

Comprehensive Annual Financial Report

of the



City of Waco, Texas

Prepared by the
Finance Department
Year Ended September 30, 2014

City of Waco, Texas
Comprehensive Annual Financial Report
Year Ended September 30, 2014

MAYOR

Malcolm Duncan, Jr.

CITY COUNCIL

Kyle Deaver, Mayor Pro Tem
Wilbert Austin
Alice Rodriguez
John Kinnaird
Toni Herbert

CITY MANAGER

Dale Fisseler, P.E.

ASSISTANT CITY MANAGERS

Wiley Stem, III
George Johnson, Jr.
Jack Harper, II

DIRECTOR OF FINANCE

Janice Andrews, CPA



City of Waco, Texas

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CITY OF WACO

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January 17, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the City of Waco (the City) for the fiscal year ended September 30, 2014, including the independent auditor's report, is hereby submitted. This CAFR is published to provide the Mayor and City Council, City staff, our citizens, our bond holders 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.

The City Charter requires an annual audit by independent certified public accountants. The Waco City Council selected the accounting firm of Jaynes, Reitmeier, Boyd & Therrell, P.C. 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 OMB Circular A-133. 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, 2014. 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 and U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and the *Uniform 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

Today, the Waco area is rich in Texana. Waco is the 23rd 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 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, both 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 Grant Fund.

Prior to August 1, 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.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Waco is the approximate 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 distribution center. Waco straddles the major north/south route of Interstate 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, 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 main sources of income are primarily from educational and health services and manufacturing, according to the Baylor University’s Center for Business & Economic Research. Any fluctuations in Waco’s historically stable economy have originated in the manufacturing base. Waco’s top ten taxpayers include a candy manufacturer, a soft drink bottler, an aircraft components manufacturer, and an eye care products manufacturer. Additionally, there are a couple of retail shopping centers, an electric utility, a disposable diaper manufacturer and a couple of warehouses. Eight of the top ten employers are education, government, healthcare or manufacturing related.

The educational sector contributes significantly to the City’s economic stability. Waco is the home of Baylor University, a private university with a student enrollment of approximately 16,200. Baylor offers undergraduate degrees in 144 fields, 74 master’s degree programs and 34 doctoral programs. McLennan Community College (MCC) is a public, two-year college with an enrollment of over 9,000 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 3,900, Texas State Technical College offers nearly 100 associates degrees and certificates in a variety of engineering-related and emerging technology fields, preparing a workforce to meet the demands of industry and business.

The Waco Metropolitan Statistical Area (MSA) covers 1,000 square miles. The City encompasses 99 square miles, including 12 square miles of water, within the Waco corporate limits. The average Waco MSA civilian labor force grew 3.7% from 110,781 in 2008 to 114,915 by September 2014. Total employment at the beginning of fiscal year 2014 - 2015 was 108,682 while the unemployment rate was 4.7%.

Long-term Financial Planning

Unassigned fund balance in the general fund (18.97 percent of fiscal year 2015 budgeted revenues) falls within the financial management policy guidelines set by the City Council. In response to the implementation of Governmental Accounting Standards Board Statement No. 54,

Fund Balance Reporting and Governmental Fund Type Definitions (GASB No. 54) in fiscal year 2011, the City Council established a new guideline 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. Regarding general obligation debt, the City adopted a policy in fiscal year 2011 to strive each year to decrease the use of debt financing to meet the long-term goal of funding capital expenditures with non-debt sources.

Relevant Financial Policies

In addition to the general fund balance financial policy mentioned above, the City also strives to maintain a positive unrestricted net assets position in the City's water, wastewater and solid waste funds to provide sufficient reserves for emergencies and revenue shortfalls. In addition, the minimum working capital shall be 30% of annual revenues. The working capital percentages at September 30, 2014, for the water, wastewater and solid waste funds were 61.8%, 69.7% and 78.2%, respectively. These working capital percentages were calculated after removing funds set aside for cash Capital Improvement Program funding.

Major initiatives

In 2007, voters approved a \$63 million bond election to provide for improvements to many City facilities. These projects, which include the Convention Center, police headquarters, libraries, fire stations, park improvements and renovations at the Texas Ranger Museum, among others, are all complete. Improvements to the East Library have been initiated with the savings from the Central and West Libraries projects.

The City has made significant progress on several capital improvements that increase the City's drinking water supply. Beginning in 1998, the City initiated a project to raise the level of Lake Waco by seven feet. This project was completed in 2005 and increased the City's water supply by twenty thousand acre feet of water each year.

Water and wastewater plant improvements to double the treatment capacity have been completed and several projects have now been initiated to expand these capacity improvements to the wastewater collection system and water distribution system. The City's water quality and quantity improvements along with the pipeline upgrades position Waco and Central Texas extremely well for economic development and residential growth for coming generations.

In an effort to revitalize the downtown area, community leaders and stakeholders have developed and completed the Greater Downtown Master Plan. As a result of this effort, the establishment of a downtown development corporation is complete. An update of the City's comprehensive plan is underway and will be supported by new water, wastewater, storm water and solid waste master plans. A transit study and an economic development strategic plan have also been developed. All of these plans are expected to be completed in 2015.

Riverfront development has been greatly enhanced with the completion of the \$260 million McLane Stadium at Baylor University located on the banks of the Brazos River. Efforts will continue on the development of available property in the downtown and river corridor.

Financial Information

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

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 comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the 32nd 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 CAFR that satisfied 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. However, we believe our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

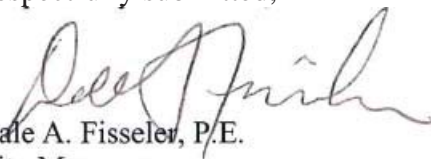
The City has also received GFOA's Popular Annual Financial Reporting Award for the fiscal year ended September 30, 2013, and the Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2013. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

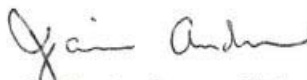
The preparation of this report would not have been possible without the skill, effort and dedication of the City staff. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report.

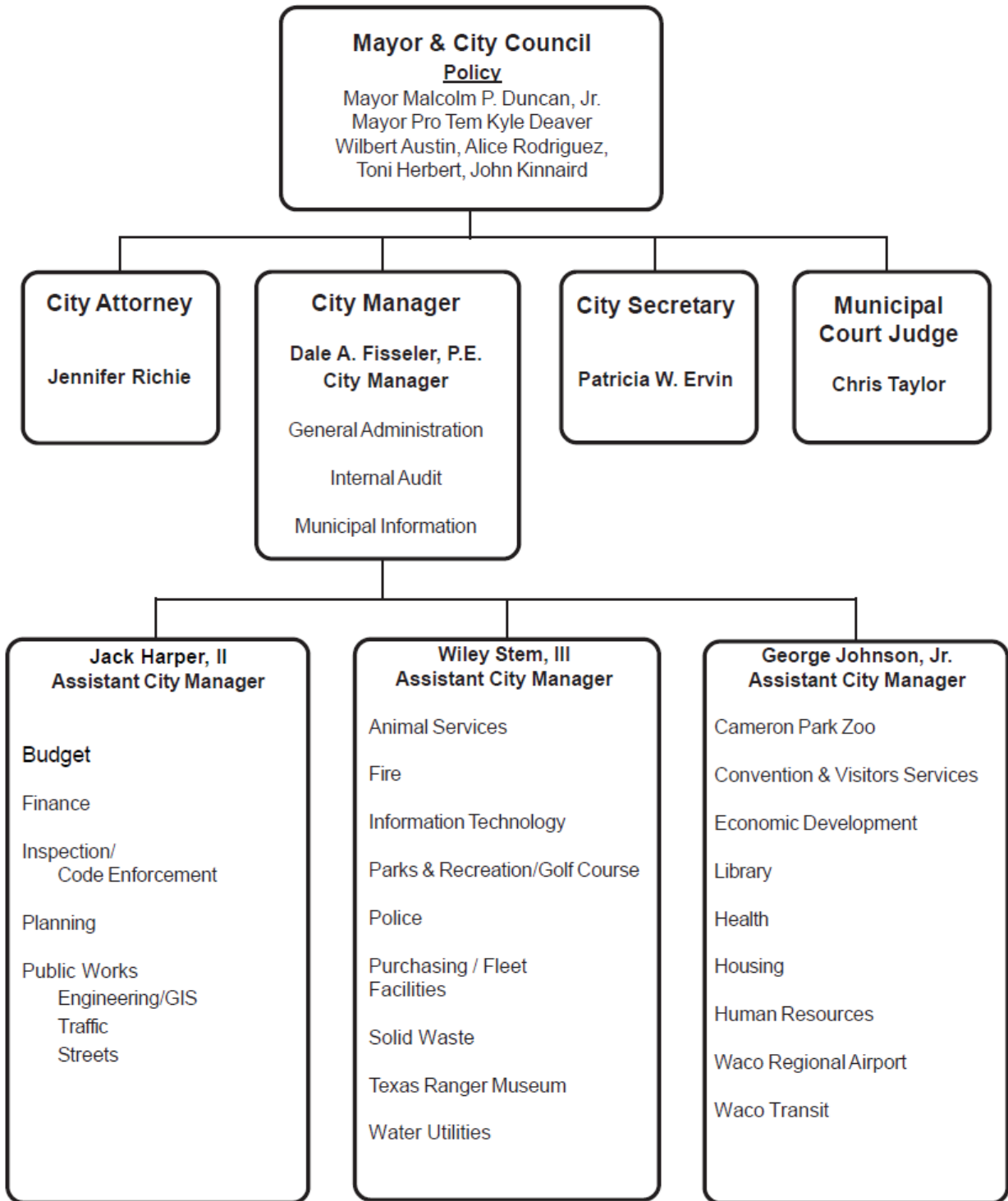
We also acknowledge the thorough, professional, and courteous manner in which our independent auditors, Jaynes, Reitmeier, Boyd & Therrell, P.C., conducted the audit.

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,


Dale A. Fisseler, P.E.
City Manager


Janice Andrews, CPA
Director of Finance



As of August 4, 2014



Government Finance Officers Association

**Certificate of
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Presented to

**City of Waco
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



Financial Section





JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waco, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waco, Texas, as of September 30, 2014, 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.

Change in Accounting Principles

As discussed in Note IV.S. to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective October 1, 2013. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 21 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waco, Texas' 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 auditing standards generally accepted in the United States of America. 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2015, on our consideration of the City of Waco, Texas' 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 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 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 of Waco, Texas' internal control over financial reporting and compliance.

January 17, 2015

Jaynes, Reitmeier, Boyd + Therrell, P.C.



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, 2014. 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 xi through xv of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities as of September 30, 2014 by \$512,231,032 (net position). Of this amount, \$99,856,522 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net assets increased by \$6,946,371.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$84,055,247. The fund balance components are nonspendable - \$1,427,994, restricted - \$30,300,675, committed - \$12,507,957, assigned - \$18,775,225 and unassigned - \$21,043,396. The City Council approves the amounts reported as committed and assigned.
- As of September 30, 2014, unassigned fund balance for the General Fund was \$21,043,396 or 18.97% of the 2015 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 25 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, and Cottonwood Creek Golf Course.

The government-wide financial statements can be found on pages 25 – 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 statements 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, which is considered a major fund. 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, and Cottonwood Creek Golf Course operations. 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, health insurance, engineering, and fleet services. These internal service functions have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements which begin on page 40 of this report provide separate information for the water, wastewater, and solid waste enterprise funds since these are considered to be major funds of the City. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining and individual fund statements and schedules elsewhere in this report. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining and individual fund statements and schedules elsewhere in this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resource of these funds is 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 can be found on page 45 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 47 through 89 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules that further support the information in the financial statements. The combining and individual fund statements and schedules are presented immediately following the notes to the financial statements beginning on page 95 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 by \$512,231,032 as of September 30, 2014.

The largest portion of the City’s net position (\$392,204,795) reflects its net investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, infrastructure and water rights), less any outstanding debt used to acquire those assets. The City uses these

capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Waco Net Position

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 109,033,740	105,012,715	113,997,244	108,057,547	223,030,984	213,070,262
Capital assets	<u>257,050,013</u>	<u>258,717,034</u>	<u>409,618,157</u>	<u>415,759,055</u>	<u>666,668,170</u>	<u>674,476,089</u>
Total assets	<u>366,083,753</u>	<u>363,729,749</u>	<u>523,615,401</u>	<u>523,816,602</u>	<u>889,699,154</u>	<u>887,546,351</u>
Total deferred outflows of resources	<u>463,791</u>	<u>576,577</u>	<u>2,487,815</u>	<u>2,838,837</u>	<u>2,951,606</u>	<u>3,415,414</u>
Long-term liabilities	101,508,670	105,693,696	221,816,782	226,752,058	323,325,452	332,445,754
Other liabilities	<u>31,571,433</u>	<u>29,858,143</u>	<u>25,522,843</u>	<u>23,373,207</u>	<u>57,094,276</u>	<u>53,231,350</u>
Total liabilities	<u>133,080,103</u>	<u>135,551,839</u>	<u>247,339,625</u>	<u>250,125,265</u>	<u>380,419,728</u>	<u>385,677,104</u>
Net position:						
Net investment in capital assets	180,508,096	180,902,677	211,696,699	215,231,053	392,204,795	396,133,730
Restricted	18,895,396	19,391,804	1,274,319	1,180,611	20,169,715	20,572,415
Unrestricted	<u>34,063,949</u>	<u>28,460,006</u>	<u>65,792,573</u>	<u>60,118,510</u>	<u>99,856,522</u>	<u>88,578,516</u>
Total net position	<u>\$ 233,467,441</u>	<u>228,754,487</u>	<u>278,763,591</u>	<u>276,530,174</u>	<u>512,231,032</u>	<u>505,284,661</u>

A portion of the City's net position (\$20,169,715) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$99,856,522) of unrestricted net position may be used to meet the City's ongoing obligation to citizens and creditors in accordance with the City's fund designation and fiscal policies.

As of September 30, 2014, 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 \$6,946,371 during the current fiscal year.

Analysis of the City's operations – The following table provides a summary of the City's operations for the year ended September 30, 2014. Governmental activities increased the City's net position by \$4,712,954 and represented 67.8% of the total. Business-type activities increased the City's net position by \$2,233,417 and represented 32.2% of the total increase.

City of Waco Changes in Net Position

	Year Ended September 30,					
	2014			2013		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 8,274,277	86,092,057	94,366,334	6,298,141	88,204,469	94,502,610
Operating grants and contributions	10,924,393	3,869,760	14,794,153	11,500,355	3,419,959	14,920,314
Capital grants and contributions	3,272,066	1,682,452	4,954,518	7,256,153	4,836,705	12,092,858
General revenues:						
Ad valorem taxes	57,159,819	-	57,159,819	57,100,563	-	57,100,563
Sales taxes	33,487,659	-	33,487,659	31,075,760	-	31,075,760
Franchise taxes	14,181,593	-	14,181,593	13,405,186	-	13,405,186
Hotel/motel taxes	-	2,403,171	2,403,171	-	2,095,987	2,095,987
Other taxes	785,905	-	785,905	676,254	-	676,254
Investment earnings	323,760	197,346	521,106	308,603	159,463	468,066
Miscellaneous	1,196,841	-	1,196,841	2,153,305	-	2,153,305
Gain on sale of land	105,278	-	105,278	290,376	-	290,376
Total revenues	<u>129,711,591</u>	<u>94,244,786</u>	<u>223,956,377</u>	<u>130,064,696</u>	<u>98,716,583</u>	<u>228,781,279</u>
Expenses:						
General government	16,223,167	-	16,223,167	20,039,649	-	20,039,649
Public works	12,205,449	-	12,205,449	13,699,976	-	13,699,976
Public safety	66,630,254	-	66,630,254	62,592,351	-	62,592,351
Culture and recreation	16,922,912	-	16,922,912	16,544,389	-	16,544,389
Public health	7,314,101	-	7,314,101	7,388,363	-	7,388,363
Housing and community development	2,974,293	-	2,974,293	2,255,720	-	2,255,720
Interest on long-term debt	3,631,452	-	3,631,452	3,798,174	-	3,798,174
Water	-	32,998,874	32,998,874	-	33,038,145	33,038,145
Wastewater	-	19,263,583	19,263,583	-	18,432,230	18,432,230
Solid waste	-	15,794,559	15,794,559	-	16,033,246	16,033,246
Airport	-	3,284,396	3,284,396	-	3,083,925	3,083,925
Convention services	-	3,957,683	3,957,683	-	3,941,005	3,941,005
Ranger Hall of Fame	-	1,326,695	1,326,695	-	1,343,575	1,343,575
Cameron Park Zoo	-	4,494,173	4,494,173	-	4,318,267	4,318,267
Transit services	-	8,177,708	8,177,708	-	8,046,015	8,046,015
Cottonwood Creek Golf Course	-	1,810,707	1,810,707	-	1,782,963	1,782,963
Total expenses	<u>125,901,628</u>	<u>91,108,378</u>	<u>217,010,006</u>	<u>126,318,622</u>	<u>90,019,371</u>	<u>216,337,993</u>
Increase in net position before transfers	3,809,963	3,136,408	6,946,371	3,746,074	8,697,212	12,443,286
Transfers	902,991	(902,991)	-	81,051	(81,051)	-
Increase in net position	4,712,954	2,233,417	6,946,371	3,827,125	8,616,161	12,443,286
Net position, beginning of year	228,754,487	276,530,174	505,284,661	225,017,495	268,544,752	493,562,247
Cumulative effect of change in accounting principles	-	-	-	(881,234)	(1,752,824)	(2,634,058)
Prior period adjustment	-	-	-	791,101	1,122,085	1,913,186
Net position, beginning of year as restated	<u>228,754,487</u>	<u>276,530,174</u>	<u>505,284,661</u>	<u>224,927,362</u>	<u>267,914,013</u>	<u>492,841,375</u>
Net position, end of year	<u>\$ 233,467,441</u>	<u>278,763,591</u>	<u>512,231,032</u>	<u>228,754,487</u>	<u>276,530,174</u>	<u>505,284,661</u>

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

- Overall, governmental revenues decreased \$353,105 (.27%). Ad valorem taxes reflected a slight increase of \$59,256 (.10%), primarily as the result of 2.4% growth in property tax base which was offset by a reduction in the tax rate of one cent and decreased delinquent tax collections including penalties and interest. Sales taxes reflected an increase of \$2,411,899 (7.77%). Charges for services increased \$1,976,136 (31.38%) primarily due to increased court fine collections and a new contract to provide Air Rescue Firefighting (ARFF) at the Texas State Technical College (TSTC). These revenue increases were partially offset by the decrease in capital grants and contributions of \$3,984,087 (54.91%) primarily due to the timing of streets and drainage infrastructure being accepted from developers for City maintenance.
- Overall, governmental expenses decreased \$416,994 (.33%). A 2% percent salary increase as well as job class step increases for some civil service employees based on rank and service time was approved in the budget. This salary increase resulted in approximately \$1.4 million of additional expense. Six new positions (estimated cost of \$600,000) were added to the fire department for the new ARFF contract at TSTC airport. The City recognized an additional \$1.2 million of depreciation expense as compared to the previous year. Over \$800,000 of this increase was due to public safety functions, primarily for the renovated police headquarters, vehicles, and radios. These increases were offset by the reduction of \$5 million in tax increment grant funding. During 2014, reinvestment zone number one expended \$3 million (compared to \$8 million during 2013) to assist with infrastructure improvements for the new stadium/community events complex at Baylor University. Additionally, 2013 was the first year of an approved ten-year commitment to provide grant funding of up to \$35,060,340 for the complex. The eight remaining \$3,006,034 annual payments are payable from tax increment revenue collected each year in which the payments are due.

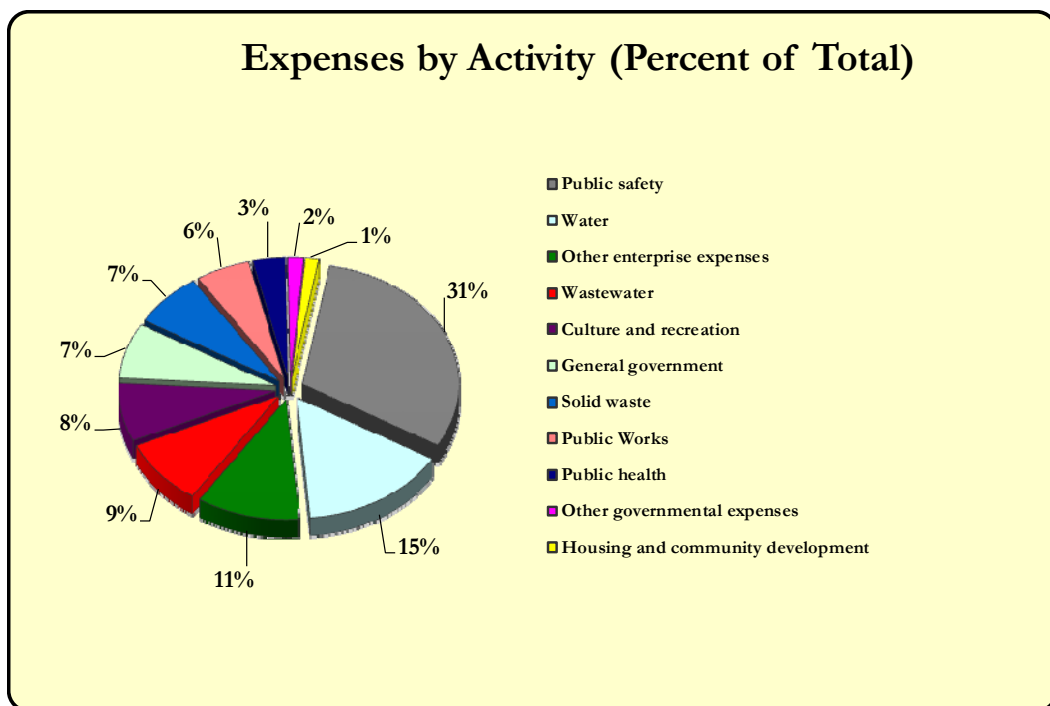
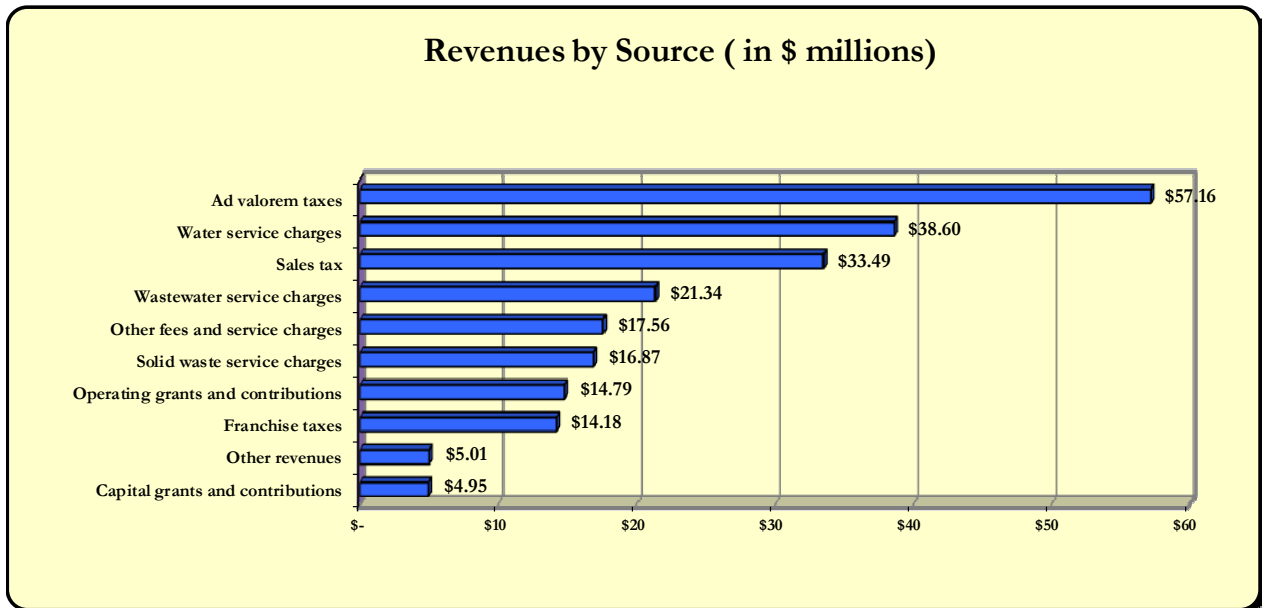
Texas Municipal Retirement System (TMRS) continues to make significant changes in actuarial assumptions and funding methodology used in calculating their member cities' contribution rates. The TMRS benefit provisions were reviewed during the fiscal year 2012 budget process. The City Council approved a plan change to turn off annually repeating annuity increases for retirees. This plan change became effective January 1, 2012 and reduced the City's full contribution rate to 14.04% (as compared to an anticipated 2012 phase-in rate of 20.07% and full rate of 22.24%). The City's contribution rates for calendar years 2013 and 2014 were 13.87% and 13.61%, respectively.

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

- Total revenues decreased \$4,471,797 (4.53%). Charges for services accounted for \$2.1 million of this decrease because of reduced water revenue due to more rainfall as compared to the prior year. Capital grants and contributions decreased \$3.2 million due to timing of construction projects at the Airport. Approximately \$2.9 million of Airport construction commitments remained at year-end, primarily for the perimeter road project.

- Total expenses increased by \$1.1 million (1.21%). Increases in salaries and benefits accounted for \$851,741. Master plans for both the water and wastewater systems are being completed with over \$1 million expended for work done in the current year. These increases were offset with decreases in other expenses. Depreciation expense decreased \$401,615 primarily due to reductions in Solid Waste for landfill improvements and equipment. Interest expense decreased \$447,285 due to bond refunding issues and increased cash funding being utilized for capital projects.

Government-wide activities – Total government-wide activities for 2014 are depicted in the graphs below:



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 \$84,055,247. Approximately 1.7% (\$1,427,994) 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, advances to other funds, and permanent funds. Approximately 36.1% (\$30,300,675) 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 14.9% (\$12,507,957) 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. Approximately 22.3% (\$18,775,225) 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 Council. The remainder of the fund balance of \$21,043,396 (25%) is reported as unassigned. Only the general fund can report a positive amount of unassigned fund balance. Refer to page 55 of this report for a more detailed presentation of governmental fund balances.

The City's Financial Management Policy Statements provide for general fund unassigned fund balance to be maintained at 18% of current year revenues. Unassigned general fund balance at the end of the current fiscal year is 18.97% of 2015 budgeted revenues. The fund balance of the general fund at the end of the current year reported an increase of \$5,328,406. Total revenues in the general fund increased \$4,581,816 as compared to the prior year and were \$5,609,027 more than budgeted. Key factors in general fund revenue are as follows:

- The total property tax rate decreased by one cent, but the distribution of the tax rate allocated to the General Fund increased. This was due to the Council's initiatives to increase cash funding for capital projects. Increases in property tax revenues resulting from growth in net taxable assessed property valuation of approximately \$124 million, including \$70 million from new construction, was partially offset by decreased delinquent tax collections. Property taxes represented over 39% of total general fund revenues.
- Sales tax revenue reported over a \$2.4 million increase as compared to prior year, with actual amounts exceeding the amount originally budgeted for the fiscal year by \$4 million. Increased economic activity, lower unemployment rates, and stable fuel prices all contributed to this revenue growth. This revenue source represents over 31% of total general fund revenues.

- Gross receipts fees, which had been budgeted very conservatively, increased \$710,949 as compared to prior year, but actual amounts exceeded the amount originally budgeted for the fiscal year by almost \$1.4 million. Gross receipts from natural gas accounted for most of the \$700,000 increase as a result of increases in consumption and prices. Over 13% of total general fund revenues came from gross receipts fees.

Proprietary funds - The City's proprietary fund statements beginning on page 40 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 - \$35,139,267, Wastewater - \$19,205,697, and Solid Waste - \$10,968,246. These funds experienced increases in total net position during 2014 as follows: Water - \$2,802,209, Wastewater - \$1,353,136, and Solid Waste - \$766,431.

General Fund budgetary highlights – Differences between the original budget and the final amended budget for appropriations were \$6,778,818. The primary differences can be briefly summarized as follows:

- \$651,459 increase for purchasing ROW for the FM 1637, Highway 84, and Loop 574 projects.
- \$9,500 increase for revision of the federal emergency management agency maps.
- \$314,329 increase for funds allocated to the Texas Ranger Hall of Fame grounds and facilities projects.
- \$449,166 increase for expenses related to streets maintenance.
- \$489,067 increase for an Air Rescue Firefighting (ARFF) contract.
- \$64,902 increase for information technology consulting services.
- \$240,536 increase for information technology hardware and software upgrades.
- \$123,000 increase for library land purchase.
- \$584,373 increase for police department equipment.
- \$425,320 increase for police department software upgrades.
- \$428,425 increase for elevator modernization at the Police Headquarters.
- \$271,296 increase for a portion of the lighting system replacement project for the historic Suspension Bridge.
- \$234,461 for replacement of the City's telephone system.

- \$185,582 increase for the City's municipal information cable channel equipment.
- \$100,996 increase for an Economic Development Strategic Plan
- \$940,932 increase for waste disposal related to Peach Street property clean-up
- \$476,810 increase to fund the Brazos Riverwalk project
- \$50,000 increase to fund various large demolition projects.
- \$76,458 increase for drainage projects.
- \$308,359 increase for golf course equipment.
- \$25,000 increase for housing department projects
- \$100,000 increase for Greater Waco Collective Impact Initiative (Prosper Waco) contract.
- \$48,347 increase for assistance with golf course operations.
- \$80,500 increase to fund medical exams and testing for sexual assault victims.
- \$100,000 increase for legal services in connection with the Brazos Riverfront Development project.

Of this increase, \$2,255,458 was from fund balance assigned for capital improvements, \$600,000 from fund balance assigned for economic development, \$470,084 from fund balance assigned for public works, \$25,000 from fund balance assigned for housing and community development, \$64,902 from fund balance assigned for other, \$300,000 from fund balance restricted for public safety, \$100,996 from increases in federal revenues, \$489,067 from increases in contribution revenues, \$268,941 from increases in gross receipts taxes, \$80,500 from increases in miscellaneous revenues, \$290,068 from increases in the transfer from the Abandoned Motor Vehicle fund, and \$1,833,482 from increases in sales tax.

Refer to the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on pages 31 to 39 of this report for a detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2014.

CAPITAL ASSETS

The City of Waco's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$666,668,170 (net of accumulated depreciation). This investment in capital assets includes land, building, machinery and equipment, improvements other than buildings, infrastructure and construction work in progress. Major capital asset events occurring during the current fiscal year included the following:

- Capitalized approximately \$11.5 million on various water, wastewater, and solid waste systems projects.

- Capitalized \$3.0 million on various park facility improvements expenditures.
- Capitalized \$1.5 million on Airport Improvement Program projects.
- Capitalized \$1.9 million for police facilities and equipment.
- Capitalized \$5.9 million in street and drainage expenditures and contributions.
- Capitalized \$1.1 million for fire station.

City of Waco Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 45,659,048	44,816,272	6,522,237	6,311,458	52,181,285	51,127,730
Buildings	69,353,478	68,049,191	81,092,966	81,092,966	150,446,444	149,142,157
Improvements other than buildings	59,345,775	56,635,043	478,730,432	469,156,084	538,076,207	525,791,127
Machinery and equipment	49,865,359	44,404,968	45,854,225	44,813,771	95,719,584	89,218,739
Museum collections	-	-	2,160,924	2,133,424	2,160,924	2,133,424
Infrastructure	264,356,972	260,147,197	-	-	264,356,972	260,147,197
Construction work in progress	4,341,139	5,679,635	14,411,036	9,889,387	18,752,175	15,569,022
Water rights	-	-	32,482,879	32,482,879	32,482,879	32,482,879
Less: accumulated depreciation	<u>(235,871,758)</u>	<u>(221,015,272)</u>	<u>(251,636,542)</u>	<u>(230,120,914)</u>	<u>(487,508,300)</u>	<u>(451,136,186)</u>
Total capital assets	<u>\$ 257,050,013</u>	<u>258,717,034</u>	<u>409,618,157</u>	<u>415,759,055</u>	<u>666,668,170</u>	<u>674,476,089</u>

Additional information on the City's capital assets can be found in Note IV on pages 65 - 67 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Waco had total bonded debt, loans and notes payable, and capital lease obligations of \$313,467,439. Of this amount, \$311,556,559 represents bonded debt backed by the full faith and credit of the government. The City's capitalized lease obligation of \$12,443 pertains to purchases of computer equipment. The \$1,898,437 note payable is for purchase of pump station and water transmission lines.

City of Waco
Bonds, Notes and Capitalized Obligations Payable

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General obligation certificates	\$ 88,539,551	82,438,108	223,017,008	228,080,781	311,556,559	310,518,889
Capital lease obligations	12,443	61,608	-	-	12,443	61,608
Note payable	-	-	1,898,437	1,967,906	1,898,437	1,967,906
	<u>\$ 88,551,994</u>	<u>82,499,716</u>	<u>224,915,445</u>	<u>230,048,687</u>	<u>313,467,439</u>	<u>312,548,403</u>

During the 2014 fiscal year, the City issued \$9,650,000 in general obligation certificates of obligation. The proceeds will be used for various general City improvements including traffic control systems, streets, street lighting and drainage, sidewalks, vehicles, equipment, water, and wastewater improvements. The City's combination tax and revenue certificates of obligation bond ratings are listed below:

	<u>Moody's Investors Service</u>	<u>Standard and Poor's</u>
General obligation bonds	Aa2	AA

Additional information on the City of Waco's long-term debt can be found in Note IV on pages 70 to 75 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The general fund budget (including transfers in) for fiscal year 2015 is based on an increase in revenues of 7.3% over last year's adopted budget, due mainly to the increase from ad valorem taxes primarily from new construction and the City's debt reduction initiative, and significant increases in sales tax and court fines. No ad valorem tax rate adjustment is included for 2015.

Approximately 29% of general fund revenues come from sales taxes. The City ended 2014 with sales tax revenue considerably over the original adopted budget. Sales taxes for 2015 were budgeted with an 8% increase over the fiscal year 2014 adopted budget, but still less than actual receipts for 2014. The City's preference is to be conservative in this area of the budget because this revenue is so volatile and is affected by so many factors that the City has no control over.

The 2015 budget includes a 2% salary increase for all employees and increases for certain civil service employees who are eligible for step pay increases. Departments were asked to evaluate their staffing needs as positions became vacant during the year, review positions that had been vacant for a considerable amount of time, and assess operations for efficiencies in the workforce. This budget reflects a net increase of 13.5 full-time equivalent positions over last year's budget primarily for additional police dispatchers and fire personnel.

The TMRS benefit provisions of the City's plan were reviewed during the fiscal year 2012 budget process and as a result, the City Council approved a plan change to turn off annually repeating annuity increases and significantly reduced pension expense. Effective January 1, 2015, the City's full contribution rate is 13.15%. The City's budget for fiscal year 2015 included approximately \$10 million for TMRS contributions and the City's funded ratio decreased slightly to 85% due primarily to the change from the Projected Unit Credit actuarial funding method to Entry Age Normal that was adopted by TMRS.

Fiscal year 2015 does not include any rate changes in water and wastewater rates for any class of customers. Solid waste residential, commercial, roll-off and landfill rates will also remain the same for 2015. The landfill charge for non-citizens and self-hauling entities was increased.

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 Janice Andrews, Finance Director, at P. O. Box 2570, Waco, Texas 76702-2570, or call (254) 750-5758.



