-	-	2,731,746	5,648,843
-	-	-	-	-
(569,151)	(177,390)	1,540,277	(2,028,654)	11,680,253
1,603	78,228	106,457	756,396	(263,629)
1,603	78,228	106,457	756,396	(263,629)
-	654,642	3,562,757	8,700,939	15,470,641
-	1,871,114	14,187,657	25,708,528	12,298,633
\$ -	\$ 2,525,756	\$ 17,750,414	\$ 34,409,467	\$ 27,769,274
(5,859,639)	(543,331)	1,720,201	(17,113,622)	(15,189,942)
-	-	11,918	11,918	17,918
762,549	204,611	290,668	5,191,010	5,947,069
(106,740)	-	(247,127)	(416,571)	(393,010)
64,399	-	-	118,633	(3,488,547)
(162,242)	(42,940)	-	(190,578)	(122,573)
-	7,600	-	7,600	(7,600)
28,473	(10,400)	88,375	130,405	(350,749)
(11,901)	629,483	18,520	709,861	44,357
(64,901)	-	-	(145,640)	3,465,947
(7,250)	-	-	270,167	202,819
-	8,781	33,823	146,100	120,454
(5,357,252)	253,804	1,916,378	(11,280,717)	(9,753,857)
-	-	1,241,045	1,246,045	132,656
754	-	10,201	28,023	-

See accompanying independent auditor's report.





Airport Fund



Airport Fund
Comparative Statements of Net Position
September 30, 2023 and 2022

	Airport Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 3,236,965	\$ 146,568
Accounts receivable, net of allowances	72,367	32,246
Lease receivable	465,125	326,294
Intergovernmental receivable	1,382,284	4,268,934
Total current assets	5,156,741	4,774,042
Noncurrent assets:		
Lease receivable	2,677,777	2,870,173
Capital assets:		
Land	2,977,470	2,977,470
Buildings	15,625,930	15,625,930
Improvements other than buildings	50,983,937	48,397,542
Equipment	2,394,808	2,394,808
Construction work in progress	9,956,267	4,287,592
Lease, right-of-use assets	7,748	-
Less: accumulated depreciation and amortization	(44,904,791)	(42,050,333)
Total capital assets	37,041,369	31,633,009
Total noncurrent assets	39,719,146	34,503,182
Total assets	44,875,887	39,277,224
Liabilities		
Current liabilities:		
Accounts payable	847,029	435,438
Accrued liabilities	470,722	149,535
Unearned revenue	273,871	61,814
Compensated absences payable	69,960	55,053
Lease liability	1,977	-
Total current liabilities	1,663,559	701,840
Noncurrent liabilities:		
Compensated absences payable	60,775	48,295
Lease liability	3,873	-
Total noncurrent liabilities	64,648	48,295
Total liabilities	1,728,207	750,135
Deferred inflows of resources:		
Deferred inflows on leases	3,094,735	3,174,788
Total deferred inflows of resources	3,094,735	3,174,788
Total liabilities and deferred inflows of resources	4,822,942	3,924,923
Net Position:		
Net Investment in capital assets	37,035,519	31,633,009
Restricted for:		
Capital projects	480,799	432,075
Unrestricted	2,536,627	3,287,217
Total net position	\$ 40,052,945	\$ 35,352,301

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Airport Fund	
	2023	2022
Operating revenues:		
Charges for services	\$ 428,126	\$ 448,739
Other	553,692	597,579
Total operating revenues	981,818	1,046,318
Operating expenses:		
Salaries and wages	685,832	545,948
Employee benefits	269,276	243,620
Purchased professional/technical services	445,342	344,444
Purchased property services	24,925	24,287
Maintenance	285,205	162,565
Other purchased services	103,305	83,568
Supplies	165,522	149,200
Other	927,603	869,482
Depreciation/amortization	2,854,458	2,747,782
Total operating expenses	5,761,468	5,170,896
Operating income (loss)	(4,779,650)	(4,124,578)
Nonoperating revenues (expenses):		
Investment earnings	179,151	(14,631)
Other Income	7,126	152,481
Contributions	3,000	-
Intergovernmental Revenue	7,187,083	2,054,544
Interest expense and fiscal charges	(29,118)	-
Gain (loss) on disposal of capital assets	-	-
Total nonoperating revenues (expenses)	7,347,242	2,192,394
Income (loss) before contributions and transfers	2,567,592	(1,932,184)
Capital contributions	2,133,052	3,835,068
Transfers in	-	54,674
Change in net position	4,700,644	1,957,558
Total net position, beginning of year	35,352,301	33,394,743
Total net position, end of year	\$ 40,052,945	\$ 35,352,301

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Airport Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 1,127,267	\$ 1,093,612
Cash paid to suppliers for goods and services	(1,932,722)	(1,672,427)
Cash paid to employees for services	(923,854)	(764,842)
Net cash provided by (used for) operating activities	(1,729,309)	(1,343,657)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	7,187,083	(164,804)
Passenger facility charges	7,126	152,480
Transfer from other funds	-	54,674
Transfer to other funds	-	-
Contributions	3,000	-
Net cash provided by (used for) noncapital financing activities	7,197,209	42,350
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(4,658,690)	(3,630,887)
Principal and interest payments for lease assets	(1,898)	-
Capital contributions	2,133,052	3,835,068
Interest paid on debt	(29,118)	-
Net cash provided by (used for) capital and related financing activities	(2,556,654)	204,181
Cash flows from investing activities:		
Investment earnings	179,151	(14,631)
Net cash provided by investing activities	179,151	(14,631)
Net increase (decrease) in cash and cash equivalents	3,090,397	(1,111,757)
Cash and cash equivalents, beginning of year	146,568	1,258,325
Cash and cash equivalents, end of year	\$ 3,236,965	\$ 146,568
Reconciliation of operating loss to net cash used for operating activities:		
Operating income (loss)	(4,779,650)	(4,124,578)
Adjustments to reconcile operating loss to net cash provided (used) by for operating activities:		
Depreciation/amortization	2,854,458	2,747,782
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(40,121)	7,159
Lease receivable	53,565	(3,196,467)
Increase (decrease) in liabilities:		
Accounts payable	20,904	(162,042)
Accrued liabilities	2,144	127,439
Deferred inflow-leases	(80,053)	3,174,788
Unearned revenue	212,057	61,814
Compensated absences payable	27,387	20,448
Net cash provided by (used for) operating activities	(1,729,309)	(1,343,657)
Noncash capital, and related financing activities:		
Lease, right-of-use assets,	7,748	-
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, 2023 and 2022**

	Convention Services Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 9,491,980	\$ 8,240,989
Accounts receivable, net of allowance	762,027	721,682
Inventory	60,428	75,785
Total current assets	10,314,435	9,038,456
Noncurrent assets:		
Capital assets:		
Buildings	27,182,675	27,182,675
Improvements other than buildings	555,845	555,845
Equipment	1,792,607	1,601,942
Construction in progress	44,294	18,009
Lease, right-of-use assets	9,320	1,268
Less: Accumulated depreciation and amortization	(15,697,066)	(14,781,967)
Total capital assets	13,887,675	14,577,772
Total noncurrent assets	13,887,675	14,577,772
Total assets	24,202,110	23,616,228
Liabilities		
Current liabilities:		
Accounts payable	57,501	57,987
Accrued liabilities	129,308	61,066
Unearned revenue	247,103	181,743
Compensated absences payable	150,717	133,205
Lease liability	2,256	352
Total current liabilities	586,885	434,353
Noncurrent liabilities:		
Compensated absences payable	68,501	14,225
Lease liability	4,658	707
Total noncurrent liabilities	73,159	14,932
Total liabilities	660,044	449,285
Deferred inflows of resources:		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	660,044	449,285
Net Position		
Net investment capital assets	13,880,761	14,576,722
Unrestricted	9,661,305	8,590,221
Total net position	\$ 23,542,066	\$ 23,166,943

See accompanying independent auditor's report.

**Comparative Statements of Revenue, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	<u>Convention Services Fund</u>	
	<u>2023</u>	<u>2022</u>
Operating revenue:		
Charges for services	\$ 1,137,364	\$ 986,461
Net merchandise sales	370,366	216,896
Contributions	46,790	19,062
Other	48,737	62,067
Total operating revenue	<u>1,603,257</u>	<u>1,284,486</u>
Operating expenses:		
Salaries and wages	1,448,987	1,066,530
Employee benefits	645,590	511,817
Purchased professional/technical services	771,624	466,794
Purchased property services	49,689	39,848
Maintenance	290,337	245,441
Other purchased services	2,275,134	1,575,803
Supplies	357,817	343,272
Other	1,125,114	262,063
Depreciation/amortization	915,099	903,408
Total operating expenses	<u>7,879,391</u>	<u>5,414,976</u>
Operating income (loss)	<u>(6,276,134)</u>	<u>(4,130,490)</u>
Nonoperating revenues (expenses):		
Hotel/motel tax	6,475,224	6,120,368
Investment earnings	339,078	(130,630)
Interest expense and fiscal charges	(28)	(9)
Gain (loss) on disposal of capital assets	(12,800)	-
Total nonoperating revenues (expenses)	<u>6,801,474</u>	<u>5,989,729</u>
Income (loss) before contributions and transfers	525,340	1,859,239
Transfers in	-	42,298
Transfers out	(150,217)	(150,000)
Change in net position	<u>375,123</u>	<u>1,751,537</u>
Total net position, beginning of year	23,166,943	21,415,406
Total net position, end of year	<u>\$ 23,542,066</u>	<u>\$ 23,166,943</u>

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Convention Services Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 1,628,275	\$ 1,303,352
Cash paid to suppliers for goods and services	(4,796,643)	(2,923,007)
Cash paid to employees for services	(2,012,989)	(1,535,251)
Net cash provided by (used for) operating activities	(5,181,357)	(3,154,906)
Cash flows from noncapital financing activities:		
Hotel/motel tax	6,475,074	5,970,761
Transfer from other funds	-	42,298
Transfer to other funds	(150,217)	(150,000)
Net cash provided by (used for) noncapital financing activities	6,324,857	5,863,059
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(229,750)	(49,741)
Interest paid on debt	(28)	(9)
Principal payments for lease assets	(1,809)	(356)
Net cash provided by (used for) capital and related financing activities	(231,587)	(50,106)
Cash flows from investing activities:		
Investment earnings	339,078	(130,630)
Net cash provided by investing activities	339,078	(130,630)
Net increase (decrease) in cash and cash equivalents	1,250,991	2,527,417
Cash and cash equivalents, beginning of year	8,240,989	5,713,572
Cash and cash equivalents, end of year	\$ 9,491,980	\$ 8,240,989
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(6,276,134)	(4,130,490)
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities:		
Depreciation/ amortization	915,099	903,408
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(40,583)	(60,503)
Inventory	15,357	(12,145)
Increase (decrease) in liabilities:		
Accounts payable	(486)	21,087
Accrued liabilities	68,242	14,352
Unearned revenue	65,360	79,369
Compensated absences payable	71,788	30,016
Net cash provided by (used for) operating activities	(5,181,357)	(3,154,906)
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	9,320	1,415

See accompanying independent auditor's report.



Ranger Hall of Fame Fund



**Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2023 and 2022**

	Ranger Hall of Fame Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 666,710	\$ 398,781
Accounts receivable, net of allowance	-	18,000
Lease receivable	679	672
Inventory	98,501	97,748
Total current assets	765,890	515,201
Noncurrent assets:		
Lease receivable	3,191	3,867
Restricted cash and investments	737,642	863,419
Capital assets:		
Buildings	3,754,060	3,733,320
Improvements other than buildings	418,768	418,768
Equipment	518,090	509,521
Museum collections	2,657,924	2,652,924
Construction in progress	-	-
Lease, right-of-use assets	-	1,318
Less: Accumulated depreciation and amortization	(2,458,575)	(2,294,950)
Total capital assets	4,890,267	5,020,901
Total noncurrent assets	5,631,100	5,888,187
Total assets	6,396,990	6,403,388
Liabilities		
Current liabilities:		
Accounts payable	11,340	7,801
Accrued liabilities	29,794	26,421
Compensated absences payable	91,572	121,316
Lease liability	-	386
Total current liabilities	132,706	155,924
Noncurrent liabilities:		
Compensated absences payable	98,709	64,644
Lease liability	-	772
Total noncurrent liabilities	98,709	65,416
Total liabilities	231,415	221,340
Deferred inflows of resources:		
Deferred inflows on leases	3,829	4,515
Total deferred inflows of resources	3,829	4,515
Total liabilities and deferred inflows of resources	235,244	225,855
Net Position		
Net investment in capital assets	5,627,909	5,019,747
Restricted for:		
Capital projects	110,496	7,030
Unrestricted	423,341	1,150,756
Total net position	\$ 6,161,746	\$ 6,177,533

See accompanying independent auditor's report.

**Comparative Statements of Revenue, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	<u>Ranger Hall of Fame Fund</u>	
	<u>2023</u>	<u>2022</u>
Operating revenue:		
Charges for services	\$ 440,619	\$ 369,752
Net merchandise sales	148,254	162,853
Contributions	-	-
Other	12,693	12,710
Total operating revenue	<u>601,566</u>	<u>545,315</u>
Operating expenses:		
Salaries and wages	991,530	841,468
Employee benefits	356,239	311,288
Purchased professional/technical services	268,707	139,322
Purchased property services	9,311	8,859
Maintenance	7,671	5,533
Other purchased services	60,665	44,239
Supplies	94,600	83,875
Other	24,287	2,232
Depreciation/amortization	163,625	161,039
Total operating expenses	<u>1,976,635</u>	<u>1,597,855</u>
Operating income (loss)	<u>(1,375,069)</u>	<u>(1,052,540)</u>
Nonoperating revenues:		
Investment earnings	51,879	(20,604)
Contributions	57,567	597,218
Interest expense and fiscal charges	-	(4)
Total nonoperating revenues (expenses)	<u>109,446</u>	<u>576,610</u>
Income (loss) before contributions and transfers	<u>(1,265,623)</u>	<u>(475,930)</u>
Capital contributions	-	377,573
Transfers in	1,250,000	707,407
Transfers out	(164)	-
Change in net position	<u>(15,787)</u>	<u>609,050</u>
Total net position, beginning of year	<u>6,177,533</u>	<u>5,568,483</u>
Total net position, end of year	<u>\$ 6,161,746</u>	<u>\$ 6,177,533</u>

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Ranger Hall of Fame Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 619,556	\$ 527,291
Cash paid to suppliers for goods and services	(459,089)	(303,397)
Cash paid to employees for services	(1,343,448)	(1,153,435)
Net cash provided by (used for) operating activities	(1,182,981)	(929,541)
Cash flows from noncapital financing activities:		
Contributions	57,567	597,218
Transfer from other funds	1,250,000	707,408
Transfer to other funds	(164)	-
Net cash provided by (used for) noncapital financing activities	1,307,403	1,304,626
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(34,309)	(382,838)
Interest paid on debt	-	(4)
Principal payments for lease assets	160	(385)
Capital contributions	-	365,000
Net cash provided by (used for) capital and related financing activities	(34,149)	(18,227)
Cash flows from investing activities:		
Investment earnings	51,879	(20,604)
Net cash provided by investing activities	51,879	(20,604)
Net increase (decrease) in cash and cash equivalents	142,152	336,254
Cash and cash equivalents, beginning of year	1,262,200	925,946
Cash and cash equivalents, end of year	\$ 1,404,352	\$ 1,262,200
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(1,375,069)	(1,052,540)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/ amortization	163,625	161,039
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	18,000	(18,000)
Lease receivable	669	(4,539)
Inventory	(753)	(20,562)
Increase (decrease) in liabilities:		
Accounts payable	3,539	1,306
Accrued liabilities	3,373	8,603
Deferred inflow-leases	(686)	4,515
Compensated absences payable	4,321	(9,363)
Net cash provided by (used for) operating activities	(1,182,981)	(929,541)
Noncash investing, capital, and financing activities:		
Transfer of Capital Assets from Governmental Activities	-	12,572
Lease, right-of-use assets	-	1,543

See accompanying independent auditor's report.



Transit Services Fund



**Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2023 and 2022**

	Transit Services Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ -	\$ -
Accounts receivable, net of allowances	420,717	313,977
Due from other funds	701,728	701,728
Current lease receivable	64,895	64,516
Intergovernmental receivable	3,076,819	1,326,077
Inventory	703,309	541,067
Total current assets	4,967,468	2,947,365
Noncurrent assets:		
Lease receivables	158,247	223,025
Capital assets:		
Land	423,284	423,284
Buildings	6,815,401	6,919,608
Improvements other than buildings	244,951	244,951
Equipment	14,030,667	12,901,314
Construction work in progress	1,199,735	1,161,445
Lease, right-of-use assets	755	-
Less: accumulated depreciation and amortization	(15,643,246)	(14,984,904)
Total capital assets	7,071,547	6,665,698
Total noncurrent assets	7,229,794	6,888,723
Total assets	12,197,262	9,836,088
Liabilities		
Current liabilities:		
Accounts payable	57,563	29,091
Accrued liabilities	57,822	69,722
Unearned revenue	76,750	84,000
Due to other funds	3,692,356	1,182,798
Lease liability	200	-
Total current liabilities	3,884,691	1,365,611
Noncurrent liabilities:		
Lease liability	377	-
Total noncurrent liabilities	377	-
Total liabilities	3,885,068	1,365,611
Deferred inflows of resources:		
Deferred inflows on leases	221,743	286,644
Total deferred inflows of resources	221,743	286,644
Total liabilities and deferred inflows of resources	4,106,811	1,652,255
Net Position		
Net Investment in capital assets	7,070,970	6,665,698
Restricted for:		
Capital projects	-	460,866
Unrestricted	1,019,481	1,057,269
Total net position	\$ 8,090,451	\$ 8,183,833

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Transit Services Fund	
	2023	2022
Operating revenues:		
Charges for services	\$ 985,892	\$ 1,113,679
Other	1,384,209	1,646,119
Total operating revenues	2,370,101	2,759,798
Operating expenses:		
Salaries and wages	3,309,948	3,057,172
Employee benefits	818,063	864,309
Purchased professional/technical services	623,036	622,541
Purchased property services	27,127	27,594
Maintenance	589,625	511,134
Other purchased services	696,400	533,609
Supplies	922,432	912,903
Other	480,560	550,971
Depreciation	762,549	730,484
Total operating expenses	8,229,740	7,810,717
Operating loss	(5,859,639)	(5,050,919)
Nonoperating revenues (expenses):		
Investment earnings	1,603	1,997
Other income	-	-
Intergovernmental revenue	5,165,984	4,319,339
Interest expense and fiscal charges	(24)	-
Total nonoperating revenues	5,167,563	4,321,336
Income before capital contributions and transfers	(692,076)	(729,583)
Capital contributions	598,694	-
Transfers in	-	701,728
Change in net position	(93,382)	(27,855)
Total net position, beginning of year	8,183,833	8,211,688
Total net position, end of year	\$ 8,090,451	\$ 8,183,833

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Transit Services Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 2,255,609	\$ 2,759,658
Cash paid to suppliers for goods and services	(3,474,764)	(3,289,723)
Cash paid to employees for services	(4,138,097)	(4,148,999)
Net cash provided by (used for) operating activities	(5,357,252)	(4,679,064)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	3,415,242	4,067,412
Transfer to other funds	-	-
Transfer from other funds	2,509,558	609,655
Net cash provided by (used for) noncapital financing activities	5,924,800	4,677,067
Cash flows from capital and related financing activities:		
Acquisitions of capital assets	(1,167,644)	-
Interest paid on debt	(24)	-
Principal payments for lease assets	(177)	-
Capital contributions	598,694	-
Proceeds from insurance recoveries	-	-
Net cash provided by (used for) capital and related financing activities	(569,151)	-
Cash flows from investing activities:		
Investment earnings	1,603	1,997
Net cash provided by (used for) investing activities	1,603	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)	(5,859,639)	(5,050,919)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:		
Depreciation/amortization	762,549	730,484
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(106,740)	(69,493)
Lease receivable	64,399	(287,541)
Inventory	(162,242)	2,116
Increase (decrease) in liabilities:		
Accounts payable	28,473	(139,211)
Accrued liabilities	(11,901)	(221,394)
Deferred inflow-leases	(64,901)	286,644
Unearned revenue	(7,250)	70,250
Net cash used for operating activities	(5,357,252)	(4,679,064)
Noncash capital, and related financing activities:		
Lease, right-of-use assets	754	-

See accompanying independent auditor's report.



Cottonwood Creek Golf
Course Fund



**Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2023 and 2022**

	Cottonwood Creek Golf Course Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 2,525,756	\$ 1,871,114
Accounts receivable, net of allowance	-	-
Prepaid expense	-	7,600
Inventory	269,458	226,518
Total current assets	2,795,214	2,105,232
Noncurrent assets:		
Capital assets:		
Buildings	713,389	713,389
Improvements other than buildings	2,017,246	2,017,246
Equipment	1,426,916	1,340,725
Construction work in progress	-	-
Lease, right-of-use assets	236,601	175,382
Less: accumulated depreciation and amortization	(3,860,190)	(3,594,360)
Total capital assets	533,962	652,382
Total noncurrent assets	533,962	652,382
Total assets	3,329,176	2,757,614
Liabilities		
Current liabilities:		
Accounts payable	28,995	39,396
Accrued liabilities	1,274,984	645,499
Compensated absences payable	84,964	63,367
Lease liability	89,325	85,803
Total current liabilities	1,478,268	834,065
Noncurrent liabilities:		
Advances from other funds	693,704	693,704
Compensated absences payable	121,878	134,694
Lease liability	-	89,159
Total noncurrent liabilities	815,582	917,557
Total liabilities	2,293,850	1,751,622
Deferred inflows of resources:		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	2,293,850	1,751,622
Net position		
Net investment in capital assets	444,637	477,726
Unrestricted	590,689	528,266
Total net position	\$ 1,035,326	\$ 1,005,992

See accompanying independent auditor's report.

**Comparative Statements of Revenue, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Cottonwood Creek Golf Course Fund	
	2023	2022
Operating revenue:		
Charges for services	\$ 2,044,078	\$ 1,793,085
Net merchandise sales	364,266	337,734
Other	5,797	7,737
Total operating revenue	2,414,141	2,138,556
Operating expenses:		
Salaries and wages	549,569	531,783
Employee benefits	226,503	210,355
Purchased professional/technical services	785,292	650,193
Purchased property services	658,773	79,732
Maintenance	146,531	98,674
Other purchased services	67,399	48,518
Supplies	270,318	228,802
Other	48,476	47,516
Depreciation and amortization	204,611	201,029
Total operating expenses	2,957,472	2,096,602
Operating income (loss)	(543,331)	41,954
Nonoperating revenues (expenses):		
Investment earnings	78,228	(28,482)
Interest expense and fiscal charges	(5,563)	(6,065)
Total nonoperating revenues	72,665	(34,547)
Income (loss) before contributions and transfers	(470,666)	7,407
Transfers in	500,000	12,403
Change in net position	29,334	19,810
Total net position, beginning of year	1,005,992	986,182
Total net position, end of year	\$ 1,035,326	\$ 1,005,992

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Cottonwood Creek Golf Course Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 2,414,141	\$ 2,138,856
Cash paid to suppliers for goods and services	(1,399,463)	(1,119,112)
Cash paid to employees for services	(760,874)	(722,728)
Net cash provided by (used for) operating activities	253,804	297,016
Cash flows from noncapital financing activities:		
Transfer from other funds	500,000	12,403
Net cash provided by (used for) noncapital financing activities	500,000	12,403
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(86,191)	-
Interest paid on debt	(5,563)	(6,065)
Principal payments for lease assets	(85,636)	(61,639)
Net cash provided by (used for) capital and related financing activities	(177,390)	(67,704)
Cash flows from investing activities:		
Investment earnings	78,228	(28,482)
Net cash provided by investing activities	78,228	(28,482)
Net increase (decrease) in cash and cash equivalents	654,642	213,233
Cash and cash equivalents, beginning of year	1,871,114	1,657,881
Cash and cash equivalents, end of year	\$ 2,525,756	\$ 1,871,114
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(543,331)	41,954
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation/ amortization	204,611	201,029
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	-	300
Inventory	(42,940)	(8,975)
Prepaid Assets	7,600	(7,600)
Increase (decrease) in liabilities:		
Accounts payable	(10,400)	5,227
Accrued liabilities	629,483	48,691
Compensated absences payable	8,781	16,390
Net cash provided by (used for) operating activities	253,804	297,016
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, 2023 and 2022**

	Drainage (Stormwater) Utility Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 6,055,169	\$ 2,441,571
Accounts receivable, net of allowance	759,487	524,278
Restricted cash and investments	-	6,249
Total current assets	6,814,656	2,972,098
Noncurrent assets:		
Restricted cash and investments	11,695,245	11,739,837
Capital assets:		
Land	269,527	249,529
Improvements other than buildings	8,177,070	6,936,025
Equipment	769,266	207,075
Construction work in progress	58,373	10,634
Lease, right-of-use assets	172,115	145,060
Less: Accumulated depreciation and amortization	(399,424)	(89,054)
Total capital assets	9,046,927	7,459,269
Total noncurrent assets	20,742,172	19,199,106
Total assets	27,556,828	22,171,204
Deferred outflows of resources		
Deferred outflows on pension liability	-	-
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	27,556,828	22,171,204
Liabilities		
Current Liabilities:		
Accounts payable	85,312	55,142
Accrued liabilities	45,281	25,717
Compensated absences payable	93,116	59,293
Lease liability	56,323	53,581
Revenue bonds payable	360,000	180,000
Accrued interest payable	139,714	239,853
Current liabilities payable from restricted assets:		
Accounts payable	57,161	6,249
Total current liabilities	836,907	619,835
Noncurrent Liabilities:		
Lease liability	41,424	91,576
Bonds payable	14,334,174	11,824,118
Total noncurrent liabilities	14,375,598	11,915,694
Total liabilities	15,212,505	12,535,529
Deferred inflows of resources		
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	15,212,505	12,535,529
Net position		
Net investment in capital assets	5,950,251	7,050,070
Unrestricted	6,394,072	2,585,605
Total net position	\$ 12,344,323	\$ 9,635,675

See accompanying independent auditor's report.

**Comparative Statements of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Drainage (Stormwater) Utility Fund	
	2023	2022
Operating revenue:		
Charges for services	\$ 6,670,766	\$ 5,709,296
Other	-	75,000
Total operating revenues	<u>6,670,766</u>	<u>5,784,296</u>
Operating expenses:		
Salaries and wages	1,283,948	658,181
Employee benefits	469,148	224,297
Purchased professional/technical services	1,338,351	285,614
Purchased property services	11,457	-
Maintenance	24,512	31,756
Other purchased services	42,526	28,592
Supplies	100,138	26,628
Other	1,389,817	1,858,331
Depreciation/amortization	290,668	109,242
Total operating expenses	<u>4,950,565</u>	<u>3,222,641</u>
Operating income	<u>1,720,201</u>	<u>2,561,655</u>
Nonoperating revenue (expenses):		
Investment earnings	106,457	(40,424)
Interest expense and fiscal charges	(358,700)	(136,160)
Bond issuance cost	-	(108,928)
Total nonoperating revenue (expenses)	<u>(252,243)</u>	<u>(285,512)</u>
Income (loss) before contributions and transfers	1,467,958	2,276,143
Capital contribution	1,241,045	7,036,025
Transfers In	-	-
Transfers out	(355)	-
Changes in net position	<u>2,708,648</u>	<u>9,312,168</u>
Total net position, beginning of year	<u>9,635,675</u>	<u>323,507</u>
Total net position, end of year	<u>\$ 12,344,323</u>	<u>\$ 9,635,675</u>

See accompanying independent auditor's report.