Basic Financial Statements



City of Waco, Texas
Statement of Net Position
September 30, 2014

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Central Waco Development Corporation	Waco Health Facilities Development Corporation
Assets						
Cash and investments	\$ 89,912,756	70,068,118	159,980,874	151,923	6,261	30,174
Receivables (net of allowances for uncollectibles):						
Accounts	3,923,587	10,922,371	14,845,958	88,376	75	-
Special assessments	11,315	-	11,315	-	-	-
Taxes	8,257,619	-	8,257,619	-	-	-
Intergovernmental receivable	2,545,187	1,179,068	3,724,255	-	-	-
Accrued interest receivable	-	3,356	3,356	-	-	-
Internal balances	831,301	(831,301)	-	-	-	-
Inventories	1,008,432	1,179,405	2,187,837	12,089	-	-
Restricted cash and investments	-	30,924,752	30,924,752	-	-	-
Notes receivable	2,497,322	551,475	3,048,797	-	-	-
Real estate held for resale	46,221	-	46,221	-	-	-
Deferred charges	-	-	-	-	-	-
Capital assets not being depreciated:						
Land	45,659,048	6,522,237	52,181,285	-	-	-
Museum collections	-	2,160,924	2,160,924	-	-	-
Construction in progress	4,341,139	14,411,036	18,752,175	-	-	-
Capital assets, net of accumulated depreciation:						
Buildings	51,526,705	48,784,731	100,311,436	-	-	-
Machinery and equipment	16,760,823	13,791,195	30,552,018	-	-	-
Improvements other than buildings	33,397,066	300,301,682	333,698,748	-	-	-
Infrastructure	105,365,232	-	105,365,232	-	-	-
Water rights	-	23,646,352	23,646,352	-	-	-
Total assets	366,083,753	523,615,401	889,699,154	252,388	6,336	30,174
Deferred Outflows of Resources						
Deferred outflows of resources:						
Deferred losses on refundings of debt	463,791	2,487,815	2,951,606	-	-	-
Total deferred outflows of resources	463,791	2,487,815	2,951,606	-	-	-
Liabilities						
Accounts payable	5,222,530	2,756,556	7,979,086	219,300	-	-
Accrued liabilities	5,413,170	2,476,913	7,890,083	33,088	-	-
Accrued interest payable	640,699	1,568,893	2,209,592	-	-	-
Unearned revenue	41,839	96,030	137,869	-	-	-
Escrow funds	249,649	-	249,649	-	-	-
Customer deposits	274,839	-	274,839	-	-	-
Liabilities payable from restricted assets	-	4,361,336	4,361,336	-	-	-
Noncurrent liabilities:						
Due within one year	19,728,707	14,263,115	33,991,822	-	-	-
Due in more than one year	101,508,670	221,816,782	323,325,452	-	-	-
Total liabilities	133,080,103	247,339,625	380,419,728	252,388	-	-
Net Position						
Net investment in capital assets	180,508,096	211,696,699	392,204,795	-	-	-
Restricted for:						
Tax increment financing/public improvement district	11,667,535	-	11,667,535	-	-	-
Housing and community development	2,333,652	-	2,333,652	-	-	-
Culture and recreation	2,221,307	-	2,221,307	-	-	-
Public safety	1,490,130	-	1,490,130	-	-	-
Municipal information	703,924	-	703,924	-	-	-
Parks and cemetery care - nonexpendable	478,848	-	478,848	-	-	-
Capital projects	-	1,274,319	1,274,319	-	-	-
Unrestricted	34,063,949	65,792,573	99,856,522	-	6,336	30,174
Total net position	\$ 233,467,441	278,763,591	512,231,032	-	6,336	30,174

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Activities
Year Ended September 30, 2014

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
Primary Government:			
Governmental activities:			
General government	\$ (16,223,167)	192,402	1,902,154
Public works	(12,205,449)	2,257	-
Public safety	(66,630,254)	5,520,650	1,485,836
Culture and recreation	(16,922,912)	1,404,877	1,308,627
Public health	(7,314,101)	1,154,091	3,648,017
Housing and community development	(2,974,293)	-	2,579,759
Interest on long-term debt	(3,631,452)	-	-
Total governmental activities	<u>(125,901,628)</u>	<u>8,274,277</u>	<u>10,924,393</u>
Business-type activities:			
Water	(32,998,874)	38,600,073	-
Wastewater	(19,263,583)	21,343,556	-
Solid waste	(15,794,559)	16,866,587	-
Airport	(3,284,396)	1,142,240	87,600
Convention services	(3,957,683)	1,213,798	-
Ranger Hall of Fame	(1,326,695)	420,414	129,707
Cameron Park Zoo	(4,494,173)	1,582,279	-
Transit services	(8,177,708)	3,373,782	3,652,453
Cottonwood Creek Golf Course	(1,810,707)	1,549,328	-
Total business-type activities	<u>(91,108,378)</u>	<u>86,092,057</u>	<u>3,869,760</u>
Total primary government	<u>\$ (217,010,006)</u>	<u>94,366,334</u>	<u>14,794,153</u>
Component Units:			
Baylor Waco Stadium Authority	\$ (523,163)	56,756	466,407
Central Waco Development Corporation	(65)	-	-
Waco Health Facilities Development Corporation	(75)	-	-
Total component units	<u>\$ (523,303)</u>	<u>56,756</u>	<u>466,407</u>

General revenues:

Taxes:

Property

Property tax increment financing

Sales

Franchise

Hotel/motel

Other

Unrestricted investment earnings

Gain on sale of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes to financial statements.

Net Revenues (Expenses) and Changes in Net Position						
Capital Grants and Contributions	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Central Waco Development Corporation	Waco Health Facilities Development Corporation
-	(14,128,611)	-	(14,128,611)			
2,713,975	(9,489,217)	-	(9,489,217)			
-	(59,623,768)	-	(59,623,768)			
558,091	(13,651,317)	-	(13,651,317)			
-	(2,511,993)	-	(2,511,993)			
-	(394,534)	-	(394,534)			
-	(3,631,452)	-	(3,631,452)			
<u>3,272,066</u>	<u>(103,430,892)</u>	<u>-</u>	<u>(103,430,892)</u>			
199,608	-	5,800,807	5,800,807			
-	-	2,079,973	2,079,973			
-	-	1,072,028	1,072,028			
1,455,344	-	(599,212)	(599,212)			
-	-	(2,743,885)	(2,743,885)			
27,500	-	(749,074)	(749,074)			
-	-	(2,911,894)	(2,911,894)			
-	-	(1,151,473)	(1,151,473)			
-	-	(261,379)	(261,379)			
<u>1,682,452</u>	<u>-</u>	<u>535,891</u>	<u>535,891</u>			
<u>4,954,518</u>	<u>(103,430,892)</u>	<u>535,891</u>	<u>(102,895,001)</u>			
-				-	-	-
-				-	(65)	-
-				-	-	(75)
<u>-</u>				<u>-</u>	<u>(65)</u>	<u>(75)</u>
\$	51,585,835	-	51,585,835	-	-	-
	5,573,984	-	5,573,984	-	-	-
	33,487,659	-	33,487,659	-	-	-
	14,181,593	-	14,181,593	-	-	-
	-	2,403,171	2,403,171	-	-	-
	785,905	-	785,905	-	-	-
	323,760	197,346	521,106	-	17	77
	105,278	-	105,278	-	-	-
	1,196,841	-	1,196,841	-	-	-
	902,991	(902,991)	-	-	-	-
	<u>108,143,846</u>	<u>1,697,526</u>	<u>109,841,372</u>	<u>-</u>	<u>17</u>	<u>77</u>
	4,712,954	2,233,417	6,946,371	-	(48)	2
	<u>228,754,487</u>	<u>276,530,174</u>	<u>505,284,661</u>	<u>-</u>	<u>6,384</u>	<u>30,172</u>
\$	<u>233,467,441</u>	<u>278,763,591</u>	<u>512,231,032</u>	<u>-</u>	<u>6,336</u>	<u>30,174</u>

City of Waco, Texas
Balance Sheet
Governmental Funds
September 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Assets:			
Cash and investments	\$ 48,314,509	31,148,891	79,463,400
Receivables, net of allowances:			
Accounts	3,830,936	83,603	3,914,539
Special assessments	-	11,315	11,315
Taxes	7,730,727	526,892	8,257,619
Notes receivable	-	2,497,322	2,497,322
Due from other funds	1,155,082	5,960,522	7,115,604
Advances to other funds	-	168,368	168,368
Intergovernmental receivable	1,042,335	1,502,852	2,545,187
Inventories	734,557	-	734,557
Real estate held for resale	6,160	40,061	46,221
	<u>\$ 62,814,306</u>	<u>41,939,826</u>	<u>104,754,132</u>
Liabilities			
Liabilities:			
Accounts payable	\$ 3,049,944	1,807,570	4,857,514
Accrued liabilities	3,644,319	1,286,347	4,930,666
Unearned revenue	28,645	13,194	41,839
Due to other funds	674,191	6,030,453	6,704,644
Deposits	274,839	-	274,839
Escrow funds	221,555	27,556	249,111
Total liabilities	<u>7,893,493</u>	<u>9,165,120</u>	<u>17,058,613</u>
Deferred Inflows of Resources			
Deferred inflows of resources:			
Unavailable revenue:			
Property taxes	1,588,148	505,803	2,093,951
Court fines	612,785	-	612,785
Other	922,221	11,315	933,536
Total deferred inflows of resources	<u>3,123,154</u>	<u>517,118</u>	<u>3,640,272</u>
Fund Balances			
Fund balances:			
Nonspendable	740,717	687,277	1,427,994
Restricted	1,706,157	28,594,518	30,300,675
Committed	9,532,164	2,975,793	12,507,957
Assigned	18,775,225	-	18,775,225
Unassigned	21,043,396	-	21,043,396
Total fund balances	<u>51,797,659</u>	<u>32,257,588</u>	<u>84,055,247</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 62,814,306</u>	<u>41,939,826</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			256,102,125
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.			3,640,272
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.			7,200,280
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			(117,530,483)
			<u>\$ 233,467,441</u>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Revenues, Expenditures and
Changes in Fund Balances -
Governmental Funds
Year Ended September 30, 2014

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 75,866,868	14,812,868	90,679,736
Business and occupation fees	14,181,593	-	14,181,593
Permits, licenses and fees	1,348,415	1,170,604	2,519,019
Fines	2,416,605	138,544	2,555,149
Charges for services	1,639,054	-	1,639,054
Investment earnings	145,363	151,007	296,370
Contributions	883,787	28	883,815
Intergovernmental	1,682,910	8,595,783	10,278,693
Program income	-	338,265	338,265
Other	9,256,237	772,376	10,028,613
Total revenues	<u>107,420,832</u>	<u>25,979,475</u>	<u>133,400,307</u>
Expenditures:			
Current:			
General government	17,230,269	7,707,355	24,937,624
Public works	2,583,490	-	2,583,490
Public safety	60,162,734	2,359,044	62,521,778
Culture and recreation	12,926,462	1,072,167	13,998,629
Housing and community development	192,147	2,967,944	3,160,091
Public health	-	7,267,366	7,267,366
Capital outlay	-	10,002,288	10,002,288
Debt service:			
Principal	-	5,340,143	5,340,143
Interest and fiscal charges	-	3,788,820	3,788,820
Bond issuance costs	-	26,107	26,107
Total expenditures	<u>93,095,102</u>	<u>40,531,234</u>	<u>133,626,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,325,730</u>	<u>(14,551,759)</u>	<u>(226,029)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	105,278	-	105,278
General obligation bonds issued	-	1,645,000	1,645,000
Premium on general obligation bonds	-	59,040	59,040
Transfers in	4,683,880	12,820,951	17,504,831
Transfers out	(13,786,482)	(2,634,098)	(16,420,580)
Total other financing sources (uses)	<u>(8,997,324)</u>	<u>11,890,893</u>	<u>2,893,569</u>
Net change in fund balances	5,328,406	(2,660,866)	2,667,540
Fund balances, beginning of year, as restated	<u>46,469,253</u>	<u>34,918,454</u>	<u>81,387,707</u>
Fund balances, end of year	<u>\$ 51,797,659</u>	<u>32,257,588</u>	<u>84,055,247</u>

See accompanying notes to financial statements.

City of Waco, Texas
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2014

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 29)	\$ 2,667,540
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.	(4,392,893)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is to increase net position.	2,608,669
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	419,096
The issuance of long-term debt (e.g., bonds, leases) 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.	3,685,268
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.	(641,764)
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>367,038</u>
Change in net position of governmental activities (pages 26 - 27)	<u><u>\$ 4,712,954</u></u>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund

Year Ended September 30, 2014

(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues					
Taxes:					
Sales tax income	\$ 29,478,117	31,311,599	33,487,659	2,176,060	31,075,760
Property taxes	41,674,710	41,674,710	41,914,698	239,988	41,286,874
Interest and penalty on taxes	450,000	450,000	464,511	14,511	626,311
Total taxes	<u>71,602,827</u>	<u>73,436,309</u>	<u>75,866,868</u>	<u>2,430,559</u>	<u>72,988,945</u>
Business and occupation fees:					
Occupation fees	100,000	100,000	100,691	691	35,233
Gross receipts fees	12,684,942	12,953,883	14,080,902	1,127,019	13,369,953
Total business and occupation fees	<u>12,784,942</u>	<u>13,053,883</u>	<u>14,181,593</u>	<u>1,127,710</u>	<u>13,405,186</u>
Permits, licenses and fees:					
Building permits	400,000	400,000	556,743	156,743	558,029
Plumbing permits	120,000	120,000	211,581	91,581	191,203
Electrical permits	170,000	170,000	346,976	176,976	242,139
Heating and air conditioning licenses	65,000	65,000	110,956	45,956	78,540
Fire inspection fees	30,109	30,109	46,772	16,663	36,731
House moving permits	-	-	224	224	332
Open air/street vending	3,153	3,153	5,230	2,077	5,240
Sign permits	4,500	4,500	31,425	26,925	27,117
Subdivision fees	20,000	20,000	38,508	18,508	31,601
Total permits, licenses and fees	<u>812,762</u>	<u>812,762</u>	<u>1,348,415</u>	<u>535,653</u>	<u>1,170,932</u>
Fines:					
Court fines	1,593,034	1,593,034	2,241,136	648,102	1,762,756
Auto impound fees	80,000	80,000	175,469	95,469	44,550
Total fines	<u>1,673,034</u>	<u>1,673,034</u>	<u>2,416,605</u>	<u>743,571</u>	<u>1,807,306</u>
Charges for services:					
Recreation	772,776	772,776	782,614	9,838	711,814
Weed mowing	35,000	35,000	73,376	38,376	65,427
Library fees	99,185	99,185	118,351	19,166	107,406
Animal pick up	17,117	17,117	12,740	(4,377)	12,755
Animal shelter fees	190,800	190,800	179,854	(10,946)	154,272
Grounds maintenance	51,540	51,540	51,540	-	50,039
Graphics	75,000	75,000	68,420	(6,580)	95,029
Police security services	152,540	152,540	33,014	(119,526)	130,500
Airport security services	308,284	308,284	319,145	10,861	316,619
Total charges for services	<u>1,702,242</u>	<u>1,702,242</u>	<u>1,639,054</u>	<u>(63,188)</u>	<u>1,643,861</u>
Investment earnings	<u>72,000</u>	<u>72,000</u>	<u>145,363</u>	<u>73,363</u>	<u>107,101</u>
Contributions	<u>153,671</u>	<u>642,738</u>	<u>883,787</u>	<u>241,049</u>	<u>392,918</u>
Intergovernmental	<u>1,504,640</u>	<u>1,605,636</u>	<u>1,682,910</u>	<u>77,274</u>	<u>1,568,064</u>

(continued)

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund
(Continued)

Year Ended September 30, 2014

(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues (continued)					
Other:					
Indirect expense reimbursements	\$ 6,899,797	6,899,797	6,848,631	(51,166)	6,760,825
False alarm fines	8,063	8,063	10,200	2,137	8,550
Rents from real estate	126,186	126,186	153,061	26,875	135,013
Miscellaneous revenue	1,112,093	1,192,593	1,490,247	297,654	2,214,711
Sale of other scrap	11,974	11,974	12,224	250	23,928
Zoning applications	10,000	10,000	15,490	5,490	13,375
Commission from sale of mixed drinks	360,765	360,765	475,907	115,142	381,202
Commission on municipal court fines	65,066	65,066	103,341	38,275	79,790
Commission on concessions	112,123	112,123	120,469	8,346	110,272
Garage sale permits	26,634	26,634	24,410	(2,224)	25,500
Special assessments	-	-	2,257	2,257	1,537
Total other	<u>8,732,701</u>	<u>8,813,201</u>	<u>9,256,237</u>	<u>443,036</u>	<u>9,754,703</u>
Total revenues	<u>99,038,819</u>	<u>101,811,805</u>	<u>107,420,832</u>	<u>5,609,027</u>	<u>102,839,016</u>
Expenditures					
General Government					
Administrative services:					
Salaries and wages	1,427,764	1,427,764	1,379,213	48,551	1,291,000
Employee benefits	423,272	423,272	403,762	19,510	384,915
Purchased professional/technical services	52,614	257,210	239,716	17,494	47,135
Purchased property services	31,562	31,562	34,100	(2,538)	34,528
Maintenance	2,000	2,000	-	2,000	-
Other purchased service	296,357	296,357	93,120	203,237	74,991
Supplies	93,577	93,577	88,500	5,077	83,177
Other expenses	305,800	599,529	123,039	476,490	280,971
Total administrative services	<u>2,632,946</u>	<u>3,131,271</u>	<u>2,361,450</u>	<u>769,821</u>	<u>2,196,717</u>
City Secretary:					
Salaries and wages	273,845	273,845	274,512	(667)	258,004
Employee benefits	99,084	99,084	97,069	2,015	92,069
Purchased professional/technical services	54,542	31,597	22,265	9,332	37,814
Maintenance	11,513	11,013	3,230	7,783	2,974
Other purchased services	17,155	23,000	25,010	(2,010)	17,895
Supplies	18,935	21,535	18,725	2,810	19,238
Capital expenditures	-	15,000	11,851	3,149	-
Total city secretary	<u>475,074</u>	<u>475,074</u>	<u>452,662</u>	<u>22,412</u>	<u>427,994</u>
Finance services:					
Salaries and wages	950,784	950,784	894,929	55,855	889,009
Employee benefits	305,754	305,754	287,924	17,830	284,506
Purchased professional/technical services	80,503	80,503	77,480	3,023	64,573
Maintenance	300	300	-	300	-
Other purchased service	26,389	26,389	19,881	6,508	18,878
Supplies	29,603	29,603	25,420	4,183	24,031
Other expenses	5,457	5,457	6,287	(830)	4,933
Total finance services	<u>1,398,790</u>	<u>1,398,790</u>	<u>1,311,921</u>	<u>86,869</u>	<u>1,285,930</u>

(Continued)

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund
(Continued)

Year Ended September 30, 2014

(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
General Government (continued)					
Legal services:					
Salaries and wages	\$ 915,515	866,294	801,240	65,054	851,108
Employee benefits	270,834	254,318	235,993	18,325	252,300
Purchased professional/technical services	28,685	5,136	1,907	3,229	6,438
Maintenance	290	290	-	290	224
Other purchased service	32,878	29,265	27,181	2,084	22,653
Supplies	33,046	35,910	30,525	5,385	25,573
Total legal services	<u>1,281,248</u>	<u>1,191,213</u>	<u>1,096,846</u>	<u>94,367</u>	<u>1,158,296</u>
Planning services:					
Salaries and wages	354,848	395,469	392,874	2,595	310,613
Employee benefits	125,469	142,123	133,710	8,413	107,576
Purchased professional/technical services	-	15,685	8,874	6,811	370
Purchased property services	65,976	65,976	66,037	(61)	66,561
Maintenance	1,110	1,610	1,254	356	1,597
Other purchased service	17,291	20,766	13,818	6,948	10,302
Supplies	20,788	33,888	32,539	1,349	22,973
Total planning services	<u>585,482</u>	<u>675,517</u>	<u>649,106</u>	<u>26,411</u>	<u>519,992</u>
Human resources:					
Salaries and wages	501,128	501,128	512,127	(10,999)	475,920
Employee benefits	165,686	165,686	168,473	(2,787)	156,996
Purchased professional/technical services	12,433	12,433	6,019	6,414	2,836
Maintenance	2,080	2,080	1,624	456	3,544
Other purchased service	45,892	45,480	21,870	23,610	30,993
Supplies	11,692	12,104	11,685	419	13,322
Total human resources	<u>738,911</u>	<u>738,911</u>	<u>721,798</u>	<u>17,113</u>	<u>683,611</u>
Municipal information:					
Salaries and wages	434,599	434,599	434,408	191	418,533
Employee benefits	154,618	154,618	152,882	1,736	146,710
Purchased professional/technical services	10,815	16,873	32,805	(15,932)	16,444
Maintenance	8,499	14,788	14,411	377	11,386
Other purchased service	21,756	21,756	21,476	280	33,588
Supplies	24,785	41,685	44,414	(2,729)	61,259
Other expenses	32,040	32,040	27,233	4,807	32,034
Capital expenditures	-	156,335	96,813	59,522	78,024
Total municipal information	<u>687,112</u>	<u>872,694</u>	<u>824,442</u>	<u>48,252</u>	<u>797,978</u>
Information technology services:					
Salaries and wages	951,461	951,461	926,450	25,011	850,178
Employee benefits	313,592	313,592	302,415	11,177	279,318
Purchased professional/technical services	83,802	148,704	214,546	(65,842)	158,457
Maintenance	507,670	507,670	441,296	66,374	366,231
Other purchased service	434,902	434,902	425,757	9,145	392,346
Supplies	74,940	264,914	468,523	(203,609)	248,852
Capital expenditures	49,938	100,500	190,302	(89,802)	121,416
Total information technology services	<u>2,416,305</u>	<u>2,721,743</u>	<u>2,969,289</u>	<u>(247,546)</u>	<u>2,416,798</u>

(Continued)

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund
(Continued)

Year Ended September 30, 2014

(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
General Government (continued)					
Purchasing services:					
Salaries and wages	\$ 298,735	298,735	304,322	(5,587)	328,843
Employee benefits	104,952	104,952	103,646	1,306	108,758
Purchased professional/technical services	300	300	175	125	152
Maintenance	250	250	453	(203)	57
Other purchased service	14,507	13,486	11,655	1,831	11,246
Supplies	9,889	10,910	10,081	829	8,247
Total purchasing services	<u>428,633</u>	<u>428,633</u>	<u>430,332</u>	<u>(1,699)</u>	<u>457,303</u>
Facilities:					
Salaries and wages	979,946	979,946	1,040,574	(60,628)	994,103
Employee benefits	457,814	457,814	481,422	(23,608)	448,847
Purchased professional/technical services	170,970	205,470	288,682	(83,212)	230,782
Purchased property services	11,145	11,145	5,603	5,542	10,476
Maintenance	1,506,188	891,322	1,051,333	(160,011)	976,412
Other purchased service	62,974	62,974	89,089	(26,115)	46,143
Supplies	219,977	244,977	309,169	(64,192)	262,427
Capital expenditures	-	428,425	258,588	169,837	4,880
Total facilities	<u>3,409,014</u>	<u>3,282,073</u>	<u>3,524,460</u>	<u>(242,387)</u>	<u>2,974,070</u>
Economic development:					
Purchased professional/technical services	-	-	16,700	(16,700)	3,850
Total economic development	<u>-</u>	<u>-</u>	<u>16,700</u>	<u>(16,700)</u>	<u>3,850</u>
Economic development incentive:					
Purchased professional/technical services	-	1,250,000	462,375	787,625	145,600
Total economic development incentive	<u>-</u>	<u>1,250,000</u>	<u>462,375</u>	<u>787,625</u>	<u>145,600</u>
Contributions:					
McLennan County	138,074	138,074	125,395	12,679	134,048
Greenwood Cemetery	1,500	1,500	1,500	-	1,500
Rosemound Cemetery	40,000	40,000	40,000	-	40,000
H.O.T. Council of Governments	11,344	11,344	9,842	1,502	9,842
The Advocacy Center	83,314	83,314	83,314	-	75,740
Greater Waco Chamber	136,500	136,500	130,054	6,446	136,500
Central Texas African American Chamber	68,000	68,000	68,000	-	68,000
Cen-Tex Hispanic Chamber	68,000	68,000	68,000	-	68,000
Downtown River Corridor	200,000	200,000	180,144	19,856	200,286
Economic development grants	465,500	465,500	264,103	201,397	328,299
NAFTA Impact Zone 2	25,000	25,000	(25,000)	50,000	200,000
McLennan County Appraisal District	619,242	619,242	590,438	28,804	578,246
YMCA Multi-Purpose Center	55,000	55,000	52,558	2,442	55,006
Senior Ministries	28,000	28,000	28,000	-	28,000
Greater Waco Impact Initiative	-	100,000	59,800	40,200	-
Arts-Historic Agencies	150,000	150,000	142,000	8,000	-
Total contributions	<u>2,089,474</u>	<u>2,189,474</u>	<u>1,818,148</u>	<u>371,326</u>	<u>1,923,467</u>
Miscellaneous:					
Employee benefits	80,000	80,000	45,240	34,760	65,684
Purchase professional/technical services	170,000	170,000	149,467	20,533	309,355
Maintenance	3,000	3,000	4,984	(1,984)	5,917
Other purchased service	-	-	-	-	(22)
Supplies	-	-	6,586	(6,586)	4,766
Capital expenditures	100,000	234,461	240,112	(5,651)	682,265
Other expenses	693,643	693,643	144,351	549,292	129,596
Total miscellaneous	<u>1,046,643</u>	<u>1,181,104</u>	<u>590,740</u>	<u>590,364</u>	<u>1,197,561</u>

(Continued)

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund
(Continued)

Year Ended September 30, 2014

(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014 Actual	Variance with Final Budget	2013 Actual
	Original	Final	Amounts		Amounts
Expenditures (continued)					
General Government (continued)					
Total General Government	\$ 17,189,632	19,536,497	17,230,269	2,306,228	16,189,167
Public Works					
Streets and drainage services:					
Salaries and wages	465,104	465,104	364,247	100,857	354,987
Employee benefits	298,068	298,068	263,787	34,281	215,565
Purchased professional/technical services	7,500	22,200	24,091	(1,891)	7,910
Purchased property services	31,756	31,756	36,117	(4,361)	30,446
Maintenance	600,626	643,421	641,430	1,991	677,672
Other purchased service	115,516	115,516	81,971	33,545	63,896
Supplies	296,338	296,338	240,436	55,902	248,769
Other expenses	(149,880)	501,579	540,116	(38,537)	1,010,680
Capital expenditures	526,942	401,171	391,295	9,876	604,929
Total streets and drainage services	<u>2,191,970</u>	<u>2,775,153</u>	<u>2,583,490</u>	<u>191,663</u>	<u>3,214,854</u>
Total Public Works	<u>2,191,970</u>	<u>2,775,153</u>	<u>2,583,490</u>	<u>191,663</u>	<u>3,214,854</u>
Public Safety					
Municipal court:					
Salaries and wages	793,026	793,026	758,533	34,493	633,404
Employee benefits	268,428	268,428	258,481	9,947	226,713
Purchased professional/technical services	19,900	19,900	13,613	6,287	13,459
Maintenance	1,400	1,400	457	943	108
Other purchased service	29,664	29,664	23,103	6,561	18,310
Supplies	88,889	88,889	88,547	342	75,588
Capital expenditures	-	-	6,521	(6,521)	-
Other expenses	8,915	8,915	13,995	(5,080)	9,682
Total municipal court	<u>1,210,222</u>	<u>1,210,222</u>	<u>1,163,250</u>	<u>46,972</u>	<u>977,264</u>
Inspection services:					
Salaries and wages	899,171	899,171	879,345	19,826	873,722
Employee benefits	348,353	348,353	337,320	11,033	327,332
Purchased professional/technical services	190,000	190,000	166,887	23,113	165,379
Purchased property services	66,936	66,936	66,467	469	71,214
Maintenance	48,888	48,888	47,176	1,712	46,226
Other purchased service	63,455	63,455	63,798	(343)	54,890
Supplies	70,819	70,819	62,450	8,369	68,530
Other expenses	8,479	8,479	19,259	(10,780)	12,410
Total inspection services	<u>1,696,101</u>	<u>1,696,101</u>	<u>1,642,702</u>	<u>53,399</u>	<u>1,619,703</u>
Emergency management services:					
Salaries and wages	257,154	257,154	229,366	27,788	249,367
Employee benefits	93,495	93,495	86,012	7,483	87,858
Purchased professional/technical services	15,760	14,595	13,422	1,173	10,484
Purchased property services	600	1,826	2,284	(458)	1,822
Maintenance	52,953	51,266	48,952	2,314	103,826
Other purchased service	26,217	26,217	20,265	5,952	16,732
Supplies	20,569	22,195	21,466	729	27,207
Capital expenditures	926,234	-	20,899	(20,899)	600,302
Other expenses	121,162	121,162	102,905	18,257	114,798
Total emergency management services	<u>1,514,144</u>	<u>587,910</u>	<u>545,571</u>	<u>42,339</u>	<u>1,212,396</u>

(Continued)

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund
(Continued)

Year Ended September 30, 2014
(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with Final Budget	2013
	Original	Final	Actual Amounts		Actual Amounts
Expenditures (continued)					
Public Safety (continued)					
Fire services:					
Salaries and wages	\$ 14,005,351	14,355,773	14,595,578	(239,805)	13,446,372
Employee benefits	4,703,730	4,822,909	4,805,557	17,352	4,385,055
Purchased professional/technical services	167,244	86,680	71,694	14,986	138,733
Purchased property services	57,022	57,022	50,262	6,760	58,314
Maintenance	227,376	323,391	288,756	34,635	247,822
Other purchased service	349,428	365,876	370,373	(4,497)	323,676
Supplies	648,347	635,914	628,547	7,367	646,299
Capital expenditures	-	-	34,022	(34,022)	83,860
Total fire services	<u>20,158,498</u>	<u>20,647,565</u>	<u>20,844,789</u>	<u>(197,224)</u>	<u>19,330,131</u>
Police services:					
Salaries and wages	20,674,166	20,674,166	20,984,693	(310,527)	20,492,897
Employee benefits	7,192,329	7,192,329	7,181,057	11,272	6,898,155
Purchased professional/technical services	339,741	428,275	381,940	46,335	378,649
Purchased property services	23,509	23,509	38,233	(14,724)	79,788
Maintenance	875,710	1,305,080	1,150,838	154,242	707,282
Other purchased service	961,656	954,648	978,868	(24,220)	847,233
Supplies	1,903,518	2,010,775	2,104,525	(93,750)	1,857,156
Capital expenditures	-	489,040	433,845	55,195	264,521
Other expenses	936	936	798	138	839
Total police services	<u>31,971,565</u>	<u>33,078,758</u>	<u>33,254,797</u>	<u>(176,039)</u>	<u>31,526,520</u>
Traffic services:					
Salaries and wages	764,300	751,264	573,791	177,473	711,916
Employee benefits	326,576	326,576	276,200	50,376	298,420
Purchased professional/technical services	-	12,875	16,316	(3,441)	9,926
Purchased property services	3,646	3,646	2,203	1,443	1,999
Maintenance	530,611	530,247	246,310	283,937	530,091
Other purchased service	34,956	34,956	33,040	1,916	32,930
Supplies	937,315	911,839	688,942	222,897	702,918
Capital expenditures	220,000	246,001	50,072	195,929	132,121
Total traffic services	<u>2,817,404</u>	<u>2,817,404</u>	<u>1,886,874</u>	<u>930,530</u>	<u>2,420,321</u>
Animal services:					
Salaries and wages	284,123	284,123	283,009	1,114	214,847
Employee benefits	150,452	150,452	150,820	(368)	109,781
Purchased professional/technical services	134,038	134,038	177,219	(43,181)	67,805
Purchased property services	6,600	6,600	7,169	(569)	6,427
Maintenance	19,200	19,200	10,118	9,082	50,124
Other purchased services	20,016	20,016	49,466	(29,450)	14,241
Supplies	133,543	133,543	123,760	9,783	123,106
Capital expenditures	-	-	21,970	(21,970)	39,288
Other expenses	-	-	933	(933)	282
Total animal services	<u>747,972</u>	<u>747,972</u>	<u>824,464</u>	<u>(76,492)</u>	<u>625,901</u>

(Continued)

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund
(Continued)

Year Ended September 30, 2014
(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
	Original	Final			
Expenditures (continued)					
Public Safety (continued)					
Contributions:					
Animal shelter	\$ 287	287	287	-	50,247
Total contributions	287	287	287	-	50,247
Total Public Safety	60,116,193	60,786,219	60,162,734	623,485	57,762,483
Culture and Recreation					
Library services:					
Salaries and wages	1,732,657	1,732,657	1,686,362	46,295	1,635,904
Employee benefits	604,059	604,059	577,429	26,630	558,844
Purchased professional/technical services	101,143	101,143	197,313	(96,170)	111,298
Purchased property services	18,267	18,267	19,801	(1,534)	18,063
Maintenance	102,525	102,525	84,813	17,712	78,926
Other purchased service	198,088	198,088	155,673	42,415	155,720
Supplies	567,267	567,267	523,045	44,222	518,872
Capital expenditures	-	123,000	136,334	(13,334)	-
Other expenses	153,645	153,645	154,000	(355)	149,357
Total library services	3,477,651	3,600,651	3,534,770	65,881	3,226,984
Parks:					
Salaries and wages	3,356,084	3,344,084	3,327,785	16,299	3,109,361
Employee benefits	1,491,852	1,477,952	1,452,441	25,511	1,357,060
Purchased professional/technical services	266,439	302,339	305,563	(3,224)	325,185
Purchased property services	712,318	622,818	562,727	60,091	611,572
Maintenance	538,359	538,359	518,466	19,893	496,871
Other purchased service	234,396	234,396	208,574	25,822	192,195
Supplies	762,693	696,098	700,093	(3,995)	665,474
Capital expenditures	-	272,891	359,432	(86,541)	116,650
Other expenses	27,010	27,010	31,439	(4,429)	23,630
Total parks	7,389,151	7,515,947	7,466,520	49,427	6,897,998
Recreation services:					
Salaries and wages	820,557	820,557	804,559	15,998	762,832
Employee benefits	253,646	253,646	244,932	8,714	233,832
Purchased professional/technical services	414,654	414,654	465,475	(50,821)	397,021
Purchased property services	-	-	400	(400)	-
Maintenance	10,107	10,107	12,680	(2,573)	10,693
Other purchased service	106,365	106,365	124,811	(18,446)	112,596
Supplies	272,675	272,675	255,282	17,393	293,406
Capital expenditures	-	144,500	-	144,500	-
Other expenses	16,242	16,242	17,033	(791)	11,503
Total recreation services	1,894,246	2,038,746	1,925,172	113,574	1,821,883
Total Culture and Recreation	12,761,048	13,155,344	12,926,462	228,882	11,946,865

(Continued)

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund
(Continued)

Year Ended September 30, 2014

(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual	Final Budget	Actual
Expenditures (continued)					
Housing and Community Development					
Housing services:					
Salaries and wages	\$ 131,365	131,365	131,886	(521)	105,396
Employee benefits	42,060	42,060	43,104	(1,044)	34,159
Purchased professional/technical services	-	-	1,000	(1,000)	2,708
Other purchased service	13,410	13,410	13,561	(151)	7,688
Supplies	2,846	2,846	2,596	250	10,245
Other expenses	-	25,000	-	25,000	17,340
Total housing services	<u>189,681</u>	<u>214,681</u>	<u>192,147</u>	<u>22,534</u>	<u>177,536</u>
Total Housing and Community Development	<u>189,681</u>	<u>214,681</u>	<u>192,147</u>	<u>22,534</u>	<u>177,536</u>
Total expenditures	<u>92,448,524</u>	<u>96,467,894</u>	<u>93,095,102</u>	<u>3,372,792</u>	<u>89,290,905</u>
Excess of revenues over expenditures	<u>6,590,295</u>	<u>5,343,911</u>	<u>14,325,730</u>	<u>8,981,819</u>	<u>13,548,111</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets:					
Sale of real estate	-	-	105,278	105,278	290,376
Total proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>105,278</u>	<u>105,278</u>	<u>290,376</u>
Transfers in:					
Abandoned motor vehicles	50,000	340,068	340,068	-	450,000
Court security	-	-	75,699	75,699	-
Revenue in lieu of property taxes	4,268,113	4,268,113	4,268,113	-	4,184,431
Total transfers in	<u>4,318,113</u>	<u>4,608,181</u>	<u>4,683,880</u>	<u>75,699</u>	<u>4,634,431</u>
Transfers out:					
Cameron Park Zoo	(1,726,608)	(1,726,608)	(1,726,608)	-	(1,694,653)
Street Reconstruction	(3,885,972)	(3,957,472)	(3,957,472)	-	(3,885,972)
Street Cash CIP	-	(603,400)	(603,400)	-	-
Facilities-Cash CIP	-	(555,366)	(555,366)	-	-
Emergency Management Cash CIP	-	(926,234)	(926,234)	-	-
Equipment Replacement Cash CIP	-	(100,000)	(100,000)	-	-
Brownfields	-	(940,932)	(940,932)	-	-
TxDOT Brazos Riverwalk	-	(405,310)	(405,310)	-	-
Cottonwood Creek Golf Course	-	(356,706)	(356,706)	-	(105,870)
Transit services	(118,844)	(118,844)	-	118,844	-
Airport services	(491,536)	(491,536)	(491,536)	-	(562,679)
Health services	(2,673,939)	(2,673,939)	(2,673,939)	-	(2,535,350)
Ranger Hall of Fame	(609,012)	(609,012)	(609,012)	-	(776,047)
Economic Development Incentive	(1,250,000)	-	-	-	-
Housing demo-lot clearing	(75,000)	(125,000)	(125,000)	-	(365,041)
2007 General obligation bonds	-	-	-	-	(420,405)
Grant (fire)	-	-	(226,015)	(226,015)	(186,549)
Grant (police)	(77,497)	(77,497)	(88,952)	(11,455)	(94,581)
Total transfers out	<u>(10,908,408)</u>	<u>(13,667,856)</u>	<u>(13,786,482)</u>	<u>(118,626)</u>	<u>(10,627,147)</u>

(Continued)

City of Waco, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual –
General Fund
(Continued)

Year Ended September 30, 2014

(With Comparative Actual Amounts for the Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Other financing sources (uses)					
Total other financing sources (uses)	\$ (6,590,295)	(9,059,675)	(8,997,324)	62,351	(5,702,340)
Net change in fund balances	-	(3,715,764)	5,328,406	9,044,170	7,845,771
Fund balances, beginning of year, as previously stated	46,469,253	46,469,253	46,469,253	-	37,648,188
Prior period adjustment	-	-	-	-	975,294
Fund balances, beginning of year, as restated	46,469,253	46,469,253	46,469,253	-	38,623,482
Fund balances, end of year	\$ 46,469,253	42,753,489	51,797,659	9,044,170	46,469,253