**Comparative Statements of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2023 and 2022**

	Drainage (Stormwater) Utility Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 6,435,557	\$ 5,260,017
Cash paid to suppliers for goods and services	(2,818,427)	(2,228,539)
Cash paid to employees for services	(1,700,752)	(803,922)
Net cash provided by operating activities	1,916,378	2,227,556
Cash flows from noncapital financing activities:		
Transfers to other funds	(355)	-
Net cash used for noncapital financing activities	(355)	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(636,177)	(460,989)
Principal payments for lease assets	(54,883)	(21,207)
Payments in Lieu of Drainage Facilities	-	100,000
Interest paid on debt	(458,719)	-
Proceeds from sale of debt	2,690,056	12,108,928
Payment of bond issuance costs	-	(108,928)
Net cash used for capital and related financing activities	1,540,277	11,617,804
Cash flows from investing activities:		
Investment earnings	106,457	(40,424)
Net cash provided by investing activities	106,457	(40,424)
Net increase in cash and cash equivalents	3,562,757	13,804,936
Cash and cash equivalents, beginning of year	14,187,657	382,721
Cash and cash equivalents, end of year	17,750,414	14,187,657
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	1,720,201	2,561,655
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	11,918	17,918
Depreciation/amortization	290,668	109,242
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(247,127)	(542,196)
Increase (decrease) in liabilities:		
Accounts payable	88,375	2,381
Accrued liabilities	18,520	22,464
Compensated absences payable	33,823	56,092
Net cash provided by operating activities	1,916,378	2,227,556
Schedule of Noncash capital and related financing activities:		
Contributions of capital assets	1,241,045	6,936,025
Lease, right-of-use asset	10,201	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.

Information Technology Fund - This fund is used to account for the Information Technology products and services for other City departments.

Proprietary Vehicle & Equipment Replacement Fund - This fund is used to account for the replacement of vehicles and equipment in proprietary funds.



**Combining Statement of Net Position
Internal Service Funds
September 30, 2023
(With Comparative Totals for September 30, 2022)**

	Risk	Employee	Engineering	Fleet	Information	Proprietary	Totals	
	Management	Health				Vehicle &		
	Fund	Insurance	Fund	Services	Technology	Equipment	2023	2022
	Fund	Fund	Fund	Fund	Fund	Fund		
Assets								
Current assets:								
Cash and investments	\$ 8,985,277	\$ 5,168,275	\$ 844,128	\$ 83,297	\$ 761,114	\$ 3,831,547	\$ 19,673,638	\$ 15,844,345
Accounts receivable	83,794	-	-	960	-	-	84,754	-
Prepaid asset	-	350,000	-	-	-	-	350,000	-
Due from other funds	-	351,917	-	-	-	-	351,917	309,458
Inventories	-	-	-	430,888	-	-	430,888	298,900
Total current assets	9,069,071	5,870,192	844,128	515,145	761,114	3,831,547	20,891,197	16,452,703
Noncurrent assets:								
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	90,353	-	1,059,740	1,118,626	472,162	-	2,740,881	1,778,958
Lease, right-of-use assets	5,720	-	87,228	1,043	1,302,245	-	1,396,236	3,462
Subscription-based information technology arrangement	125,140	217,561	-	-	230,163	-	572,864	-
Construction in progress	-	-	-	-	103,901	-	103,901	-
Less: accumulated depreciation and amortization	(96,075)	(54,390)	(574,529)	(1,789,790)	(733,214)	-	(3,247,998)	(2,208,412)
Total capital assets	125,138	163,171	596,839	382,721	1,375,257	-	2,643,126	651,250
Total noncurrent assets	125,138	163,171	596,839	382,721	1,375,257	-	2,643,126	651,250
Total assets	9,194,209	6,033,363	1,440,967	897,866	2,136,371	3,831,547	23,534,323	17,103,953

See accompanying independent auditor's report.

**Combining Statement of Net Position
Internal Service Funds
September 30, 2023
(With Comparative Totals for September 30, 2022)**

	Risk Management Fund	Employee Health Insurance Fund	Engineering Fund	Fleet Services Fund	Information Technology Fund	Proprietary Vehicle & Equipment Replacement Fund	Totals	
							2023	2022
Liabilities								
Current liabilities:								
Accounts payable	60,014	9,266	147,946	108,532	165,675	-	491,433	291,004
Accrued liabilities	183,182	569,749	59,279	46,249	75,813	-	934,272	794,453
Compensated absences payable	35,400	-	260,691	124,757	209,380	-	630,228	359,828
Lease liability	1,395	-	21,938	271	289,814	-	313,418	1,131
Subscriptions	69,589	53,779	-	-	97,177	-	220,545	-
Escrow funds	-	-	538	-	-	-	538	538
Estimated claims and judgments payable	2,869,728	1,173,000	-	-	-	-	4,042,728	3,502,764
Total current liabilities	3,219,308	1,805,794	490,392	279,809	837,859	-	6,633,162	4,949,718
Noncurrent liabilities:								
Compensated absences payable	-	-	80,814	-	205,238	-	286,052	96,590
Lease liability	2,856	-	43,588	521	287,229	-	334,194	1,963
Subscriptions	-	112,025	-	-	27,548	-	139,573	-
Total noncurrent liabilities	2,856	112,025	124,402	521	520,015	-	759,819	98,553
Total liabilities	3,222,164	1,917,819	614,794	280,330	1,357,874	-	7,392,981	5,048,271
Deferred inflows of resources								
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	3,222,164	1,917,819	614,794	280,330	1,357,874	-	7,392,981	5,048,271
Net position								
Net investment in capital assets	51,298	-	531,313	381,929	673,489	-	1,638,029	648,166
Unrestricted	5,920,747	4,115,544	294,860	235,607	105,008	3,831,547	14,503,313	11,407,516
Total net position	\$ 5,972,045	\$ 4,115,544	\$ 826,173	\$ 617,536	\$ 778,497	\$ 3,831,547	\$ 16,141,342	\$ 12,055,682

See accompanying independent auditor's report.

FINANCIAL SECTION

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2023
(With Comparative Totals for Year Ended September 30, 2022)**

	Risk Management Fund	Employee Health Insurance Fund	Engineering Fund	Fleet Services Fund	Information Technology Fund	Proprietary Equipment & Vehicle Replacement Fund	Totals	
							2023	2022
Operating revenues:								
Charges for services	\$ 5,245,904	\$ 19,666,946	\$ 3,942,550	\$ 2,608,166	\$ 7,691,364	\$ 393,785	\$ 39,548,715	\$ 26,781,779
Other	29,589	-	138,072	5,720	23,250	-	196,631	104,168
Total operating revenues	<u>5,275,493</u>	<u>19,666,946</u>	<u>4,080,622</u>	<u>2,613,886</u>	<u>7,714,614</u>	<u>393,785</u>	<u>39,745,346</u>	<u>26,885,947</u>
Operating expenses:								
Salaries and wages	331,686	63,676	1,869,127	1,417,239	2,346,907	-	6,028,635	3,205,137
Employee benefits	123,116	18,783	695,130	544,911	802,066	-	2,184,006	1,228,735
Purchased professional/technical services	503,180	722,316	1,449,182	275,011	319,866	-	3,269,555	2,211,538
Purchased property services	-	608	56,557	18,039	1,001	-	76,205	64,526
Maintenance	60,869	-	121,106	42,138	1,653,317	-	1,877,430	224,882
Other purchased services	1,939,435	-	95,646	33,741	166,191	-	2,235,013	1,733,265
Supplies	7,576	13,959	153,347	80,016	808,010	-	1,062,908	222,735
Other	2,554,069	18,509,891	400,014	297,451	329,621	-	22,091,046	18,847,555
Depreciation/Amortization	69,416	54,390	103,658	86,112	490,411	-	803,987	150,389
Total operating expenses	<u>5,589,347</u>	<u>19,383,623</u>	<u>4,943,767</u>	<u>2,794,658</u>	<u>6,917,390</u>	<u>-</u>	<u>39,628,785</u>	<u>27,888,762</u>
Operating income (loss)	<u>(313,854)</u>	<u>283,323</u>	<u>(863,145)</u>	<u>(180,772)</u>	<u>797,224</u>	<u>393,785</u>	<u>116,561</u>	<u>(1,002,815)</u>
Nonoperating revenues (expenses):								
Investment earnings	341,791	147,373	64,199	7,202	1,374	3,437,762	3,999,701	(217,923)
Interest expense and fiscal charges	(2,239)	(6,183)	(1,008)	(31)	(16,217)	-	(25,678)	(10)
Gain (Loss) on disposal of capital assets	-	-	(5,403)	-	(4,997)	-	(10,400)	-
Total nonoperating revenues (expenses)	<u>339,552</u>	<u>141,190</u>	<u>57,788</u>	<u>7,171</u>	<u>(19,840)</u>	<u>3,437,762</u>	<u>3,963,623</u>	<u>(217,933)</u>
Income (loss) before contributions and transfers	25,698	424,513	(805,357)	(173,601)	777,384	3,831,547	4,080,184	(1,220,748)
Capital contributions	-	-	-	-	-	-	-	-
Transfers in	4,740	-	-	-	1,113	-	5,853	530,881
Transfers out	-	-	(377)	-	-	-	(377)	(728,634)
Net change in net position	<u>30,438</u>	<u>424,513</u>	<u>(805,734)</u>	<u>(173,601)</u>	<u>778,497</u>	<u>3,831,547</u>	<u>4,085,660</u>	<u>(1,418,501)</u>
Total net position, beginning of year	5,941,607	3,691,031	1,631,907	791,137	-	-	12,055,682	13,474,183
Total net position, end of year	<u>\$ 5,972,045</u>	<u>\$ 4,115,544</u>	<u>\$ 826,173</u>	<u>\$ 617,536</u>	<u>\$ 778,497</u>	<u>\$ 3,831,547</u>	<u>\$16,141,342</u>	<u>\$12,055,682</u>

See accompanying independent auditor's report.

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023
(With Comparative Totals for Year Ended September 30, 2022)**

	Risk Management Fund	Employee Health Insurance Fund	Engineering Fund	Fleet Services Fund	Information Technology Fund	Proprietary Vehicle & Equipment Replacement Fund	Totals	
							2023	2022
Cash flows from operating activities:								
Cash received from customers	\$ 5,191,699	\$ 19,666,946	\$ 3,942,550	\$ 2,607,205	\$ 7,691,364	\$ 393,785	\$ 39,493,549	\$ 26,885,947
Cash paid to suppliers for goods and services	(4,589,747)	(19,486,295)	(2,197,153)	(773,582)	(3,013,268)	-	(30,060,045)	(22,544,718)
Cash paid to employees for services	(443,430)	(82,354)	(2,525,589)	(1,953,897)	(2,734,355)	-	(7,739,625)	(4,385,274)
Net cash provided by (used for) operating activities	158,522	98,297	(780,192)	(120,274)	1,943,741	393,785	1,693,879	(44,045)
Cash flows from noncapital financing activities:								
Transfers from other funds	4,740	-	-	-	1,113	-	5,853	455,598
Transfers to other funds	-	(42,459)	(377)	-	-	-	(42,836)	(728,634)
Net cash provided by (used for) noncapital financing activities	4,740	(42,459)	(377)	-	1,113	-	(36,983)	(273,036)
Cash flows from capital and related financing activities:								
Acquisition of capital assets	(63,695)	-	(377,968)	(60,706)	(576,063)	-	(1,078,432)	(10,988)
Interest paid on debt	-	(6,183)	-	-	(7,315)	-	(13,498)	(10)
Principal payments for lease assets	(1,544)	-	(22,341)	(282)	(494,649)	-	(518,816)	(1,127)
Principal payments for SBITAs	(57,714)	(51,757)	-	-	(107,087)	-	(216,558)	-
Net cash provided by (used for) capital and related financing activities	(122,953)	(57,940)	(400,309)	(60,988)	(1,185,114)	-	(1,827,304)	(12,125)
Cash flows from investing activities:								
Investment earnings	341,791	147,373	64,199	7,202	1,374	3,437,762	3,999,701	(217,923)
Net cash provided by (used for) investing activities	341,791	147,373	64,199	7,202	1,374	3,437,762	3,999,701	(217,923)
Net increase (decrease) in cash and cash equivalents	382,100	145,271	(1,116,679)	(174,060)	761,114	3,831,547	3,829,293	(547,129)

See accompanying independent auditor's report.

FINANCIAL SECTION

Cash and cash equivalents, beginning of year	8,603,177	5,023,004	1,960,807	257,357	-	-	15,844,345	16,391,474
Cash and cash equivalents, end of year	<u>\$ 8,985,277</u>	<u>\$ 5,168,275</u>	<u>\$ 844,128</u>	<u>\$ 83,297</u>	<u>\$ 761,114</u>	<u>\$ 3,831,547</u>	<u>\$19,673,638</u>	<u>\$15,844,345</u>

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

Operating income (loss)	(313,854)	283,323	(863,145)	(180,771)	797,224	393,785	116,562	(1,002,815)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Provision for uncollectible accounts receivable	-	-	-	-	-	-	-	-
Depreciation/amortization	69,416	54,390	103,658	86,112	490,411	-	803,987	150,389
Changes in assets and liabilities:								
Decrease (increase) in assets:								
Inventories	-	-	-	(131,988)	-	-	(131,988)	24,282
Accounts receivable	(83,794)	-	-	(960)	-	-	(84,754)	-
Prepaid items	-	(350,000)	-	-	-	-	(350,000)	-
Lease receivable	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:								
Accounts payable	6,070	5,899	(62,356)	85,140	165,675	-	200,428	146,395
Accrued liabilities	36,398	10,685	2,983	13,940	75,813	-	139,819	358,950
Compensated absences payable	(1,678)	-	38,668	8,253	414,618	-	459,861	29,205
Estimated claims and judgments	445,964	94,000	-	-	-	-	539,964	249,549
Net cash provided by (used for) operating activities	<u>158,522</u>	<u>98,297</u>	<u>(780,192)</u>	<u>(120,274)</u>	<u>1,943,741</u>	<u>393,785</u>	<u>1,693,879</u>	<u>(44,045)</u>

Noncash investing, capital and financing activities:

Lease, right-of-use assets	5,720	-	87,227	1,043	1,368,079	-	1,462,069	4,221
Subscription assets	62,570	163,171	-	-	230,164	-	455,905	-

See accompanying independent auditor's report.



Risk Management Fund



**Comparative Statement of Net Position
Internal Service Funds
September 30, 2023 and 2022**

	Risk Management Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 8,985,277	\$ 8,603,177
Accounts receivable, net of allowance	83,794	-
Total current assets	<u>9,069,071</u>	<u>8,603,177</u>
Noncurrent assets:		
Capital assets:		
Equipment	90,353	26,659
Lease, right-of-use assets	5,720	-
Subscription-based information technology arrangement	125,140	-
Less: accumulated depreciation and amortization	<u>(96,075)</u>	<u>(26,659)</u>
Total capital assets	<u>125,138</u>	<u>-</u>
Total noncurrent assets	<u>125,138</u>	<u>-</u>
Total assets	<u>9,194,209</u>	<u>8,603,177</u>
Deferred Outflows of Resources		
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	<u>9,194,209</u>	<u>8,603,177</u>
Liabilities		
Current liabilities:		
Accounts payable	60,014	53,944
Accrued liabilities	183,182	146,784
Lease liability	1,395	-
Subscriptions	69,589	-
Compensated absences payable	35,400	25,303
Estimated claims and judgments payable	<u>2,869,728</u>	<u>2,423,764</u>
Total current liabilities	<u>3,219,308</u>	<u>2,649,795</u>
Noncurrent liabilities:		
Lease liability	2,856	-
Subscriptions		
Compensated absences payable	-	11,775
Total noncurrent liabilities	<u>2,856</u>	<u>11,775</u>
Total liabilities	<u>3,222,164</u>	<u>2,661,570</u>
Deferred Inflows of Resources		
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	<u>3,222,164</u>	<u>2,661,570</u>
Net position		
Net investment in capital assets	51,298	-
Unrestricted	<u>5,920,747</u>	<u>5,941,607</u>
Total net position	<u>5,972,045</u>	<u>5,941,607</u>

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Risk Management Fund	
	2023	2022
Operating revenues:		
Charges for services	\$ 5,245,904	\$ 4,844,476
Other	29,589	-
Total operating revenues	5,275,493	4,844,476
Operating expenses:		
Salaries and wages	331,686	114,249
Employee benefits	123,116	41,392
Purchased professional/technical services	503,180	412,260
Maintenance	60,869	62,022
Other purchased services	1,939,435	1,628,055
Supplies	7,576	2,860
Other	2,554,069	1,911,275
Depreciation/amortization	69,416	-
Total operating expenses	5,589,347	4,172,113
Operating income (loss)	(313,854)	672,363
Nonoperating revenues (expenses):		
Investment earnings	341,791	(129,946)
Interest expense and fiscal charges	(2,239)	-
Total nonoperating revenues (expenses)	339,552	(129,946)
Income (loss) before contributions and transfers	25,698	542,417
Transfers in	4,740	
Transfers out	-	(728,634)
Change in net position	30,438	(186,217)
Total net position, beginning of year	5,941,607	6,127,824
Total net position, end of year	\$ 5,972,045	\$ 5,941,607

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Risk Management Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 5,191,699	\$ 4,844,476
Cash paid to suppliers for goods and services	(4,589,747)	(3,837,729)
Cash paid to employees for services	(443,430)	(178,902)
Net cash provided by (used for) operating activities	158,522	827,845
Cash flows from noncapital financing activities:		
Transfers from other funds	4,740	-
Transfers to other funds	-	(728,634)
Net cash provided by (used for) noncapital financing activities	4,740	(728,634)
Cash flows from capital and related financing activities:		
Aquisition of capital assets	(63,695)	-
Interest paid on debt	-	-
Principal payments for lease assets	(1,544)	-
Principal payments for SBITAs	(57,714)	-
Net cash used for capital and related financing activities	(122,953)	-
Cash flows from investing activities:		
Investment earnings	341,791	(129,946)
Net cash provided by (used for) investing activities	341,791	(129,946)
Net increase (decrease) in cash and cash equivalents	382,100	(30,735)
Cash and cash equivalents, beginning of year	8,603,177	8,633,912
Cash and cash equivalents, end of year	\$ 8,985,277	\$ 8,603,177
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(313,854)	672,363
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	-	-
Depreciation and amortization	69,416	-
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(83,794)	-
Increase (decrease) in liabilities:		
Accounts payable	6,070	(29,649)
Accrued liabilities	36,398	100,740
Compensated absences payable	(1,678)	(23,158)
Estimated claims and judgments payable	445,964	107,549
Net cash provided by (used for) operating activities	\$ 158,522	\$ 827,845
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	\$ 5,720	\$ -
Subscription assets	62,570	-

See accompanying independent auditor's report.



Employee Health Insurance Fund



**Comparative Statement of Net Position
Internal Service Funds
September 30, 2023 and 2022**

	Employee Health Insurance Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 5,168,275	\$ 5,023,004
Prepaid expense	350,000	-
Due from other funds	351,917	309,458
Total current assets	5,870,192	5,332,462
Noncurrent assets:		
Capital assets:		
Land	-	-
Buildings	-	-
Improvements other than buildings	-	-
Equipment	-	-
Subscription-based information technology arrangement	217,561	-
Less: accumulated depreciation and amortization	(54,390)	-
Total capital assets	163,171	-
Total noncurrent assets	163,171	-
Total assets	6,033,363	5,332,462
Deferred Outflows of Resources		
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	6,033,363	5,332,462
Liabilities		
Current liabilities:		
Accounts payable	9,266	3,367
Accrued liabilities	569,749	559,064
Compensated absences payable	-	-
Subscriptions	53,779	-
Escrow funds	-	-
Estimated claims and judgments payable	1,173,000	1,079,000
Total current liabilities	1,805,794	1,641,431
Noncurrent liabilities:		
Compensated absences payable	-	-
Subscriptions	112,025	-
Total noncurrent liabilities	112,025	-
Total liabilities	1,917,819	1,641,431
Deferred Inflows of Resources		
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	1,917,819	1,641,431
Net position		
Net investment in capital assets	-	-
Unrestricted	4,115,544	3,691,031
Total net position	\$ 4,115,544	\$ 3,691,031

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	<u>Employee Health Insurance Fund</u>	
	<u>2023</u>	<u>2022</u>
Operating revenues:		
Charges for services	\$ 19,666,946	\$ 16,159,321
Other	-	-
Total operating revenues	<u>19,666,946</u>	<u>16,159,321</u>
Operating expenses:		
Salaries and wages	63,676	71,924
Employee benefits	18,783	23,610
Purchased professional/technical services	722,316	809,296
Purchased property services	608	2,589
Maintenance	-	-
Other purchased services	-	1,665
Supplies	13,959	17,600
Other	18,509,891	15,909,896
Depreciation/amortization	54,390	-
Total operating expenses	<u>19,383,623</u>	<u>16,836,580</u>
Operating income (loss)	<u>283,323</u>	<u>(677,259)</u>
Nonoperating revenues (expenses):		
Investment earnings	147,373	(55,154)
Interest expense and fiscal charges	(6,183)	-
Total nonoperating revenues (expenses)	<u>141,190</u>	<u>(55,154)</u>
Income (loss) before contributions and transfers	<u>424,513</u>	<u>(732,413)</u>
Transfers out	-	-
Change in net position	<u>424,513</u>	<u>(732,413)</u>
Total net position, beginning of year	<u>3,691,031</u>	<u>4,423,444</u>
Total net position, end of year	<u>\$ 4,115,544</u>	<u>\$ 3,691,031</u>

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Employee Health Insurance Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 19,666,946	\$ 16,159,321
Cash paid to suppliers for goods and services	(19,486,295)	(16,360,302)
Cash paid to employees for services	(82,354)	(95,068)
Net cash provided by (used for) operating activities	98,297	(296,049)
Cash flows from noncapital financing activities:		
Transfers (to)/from other funds	(42,459)	(75,283)
Net cash provided by (used for) noncapital financing activities	(42,459)	(75,283)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	-
Interest paid on debt	(6,183)	-
Principal payments for SBITAs	(51,757)	-
Net cash used for capital and related financing activities	(57,940)	-
Cash flows from investing activities:		
Investment earnings	147,373	(55,154)
Net cash provided by (used for) investing activities	147,373	(55,154)
Net increase (decrease) in cash and cash equivalents	145,271	(426,486)
Cash and cash equivalents, beginning of year	5,023,004	5,449,490
Cash and cash equivalents, end of year	\$ 5,168,275	\$ 5,023,004
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	283,323	(677,259)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	54,390	-
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	-	-
Prepaid Items	(350,000)	-
Inventory	-	-
Increase (decrease) in liabilities:		
Accounts payable	5,899	(14)
Accrued liabilities	10,685	239,224
Compensated absences payable	-	-
Estimated claims and judgments payable	94,000	142,000
Net cash provided by (used for) operating activities	\$ 98,297	\$ (296,049)
Noncash investing, capital, and financing activities:		
Subscription assets	163,171	-

See accompanying independent auditor's report.



Engineering Fund



**Comparative Statement of Net Position
Internal Service Funds
September 30, 2023 and 2022**

	Engineering Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 844,128	\$ 1,960,807
Total current assets	844,128	1,960,807
Noncurrent assets:		
Capital assets:		
Land	24,400	24,400
Equipment	1,059,740	694,379
Lease, right-of-use assets	87,228	3,462
Less: Accumulated depreciation and amortization	(574,529)	(478,075)
Total capital assets	596,839	244,166
Total noncurrent assets	596,839	244,166
Total assets	1,440,967	2,204,973
Liabilities		
Current liabilities:		
Accounts payable	147,946	210,302
Accrued liabilities	59,279	56,296
Compensated absences payable	260,691	218,021
Lease liability	21,938	1,131
Escrow funds	538	538
Total current liabilities	490,392	486,288
Noncurrent liabilities:		
Compensated absences payable	80,814	84,815
Lease liability	43,588	1,963
Total noncurrent liabilities	124,402	86,778
Total liabilities	614,794	573,066
Deferred inflows of resources:		
Deferred inflows on leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	614,794	573,066
Net Position		
Net investment in capital assets	531,313	241,082
Unrestricted	294,860	1,390,825
Total Net Position	\$ 826,173	\$ 1,631,907

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Engineering Fund	
	2023	2022
Operating revenue:		
Charges for services	\$ 3,942,550	\$ 3,793,563
Other	138,072	97,025
Total operating revenue	4,080,622	3,890,588
Operating expenses:		
Salaries and wages	1,869,127	1,906,704
Employee benefits	695,130	667,869
Purchased professional/technical services	1,449,182	939,972
Purchased property services	56,557	52,611
Maintenance	121,106	116,633
Other purchased services	95,646	68,257
Supplies	153,347	140,169
Other	400,014	633,365
Depreciation/amortization	103,658	66,499
Total operating expenses	4,943,767	4,592,079
Operating income (loss)	(863,145)	(701,491)
Nonoperating revenues (expenses):		
Investment earnings	64,199	(28,045)
Interest expense and fiscal charges	(1,008)	(10)
Gain (Loss) on disposal of capital assets	(5,403)	-
Total nonoperating revenues (expenses)	57,788	(28,055)
Income (loss) before contributions and transfers	(805,357)	(729,546)
Transfers In	-	512,422
Transfers out	(377)	-
Change in net position	(805,734)	(217,124)
Total net position, beginning of year,	1,631,907	1,849,031
Total net position, end of year	\$ 826,173	\$ 1,631,907

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Engineering Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 3,942,550	\$ 3,890,588
Cash paid to suppliers for goods and services	(2,197,153)	(1,758,929)
Cash paid to employees for services	(2,525,589)	(2,536,587)
Net cash provided by operating activities	(780,192)	(404,928)
Cash flows from noncapital financing activities:		
Transfer from other funds	-	512,422
Transfer to other funds	(377)	-
Net cash provided by noncapital financing activities	(377)	512,422
Cash flows from capital and related financing activities:		
Interest paid on debt	-	(10)
Principal Payments for lease assets	(22,341)	(1,127)
Acquisition and construction of capital assets	(377,968)	-
Net cash used for capital and related financing activities	(400,309)	(1,137)
Cash flows from investing activities:		
Investment earnings	64,199	(28,045)
Net cash provided by investing activities	64,199	(28,045)
Net increase (decrease) in cash and cash equivalents	(1,116,679)	78,312
Cash and cash equivalents, beginning of year	1,960,807	1,882,495
Cash and cash equivalents, end of year	\$ 844,128	\$ 1,960,807
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	(863,145)	(701,491)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization	103,658	66,499
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	-	-
Lease receivable	-	-
Increase (decrease) in liabilities:		
Accounts payable	(62,356)	192,078
Accrued liabilities	2,983	11,095
Compensated absences payable	38,668	26,891
Net cash used in operating activities	(780,192)	(404,928)
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	87,227	4,221

See accompanying independent auditor's report.