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Net Position –
Proprietary Funds
September 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Other Funds	Total	Funds
Assets						
Current assets:						
Cash and investments	\$ 33,116,582	19,017,672	14,888,312	3,045,552	70,068,118	10,449,356
Accounts receivable, net of allowances	5,660,984	2,650,728	2,115,265	495,394	10,922,371	9,048
Due from other funds	-	-	-	27,833	27,833	251,973
Intergovernmental receivable	-	-	-	1,179,068	1,179,068	-
Current portion of notes receivable	-	46,065	-	-	46,065	-
Restricted cash and investments	3,296,507	1,064,829	-	-	4,361,336	-
Accrued interest on notes receivable	-	3,356	-	-	3,356	-
Inventories	295,383	14,779	-	869,243	1,179,405	273,875
Total current assets	<u>42,369,456</u>	<u>22,797,429</u>	<u>17,003,577</u>	<u>5,617,090</u>	<u>87,787,552</u>	<u>10,984,252</u>
Noncurrent assets:						
Restricted cash and investments	9,814,856	16,643,559	-	105,001	26,563,416	-
Noncurrent portion of notes receivable	-	505,410	-	-	505,410	-
Advances to other funds	525,336	-	-	-	525,336	-
Capital assets:						
Land	1,279,185	2,576,524	1,753,855	912,673	6,522,237	38,800
Buildings	9,526,184	10,851,569	1,370,137	59,345,076	81,092,966	920,153
Improvements other than buildings	274,473,725	122,061,853	23,936,392	58,258,462	478,730,432	118,289
Machinery and equipment	7,312,521	9,093,012	15,238,660	14,210,032	45,854,225	1,263,463
Museum collections	-	-	-	2,160,924	2,160,924	-
Construction work in progress	8,799,440	4,517,634	27,574	1,066,388	14,411,036	-
Intangible water rights	32,482,879	-	-	-	32,482,879	-
Less: accumulated depreciation and amortization	<u>(111,147,997)</u>	<u>(49,326,746)</u>	<u>(32,652,811)</u>	<u>(58,508,988)</u>	<u>(251,636,542)</u>	<u>(1,392,817)</u>
Total capital assets	<u>222,725,937</u>	<u>99,773,846</u>	<u>9,673,807</u>	<u>77,444,567</u>	<u>409,618,157</u>	<u>947,888</u>
Total noncurrent assets	<u>233,066,129</u>	<u>116,922,815</u>	<u>9,673,807</u>	<u>77,549,568</u>	<u>437,212,319</u>	<u>947,888</u>
Total assets	<u>275,435,585</u>	<u>139,720,244</u>	<u>26,677,384</u>	<u>83,166,658</u>	<u>524,999,871</u>	<u>11,932,140</u>
Deferred Outflows of Resources						
Deferred outflows of resources:						
Deferred losses on refundings of debt	2,031,352	431,742	24,721	-	2,487,815	-
Total deferred outflows of resources	<u>2,031,352</u>	<u>431,742</u>	<u>24,721</u>	<u>-</u>	<u>2,487,815</u>	<u>-</u>
Liabilities						
Liabilities:						
Current liabilities:						
Accounts payable	949,091	1,088,514	199,796	519,155	2,756,556	365,016
Accrued liabilities	782,703	329,784	228,607	1,135,819	2,476,913	482,504
Unearned revenue	-	-	-	96,030	96,030	-
Due to other funds	-	-	-	690,766	690,766	-
Compensated absences payable	697,369	379,968	386,419	467,509	1,931,265	296,732

(Continued)

City of Waco, Texas
Statement of Net Position –
Proprietary Funds
(Continued)
September 30, 2014

Liabilities (Continued)	Business-type Activities - Enterprise Funds				Total	Governmental
	Water	Wastewater	Solid Waste	Other Funds		Activities - Internal Service Funds
Liabilities:						
Current liabilities:						
Refundable contracts	\$ 434,295	50,000	-	-	484,295	-
Notes payable	72,555	-	-	-	72,555	-
Escrow funds	-	-	-	-	-	538
Bonds payable	7,540,000	3,545,000	690,000	-	11,775,000	-
Accrued interest payable	1,024,237	512,880	31,776	-	1,568,893	-
Estimated claims and judgments	-	-	-	-	-	3,212,803
	<u>11,500,250</u>	<u>5,906,146</u>	<u>1,536,598</u>	<u>2,909,279</u>	<u>21,852,273</u>	<u>4,357,593</u>
Current liabilities payable from restricted assets:						
Accounts payable	737,826	1,064,829	-	-	1,802,655	-
Customer deposits	2,558,681	-	-	-	2,558,681	-
	<u>3,296,507</u>	<u>1,064,829</u>	<u>-</u>	<u>-</u>	<u>4,361,336</u>	<u>-</u>
Total current liabilities	<u>14,796,757</u>	<u>6,970,975</u>	<u>1,536,598</u>	<u>2,909,279</u>	<u>26,213,609</u>	<u>4,357,593</u>
Noncurrent liabilities:						
Refundable contracts	1,325,406	142,542	-	-	1,467,948	-
Estimated landfill closure and post-closure care costs	-	-	4,516,860	-	4,516,860	-
Advances from other funds	-	-	-	693,704	693,704	-
Compensated absences payable	270,645	239,383	192,033	365,426	1,067,487	-
Net pension obligation	734,973	481,784	479,840	-	1,696,597	374,267
Bonds payable	145,382,028	61,490,378	4,369,602	-	211,242,008	-
Notes payable	1,825,882	-	-	-	1,825,882	-
Total noncurrent liabilities	<u>149,538,934</u>	<u>62,354,087</u>	<u>9,558,335</u>	<u>1,059,130</u>	<u>222,510,486</u>	<u>374,267</u>
Total liabilities	<u>164,335,691</u>	<u>69,325,062</u>	<u>11,094,933</u>	<u>3,968,409</u>	<u>248,724,095</u>	<u>4,731,860</u>
Net Position						
Net position:						
Net investment in capital assets	77,991,979	51,621,227	4,638,926	77,444,567	211,696,699	947,888
Restricted for capital projects	-	-	-	1,274,319	1,274,319	-
Unrestricted	<u>35,139,267</u>	<u>19,205,697</u>	<u>10,968,246</u>	<u>479,363</u>	<u>65,792,573</u>	<u>6,252,392</u>
Total net position	<u>\$ 113,131,246</u>	<u>70,826,924</u>	<u>15,607,172</u>	<u>79,198,249</u>	<u>278,763,591</u>	<u>7,200,280</u>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Other Funds	Total	
Operating revenues:						
Charges for services	\$ 38,094,499	20,932,833	16,601,316	6,551,889	82,180,537	19,447,445
Net merchandise sales	-	-	-	930,485	930,485	-
Contributions	-	-	-	135,140	135,140	-
Other	500,414	410,723	265,271	1,399,147	2,575,555	48,428
Total operating revenues	<u>38,594,913</u>	<u>21,343,556</u>	<u>16,866,587</u>	<u>9,016,661</u>	<u>85,821,717</u>	<u>19,495,873</u>
Operating expenses:						
Salaries and wages	4,921,571	2,781,839	3,004,789	7,055,945	17,764,144	2,354,198
Employee benefits	2,055,459	1,091,922	1,467,586	2,375,502	6,990,469	873,808
Purchased professional/ technical services	1,299,056	1,682,076	1,465,881	1,702,971	6,149,984	1,684,985
Purchased property services	152,391	146,164	-	656,961	955,516	65,277
Maintenance	1,861,631	1,328,486	1,832,001	924,362	5,946,480	74,369
Other purchased services	784,053	299,554	149,428	1,190,054	2,423,089	935,252
Supplies	4,350,721	2,054,334	1,838,997	2,679,216	10,923,268	201,619
Other	3,730,948	3,028,465	2,485,218	1,056,458	10,301,089	12,846,596
Depreciation/amortization	8,996,493	4,594,225	3,420,725	5,409,893	22,421,336	119,603
Total operating expenses	<u>28,152,323</u>	<u>17,007,065</u>	<u>15,664,625</u>	<u>23,051,362</u>	<u>83,875,375</u>	<u>19,155,707</u>
Operating income (loss)	<u>10,442,590</u>	<u>4,336,491</u>	<u>1,201,962</u>	<u>(14,034,701)</u>	<u>1,946,342</u>	<u>340,166</u>
Nonoperating revenues (expenses):						
Investment earnings	94,682	63,859	33,540	5,265	197,346	26,872
Other income	5,160	-	-	265,180	270,340	-
Hotel/motel tax	-	-	-	2,403,171	2,403,171	-
Contributions	-	-	-	129,707	129,707	-
Intergovernmental revenue	-	-	-	3,740,053	3,740,053	-
Bond issuance costs	(34,042)	(101,070)	-	-	(135,112)	-
Interest expense and fiscal charges	(4,812,509)	(2,155,448)	(129,934)	-	(7,097,891)	-
Total nonoperating revenues (expenses)	<u>(4,746,709)</u>	<u>(2,192,659)</u>	<u>(96,394)</u>	<u>6,543,376</u>	<u>(492,386)</u>	<u>26,872</u>
Income (loss) before contributions and transfers	5,695,881	2,143,832	1,105,568	(7,491,325)	1,453,956	367,038
Capital contributions	244,608	-	-	1,619,104	1,863,712	-
Transfers in	-	-	-	3,333,862	3,333,862	-
Transfers out	(3,138,280)	(790,696)	(339,137)	(150,000)	(4,418,113)	-
Changes in net position	2,802,209	1,353,136	766,431	(2,688,359)	2,233,417	367,038
Total net position, beginning of year, as restated	<u>110,329,037</u>	<u>69,473,788</u>	<u>14,840,741</u>	<u>81,886,608</u>	<u>276,530,174</u>	<u>6,833,242</u>
Total net position, end of year	<u>\$ 113,131,246</u>	<u>70,826,924</u>	<u>15,607,172</u>	<u>79,198,249</u>	<u>278,763,591</u>	<u>7,200,280</u>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Cash Flows –
Proprietary Funds
Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Other Funds	Total	
Cash flows from operating activities:						
Cash received from customers	\$ 39,177,594	21,593,356	16,897,964	9,004,232	86,673,146	19,487,722
Cash paid to suppliers for goods and services	(12,061,870)	(7,937,962)	(7,586,389)	(8,400,068)	(35,986,289)	(15,716,694)
Cash paid to employees for services	(6,969,375)	(3,823,003)	(4,436,326)	(9,388,643)	(24,617,347)	(3,309,988)
Net cash provided by (used for) operating activities	<u>20,146,349</u>	<u>9,832,391</u>	<u>4,875,249</u>	<u>(8,784,479)</u>	<u>26,069,510</u>	<u>461,040</u>
Cash flows from noncapital financing activities:						
Hotel/motel tax	-	-	-	2,392,102	2,392,102	-
Intergovernmental revenue	-	-	-	5,396,252	5,396,252	-
Contributions	-	-	-	129,707	129,707	-
Passenger facility charges	-	-	-	265,180	265,180	-
Payments to other funds	-	-	-	(1,640,868)	(1,640,868)	-
Transfers from other funds	-	-	-	3,333,862	3,333,862	-
Transfer to other funds	(3,138,280)	(790,696)	(339,137)	(150,000)	(4,418,113)	(722,046)
Net cash provided by (used for) noncapital financing activities	<u>(3,138,280)</u>	<u>(790,696)</u>	<u>(339,137)</u>	<u>9,726,235</u>	<u>5,458,122</u>	<u>(722,046)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(7,745,064)	(4,343,555)	(17,211)	(2,031,407)	(14,137,237)	(236,805)
Proceeds from sale of debt	2,149,474	6,142,834	-	-	8,292,308	-
Insurance recoveries	-	-	-	33,546	33,546	-
Capital contributions	-	112,054	-	2,505,302	2,617,356	-
Principal paid on debt	(6,650,286)	(4,049,571)	(945,000)	-	(11,644,857)	-
Interest paid on debt	(6,154,249)	(2,544,087)	(211,158)	-	(8,909,494)	-
Payment of bond issuance costs	(34,042)	(101,070)	-	-	(135,112)	-
Net cash provided by (used for) capital and related financing activities	<u>(18,434,167)</u>	<u>(4,783,395)</u>	<u>(1,173,369)</u>	<u>507,441</u>	<u>(23,883,490)</u>	<u>(236,805)</u>
Cash flows from investing activities:						
Rental revenue	5,160	-	-	-	5,160	-
Investment earnings	94,682	64,133	33,540	5,265	197,620	26,872
Note payments from other entities	-	45,042	-	-	45,042	-
Net cash provided by investing activities	<u>99,842</u>	<u>109,175</u>	<u>33,540</u>	<u>5,265</u>	<u>247,822</u>	<u>26,872</u>
Net increase (decrease) in cash and cash equivalents	(1,326,256)	4,367,475	3,396,283	1,454,462	7,891,964	(470,939)
Cash and cash equivalents, beginning of year	<u>47,554,201</u>	<u>32,358,585</u>	<u>11,492,029</u>	<u>1,696,091</u>	<u>93,100,906</u>	<u>10,920,295</u>
Cash and cash equivalents, end of year	<u>\$ 46,227,945</u>	<u>36,726,060</u>	<u>14,888,312</u>	<u>3,150,553</u>	<u>100,992,870</u>	<u>10,449,356</u>

(Continued)

City of Waco, Texas
Statement of Cash Flows –
Proprietary Funds
(Continued)
Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 10,442,590	4,336,491	1,201,962	(14,034,701)	1,946,342	340,166
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Provision for uncollectible accounts receivable	25,729	8,288	(9)	-	34,008	-
Depreciation/amortization	8,996,493	4,594,225	3,420,725	5,409,893	22,421,336	119,603
Changes in assets and liabilities:						
Decrease (increase) in assets:						
Accounts receivable	556,952	241,512	31,386	(19,732)	810,118	(8,151)
Inventories	(17,651)	(4,400)	-	(61,606)	(83,657)	(74,631)
Increase (decrease) in liabilities:						
Accounts payable	250,150	661,792	(21,970)	(122,717)	767,255	27,630
Accrued liabilities	(139,343)	(37,049)	2,864	(12,824)	(186,352)	205,469
Unearned revenue	-	-	-	7,303	7,303	-
Estimated landfill closure and post-closure care costs	-	-	226,686	-	226,686	-
Compensated absences payable	(23,801)	28,229	10,261	49,905	64,594	(94,423)
Net pension obligation	5,429	3,303	3,344	-	12,076	2,593
Customer deposits	49,801	-	-	-	49,801	-
Estimated claims and judgments	-	-	-	-	-	(57,216)
Net cash provided by (used for) operating activities	<u>\$ 20,146,349</u>	<u>9,832,391</u>	<u>4,875,249</u>	<u>(8,784,479)</u>	<u>26,069,510</u>	<u>461,040</u>
Noncash investing, capital, and financing activities:						
Contributions of capital assets	<u>\$ 244,608</u>	<u>-</u>	<u>-</u>	<u>114,389</u>	<u>358,997</u>	<u>-</u>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Fiduciary Net Position -
Agency Funds
September 30, 2014

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 2,753,501
Accounts receivable	538
Note receivable	<u>229,547</u>
Total assets	<u><u>\$ 2,983,586</u></u>
Liabilities	
Due to other agencies and individuals	\$ <u>2,983,586</u>
Total liabilities	<u><u>\$ 2,983,586</u></u>

See accompanying notes to financial statements.



City of Waco, Texas

Notes to Financial Statements

September 30, 2014

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 *Central Waco Development Corporation* (the CWDC) was created in 1979 by the City for the purpose of promoting and developing commercial, industrial and manufacturing enterprises. The CWDC is governed by five members who are appointed by the City Council and may only be removed with cause. Additionally, the CWDC is prohibited from issuing bonded debt without the approval of the City Council. The CWDC does not issue separate financial statements.

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

City of Waco, Texas

Notes to Financial Statements (Continued)

I. **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

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.

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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-like 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, propriety 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*

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

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 capital leases are reported as other financing sources.

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

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.

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

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 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.

Additionally, the City reports the following fund types:

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

Agency funds account for receipts and disbursements for the Urban Renewal Agency, the Heart of Texas Housing Finance Corporation, and Waco Public Improvement District No. 2.

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

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

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's cash and cash equivalents for purposes of reporting cash flows of proprietary funds consist of cash on hand, demand deposits, certificates of deposit and deposits in the City's internal cash and investment pool.

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 the meaning of Rule 2a-7 of the Investment Company Act of 1940. Each of these LGIPs seeks to maintain a constant \$1.00 net asset value per share.

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 offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

Receivables and Payables (continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days are estimated to be uncollectible and comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 7.05 percent of outstanding property taxes at September 30, 2014.

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

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

Restricted Assets

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

Capital Assets

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

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.

City of Waco, Texas

Notes to Financial Statements
(Continued)

I. **Summary of Significant Accounting Policies** (continued)

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

Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred during the current fiscal year was \$7,510,942 for business-type activities. Of this amount, \$413,051 were included as part of the cost of capital assets under construction in connection with water and wastewater fund construction projects.

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

<u>Assets</u>	<u>Years</u>
Landfill improvements	3 – 5
Buildings	20 – 50
Water rights	35
Improvements	5 – 50
Equipment	5 – 20
Infrastructure	35 – 125

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred losses on refundings of debt reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement 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 position that

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

Deferred Outflows/Inflows of Resources (continued)

applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from multiple sources: property taxes, court fines, special assessments, etc. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 accumulating sick leave when it is probable that the government will make termination payments. A liability for compensated 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

Fund Balance

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

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

The City Council has adopted Financial Management Policy Statements that include the policy to strive to maintain the general fund unassigned fund balance at 18% of budgeted revenues. General fund unassigned fund balance at September 30, 2014 was 18.97% of fiscal year 2015 budgeted revenues.

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

	General Fund	Other Funds	Total
Fund balances:			
Nonspendable:			
Inventory	\$ 734,557	-	734,557
Real estate held for resale	6,160	40,061	46,221
Advances to other funds	-	168,368	168,368
Parks and cemetery care	-	478,848	478,848
Restricted for:			
Municipal information	703,924	-	703,924
Debt service	-	185,902	185,902
Capital projects	-	11,828,967	11,828,967
Tax increment zone activities	-	10,891,785	10,891,785
Waco Public Improvement District	-	645,008	645,008
Housing and community development	-	2,333,652	2,333,652
Public safety	83,856	1,406,274	1,490,130
Culture and recreation	918,377	1,302,930	2,221,307

City of Waco, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

Fund Balance (continued)

	General Fund	Other Funds	Total
Fund balances: (continued)			
Committed to:			
Economic development	9,532,164	-	9,532,164
Capital projects	-	2,413,913	2,413,913
Public health	-	561,880	561,880
Assigned to:			
Capital improvements	15,050,171	-	15,050,171
Economic development	3,048,263	-	3,048,263
Housing and community development	25,000	-	25,000
Public safety	140,595	-	140,595
Public works	4,677	-	4,677
Culture and recreation	16,230	-	16,230
Other	490,289	-	490,289
Unassigned	21,043,396	-	21,043,396
	\$ 51,797,659	32,257,588	84,055,247

Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

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.

City of Waco, Texas

Notes to Financial Statements
(Continued)

**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 \$117,530,483 difference are as follows:

Capital lease	\$ 12,443
Serial bonds and certificates of obligation	87,120,000
Less: deferred charge on refunding (to be amortized as interest expense)	(463,791)
Plus: issuance premium	1,419,551
Accrued interest payable	640,699
Compensated absences	17,945,885
Net pension obligation	9,693,119
Refundable contracts	80,007
Contracts payable	830,000
Net other post-employment benefit obligation	<u>252,570</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 117,530,483</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 fund* 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 \$(4,392,893) difference are as follows:

Capital outlay	\$ 11,713,167
Depreciation expense	<u>(16,106,060)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (4,392,893)</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

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, “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 \$2,608,669 difference are as follows:

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.	\$ <u>2,608,669</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>2,608,669</u></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 \$419,096 difference are as follows:

Court fines	\$ 141,357
Property taxes	268,682
Special assessments	<u>9,057</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>419,096</u></u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) 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 issuance costs, 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 \$3,685,268 difference are as follows:

City of Waco, Texas

Notes to Financial Statements
(Continued)

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)

Debt issued or incurred:	
Issuance of general obligation and refunding debt	\$ (1,645,000)
Plus: premium on issuance	(59,040)
Principal repayments:	
General obligation debt	5,340,143
Capital lease	<u>49,165</u>
Net adjustment to increase <i>net changes in fund balances- total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 3,685,268</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 \$(641,764) difference are as follows:

Net other post-employment benefit obligation	\$ (20,254)
Compensated absences	(738,942)
Net pension obligation	(67,750)
Accrued interest	35,514
Amortization of deferred charge on refunding	(112,786)
Amortization of bond premiums	<u>262,454</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (641,764)</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 and the grant fund.

City of Waco, Texas

Notes to Financial Statements
(Continued)

III. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

Prior to August 1, 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, 2014 are \$942,199 for the general fund and \$10,562,242 for other nonmajor funds.

B. Deficit Fund Position

Deficit net position in individual nonmajor funds at September 30, 2014 consist of the following:

		Net		
		Investment in		Total
		<u>Capital Assets</u>	<u>Unrestricted</u>	<u>Net Position</u>
Nonmajor Enterprise Fund:				
Cottonwood Creek Golf Course	\$	1,146,091	(1,242,240)	(96,149)

The Cottonwood Creek Golf Course Fund is used to account for the City's golf course facility. Operations continue to be reviewed with emphasis on improving pro shop and concession operations. The change in net position was \$95,327 for the fiscal year as compared with \$(61,208) in the prior year.

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detail Notes on All Funds

A. Deposits and Investments

As of September 30, 2014, the City had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>	<u>Weighted Average Maturity (in years)</u>
Texas Local Government Investment Pool (TexPool)	\$ 3,594,463	9.35%	-
Texas Short-Term Asset Reserve (TexSTAR)	<u>877,635</u>	<u>2.28%</u>	-
Total local government investment pools	4,472,098	11.63%	-
U. S. Treasury securities	3,011,900	7.83%	2.20
U. S. Federal agency securities	<u>30,960,800</u>	<u>80.54%</u>	1.68
Total investments	<u>\$ 38,444,798</u>	<u>100.00%</u>	1.53

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 investment portfolio shall at no time exceed one year.

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. 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.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

Credit Risk (continued)

- 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/V1+ by Fitch
- Local Government investment pools rated not less than AAAM by Standard & Poor's, Aaa by Moody's or AAA/V1+ by Fitch

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 Fitch, 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, 2014 were in securities of the following issuers:

<u>U. S. Agency Issuer</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Federal Farm Credit Bank	\$ 1,997,600	5.20%
Federal Home Loan Bank	7,994,600	20.80%
Federal Home Loan Mortgage Corporation	14,963,700	38.92%
Federal National Mortgage Association	6,004,900	15.62%

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

Custodial Credit Risk (continued)

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 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	\$ 156,366,885
Carrying amount of investments	<u>38,444,798</u>
Total	<u>\$ 194,811,683</u>
Cash and investments - governmental activities	\$ 89,912,756
Cash and investments - business-type activities	70,068,118
Restricted cash and investments - business-type activities	30,924,752
Component units, excluding Baylor Waco Stadium Authority	36,435
Agency funds	2,753,501
Other participants' undivided interest in WMARSS cash and investments	<u>1,116,121</u>
Total	<u>\$ 194,811,683</u>

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

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

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. TexPool uses amortized cost rather than fair value to report net assets to compute share prices.

TexSTAR. TexSTAR is a Texas public funds investment pool that is co-administered by J.P. Morgan Fleming Asset Management and First Southwest Asset Management, 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. The pool uses amortized cost rather than the fair value to report net assets to compute share prices.

B. Receivables

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

	<u>General</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 7,901,778	-	-	-	526,892	8,428,670
Accounts	17,343,075	7,331,051	3,734,339	3,476,807	1,499,626	33,384,898
Special assessments	-	-	-	-	11,315	11,315
Intergovernmental	1,042,335	-	-	-	2,681,920	3,724,255
Notes	-	-	551,475	-	7,240,198	7,791,673
Gross receivables	<u>26,287,188</u>	<u>7,331,051</u>	<u>4,285,814</u>	<u>3,476,807</u>	<u>11,959,951</u>	<u>53,340,811</u>
Less: allowance for uncollectibles	<u>13,683,190</u>	<u>1,670,067</u>	<u>1,083,611</u>	<u>1,361,542</u>	<u>5,654,457</u>	<u>23,452,867</u>
Net total receivables	<u>\$ 12,603,998</u>	<u>5,660,984</u>	<u>3,202,203</u>	<u>2,115,265</u>	<u>6,305,494</u>	<u>29,887,944</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

B. Receivables (continued)

In the general fund, \$922,221 of the intergovernmental receivable reported is not expected to be collected until fiscal year 2015.

Revenues of the water, wastewater, and solid waste 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	\$	25,729
Uncollectibles related to wastewater charges		8,288
Uncollectibles related to solid waste charges		<u>(9)</u>
Total uncollectibles of the current fiscal year	\$	<u><u>34,008</u></u>

C. Capital Assets

Capital asset activity for the year ended September 30, 2014 was as follows:

	Primary Government			Balance September 30, 2014
	Balance October 1, 2013	Increases	Decreases	
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 44,816,272	842,776	-	45,659,048
Construction in progress	<u>5,679,635</u>	<u>3,273,231</u>	<u>(4,611,727)</u>	<u>4,341,139</u>
Total capital assets not being depreciated	<u>50,495,907</u>	<u>4,116,007</u>	<u>(4,611,727)</u>	<u>50,000,187</u>
Capital assets, being depreciated:				
Buildings	68,049,191	1,361,581	(57,294)	69,353,478
Machinery and equipment	44,404,968	6,687,337	(1,226,946)	49,865,359
Improvements other than buildings	56,635,043	2,823,888	(113,156)	59,345,775
Infrastructure	<u>260,147,197</u>	<u>4,209,775</u>	<u>-</u>	<u>264,356,972</u>
Total capital assets being depreciated	<u>429,236,399</u>	<u>15,082,581</u>	<u>(1,397,396)</u>	<u>442,921,584</u>
Less accumulated depreciation:				
Buildings	15,463,514	2,420,553	(57,294)	17,826,773
Machinery and equipment	30,291,372	4,011,891	(1,198,727)	33,104,536
Improvements other than buildings	23,086,360	2,975,505	(113,156)	25,948,709
Infrastructure	<u>152,174,026</u>	<u>6,817,714</u>	<u>-</u>	<u>158,991,740</u>
Total accumulated depreciation	<u>221,015,272</u>	<u>16,225,663</u>	<u>(1,369,177)</u>	<u>235,871,758</u>
Total capital assets, being depreciated, net	<u>208,221,127</u>	<u>(1,143,082)</u>	<u>(28,219)</u>	<u>207,049,826</u>
Total capital assets, net	<u>\$ 258,717,034</u>	<u>2,972,925</u>	<u>(4,639,946)</u>	<u>257,050,013</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Primary Government			Balance September 30, 2014
	Balance October 1, 2013	Increases	Decreases	
<u>Business-type activities:</u>				
Capital assets, not being depreciated/ amortized:				
Land	\$ 6,311,458	210,779	-	6,522,237
Construction work in progress	9,889,387	12,047,583	(7,525,934)	14,411,036
Museum collections	2,133,424	27,500	-	2,160,924
Total assets not being depreciated/amortized	<u>18,334,269</u>	<u>12,285,862</u>	<u>(7,525,934)</u>	<u>23,094,197</u>
Capital assets, being depreciated:				
Buildings	81,092,966	-	-	81,092,966
Machinery and equipment	44,813,771	1,907,352	(866,898)	45,854,225
Improvements other than buildings	469,156,084	9,625,951	(51,603)	478,730,432
Water rights - impound fee	32,482,879	-	-	32,482,879
Total capital assets, being depreciated/amortized	<u>627,545,700</u>	<u>11,533,303</u>	<u>(918,501)</u>	<u>638,160,502</u>
Less accumulated depreciation/amortization:				
Buildings	29,649,722	2,658,513	-	32,308,235
Machinery and equipment	28,875,327	4,041,808	(854,105)	32,063,030
Improvements other than buildings	163,686,158	14,794,195	(51,603)	178,428,750
Water rights - impound fee	7,909,707	926,820	-	8,836,527
Total accumulated depreciation/ amortization	<u>230,120,914</u>	<u>22,421,336</u>	<u>(905,708)</u>	<u>251,636,542</u>
Total capital assets being depreciated/amortized, net	<u>397,424,786</u>	<u>(10,888,033)</u>	<u>(12,793)</u>	<u>386,523,960</u>
Total capital assets, net	<u>\$ 415,759,055</u>	<u>1,397,829</u>	<u>(7,538,727)</u>	<u>409,618,157</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 751,549
Public works	7,234,499
Public safety	3,779,275
Culture and recreation	4,391,407
Public health	67,233
Housing and community development	1,700
Total depreciation expense - governmental activities	<u>\$ 16,225,663</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

Business-type activities:

Water	\$ 8,996,493
Wastewater	4,594,225
Solid waste	3,420,725
Airport	2,016,312
Convention services	824,217
Ranger Hall of Fame	126,301
Cameron Park Zoo	1,117,988
Transit services	1,150,524
Cottonwood Creek Golf Course	<u>174,551</u>
Total depreciation/amortization expense - business-type activities	<u><u>\$ 22,421,336</u></u>

Construction commitments

The City has active construction projects as of September 30, 2014. At year-end, the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street projects	\$ 2,503,412	2,927,912
Water projects	8,799,440	2,416,958
Wastewater projects	4,517,634	3,824,374
Solid waste projects	27,574	2,249,583
Airport projects	598,798	2,949,526
Parks projects	1,514,748	1,310,807
Other projects	<u>790,569</u>	<u>130,532</u>
Total	<u><u>\$ 18,752,175</u></u>	<u><u>15,809,692</u></u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2014 is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor business-type	Nonmajor governmental	\$ 27,833
General	Nonmajor governmental	464,316
General	Nonmajor business-type	690,766
Nonmajor governmental	Nonmajor governmental	5,538,304
General	Internal service	251,973
Nonmajor governmental	General	<u>422,218</u>
		<u>\$ 7,395,410</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

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

	<u>Transfer in</u>			<u>Total</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
Transfers out:				
General	\$ -	10,602,620	3,183,862	13,786,482
Water	3,138,280	-	-	3,138,280
Wastewater	790,696	-	-	790,696
Solid waste	339,137	-	-	339,137
Nonmajor governmental	415,767	2,218,331	-	2,634,098
Nonmajor enterprise	<u>-</u>	<u>-</u>	150,000	<u>150,000</u>
Total transfers	<u>\$ 4,683,880</u>	<u>12,820,951</u>	<u>3,333,862</u>	<u>20,838,693</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers (continued)

Interfund transfers (continued)

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, and (3) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the year ended September 30, 2014, the City made payments from various funds to the general fund in lieu of taxes. The City reported these payments as transfers. Transfers were made from the following funds in the following amounts.

Water	\$ 3,138,280
Wastewater	790,696
Solid waste	339,137

E. Leases

Operating leases

The government leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$641,835 for the year ended September 30, 2014. The future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2015	\$ 428,545
2016	135,099
2017	<u>1,677</u>
Total	<u>\$ 565,321</u>

Capital Leases

The government has acquired certain capital assets for governmental activities through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Leases (continued)

Capital Leases (continued)

The assets acquired through capital leases are as follows:

	Cost	Accumulated Depreciation	Net Book Value
Governmental activities:			
Computer equipment	\$ 145,351	121,126	24,225
Total	\$ 145,351	121,126	24,225

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, are as follows:

Year Ending September 30,	Governmental Activities
2015	\$ 12,485
Total minimum lease payments	12,485
Less: amount representing interest	42
Present value of minimum lease payments	\$ 12,443

F. Long-term Debt

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 twenty-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

General obligation bonds (continued)

Purpose	Interest Rates	Amount
Governmental activities	2.00% - 6.00%	\$ 74,440,000
Governmental activities - refunding	2.00% - 5.00%	12,680,000
Business-type activities	2.00% - 6.00%	112,090,000
Business-type activities - refunding	2.00% - 5.00%	<u>102,560,000</u>
		<u>\$ 301,770,000</u>

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

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 5,585,000	3,623,222	11,775,000	8,640,777
2016	5,760,000	3,388,585	11,980,000	8,101,662
2017	6,000,000	3,164,466	12,540,000	7,627,612
2018	6,235,000	2,926,143	12,350,000	7,144,237
2019	5,995,000	2,684,226	12,935,000	6,653,292
2020 - 2024	31,905,000	9,381,193	62,005,000	25,222,871
2025 - 2029	22,480,000	2,425,253	43,505,000	14,228,479
2030 - 2034	3,160,000	176,691	36,640,000	5,863,947
2035 - 2039	-	-	10,920,000	608,484
Total	<u>\$ 87,120,000</u>	<u>27,769,779</u>	<u>214,650,000</u>	<u>84,091,361</u>

Prior year defeasance of bonds

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On September 30, 2014, \$180,000 of bonds considered defeased are still outstanding.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

Note payable

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

Year Ending September 30,	Note Payable	
	Principal	Interest
2015	\$ 72,555	81,208
2016	75,777	77,986
2017	79,142	74,620
2018	82,657	71,105
2019	86,328	67,434
2020 - 2024	410,536	277,913
2025 - 2029	178,771	219,139
2030 - 2034	222,155	175,755
2035 - 2039	276,067	121,843
2040 - 2044	343,063	54,847
2045 - 2049	71,386	1,564
Total	\$ 1,898,437	1,223,414

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, 2014.

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

Other long-term debt information (continued)

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 current tax rate is \$0.776232 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 \$2,032,250 have been recorded as a liability in the accompanying statement of net position.

Changes in long-term liabilities

Long-term liability activity (shown in thousands of dollars) for the year ended September 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation bonds	\$ 90,815	1,645	5,340	87,120	5,585
Plus: premium on bonds	1,623	59	262	1,420	-
Total bonds payable	92,438	1,704	5,602	88,540	5,585

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

Changes in long-term liabilities (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities</u> (continued)					
Capital leases	62	-	50	12	12
Contracts payable	830	-	-	830	-
Refundable contracts	80	-	-	80	-
Estimated claims and judgments	3,270	13,673	13,730	3,213	3,213
Compensated absences	17,598	10,799	10,154	18,243	10,919
Net pension obligation	9,997	703	633	10,067	-
Net OPEB obligation	232	84	63	253	-
	<u>32,069</u>	<u>25,259</u>	<u>24,630</u>	<u>32,698</u>	<u>14,144</u>
Governmental activity long-term liabilities	<u>\$ 124,507</u>	<u>26,963</u>	<u>30,232</u>	<u>121,238</u>	<u>19,729</u>
<u>Business-type activities:</u>					
Bonds payable:					
General obligation bonds	\$ 218,290	8,005	11,645	214,650	11,775
Plus: premium on bonds	9,791	287	1,711	8,367	-
	<u>228,081</u>	<u>8,292</u>	<u>13,356</u>	<u>223,017</u>	<u>11,775</u>
Refundable contracts	1,795	749	592	1,952	484
Estimated landfill closure	4,290	227	-	4,517	-
Note payable	1,968	-	70	1,898	73
Compensated absences	2,934	2,000	1,935	2,999	1,931
Net pension obligation	1,685	114	102	1,697	-
	<u>12,672</u>	<u>3,090</u>	<u>2,699</u>	<u>13,063</u>	<u>2,488</u>
Business-type activity long-term liabilities	<u>\$ 240,753</u>	<u>11,382</u>	<u>16,055</u>	<u>236,080</u>	<u>14,263</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, \$296,732, \$374,267, and \$3,212,803 of internal service funds compensated absences, net pension obligations and estimated

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

Changes in long-term liabilities (continued)

claims and judgments, respectively, are included in the above governmental amounts. Also, for the governmental activities, compensated absences, net pension obligation, other post-employment benefits, and capital leases are generally liquidated by the general fund. Refundable contracts are liquidated by the street and drainage refundable contracts debt service fund.

G. Restricted Assets

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

Customer deposits	\$ 2,558,681
Bond construction account	28,261,070
Capital grants and contributions	<u>105,001</u>
Total restricted assets	<u>\$ 30,924,752</u>

H. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. 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 catastrophe losses. The reserves for catastrophic losses were approximately \$6,200,000 at September 30, 2014.

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.

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detailed Notes on All Funds (continued)

H. Risk Management (continued)

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 \$450,000 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 provides commercial insurance for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of \$50,000. The commercial liability insurance 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 commercial insurance limits for the City's property coverages are: \$10,000,000 aggregate for automobile catastrophe, \$407,840,533 aggregate for real and personal property, \$12,393,506 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. Starting in fiscal year 2014, the City has unlimited stop-loss protection for individual claims exceeding \$200,000, as well as unlimited aggregate protection for claims exceeding 125% of expected annual claims.