Fleet Service Fund



**Comparative Statement of Net Position
Internal Service Funds
September 30, 2023 and 2022**

	Fleet Services Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 83,297	\$ 257,357
Accounts receivable, net of allowance	960	-
Inventory	430,888	298,900
Total current assets	515,145	556,257
Noncurrent assets:		
Capital assets:		
Land	14,400	14,400
Buildings	920,153	920,153
Improvements other than buildings	118,289	118,289
Equipment	1,118,626	1,057,920
Lease, right-of-use assets	1,043	-
Less: Accumulated depreciation and amortization	(1,789,790)	(1,703,678)
Total capital assets	382,721	407,084
Total noncurrent assets	382,721	407,084
Total assets	897,866	963,341
Liabilities		
Current liabilities:		
Accounts payable	108,532	23,391
Accrued liabilities	46,249	32,309
Compensated absences payable	124,757	116,504
Lease liabilities	271	-
Total current liabilities	279,809	172,204
Noncurrent liabilities:		
Compensated absences payable	-	-
Lease liabilities	521	-
Total noncurrent liabilities	521	-
Total liabilities	280,330	172,204
Net Position		
Net investment in capital assets	381,929	407,084
Unrestricted	235,607	384,053
Total net position	\$ 617,536	\$ 791,137

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Fleet Services Fund	
	2023	2022
Operating revenue:		
Charges for services	\$ 2,608,166	\$ 1,984,419
Other	5,720	7,143
Total operating revenue	2,613,886	1,991,562
Operating expenses:		
Salaries and wages	1,417,239	1,112,260
Employee benefits	544,911	495,864
Purchased professional/technical services	275,011	50,010
Purchased property services	18,039	9,326
Maintenance	42,138	46,227
Other purchased services	33,741	35,288
Supplies	80,016	62,106
Other	297,451	393,019
Depreciation/amortization	86,112	83,890
Total operating expenses	2,794,658	2,287,990
Operating income (loss)	(180,772)	(296,428)
Nonoperating revenues (expenses):		
Investment earnings	7,202	(4,778)
Interest expense and fiscal charges	(31)	-
Total nonoperating revenues (expenses)	7,171	(4,778)
Income (loss) before contributions and transfers	(173,601)	(301,206)
Capital contributions	-	-
Transfers In	-	18,459
Change in net position	(173,601)	(282,747)
Total net position, beginning of year	791,137	1,073,884
Total net position, end of year	\$ 617,536	\$ 791,137

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Fleet Service Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 2,607,205	\$ 1,991,562
Cash paid to suppliers for goods and services	(773,582)	(587,758)
Cash paid to employees for services	(1,953,897)	(1,574,717)
Net cash used for operating activities	(120,274)	(170,913)
Cash flows from noncapital financing activities:		
Transfers from other funds	-	18,459
Net cash provided by (used for) noncapital financing activities	-	18,459
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(60,706)	(10,988)
Interest paid on debt	-	-
Principal payments for lease assets	(282)	-
Net cash used for capital and related financing activities	(60,988)	(10,988)
Cash flows from investing activities:		
Investment earnings	7,202	(4,778)
Net cash provided by investing activities	7,202	(4,778)
Net increase (decrease) in cash and cash equivalents	(174,060)	(168,220)
Cash and cash equivalents, beginning of year	257,357	425,577
Cash and cash equivalents, end of year	\$ 83,297	\$ 257,357
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	(180,771)	(296,428)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	86,112	83,890
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Inventory	(131,988)	24,282
Accounts receivable	(960)	-
Increase (decrease) in liabilities:		
Accounts payable	85,140	(16,020)
Accrued liabilities	13,940	7,891
Compensated absences payable	8,253	25,472
Net cash used for operating activities	\$ (120,274)	\$ (170,913)
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	\$ 1,043	\$ -

See accompanying independent auditor's report.



Information Technology Fund



**Comparative Statement of Net Position
Internal Service Funds
September 30, 2023 and 2022**

	Information Technology Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 761,114	\$ -
Accounts receivable, net of allowance	-	-
Inventory	-	-
Total current assets	761,114	-
Noncurrent assets:		
Capital assets:		
Land	-	-
Buildings	-	-
Improvements other than buildings	-	-
Equipment	472,162	-
Construction in progress	103,901	-
Lease, right-of-use assets	1,302,245	-
Subscription-based information technology arrangement	230,163	-
Less: Accumulated depreciation and amortization	(733,214)	-
Total capital assets	1,375,257	-
Total noncurrent assets	1,375,257	-
Total assets	2,136,371	-
Liabilities		
Current liabilities:		
Accounts payable	165,675	-
Accrued liabilities	75,813	-
Compensated absences payable	209,380	-
Lease liability	289,814	-
Subscriptions	97,177	-
Total current liabilities	837,859	-
Noncurrent liabilities:		
Compensated absences payable	205,238	-
Lease liability	287,229	-
Subscriptions	27,548	-
Total noncurrent liabilities	520,015	-
Total liabilities	1,357,874	-
Net Position		
Net investment in capital assets	673,489	-
Unrestricted	105,008	-
Total net position	\$ 778,497	\$ -

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Information Technology Fund	
	2023	2022
Operating revenue:		
Charges for services	\$ 7,691,364	-
Other	23,250	-
Total operating revenue	7,714,614	-
Operating expenses:		
Salaries and wages	2,346,907	-
Employee benefits	802,066	-
Purchased professional/technical services	319,866	-
Purchased property services	1,001	-
Maintenance	1,653,317	-
Other purchased services	166,191	-
Supplies	808,010	-
Other	329,621	-
Depreciation/amortization	490,411	-
Total operating expenses	6,917,390	-
Operating income (loss)	797,224	-
Nonoperating revenues (expenses):		
Investment earnings	1,374	-
Interest expense and fiscal charges	(16,217)	-
Gain (Loss) on disposal of capital assets	(4,997)	-
Total nonoperating revenues (expenses)	(19,840)	-
Income (loss) before contributions and transfers	777,384	-
Capital contributions	-	-
Transfers in	1,113	-
Transfers out	-	-
Change in net position	778,497	-
Total net position, beginning of year	-	-
Total net position, end of year	\$ 778,497	\$ -

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Information Technology Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 7,691,364	\$ -
Cash paid to suppliers for goods and services	(3,013,268)	-
Cash paid to employees for services	(2,734,355)	-
Net cash provided by operating activities	1,943,741	-
Cash flows from noncapital financing activities:		
Transfers from other funds	1,113	-
Net cash provided by noncapital financing activities	1,113	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(576,063)	-
Interest paid on debt	(7,315)	-
Principal payments for lease assets	(494,649)	-
Principal payments for SBITAs	(107,087)	-
Net cash provided by capital and related financing activities	(1,185,114)	-
Cash flows from investing activities:		
Investment earnings	1,374	-
Net cash provided by investing activities	1,374	-
Net increase (decrease) in cash and cash equivalents	761,114	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ 761,114	\$ -
Reconciliation of operating loss to net cash used for operating activities:		
Operating income	797,224	-
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation/Amortization	490,411	-
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Inventory	-	-
Increase (decrease) in liabilities:		
Accounts payable	165,675	-
Accrued liabilities	75,813	-
Compensated absences payable	414,618	-
Net cash used for operating activities	\$ 1,943,741	\$ -
Noncash investing, capital, and financing activities:		
Lease, right-of-use assets	\$ 1,368,079	\$ -
Subscription assets	230,164	-

See accompanying independent auditor's report.



Proprietary Vehicle &
Equipment Replacement
Fund



**Comparative Statement of Net Position
Internal Service Funds
September 30, 2023 and 2022**

	Proprietary Vehicle & Equipment Replacement Fund	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 3,831,547	\$ -
Accounts receivable, net of allowance	-	-
Inventory	-	-
Total current assets	3,831,547	-
Noncurrent assets:		
Capital assets:		
Land	-	-
Buildings	-	-
Improvements other than buildings	-	-
Equipment	-	-
Less: accumulated depreciation	-	-
Total capital assets	-	-
Total noncurrent assets	-	-
Total assets	3,831,547	-
Liabilities		
Current liabilities:		
Accounts payable	-	-
Accrued liabilities	-	-
Compensated absences payable	-	-
Total current liabilities	-	-
Noncurrent liabilities:		
Compensated absences payable	-	-
Total noncurrent liabilities	-	-
Total liabilities	-	-
Net Position		
Net investment in capital assets	-	-
Unrestricted	3,831,547	-
Total net position	\$ 3,831,547	\$ -

See accompanying independent auditor's report.

**Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Proprietary Vehicle & Equipment Replacement Fund	
	2023	2022
Operating revenue:		
Charges for services	\$ 393,785	-
Other	-	-
Total operating revenue	<u>393,785</u>	<u>-</u>
Operating expenses:		
Salaries and wages	-	-
Employee benefits	-	-
Purchased professional/technical services	-	-
Purchased property services	-	-
Maintenance	-	-
Other purchased services	-	-
Supplies	-	-
Other	-	-
Depreciation/amortization	-	-
Total operating expenses	<u>-</u>	<u>-</u>
Operating income (loss)	<u>393,785</u>	<u>-</u>
Nonoperating revenues (expenses):		
Investment earnings	3,437,762	-
Total nonoperating revenues (expenses)	<u>3,437,762</u>	<u>-</u>
Income (loss) before contributions and transfers	3,831,547	-
Capital contributions	-	-
Transfers In	-	-
Change in net position	<u>3,831,547</u>	<u>-</u>
Total net position, beginning of year	-	-
Total net position, end of year	<u>\$ 3,831,547</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**Comparative Statement of Cash Flows
Internal Service Funds
For the Years Ended September 30, 2023 and 2022**

	Proprietary Vehicle & Equipment Replacement Fund	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 393,785	\$ -
Cash paid to suppliers for goods and services	-	-
Cash paid to employees for services	-	-
Net cash provided by operating activities	393,785	-
Cash flows from noncapital financing activities:		
Transfers from other funds	-	-
Net cash provided by noncapital financing activities	-	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	-
Net cash provided by capital and related financing activities	-	-
Cash flows from investing activities:		
Investment earnings	3,437,762	-
Net cash provided by investing activities	3,437,762	-
Net increase (decrease) in cash and cash equivalents	3,831,547	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ 3,831,547	\$ -
Reconciliation of operating loss to net cash used for operating activities:		
Operating income	393,785	-
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	-	-
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Inventory	-	-
Increase (decrease) in liabilities:		
Accounts payable	-	-
Accrued liabilities	-	-
Compensated absences payable	-	-
Net cash provided by operating activities	393,785	-

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, 2023**

	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	\$ 63,433	\$ 3,481,341	\$ 39,818	\$ 546,637	\$ 114,957	\$ 4,246,186
Accounts receivable	-	-	-	4,734	136,717	141,451
Intergovernmental receivable	-	-	-	797,143	-	797,143
Notes receivable	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-
Total assets	<u>63,433</u>	<u>3,481,341</u>	<u>39,818</u>	<u>1,348,514</u>	<u>251,674</u>	<u>5,184,780</u>
Liabilities						
Accounts payable	-	-	-	9,244	-	9,244
Accrued liabilities	-	-	-	470	251,674	252,144
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,714</u>	<u>251,674</u>	<u>261,388</u>
Net position						
Restricted for other organizations and governments	63,433	3,481,341	39,818	1,338,800	-	4,923,392
Total net position	<u>\$ 63,433</u>	<u>\$ 3,481,341</u>	<u>\$ 39,818</u>	<u>\$ 1,338,800</u>	<u>\$ -</u>	<u>\$ 4,923,392</u>

See accompanying independent auditor's report.

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended September 30, 2023**

	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	\$ -	\$ -	\$ -	\$ 105,072	\$ -	\$ 105,072
Public improvement assessments	-	-	113,150	-	1,404,007	1,517,157
Investment earnings	2,486	110,696	-	33,363	-	146,545
Intergovernmental revenue	-	-	-	1,973,887	-	1,973,887
Other	-	845,000	-	15,507	1,502	862,009
Total additions	2,486	955,696	113,150	2,127,829	1,405,509	4,604,670
Deductions						
Salaries and wages	-	-	-	731,056	-	731,056
Employee benefits	-	-	-	143,701	-	143,701
Purchased professional/ technical services	-	9,289	1,131	153,334	-	163,754
Maintenance	-	-	-	82,660	-	82,660
Other purchased services	-	-	-	114,719	-	114,719
Supplies	-	153	-	178,599	-	178,752
Other	-	150,000	108,150	613,841	1,405,509	2,277,500
Total deductions	-	159,442	109,281	2,017,910	1,405,509	3,692,142
Net increase (decrease) in fiduciary net position	2,486	796,254	3,869	109,919	-	912,528
Net position, beginning	60,947	2,685,087	35,949	1,228,881	-	4,010,864
Net position, ending	\$ 63,433	\$ 3,481,341	\$ 39,818	\$ 1,338,800	\$ -	\$ 4,923,392

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)**

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 180,508,096	\$ 183,090,881	\$ 195,340,533	\$ 206,699,045
Restricted	18,895,396	20,655,062	23,224,157	28,463,123
Unrestricted	34,063,949	30,545,855	29,764,431	30,980,557
Total governmental activities net position	\$ 233,467,441	\$ 234,291,798	\$ 248,329,121	\$ 266,142,725
Business-type activities				
Net investment in capital assets	\$ 211,696,699	\$ 214,329,030	\$ 218,895,017	\$ 224,211,909
Restricted	1,274,319	1,370,154	700,480	867,925
Unrestricted	65,792,573	63,820,011	68,398,739	73,188,454
Total business-type activities net position	\$ 278,763,591	\$ 279,519,195	\$ 287,994,236	\$ 298,268,288
Primary government				
Net investment in capital assets	\$ 392,204,795	\$ 397,419,911	\$ 414,235,550	\$ 430,910,954
Restricted	20,169,715	22,025,216	23,924,637	29,331,048
Unrestricted	99,856,522	94,365,866	98,163,170	104,169,011
Total primary government net position	\$ 512,231,032	\$ 513,810,993	\$ 536,323,357	\$ 564,411,013