There have been no claim settlements in excess of the insurance coverages that have been procured in 2014, 2013, or 2012. Changes in the amounts of estimated unpaid liability claims during the past two years are as follows (shown in thousands of dollars):

	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning of fiscal year	\$ 3,270	3,063
Incurred claims (including IBNRs)	13,673	12,902
Claim payments	<u>(13,730)</u>	<u>(12,695)</u>
Unpaid claims, end of fiscal year	<u>\$ 3,213</u>	<u>3,270</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government 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 not pending litigation against the City that, if decided against the City, would have a material adverse effect upon the operations of the City or that would exceed the contingency amounts set aside for such purpose.

J. Commitments

Water storage rights in Lake Waco were acquired by contract with Brazos River Authority in 1965. Total consideration for the water storage rights over the fifty-year term is \$9,416,500 with payments of \$188,330 due annually through December 15, 2014. Such payments are reported as operating deductions of the water fund in the year the payments are made.

Additionally, the City Council has approved \$2,550,237 to be refunded to subdivision developers for certain costs for the construction of water improvements once applicable contract requirements are met.

In August 2012, the City Council approved an amendment to the project/financing plan for reinvestment zone number one to provide partial funding via a grant of up to \$35,060,340 to assist with infrastructure improvements for the new McLane Stadium at Baylor University. A total of \$11,012,068 had been funded through 2014. This annual grant funding is limited to tax increment revenue collected each year from the reinvestment zone number one as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 3,006,034
2016	3,006,034
2017	3,006,034
2018	3,006,034
2019	3,006,034
2020	3,006,034
2021	3,006,034
2022	3,006,034

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

K. Other Post-employment Benefits

Plan Description - The City administers a single-employer defined benefit life insurance plan. The plan provides \$2,500 of life insurance to each qualified retiree. An optional \$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 with a minimum of twenty years of service are eligible for postretirement life insurance benefits.

Actuarial methods and assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB annual required contribution (ARC) for the City's retiree life insurance plan. Using the plan benefits, the present life insurance premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of life insurance benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Type of benefit	Life insurance only
Inflation rate	3.0% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Payroll growth	3.0% per annum

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

K. Other Post-employment Benefits (continued)

Actuarial methods and assumptions (continued)

retiree life insurance plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for the current year is as follows:

Reconciliation of Net Other Post-employment Benefit Obligation

	2014	2013	2012
Annual Required Contribution (ARC)	\$ 83,086	90,198	87,571
Interest on OPEB obligation	10,454	9,156	7,834
Adjustment to the ARC (amortization)	(9,686)	(8,483)	(7,258)
Annual OPEB cost	83,854	90,871	88,147
Contributions made	(63,600)	(62,028)	(58,769)
Increase in net OPEB obligation	20,254	28,843	29,378
Net OPEB obligation, beginning of year	232,316	203,473	174,095
Net OPEB obligation, end of year	\$ 252,570	232,316	203,473

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2014 and the preceding two fiscal years were as follows:

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

K. Other Post-employment Benefits (continued)

Actuarial methods and assumptions (continued)

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2014	\$ 83,854	63,600	75.8%	\$ 252,570
September 30, 2013	90,871	62,028	68.3%	232,316
September 30, 2012	88,147	58,769	66.7%	203,473

Funding status and funding progress

The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time. The actuarial valuation is performed on a bi-annual basis.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2013	\$ -	1,576,980	1,576,980	0%	\$ 71,807,295	2.2%
12/31/2011	-	1,646,618	1,646,618	0%	67,309,969	2.4%
12/31/2009	-	1,119,718	1,119,718	0%	66,925,539	1.7%
12/31/2007	-	973,424	973,424	0%	64,258,478	1.5%

Under the reporting parameters, the City's retiree life insurance plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,576,890 at December 31, 2013. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 2.2%

L. Pension Plans – Primary Government

Deferred compensation plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

L. Pension Plans – Primary Government (continued)

Defined benefit plan – Texas Municipal Retirement System

Plan Description – The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from the TMRS website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5 years
Updated service credit	100% repeating, transfers
Annuity increase (to retirees)	50% of CPI (ad hoc)

Members can retire at certain ages, based on the years of service with the City. The service retirement eligibilities for the City (expressed as years of service/age) are:

5 years/age 60
20 years/any age

Contributions - Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using Entry Age Normal (EAN) cost method. (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used.) This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

L. Pension Plans – Primary Government (continued)

Defined benefit plan – Texas Municipal Retirement System (continued)

contribution rate for an employee is the contribution rate which if applied to a member’s compensation throughout their period of anticipated covered service with the municipality would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as updated service credits and annuity increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015).

Reconciliation of Net Pension Obligation

	2014	2013	2012
Annual Required Contribution (ARC)	\$ 10,071,993	9,887,587	11,186,956
Interest on net pension obligation	817,709	810,818	748,435
Adjustment to the ARC	<u>(735,290)</u>	<u>(712,369)</u>	<u>(643,355)</u>
Annual pension cost	10,154,412	9,986,036	11,292,036
Contributions made	<u>(10,071,993)</u>	<u>(9,887,587)</u>	<u>(10,400,853)</u>
Increase in net pension obligation	82,419	98,449	891,183
Net pension obligation, beginning of year	<u>11,681,564</u>	<u>11,583,115</u>	<u>10,691,932</u>
Net pension obligation, end of year	\$ <u><u>11,763,983</u></u>	<u><u>11,681,564</u></u>	<u><u>11,583,115</u></u>

Three-Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>	<u>Annual Required</u> <u>Contribution Rate</u>
2014	\$ 10,154,412	99%	\$ 11,763,983	13.61%
2013	9,986,037	99%	11,681,564	13.87%
2012	11,292,035	92%	11,583,115	14.04%

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

L. Pension Plans – Primary Government (continued)

Defined benefit plan – Texas Municipal Retirement System (continued)

The required contribution rate for fiscal year 2014 was determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013 also follows:

Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	24.3 years; closed period	24.1 years; closed period	18.5 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.0%	7.0%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	1.5%	0.0%	0.0%

Funded Status and Funding Progress – In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

L. Pension Plans – Primary Government (continued)

Defined benefit plan – Texas Municipal Retirement System (continued)

The funded status as of December 31, 2013 and the preceding two years is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12-31-2011	\$ 307,003,573	354,732,222	86.5%	\$ 47,728,649	67,309,969	70.9%
12-31-2012	326,364,520	368,784,262	88.5%	42,419,742	68,731,468	61.7%
12-31-2013	348,003,990	409,572,816	85.0%	61,568,826	71,807,295	85.7%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

M. Fire and Police One-half Pay Pension

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

There are five retired firemen and policemen under this plan with no eligible active employees.

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 7.5 percent interest rate assumption is \$138,370 at September 30, 2014.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Fire and Police One-half Pay Pension (continued)

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:

2014	\$ 41,964
2013	46,382
2012	48,564

N. 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 \$4,516,860 as of September 30, 2014, which is based on 69.5% usage (filled) of the landfill. It is estimated that an additional \$1,981,282 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2023). The estimated total current cost of the landfill closure and post-closure care (\$6,498,142) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of September 30, 2014. However, the actual cost of closure and post-closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

O. Conduit Debt Obligations

From time to time, Central Waco Development Corporation and Waco Health Facilities Development Corporation have issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial and health facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage debt. Upon repayment of the bonds, ownership of the facilities transfers to the private-sector entity served by the bond issue. Neither Central Waco Development Corporation, Waco Health Facilities Development Corporation, the City, nor any political subdivision thereof is obligated

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detailed Notes on All Funds (continued)

O. Conduit Debt Obligations (continued)

in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements of Central Waco Development Corporation, Waco Health Facilities Development Corporation, or the City.

As of September 30, 2014, there are three series of industrial revenue bonds outstanding. The aggregate principal amount payable for the one series issued after July 1, 1995 was \$4,100,000. The aggregate principal amount payable for the two series issued prior to July 1, 1995 could not be readily determined; however, their original issue amounts totaled \$4,850,000.

P. Waco Public Improvement District #2

Waco Public Improvement District #2 transactions are recorded in an agency fund as the City acts as an agent for the property owner in collecting assessments and forwarding the collections to the bondholders. However, the City is not obligated in any manner for repayment of these special assessments. As of September 30, 2014, such special assessment debt outstanding totaled \$1,242,000.

Q. Undivided Interest in Waco Metropolitan Area Regional Sewer System

During 2004, the City entered into an agreement with four other participating cities to acquire the facilities and operations of the Waco Metropolitan Area Regional Sewer System (the System) from Brazos River Authority (the Authority). Prior to the acquisition, the cities were "tenants in common" of the System owned by the Authority, and funded the System through payments to the Authority based on the amount of wastewater treated.

The City's initial purchase included an 84.47% undivided interest in the System; however, the City subsequently sold portions of its undivided interest to other cities leaving it with a 79.234% undivided interest in the System. The City's undivided interest in the System as of September 30, 2014 was 75.272% as a result of certain capacity expansion improvements completed during 2012.

The City assisted four of the participating cities in financing their initial investments. During 2004, the City's wastewater fund advanced \$1,849,058 to the four participating cities at an interest rate of 3.65% to be repaid in annual installments through February 2024. As of September 30, 2014, \$551,475 of principal remained outstanding on these loans.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detailed Notes on All Funds (continued)

**Q. *Undivided Interest in Waco
Metropolitan Area Regional Sewer System*** (continued)

Under the interlocal agreement for the System, a board was created consisting of the city managers from each of the seven participating cities. The operation and administration of the System is subject to joint control by the cities through the board; however, a separate legal entity was not created. The agreement allows the cities to pool resources and share the costs, risks, and rewards of providing services. Further, each city retains an ongoing financial interest and ongoing financial responsibility in the operations of the System. The City has reported its share of assets, liabilities, equity, revenues and expenses that are associated with this joint activity in its wastewater fund as follows:

Current assets	\$ 8,332,776
Capital assets	32,532,236
Current liabilities	(1,341,882)
Noncurrent liabilities	<u>(154,553)</u>
Net position	<u>\$ 39,368,577</u>
Operating revenue	\$ 542,235
Operating expenses	(4,908,168)
Non-operating revenue	<u>12,019</u>
Change in net position	<u>\$ (4,353,914)</u>

R. 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.

S. Change in Accounting Principles

Effective October 1, 2013, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. With the adoption of GASB Statement No. 65, the City reclassified certain unavailable revenues, such as property taxes, court fines, special assessments, etc., to deferred inflows of resources in the governmental funds.

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detailed Notes on All Funds (continued)

S. Change in Accounting Principles (continued)

Additionally, the City reclassified the deferred loss on refunding bonds from bonds payable to deferred outflows of resources in the statements of net position. Finally, the City reported a cumulative effect of a change in accounting to expense bond issuance costs as incurred, which reduced the net position of the City at October 1, 2013 by \$806,206 for governmental activities, \$1,926,547 for business-type activities, \$1,300,031 for the water fund, \$544,331 for the wastewater fund, and \$82,185 for the solid waste fund.

T. Prior Period Adjustments

During the current year, the City determined that amounts previously reported as unavailable revenue and unearned revenue should be recognized as revenue. Accordingly, restricted fund balance/net position at October 1, 2013 was increased by \$1,028,277 for the general fund, \$2,562,113 for nonmajor governmental funds, \$1,174,035 for nonmajor enterprise funds, \$839,535 for governmental activities, and \$1,174,035 for business-type activities.

U. Authoritative Pronouncements Not Yet Effective

A 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. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (issued June 2012) – the objective of this statement is to improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2014.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations (issued January 2013) – the objective of this statement is to provide specific accounting and financial reporting guidance for combinations in the governmental environment. Additionally, this statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detailed Notes on All Funds (continued)

U. Authoritative Pronouncements Not Yet Effective (continued)

Governments about combination arrangements in which they engage and for disposals of government operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees (issued April 2013) – the objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. The requirements of this Statement are effective for reporting periods beginning after June 15, 2013.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68 (issued November 2013) – the objective of this statement is to address the issue related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2014.



**Combining and Individual
Fund Statements and Schedules**



General Fund



City of Waco, Texas
General Fund
Comparative Balance Sheets
September 30, 2014 and 2013

	2014	2013
Assets		
Cash and investments	\$ 48,314,509	40,942,152
Accounts receivable, net of allowance	3,830,936	3,655,750
Taxes receivable, net of allowance	7,730,727	7,171,284
Notes receivable	-	1,000
Due from other funds	1,155,082	3,405,403
Intergovernmental receivable	1,042,335	1,391,071
Inventory	734,557	536,785
Real estate held for resale	6,160	6,160
	<u>\$ 62,814,306</u>	<u>57,109,605</u>
Liabilities		
Liabilities:		
Accounts payable	\$ 3,049,944	2,081,080
Accrued liabilities	3,644,319	4,393,075
Unearned revenue	28,645	29,429
Due to other funds	674,191	886,859
Deposits	274,839	241,056
Escrow funds	221,555	244,698
Total liabilities	<u>7,893,493</u>	<u>7,876,197</u>
Deferred Inflow of Resources		
Deferred inflow of resources:		
Unavailable revenue:		
Property taxes	1,588,148	1,370,506
Court fines	612,785	471,428
Other	922,221	922,221
Total deferred inflow of resources	<u>3,123,154</u>	<u>2,764,155</u>
Fund Balances		
Nonspendable:		
Inventory	734,557	536,785
Real estate held for resale	6,160	6,160
Restricted:		
Municipal information	703,924	636,993
Culture and recreation	918,377	689,343
Public safety	83,856	377,841
Economic development	-	100,996
Committed:		
Economic development	9,532,164	8,719,518
Assigned:		
Capital improvements	15,050,171	9,073,859
Economic development	3,048,263	6,078,636
Housing and community development	25,000	25,000
Public safety	140,595	10,173
Culture and recreation	16,230	15,305
Public works	4,677	470,084
Other	490,289	124,312
Unassigned	21,043,396	19,604,248
Total fund balances	<u>51,797,659</u>	<u>46,469,253</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 62,814,306</u>	<u>57,109,605</u>

See accompanying independent auditor's report.

City of Waco, Texas
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Years Ended September 30, 2014 and 2013

	2014	2013
Revenues:		
Taxes	\$ 75,866,868	72,988,945
Business and occupation fees	14,181,593	13,405,186
Permits, licenses and fees	1,348,415	1,170,932
Fines	2,416,605	1,807,306
Charges for services	1,639,054	1,643,861
Investment earnings	145,363	107,101
Contributions	883,787	392,918
Intergovernmental	1,682,910	1,568,064
Other	9,256,237	9,754,703
Total revenues	107,420,832	102,839,016
Expenditures:		
General government	17,230,269	16,189,167
Public works	2,583,490	3,214,854
Public safety	60,162,734	57,762,483
Culture and recreation	12,926,462	11,946,865
Housing and community development	192,147	177,536
Total expenditures	93,095,102	89,290,905
Excess of revenues over expenditures	14,325,730	13,548,111
Other financing sources (uses):		
Proceeds from sale of capital assets	105,278	290,376
Transfers in	4,683,880	4,634,431
Transfers out	(13,786,482)	(10,627,147)
Total other financing sources (uses)	(8,997,324)	(5,702,340)
Net change in fund balances	5,328,406	7,845,771
Fund balances, beginning of year,		
as previously stated	46,469,253	37,648,188
Prior period adjustment	-	975,294
Fund balances, beginning of year,		
as restated	46,469,253	38,623,482
Fund balances, end of year	\$ 51,797,659	46,469,253

See accompanying independent auditor's report.

Nonmajor Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure 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.



City of Waco, Texas
Nonmajor Governmental Funds
Combining Balance Sheets
September 30, 2014
(With Comparative Totals for September 30, 2013)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2014	2013
Assets						
Cash and investments	\$ 14,746,816	164,813	15,758,414	478,848	31,148,891	31,927,812
Accounts receivable, net of allowances	80,578	-	3,025	-	83,603	220,946
Special assessments receivable	11,315	-	-	-	11,315	2,258
Taxes receivable	119,427	407,465	-	-	526,892	498,653
Notes receivable	2,497,322	-	-	-	2,497,322	2,762,113
Due from other funds	1,073,758	-	4,886,764	-	5,960,522	6,818,230
Advances to other funds	-	-	168,368	-	168,368	168,368
Intergovernmental receivable	1,498,052	-	4,800	-	1,502,852	2,310,790
Real estate held for resale	40,061	-	-	-	40,061	40,061
Total assets	\$ 20,067,329	572,278	20,821,371	478,848	41,939,826	44,749,231
Liabilities						
Accounts payable	\$ 1,331,011	-	476,559	-	1,807,570	1,075,051
Accrued liabilities	918,920	-	367,427	-	1,286,347	1,593,409
Unearned revenue	13,194	-	-	-	13,194	2,510
Due to other funds	464,316	-	5,566,137	-	6,030,453	6,674,288
Escrow funds	27,556	-	-	-	27,556	28,498
Total liabilities	2,754,997	-	6,410,123	-	9,165,120	9,373,756
Deferred Inflows of Resources						
Deferred inflows of resources:						
Unavailable revenue-property taxes	119,427	386,376	-	-	505,803	454,763
Unavailable revenue-special assessments	11,315	-	-	-	11,315	2,258
Total deferred inflows of resources	130,742	386,376	-	-	517,118	457,021
Fund Balances						
Nonspendable:						
Parks and cemetery care	-	-	-	478,848	478,848	477,891
Real estate held for resale	40,061	-	-	-	40,061	40,061
Advances to other funds	-	-	168,368	-	168,368	168,368
Restricted for:						
Debt service	-	185,902	-	-	185,902	238,053
Capital projects	-	-	11,828,967	-	11,828,967	15,531,634
Tax increment zone activities	10,891,785	-	-	-	10,891,785	10,960,465
Housing and community development	2,333,652	-	-	-	2,333,652	2,676,979
Public safety	1,406,274	-	-	-	1,406,274	1,831,495
Culture and recreation	1,302,930	-	-	-	1,302,930	755,434
Waco Public Improvement District	645,008	-	-	-	645,008	611,577
Committed to:						
Capital projects	-	-	2,413,913	-	2,413,913	1,275,085
Public health	561,880	-	-	-	561,880	351,412
Total fund balances	17,181,590	185,902	14,411,248	478,848	32,257,588	34,918,454
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,067,329	572,278	20,821,371	478,848	41,939,826	44,749,231

See accompanying independent auditors' report.

City of Waco, Texas
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended September 30, 2014
(With Comparative Totals for Year Ended September 30, 2013)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2014	2013
Revenues:						
Taxes	\$ 5,827,952	8,984,916	-	-	14,812,868	16,044,634
Permits, licenses and fees	1,170,604	-	-	-	1,170,604	1,190,778
Fines	138,544	-	-	-	138,544	108,598
Investment earnings	34,172	3,152	112,738	945	151,007	178,611
Contributions	28	-	-	-	28	111,212
Intergovernmental	8,490,477	-	105,306	-	8,595,783	9,320,397
Program income	338,265	-	-	-	338,265	297,998
Other	772,364	-	-	12	772,376	572,648
Total revenues	<u>16,772,406</u>	<u>8,988,068</u>	<u>218,044</u>	<u>957</u>	<u>25,979,475</u>	<u>27,824,876</u>
Expenditures:						
Current:						
General government	7,707,355	-	-	-	7,707,355	11,206,005
Public works	-	-	-	-	-	-
Public safety	2,359,044	-	-	-	2,359,044	3,002,864
Culture and recreation	1,072,167	-	-	-	1,072,167	845,701
Housing and community development	2,967,944	-	-	-	2,967,944	2,911,407
Public health	7,267,366	-	-	-	7,267,366	7,271,899
Capital outlay	-	-	10,002,288	-	10,002,288	14,814,436
Debt service:						
Principal	-	5,340,143	-	-	5,340,143	5,912,954
Interest and fiscal charges	-	3,788,820	-	-	3,788,820	3,946,312
Bond issuance costs	-	26,107	-	-	26,107	35,891
Total expenditures	<u>21,373,876</u>	<u>9,155,070</u>	<u>10,002,288</u>	<u>-</u>	<u>40,531,234</u>	<u>49,947,469</u>
Excess deficiency of revenues over (under) expenditures	<u>(4,601,470)</u>	<u>(167,002)</u>	<u>(9,784,244)</u>	<u>957</u>	<u>(14,551,759)</u>	<u>(22,122,593)</u>
Other financing sources (uses):						
Refunding bonds issued	-	-	-	-	-	1,700,000
Payment to refunded bond escrow agent	-	-	-	-	-	(1,999,938)
Premium on refunding bonds	-	-	-	-	-	316,832
General obligation bonds issued	-	25,203	1,619,797	-	1,645,000	2,175,000
Premium on general obligation bonds	-	904	58,136	-	59,040	168,544
Transfers in	5,060,148	88,744	7,672,059	-	12,820,951	10,301,279
Transfers out	(504,511)	-	(2,129,587)	-	(2,634,098)	(2,518,711)
Total other financing sources (uses)	<u>4,555,637</u>	<u>114,851</u>	<u>7,220,405</u>	<u>-</u>	<u>11,890,893</u>	<u>10,143,006</u>
Net change in fund balances	<u>(45,833)</u>	<u>(52,151)</u>	<u>(2,563,839)</u>	<u>957</u>	<u>(2,660,866)</u>	<u>(11,979,587)</u>
Fund balances, beginning of year, as previously stated	17,227,423	238,053	16,975,087	477,891	34,918,454	44,349,480
Prior period adjustment	-	-	-	-	-	2,548,561
Fund balances, beginning of year, as restated	<u>17,227,423</u>	<u>238,053</u>	<u>16,975,087</u>	<u>477,891</u>	<u>34,918,454</u>	<u>46,898,041</u>
Fund balances, end of year	<u>\$ 17,181,590</u>	<u>185,902</u>	<u>14,411,248</u>	<u>478,848</u>	<u>32,257,588</u>	<u>34,918,454</u>

See accompanying independent auditor's report.

Nonmajor Special Revenue Funds

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

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

Health Programs Fund - This fund is used to account for the activities of the City's health programs operated within McLennan County. Financing is provided from patients' fees, assessments from other governments, and other miscellaneous revenues and federal and state awards. Also included in this fund are contributions to Heart of Texas Community Health Center, Inc.

Grant Fund - This fund is used to account for the activities of all grants not accounted for elsewhere.

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 1436-3, 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 Forfeiture Fund - This fund is used to account for the receipt and expenditure of revenues derived from crime seizures that are for police purposes.

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.

City of Waco, Texas
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2014
(With Comparative Totals for September 30, 2013)

	<u>Tax Increment Fund No. 1</u>	<u>Tax Increment Fund No. 2</u>	<u>Tax Increment Fund No. 3</u>	<u>Health Programs Fund</u>	<u>Grant Fund</u>	<u>Waco Public Improvement District No. 1 Fund</u>
Assets						
Cash and investments	\$ 9,843,713	1,723,220	65,196	573,572	501,612	668,254
Accounts receivable, net of allowances	17,274	-	-	22,015	41,289	-
Special assessments receivable	-	-	-	-	-	11,315
Taxes receivable	119,427	-	-	-	-	-
Notes receivable	-	-	-	-	2,497,322	-
Intergovernmental receivable	50,358	-	-	730,594	717,100	-
Due from other funds	-	-	-	-	1,073,758	-
Real estate held for resale	-	-	-	-	40,061	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 10,030,772</u>	<u>1,723,220</u>	<u>65,196</u>	<u>1,326,181</u>	<u>4,871,142</u>	<u>679,569</u>
Liabilities						
Liabilities:						
Accounts and contracts payable	\$ 807,976	-	-	117,386	378,459	23,246
Accrued liabilities	-	-	-	619,359	299,561	-
Unearned revenues	-	-	-	-	13,194	-
Due to other funds	-	-	-	-	464,316	-
Escrow funds	-	-	-	27,556	-	-
Total liabilities	<u>807,976</u>	<u>-</u>	<u>-</u>	<u>764,301</u>	<u>1,155,530</u>	<u>23,246</u>
Deferred Inflows of Resources						
Unavailable revenue-property taxes	119,427	-	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-	11,315
Total deferred inflows of resources	<u>119,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,315</u>
Fund Balances						
Nonspendable:						
Real estate held for resale	-	-	-	-	40,061	-
Restricted for:						
Tax increment zone activities	9,103,369	1,723,220	65,196	-	-	-
Housing and community development	-	-	-	-	2,333,652	-
Public safety	-	-	-	-	77,229	-
Culture and recreation	-	-	-	-	1,264,670	-
Waco Public Improvement District	-	-	-	-	-	645,008
Committed to:						
Public health	-	-	-	561,880	-	-
Total fund balances	<u>9,103,369</u>	<u>1,723,220</u>	<u>65,196</u>	<u>561,880</u>	<u>3,715,612</u>	<u>645,008</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,030,772</u>	<u>1,723,220</u>	<u>65,196</u>	<u>1,326,181</u>	<u>4,871,142</u>	<u>679,569</u>

See accompanying independent auditor's report.

Abandoned Motor Vehicle Fund	Police Forfeitures Fund	Court Security Fund	Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
						2014	2013
166,372	179,304	508,025	479,288	8,882	29,378	14,746,816	13,161,783
-	-	-	-	-	-	80,578	218,221
-	-	-	-	-	-	11,315	2,258
-	-	-	-	-	-	119,427	72,455
-	-	-	-	-	-	2,497,322	2,762,113
-	-	-	-	-	-	1,498,052	2,260,316
-	-	-	-	-	-	1,073,758	926,530
-	-	-	-	-	-	40,061	40,061
<u>166,372</u>	<u>179,304</u>	<u>508,025</u>	<u>479,288</u>	<u>8,882</u>	<u>29,378</u>	<u>20,067,329</u>	<u>19,443,737</u>
1,112	2,280	-	552	-	-	1,331,011	713,678
-	-	-	-	-	-	918,920	323,146
-	-	-	-	-	-	13,194	2,510
-	-	-	-	-	-	464,316	1,073,769
-	-	-	-	-	-	27,556	28,498
<u>1,112</u>	<u>2,280</u>	<u>-</u>	<u>552</u>	<u>-</u>	<u>-</u>	<u>2,754,997</u>	<u>2,141,601</u>
-	-	-	-	-	-	119,427	72,455
-	-	-	-	-	-	11,315	2,258
-	-	-	-	-	-	130,742	74,713
-	-	-	-	-	-	40,061	40,061
-	-	-	-	-	-	10,891,785	10,960,465
-	-	-	-	-	-	2,333,652	2,676,979
165,260	177,024	508,025	478,736	-	-	1,406,274	1,831,495
-	-	-	-	8,882	29,378	1,302,930	755,434
-	-	-	-	-	-	645,008	611,577
-	-	-	-	-	-	561,880	351,412
<u>165,260</u>	<u>177,024</u>	<u>508,025</u>	<u>478,736</u>	<u>8,882</u>	<u>29,378</u>	<u>17,181,590</u>	<u>17,227,423</u>
<u>166,372</u>	<u>179,304</u>	<u>508,025</u>	<u>479,288</u>	<u>8,882</u>	<u>29,378</u>	<u>20,067,329</u>	<u>19,443,737</u>

City of Waco, Texas
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 2014
(With Comparative Totals for Year Ended September 30, 2013)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3	Health Programs Fund	Grant Fund	Waco Public Improvement District No. 1 Fund
Revenues:						
Taxes	\$ 5,438,036	88,546	430	-	-	300,940
Permits, licenses and fees	-	-	-	939,633	-	-
Fines	-	-	-	-	-	-
Investment earnings	25,559	4,321	167	1,788	-	1,746
Intergovernmental	1,518,308	6,577	32	3,254,021	3,711,539	-
Program income	-	-	-	248,220	90,045	-
Contributions	-	-	-	-	-	28
Other	100,000	-	-	360,233	115,059	52,899
Total revenues	<u>7,081,903</u>	<u>99,444</u>	<u>629</u>	<u>4,803,895</u>	<u>3,916,643</u>	<u>355,613</u>
Expenditures:						
Current:						
General government	7,161,912	-	-	-	223,261	322,182
Public safety	-	-	-	-	2,179,461	-
Culture and recreation	-	-	-	-	1,065,542	-
Housing and community development	-	-	-	-	2,967,944	-
Public health	-	-	-	7,267,366	-	-
Total expenditures	<u>7,161,912</u>	<u>-</u>	<u>-</u>	<u>7,267,366</u>	<u>6,436,208</u>	<u>322,182</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,009)</u>	<u>99,444</u>	<u>629</u>	<u>(2,463,471)</u>	<u>(2,519,565)</u>	<u>33,431</u>
Other financing sources (uses):						
Transfers in	-	-	-	2,673,939	2,386,209	-
Transfers out	(88,744)	-	-	-	-	-
Total other financing sources (uses)	<u>(88,744)</u>	<u>-</u>	<u>-</u>	<u>2,673,939</u>	<u>2,386,209</u>	<u>-</u>
Net change in fund balances	<u>(168,753)</u>	<u>99,444</u>	<u>629</u>	<u>210,468</u>	<u>(133,356)</u>	<u>33,431</u>
Fund balances, beginning of year, as previously stated	9,272,122	1,623,776	64,567	351,412	3,848,968	611,577
Prior period adjustment	-	-	-	-	-	-
Fund balances, beginning of year, as restated	<u>9,272,122</u>	<u>1,623,776</u>	<u>64,567</u>	<u>351,412</u>	<u>3,848,968</u>	<u>611,577</u>
Fund balances, end of year	<u>\$ 9,103,369</u>	<u>1,723,220</u>	<u>65,196</u>	<u>561,880</u>	<u>3,715,612</u>	<u>645,008</u>

See accompanying independent auditor's report.

Abandoned Motor Vehicle Fund	Police Forfeitures Fund	Court Security Fund	Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
						2014	2013
-	-	-	-	-	-	5,827,952	6,410,820
230,971	-	-	-	-	-	1,170,604	1,190,778
-	-	59,374	79,170	-	-	138,544	108,598
-	200	-	-	49	342	34,172	29,817
-	-	-	-	-	-	8,490,477	9,230,944
-	-	-	-	-	-	338,265	297,998
-	-	-	-	-	-	28	-
-	144,173	-	-	-	-	772,364	570,935
<u>230,971</u>	<u>144,373</u>	<u>59,374</u>	<u>79,170</u>	<u>49</u>	<u>342</u>	<u>16,772,406</u>	<u>17,839,890</u>
-	-	-	-	-	-	7,707,355	11,206,005
26,528	102,551	6,500	44,004	-	-	2,359,044	3,002,864
-	-	-	-	-	6,625	1,072,167	845,701
-	-	-	-	-	-	2,967,944	2,911,407
-	-	-	-	-	-	7,267,366	7,271,899
<u>26,528</u>	<u>102,551</u>	<u>6,500</u>	<u>44,004</u>	<u>-</u>	<u>6,625</u>	<u>21,373,876</u>	<u>25,237,876</u>
<u>204,443</u>	<u>41,822</u>	<u>52,874</u>	<u>35,166</u>	<u>49</u>	<u>(6,283)</u>	<u>(4,601,470)</u>	<u>(7,397,986)</u>
-	-	-	-	-	-	5,060,148	3,926,191
(340,068)	-	(75,699)	-	-	-	(504,511)	(835,735)
<u>(340,068)</u>	<u>-</u>	<u>(75,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,555,637</u>	<u>3,090,456</u>
<u>(135,625)</u>	<u>41,822</u>	<u>(22,825)</u>	<u>35,166</u>	<u>49</u>	<u>(6,283)</u>	<u>(45,833)</u>	<u>(4,307,530)</u>
300,885	135,202	530,850	443,570	8,833	35,661	17,227,423	18,986,392
-	-	-	-	-	-	-	2,548,561
<u>300,885</u>	<u>135,202</u>	<u>530,850</u>	<u>443,570</u>	<u>8,833</u>	<u>35,661</u>	<u>17,227,423</u>	<u>21,534,953</u>
<u>165,260</u>	<u>177,024</u>	<u>508,025</u>	<u>478,736</u>	<u>8,882</u>	<u>29,378</u>	<u>17,181,590</u>	<u>17,227,423</u>



Tax Increment Fund No. 1

City of Waco, Texas
Tax Increment Fund No. 1
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ 9,843,713	9,131,063
Accounts receivable, net of allowance	17,274	6,449
Intergovernmental receivable	50,358	369,045
Taxes receivable	<u>119,427</u>	<u>72,455</u>
Total assets	<u>\$ 10,030,772</u>	<u>9,579,012</u>
Liabilities		
Liabilities:		
Accounts payable	<u>\$ 807,976</u>	<u>234,435</u>
Total liabilities	<u>807,976</u>	<u>234,435</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	<u>119,427</u>	<u>72,455</u>
Total deferred inflows of resources	<u>119,427</u>	<u>72,455</u>
Fund Balances		
Fund balances:		
Restricted for:		
Tax increment zone activities	<u>9,103,369</u>	<u>9,272,122</u>
Total fund balances	<u>9,103,369</u>	<u>9,272,122</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,030,772</u>	<u>9,579,012</u>

See accompanying independent auditor's report.

City of Waco, Texas
Tax Increment Fund No. 1
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
Years Ended September 30, 2014 and 2013

	2014	2013
Revenues:		
Property taxes	\$ 5,394,925	5,767,960
Interest and penalty on taxes	43,111	238,382
Investment earnings	25,559	23,402
Other	100,000	-
Intergovernmental	1,518,308	1,142,853
Total revenues	7,081,903	7,172,597
Expenditures:		
General government:		
Purchased professional/technical services	5,235,112	9,264,754
Capital expenditures	1,426,800	876,809
Other expenditures	500,000	500,000
Total expenditures	7,161,912	10,641,563
Excess of (deficiency) of revenues over (under) expenditures	(80,009)	(3,468,966)
Other financing uses:		
Transfers out	(88,744)	(226,735)
Total other financing uses	(88,744)	(226,735)
Net change in fund balances	(168,753)	(3,695,701)
Fund balances, beginning of year	9,272,122	12,967,823
Fund balances, end of year	\$ 9,103,369	9,272,122

See accompanying independent auditor's report.



Tax Increment Fund No. 2

City of Waco, Texas
Tax Increment Fund No. 2
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ 1,723,220	1,623,727
Accounts receivable, net of allowance	<u>-</u>	<u>49</u>
Total assets	<u>\$ 1,723,220</u>	<u>1,623,776</u>
Fund Balances		
Fund balances:		
Restricted for:		
Tax increment zone activities	\$ <u>1,723,220</u>	<u>1,623,776</u>
Total fund balances	<u>\$ 1,723,220</u>	<u>1,623,776</u>

See accompanying independent auditor's report.

City of Waco, Texas
Tax Increment Fund No. 2
Comparative Statements of Revenues, Expenditures, and
Changes in Fund Balances
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Property taxes	\$ 88,546	81,009
Investment earnings	4,321	3,262
Intergovernmental	<u>6,577</u>	<u>6,142</u>
Total revenues	<u>99,444</u>	<u>90,413</u>
Net change in fund balances	99,444	90,413
Fund balances, beginning of year	<u>1,623,776</u>	<u>1,533,363</u>
Fund balances, end of year	<u><u>\$ 1,723,220</u></u>	<u><u>1,623,776</u></u>

See accompanying independent auditor's report.



Tax Increment Fund No. 3

City of Waco, Texas
Tax Increment Fund No. 3
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ 65,196	64,518
Accounts receivable, net of allowance	<u>-</u>	<u>49</u>
Total assets	<u>\$ 65,196</u>	<u>64,567</u>
Fund Balances		
Fund balances:		
Restricted for:		
Tax increment zone activities	\$ <u>65,196</u>	<u>64,567</u>
Total fund balances	<u>\$ 65,196</u>	<u>64,567</u>

See accompanying independent auditor's report.

City of Waco, Texas
Tax Increment Fund No. 3
Comparative Statements of Revenues, Expenditures, and
Changes in Fund Balances
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Property taxes	\$ 430	316
Investment earnings	167	131
Intergovernmental	<u>32</u>	<u>73</u>
Total revenues	<u>629</u>	<u>520</u>
Expenditures:		
General government	<u>-</u>	<u>-</u>
Net change in fund balances	629	520
Fund balances, beginning of year	<u>64,567</u>	<u>64,047</u>
Fund balances, end of year	<u><u>\$ 65,196</u></u>	<u><u>64,567</u></u>

See accompanying independent auditor's report.



Health Programs Fund

City of Waco, Texas
Health Programs Fund
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ 573,572	-
Accounts receivable, net of allowance	22,015	88,035
Intergovernmental receivable	<u>730,594</u>	<u>687,604</u>
Total assets	<u>\$ 1,326,181</u>	<u>775,639</u>
Liabilities		
Liabilities:		
Accounts payable	\$ 117,386	72,929
Accrued liabilities	619,359	101,135
Escrow funds	27,556	28,498
Due to other funds	<u>-</u>	<u>221,665</u>
Total liabilities	<u>764,301</u>	<u>424,227</u>
Fund Balance		
Fund balances:		
Committed to:		
Public health	<u>561,880</u>	<u>351,412</u>
Total fund balance	<u>561,880</u>	<u>351,412</u>
Total liabilities and fund balance	<u>\$ 1,326,181</u>	<u>775,639</u>

See accompanying independent auditor's report.

City of Waco, Texas
Health Programs Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balance
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Permits, licenses and fees	\$ 939,633	957,763
Intergovernmental	3,254,021	3,318,625
Program income	248,220	239,293
Investment earnings	1,788	1,054
Other	360,233	413,641
Total revenues	<u>4,803,895</u>	<u>4,930,376</u>
Expenditures:		
Public health:		
Health and administrative services	2,050,229	1,983,552
Environmental health services	397,538	379,306
Public health nursing services	836,139	895,874
Sexually transmitted disease	319,177	328,338
HIV/AIDS services	175,727	173,774
Public health services	3,488,556	3,511,055
Total expenditures	<u>7,267,366</u>	<u>7,271,899</u>
Deficiency of revenues under expenditures	(2,463,471)	(2,341,523)
Other financing sources:		
Transfers in	<u>2,673,939</u>	<u>2,535,350</u>
Net change in fund balances	210,468	193,827
Fund balance, beginning of year	<u>351,412</u>	<u>157,585</u>
Fund balance, end of year	<u>\$ 561,880</u>	<u>351,412</u>

See accompanying independent auditor's report

City of Waco, Texas
Health Programs Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Year Ended September 30, 2014
(With Comparative Actual Amounts for Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Health Administrative Services:					
Death and birth certificates	\$ 253,830	253,830	258,396	4,566	256,543
Interest on investments	-	-	1,788	1,788	1,054
Intergovernmental	-	-	-	-	131
Revenue - other	361,557	361,557	358,311	(3,246)	382,224
Total	615,387	615,387	618,495	3,108	639,952
Environmental Health Services:					
Health and welfare fees	436,115	436,115	445,842	9,727	410,817
Intergovernmental	97,127	97,127	14,048	(83,079)	47,500
Revenue - other	1,304	1,304	811	(493)	695
Total	534,546	534,546	460,701	(73,845)	459,012
Public Health Nursing Services:					
Health and welfare fees	200,034	200,034	210,569	10,535	261,197
Intergovernmental	-	-	-	-	-
Revenue - other	-	-	-	-	29,846
Total	200,034	200,034	210,569	10,535	291,043
Sexually Transmitted Diseases:					
Health and welfare fees	30,299	30,299	24,826	(5,473)	29,206
Total	30,299	30,299	24,826	(5,473)	29,206
HIV/AIDS Services:					
Revenue - other	-	-	748	748	108
Total	-	-	748	748	108
Public Health Services:					
Program income	-	248,220	248,220	-	239,293
Intergovernmental	-	3,239,973	3,239,973	-	3,270,994
Revenue - other	-	363	363	-	768
Total	-	3,488,556	3,488,556	-	3,511,055
Total revenues	1,380,266	4,868,822	4,803,895	(64,927)	4,930,376
Expenditures:					
Health Administrative Services:					
Salaries and wages	448,830	445,055	425,744	19,311	440,116
Employee benefits	159,363	159,363	148,018	11,345	152,228
Purchased professional/technical services	36,056	29,775	26,702	3,073	34,528
Purchased property services	4,773	4,773	2,588	2,185	4,536
Maintenance	-	450	497	(47)	-
Other purchased services	23,234	25,157	24,193	964	19,821
Supplies	35,284	42,967	38,585	4,382	32,083
Contracts with others	990,100	990,100	990,100	-	990,100
Other	393,802	393,802	393,802	-	310,140
Total health administrative services	2,091,442	2,091,442	2,050,229	41,213	1,983,552

City of Waco, Texas
Health Programs Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
(Continued)

Year Ended September 30, 2014

(With Comparative Actual Amounts for Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued):					
Environmental Health Services:					
Salaries and wages	\$ 292,140	292,140	258,411	33,729	236,113
Employee benefits	108,741	108,741	87,731	21,010	86,322
Purchased professional/technical services	5,215	5,215	-	5,215	2,964
Maintenance	12,396	12,396	9,038	3,358	15,072
Other purchased services	12,850	12,850	14,144	(1,294)	9,468
Supplies	34,271	34,271	28,214	6,057	29,367
Total environmental health services	<u>465,613</u>	<u>465,613</u>	<u>397,538</u>	<u>68,075</u>	<u>379,306</u>
Health Nursing Services:					
Salaries and wages	508,816	482,690	441,402	41,288	461,061
Employee benefits	175,138	168,327	154,574	13,753	155,982
Purchased professional/technical services	3,350	3,350	5,390	(2,040)	37,541
Maintenance	3,445	3,445	2,482	963	2,125
Other purchased services	25,183	26,383	25,724	659	21,486
Supplies	240,872	272,609	206,567	66,042	217,679
Total public health nursing services	<u>956,804</u>	<u>956,804</u>	<u>836,139</u>	<u>120,665</u>	<u>895,874</u>
Sexually Transmitted Disease:					
Salaries and wages	225,007	225,007	195,650	29,357	208,700
Employee benefits	82,149	82,149	70,697	11,452	74,091
Purchased professional/technical services	11,687	11,687	11,800	(113)	11,495
Maintenance	200	200	165	35	-
Other purchased services	14,163	14,163	13,967	196	10,008
Supplies	27,374	27,374	26,898	476	24,044
Total sexually transmitted disease	<u>360,580</u>	<u>360,580</u>	<u>319,177</u>	<u>41,403</u>	<u>328,338</u>
HIV/AIDS Services:					
Salaries and wages	120,111	120,111	119,901	210	117,803
Employee benefits	41,295	41,295	40,774	521	39,810
Purchased professional/technical services	2,500	2,500	1,760	740	2,720
Other purchased services	10,277	10,277	8,681	1,596	7,508
Supplies	5,583	5,583	4,611	972	5,933
Total HIV/AIDS services	<u>179,766</u>	<u>179,766</u>	<u>175,727</u>	<u>4,039</u>	<u>173,774</u>
Public Health Services:					
Salaries and wages	-	1,741,308	1,741,308	-	1,747,943
Employee benefits	-	657,108	657,108	-	661,799
Purchased professional/technical services	-	182,140	182,140	-	226,861
Purchased property services	-	122,992	122,992	-	112,749
Maintenance	-	6,452	6,452	-	15,879
Other purchased services	-	194,243	194,243	-	182,729
Supplies	-	374,724	374,724	-	388,907
Other	-	174,697	174,697	-	174,188
Capital expenditures	-	34,892	34,892	-	-
Total public health services	<u>-</u>	<u>3,488,556</u>	<u>3,488,556</u>	<u>-</u>	<u>3,511,055</u>

City of Waco, Texas
Health Programs Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
(Continued)
Year Ended September 30, 2014
(With Comparative Actual Amounts for Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Total expenditures	\$ 4,054,205	7,542,761	7,267,366	275,395	7,271,899
Deficiency of revenues over expenditures	(2,673,939)	(2,673,939)	(2,463,471)	210,468	(2,341,523)
Other financing sources:					
Transfers in	2,673,939	2,673,939	2,673,939	-	2,535,350
Total other financing sources	2,673,939	2,673,939	2,673,939	-	2,535,350
Net change in fund balance	-	-	210,468	210,468	193,827
Fund balance (deficit), beginning of year	351,412	351,412	351,412	-	157,585
Fund balance, end of year	\$ 351,412	351,412	561,880	210,468	351,412

See accompanying independent auditor's report.

Grant Fund

City of Waco, Texas
Grant Fund
Sub-Combining Balance Sheet
September 30, 2014
(With Comparative Totals for September 30, 2013)

	HUD Community Development Block Grant	HUD Home Program	HUD Continuum of Care HMIS	HUD Enterprise Community
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Assets:				
Cash and investments	\$ 108,651	-	-	-
Accounts receivable, net of allowances	28,554	8,915	3,140	-
Notes receivable	823,198	1,666,304	-	-
Intergovernmental receivable	154,212	226,619	877	-
Real estate held for resale	40,061	-	-	-
Due from other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>1,154,676</u>	<u>1,901,838</u>	<u>4,017</u>	<u>-</u>
Liabilities				
Liabilities:				
Accounts payable	\$ 79,596	245,511	126	-
Accrued liabilities	175,491	2,213	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	187,810	3,891	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>255,087</u>	<u>435,534</u>	<u>4,017</u>	<u>-</u>
Fund Balances				
Fund balances:				
Nonspendable:				
Real estate held for resale	40,061	-	-	-
Restricted for:				
Housing and community development	859,528	1,466,304	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>899,589</u>	<u>1,466,304</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>1,154,676</u>	<u>1,901,838</u>	<u>4,017</u>	<u>-</u>

<u>HUD EDI</u>	<u>HUD Shelter Plus and Continuum of Care</u>	<u>TxDOT MPO FHWA</u>	<u>Brownfields</u>	<u>13 CJD Family Violence</u>	<u>ICD Phase II</u>	<u>SAFER 2008</u>
-	-	-	75,808	-	247	5,141
-	-	680	-	-	-	-
7,820	-	-	-	-	-	-
-	13,197	77,667	-	10,417	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,820</u>	<u>13,197</u>	<u>78,347</u>	<u>75,808</u>	<u>10,417</u>	<u>247</u>	<u>5,141</u>
-	-	299	1,583	-	-	-
-	13,197	4,431	-	5,637	-	5,141
-	-	-	-	-	247	-
-	-	73,617	-	4,780	-	-
-	13,197	78,347	1,583	10,417	247	5,141
-	-	-	-	-	-	-
7,820	-	-	-	-	-	-
-	-	-	74,225	-	-	-
-	-	-	-	-	-	-
<u>7,820</u>	<u>-</u>	<u>-</u>	<u>74,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,820</u>	<u>13,197</u>	<u>78,347</u>	<u>75,808</u>	<u>10,417</u>	<u>247</u>	<u>5,141</u>

(Continued)

City of Waco, Texas
Grant Fund
Sub-Combining Balance Sheet
(Continued)
September 30, 2014
(With Comparative Totals for September 30, 2013)

	<u>2013</u> <u>SHSP</u>	<u>STEP</u> <u>Comprehensive</u>	<u>14 CJD</u> <u>Family</u> <u>Violence</u>	<u>Victim</u> <u>Services</u> <u>2013</u>
Assets				
Assets:				
Cash and investments	\$ -	-	-	-
Accounts receivable, net of allowances	-	-	-	-
Notes receivable	-	-	-	-
Intergovernmental receivable	8,669	2,318	-	5,155
Real estate held for resale	-	-	-	-
Due from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 8,669</u>	<u>2,318</u>	<u>-</u>	<u>5,155</u>
Liabilities				
Liabilities:				
Accounts payable	\$ 4,787	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	3,882	2,318	-	5,155
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>8,669</u>	<u>2,318</u>	<u>-</u>	<u>5,155</u>
Fund Balances				
Fund balances:				
Nonspendable:				
Real estate held for resale	-	-	-	-
Restricted for:				
Housing and community development	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 8,669</u>	<u>2,318</u>	<u>-</u>	<u>5,155</u>

<u>Victim Services 2015</u>	<u>Police LEOSE</u>	<u>Fire LEOSE</u>	<u>Library Memorial Fund</u>	<u>Shapley Ross Library</u>	<u>Vision 2020 Comprehensive Plan</u>	<u>2011 JAG COMP</u>
-	1,205	1,799	110,657	98,780	1,210	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,590	-	-	-	-	-	3,822
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,590</u>	<u>1,205</u>	<u>1,799</u>	<u>110,657</u>	<u>98,780</u>	<u>1,210</u>	<u>3,822</u>

-	-	-	11,605	-	-	-
1,155	-	-	-	-	-	-
-	-	-	-	-	1,210	-
2,435	-	-	-	-	-	3,822
<u>3,590</u>	<u>-</u>	<u>-</u>	<u>11,605</u>	<u>-</u>	<u>1,210</u>	<u>3,822</u>

-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,205	1,799	-	-	-	-
-	-	-	99,052	98,780	-	-
<u>-</u>	<u>1,205</u>	<u>1,799</u>	<u>99,052</u>	<u>98,780</u>	<u>-</u>	<u>-</u>
<u>3,590</u>	<u>1,205</u>	<u>1,799</u>	<u>110,657</u>	<u>98,780</u>	<u>1,210</u>	<u>3,822</u>

(Continued)

City of Waco, Texas
Grant Fund
Sub-Combining Balance Sheet
(Continued)
September 30, 2014
(With Comparative Totals for September 30, 2013)

	2012 JAG	2013 JAG	Police Officer Memorial
Assets			
Assets:			
Cash and investments	\$ -	-	16
Accounts receivable, net of allowances	-	-	-
Notes receivable	-	-	-
Intergovernmental receivable	4,998	3,991	-
Real estate held for resale	-	-	-
Due from other funds	-	-	-
	<u>4,998</u>	<u>3,991</u>	<u>16</u>
Total assets	\$ 4,998	3,991	16
Liabilities			
Liabilities:			
Accounts payable	\$ 4,998	1,008	-
Accrued liabilities	-	-	-
Unearned revenues	-	-	16
Due to other funds	-	2,983	-
	<u>4,998</u>	<u>3,991</u>	<u>16</u>
Total liabilities	4,998	3,991	16
Fund Balances			
Fund balances:			
Nonspendable:			
Real estate held for resale	-	-	-
Restricted for:			
Housing and community development	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 4,998	3,991	16

See accompanying independent auditor's report.

2012 SHSP	Grande Clear Source Cable Ordinance	TX DOT River Baylor	TPW Boating Access	NLC Champs	Totals	
					2014	2013
-	85,374	-	-	12,724	501,612	257,946
-	-	-	-	-	41,289	123,331
-	-	-	-	-	2,497,322	2,762,113
-	-	-	201,568	-	717,100	1,203,667
-	-	-	-	-	40,061	40,061
-	-	405,310	668,448	-	1,073,758	926,530
-	85,374	405,310	870,016	12,724	4,871,142	5,313,648
-	-	-	27,946	1,000	378,459	388,055
-	-	-	92,296	-	299,561	222,011
-	-	-	-	11,721	13,194	2,510
-	-	-	173,623	-	464,316	852,104
-	-	-	293,865	12,721	1,155,530	1,464,680
-	-	-	-	-	40,061	40,061
-	-	-	-	-	2,333,652	2,676,979
-	-	-	-	-	77,229	420,988
-	85,374	405,310	576,151	3	1,264,670	710,940
-	85,374	405,310	576,151	3	3,715,612	3,848,968
-	85,374	405,310	870,016	12,724	4,871,142	5,313,648

City of Waco, Texas
Grant Fund
Sub-Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Year Ended September 30, 2014
(With Comparative Totals for the Year Ended September 30, 2013)

	HUD Community Development Block Grant	HUD Home Program	HUD Continuum of Care HMIS	HUD Enterprise Community
Revenues:				
Intergovernmental	\$ 1,336,952	921,147	62,757	-
Program income	22,804	67,158	-	-
Other	25,912	-	-	-
Total revenues	1,385,668	988,305	62,757	-
Expenditures:				
General government	-	-	-	-
Public works	-	-	-	-
Public safety	139,329	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	1,455,166	1,163,181	62,757	84,707
Total expenditures	1,594,495	1,163,181	62,757	84,707
Excess (deficiency) of revenues over (under) expenditures	(208,827)	(174,876)	-	(84,707)
Other financing sources:				
Transfers in	125,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources	125,000	-	-	-
Net change in fund balances	(83,827)	(174,876)	-	(84,707)
Fund balances, beginning of year, as previously stated	983,416	1,641,180	-	84,707
Prior period adjustment	-	-	-	-
Fund balances, beginning of year, as restated	983,416	1,641,180	-	84,707
Fund balances, end of year	\$ 899,589	1,466,304	-	-

HUD EDI	HUD Shelter Plus and Continuum of Care	TxDOT MPO FHWA	Brownfields	13 CJD Family Violence	ICD Phase II	SAFER 2008
-	168,857	223,261	-	10,417	-	1,627
83	-	-	-	-	-	-
-	-	-	-	-	-	-
83	168,857	223,261	-	10,417	-	1,627
-	-	223,261	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,286,895	16,026	-	227,642
-	-	-	-	-	-	-
-	168,857	-	-	-	-	-
-	168,857	223,261	1,286,895	16,026	-	227,642
83	-	-	(1,286,895)	(5,609)	-	(226,015)
-	-	-	940,932	5,609	-	226,015
-	-	-	-	-	-	-
-	-	-	940,932	5,609	-	226,015
83	-	-	(345,963)	-	-	-
7,737	-	-	420,188	-	-	-
-	-	-	-	-	-	-
7,737	-	-	420,188	-	-	-
7,820	-	-	74,225	-	-	-

(Continued)

City of Waco, Texas
Grant Fund

Sub-Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
(Continued)

Year Ended September 30, 2014

(With Comparative Totals for the Year Ended September 30, 2013)

	2013 SHSP	STEP Comprehensive	14 CJD Family Violence	Victim Services 2013
Revenues:				
Intergovernmental	\$ 41,967	93,244	109,953	31,669
Program income	-	-	-	-
Other	-	-	-	-
	<u>41,967</u>	<u>93,244</u>	<u>109,953</u>	<u>31,669</u>
Total revenues	<u>41,967</u>	<u>93,244</u>	<u>109,953</u>	<u>31,669</u>
Expenditures:				
General government	-	-	-	-
Public works	-	-	-	-
Public safety	41,967	117,382	169,158	31,669
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
	<u>41,967</u>	<u>117,382</u>	<u>169,158</u>	<u>31,669</u>
Total expenditures	<u>41,967</u>	<u>117,382</u>	<u>169,158</u>	<u>31,669</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(24,138)</u>	<u>(59,205)</u>	<u>-</u>
Other financing sources:				
Transfers in	-	24,138	59,205	-
Transfers out	-	-	-	-
	<u>-</u>	<u>24,138</u>	<u>59,205</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>24,138</u>	<u>59,205</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, as previously stated	-	-	-	-
Prior period adjustment	-	-	-	-
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Victim Services 2015	Police LEOSE	Fire LEOSE	Library Memorial Fund	Shapley Ross Library	Vision 2020 Comprehensive Plan	2011 JAG COMP
3,590	16,348	1,294	-	-	-	94,611
-	-	-	-	-	-	-
-	-	-	54,566	253	1,049	-
<u>3,590</u>	<u>16,348</u>	<u>1,294</u>	<u>54,566</u>	<u>253</u>	<u>1,049</u>	<u>94,611</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,590	15,143	295	-	-	-	94,611
-	-	-	23,707	-	3,438	-
-	-	-	-	-	-	-
<u>3,590</u>	<u>15,143</u>	<u>295</u>	<u>23,707</u>	<u>-</u>	<u>3,438</u>	<u>94,611</u>
-	1,205	999	30,859	253	(2,389)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,205	999	30,859	253	(2,389)	-
-	-	800	68,193	98,527	2,389	-
-	-	-	-	-	-	-
-	-	800	68,193	98,527	2,389	-
-	1,205	1,799	99,052	98,780	-	-

(Continued)

Grant Fund
Sub-Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
(Continued)
Year Ended September 30, 2014
(With Comparative Totals for the Year Ended September 30, 2013)

	2012 JAG	2013 JAG	Police Officer Memorial
Revenues:			
Intergovernmental	\$ 6,977	15,868	-
Program income	-	-	-
Other	-	-	-
Total revenues	<u>6,977</u>	<u>15,868</u>	<u>-</u>
Expenditures:			
General government	-	-	-
Public works	-	-	-
Public safety	6,977	15,868	-
Culture and recreation	-	-	-
Housing and community development	-	-	-
Total expenditures	<u>6,977</u>	<u>15,868</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, as previously stated	-	-	-
Prior period adjustment	-	-	-
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

See accompanying independent auditor's report

2012 SHSP	Grande Clear Source Cable Ordinance	TX DOT River Baylor	TPW Boating Access	NLC Champs	Totals	
					2014	2013
12,909	-	-	558,091	-	3,711,539	4,763,251
-	-	-	-	-	90,045	58,705
-	-	-	-	33,279	115,059	37,284
<u>12,909</u>	<u>-</u>	<u>-</u>	<u>558,091</u>	<u>33,279</u>	<u>3,916,643</u>	<u>4,859,240</u>
-	-	-	-	-	223,261	330,752
-	-	-	-	-	-	-
12,909	-	-	-	-	2,179,461	2,745,143
-	-	-	1,038,397	-	1,065,542	845,701
-	-	-	-	33,276	2,967,944	2,911,407
<u>12,909</u>	<u>-</u>	<u>-</u>	<u>1,038,397</u>	<u>33,276</u>	<u>6,436,208</u>	<u>6,833,003</u>
-	-	-	(480,306)	3	(2,519,565)	(1,973,763)
-	-	405,310	600,000	-	2,386,209	1,390,841
-	-	-	-	-	-	(159,000)
-	-	405,310	600,000	-	2,386,209	1,231,841
-	-	405,310	119,694	3	(133,356)	(741,922)
-	85,374	-	456,457	-	3,848,968	2,042,329
-	-	-	-	-	-	2,548,561
-	85,374	-	456,457	-	3,848,968	4,590,890
<u>-</u>	<u>85,374</u>	<u>405,310</u>	<u>576,151</u>	<u>3</u>	<u>3,715,612</u>	<u>3,848,968</u>



Waco Public Improvement District No. 1 Fund

City of Waco, Texas
Waco Public Improvement District No. 1 Fund
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ 668,254	617,483
Special assessments receivable	11,315	2,258
Accounts receivable, net of allowance	<u>-</u>	<u>308</u>
Total assets	<u>\$ 679,569</u>	<u>620,049</u>
Liabilities		
Liabilities:		
Accounts payable	\$ <u>23,246</u>	<u>6,214</u>
Total liabilities	<u>23,246</u>	<u>6,214</u>
Deferred Inflows of Resources		
Unavailable revenue - special assessments	<u>11,315</u>	<u>2,258</u>
Total deferred inflows of resources	<u>11,315</u>	<u>2,258</u>
Fund Balance		
Fund balance:		
Restricted for:		
Waco Public Improvement District	<u>645,008</u>	<u>611,577</u>
Total fund balance	<u>645,008</u>	<u>611,577</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 679,569</u>	<u>620,049</u>

See accompanying independent auditor's report.

City of Waco, Texas
Waco Public Improvement District No. 1 Fund
Comparative Statements of Revenues, Expenditures, and
Changes in Fund Balance
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Special assessments taxes	\$ 300,940	323,153
Contributions	28	-
Investment earnings	1,746	1,349
Other	<u>52,899</u>	<u>-</u>
Total revenues	<u>355,613</u>	<u>324,502</u>
Expenditures:		
General government:		
Salaries and wages	20,926	20,449
Employee benefits	1,683	1,624
Purchased professional/technical services	267,098	202,461
Other purchased services	16,018	4,553
Supplies	15,557	2,583
Other	<u>900</u>	<u>2,020</u>
Total expenditures	<u>322,182</u>	<u>233,690</u>
Net change in fund balance	33,431	90,812
Fund balance, beginning of year	<u>611,577</u>	<u>520,765</u>
Fund balance, end of year	<u><u>\$ 645,008</u></u>	<u><u>611,577</u></u>

See accompanying independent auditor's report.



Abandoned Motor Vehicle Fund

City of Waco, Texas
Abandoned Motor Vehicle Fund
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ <u>166,372</u>	<u>301,998</u>
Total assets	\$ <u><u>166,372</u></u>	<u><u>301,998</u></u>
Liabilities		
Liabilities:		
Accounts payable	\$ <u>1,112</u>	<u>1,113</u>
Total liabilities	<u>1,112</u>	<u>1,113</u>
Fund Balance		
Fund balance:		
Restricted for:		
Public safety	<u>165,260</u>	<u>300,885</u>
Total fund balance	<u>165,260</u>	<u>300,885</u>
Total liabilities and fund balance	\$ <u><u>166,372</u></u>	<u><u>301,998</u></u>

See accompanying independent auditor's report.

City of Waco, Texas
Abandoned Motor Vehicle Fund
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Auto impound fees	\$ <u>230,971</u>	<u>233,015</u>
Total revenues	<u>230,971</u>	<u>233,015</u>
Expenditures:		
Public safety:		
Purchased professional/technical services	-	2,047
Maintenance	-	850
Other purchased services	6,589	5,959
Supplies	8,379	8,296
Capital expenditures	<u>11,560</u>	-
Total expenditures	<u>26,528</u>	<u>17,152</u>
Excess of revenues over expenditures	<u>204,443</u>	<u>215,863</u>
Other financing uses:		
Transfers out	<u>(340,068)</u>	<u>(450,000)</u>
Other financing uses	<u>(340,068)</u>	<u>(450,000)</u>
Net change in fund balance	(135,625)	(234,137)
Fund balance, beginning of year	<u>300,885</u>	<u>535,022</u>
Fund balance, end of year	<u><u>\$ 165,260</u></u>	<u><u>300,885</u></u>

See accompanying independent auditor's report.



Police Forfeitures Fund

City of Waco, Texas
Police Forfeitures Fund
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ <u>179,304</u>	<u>137,482</u>
Total assets	\$ <u><u>179,304</u></u>	<u><u>137,482</u></u>
Liabilities		
Liabilities:		
Accounts payable	\$ <u>2,280</u>	<u>2,280</u>
Total liabilities	<u>2,280</u>	<u>2,280</u>
Fund Balance		
Fund balance:		
Restricted for:		
Public safety	<u>177,024</u>	<u>135,202</u>
Total fund balance	<u>177,024</u>	<u>135,202</u>
Total liabilities and fund balance	\$ <u><u>179,304</u></u>	<u><u>137,482</u></u>

See accompanying independent auditor's report.

City of Waco, Texas
Police Forfeitures Fund
Comparative Statements of Revenues, Expenditures, and
Changes in Fund Balance
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Investment earnings	\$ 200	305
Other	<u>144,173</u>	<u>120,010</u>
Total revenues	<u>144,373</u>	<u>120,315</u>
Expenditures:		
Public safety:		
Purchased professional/technical services	19,069	6,393
Maintenance	22,499	7,975
Other purchased services	22,775	14,678
Supplies	26,557	22,421
Capital expenditures	<u>11,651</u>	<u>140,084</u>
Total expenditures	<u>102,551</u>	<u>191,551</u>
Net change in fund balance	41,822	(71,236)
Fund balance, beginning of year	<u>135,202</u>	<u>206,438</u>
Fund balance, end of year	<u><u>\$ 177,024</u></u>	<u><u>135,202</u></u>

See accompanying independent auditor's report.



Court Security Fund

City of Waco, Texas
Court Security Fund
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ <u>508,025</u>	<u>534,078</u>
Total assets	\$ <u><u>508,025</u></u>	<u><u>534,078</u></u>
Liabilities		
Accounts payable	\$ <u>-</u>	<u>3,228</u>
Total liabilities	<u>-</u>	<u>3,228</u>
Fund Balance		
Fund balance:		
Restricted for:		
Public safety	<u>508,025</u>	<u>530,850</u>
Total fund balance	<u>508,025</u>	<u>530,850</u>
Total liabilities and fund balance	\$ <u><u>508,025</u></u>	<u><u>534,078</u></u>

See accompanying independent auditor's report.

City of Waco, Texas
Court Security Fund
Comparative Statements of Revenues, Expenditures, and
Changes in Fund Balance
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Fines	\$ <u>59,374</u>	<u>46,552</u>
Total revenues	<u>59,374</u>	<u>46,552</u>
Expenditures:		
Public safety:		
Purchased professional/technical services	<u>6,500</u>	<u>7,224</u>
Total expenditures	<u>6,500</u>	<u>7,224</u>
Excess of revenues over expenditures	<u>52,874</u>	<u>39,328</u>
Other financing uses:		
Transfers out	<u>(75,699)</u>	<u>-</u>
Other financing uses	<u>(75,699)</u>	<u>-</u>
Net change in fund balance	(22,825)	39,328
Fund balance, beginning of year	<u>530,850</u>	<u>491,522</u>
Fund balance, end of year	<u>\$ <u>508,025</u></u>	<u><u>530,850</u></u>

See accompanying independent auditor's report.



Court Technology Fund

City of Waco, Texas
Court Technology Fund
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ <u>479,288</u>	<u>448,994</u>
Total assets	\$ <u><u>479,288</u></u>	<u><u>448,994</u></u>
Liabilities		
Accounts payable	\$ <u>552</u>	<u>5,424</u>
Fund Balance		
Fund balance:		
Restricted for:		
Public safety	<u>478,736</u>	<u>443,570</u>
Total fund balance	<u>478,736</u>	<u>443,570</u>
Total liabilities and fund balance	\$ <u><u>479,288</u></u>	<u><u>448,994</u></u>

See accompanying independent auditor's report.

City of Waco, Texas
Court Technology Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balance
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Fines	\$ 79,170	<u>62,046</u>
Total revenues	<u>79,170</u>	<u>62,046</u>
Expenditures:		
Public safety:		
Purchased professional/technical services	28,368	30,061
Maintenance	885	165
Other purchased services	670	2,482
Supplies	<u>14,081</u>	<u>9,086</u>
Total expenditures	<u>44,004</u>	<u>41,794</u>
Net change in fund balance	35,166	20,252
Fund balance, beginning of year	<u>443,570</u>	<u>423,318</u>
Fund balance, end of year	<u><u>\$ 478,736</u></u>	<u><u>443,570</u></u>

See accompanying independent auditor's report.



Hamilton Memorial Fund

City of Waco, Texas
Hamilton Memorial Fund
Comparative Balance Sheets
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ <u>8,882</u>	<u>8,833</u>
Total assets	\$ <u><u>8,882</u></u>	<u><u>8,833</u></u>
Fund Balance		
Fund balance:		
Restricted for:		
Culture and recreation	\$ <u>8,882</u>	<u>8,833</u>
Total fund balance	\$ <u><u>8,882</u></u>	<u><u>8,833</u></u>

See accompanying independent auditor's report.

City of Waco, Texas
Hamilton Memorial Fund
Comparative Statements of Revenue, Expenditures,
and Changes in Fund Balance
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Investment earnings	\$ <u>49</u>	<u>38</u>
Total revenues	<u>49</u>	<u>38</u>
Expenditures:		
Culture and recreation	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
Net change in fund balance	49	38
Fund balance, beginning of year	<u>8,833</u>	<u>8,795</u>
Fund balance, end of year	<u>\$ 8,882</u>	<u>8,833</u>

See accompanying independent auditor's report.



Miss Nellie's Park Maintenance Fund

City of Waco, Texas
Miss Nellie's Park Maintenance Fund
 Comparative Balance Sheets
 September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ <u>29,378</u>	<u>35,661</u>
Total assets	\$ <u><u>29,378</u></u>	<u><u>35,661</u></u>
Fund Balance		
Fund balance:		
Restricted for:		
Culture and recreation	\$ <u>29,378</u>	<u>35,661</u>
Total fund balance	\$ <u><u>29,378</u></u>	<u><u>35,661</u></u>

See accompanying independent auditor's report

City of Waco, Texas
Miss Nellie's Park Maintenance Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balance
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Investment earnings	\$ <u>342</u>	<u>276</u>
Total revenues	<u>342</u>	<u>276</u>
Expenditures:		
Culture and recreation:		
Maintenance	6,000	-
Supplies	<u>625</u>	<u>-</u>
Total expenditures	<u>6,625</u>	<u>-</u>
Net change in fund balance	(6,283)	276
Fund balance, beginning of year	<u>35,661</u>	<u>35,385</u>
Fund balance, end of year	<u><u>\$ 29,378</u></u>	<u><u>35,661</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.

City of Waco, Texas
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2014
(With Comparative Totals for September 30, 2013)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
Assets				
Cash and investments	\$ 4,175	160,638	164,813	194,163
Taxes receivable	<u>-</u>	<u>407,465</u>	<u>407,465</u>	<u>426,198</u>
Total assets	<u>\$ 4,175</u>	<u>568,103</u>	<u>572,278</u>	<u>620,361</u>
Deferred Inflows of Resources				
Deferred inflows of resources:				
Unavailable revenue - property taxes	\$ -	386,376	386,376	382,308
Total deferred inflows of resources	<u>-</u>	<u>386,376</u>	<u>386,376</u>	<u>382,308</u>
Fund Balances				
Fund balances:				
Restricted for debt service	<u>4,175</u>	<u>181,727</u>	<u>185,902</u>	<u>238,053</u>
Total fund balances	<u>4,175</u>	<u>181,727</u>	<u>185,902</u>	<u>238,053</u>
Total deferred inflows of resources and fund balances	<u>\$ 4,175</u>	<u>568,103</u>	<u>572,278</u>	<u>620,361</u>

See accompanying independent auditor's report

City of Waco, Texas
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended September 30, 2014
(With Comparative Totals for the Year Ended September 30, 2013)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2014	2013
Revenues:				
Property taxes	\$ -	8,984,916	8,984,916	9,633,814
Investment earnings	11	3,141	3,152	2,850
Total revenues	<u>11</u>	<u>8,988,057</u>	<u>8,988,068</u>	<u>9,636,664</u>
Expenditures:				
Debt service:				
Principal	-	5,340,143	5,340,143	5,912,954
Interest and fiscal charges	-	3,788,820	3,788,820	3,946,312
Bond issuance costs	-	26,107	26,107	35,891
Total expenditures	<u>-</u>	<u>9,155,070</u>	<u>9,155,070</u>	<u>9,895,157</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11</u>	<u>(167,013)</u>	<u>(167,002)</u>	<u>(258,493)</u>
Other financing sources (uses):				
Refunding bonds issued	-	-	-	1,700,000
Payment to refunded bond escrow agent	-	-	-	(1,999,938)
Premium on refunding bonds	-	-	-	316,832
General obligation bonds issued	-	25,203	25,203	21,148
Premium on general obligation bonds	-	904	904	1,639
Transfers in	-	88,744	88,744	226,735
Total other financing sources (uses)	<u>-</u>	<u>114,851</u>	<u>114,851</u>	<u>266,416</u>
Net change in fund balances	11	(52,162)	(52,151)	7,923
Fund balances, beginning of year	<u>4,164</u>	<u>233,889</u>	<u>238,053</u>	<u>230,130</u>
Fund balances, end of year	<u>\$ 4,175</u>	<u>181,727</u>	<u>185,902</u>	<u>238,053</u>

See accompanying independent auditor's report

City of Waco, Texas
General Obligation Debt Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Year Ended September 30, 2014
(With Comparative Totals for the Year Ended September 30, 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Property taxes	\$ 8,947,859	8,947,859	8,984,916	37,057	9,633,814
Investment earnings	1,370	1,370	3,141	1,771	2,842
Total revenues	<u>8,949,229</u>	<u>8,949,229</u>	<u>8,988,057</u>	<u>38,828</u>	<u>9,636,656</u>
Expenditures:					
Debt service:					
Principal	5,340,143	5,340,143	5,340,143	-	5,912,954
Interest and fiscal charges	3,789,377	3,789,377	3,788,820	557	3,946,312
Bond issuance costs	-	26,107	26,107	-	35,891
Total expenditures	<u>9,129,520</u>	<u>9,155,627</u>	<u>9,155,070</u>	<u>557</u>	<u>9,895,157</u>
Deficiency of revenues under expenditures	<u>(180,291)</u>	<u>(206,398)</u>	<u>(167,013)</u>	<u>39,385</u>	<u>(258,501)</u>
Other financing sources (uses):					
Refunding bonds issued	-	-	-	-	1,700,000
Payment to refunded bond escrow agent	-	-	-	-	(1,999,938)
Premium on refunding bonds	-	-	-	-	316,832
General obligation bonds issued	-	25,203	25,203	-	21,148
Premium on general obligation bonds	-	904	904	-	1,639
Transfers in	88,746	88,746	88,744	(2)	226,735
Total other financing sources (uses)	<u>88,746</u>	<u>114,853</u>	<u>114,851</u>	<u>(2)</u>	<u>266,416</u>
Net change in fund balances	(91,545)	(91,545)	(52,162)	39,383	7,915
Fund balances, beginning of year	<u>233,889</u>	<u>233,889</u>	<u>233,889</u>	<u>-</u>	<u>225,974</u>
Fund balances, end of year	<u>\$ 142,344</u>	<u>142,344</u>	<u>181,727</u>	<u>39,383</u>	<u>233,889</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 of buildings, rolling stock and computer equipment.

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

Mammoth Fund - This fund is used to account for the development of the Waco Mammoth site.

Street Improvement Fund - This fund is used to account for the maintenance and reconstruction of City streets.

2005 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2006 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2007 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2007 General Obligation Bond Issue Fund - This fund is used to account for projects funded by the \$63 million 2007 general obligation bond issue.