Source: Annual Comprehensive Financial Reports

Note: 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					
2018	2019	2020	2021	2022	2023
\$ 216,259,979	\$ 227,983,027	\$ 243,043,416	\$ 262,466,289	\$ 291,986,241	\$ 315,202,560
36,749,778	43,936,163	48,213,632	51,245,572	49,999,974	76,753,494
<u>40,300,435</u>	<u>52,477,775</u>	<u>63,521,354</u>	<u>84,846,861</u>	<u>107,336,476</u>	<u>90,647,097</u>
\$ 293,310,192	\$ 324,396,965	\$ 354,778,402	\$ 398,558,722	\$ 449,322,691	\$ 482,603,151
\$ 231,095,661	\$ 245,071,453	\$ 285,558,323	\$ 311,977,431	\$ 351,255,892	\$ 389,242,050
943,463	1,057,103	1,006,408	1,082,677	899,971	591,295
<u>81,336,611</u>	<u>82,532,465</u>	<u>93,792,994</u>	<u>108,526,315</u>	<u>122,819,885</u>	<u>143,586,126</u>
\$ 313,375,735	\$ 328,661,021	\$ 380,357,725	\$ 421,586,423	\$ 474,975,748	\$ 533,419,471
\$ 447,355,640	\$ 473,054,480	\$ 528,601,739	\$ 574,443,720	\$ 643,242,133	\$ 704,444,610
37,693,241	44,993,266	49,220,040	52,328,249	50,899,945	77,344,789
<u>121,637,046</u>	<u>135,010,240</u>	<u>157,314,348</u>	<u>193,373,176</u>	<u>230,156,361</u>	<u>234,233,223</u>
\$ 606,685,927	\$ 653,057,986	\$ 735,136,127	\$ 820,145,145	\$ 924,298,439	\$ 1,016,022,622

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

	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 16,223,167	\$ 15,012,962	\$ 17,591,625	\$ 21,961,388
Public works	12,205,449	12,767,308	12,385,381	13,531,718
Public safety	66,630,254	64,796,679	71,900,506	77,631,982
Culture and recreation	16,922,912	16,510,993	17,575,724	18,409,985
Public health	7,314,101	7,269,988	7,853,838	7,974,445
Housing and community development	2,974,293	2,704,824	2,421,277	2,499,865
Interest on long-term debt	3,631,452	3,155,598	2,784,644	2,724,381
Total governmental activities expenses	125,901,628	122,218,352	132,512,995	144,733,764
Business-type activities:				
Water	32,998,874	32,457,155	34,485,785	36,237,977
Wastewater	19,263,583	18,964,527	22,024,527	22,369,323
Solid waste	15,794,559	15,223,615	15,458,545	16,437,794
Airport	3,284,396	3,496,581	3,821,305	3,948,697
Convention services	3,957,683	4,074,149	4,301,096	4,524,677
Ranger Hall of Fame	1,326,695	1,333,639	1,444,823	1,333,563
Cameron Park Zoo	4,494,173	4,595,845	4,777,181	5,232,360
Transit services	8,177,708	8,188,525	8,640,336	8,360,490
Cottonwood Creek Golf Course	1,810,707	1,707,982	1,821,529	1,852,186
Drainage	-	-	-	-
Total business-type activities expenses	91,108,378	90,042,018	96,775,127	100,297,067
Total primary government expenses	217,010,006	212,260,370	229,288,122	245,030,831
Program Revenues				
Governmental activities:				
Charges for services:				
General government	192,402	243,883	271,051	282,226
Public works	2,257	3,188	2,057	972
Public safety	5,520,650	5,373,858	5,995,911	5,211,330
Culture and recreation	1,404,877	1,279,331	1,294,784	1,574,384
Housing and community development	-	-	-	-
Public health	1,154,091	1,158,100	1,181,667	1,248,994
Operating grants and contributions	10,924,393	9,564,905	9,550,112	9,365,279
Capital grants and contributions	3,272,066	6,952,118	7,269,459	9,608,784
Total governmental activities program revenues	22,470,736	24,575,383	25,565,041	27,291,969

Table II

		FISCAL YEAR									
		2018	2019	2020	2021	2022	2023				
\$	23,161,022	\$	21,418,706	\$	24,927,532	\$	25,498,744	\$	37,898,024	\$	28,879,531
	13,738,063		15,263,962		16,663,378		17,613,038		13,192,410		17,445,123
	76,378,833		81,605,115		82,482,836		79,691,854		82,716,607		100,583,942
	18,085,607		20,036,504		18,281,256		18,044,204		19,340,512		23,824,505
	7,991,534		9,205,925		8,941,058		9,604,109		10,151,107		11,548,298
	2,220,964		2,904,350		2,752,409		5,617,611		6,574,493		11,137,890
	2,942,299		3,149,200		3,303,458		3,789,974		4,657,397		6,720,892
	<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>		<u>200,140,181</u>
	37,944,429		39,841,010		41,071,141		40,438,161		43,736,573		50,540,255
	23,339,837		27,232,626		29,284,437		30,142,967		36,827,351		44,333,232
	17,150,662		20,867,979		21,389,352		22,960,146		23,722,537		30,736,959
	3,833,773		4,333,238		5,001,016		5,370,976		5,170,896		8,715,345
	4,855,004		5,684,576		4,380,349		3,315,097		5,414,985		5,790,586
	1,390,759		1,404,669		1,517,423		1,631,553		1,597,859		7,892,219
	5,342,574		5,357,572		6,003,814		5,879,107		6,764,818		1,976,635
	7,902,796		8,234,983		7,754,706		7,246,662		7,810,717		8,229,764
	2,044,411		2,094,332		1,903,771		1,911,463		2,102,667		2,963,035
	-		-		-		116,493		3,467,729		5,309,266
	<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>166,487,296</u>
	248,322,567		268,634,747		275,657,936		278,872,159		311,146,682		366,627,477
	383,837		435,415		336,898		348,566		3,224,862		3,448,932
	1,315		790		1,035		-		-		-
	5,167,028		4,915,802		4,647,611		5,832,062		3,573,643		3,594,522
	1,792,366		1,688,278		657,512		1,313,651		1,897,583		2,143,986
	-		-		-		-		182,053		155,495
	1,179,052		1,247,897		1,116,427		1,209,651		1,421,816		1,377,485
	10,748,885		11,527,188		22,262,586		16,122,738		18,455,983		22,518,303
	11,861,689		8,561,177		4,689,356		14,300,491		22,773,022		3,695,505
	<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>		<u>36,934,228</u>

(Continued)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Business-type activities:				
Charges for services:				
Water	\$ 38,600,073	\$ 37,773,754	\$ 39,693,677	\$ 43,474,418
Wastewater	21,343,556	20,827,643	23,376,856	27,826,441
Solid waste	16,866,587	17,704,519	18,860,966	19,052,864
Airport	1,142,240	1,093,157	1,118,487	1,134,454
Convention services	1,213,798	1,317,100	1,402,912	1,568,402
Ranger Hall of Fame	420,414	490,917	559,262	654,740
Cameron Park Zoo	1,582,279	1,615,849	1,963,610	2,223,777
Transit services	3,373,782	3,775,380	4,112,010	3,606,218
Cottonwood Creek Golf Course	1,549,328	1,511,944	1,618,596	1,643,950
Drainage	-	-	-	-
Operating grants and contributions	3,869,760	3,566,046	3,734,120	4,031,927
Capital grants and contributions	1,682,452	3,459,180	6,998,128	3,654,269
Total business-type activities program revenues	<u>91,644,269</u>	<u>93,135,489</u>	<u>103,438,624</u>	<u>108,871,460</u>
Total primary government program revenues	<u>114,115,005</u>	<u>117,710,872</u>	<u>129,003,665</u>	<u>136,163,429</u>
Net (Expense)/Revenue				
Governmental activities	(103,430,892)	(97,642,969)	(106,947,954)	(117,441,795)
Business-type activities	535,891	3,093,471	6,663,497	8,574,393
Total primary government net expense	<u>(102,895,001)</u>	<u>(94,549,498)</u>	<u>(100,284,457)</u>	<u>(108,867,402)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	51,585,835	55,028,271	58,427,545	63,095,312
Tax increment financing tax	5,573,984	6,296,710	7,750,330	10,234,498
Sales taxes	33,487,659	35,813,531	37,371,461	38,135,659
Franchise taxes	14,181,593	13,762,575	13,734,655	14,238,292
Other taxes	785,905	871,076	910,456	1,063,684
Unrestricted investment earnings	323,760	476,804	855,366	1,644,507
Miscellaneous	1,196,841	1,214,952	1,450,460	1,702,214
Gain on disposal of capital assets	105,278	-	-	3,420,000
Transfers	902,991	2,537,789	485,004	1,721,233
Total governmental activities	<u>108,143,846</u>	<u>116,001,708</u>	<u>120,985,277</u>	<u>135,255,399</u>
Business-type activities:				
Hotel/motel taxes	2,403,171	2,707,056	3,204,122	3,724,543
Unrestricted investment earnings	197,346	289,580	378,946	462,647
Special item: Gain on termination of WMARSS agreement	-	-	-	-
Transfers	(902,992)	(2,537,789)	(485,004)	(1,721,233)
Total business-type activities	<u>1,697,526</u>	<u>458,847</u>	<u>3,098,064</u>	<u>2,465,957</u>
Total primary government	<u>109,841,372</u>	<u>116,460,555</u>	<u>124,083,341</u>	<u>137,721,356</u>
Change in Net Position				
Governmental activities	4,712,954	18,358,739	14,037,323	17,813,604
Business-type activities	2,233,417	3,552,318	9,761,561	11,040,350
Total primary government	<u>\$ 6,946,371</u>	<u>\$ 21,911,057</u>	<u>\$ 23,798,884</u>	<u>\$ 28,853,954</u>

Source: Annual Comprehensive Financial Reports

Note: 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					
	2018	2019	2020	2021	2022	2023
\$	48,925,791	\$ 50,287,352	\$ 53,110,881	\$ 52,448,798	\$ 60,465,793	\$ 65,278,697
	30,079,874	34,435,075	38,309,365	42,245,415	44,246,666	47,532,961
	19,776,330	20,435,913	21,881,584	23,137,315	27,657,212	32,394,805
	967,939	1,317,810	967,466	1,022,426	1,198,799	3,709,845
	1,736,312	1,795,841	853,499	498,987	1,284,486	988,944
	721,386	752,273	381,521	495,975	545,315	1,603,257
	2,074,281	2,085,321	1,711,401	3,344,779	3,329,794	601,566
	3,232,108	3,123,994	2,547,859	2,228,232	2,759,798	2,370,101
	1,604,672	1,762,884	1,590,021	1,749,668	2,138,556	2,414,141
	-	-	-	-	5,784,296	6,670,766
	3,738,719	4,028,788	6,773,559	7,190,824	6,995,722	12,476,167
	1,048,602	3,182,243	6,358,716	21,233,196	31,328,186	25,428,101
	<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>	<u>201,469,351</u>
	<u>145,040,186</u>	<u>151,584,041</u>	<u>168,197,297</u>	<u>194,722,774</u>	<u>239,263,585</u>	<u>238,403,579</u>
	(113,384,150)	(125,207,215)	(123,640,502)	(120,732,375)	(123,001,588)	(163,205,953)
	10,101,769	8,156,509	16,179,863	36,582,990	51,118,491	34,982,055
	<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>	<u>(128,223,898)</u>
	68,192,298	74,555,736	77,783,241	82,999,797	87,615,776	95,322,503
	12,674,713	14,172,237	14,042,607	13,322,983	13,588,785	10,235,994
	39,017,059	40,610,169	41,033,102	48,720,357	54,078,904	55,744,974
	14,916,497	14,590,418	14,480,403	14,523,390	16,424,001	16,429,419
	1,148,309	1,273,129	1,168,421	1,368,393	1,468,276	1,649,254
	4,092,426	7,976,252	3,990,302	669,398	(4,681,366)	24,779,322
	1,162,457	3,349,070	2,989,133	2,834,269	3,417,510	3,767,602
	-	-	-	-	-	-
	462,783	(233,023)	(1,465,270)	74,108	1,853,671	(11,442,655)
	<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>	<u>196,486,413</u>
	4,270,253	4,617,066	3,138,696	4,519,547	6,120,368	6,475,224
	1,198,208	2,278,688	1,143,224	200,269	(1,995,863)	5,543,789
	-	-	29,769,651	-	-	-
	(462,783)	233,023	1,465,270	(74,108)	(1,853,671)	11,442,655
	<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>23,461,668</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>	<u>219,948,081</u>
	28,282,392	31,086,773	30,381,437	43,780,320	50,763,969	33,280,460
	15,107,447	15,285,286	51,696,704	41,228,698	53,389,325	58,443,723
\$	<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>	<u>91,724,183</u>

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

	2014	2015	2016	2017
General Fund				
Nonspendable:				
Advances to other funds	\$ -	\$ -	\$ -	\$ -
Inventory	734,557	849,594	925,826	855,118
Real estate held for resale	6,160	6,160	6,160	6,160
Restricted for:				
Communications and Marketing	703,924	751,247	971,345	1,006,021
Culture and recreation	918,377	755,927	365,900	-
Public safety	83,856	119,629	-	-
Economic development	-	-	-	-
Committed to:				
Economic development	9,532,164	9,722,702	10,288,673	10,645,045
Culture and recreation	-	-	-	-
Assigned to:				
Capital improvements	15,050,171	4,810,928	11,891,042	14,880,555
Economic development	3,048,263	5,740,957	4,753,144	4,491,067
Housing and community development	25,000	142,117	3,822	-
Public works	4,677	352,180	300,048	109,472
Public safety	140,595	189,501	237,645	507,585
Culture and recreation	16,230	150,601	141,888	129,850
Subsequent year's budget appropriation	-	7,108,799	2,140,199	2,868,343
Other	490,289	220,123	268,004	264,776
Unreserved/Unassigned	21,043,396	23,392,619	23,778,234	25,058,680
Total General Fund	\$ 51,797,659	\$ 54,313,084	\$ 56,071,930	\$ 60,822,672