2008 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2010 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2011 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2012 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2013 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

2014 Bond Issue Fund - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

City of Waco, Texas
Nonmajor Capital Projects Funds
Combining Balance Sheet
September 30, 2014
(With Comparative Totals for September 30, 2013)

	Capital Improvement Fund	Equipment Replacement Fund	Mammoth Fund	Street Improvement Fund	2014 Bond Issue Fund	2013 Bond Issue Fund	2012 Bond Issue Fund
Assets							
Cash and investments	\$ 328,625	100,000	23,205	7,482,370	9,405	401,523	493,101
Accounts receivable	-	-	-	3,025	-	-	-
Due from other funds	4,869,856	-	-	4,393	-	-	-
Advances to other funds	168,368	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	4,800	-	-	-
Total assets	\$ 5,366,849	100,000	23,205	7,494,588	9,405	401,523	493,101
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 5,700	-	-	386,313	-	-	26,136
Accrued liabilities	37,199	-	-	103,934	-	-	57,391
Due to other funds	-	-	-	-	-	295,193	92,420
Total liabilities	42,899	-	-	490,247	-	295,193	175,947
Fund balances:							
Nonspendable:							
Advances to other funds	168,368	-	-	-	-	-	-
Restricted for:							
Capital projects	4,869,856	-	23,205	4,976,154	9,405	106,330	317,154
Committed for:							
Capital projects	285,726	100,000	-	2,028,187	-	-	-
Total fund balances	5,323,950	100,000	23,205	7,004,341	9,405	106,330	317,154
Total liabilities and fund balances	\$ 5,366,849	100,000	23,205	7,494,588	9,405	401,523	493,101

See accompanying independent auditor's report.

2011 Bond Issue Fund	2010 Bond Issue Fund	2008 Bond Issue Fund	2007 Bond Issue Fund	2007 General Obligation Bond Issue Fund	2006 Bond Issue Fund	2005 Bond Issue Fund	Totals	
							2014	2013
134,084	435,283	449,665	3,973,567	1,261,970	665,616	-	15,758,414	18,093,975
-	-	-	-	-	-	-	3,025	2,725
-	-	-	-	12,515	-	-	4,886,764	5,891,700
-	-	-	-	-	-	-	168,368	168,368
-	-	-	-	-	-	-	4,800	50,474
<u>134,084</u>	<u>435,283</u>	<u>449,665</u>	<u>3,973,567</u>	<u>1,274,485</u>	<u>665,616</u>	<u>-</u>	<u>20,821,371</u>	<u>24,207,242</u>
-	-	-	23,323	35,087	-	-	476,559	361,373
-	-	-	69,402	99,501	-	-	367,427	1,270,263
82,000	226,668	430,000	3,778,075	-	661,781	-	5,566,137	5,600,519
<u>82,000</u>	<u>226,668</u>	<u>430,000</u>	<u>3,870,800</u>	<u>134,588</u>	<u>661,781</u>	<u>-</u>	<u>6,410,123</u>	<u>7,232,155</u>
-	-	-	-	-	-	-	168,368	168,368
52,084	208,615	19,665	102,767	1,139,897	3,835	-	11,828,967	15,531,634
-	-	-	-	-	-	-	2,413,913	1,275,085
<u>52,084</u>	<u>208,615</u>	<u>19,665</u>	<u>102,767</u>	<u>1,139,897</u>	<u>3,835</u>	<u>-</u>	<u>14,411,248</u>	<u>16,975,087</u>
<u>134,084</u>	<u>435,283</u>	<u>449,665</u>	<u>3,973,567</u>	<u>1,274,485</u>	<u>665,616</u>	<u>-</u>	<u>20,821,371</u>	<u>24,207,242</u>

City of Waco, Texas
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended September 30, 2014
(With Comparative Totals for Year Ended September 30, 2013)

	Capital Improvement Fund	Equipment Replacement Fund	Mammoth Fund	Street Improvement Fund	2014 Bond Issue Fund	2013 Bond Issue Fund
Revenues:						
Investment earnings	\$ -	-	63	3,207	9,405	29,239
Contributions	-	-	-	-	-	-
Intergovernmental	-	-	-	105,306	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>63</u>	<u>108,513</u>	<u>9,405</u>	<u>29,239</u>
Expenditures:						
Capital outlay	<u>2,762,802</u>	<u>-</u>	<u>-</u>	<u>5,913,181</u>	<u>-</u>	<u>13,358</u>
Total expenditures	<u>2,762,802</u>	<u>-</u>	<u>-</u>	<u>5,913,181</u>	<u>-</u>	<u>13,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,762,802)</u>	<u>-</u>	<u>63</u>	<u>(5,804,668)</u>	<u>9,405</u>	<u>15,881</u>
Other financing sources (uses):						
General obligation bonds issued	-	-	-	1,619,797	-	-
Premium on general obligation bonds	-	-	-	58,136	-	-
Capital leases	-	-	-	-	-	-
Transfers in	2,966,600	100,000	-	4,560,872	-	-
Transfers out	(44,587)	-	-	-	-	(295,193)
Total other financing sources (uses)	<u>2,922,013</u>	<u>100,000</u>	<u>-</u>	<u>6,238,805</u>	<u>-</u>	<u>(295,193)</u>
Net change in fund balances	159,211	100,000	63	434,137	9,405	(279,312)
Fund balances, beginning of year	<u>5,164,739</u>	<u>-</u>	<u>23,142</u>	<u>6,570,204</u>	<u>-</u>	<u>385,642</u>
Fund balances, end of year	<u>\$ 5,323,950</u>	<u>100,000</u>	<u>23,205</u>	<u>7,004,341</u>	<u>9,405</u>	<u>106,330</u>

See accompanying independent auditor's report.

2012 Bond Issue Fund	2011 Bond Issue Fund	2010 Bond Issue Fund	2008 Bond Issue Fund	2007 Bond Issue Fund	2007 General Obligation Bond Issue Fund	2006 Bond Issue Fund	2005 Bond Issue Fund	Totals	
								2014	2013
4,307	9,110	23,436	3,384	23,538	3,800	2,998	251	112,738	145,197
-	-	-	-	-	-	-	-	-	111,212
-	-	-	-	-	-	-	-	105,306	89,453
<u>4,307</u>	<u>9,110</u>	<u>23,436</u>	<u>3,384</u>	<u>23,538</u>	<u>3,800</u>	<u>2,998</u>	<u>251</u>	<u>218,044</u>	<u>345,862</u>
1,138,989	-	400	-	49,371	124,187	-	-	10,002,288	14,814,436
<u>1,138,989</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>49,371</u>	<u>124,187</u>	<u>-</u>	<u>-</u>	<u>10,002,288</u>	<u>14,814,436</u>
(1,134,682)	9,110	23,036	3,384	(25,833)	(120,387)	2,998	251	(9,784,244)	(14,468,574)
-	-	-	-	-	-	-	-	1,619,797	2,153,852
-	-	-	-	-	-	-	-	58,136	166,905
-	-	-	-	-	-	-	-	-	-
44,587	-	-	-	-	-	-	-	7,672,059	6,148,353
<u>(64,587)</u>	<u>(82,000)</u>	<u>(158,220)</u>	<u>(430,000)</u>	<u>(764,749)</u>	<u>-</u>	<u>(290,000)</u>	<u>(251)</u>	<u>(2,129,587)</u>	<u>(1,682,976)</u>
<u>(20,000)</u>	<u>(82,000)</u>	<u>(158,220)</u>	<u>(430,000)</u>	<u>(764,749)</u>	<u>-</u>	<u>(290,000)</u>	<u>(251)</u>	<u>7,220,405</u>	<u>6,786,134</u>
(1,154,682)	(72,890)	(135,184)	(426,616)	(790,582)	(120,387)	(287,002)	-	(2,563,839)	(7,682,440)
1,471,836	124,974	343,799	446,281	893,349	1,260,284	290,837	-	16,975,087	24,657,527
<u>317,154</u>	<u>52,084</u>	<u>208,615</u>	<u>19,665</u>	<u>102,767</u>	<u>1,139,897</u>	<u>3,835</u>	<u>-</u>	<u>14,411,248</u>	<u>16,975,087</u>



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.

City of Waco, Texas
Nonmajor Permanent Funds
Combining Balance Sheet
September 30, 2014
(With Comparative Totals for September 30, 2013)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
Assets					
Cash and investments	\$ 368,848	10,000	100,000	<u>478,848</u>	<u>477,891</u>
Total assets	<u>\$ 368,848</u>	<u>10,000</u>	<u>100,000</u>	<u>478,848</u>	<u>477,891</u>
Fund Balances					
Fund balances:					
Nonspendable:					
Parks and cemetery care	\$ 368,848	10,000	100,000	<u>478,848</u>	<u>477,891</u>
Total fund balances	<u>\$ 368,848</u>	<u>10,000</u>	<u>100,000</u>	<u>478,848</u>	<u>477,891</u>

See accompanying independent auditor's report.

City of Waco, Texas
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended September 30, 2014
(With Comparative Totals for the Year Ended September 30, 2013)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	<u>Totals</u>	
				2014	2013
Revenues:					
Investment earnings	\$ 945	-	-	945	747
Other	<u>12</u>			<u>12</u>	<u>1,713</u>
Total revenues	<u>957</u>	<u>-</u>	<u>-</u>	<u>957</u>	<u>2,460</u>
Expenditures:					
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	957	-	-	957	2,460
Fund balances, beginning of year	<u>367,891</u>	<u>10,000</u>	<u>100,000</u>	<u>477,891</u>	<u>475,431</u>
Fund balances, end of year	<u>\$ 368,848</u>	<u>10,000</u>	<u>100,000</u>	<u>478,848</u>	<u>477,891</u>

See accompanying independent auditor's report.



Major Enterprise Funds

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

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

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

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



Water Fund

City of Waco, Texas
Water Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

Assets	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and investments	\$ 33,116,582	30,763,675
Accounts receivable, net of allowance	5,660,984	6,243,665
Restricted cash and investments	3,296,507	2,721,903
Inventory	<u>295,383</u>	<u>277,732</u>
Total current assets	<u>42,369,456</u>	<u>40,006,975</u>
Noncurrent assets:		
Restricted cash and investments	9,814,856	14,068,623
Advances to other funds	525,336	525,336
Capital assets:		
Land	1,279,185	1,279,185
Buildings	9,526,184	9,526,184
Improvements other than buildings	274,473,725	271,893,369
Equipment	7,312,521	7,131,275
Construction work in progress	8,799,440	3,019,888
Intangible water rights	32,482,879	32,482,879
Less: accumulated depreciation and amortization	<u>(111,147,997)</u>	<u>(102,503,838)</u>
Total capital assets	<u>222,725,937</u>	<u>222,828,942</u>
Total noncurrent assets	<u>233,066,129</u>	<u>237,422,901</u>
Total assets	<u>275,435,585</u>	<u>277,429,876</u>

Deferred Outflows of Resources

Deferred outflows of resources:		
Deferred losses on refundings of debt	<u>2,031,352</u>	<u>2,270,910</u>
Total deferred outflows of resources	<u>2,031,352</u>	<u>2,270,910</u>

See accompanying independent auditor's report.

Liabilities	<u>2014</u>	<u>2013</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 949,091	698,941
Accrued liabilities	782,703	922,046
Compensated absences payable	697,369	662,436
Refundable contracts	434,295	301,745
Notes payable	72,555	69,469
Bonds payable	7,540,000	6,650,286
Accrued interest payable	1,024,237	1,100,785
	<u>11,500,250</u>	<u>10,405,708</u>
Current liabilities payable from restricted assets:		
Accounts payable	737,826	213,023
Customer deposits	2,558,681	2,508,880
	<u>3,296,507</u>	<u>2,721,903</u>
 Total current liabilities	 <u>14,796,757</u>	 <u>13,127,611</u>
Noncurrent liabilities:		
Refundable contracts	1,325,406	1,300,891
Compensated absences payable	270,645	329,379
Net pension obligation	734,973	729,544
Bonds payable	145,382,028	151,985,887
Notes payable	1,825,882	1,898,437
Total noncurrent liabilities	<u>149,538,934</u>	<u>156,244,138</u>
 Total liabilities	 <u>164,335,691</u>	 <u>169,371,749</u>
Net Position		
Net position:		
Net investment in capital assets	77,991,979	76,961,760
Unrestricted	<u>35,139,267</u>	<u>33,367,277</u>
 Total net position	 <u>\$ 113,131,246</u>	 <u>110,329,037</u>

City of Waco, Texas
Water Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 38,094,499	40,150,643
Other	500,414	559,001
Total operating revenues	<u>38,594,913</u>	<u>40,709,644</u>
Operating expenses:		
Salaries and wages	4,921,571	4,797,093
Employee benefits	2,055,459	1,948,539
Purchased professional/technical services	1,299,056	946,520
Purchased property services	152,391	204,360
Maintenance	1,861,631	1,779,760
Other purchased services	784,053	768,065
Supplies	4,350,721	4,685,035
Other	3,730,948	3,839,782
Depreciation/amortization	8,996,493	8,882,607
Total operating expenses	<u>28,152,323</u>	<u>27,851,761</u>
Operating income	<u>10,442,590</u>	<u>12,857,883</u>
Nonoperating revenues (expenses):		
Investment earnings	94,682	78,581
Rental income	5,160	4,180
Intergovernmental revenue	-	2,033
Bond issuance costs	(34,042)	(248,463)
Interest expense and fiscal charges	(4,812,509)	(4,937,921)
Total nonoperating revenues (expenses)	<u>(4,746,709)</u>	<u>(5,101,590)</u>
Income before contributions and transfers	5,695,881	7,756,293
Capital contributions	244,608	134,230
Transfers out	<u>(3,138,280)</u>	<u>(3,100,362)</u>
Change in net position	<u>2,802,209</u>	<u>4,790,161</u>
Total net position,		
beginning of year	110,329,037	106,717,262
Cumulative effect of change in accounting principles	<u>-</u>	<u>(1,178,386)</u>
Total net position,		
beginning of year, as restated	<u>110,329,037</u>	<u>105,538,876</u>
Total net position,		
end of year	<u>\$ 113,131,246</u>	<u>110,329,037</u>

See accompanying independent auditor's report.

City of Waco, Texas
Water Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers	\$ 39,177,594	40,053,245
Cash paid to suppliers for goods and services	(12,061,870)	(11,567,651)
Cash paid to employees for services	<u>(6,969,375)</u>	<u>(6,636,732)</u>
Net cash provided by operating activities	<u>20,146,349</u>	<u>21,848,862</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenue	-	2,033
Transfer to other funds	<u>(3,138,280)</u>	<u>(3,343,491)</u>
Net cash used for noncapital financing activities	<u>(3,138,280)</u>	<u>(3,341,458)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(7,745,064)	(6,095,407)
Proceeds from sale of debt	2,149,474	5,164,700
Principal paid on debt	(6,650,286)	(7,218,324)
Interest paid on debt	(6,154,249)	(6,472,988)
Payment of bond issuance costs	<u>(34,042)</u>	<u>(248,463)</u>
Net cash used for capital and related financing activities	<u>(18,434,167)</u>	<u>(14,870,482)</u>
Cash flows from investing activities:		
Rental revenue	5,160	4,180
Investment earnings	<u>94,682</u>	<u>78,581</u>
Net cash provided by investing activities	<u>99,842</u>	<u>82,761</u>
Net increase (decrease) in cash and cash equivalents	(1,326,256)	3,719,683
Cash and cash equivalents, beginning of year	<u>47,554,201</u>	<u>43,834,518</u>
Cash and cash equivalents, end of year	<u>\$ 46,227,945</u>	<u>47,554,201</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 10,442,590	12,857,883
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	25,729	12,867
Depreciation/amortization	8,996,493	8,882,607
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	556,952	(669,266)
Inventory	(17,651)	53,328
Increase (decrease) in liabilities:		
Accounts payable	250,150	262,290
Accrued liabilities	(139,343)	172,587
Compensated absences payable	(23,801)	65,329
Net pension obligation	5,429	6,549
Customer deposits	<u>49,801</u>	<u>204,288</u>
Net cash provided by operating activities	<u>\$ 20,146,349</u>	<u>21,848,462</u>
Schedule of noncash capital and related financing activities:		
Contributions of capital assets	<u>\$ 244,608</u>	<u>134,230</u>
Payment to refunded bond escrow agent	<u>\$ -</u>	<u>35,768,416</u>

See accompanying independent auditor's report.



Wastewater Fund

City of Waco, Texas
Wastewater Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

Assets	2014	2013
Current assets:		
Cash and investments	\$ 19,017,672	17,777,275
Accounts receivable, net of allowance	2,650,728	2,900,528
Intergovernmental receivable	-	112,054
Current portion of notes receivable	46,065	45,042
Restricted cash and investments	1,064,829	172,817
Accrued interest on notes receivable	3,356	3,630
Inventory	14,779	10,379
Total current assets	22,797,429	21,021,725
Noncurrent assets:		
Restricted cash and investments	16,643,559	14,408,493
Noncurrent portion of notes receivable	505,410	551,475
Capital assets:		
Land	2,576,524	2,408,235
Buildings	10,851,569	10,851,569
Improvements other than buildings	122,061,853	119,120,390
Equipment	9,093,012	8,004,572
Construction work in progress	4,517,634	3,482,935
Less: accumulated depreciation	(49,326,746)	(44,823,899)
Total capital assets	99,773,846	99,043,802
Total noncurrent assets	116,922,815	114,003,770
Total assets	139,720,244	135,025,495
Deferred Outflows of Resources		
Deferred outflows of resources:		
Deferred losses on refundings of debt	431,742	539,075
Total deferred outflows of resources	431,742	539,075

See accompanying independent auditor's report.

Liabilities	<u>2014</u>	<u>2013</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 1,088,514	426,722
Accrued liabilities	329,784	366,833
Compensated absences payable	379,968	402,055
Revenue bonds payable	3,545,000	4,049,571
Refundable contracts	50,000	50,000
Accrued interest payable	512,880	500,847
	<u>5,906,146</u>	<u>5,796,028</u>
Current liabilities payable from restricted assets:		
Accounts payable	1,064,829	172,817
	<u>1,064,829</u>	<u>172,817</u>
Total current liabilities	<u>6,970,975</u>	<u>5,968,845</u>
Noncurrent liabilities:		
Refundable contracts	142,542	142,542
Compensated absences payable	239,383	189,067
Net pension obligation	481,784	478,481
Revenue bonds payable	61,490,378	59,311,847
Total noncurrent liabilities	<u>62,354,087</u>	<u>60,121,937</u>
Total liabilities	<u>69,325,062</u>	<u>66,090,782</u>
Net Position		
Net position:		
Net investment in capital assets	51,621,227	50,437,410
Unrestricted	<u>19,205,697</u>	<u>19,036,378</u>
Total net position	<u>\$ 70,826,924</u>	<u>69,473,788</u>

City of Waco, Texas
Wastewater Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 20,932,833	21,364,852
Other	410,723	354,060
Total operating revenues	<u>21,343,556</u>	<u>21,718,912</u>
Operating expenses:		
Salaries and wages	2,781,839	2,696,831
Employee benefits	1,091,922	1,045,895
Purchased professional/technical services	1,682,076	832,845
Purchased property services	146,164	96,083
Maintenance	1,328,486	1,266,790
Other purchased services	299,554	250,805
Supplies	2,054,334	2,053,091
Other	3,028,465	2,952,475
Depreciation	4,594,225	4,553,863
Total operating expenses	<u>17,007,065</u>	<u>15,748,678</u>
Operating income	<u>4,336,491</u>	<u>5,970,234</u>
Nonoperating revenues (expenses):		
Investment earnings	63,859	55,685
Loss on retirement of capital assets	-	(352,770)
Bond issuance costs	(101,070)	(113,571)
Interest expense and fiscal charges	(2,155,448)	(2,217,211)
Total nonoperating revenues (expenses)	<u>(2,192,659)</u>	<u>(2,627,867)</u>
Income before contributions and transfers	2,143,832	3,342,367
Capital contributions	-	91,992
Transfers out	<u>(790,696)</u>	<u>(771,733)</u>
Change in net position	<u>1,353,136</u>	<u>2,662,626</u>
Total net position, beginning of year, as previously stated	69,473,788	67,311,402
Cumulative effect of change in accounting principles	<u>-</u>	<u>(500,240)</u>
Total net position, beginning of year, as restated	<u>69,473,788</u>	<u>66,811,162</u>
Total net position, end of year	<u>\$ 70,826,924</u>	<u>69,473,788</u>

See accompanying independent auditor's report.

City of Waco, Texas
Wastewater Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	\$ 21,593,356	21,511,263
Cash paid to suppliers for goods and services	(7,937,962)	(7,327,485)
Cash paid to employees for services	(3,823,003)	(3,728,058)
Net cash provided by operating activities	9,832,391	10,455,720
Cash flows from noncapital financing activities:		
Transfer to other funds	(790,696)	(771,733)
Net cash used for noncapital financing activities	(790,696)	(771,733)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(4,343,555)	(3,655,835)
Proceeds from sale of debt	6,142,834	5,209,076
Capital contributions	112,054	-
Principal paid on debt	(4,049,571)	(3,848,721)
Interest paid on debt	(2,544,087)	(2,368,070)
Payment of bond issuance costs	(101,070)	(113,571)
Net cash used for capital and related financing activities	(4,783,395)	(4,777,121)
Cash flows from investing activities:		
Investment earnings	64,133	55,951
Note payments from other entities	45,042	43,665
Net cash provided by investing activities	109,175	99,616
Net increase in cash and cash equivalents	4,367,475	5,006,482
Cash and cash equivalents, beginning of year	32,358,585	27,352,103
Cash and cash equivalents, end of year	\$ 36,726,060	32,358,585
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,336,491	5,970,234
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	8,288	10,386
Depreciation/amortization	4,594,225	4,553,863
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	241,512	(218,035)
Inventory	(4,400)	4,744
Increase (decrease) in liabilities:		
Accounts payable	661,792	210,239
Accrued liabilities	(37,049)	(67,091)
Compensated absences payable	28,229	(12,576)
Net pension obligation	3,303	3,956
Net cash provided by operating activities	\$ 9,832,391	10,455,720
Schedule of noncash capital and related financing activities:		
Payment to refunded bond escrow agent	\$ -	8,681,405



Solid Waste Fund

City of Waco, Texas
Solid Waste Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and investments	\$ 14,888,312	11,492,029
Accounts receivable, net of allowance	2,115,265	2,146,642
Total current assets	<u>17,003,577</u>	<u>13,638,671</u>
Noncurrent assets:		
Capital assets:		
Land	1,753,855	1,753,855
Buildings	1,370,137	1,370,137
Improvements other than buildings	23,936,392	23,936,392
Equipment	15,238,660	15,398,712
Construction in progress	27,574	62,197
Less: accumulated depreciation and amortization	<u>(32,652,811)</u>	<u>(29,443,972)</u>
Total capital assets	<u>9,673,807</u>	<u>13,077,321</u>
 Total noncurrent assets	 <u>9,673,807</u>	 <u>13,077,321</u>
 Total assets	 <u>26,677,384</u>	 <u>26,715,992</u>
Deferred Outflows of Resources		
Deferred outflows of resources:		
Deferred losses on refundings of debt	<u>24,721</u>	<u>28,852</u>
 Total deferred outflows of resources	 <u>24,721</u>	 <u>28,852</u>

See accompanying independent auditor's report.

	<u>2014</u>	<u>2013</u>
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 199,796	221,766
Accrued liabilities	228,607	225,743
Revenue bonds payable	690,000	945,000
Accrued interest payable	31,776	38,543
Total current liabilities	<u>1,536,598</u>	<u>1,782,545</u>
Noncurrent liabilities:		
Estimated landfill closure and post-closure care costs	4,516,860	4,290,174
Compensated absences payable	192,033	216,698
Net pension obligation	479,840	476,496
Bonds payable	<u>4,369,602</u>	<u>5,138,190</u>
Total noncurrent liabilities	<u>9,558,335</u>	<u>10,121,558</u>
Total liabilities	<u>11,094,933</u>	<u>11,904,103</u>
Net Position		
Net position:		
Net investment in capital assets	4,638,926	7,022,893
Unrestricted	<u>10,968,246</u>	<u>7,817,848</u>
Total net position	<u>\$ 15,607,172</u>	<u>14,840,741</u>

City of Waco, Texas
Solid Waste Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 16,601,316	16,068,416
Other	265,271	420,779
Total operating revenues	<u>16,866,587</u>	<u>16,489,195</u>
Operating expenses:		
Salaries and wages	3,004,789	2,844,841
Employee benefits	1,467,586	1,401,326
Purchased professional/technical services	1,465,881	1,472,130
Maintenance	1,832,001	1,683,604
Other purchased services	149,428	134,337
Supplies	1,838,997	1,932,166
Other	2,485,218	2,463,361
Depreciation	3,420,725	3,901,930
Total operating expenses	<u>15,664,625</u>	<u>15,833,695</u>
Operating income	<u>1,201,962</u>	<u>655,500</u>
Nonoperating revenues (expenses):		
Investment earnings	33,540	21,907
Bond issuance cost	-	(24,380)
Interest expense and fiscal charges	(129,934)	(175,171)
Total nonoperating revenues (expenses)	<u>(96,394)</u>	<u>(177,644)</u>
Income before contributions and transfers	1,105,568	477,856
Transfers out	<u>(339,137)</u>	<u>(312,336)</u>
Change in net position	<u>766,431</u>	<u>165,520</u>
Total net position, beginning of year	14,840,741	14,749,419
Cumulative effect of change in accounting principles	<u>-</u>	<u>(74,198)</u>
Total net position, beginning of year, as restated	<u>14,840,741</u>	<u>14,675,221</u>
Total net position, end of year	<u>\$ 15,607,172</u>	<u>14,840,741</u>

See accompanying independent auditor's report.

City of Waco, Texas
Solid Waste Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers	\$ 16,897,964	16,497,197
Cash paid to suppliers for goods and services	(7,586,389)	(7,394,758)
Cash paid to employees for services	(4,436,326)	(4,192,990)
Net cash provided by operating activities	<u>4,875,249</u>	<u>4,909,449</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	(339,137)	(312,336)
Net cash used for noncapital financing activities	<u>(339,137)</u>	<u>(312,336)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(17,211)	(2,237,021)
Proceeds from sale of debt	-	435
Principal paid on debt	(945,000)	(905,000)
Interest paid on debt	(211,158)	(233,434)
Payment on bond issuance costs	-	(24,380)
Net cash used for capital and related financing activities	<u>(1,173,369)</u>	<u>(3,399,400)</u>
Cash flows from investing activities:		
Investment earnings	33,540	21,907
Net cash provided by investing activities	<u>33,540</u>	<u>21,907</u>
Net increase in cash and cash equivalents	3,396,283	1,219,620
Cash and cash equivalents, beginning of year	<u>11,492,029</u>	<u>10,272,409</u>
Cash and cash equivalents, end of year	<u>\$ 14,888,312</u>	<u>11,492,029</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,201,962	655,500
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	(9)	6,212
Depreciation/amortization	3,420,725	3,901,930
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	31,386	1,790
Increase (decrease) in liabilities:		
Accounts payable	(21,970)	104,429
Accrued liabilities	2,864	(31,686)
Estimated landfill closure and post-closure care costs	226,686	237,928
Compensated absences payable	10,261	29,421
Net pension obligation	3,344	3,925
Net cash provided by operating activities	<u>\$ 4,875,249</u>	<u>4,909,449</u>
Schedule of noncash capital and related financing activities:		
Payment to refunded bond escrow agent	<u>\$ -</u>	<u>2,935,565</u>

See accompanying independent auditor's report.



Nonmajor Enterprise Funds

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

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

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

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

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

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

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

City of Waco, Texas
Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2014
(With Comparative Totals for September 30, 2013)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Assets			
Current assets:			
Cash and investments	\$ 1,953,403	339,858	499,124
Accounts receivable, net of allowances	86,431	293,441	600
Due from other funds	27,833	-	-
Intergovernmental receivable	51,922	-	-
Inventories	9,425	44,377	73,870
Total current assets	2,129,014	677,676	573,594
Noncurrent assets:			
Restricted cash and investments	-	-	105,001
Capital assets:			
Land	489,389	-	-
Buildings	14,340,067	24,824,000	3,720,747
Improvements other than buildings	36,147,046	555,845	243,023
Equipment	1,509,992	538,544	233,857
Museum collections	-	-	2,160,924
Construction in progress	598,798	139,875	24,000
Less: accumulated depreciation	(22,367,245)	(7,771,261)	(1,089,650)
Total capital assets	30,718,047	18,287,003	5,292,901
Total noncurrent assets	30,718,047	18,287,003	5,397,902
Total assets	32,847,061	18,964,679	5,971,496
Liabilities			
Liabilities:			
Current liabilities:			
Accounts payable	55,697	126,110	42,701
Accrued liabilities	27,279	86,733	30,663
Unearned revenue	-	96,030	-
Due to other funds	-	-	-
Compensated absences payable	61,648	147,777	58,274
Total current liabilities	144,624	456,650	131,638
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences payable	-	62,842	74,685
Total noncurrent liabilities	-	62,842	74,685
Total liabilities	144,624	519,492	206,323
Net Position			
Net position:			
Net investment in capital assets	30,718,047	18,287,003	5,292,901
Restricted	590,991	-	236,363
Unrestricted	1,393,399	158,184	235,909
Total net position	\$ 32,702,437	18,445,187	5,765,173

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2014	2013
39,804	-	213,363	3,045,552	1,609,673
1,136	113,786	-	495,394	464,593
-	-	-	27,833	139,221
-	1,127,146	-	1,179,068	3,754,045
10,419	460,763	270,389	869,243	807,637
<u>51,359</u>	<u>1,701,695</u>	<u>483,752</u>	<u>5,617,090</u>	<u>6,775,169</u>
-	-	-	105,001	86,418
-	423,284	-	912,673	870,183
8,827,265	6,919,608	713,389	59,345,076	59,345,076
19,050,351	244,951	2,017,246	58,258,462	54,205,933
411,147	10,691,431	825,061	14,210,032	14,279,212
-	-	-	2,160,924	2,133,424
-	94,537	209,178	1,066,388	3,324,367
(14,846,178)	(9,815,871)	(2,618,783)	(58,508,988)	(53,349,205)
<u>13,442,585</u>	<u>8,557,940</u>	<u>1,146,091</u>	<u>77,444,567</u>	<u>80,808,990</u>
13,442,585	8,557,940	1,146,091	77,549,568	80,895,408
<u>13,493,944</u>	<u>10,259,635</u>	<u>1,629,843</u>	<u>83,166,658</u>	<u>87,670,577</u>
95,284	139,746	59,617	519,155	708,652
63,895	133,002	794,247	1,135,819	1,148,643
-	-	-	96,030	118,306
-	690,766	-	690,766	2,331,634
140,657	-	59,153	467,509	518,605
<u>299,836</u>	<u>963,514</u>	<u>913,017</u>	<u>2,909,279</u>	<u>4,825,840</u>
-	-	693,704	693,704	693,704
108,628	-	119,271	365,426	264,425
108,628	-	812,975	1,059,130	958,129
<u>408,464</u>	<u>963,514</u>	<u>1,725,992</u>	<u>3,968,409</u>	<u>5,783,969</u>
13,442,585	8,557,940	1,146,091	77,444,567	80,808,990
-	446,965	-	1,274,319	1,180,611
(357,105)	291,216	(1,242,240)	479,363	(102,993)
<u>13,085,480</u>	<u>9,296,121</u>	<u>(96,149)</u>	<u>79,198,249</u>	<u>81,886,608</u>

City of Waco, Texas
Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2014
(With Comparative Totals for Year Ended September 30, 2013)

	<u>Airport Fund</u>	<u>Convention Services Fund</u>	<u>Ranger Hall of Fame Fund</u>
Operating revenues:			
Charges for services	\$ 559,061	748,025	294,198
Net merchandise sales	35,901	298,957	112,008
Contributions	-	133,940	-
Other	282,098	32,876	14,208
Total operating revenues	<u>877,060</u>	<u>1,213,798</u>	<u>420,414</u>
Operating expenses:			
Salaries and wages	426,671	1,195,307	591,422
Employee benefits	177,742	484,081	208,879
Purchased professional/technical services	27,274	202,750	13,345
Purchased property services	16,233	25,114	6,740
Maintenance	74,731	78,899	7,251
Other purchased services	70,921	652,640	49,121
Supplies	145,473	474,625	114,593
Other	329,039	20,050	209,043
Depreciation	2,016,312	824,217	126,301
Total operating expenses	<u>3,284,396</u>	<u>3,957,683</u>	<u>1,326,695</u>
Operating loss	<u>(2,407,336)</u>	<u>(2,743,885)</u>	<u>(906,281)</u>
Nonoperating revenues (expenses):			
Investment earnings	3,755	300	1,191
Other income	265,180	-	-
Hotel/motel tax	-	2,403,171	-
Contributions	-	-	129,707
Intergovernmental revenue (expense)	87,600	-	-
Interest expense and fiscal charges	-	-	-
Total nonoperating revenues (expenses)	<u>356,535</u>	<u>2,403,471</u>	<u>130,898</u>
Loss before contributions and transfers	<u>(2,050,801)</u>	<u>(340,414)</u>	<u>(775,383)</u>
Capital contributions	1,528,877	13,356	27,500
Transfers in	491,536	-	759,012
Transfers out	-	(150,000)	-
Change in net position	<u>(30,388)</u>	<u>(477,058)</u>	<u>11,129</u>
Total net position, beginning of year	32,732,825	18,922,245	5,754,044
Prior period adjustment	-	-	-
Total net position, beginning of year, as restated	<u>32,732,825</u>	<u>18,922,245</u>	<u>5,754,044</u>
Total net position, end of year	<u>\$ 32,702,437</u>	<u>18,445,187</u>	<u>5,765,173</u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2014	2013
1,353,916	2,422,412	1,174,277	6,551,889	6,607,826
226,500	-	257,119	930,485	834,146
1,200	-	-	135,140	120,053
663	951,370	117,932	1,399,147	1,446,860
<u>1,582,279</u>	<u>3,373,782</u>	<u>1,549,328</u>	<u>9,016,661</u>	<u>9,008,885</u>
1,359,225	3,054,463	428,857	7,055,945	6,877,612
609,721	728,598	166,481	2,375,502	2,290,735
13,327	1,032,574	413,701	1,702,971	1,493,076
440,060	23,988	144,826	656,961	550,866
54,476	612,853	96,152	924,362	871,249
84,755	190,514	142,103	1,190,054	1,095,907
648,396	1,074,247	221,882	2,679,216	2,616,023
166,225	309,947	22,154	1,056,458	1,157,823
1,117,988	1,150,524	174,551	5,409,893	5,418,277
<u>4,494,173</u>	<u>8,177,708</u>	<u>1,810,707</u>	<u>23,051,362</u>	<u>22,371,568</u>
<u>(2,911,894)</u>	<u>(4,803,926)</u>	<u>(261,379)</u>	<u>(14,034,701)</u>	<u>(13,362,683)</u>
14	5	-	5,265	3,290
-	-	-	265,180	273,653
-	-	-	2,403,171	2,095,987
-	-	-	129,707	94,169
-	3,652,453	-	3,740,053	3,181,757
-	-	-	-	(2,182)
<u>14</u>	<u>3,652,458</u>	<u>-</u>	<u>6,543,376</u>	<u>5,646,674</u>
(2,911,880)	(1,151,468)	(261,379)	(7,491,325)	(7,716,009)
-	49,371	-	1,619,104	5,574,614
1,726,608	-	356,706	3,333,862	3,139,249
-	-	-	(150,000)	-
<u>(1,185,272)</u>	<u>(1,102,097)</u>	<u>95,327</u>	<u>(2,688,359)</u>	<u>997,854</u>
14,270,752	10,398,218	(191,476)	81,886,608	79,766,669
-	-	-	-	1,122,085
<u>14,270,752</u>	<u>10,398,218</u>	<u>(191,476)</u>	<u>81,886,608</u>	<u>80,888,754</u>
<u>13,085,480</u>	<u>9,296,121</u>	<u>(96,149)</u>	<u>79,198,249</u>	<u>81,886,608</u>

City of Waco, Texas
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year Ended September 30, 2014
(With Comparative Totals for Year Ended September 30, 2013)

	<u>Airport Fund</u>	<u>Convention Services Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$ 865,488	1,233,356
Cash paid to suppliers for goods and services	(944,558)	(1,554,647)
Cash paid to employees for services	(592,328)	(1,666,321)
Net cash used for operating activities	<u>(671,398)</u>	<u>(1,987,612)</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenues	89,565	-
Intergovernmental expenses	-	-
Contributions	-	-
Hotel/motel tax	-	2,392,102
Passenger facility charges	265,180	-
Payments to other funds	-	-
Transfer from other funds	491,536	-
Transfer to other funds	-	(150,000)
Repayments of advances from other funds	-	-
Net cash provided by noncapital financing activities	<u>846,281</u>	<u>2,242,102</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,616,692)	-
Insurance recoveries	-	-
Capital contributions	2,455,931	-
Interest paid on capital debt	-	-
Net cash used for capital and related financing activities	<u>839,239</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings	<u>3,755</u>	<u>300</u>
Net cash provided by investing activities	<u>3,755</u>	<u>300</u>
Net increase (decrease) in cash and cash equivalents	1,017,877	254,790
Cash and cash equivalents, beginning of year	<u>935,526</u>	<u>85,068</u>
Cash and cash equivalents, end of year	<u>\$ 1,953,403</u>	<u>339,858</u>

Ranger Hall of Fame Fund	Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
				2014	2013
420,382	1,582,785	3,352,893	1,549,328	9,004,232	9,000,784
(367,418)	(1,444,828)	(3,245,668)	(842,949)	(8,400,068)	(7,344,706)
(779,633)	(1,950,756)	(3,808,317)	(591,288)	(9,388,643)	(9,119,624)
<u>(726,669)</u>	<u>(1,812,799)</u>	<u>(3,701,092)</u>	<u>115,091</u>	<u>(8,784,479)</u>	<u>(7,463,546)</u>
-	-	5,306,687	-	5,396,252	3,369,354
-	-	-	-	-	(142,000)
129,707	-	-	-	129,707	94,169
-	-	-	-	2,392,102	2,056,865
-	-	-	-	265,180	273,653
-	-	(1,640,868)	-	(1,640,868)	(106,676)
759,012	1,726,608	-	356,706	3,333,862	3,139,249
-	-	-	-	(150,000)	-
-	-	-	-	-	(48,388)
<u>888,719</u>	<u>1,726,608</u>	<u>3,665,819</u>	<u>356,706</u>	<u>9,726,235</u>	<u>8,636,226</u>
(29,149)	(64,558)	(47,649)	(273,359)	(2,031,407)	(4,712,736)
-	-	33,546	-	33,546	-
-	-	49,371	-	2,505,302	3,674,259
-	-	-	-	-	(2,182)
<u>(29,149)</u>	<u>(64,558)</u>	<u>35,268</u>	<u>(273,359)</u>	<u>507,441</u>	<u>(1,040,659)</u>
1,191	14	5	-	5,265	3,290
<u>1,191</u>	<u>14</u>	<u>5</u>	<u>-</u>	<u>5,265</u>	<u>3,290</u>
134,092	(150,735)	-	198,438	1,454,462	135,311
<u>470,033</u>	<u>190,539</u>	<u>-</u>	<u>14,925</u>	<u>1,696,091</u>	<u>1,560,780</u>
<u>604,125</u>	<u>39,804</u>	<u>-</u>	<u>213,363</u>	<u>3,150,553</u>	<u>1,696,091</u>

(Continued)

City of Waco, Texas
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
(Continued)
Year Ended September 30, 2014
(With Comparative Totals for Year Ended September 30, 2013)

	Airport Fund	Convention Services Fund
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (2,407,336)	(2,743,885)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	2,016,312	824,217
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(11,572)	12,255
Inventories	(337)	(3,574)
Increase (decrease) in liabilities:		
Accounts payable	(48,745)	(90,241)
Accrued liabilities	(228,423)	5,739
Unearned revenue	-	7,303
Compensated absences payable	8,703	574
	(671,398)	(1,987,612)
Net cash used for operating activities	\$ (671,398)	(1,987,612)
Schedule of noncash capital and related financing activities:		
Contributions of capital assets	\$ 73,533	13,356

See accompanying independent auditor's report.

<u>Ranger Hall of Fame Fund</u>	<u>Cameron Park Zoo Fund</u>	<u>Transit Services Fund</u>	<u>Cottonwood Creek Golf Course Fund</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
(906,281)	(2,911,894)	(4,803,926)	(261,379)	(14,034,701)	(13,343,276)
126,301	1,117,988	1,150,524	174,551	5,409,893	5,484,551
(32)	506	(20,889)	-	(19,732)	(20,835)
13,654	4,865	(64,903)	(11,311)	(61,606)	(34,649)
19,321	(40,831)	45,627	(7,848)	(122,717)	294,118
3,358	(3,571)	(7,525)	217,598	(12,824)	181,483
-	-	-	-	7,303	(15,972)
<u>17,010</u>	<u>20,138</u>	<u>-</u>	<u>3,480</u>	<u>49,905</u>	<u>(8,966)</u>
<u>(726,669)</u>	<u>(1,812,799)</u>	<u>(3,701,092)</u>	<u>115,091</u>	<u>(8,784,479)</u>	<u>(7,463,546)</u>
<u>27,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,389</u>	<u>989,845</u>



Airport Fund

City of Waco, Texas
Airport Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and investments	\$ 1,953,403	935,526
Accounts receivable, net of allowance	86,431	74,859
Due from other funds	27,833	139,221
Intergovernmental receivable	51,922	972,665
Inventory	9,425	9,088
Total current assets	2,129,014	2,131,359
Noncurrent assets:		
Capital assets:		
Land	489,389	446,899
Buildings	14,340,067	14,340,067
Improvements other than buildings	36,147,046	32,289,149
Equipment	1,509,992	1,536,080
Construction in progress	598,798	2,931,010
Less: accumulated depreciation	(22,367,245)	(20,432,291)
Total capital assets	30,718,047	31,110,914
Total noncurrent assets	30,718,047	31,110,914
Total assets	32,847,061	33,242,273
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	55,697	171,222
Accrued liabilities	27,279	255,702
Unearned revenue	-	29,579
Compensated absences payable	61,648	52,945
Total current liabilities	144,624	509,448
Total liabilities	144,624	509,448
Net Position		
Net position:		
Net investment in capital assets	30,718,047	31,110,914
Restricted	590,991	594,910
Unrestricted	1,393,399	1,027,001
Total net position	\$ 32,702,437	32,732,825

See accompanying independent auditor's report.

City of Waco, Texas
Airport Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 559,061	544,791
Net merchandise sales	35,901	40,215
Other	<u>282,098</u>	<u>220,638</u>
Total operating revenues	<u>877,060</u>	<u>805,644</u>
Operating expenses:		
Salaries and wages	426,671	420,847
Employee benefits	177,742	170,894
Purchased professional/technical services	27,274	17,956
Purchased property services	16,233	19,000
Maintenance	74,731	52,406
Other purchased services	70,921	59,312
Supplies	145,473	145,332
Other	329,039	320,945
Depreciation	<u>2,016,312</u>	<u>1,875,051</u>
Total operating expenses	<u>3,284,396</u>	<u>3,081,743</u>
Operating loss	<u>(2,407,336)</u>	<u>(2,276,099)</u>
Nonoperating revenues (expenses):		
Investment earnings	3,755	2,374
Intergovernmental revenue	87,600	87,600
Interest expense and fiscal charges	-	(2,182)
Other income	<u>265,180</u>	<u>273,653</u>
Total nonoperating revenues	<u>356,535</u>	<u>361,445</u>
Loss before contributions and transfers	(2,050,801)	(1,914,654)
Capital contributions	1,528,877	5,208,559
Transfers in	<u>491,536</u>	<u>562,679</u>
Change in net position	<u>(30,388)</u>	<u>3,856,584</u>
Total net position, beginning of year, as previously stated	32,732,825	28,363,442
Prior period adjustment	<u>-</u>	<u>512,799</u>
Total net position, beginning of year, as restated	<u>32,732,825</u>	<u>28,876,241</u>
Total net position, end of year	<u>\$ 32,702,437</u>	<u>32,732,825</u>

See accompanying independent auditor's report.

City of Waco, Texas
Airport Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers	\$ 865,488	804,896
Cash paid to suppliers for goods and services	(944,558)	(374,533)
Cash paid to employees for services	(592,328)	(585,734)
Net cash used for operating activities	<u>(671,398)</u>	<u>(155,371)</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenue	89,565	88,646
Passenger facility charges	265,180	273,653
Transfer from other funds	491,536	562,679
Repayments of advances from other funds	-	(48,388)
Net cash provided by noncapital financing activities	<u>846,281</u>	<u>876,590</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,616,692)	(4,510,866)
Capital contributions	2,455,931	3,667,734
Interest paid on capital debt	-	(2,182)
Net cash provided by (used for) capital and related financing activities	<u>839,239</u>	<u>(845,314)</u>
Cash flows from investing activities:		
Investment earnings	3,755	2,374
Net cash provided by investing activities	<u>3,755</u>	<u>2,374</u>
Net increase (decrease) in cash and cash equivalents	1,017,877	(121,721)
Cash and cash equivalents, beginning of year	<u>935,526</u>	<u>1,057,247</u>
Cash and cash equivalents, end of year	<u>\$ 1,953,403</u>	<u>935,526</u>
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (2,407,336)	(2,276,099)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	2,016,312	1,875,050
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(11,572)	(748)
Inventory	(337)	1,915
Increase (decrease) in liabilities:		
Accounts payable	(48,745)	56,785
Accrued liabilities	(228,423)	184,478
Compensated absences payable	8,703	3,248
Net cash used for operating activities	<u>\$ (671,398)</u>	<u>(155,371)</u>
Noncash investing, capital, and financing activities:		
Contributions of capital assets	<u>\$ 73,533</u>	<u>630,315</u>

See accompanying independent auditor's report.

Convention Services Fund

City of Waco, Texas
Convention Services Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and investments	\$ 339,858	85,068
Accounts receivable, net of allowance	293,441	294,627
Inventory	44,377	40,803
Total current assets	677,676	420,498
Noncurrent assets:		
Capital assets:		
Buildings	24,824,000	24,824,000
Improvements other than buildings	555,845	555,845
Equipment	538,544	538,544
Construction in progress	139,875	126,519
Less: accumulated depreciation	(7,771,261)	(6,947,044)
Total capital assets	18,287,003	19,097,864
Total noncurrent assets	18,287,003	19,097,864
Total assets	18,964,679	19,518,362
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	126,110	216,351
Accrued liabilities	86,733	80,994
Unearned revenue	96,030	88,727
Compensated absences payable	147,777	134,133
Total current liabilities	456,650	520,205
Noncurrent liabilities:		
Compensated absences payable	62,842	75,912
Total noncurrent liabilities	62,842	75,912
Total liabilities	519,492	596,117
Net Position		
Net position:		
Net investment in capital assets	18,287,003	19,097,864
Unrestricted	158,184	(175,619)
Total net position	\$ 18,445,187	18,922,245

See accompanying independent auditor's report.

City of Waco, Texas
Convention Services Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 748,025	661,109
Net merchandise sales	298,957	214,232
Contributions	133,940	118,453
Other	32,876	24,292
Total operating revenues	<u>1,213,798</u>	<u>1,018,086</u>
Operating expenses:		
Salaries and wages	1,195,307	1,122,406
Employee benefits	484,081	461,748
Purchased professional/technical services	202,750	177,543
Purchased property services	25,114	30,897
Maintenance	78,899	86,117
Other purchased services	652,640	627,497
Supplies	474,625	437,405
Other	20,050	29,316
Depreciation	824,217	826,076
Total operating expenses	<u>3,957,683</u>	<u>3,799,005</u>
Operating loss	<u>(2,743,885)</u>	<u>(2,780,919)</u>
Nonoperating revenues (expenses):		
Hotel/motel tax	2,403,171	2,095,987
Investment earnings	300	23
Intergovernmental expenses	-	(142,000)
Total nonoperating revenues (expenses)	<u>2,403,471</u>	<u>1,954,010</u>
Loss before contributions and transfers	(340,414)	(826,909)
Capital contributions	13,356	126,519
Transfers out	<u>(150,000)</u>	<u>-</u>
Change in net position	(477,058)	(700,390)
Total net position, beginning of year	<u>18,922,245</u>	<u>19,622,635</u>
Total net position, end of year	<u>\$ 18,445,187</u>	<u>18,922,245</u>

See accompanying independent auditor's report.

City of Waco, Texas
Convention Services Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	\$ 1,233,356	980,472
Cash paid to suppliers for goods and services	(1,554,647)	(1,281,370)
Cash paid to employees for services	(1,666,321)	(1,566,106)
Net cash used for operating activities	(1,987,612)	(1,867,004)
Cash flows from noncapital financing activities:		
Hotel/motel tax	2,392,102	2,056,865
Intergovernmental expenses	-	(142,000)
Transfer to other funds	(150,000)	-
Net cash provided by noncapital financing activities	2,242,102	1,914,865
Cash flows from investing activities:		
Investment earnings	300	23
Net cash provided by investing activities	300	23
Net increase in cash and cash equivalents	254,790	47,884
Cash and cash equivalents, beginning of year	85,068	37,184
Cash and cash equivalents, end of year	\$ 339,858	85,068
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (2,743,885)	(2,780,919)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	824,217	826,076
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	12,255	(50,348)
Inventory	(3,574)	(3,085)
Increase (decrease) in liabilities:		
Accounts payable	(90,241)	108,366
Accrued liabilities	5,739	10,359
Unearned revenue	7,303	12,734
Compensated absences payable	574	9,813
Net cash used for operating activities	\$ (1,987,612)	(1,867,004)
Schedule of noncash capital and related financing activities:		
Contributions of capital assets	\$ 13,356	126,519

See accompanying independent auditor's report.

Ranger Hall of Fame Fund

City of Waco, Texas
Ranger Hall of Fame Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and investments	\$ 499,124	383,615
Accounts receivable, net of allowance	600	568
Inventory	73,870	87,524
Total current assets	<u>573,594</u>	<u>471,707</u>
Noncurrent assets:		
Restricted cash and investments	<u>105,001</u>	<u>86,418</u>
Capital assets:		
Buildings	3,720,747	3,720,747
Improvements other than buildings	243,023	48,391
Equipment	233,857	308,709
Museum collections	2,160,924	2,133,424
Construction in progress	24,000	200,772
Less: accumulated depreciation	<u>(1,089,650)</u>	<u>(1,049,490)</u>
Total capital assets	<u>5,292,901</u>	<u>5,362,553</u>
Total noncurrent assets	<u>5,397,902</u>	<u>5,448,971</u>
Total assets	<u>5,971,496</u>	<u>5,920,678</u>
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	42,701	23,380
Accrued liabilities	30,663	27,305
Compensated absences payable	58,274	61,803
Total current liabilities	<u>131,638</u>	<u>112,488</u>
Noncurrent liabilities:		
Compensated absences payable	<u>74,685</u>	<u>54,146</u>
Total noncurrent liabilities	<u>74,685</u>	<u>54,146</u>
Total liabilities	<u>206,323</u>	<u>166,634</u>
Net Position		
Net position:		
Net investment in capital assets	5,292,901	5,362,553
Restricted	236,363	172,282
Unrestricted	<u>235,909</u>	<u>219,209</u>
Total net position	<u>\$ 5,765,173</u>	<u>5,754,044</u>

See accompanying independent auditor's report.

City of Waco, Texas
Ranger Hall of Fame Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 294,198	272,985
Net merchandise sales	112,008	121,688
Other	14,208	16,055
Total operating revenues	<u>420,414</u>	<u>410,728</u>
Operating expenses:		
Salaries and wages	591,422	570,982
Employee benefits	208,879	205,067
Purchased professional/technical services	13,345	21,817
Purchased property services	6,740	9,272
Maintenance	7,251	8,362
Other purchased services	49,121	42,567
Supplies	114,593	113,980
Other	209,043	248,943
Depreciation	126,301	122,585
Total operating expenses	<u>1,326,695</u>	<u>1,343,575</u>
Operating loss	<u>(906,281)</u>	<u>(932,847)</u>
Nonoperating revenues:		
Investment earnings	1,191	852
Contributions	129,707	94,169
Total nonoperating revenues	<u>130,898</u>	<u>95,021</u>
Loss before contributions and transfers	(775,383)	(837,826)
Capital contributions	27,500	217,772
Transfers in	<u>759,012</u>	<u>776,047</u>
Change in net position	<u>11,129</u>	<u>155,993</u>
Total net position, beginning of year, as previously stated	5,754,044	5,421,591
Prior period adjustment	<u>-</u>	<u>176,460</u>
Total net position, beginning of year, as restated	<u>5,754,044</u>	<u>5,598,051</u>
Total net position, end of year	<u>\$ 5,765,173</u>	<u>5,754,044</u>

See accompanying independent auditor's report.

City of Waco, Texas
Ranger Hall of Fame Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers	\$ 420,382	410,760
Cash paid to suppliers for goods and services	(367,418)	(444,086)
Cash paid to employees for services	(779,633)	(762,441)
Net cash used for operating activities	<u>(726,669)</u>	<u>(795,767)</u>
Cash flows from noncapital financing activities:		
Contributions	129,707	94,169
Transfer from other funds	759,012	776,047
Net cash provided by noncapital financing activities	<u>888,719</u>	<u>870,216</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(29,149)	-
Net cash used for capital and related financing activities	<u>(29,149)</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings	1,191	852
Net cash provided by investing activities	<u>1,191</u>	<u>852</u>
Net increase in cash and cash equivalents	134,092	75,301
Cash and cash equivalents, beginning of year	<u>470,033</u>	<u>394,732</u>
Cash and cash equivalents, end of year	<u>\$ 604,125</u>	<u>470,033</u>
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (906,281)	(932,847)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	126,301	122,585
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(32)	32
Inventory	13,654	(7,924)
Increase (decrease) in liabilities:		
Accounts payable	19,321	8,680
Accrued liabilities	3,358	3,832
Compensated absences payable	17,010	9,875
Net cash used for operating activities	<u>\$ (726,669)</u>	<u>(795,767)</u>
Schedule of noncash capital and related financing activities:		
Contributions of capital assets	<u>\$ 27,500</u>	<u>217,772</u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund

City of Waco, Texas
Cameron Park Zoo Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and investments	\$ 39,804	190,539
Accounts receivable, net of allowance	1,136	1,642
Inventory	10,419	15,284
Total current assets	51,359	207,465
Noncurrent assets:		
Capital assets:		
Buildings	8,827,265	8,827,265
Improvements other than buildings	19,050,351	19,050,351
Equipment	411,147	371,269
Less: accumulated depreciation	(14,846,178)	(13,752,870)
Total capital assets	13,442,585	14,496,015
Total noncurrent assets	13,442,585	14,496,015
Total assets	13,493,944	14,703,480
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	95,284	136,115
Accrued liabilities	63,895	67,466
Compensated absences payable	140,657	201,083
Total current liabilities	299,836	404,664
Noncurrent liabilities:		
Compensated absences payable	108,628	28,064
Total noncurrent liabilities	108,628	28,064
Total liabilities	408,464	432,728
Net Position		
Net position:		
Net investment in capital assets	13,442,585	14,496,015
Unrestricted	(357,105)	(225,263)
Total net position	\$ 13,085,480	14,270,752

See accompanying independent auditor's report.

City of Waco, Texas
Cameron Park Zoo Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	2014	2013
Operating revenues:		
Charges for services	\$ 1,353,916	1,391,868
Net merchandise sales	226,500	209,833
Contributions	1,200	1,600
Other	663	15,194
Total operating revenues	1,582,279	1,618,495
Operating expenses:		
Salaries and wages	1,359,225	1,330,453
Employee benefits	609,721	600,564
Purchased professional/technical services	13,327	23,238
Purchased property services	440,060	354,131
Maintenance	54,476	50,686
Other purchased services	84,755	64,189
Supplies	648,396	605,796
Other	166,225	110,886
Depreciation	1,117,988	1,178,324
Total operating expenses	4,494,173	4,318,267
Operating loss	(2,911,894)	(2,699,772)
Nonoperating revenues:		
Investment earnings	14	37
Loss before contributions and transfers	(2,911,880)	(2,699,735)
Capital contributions	-	15,239
Transfers in	1,726,608	1,694,653
Change in net position	(1,185,272)	(989,843)
Total net position, beginning of year	14,270,752	15,260,595
Total net position, end of year	\$ 13,085,480	14,270,752

See accompanying independent auditor's report.

City of Waco, Texas
Cameron Park Zoo Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,582,785	1,616,853
Cash paid to suppliers for goods and services	(1,444,828)	(1,143,322)
Cash paid to employees for services	(1,950,756)	(1,945,580)
Net cash used for operating activities	<u>(1,812,799)</u>	<u>(1,472,049)</u>
Cash flows from noncapital financing activities:		
Transfer from other funds	1,726,608	1,694,653
Net cash provided by noncapital financing activities	<u>1,726,608</u>	<u>1,694,653</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(64,558)	(58,796)
Net cash used for noncapital financing activities	<u>(64,558)</u>	<u>(58,796)</u>
Cash flows from investing activities:		
Investment earnings	14	37
Net cash provided by investing activities	<u>14</u>	<u>37</u>
Net increase (decrease) in cash and cash equivalents	(150,735)	163,845
Cash and cash equivalents, beginning of year	<u>190,539</u>	<u>26,694</u>
Cash and cash equivalents, end of year	<u>\$ 39,804</u>	<u>190,539</u>
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (2,911,894)	(2,699,772)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	1,117,988	1,178,324
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	506	(1,642)
Inventory	4,865	(1,254)
Increase (decrease) in liabilities:		
Accounts payable	(40,831)	98,914
Accrued liabilities	(3,571)	(15,069)
Compensated absences payable	20,138	(31,550)
Net cash used for operating activities	<u>\$ (1,812,799)</u>	<u>(1,472,049)</u>
Schedule of noncash capital and related financing activities:		
Contributions of capital assets	<u>\$ -</u>	<u>15,239</u>

See accompanying independent auditor's report.

Transit Services Fund

City of Waco, Texas
Transit Services Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Accounts receivable	\$ 113,786	92,897
Intergovernmental receivable	1,127,146	2,781,380
Inventory	460,763	395,860
Total current assets	1,701,695	3,270,137
Noncurrent assets:		
Capital assets:		
Land	423,284	423,284
Buildings	6,919,608	6,919,608
Improvements other than buildings	244,951	244,951
Equipment	10,691,431	10,782,908
Construction work in progress	94,537	46,888
Less: accumulated depreciation	(9,815,871)	(8,723,278)
Total capital assets	8,557,940	9,694,361
Total noncurrent assets	8,557,940	9,694,361
Total assets	10,259,635	12,964,498
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	139,746	94,119
Accrued liabilities	133,002	140,527
Due to other funds	690,766	2,331,634
Total current liabilities	963,514	2,566,280
Net Position		
Net position:		
Net investment in capital assets	8,557,940	9,694,361
Restricted	446,965	413,419
Unrestricted	291,216	290,438
Total net position	\$ 9,296,121	10,398,218

See accompanying independent auditor's report.

City of Waco, Texas
Transit Services Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 2,422,412	2,518,961
Other	951,370	1,021,086
Total operating revenues	<u>3,373,782</u>	<u>3,540,047</u>
Operating expenses:		
Salaries and wages	3,054,463	2,960,015
Employee benefits	728,598	666,966
Purchased professional/technical services	1,032,574	857,533
Purchased property services	23,988	21,878
Maintenance	612,853	605,709
Other purchased services	190,514	167,262
Supplies	1,074,247	1,104,070
Other	309,947	429,831
Depreciation	1,150,524	1,232,751
Total operating expenses	<u>8,177,708</u>	<u>8,046,015</u>
Operating loss	<u>(4,803,926)</u>	<u>(4,505,968)</u>
Nonoperating revenues:		
Investment earnings	5	4
Intergovernmental revenue	3,652,453	3,236,157
Total nonoperating revenues	<u>3,652,458</u>	<u>3,236,161</u>
Loss before capital contributions	(1,151,468)	(1,269,807)
Capital contributions	<u>49,371</u>	<u>6,525</u>
Change in net position	<u>(1,102,097)</u>	<u>(1,263,282)</u>
Total net position, beginning of year, as previously stated	10,398,218	11,228,674
Prior period adjustment	-	432,826
Total net position, beginning of year, as restated	<u>10,398,218</u>	<u>11,661,500</u>
Total net position, end of year	<u>\$ 9,296,121</u>	<u>10,398,218</u>

See accompanying independent auditor's report.

City of Waco, Texas
Transit Services Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers	\$ 3,352,893	3,571,918
Cash paid to suppliers for goods and services	(3,245,668)	(3,093,130)
Cash paid to employees for services	(3,808,317)	(3,604,196)
Net cash used for operating activities	<u>(3,701,092)</u>	<u>(3,125,408)</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenue	5,306,687	3,280,708
Payments to other funds	(1,640,868)	(106,676)
Net cash provided by noncapital financing activities	<u>3,665,819</u>	<u>3,174,032</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(47,649)	(55,153)
Insurance recoveries	33,546	-
Capital contributions	49,371	6,525
Net cash used for capital and related financing activities	<u>35,268</u>	<u>(48,628)</u>
Cash flows from investing activities:		
Investment earnings	5	4
Net cash provided by investing activities	<u>5</u>	<u>4</u>
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (4,803,926)	(4,486,561)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	1,150,524	1,299,025
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(20,889)	31,871
Inventory	(64,903)	(2,554)
Increase (decrease) in liabilities:		
Accounts payable	45,627	40,143
Accrued liabilities	(7,525)	21,374
Unearned revenue	-	(28,706)
Net cash used for operating activities	<u>\$ (3,701,092)</u>	<u>(3,125,408)</u>

See accompanying independent auditor's report

Cottonwood Creek Golf Course Fund

City of Waco, Texas
Cottonwood Creek Golf Course Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and investments	\$ 213,363	14,925
Inventory	<u>270,389</u>	<u>259,078</u>
Total current assets	<u>483,752</u>	<u>274,003</u>
Noncurrent assets:		
Capital assets:		
Buildings	713,389	713,389
Improvements other than buildings	2,017,246	2,017,246
Equipment	825,061	741,702
Construction in progress	209,178	19,178
Less: accumulated depreciation	<u>(2,618,783)</u>	<u>(2,444,232)</u>
Total capital assets	<u>1,146,091</u>	<u>1,047,283</u>
Total noncurrent assets	<u>1,146,091</u>	<u>1,047,283</u>
Total assets	<u>1,629,843</u>	<u>1,321,286</u>
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	59,617	67,465
Accrued liabilities	794,247	576,649
Compensated absences payable	<u>59,153</u>	<u>68,641</u>
Total current liabilities	<u>913,017</u>	<u>712,755</u>
Noncurrent liabilities:		
Advances from other funds	693,704	693,704
Compensated absences payable	<u>119,271</u>	<u>106,303</u>
Total noncurrent liabilities	<u>812,975</u>	<u>800,007</u>
Total liabilities	<u>1,725,992</u>	<u>1,512,762</u>
Net Position		
Net position:		
Net investment in capital assets	1,146,091	1,047,283
Unrestricted	<u>(1,242,240)</u>	<u>(1,238,759)</u>
Total net position	<u>\$ (96,149)</u>	<u>(191,476)</u>

See accompanying independent auditor's report.

City of Waco, Texas
Cottonwood Creek Golf Course Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 1,174,277	1,218,112
Net merchandise sales	257,119	248,178
Other	117,932	149,595
Total operating revenues	<u>1,549,328</u>	<u>1,615,885</u>
 Operating expenses:		
Salaries and wages	428,857	472,908
Employee benefits	166,481	185,496
Purchased professional/technical services	413,701	394,989
Purchased property services	144,826	115,688
Maintenance	96,152	67,969
Other purchased services	142,103	135,080
Supplies	221,882	209,440
Other	22,154	17,902
Depreciation	174,551	183,491
Total operating expenses	<u>1,810,707</u>	<u>1,782,963</u>
 Operating loss	<u>(261,379)</u>	<u>(167,078)</u>
 Loss before transfers	(261,379)	(167,078)
 Transfers in	<u>356,706</u>	<u>105,870</u>
 Change in net position	95,327	(61,208)
 Total net position, beginning of year	<u>(191,476)</u>	<u>(130,268)</u>
 Total net position, end of year	<u>\$ (96,149)</u>	<u>(191,476)</u>

See accompanying independent auditor's report.

City of Waco, Texas
Cottonwood Creek Golf Course Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	\$ 1,549,328	1,615,885
Cash paid to suppliers for goods and services	(842,949)	(1,008,265)
Cash paid to employees for services	(591,288)	(655,567)
Net cash provided by (used for) operating activities	115,091	(47,947)
Cash flows from noncapital financing activities:		
Transfer from other funds	356,706	105,870
Net cash provided by noncapital financing activities	356,706	105,870
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(273,359)	(87,921)
Net cash used for capital and related financing activities	(273,359)	(87,921)
Net increase (decrease) in cash and cash equivalents	198,438	(29,998)
Cash and cash equivalents, beginning of year	14,925	44,923
Cash and cash equivalents, end of year	\$ 213,363	14,925
Reconciliation of operating loss to net cash provided by (used for) operating activities:		
Operating loss	\$ (261,379)	(167,078)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	174,551	183,491
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Inventory	(11,311)	(21,747)
Increase (decrease) in liabilities:		
Accounts payable	(7,848)	(18,770)
Accrued liabilities	217,598	(23,491)
Compensated absences payable	3,480	(352)
Net cash provided by (used for) operating activities	\$ 115,091	(47,947)

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.

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

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

Engineering Fund - This account 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.

City of Waco, Texas
Internal Service Funds
Combining Statement of Net Position
September 30, 2014
(With Comparative Totals for September 30, 2013)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2014	2013
Assets						
Current assets:						
Cash and investments	\$ 5,431,297	4,377,830	396,784	243,445	10,449,356	10,920,295
Accounts receivable, net of allowances	1,244	-	877	6,927	9,048	897
Due from other funds	-	251,973	-	-	251,973	-
Inventories	-	-	-	273,875	273,875	199,244
Total current assets	<u>5,432,541</u>	<u>4,629,803</u>	<u>397,661</u>	<u>524,247</u>	<u>10,984,252</u>	<u>11,120,436</u>
Noncurrent assets:						
Capital assets:						
Land	-	-	24,400	14,400	38,800	38,800
Buildings	-	-	-	920,153	920,153	902,185
Improvements other than buildings	-	-	-	118,289	118,289	118,289
Equipment	26,659	-	225,690	1,011,114	1,263,463	1,062,565
Less: accumulated depreciation	(7,656)	-	(147,494)	(1,237,667)	(1,392,817)	(1,291,153)
Total capital assets	<u>19,003</u>	<u>-</u>	<u>102,596</u>	<u>826,289</u>	<u>947,888</u>	<u>830,686</u>
Total noncurrent assets	<u>19,003</u>	<u>-</u>	<u>102,596</u>	<u>826,289</u>	<u>947,888</u>	<u>830,686</u>
Total assets	<u>5,451,544</u>	<u>4,629,803</u>	<u>500,257</u>	<u>1,350,536</u>	<u>11,932,140</u>	<u>11,951,122</u>
Liabilities						
Liabilities:						
Current liabilities:						
Accounts payable	59,181	5,533	21,457	278,845	365,016	337,386
Accrued liabilities	76,869	338,541	34,130	32,964	482,504	277,035
Due to other funds	-	-	-	-	-	470,073
Compensated absences payable	40,095	-	173,348	83,289	296,732	258,204
Escrow funds	-	-	538	-	538	538
Estimated claims and judgments	2,150,803	1,062,000	-	-	3,212,803	3,270,019
Total current liabilities	<u>2,326,948</u>	<u>1,406,074</u>	<u>229,473</u>	<u>395,098</u>	<u>4,357,593</u>	<u>4,613,255</u>
Noncurrent liabilities:						
Compensated absences payable	-	-	-	-	-	132,951
Net pension obligation	57,510	2,746	180,828	133,183	374,267	371,674
Total noncurrent liabilities	<u>57,510</u>	<u>2,746</u>	<u>180,828</u>	<u>133,183</u>	<u>374,267</u>	<u>504,625</u>
Total liabilities	<u>2,384,458</u>	<u>1,408,820</u>	<u>410,301</u>	<u>528,281</u>	<u>4,731,860</u>	<u>5,117,880</u>
Net Position						
Net investment in capital assets	19,003	-	102,596	826,289	947,888	830,686
Unrestricted	3,048,083	3,220,983	(12,640)	(4,034)	6,252,392	6,002,556
Total net position	<u>\$ 3,067,086</u>	<u>3,220,983</u>	<u>89,956</u>	<u>822,255</u>	<u>7,200,280</u>	<u>6,833,242</u>

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Net Position
Year Ended September 30, 2014
(With Comparative Totals for Year Ended September 30, 2013)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2014	2013
Operating revenues:						
Charges for services	\$ 3,663,439	12,153,776	1,969,865	1,660,365	19,447,445	17,682,680
Other	-	-	10,989	37,439	48,428	22,573
Total operating revenues	<u>3,663,439</u>	<u>12,153,776</u>	<u>1,980,854</u>	<u>1,697,804</u>	<u>19,495,873</u>	<u>17,705,253</u>
Operating expenses:						
Salaries and wages	400,006	58,330	1,098,849	797,013	2,354,198	2,303,504
Employee benefits	126,741	19,200	387,987	339,880	873,808	876,629
Purchased professional/ technical services	190,160	1,457,466	25,637	11,722	1,684,985	1,936,269
Purchased property services	-	5,319	52,611	7,347	65,277	58,848
Maintenance	204	-	43,878	30,287	74,369	122,182
Other purchased services	848,395	1,970	52,408	32,479	935,252	845,090
Supplies	53,220	9,555	37,099	101,745	201,619	182,365
Other	1,272,702	11,176,757	158,725	238,412	12,846,596	11,684,565
Depreciation	3,721	-	24,618	91,264	119,603	102,469
Total operating expenses	<u>2,895,149</u>	<u>12,728,597</u>	<u>1,881,812</u>	<u>1,650,149</u>	<u>19,155,707</u>	<u>18,111,921</u>
Operating income (loss)	<u>768,290</u>	<u>(574,821)</u>	<u>99,042</u>	<u>47,655</u>	<u>340,166</u>	<u>(406,668)</u>
Nonoperating revenues:						
Investment earnings	13,881	12,171	712	108	26,872	22,486
Total nonoperating revenues	<u>13,881</u>	<u>12,171</u>	<u>712</u>	<u>108</u>	<u>26,872</u>	<u>22,486</u>
Income (loss) before contributions and transfers	782,171	(562,650)	99,754	47,763	367,038	(384,182)
Capital contributions	-	-	-	-	-	193,427
Transfers out	-	-	-	-	-	(744,670)
Change in net position	782,171	(562,650)	99,754	47,763	367,038	(935,425)
Total net position, beginning of year	<u>2,284,915</u>	<u>3,783,633</u>	<u>(9,798)</u>	<u>774,492</u>	<u>6,833,242</u>	<u>7,768,667</u>
Total net position, end of year	<u>\$ 3,067,086</u>	<u>3,220,983</u>	<u>89,956</u>	<u>822,255</u>	<u>7,200,280</u>	<u>6,833,242</u>

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2014
(With Comparative Totals for Year Ended September 30, 2013)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2014	2013
Cash flows from operating activities:						
Cash received from customers	\$ 3,663,092	12,153,776	1,979,977	1,690,877	19,487,722	17,706,941
Cash paid to suppliers for goods and services	(2,503,764)	(12,448,669)	(353,268)	(410,993)	(15,716,694)	(14,568,679)
Cash paid to employees for services	(571,725)	(77,160)	(1,543,578)	(1,117,525)	(3,309,988)	(3,156,905)
Net cash provided by (used for) operating activities	<u>587,603</u>	<u>(372,053)</u>	<u>83,131</u>	<u>162,359</u>	<u>461,040</u>	<u>(18,643)</u>
Cash flows from noncapital financing activities:						
Transfer to other funds	(470,073)	(251,973)	-	-	(722,046)	(977,174)
Net cash used for noncapital financing activities	<u>(470,073)</u>	<u>(251,973)</u>	<u>-</u>	<u>-</u>	<u>(722,046)</u>	<u>(977,174)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	(29,815)	(206,990)	(236,805)	(245,035)
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>(29,815)</u>	<u>(206,990)</u>	<u>(236,805)</u>	<u>(245,035)</u>
Cash flows from investing activities:						
Investment earnings	13,881	12,171	712	108	26,872	22,486
Net cash provided by investing activities	<u>13,881</u>	<u>12,171</u>	<u>712</u>	<u>108</u>	<u>26,872</u>	<u>22,486</u>
Net increase (decrease) in cash and cash equivalents	131,411	(611,855)	54,028	(44,523)	(470,939)	(1,218,366)
Cash and cash equivalents, beginning of year	5,299,886	4,989,685	342,756	287,968	10,920,295	12,138,661
Cash and cash equivalents, end of year	<u>\$ 5,431,297</u>	<u>4,377,830</u>	<u>396,784</u>	<u>243,445</u>	<u>10,449,356</u>	<u>10,920,295</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 768,290	(574,821)	99,042	47,655	340,166	(406,668)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	3,721	-	24,618	91,264	119,603	102,469
Changes in assets and liabilities:						
(Increase) decrease in assets:						
Accounts receivable	(347)	-	(877)	(6,927)	(8,151)	1,688
Inventories	-	-	-	(74,631)	(74,631)	(8,667)
Increase (decrease) in liabilities:						
Accounts payable	(79,693)	4,603	17,090	85,630	27,630	105,754
Accrued liabilities	10,390	189,100	(688)	6,667	205,469	(27,821)
Compensated absences payable	(48,955)	-	(57,281)	11,813	(94,423)	4,492
Net pension obligation	413	65	1,227	888	2,593	3,165
Estimated claims and judgments	(66,216)	9,000	-	-	(57,216)	206,945
Net cash provided by (used for) operating activities	<u>\$ 587,603</u>	<u>(372,053)</u>	<u>83,131</u>	<u>162,359</u>	<u>461,040</u>	<u>(18,643)</u>
Schedule of noncash capital and related financing activities:						
Contributions of capital assets	\$ -	-	-	-	-	193,427

See accompanying independent auditor's report.