Table III

FISCAL YEAR					
2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
962,267	963,711	1,025,496	874,629	958,731	1,117,009
6,160	6,160	6,160	6,160	6,160	6,160
1,271,408	1,318,309	1,471,560	1,636,663	1,805,112	1,912,417
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,933,118	13,688,936	14,496,364	16,025,074	14,520,304	17,793,635
-	-	-	-	-	-
17,425,920	25,476,197	12,917,754	-	-	-
7,354,149	8,274,949	3,958,032	6,493,032	6,493,032	11,233,433
44,600	-	-	32,899	-	284,163
240,959	566,574	245,706	365,062	951,973	443,104
753,506	699,653	757,889	694,975	1,618,899	1,892,908
130,993	340,878	8,236	163,113	68,132	217,980
3,588,211	4,403,230	7,979,534	1,293,553	2,121,810	7,340,656
416,224	1,045,887	1,138,853	1,118,170	4,116,731	1,685,142
26,964,901	30,539,334	48,089,822	64,102,649	63,138,539	58,980,843
<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>	<u>\$ 102,907,450</u>

(Continued)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
All Other Governmental Funds:				
Nonspendable:				
Parks and cemetery care	\$ 478,848	\$ 466,997	\$ 366,560	\$ 368,115
Real estate held for sale	40,061	46,705	-	-
Inventory	-	131,805	138,360	85,685
Restricted for:				
Debt service	185,902	491,257	598,145	528,707
Capital projects	11,828,967	7,184,956	4,631,102	12,754,861
Tax increment zone activities	10,891,785	13,579,596	16,822,186	22,732,032
Housing and community development	2,333,652	2,059,972	2,037,017	1,570,574
Public works	-	-	-	-
Public safety	1,406,274	1,442,749	1,224,262	1,208,289
Culture and recreation	1,302,930	450,821	347,288	581,442
Waco Public Improvement District	645,008	716,835	755,292	888,323
Committed to :				
Capital projects	2,582,281	15,665,156	13,223,176	14,236,424
Public health	561,880	820,811	1,050,924	1,741,422
Total all other governmental funds	<u>\$ 32,257,588</u>	<u>\$ 43,057,660</u>	<u>\$ 41,194,312</u>	<u>\$ 56,695,874</u>

Source: Annual Comprehensive Financial Reports

Notes: 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
2018	2019	2020	2021	2022	2023	
\$ 371,797	\$ 378,209	\$ 381,019	\$ 326,896	\$ 323,713	\$ 332,430	
-	-	-	-	1,975,000	-	
-	-	-	-	-	-	
675,525	742,629	600,472	1,303,947	720,211	969,001	
29,469,813	35,639,375	50,835,124	55,153,344	79,875,567	103,316,570	
31,067,768	37,977,473	42,551,716	44,304,621	43,667,730	67,475,883	
1,314,573	325,423	246,965	296,952	380,219	489,657	
-	1,142,535	636,582	678,759	463,657	254,197	
1,556,260	1,568,647	1,658,699	2,285,587	2,906,311	3,462,374	
191,804	153,891	169,374	180,414	172,880	180,040	
906,377	1,006,241	1,148,686	1,034,429	1,125,038	1,423,812	
14,241,431	12,465,309	20,797,066	37,279,317	45,965,718	48,211,240	
2,417,446	2,514,105	3,240,719	3,390,803	4,213,781	4,419,833	
<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>	<u>\$ 230,535,037</u>	

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

	2014	2015	2016	2017
Revenues:				
Taxes:				
Sales	\$ 33,487,659	\$ 35,813,531	\$ 37,371,461	\$ 38,135,659
Property	56,383,515	60,851,059	65,630,088	72,678,709
Interest and penalty	507,622	598,772	620,805	620,791
Special assessments	300,940	326,760	358,421	482,959
Business and occupation fees	14,181,593	13,762,575	13,734,655	14,238,292
Permits, licenses and fees	2,519,019	2,454,494	2,739,022	2,618,623
Fines	2,555,149	2,506,051	2,569,317	2,054,255
Charges for services	1,639,054	1,749,690	1,834,544	1,939,164
Investment earnings	296,370	436,017	825,795	1,574,399
Contributions	883,815	3,490,258	1,419,645	1,244,774
Intergovernmental	10,278,693	9,968,503	9,175,975	11,344,302
Program income	338,265	289,272	298,107	222,053
Other	10,028,613	10,971,694	11,238,248	11,080,269
Total revenues	<u>133,400,307</u>	<u>143,218,676</u>	<u>147,816,083</u>	<u>158,234,249</u>
Expenditures:				
General government	24,937,624	22,826,332	25,611,309	28,421,391
Public works	2,583,490	1,405,812	1,879,964	1,643,939
Public safety	62,521,778	62,557,857	67,172,300	70,051,351
Culture and recreation	13,998,629	13,543,825	13,427,467	17,688,310
Housing and community development	3,160,091	2,897,236	2,370,097	2,576,675
Public health	7,267,366	7,247,059	7,533,938	7,588,586
Capital outlay	10,002,288	14,758,838	26,453,338	13,884,468
Debt service:				
Principal	5,340,143	5,585,000	5,895,000	6,685,000
Interest and fiscal charges	3,788,820	3,437,349	3,283,750	3,240,961
Bond issuance costs	26,107	250,679	99,402	84,655
Total expenditures	<u>133,626,336</u>	<u>134,509,987</u>	<u>153,726,565</u>	<u>151,865,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(226,029)</u>	<u>8,708,689</u>	<u>(5,910,482)</u>	<u>6,368,913</u>
Other financing sources (uses):				
General obligation bonds issued	1,645,000	1,695,000	3,805,000	11,465,000
Refunding bonds issued	-	34,125,000	1,945,000	-
Capital leases	-	-	-	-
Premiums on general obligation bonds	59,040	57,044	334,219	451,335
Capital Asset Financing	-	-	-	-
Premiums on refunding bonds	-	6,804,247	136,375	-
Payments to refunded bond escrow agent	-	(40,676,302)	(2,055,353)	-
Financing of leases	-	-	-	-
Financing of subscriptions	-	-	-	-
Transfers in	17,504,831	26,296,892	23,677,980	22,351,642
Transfer out	(16,420,580)	(23,695,073)	(22,037,241)	(20,384,586)
Proceeds from sale of capital assets	105,278	-	-	-
Total other financing sources	<u>2,893,569</u>	<u>4,606,808</u>	<u>5,805,980</u>	<u>13,883,391</u>
Net change in fund balances	<u>\$ 2,667,540</u>	<u>\$ 13,315,497</u>	<u>\$ (104,502)</u>	<u>\$ 20,252,304</u>
Debt service as a percentage of noncapital expenditures	7.49%	7.49%	7.24%	7.31%

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.

STATISTICAL SECTION

Table IV

						FISCAL YEAR
2018	2019	2020	2021	2022	2023	
\$ 39,017,059	\$ 40,610,169	\$ 41,033,102	\$ 48,720,357	\$ 54,078,904	\$ 55,744,974	
80,168,586	87,622,628	91,162,296	95,591,126	100,511,311	104,541,098	
636,115	613,463	805,160	603,571	719,799	703,042	
535,505	560,432	630,654	644,776	650,962	776,425	
14,916,497	14,590,418	14,480,403	14,523,390	16,424,001	16,429,419	
2,482,683	2,957,028	2,967,430	3,690,136	4,156,782	4,368,416	
1,883,191	2,055,628	1,650,016	1,931,290	2,162,661	1,877,500	
2,104,779	2,101,940	1,921,824	2,273,973	2,542,795	2,863,857	
3,921,246	7,640,582	3,823,044	642,351	(4,482,730)	20,754,154	
861,550	1,072,378	829,925	766,646	9,035,418	909,956	
9,590,294	9,435,004	19,950,651	14,745,342	17,804,486	22,097,044	
246,593	194,820	227,685	189,218	239,688	236,282	
12,156,194	16,217,373	14,253,903	15,344,110	17,454,355	18,295,114	
<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>	<u>249,597,281</u>	
30,108,527	30,851,658	38,971,422	42,716,357	52,465,669	43,299,006	
5,119,496	7,051,885	7,926,213	10,464,167	8,754,888	10,580,880	
73,673,507	75,754,565	80,011,063	77,816,545	86,635,797	94,988,901	
14,216,289	15,201,353	15,196,451	14,325,034	16,484,711	20,049,051	
2,908,249	3,250,335	2,925,409	5,658,410	7,287,352	11,436,959	
7,906,760	8,944,992	8,813,617	9,765,137	10,677,502	11,066,013	
11,595,064	25,302,918	21,821,248	37,837,873	43,836,723	89,017,748	
6,660,000	6,555,000	7,590,000	8,780,000	9,585,000	10,060,000	
3,440,471	4,016,921	4,553,085	5,144,979	5,482,871	7,448,292	
140,293	203,758	123,993	160,006	489,287	788,255	
<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>	<u>298,735,105</u>	
12,751,636	8,538,478	5,803,592	(13,002,222)	(20,401,368)	(49,137,824)	
19,840,000	18,560,000	26,210,000	28,960,000	46,285,000	98,990,000	
-	9,365,000	-	3,155,000	1,585,000	-	
-	-	-	5,000,000	-	-	
1,180,056	1,583,439	2,551,941	1,230,197	7,902,360	2,177,452	
-	-	-	-	-	14,313,701	
-	1,065,159	-	350,193	241,411	-	
-	(10,434,176)	-	(3,539,057)	(1,816,002)	-	
-	-	-	-	2,681,107	189,225	
-	-	-	-	-	768,816	
13,552,009	18,871,120	31,572,912	37,465,729	36,593,973	32,517,518	
(12,537,037)	(18,616,575)	(33,014,272)	(34,940,626)	(34,523,281)	(43,965,649)	
-	-	-	-	-	-	
<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>104,991,063</u>	
\$ 34,786,664	\$ 28,932,445	\$ 33,124,173	\$ 18,210,656	\$ 38,548,200	\$ 55,853,239	
7.04%	7.09%	7.77%	8.35%	8.88%	9.11%	

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

Category	2023	2022	2021	2020
Real - residential single family	\$ 8,008,709,786	\$ 6,158,778,179	\$ 5,440,236,061	\$ 5,045,208,989
Real - residential multi-family	1,659,006,599	1,324,406,224	1,309,440,113	1,204,270,853
Real - platted lots & residential inventory	352,743,836	254,291,978	260,120,813	254,696,041
Real - acreage, land only	116,433,143	106,943,005	106,653,807	101,075,715
Real - improved farm & ranch	54,234,666	47,294,190	44,260,405	49,625,414
Real - commercial & industrial	3,703,053,676	3,036,988,519	3,082,168,132	2,931,146,517
Real and tangible personal - utilities	281,756,517	260,021,256	245,410,126	229,487,770
Tangible personal - business	2,379,902,490	2,136,033,509	2,001,638,910	2,131,366,180
Tangible personal - other	4,673,250	3,261,760	3,099,232	2,699,122
Total market value	<u>16,560,513,963</u>	<u>13,328,018,620</u>	<u>12,493,027,599</u>	<u>11,949,576,601</u>
Less total exemptions	<u>3,050,317,604</u>	<u>1,477,887,129</u>	<u>1,293,119,298</u>	<u>1,254,695,579</u>
Taxable assessed value	<u>\$ 13,510,196,359</u>	<u>\$ 11,850,131,491</u>	<u>\$ 11,199,908,301</u>	<u>\$ 10,694,881,022</u>
Total direct tax rate per \$ 100 of taxable assessed value	<u>0.760000</u>	<u>0.767282</u>	<u>0.776232</u>	<u>0.776232</u>
Estimated actual taxable value	<u>\$ 16,560,513,963</u>	<u>\$ 13,328,018,620</u>	<u>\$ 12,493,027,599</u>	<u>\$ 11,949,576,601</u>
Taxable assessed value as a percentage of actual taxable value	81.6%	88.9%	89.6%	89.5%

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
2019	2018	2017	2016	2015	2014	
\$ 4,689,727,622	\$ 4,103,208,707	\$ 3,666,787,394	\$ 3,442,331,305	\$ 3,330,608,637	\$ 3,193,078,012	
1,156,809,421	1,036,321,000	854,447,458	710,274,847	600,033,734	552,903,404	
241,199,487	225,165,345	216,913,884	179,995,100	192,366,941	185,737,380	
95,061,274	75,960,194	77,014,810	69,022,094	746,366,662	66,466,703	
47,626,117	41,117,522	34,974,967	29,242,020	32,499,555	28,871,288	
2,831,537,753	2,652,184,099	2,444,560,582	2,221,110,921	2,051,472,009	1,885,152,286	
217,987,430	202,093,432	192,815,272	202,959,032	177,491,413	147,349,253	
2,037,021,720	1,940,142,010	1,926,700,880	1,844,415,017	1,724,904,133	1,674,043,041	
2,370,660	2,334,390	2,325,700	2,406,350	2,424,330	2,328,520	
<u>11,319,341,484</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>	
1,253,765,578	1,073,765,249	943,172,583	939,650,349	916,313,922	927,340,793	
<u>\$ 10,065,575,906</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>	
0.776232	0.776232	0.776232	0.776232	0.776232	0.786232	
<u>\$ 11,319,341,484</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>	
88.9%	89.6%	90.0%	89.2%	88.8%	88.0%	

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				
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
2023	0.619238	0.140762	0.760000	1.241869	1.174065	1.188151	0.139074

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
0.535293	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	1.26093	1.167280
0.425000	1.215509	1.164300	1.178300	1.200310	1.172632	1.112970
0.376355	1.087309	1.124600	1.147299	1.164540	1.124384	1.037681

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

Fiscal year 2023

Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
Refresco Beverages U.S. Inc.	\$ 157,325,173	1.16%
Amazon.com Services, Inc	143,367,430	1.06%
Mars Snackfood US L.L.C.	106,590,714	0.79%
Oncor Electric Delivery Co. L.L.C.	98,493,900	0.73%
Allergan, Inc.	93,606,976	0.69%
L-3 Communications Integrated Systems L.P.	84,647,460	0.63%
3503 Rp Waco Central L.P. Retail	70,696,240	0.52%
Tractor Supply Co. of TX L.P.	67,727,715	0.50%
Atmos Energy/Mid-Tex	67,284,810	0.50%
Cargill Inc	66,207,823	0.49%
Total	<u>\$ 955,948,241</u>	<u>7.07%</u>

Source: McLennan County Appraisal District

Table VII

Fiscal year 2014

Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
Mars Snackfood US L.L.C.	\$ 103,795,262	1.52%
Coca Cola Company	96,860,763	1.42%
L-3 Communications Integrated Systems L.P.	71,799,400	1.05%
Allergan, Inc.	58,204,368	0.85%
Oncor Electric Delivery Co.	54,429,317	0.80%
Inland Western Waco Central, L.P.	50,721,180	0.74%
CBL/Richland Mall, L.P.	41,630,350	0.61%
Caterpillar Logistics Services, Inc.	40,554,157	0.60%
Associated Hygienic Products, L.L.C.	39,385,892	0.58%
Sherwin Williams Co. Inc.	33,845,918	0.50%
Total	<u>\$ 591,226,607</u>	<u>8.67%</u>

**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
2014	51,208,846	1,582,983	52,791,829	(15,040)
2015	54,676,069	1,792,277	56,468,346	(210,923)
2016	58,055,153	2,224,388	60,279,541	(348,847)
2017	62,891,323	3,094,279	65,985,602	(842,332)
2018	67,536,896	3,506,068	71,042,964	(294,430)
2019	73,976,108	3,864,376	77,840,484	(661,468)
2020	79,178,817	3,942,081	83,120,898	(825,101)
2021	83,297,493	4,479,412	87,776,905	(1,319,862)
2022	86,705,114	4,474,925	91,180,039	(142,351)
2023	95,104,883	6,532,304	101,637,187	-

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
52,776,789	52,019,615	98.57	671,149	52,690,764	99.84
56,257,423	55,622,582	98.87	539,964	56,162,546	99.83
59,930,694	59,465,589	99.22	362,622	59,828,211	99.83
65,143,270	64,907,474	99.64	117,549	65,025,023	99.82
70,748,534	70,504,465	99.64	104,925	70,609,390	99.80
77,179,016	76,906,987	99.61	99,777	77,006,764	99.78
82,295,797	81,374,389	98.80	696,528	82,070,917	99.73
86,457,043	85,785,642	98.92	391,629	86,177,271	99.68
91,037,688	90,303,169	99.04	297,869	90,601,038	99.52
101,637,187	100,535,745	98.92	-	100,535,745	98.92

**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	Subscriptions Payable	Refundable Contracts	Notes Payable	General Obligation Bonds
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
2023	237,798,891	3,550,183	45,915,000	830,000	1,669,122	944,760	80,007	14,313,701	500,625,483

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					Total Primary Government	Percentage of Actual Taxable Value of Property ⁽³⁾	Population of City	Per Capita
Notes Payable	Leases Payable	Refundable Contracts	Contracts Payable					
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	0.0488	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	4.80%	143,984	4,574	
1,122,766	282,791	1,185,350	-	808,318,054	4.88%	143,984	5,614	

Table X

**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
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%	143,984	1,366
2023	784,339,374	-	549,514,109	234,825,265	1.96%	143,984	1,631

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, 2023**

Taxing Authority	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Debt Overlapping Debt
Debt repaid with property taxes:			
Waco Independent School District	\$ 453,665,000	95.41%	\$ 432,841,777
Bosqueville Independent School District	25,115,000	77.19%	19,386,269
McLennan Community College	41,210,000	55.92%	23,044,632
McLennan County	89,770,000	55.92%	50,199,384
Midway Independent School District	173,295,000	53.09%	92,002,316
LaVega Independent School District	32,097,474	41.28%	13,249,837
China Spring Independent School District	78,409,986	47.89%	36,616,687
Connally Independent School District	7,985,000	19.93%	1,591,411
Lorena Independent School District	<u>22,731,063</u>	2.82%	<u>641,016</u>
Subtotal, overlapping debt	<u>\$ 924,278,523</u>		<u>\$ 669,573,329</u>
City direct debt:			
City of Waco direct debt	\$ 234,825,265	100.00%	\$ 234,825,265
Tax increment financing	45,915,000	100.00%	45,915,000
Capital Financing Agreement	3,550,183	100.00%	3,550,183
Leases Payable	1,669,122	100.00%	1,669,122
Subscriptions Payable	944,760	100.00%	944,760
Other	<u>910,007</u>	100.00%	<u>910,007</u>
Subtotal, direct debt	<u>\$ 287,814,337</u>		<u>\$ 287,814,337</u>
Total direct and overlapping debt	<u>\$ 1,212,092,860</u>		<u>\$ 957,387,666</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, 2023.

**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
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
2023 ⁽⁴⁾	116,717,633	58,114,538	58,603,095

⁽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	
10,699,857	8,698,336	19,398,193	118.76%
11,085,000	8,363,187	19,448,187	138.39%
11,555,000	8,142,857	19,697,857	165.38%
13,715,000	11,827,630	25,542,630	156.59%
15,955,000	11,139,566	27,094,566	151.80%
17,900,000	12,511,654	30,411,654	153.70%
19,615,000	13,589,334	33,204,334	147.75%
20,775,000	13,339,808	34,114,808	162.07%
22,365,000	14,337,381	36,702,381	150.65%
24,740,000	16,941,869	41,681,869	140.60%



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
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	283,885	14,137,044	49,798	29.1	3.40%
2023	N/A	N/A	N/A	N/A	4.10%

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 2021 American Community Surveys. Unemployment rates provided by the Bureau of Labor Statistics. The 2023 rate is as of September.

**Principal Employers
(Unaudited)
Current Year and Nine Years Ago**

Fiscal Year 2023

Employer	Employees	Percentage of Total City Employment
Baylor University	3,253	2.26%
Ascension Providence	3,075	2.14%
Waco Independent School District	2,373	1.65%
H-E-B	2,000	1.39%
Baylor Scott & White Medical Center - Hillcrest	1,736	1.21%
Texas State Technical College	1,706	1.18%
City of Waco	1,518	1.05%
McLennan County	1,201	0.83%
Sanderson Farms Inc.	1,200	0.83%
Wal-Mart	1,174	0.82%
Total	19,236	13.36%

N/A Not available

Source: Greater Waco Chamber of Commerce and the Bureau of Labor Statistics

Table XIV

Fiscal Year 2014		
Employer	Employees	Percentage of Total City Employment
Baylor University	2,675	2.35%
Waco Independent School District	2,500	2.19%
Providence Healthcare Network	2,397	2.10%
L-3 Communications	2,300	2.02%
Hillcrest Health System	1,800	1.58%
Wal-Mart Stores	1,656	1.45%
City of Waco	1,506	1.32%
H.E.B. Stores	1,500	1.32%
Midway Independent School District	1,067	0.94%
Sanderson Farms Inc.	1,041	0.91%
Total	18,442	16.18%

**Full-Time Equivalent City Government Employees by Function
(Unaudited)
Last Ten Fiscal Years**

Function:	2014	2015	2016	2017
General Government	144.80	147.80	160.48	163.43
Public Works	59.00	57.00	53.00	46.00
Public Safety	610.25	622.95	620.12	618.23
Culture and Recreation	185.45	185.41	188.22	189.90
Housing and Community Development	19.48	20.19	19.62	19.04
Public Health	83.00	81.50	80.50	81.50
Water	125.25	123.25	123.68	123.31
Wastewater/WMARSS	72.75	72.75	73.32	74.83
Solid Waste	96.00	93.50	90.00	91.39
Airport	13.77	13.52	13.52	13.40
Convention Services	35.71	35.70	34.95	34.96
Ranger Hall of Fame	15.50	15.50	15.50	15.14
Cameron Park Zoo	51.10	51.36	51.36	50.82
Cottonwood Creek Golf Course	13.00	13.00	13.00	13.00
Drainage	NA	NA	NA	NA
Insurance/Risk Management	8.00	6.00	6.00	5.00
Engineering	24.00	24.00	23.00	25.90
Fleet Services	27.00	27.00	27.00	29.00
Total	1,584.06	1,590.43	1,593.27	1,594.85

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					
2018	2019	2020	2021	2022	2023
166.15	168.60	168.60	191.64	210.35	207.40
42.05	39.05	41.05	44.05	43.36	44.68
628.32	630.95	637.95	643.18	636.82	660.84
190.22	189.86	189.86	189.86	179.21	170.78
18.38	19.78	19.78	19.78	34.00	3.40
81.50	87.20	88.20	88.20	89.20	43.00
119.80	120.49	120.49	120.49	124.16	124.66
76.34	76.51	76.51	76.51	82.84	85.34
90.08	90.72	90.72	91.28	98.00	102.00
12.40	12.40	12.40	12.40	12.40	12.40
34.95	34.95	34.95	34.95	34.95	34.95
15.13	15.13	15.125	15.13	17.13	17.13
48.95	58.65	61.58	61.58	62.36	62.36
13.00	13.00	13.00	13.00	11.00	11.00
NA	NA	NA	NA	9.31	22.61
5.00	4.00	4.00	4.00	3.00	8.00
30.11	32.18	32.18	32.18	30.16	40.00
28.95	28.95	28.95	28.95	28.95	28.95
<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>	<u>1,679.50</u>

**Operating Indicators by Function
(Unaudited)
Last Ten Fiscal Years**

	2014	2015	2016	2017
Function:				
Public Safety				
Police				
Number of Sworn Employees - Budgeted	247	247	249	253
Number of Traffic Citations	21,995	13,626	10,903	10,682
Number of Class "C" Citations	3,042	2,432	2,642	2,005
Calls Dispatched	109,718	114,494	109,785	102,938
Fire				
Number of Sworn Employees - Budgeted	201	204	204	204
Number of Fire Responses	8,893	9,424	9,208	13,336
Public Works				
Street Resurfacing (miles)	18.33	9.96	23.32	37.70
Culture and Recreation				
Parks and Recreation				
Number of Teams in Athletic Leagues	322	283	254	352
Number of Participants in Track/Field Events	340	311	324	288
Number of Participants in After School	4,391	4,941	4,532	4,779
Library				
Physicla Volumes in Collection	331,674	345,903	326,883	336,667
Electronic Collection	38,994	38,936	39,837	11,541
Water				
Number of Water Connections	44,912	45,042	45,914	46,543
Average Daily Water Consumption (gallons)	24,035,699	27,645,000	26,502,074	26,374,910
Maximum Storage Capacity (gallons)	42,150,000	42,150,000	42,150,000	42,150,000
Solid Waste				
Refuse Collected (tons)	54,477	59,596	58,732	60,494
Bulky/Brush Pickups (tons)	7,381	14,397	13,599	13,931
Recyclables Collected (tons)	3,302	3,422	3,104	2,618
Golf Course				
Number of Paid Rounds Played	38,232	38,571	37,881	39,878

N/A Not available

Source: City of Waco Departments

Table XVI

FISCAL YEAR					
2018	2019	2020	2021	2022	2023
253	253	260	267	266	294
11,918	15,152	12,819	12,140	15,890	16,043
1,845	2,184	1,667	1,180	1,299	1,370
97,239	102,503	102,438	95,698	99,541	94,665
204	204	204	204	210	221
15,369	19,010	19,662	19,451	20,198	21,753
11.70	50.74	115.00	23.84	29.00	9.50
367	378	0	164	303	310
315	342	0	333	392	412
3,267	2,994	0	331	1,996	2,087
324,082	337,566	363,903	372,026	359,806	373,051
5,591	6,137	7,460	8,547	8,772	9,811
46,691	47,964	48,531	49,217	50,094	50,633
26,933,400	26,494,200	26,350,000	25,330,000	29,114,600	26,241,244
42,150,000	44,025,000	43,565,000	43,565,000	43,565,000	43,565,000
79,756	79,417	63,569	80,296	130,006	125,246
12,870	13,191	4,258	4,285	4,738	3,541
3,420	4,275	4,084	3,612	3,707	3,590
43,079	40,884	40,527	40,024	45,059	49,583

**Capital Asset Statistics by Function
(Unaudited)
Last Ten Fiscal Years**

	2014	2015	2016	2017
Function:				
Public safety				
Police:				
Stations	1	1	1	1
Staffed substations	3	2	2	2
Patrol units - equipped for arrest use	71	74	80	90
Fire stations	14	14	14	13
Highways and streets				
Streets - paved (miles)	604	605	609	612
Traffic control signals	198	198	182	182
Traffic beacons and flashers	11 0	116	100	106
Culture and recreation				
Parks acreage	1,271	1,266	1,266	1,655
Parks	56	56	56	56
Swimming pools	-	1	1	3
Tennis courts	29	29	29	29
Community centers	5	5	5	6
Water				
Water mains (miles)	1,043	1,042	1,051	1,076
Fire hydrants	5,398	5,457	5,522	5,663
Maximum daily capacity (thousands of gallons)	75,000	75,000	75,000	75,000
Wastewater				
Sanitary sewers (miles)	850	852	866	874
Storm sewers (miles)	355	358	362	367
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
2018	2019	2020	2021	2022	2023	
1	1	1	1	1	1	1
2	2	2	2	2	2	2
71	76	76	76	76	76	83
13	13	13	13	13	13	13
620	624	628	630	637	639	639
197	190	185	187	198	181	181
100	85	95	104	96	92	92
1,655	1,655	1,748	1,687	1,780	1,780	1,780
56	56	66	66	68	68	68
3	3	3	3	4	1	1
28	28	30	30	30	8	8
6	6	6	6	7	6	6
1,087	1,091	1,110	1,120	1,140	1,148	1,148
5,744	5,778	5,851	5,929	6,027	6,049	6,049
75,000	75,000	75,000	75,000	75,000	75,000	75,000
884	887	891	902	915	920	920
371	372	384	392	399	401	401
46,500	46,500	46,500	46,500	46,500	46,500	46,500