Insurance Fund

City of Waco, Texas
Insurance Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and investments	\$ 5,431,297	5,299,886
Accounts receivable	1,244	897
Total current assets	<u>5,432,541</u>	<u>5,300,783</u>
Noncurrent assets:		
Capital assets:		
Equipment	26,659	26,659
Less: accumulated depreciation	<u>(7,656)</u>	<u>(3,935)</u>
Total capital assets	<u>19,003</u>	<u>22,724</u>
Total assets	<u>5,451,544</u>	<u>5,323,507</u>
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	59,181	138,874
Accrued liabilities	76,869	66,479
Due to other funds	-	470,073
Compensated absences payable	40,095	53,751
Estimated claims and judgments	<u>2,150,803</u>	<u>2,217,019</u>
Total current liabilities	<u>2,326,948</u>	<u>2,946,196</u>
Noncurrent liabilities:		
Compensated absences payable	-	35,299
Net pension obligation	<u>57,510</u>	<u>57,097</u>
Total noncurrent liabilities	<u>57,510</u>	<u>92,396</u>
Total liabilities	<u>2,384,458</u>	<u>3,038,592</u>
Net Position		
Net investment in capital assets	19,003	22,724
Unrestricted	<u>3,048,083</u>	<u>2,262,191</u>
Total net position	<u>\$ 3,067,086</u>	<u>2,284,915</u>

See accompanying independent auditor's report.

City of Waco, Texas
Insurance Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 3,663,439	2,751,331
Total operating revenues	<u>3,663,439</u>	<u>2,751,331</u>
Operating expenses:		
Salaries and wages	400,006	385,386
Employee benefits	126,741	127,791
Purchased professional/technical services	190,160	160,766
Maintenance	204	274
Other purchased services	848,395	767,949
Supplies	53,220	49,948
Other	1,272,702	1,616,707
Depreciation	3,721	3,405
Total operating expenses	<u>2,895,149</u>	<u>3,112,226</u>
Operating income (loss)	<u>768,290</u>	<u>(360,895)</u>
Nonoperating revenues:		
Investment earnings	13,881	11,769
Total nonoperating revenues	<u>13,881</u>	<u>11,769</u>
Income (loss) before transfers	782,171	(349,126)
Transfers out	<u>-</u>	<u>(744,670)</u>
Change in net position	782,171	(1,093,796)
Total net position, beginning of year	<u>2,284,915</u>	<u>3,378,711</u>
Total net position, end of year	<u>\$ 3,067,086</u>	<u>2,284,915</u>

See accompanying independent auditor's report.

City of Waco, Texas
Insurance Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	\$ 3,663,092	2,752,428
Cash paid to suppliers for goods and services	(2,503,764)	(2,352,998)
Cash paid to employees for services	(571,725)	(511,153)
Net cash provided by (used for) operating activities	587,603	(111,723)
Cash flows from noncapital financing activities:		
Transfer to other funds	(470,073)	(977,174)
Net cash used for noncapital financing activities	(470,073)	(977,174)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(21,474)
Net cash used for capital and related financing activities	-	(21,474)
Cash flows from investing activities:		
Investment earnings	13,881	11,769
Net cash provided by investing activities	13,881	11,769
Net increase (decrease) in cash and cash equivalents	131,411	(1,098,602)
Cash and cash equivalents, beginning of year	5,299,886	6,398,488
Cash and cash equivalents, end of year	\$ 5,431,297	5,299,886
Reconciliation of operating income (loss) to net cash used for operating activities:		
Operating income (loss)	\$ 768,290	(360,895)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	3,721	3,405
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(347)	1,097
Increase (decrease) in liabilities:		
Accounts payable	(79,693)	29,244
Accrued liabilities	10,390	17,657
Compensated absences payable	(48,955)	(690)
Net pension obligation	413	514
Estimated claims and judgments	(66,216)	197,945
Net cash provided by (used for) operating activities	\$ 587,603	(111,723)

See accompanying independent auditor's report.

Health Insurance Fund

City of Waco, Texas
Health Insurance Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Assets:		
Current assets:		
Cash and investments	\$ 4,377,830	4,989,685
Due from other funds	251,973	-
Total current assets	<u>4,629,803</u>	<u>4,989,685</u>
Total assets	<u>4,629,803</u>	<u>4,989,685</u>
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	5,533	930
Accrued liabilities	338,541	149,441
Estimated claims	1,062,000	1,053,000
Total current liabilities	<u>1,406,074</u>	<u>1,203,371</u>
Noncurrent liabilities:		
Net pension obligation	2,746	2,681
Total noncurrent liabilities	<u>2,746</u>	<u>2,681</u>
Total liabilities	<u>1,408,820</u>	<u>1,206,052</u>
Net Position		
Unrestricted	<u>3,220,983</u>	<u>3,783,633</u>
Total net position	<u>\$ 3,220,983</u>	<u>3,783,633</u>

See accompanying independent auditor's report.

City of Waco, Texas
Health Insurance Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 12,153,776	11,558,242
Total operating revenues	<u>12,153,776</u>	<u>11,558,242</u>
Operating expenses:		
Salaries and wages	58,330	52,300
Employee benefits	19,200	17,983
Purchased professional/technical services	1,457,466	1,751,558
Purchased property services	5,319	2,030
Other purchased services	1,970	741
Supplies	9,555	1,486
Other	11,176,757	9,616,648
Total operating expenses	<u>12,728,597</u>	<u>11,442,746</u>
Operating income (loss)	<u>(574,821)</u>	<u>115,496</u>
Nonoperating revenues:		
Investment earnings	<u>12,171</u>	<u>10,007</u>
Total nonoperating revenues	<u>12,171</u>	<u>10,007</u>
Change in net position	(562,650)	125,503
Total net position, beginning of year	<u>3,783,633</u>	<u>3,658,130</u>
Total net position, end of year	<u>\$ 3,220,983</u>	<u>3,783,633</u>

See accompanying independent auditor's report.

City of Waco, Texas
Health Insurance Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	\$ 12,153,776	11,558,242
Cash paid to suppliers for goods and services	(12,448,669)	(11,418,526)
Cash paid to employees for services	(77,160)	(69,878)
Net cash provided by (used for) operating activities	(372,053)	69,838
Cash flows from noncapital financing activities:		
Payments to other funds	(251,973)	-
Net cash used for noncapital financing activities	(251,973)	-
Cash flows from investing activities:		
Investment earnings	12,171	10,007
Net cash provided by investing activities	12,171	10,007
Net increase (decrease) in cash and cash equivalents	(611,855)	79,845
Cash and cash equivalents, beginning of year	4,989,685	4,909,840
Cash and cash equivalents, end of year	\$ 4,377,830	4,989,685
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (574,821)	115,496
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Changes in liabilities:		
Increase (decrease) in liabilities:		
Accounts payable	4,603	(418)
Accrued liabilities	189,100	(54,312)
Estimated claims	9,000	9,000
Net pension obligation	65	72
Net cash provided by (used for) operating activities	\$ (372,053)	69,838

See accompanying independent auditor's report.

Engineering Fund

City of Waco, Texas
Engineering Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and investments	\$ 396,784	342,756
Accounts receivable, net of allowance	877	-
Total current assets	<u>397,661</u>	<u>342,756</u>
Noncurrent assets:		
Capital assets:		
Land	24,400	24,400
Equipment	225,690	216,590
Less: accumulated depreciation	(147,494)	(143,591)
Total capital assets	<u>102,596</u>	<u>97,399</u>
Total assets	<u>500,257</u>	<u>440,155</u>
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	21,457	4,367
Accrued liabilities	34,130	34,818
Compensated absences payable	173,348	132,977
Escrow funds	538	538
Total current liabilities	<u>229,473</u>	<u>172,700</u>
Noncurrent liabilities:		
Compensated absences payable	-	97,652
Net pension obligation	180,828	179,601
Total noncurrent liabilities	<u>180,828</u>	<u>277,253</u>
Total liabilities	<u>410,301</u>	<u>449,953</u>
Net Position		
Net investment in capital assets	102,596	97,399
Unrestricted	<u>(12,640)</u>	<u>(107,197)</u>
Total net position	<u>\$ 89,956</u>	<u>(9,798)</u>

See accompanying independent auditor's report.

City of Waco, Texas
Engineering Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 1,969,865	1,847,885
Other	10,989	6,426
Total operating revenues	<u>1,980,854</u>	<u>1,854,311</u>
Operating expenses:		
Salaries and wages	1,098,849	1,074,810
Employee benefits	387,987	393,725
Purchased professional/technical services	25,637	67
Purchased property services	52,611	52,785
Maintenance	43,878	43,741
Other purchased services	52,408	50,807
Supplies	37,099	36,113
Other	158,725	235,950
Depreciation	24,618	25,512
Total operating expenses	<u>1,881,812</u>	<u>1,913,510</u>
Operating loss	<u>99,042</u>	<u>(59,199)</u>
Nonoperating revenues:		
Investment earnings	712	433
Total nonoperating revenues	<u>712</u>	<u>433</u>
Income (loss) before capital contributions	99,754	(58,766)
Capital contributions	<u>-</u>	<u>-</u>
Change in net position	99,754	(58,766)
Total net position, beginning of year	<u>(9,798)</u>	<u>48,968</u>
Total net position, end of year	<u>\$ 89,956</u>	<u>(9,798)</u>

See accompanying independent auditor's report.

City of Waco, Texas
Engineering Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,979,977	1,854,902
Cash paid to suppliers for goods and services	(353,268)	(419,630)
Cash paid to employees for services	<u>(1,543,578)</u>	<u>(1,444,338)</u>
Net cash provided by (used for) operating activities	<u>83,131</u>	<u>(9,066)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(29,815)</u>	<u>(35,167)</u>
Net cash used for capital and related financing activities	<u>(29,815)</u>	<u>(35,167)</u>
Cash flows from investing activities:		
Investment earnings	<u>712</u>	<u>433</u>
Net cash provided by investing activities	<u>712</u>	<u>433</u>
Net increase (decrease) in cash and cash equivalents	54,028	(43,800)
Cash and cash equivalents, beginning of year	<u>342,756</u>	<u>386,556</u>
Cash and cash equivalents, end of year	<u>\$ 396,784</u>	<u>342,756</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 99,042	(59,199)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	24,618	25,512
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(877)	591
Increase (decrease) in liabilities:		
Accounts payable	17,090	397
Accrued liabilities	(688)	8,445
Compensated absences payable	(57,281)	13,700
Net pension obligation	<u>1,227</u>	<u>1,488</u>
Net cash provided by (used for) operating activities	<u>\$ 83,131</u>	<u>(9,066)</u>

See accompanying independent auditor's report.

Fleet Services Fund

City of Waco, Texas
Fleet Services Fund
Comparative Statements of Net Position
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and investments	\$ 243,445	287,968
Accounts receivable, net of allowance	6,927	-
Inventory	273,875	199,244
Total current assets	524,247	487,212
Noncurrent assets:		
Capital assets:		
Land	14,400	14,400
Buildings	920,153	902,185
Improvements other than buildings	118,289	118,289
Equipment	1,011,114	819,316
Less: accumulated depreciation	(1,237,667)	(1,143,627)
Total capital assets	826,289	710,563
Total assets	1,350,536	1,197,775
Liabilities		
Liabilities:		
Current liabilities:		
Accounts payable	278,845	193,215
Accrued liabilities	32,964	26,297
Compensated absences payable	83,289	71,476
Total current liabilities	395,098	290,988
Noncurrent liabilities:		
Net pension obligation	133,183	132,295
Total noncurrent liabilities	133,183	132,295
Total liabilities	528,281	423,283
Net Position		
Net investment in capital assets	826,289	710,563
Unrestricted	(4,034)	63,929
Total net position	\$ 822,255	774,492

See accompanying independent auditor's report.

City of Waco, Texas
Fleet Services Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 1,660,365	1,525,222
Other	37,439	16,147
Total operating revenues	<u>1,697,804</u>	<u>1,541,369</u>
Operating expenses:		
Salaries and wages	797,013	791,008
Employee benefits	339,880	337,130
Purchased professional/technical services	11,722	23,878
Purchased property services	7,347	4,033
Maintenance	30,287	78,167
Other purchased services	32,479	25,593
Supplies	101,745	94,818
Other	238,412	215,260
Depreciation	91,264	73,552
Total operating expenses	<u>1,650,149</u>	<u>1,643,439</u>
Operating loss	<u>47,655</u>	<u>(102,070)</u>
Nonoperating revenues:		
Investment earnings	108	277
Total nonoperating revenues	<u>108</u>	<u>277</u>
Loss before capital contributions	47,763	(101,793)
Capital contributions	<u>-</u>	<u>193,427</u>
Change in net position	47,763	91,634
Total net position, beginning of year	<u>774,492</u>	<u>682,858</u>
Total net position, end of year	<u>\$ 822,255</u>	<u>774,492</u>

See accompanying independent auditor's report.

City of Waco, Texas
Fleet Services Fund
Comparative Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,690,877	1,541,369
Cash paid to suppliers for goods and services	(410,993)	(377,525)
Cash paid to employees for services	(1,117,525)	(1,131,536)
Net cash provided by operating activities	<u>162,359</u>	<u>32,308</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(206,990)	(188,394)
Net cash used for capital and related financing activities	<u>(206,990)</u>	<u>(188,394)</u>
Cash flows from investing activities:		
Investment earnings	108	277
Net cash provided by investing activities	<u>108</u>	<u>277</u>
Net decrease in cash and cash equivalents	(44,523)	(155,809)
Cash and cash equivalents, beginning of year	<u>287,968</u>	<u>443,777</u>
Cash and cash equivalents, end of year	<u>\$ 243,445</u>	<u>287,968</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 47,655	(102,070)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	91,264	73,552
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(6,927)	-
Inventory	(74,631)	(8,667)
Increase (decrease) in liabilities:		
Accounts payable	85,630	76,531
Accrued liabilities	6,667	389
Compensated absences payable	11,813	(8,518)
Net pension obligation	888	1,091
Net cash provided by operating activities	<u>\$ 162,359</u>	<u>32,308</u>
Schedule of noncash capital and financing activities:		
Contributions of capital assets	<u>\$ -</u>	<u>193,427</u>

See accompanying independent auditor's report.

Agency 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.

City of Waco, Texas
Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended September 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>Urban Renewal Agency Fund</u>				
Assets:				
Cash and investments	\$ 57,985	149	-	58,134
Liabilities:				
Due to other agencies and individuals	\$ 57,985	149	-	58,134
<u>Heart of Texas Housing Finance Corporation Fund</u>				
Assets:				
Cash and investments	\$ 2,730,631	5,813	58,055	2,678,389
Accounts receivable	-	538	-	538
Note receivable	189,547	40,000	-	229,547
Total assets	\$ 2,920,178	46,351	58,055	2,908,474
Liabilities:				
Due to other agencies and individuals	\$ 2,920,178	46,351	58,055	2,908,474
<u>Waco Public Improvement District No. 2 Fund</u>				
Assets:				
Cash and investments	\$ 15,323	367,980	366,325	16,978
Liabilities:				
Due to other agencies and individuals	\$ 15,323	367,980	366,325	16,978
<u>All Agency Funds</u>				
Assets:				
Cash and investments	\$ 2,803,939	373,942	424,380	2,753,501
Accounts receivable	-	538	-	538
Note receivable	189,547	40,000	-	229,547
Total assets	\$ 2,993,486	414,480	424,380	2,983,586
Liabilities:				
Due to other agencies and individuals	\$ 2,993,486	414,480	424,380	2,983,586

See accompanying independent auditor's report.

Statistical Section

The *Statistical Section* presents detailed information as a context for understanding what the information in the financial statements and note 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 the City's financial report relates to the services the City provides and the activities it performs.

City of Waco, Texas
Net Position by Component
(Unaudited)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net investment in capital assets	\$ 141,836,379	\$ 160,613,844	\$ 165,814,854	\$ 180,681,310
Restricted	10,181,262	11,081,477	12,662,092	15,103,909
Unrestricted	<u>17,915,654</u>	<u>22,716,286</u>	<u>26,806,652</u>	<u>28,407,225</u>
Total governmental activities net position	<u>\$ 169,933,295</u>	<u>\$ 194,411,607</u>	<u>\$ 205,283,598</u>	<u>\$ 224,192,444</u>
Business-type activities				
Net investment in capital assets	\$ 137,978,308	\$ 144,070,096	\$ 155,044,650	\$ 166,834,594
Restricted	96,221	51,468	339,184	1,679,769
Unrestricted	<u>23,949,734</u>	<u>32,932,124</u>	<u>36,319,056</u>	<u>41,875,465</u>
Total business-type activities net position	<u>\$ 162,024,263</u>	<u>\$ 177,053,688</u>	<u>\$ 191,702,890</u>	<u>\$ 210,389,828</u>
Primary government				
Net investment in capital assets	\$ 279,814,687	\$ 304,683,940	\$ 320,859,504	\$ 347,515,904
Restricted	10,277,483	11,132,945	13,001,276	16,783,678
Unrestricted	<u>41,865,388</u>	<u>55,648,410</u>	<u>63,125,708</u>	<u>70,282,690</u>
Total primary government net position	<u>\$ 331,957,558</u>	<u>\$ 371,465,295</u>	<u>\$ 396,986,488</u>	<u>\$ 434,582,272</u>

Source: Comprehensive Annual Financial Reports

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

Table I

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 187,739,263	\$ 179,653,424	\$ 174,645,915	\$ 178,295,347	\$ 180,902,677	\$ 180,508,096
15,597,905	16,281,560	19,687,245	22,291,256	19,391,804	18,895,396
29,148,224	25,717,190	22,550,132	24,430,892	28,460,006	34,063,949
<u>\$ 232,485,392</u>	<u>\$ 221,652,174</u>	<u>\$ 216,883,292</u>	<u>\$ 225,017,495</u>	<u>\$ 228,754,487</u>	<u>\$ 233,467,441</u>
\$ 177,087,342	\$ 206,111,214	\$ 213,553,436	\$ 219,663,969	\$ 215,231,053	211,696,699
541,912	546,027	388,651	6,834	1,180,611	1,274,319
42,808,482	36,844,321	45,769,895	48,873,949	60,118,510	65,792,573
<u>\$ 220,437,736</u>	<u>\$ 243,501,562</u>	<u>\$ 259,711,982</u>	<u>\$ 268,544,752</u>	<u>\$ 276,530,174</u>	<u>\$ 278,763,591</u>
\$ 364,826,605	\$ 385,764,638	\$ 388,199,351	\$ 397,959,316	\$ 396,133,730	\$ 392,204,795
16,139,817	16,827,587	20,075,896	22,298,090	20,572,415	20,169,715
71,956,706	62,561,511	68,320,027	73,304,841	88,578,516	99,856,522
<u>\$ 452,923,128</u>	<u>\$ 465,153,736</u>	<u>\$ 476,595,274</u>	<u>\$ 493,562,247</u>	<u>\$ 505,284,661</u>	<u>\$ 512,231,032</u>

City of Waco, Texas
Changes in Net Position
(Unaudited)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 7,754,960	\$ 8,785,895	\$ 9,494,996	\$ 12,108,481
Public works	12,517,278	11,627,179	13,483,166	11,695,922
Public safety	45,174,223	48,361,556	50,802,719	53,186,019
Culture and recreation	11,534,373	12,652,376	12,885,108	13,853,365
Public health	5,910,874	6,403,273	6,845,611	6,456,840
Housing and community development	4,154,058	1,798,456	2,784,529	2,890,693
Interest on long-term debt	2,232,216	2,177,508	2,625,964	4,863,843
Total governmental activities expenses	<u>89,277,982</u>	<u>91,806,243</u>	<u>98,922,093</u>	<u>105,055,163</u>
Business-type activities:				
Water	23,616,684	25,474,612	26,666,701	28,972,544
Wastewater	11,735,138	12,442,358	14,404,044	15,675,737
Solid waste	13,318,015	12,703,814	12,119,111	13,181,427
Airport	1,942,336	2,045,628	2,139,042	2,230,237
Convention services	2,646,720	2,640,037	2,837,948	2,779,599
Ranger Hall of Fame	1,019,997	1,068,297	1,120,949	1,363,820
Cameron Park Zoo	2,349,341	2,977,741	3,386,403	3,545,604
Transit services	3,356,058	4,176,869	5,309,125	5,980,396
Cottonwood Creek Golf Course	1,429,212	1,510,761	1,553,125	1,812,962
Total business-type activities expenses	<u>61,413,501</u>	<u>65,040,117</u>	<u>69,536,448</u>	<u>75,542,326</u>
Total primary government expenses	<u>150,691,483</u>	<u>156,846,360</u>	<u>168,458,541</u>	<u>180,597,489</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	333,849	317,824	271,852	267,127
Public works	8,765	4,613	4,884	13,152
Public safety	3,080,489	3,739,677	3,456,532	4,764,442
Culture and recreation	778,548	916,453	811,698	995,455
Public health	1,210,776	1,303,186	1,350,709	1,024,400
Operating grants and contributions	8,973,292	8,330,987	9,388,780	9,497,125
Capital grants and contributions	5,351,228	18,612,315	5,795,816	7,276,849
Total governmental activities program revenues	<u>19,736,947</u>	<u>33,225,055</u>	<u>21,080,271</u>	<u>23,838,550</u>

Table II

Fiscal Year											
2009		2010		2011		2012		2013		2014	
\$	12,551,827	\$	14,073,197	\$	12,378,019	\$	14,177,640	\$	20,039,649	\$	16,223,167
	12,790,151		12,142,355		13,227,404		11,844,356		13,699,976		12,205,449
	57,560,461		60,429,663		61,291,317		57,664,131		62,592,351		66,630,254
	14,919,136		15,484,146		15,636,875		15,694,840		16,544,389		16,922,912
	6,901,123		7,364,755		7,417,771		7,184,384		7,388,363		7,314,101
	2,808,221		3,503,811		3,339,613		3,664,525		2,255,720		2,974,293
	4,547,034		4,342,023		4,313,467		4,098,714		3,798,174		3,631,452
	<u>112,077,953</u>		<u>117,339,950</u>		<u>117,604,466</u>		<u>114,328,590</u>		<u>126,318,622</u>		<u>125,901,628</u>
	30,491,638		30,875,837		34,186,629		33,311,059		33,038,145		32,998,874
	17,437,188		18,134,874		17,522,331		17,634,339		18,432,230		19,263,583
	13,267,207		14,160,048		16,201,178		15,854,254		16,033,246		15,794,559
	2,402,041		2,360,727		2,503,823		2,937,967		3,083,925		3,284,396
	3,218,934		2,830,956		2,861,523		3,372,280		3,941,005		3,957,683
	1,141,497		1,280,085		1,193,004		1,209,145		1,343,575		1,326,695
	3,968,217		4,357,007		4,315,032		4,396,640		4,318,267		4,494,173
	6,325,930		7,259,552		7,904,160		7,970,314		8,046,015		8,177,708
	1,919,438		1,674,252		1,691,790		1,864,426		1,782,963		1,810,707
	<u>80,172,090</u>		<u>82,933,338</u>		<u>88,379,470</u>		<u>88,550,424</u>		<u>90,019,371</u>		<u>91,108,378</u>
	<u>192,250,043</u>		<u>200,273,288</u>		<u>205,983,936</u>		<u>202,879,014</u>		<u>216,337,993</u>		<u>217,010,006</u>
	239,046		285,471		342,830		243,137		277,810		192,402
	-		1,366		2,550		385		1,537		2,257
	3,672,327		3,600,084		3,478,363		3,050,804		3,703,991		5,520,650
	1,132,472		1,314,693		1,415,791		1,078,390		1,054,216		1,404,877
	986,945		872,388		1,184,937		1,252,049		1,260,587		1,154,091
	9,079,411		10,337,726		9,720,348		11,640,290		11,500,355		10,924,393
	<u>5,626,382</u>		<u>6,110,736</u>		<u>6,061,358</u>		<u>6,883,729</u>		<u>7,256,153</u>		<u>3,272,066</u>
	<u>20,736,583</u>		<u>22,522,464</u>		<u>22,206,177</u>		<u>24,148,784</u>		<u>25,054,649</u>		<u>22,470,736</u>

(Continued)

City of Waco, Texas
Changes in Net Position
(Unaudited)
(Continued)

	2005	2006	2007	2008
Business-type activities:				
Charges for services:				
Water	\$ 26,602,138	\$ 33,230,464	\$ 30,258,196	\$ 35,261,343
Wastewater	14,864,933	16,766,635	18,441,480	20,235,392
Solid waste	14,386,619	15,781,304	15,768,035	16,577,658
Airport	912,426	1,006,662	1,107,084	1,097,882
Convention services	730,059	706,938	805,276	804,295
Ranger Hall of Fame	457,800	557,580	440,742	438,610
Cameron Park Zoo	617,481	884,139	977,546	1,294,486
Transit services	845,184	1,080,322	1,971,924	2,462,089
Cottonwood Creek Golf Course	1,296,313	1,348,046	1,428,783	1,339,450
Operating grants and contributions	2,580,250	2,700,564	3,175,897	3,226,837
Capital grants and contributions	4,839,238	2,094,356	4,927,582	8,716,987
Total business-type activities program revenues	<u>68,132,441</u>	<u>76,157,010</u>	<u>79,302,545</u>	<u>91,455,029</u>
Total primary government program revenues	<u>87,869,388</u>	<u>109,382,065</u>	<u>100,382,816</u>	<u>115,293,579</u>
Net (Expense)/Revenue				
Governmental activities	(69,541,035)	(58,581,188)	(77,841,822)	(81,216,613)
Business-type activities	<u>6,718,940</u>	<u>11,116,893</u>	<u>9,766,097</u>	<u>15,912,703</u>
Total primary government net expense	<u>(62,822,095)</u>	<u>(47,464,295)</u>	<u>(68,075,725)</u>	<u>(65,303,910)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	33,026,403	34,187,973	36,583,688	43,222,439
Tax increment financing tax	2,106,593	2,260,075	2,657,747	3,060,732
Sales taxes	24,749,413	26,694,323	27,328,996	28,077,887
Franchise taxes	12,128,817	13,484,568	12,985,974	13,997,454
Other taxes	436,561	426,180	501,702	587,971
Unrestricted investment earnings	3,123,231	6,141,959	8,964,710	10,319,788
Miscellaneous	152,196	714,862	981,818	415,851
Gain on disposal of capital assets	-	-	-	-
Transfers	(3,405,384)	(850,440)	(1,290,822)	443,337
Total governmental activities	<u>72,317,830</u>	<u>83,059,500</u>	<u>88,713,813</u>	<u>100,125,459</u>
Business-type activities:				
Hotel/motel taxes	1,544,162	1,650,054	1,620,022	1,688,943
Unrestricted investment earnings	658,869	1,412,038	1,972,261	1,528,629
Gain on disposal of capital assets	-	-	-	-
Transfers	3,405,384	850,440	1,290,822	(443,337)
Total business-type activities	<u>5,608,415</u>	<u>3,912,532</u>	<u>4,883,105</u>	<u>2,774,235</u>
Total primary government	<u>77,926,245</u>	<u>86,972,032</u>	<u>93,596,918</u>	<u>102,899,694</u>
Change in Net Position				
Governmental activities	2,776,795	24,478,312	10,871,991	18,908,846
Business-type activities	<u>12,327,355</u>	<u>15,029,425</u>	<u>14,649,202</u>	<u>18,686,938</u>
Total primary government	<u>\$ 15,104,150</u>	<u>\$ 39,507,737</u>	<u>\$ 25,521,193</u>	<u>\$ 37,595,784</u>

Source: Comprehensive Annual Financial Reports

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

Table II
(Continued)

Fiscal Year									
2009	2010	2011	2012	2013	2014				
\$ 36,167,550	\$ 34,472,657	\$ 43,094,944	\$ 38,759,662	\$ 40,713,824	\$ 38,600,073				
20,041,341	19,543,166	21,619,018	21,542,770	21,718,912	21,343,556				
16,259,578	16,135,566	15,948,286	16,531,734	16,489,195	16,866,587				
1,086,601	1,058,480	1,054,550	1,065,157	1,079,297	1,142,240				
573,967	391,758	523,983	771,773	1,018,086	1,213,798				
425,434	403,946	465,324	448,449	410,728	420,414				
1,354,164	1,599,467	1,575,223	1,602,554	1,618,495	1,582,279				
2,805,887	3,221,167	3,414,289	3,582,781	3,540,047	3,373,782				
1,333,230	1,404,891	1,578,174	1,226,374	1,615,885	1,549,328				
2,798,677	3,085,574	3,514,732	3,415,770	3,419,959	3,869,760				
4,879,547	12,332,766	4,014,798	3,786,143	4,836,705	1,682,452				
<u>87,725,976</u>	<u>93,649,438</u>	<u>96,803,321</u>	<u>92,733,167</u>	<u>96,461,133</u>	<u>91,644,269</u>				
108,462,559	116,171,902	119,009,498	116,881,951	121,515,782	114,115,005				
(91,341,370)	(94,817,486)	(95,398,289)	(90,179,806)	(101,263,973)	(103,430,892)				
7,553,886	10,716,100	8,423,851	4,182,743	6,441,762	535,891				
<u>(83,787,484)</u>	<u>(84,101,386)</u>	<u>(86,974,438)</u>	<u>(85,997,063)</u>	<u>(94,822,211)</u>	<u>(102,895,001)</u>				
46,366,310	47,489,598	48,387,467	49,373,010	51,184,254	51,585,835				
3,741,836	4,491,616	4,660,231	5,004,192	5,916,309	5,573,984				
27,714,013	27,318,396	28,003,416	29,186,254	31,075,760	33,487,659				
13,663,140	13,338,717	13,587,114	13,682,123	13,405,186	14,181,593				
622,254	655,031	679,232	650,815	676,254	785,905				
6,294,110	842,824	481,791	360,561	308,603	323,760				
406,229	639,263	678,741	882,450	2,153,305	1,196,841				
-	-	-	1,730,200	290,376	105,278				
826,426	(10,791,177)	(5,848,585)	(2,555,596)	81,051	902,991				
<u>99,634,318</u>	<u>83,984,268</u>	<u>90,629,407</u>	<u>98,314,009</u>	<u>105,091,098</u>	<u>108,143,846</u>				
1,703,650	1,662,308	1,754,730	1,897,865	2,095,987	2,403,171				
997,329	253,637	183,254	196,566	159,463	197,346				
260,073	-	-	-	-	-				
(826,426)	10,791,177	5,848,585	2,555,596	(81,051)	(902,991)				
<u>2,134,626</u>	<u>12,707,122</u>	<u>7,786,569</u>	<u>4,650,027</u>	<u>2,174,399</u>	<u>1,697,526</u>				
101,768,944	96,691,390	98,415,976	102,964,036	107,265,497	109,841,372				
8,292,948	(10,833,218)	(4,768,882)	8,134,203	3,827,125	4,712,954				
9,688,512	23,423,222	16,210,420	8,832,770	8,616,161	2,233,417				
<u>\$ 17,981,460</u>	<u>\$ 12,590,004</u>	<u>\$ 11,441,538</u>	<u>\$ 16,966,973</u>	<u>\$ 12,443,286</u>	<u>\$ 6,946,371</u>				

City of Waco, Texas
Fund Balances of Governmental Funds
(Unaudited)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008
General Fund				
Reserved:				
Encumbrances	\$ 757,815	\$ 1,279,527	\$ 2,097,704	\$ 1,050,106
Real estate held for sale	13,530	13,385	13,385	12,465
Notes receivable	23,239	-	-	-
Advances to other funds	320,408	448,695	738,726	735,178
Court security/technology	-	-	-	-
Nonspendable:				
Advances to other funds	-	-	-	-
Inventory	-	-	-	-
Real estate held for sale	-	-	-	-
Restricted for:				
Municipal information equipment	-	-	-	-
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Committed to:				
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Assigned to:				
Capital improvements	-	-	-	-
Economic development	-	-	-	-
Housing and community development	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Other	-	-	-	-
Unreserved/Unassigned	<u>19,757,074</u>	<u>22,676,613</u>	<u>22,768,296</u>	<u>22,838,054</u>
Total general fund	<u>\$ 20,872,066</u>	<u>\$ 24,418,220</u>	<u>\$ 25,618,111</u>	<u>\$ 24,635,803</u>

Table III

Fiscal Year											
2009		2010		2011		2012		2013		2014	
\$	802,620	\$	-	\$	-	\$	-	\$	-	\$	-
	12,465		-		-		-		-		-
	-		-		-		-		-		-
	684,848		-		-		-		-		-
	-		-		-		-		-		-
	-		625,559		683,391		48,388		-		-
	-		548,182		529,830		504,736		536,785		734,557
	-		6,160		6,160		6,160		6,160		6,160
	-		11,956		-		1,350		636,993		703,924
	-		-		-		365,900		689,343		918,377
	-		-		-		-		377,841		83,856
	-		-		-		-		100,996		-
	-		8,072,729		8,394,212		7,597,032		8,719,518		9,532,164
	-		-		2,500,000		-		-		-
	-		1,439,202		2,061,231		3,838,635		9,073,859		15,050,171
	-		1,549,117		1,137,659		2,810,428		6,078,636		3,048,263
	-		77,241		1,040,666		45,000		25,000		25,000
	-		31,773		-		14,942		470,084		4,677
	-		119,502		297,238		262,804		10,173		140,595
	-		476,209		151,913		47,622		15,305		16,230
	-		69,031		67,868		120,684		124,312		490,289
	22,039,924		18,215,089		17,850,409		21,984,507		19,604,248		21,043,396
\$	<u>23,539,857</u>	\$	<u>31,241,750</u>	\$	<u>34,720,577</u>	\$	<u>37,648,188</u>	\$	<u>46,469,253</u>	\$	<u>51,797,659</u>

(Continued)

City of Waco, Texas
Fund Balances of Governmental Funds
(Unaudited)
(Continued)

	2005	2006	2007	2008
All Other Governmental Funds:				
Reserved:				
Encumbrances	\$ 3,043,461	\$ 7,982,460	\$ 7,363,374	\$ 12,140,585
Real estate held for sale	55,382	45,854	40,709	40,709
Advances to other funds	168,368	168,368	168,368	168,368
Debt service	637,719	603,424	708,377	781,972
Purpose of trust	474,042	474,054	469,481	465,585
Unreserved, reported in:				
Special revenue funds	10,036,529	10,774,251	14,609,945	15,176,240
Capital projects funds	9,267,574	8,833,830	73,358,427	73,414,437
Nonspendable:				
Parks and cemetery care	-	-	-	-
Real estate held for sale	-	-	-	-
Advances to other funds	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Tax increment zone activities	-	-	-	-
Housing and community development	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Waco Public Improvement District	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Public health	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	\$ 23,683,075	\$ 28,882,241	\$ 96,718,681	\$ 102,187,896

Source: Comprehensive Annual Financial Reports

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Fiscal Year 2010 amounts restated to conform to the new statements requirements. The City implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities" in fiscal year 2014. Fiscal year 2013 amounts restated to conform to the new statement requirements.

Table III
(Continued)

Fiscal Year									
2009	2010	2011	2012	2013	2014	2009	2010	2011	2012
\$ 14,951,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,951,750	\$ -	\$ -	\$ -
40,709	-	-	-	-	-	40,709	-	-	-
168,368	-	-	-	-	-	168,368	-	-	-
677,027	-	-	-	-	-	677,027	-	-	-
472,768	-	-	-	-	-	472,768	-	-	-
18,236,909	-	-	-	-	-	18,236,909	-	-	-
64,550,113	-	-	-	-	-	64,550,113	-	-	-
-	473,362	474,415	475,431	477,891	478,848	-	473,362	474,415	475,431
-	40,709	40,061	40,061	40,061	40,061	-	40,709	40,061	40,061
-	168,368	168,368	168,368	168,368	168,368	-	168,368	168,368	168,368
-	460,001	373,263	230,130	238,053	185,902	-	460,001	373,263	230,130
-	47,889,104	38,873,017	23,348,990	15,531,634	11,828,967	-	47,889,104	38,873,017	23,348,990
-	9,856,300	12,411,165	14,565,233	10,960,465	10,891,785	-	9,856,300	12,411,165	14,565,233
-	161,094	175,114	193,495	2,676,979	2,333,652	-	161,094	175,114	193,495
-	1,565,589	1,439,842	2,314,311	1,831,495	1,406,274	-	1,565,589	1,439,842	2,314,311
-	524,529	1,186,432	1,194,942	755,434	1,302,930	-	524,529	1,186,432	1,194,942
-	347,093	413,153	520,765	611,577	645,008	-	347,093	413,153	520,765
-	810,525	860,764	1,140,169	1,275,085	2,413,913	-	810,525	860,764	1,140,169
-	232,377	-	157,585	351,412	561,880	-	232,377	-	157,585
-	-	(97,276)	-	-	-	-	-	(97,276)	-
<u>\$ 99,097,644</u>	<u>\$ 62,529,051</u>	<u>\$ 56,318,318</u>	<u>\$ 44,349,480</u>	<u>\$ 34,918,454</u>	<u>\$ 32,257,588</u>	<u>\$ 99,097,644</u>	<u>\$ 62,529,051</u>	<u>\$ 56,318,318</u>	<u>\$ 44,349,480</u>

City of Waco, Texas
Changes in Fund Balances of Governmental Funds
(Unaudited)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008
Revenues:				
Taxes:				
Sales	\$ 24,749,413	\$ 26,694,323	\$ 27,328,996	\$ 28,077,887
Property	34,801,939	36,020,999	39,012,926	45,855,023
Interest and penalty	369,530	395,788	454,735	476,176
Business and occupation fees	12,128,817	13,484,567	12,985,974	13,997,454
Permits, licenses and fees	1,994,804	2,405,632	2,610,593	2,365,457
Fines	1,950,357	1,923,506	1,748,882	2,326,020
Charges for services	1,152,478	1,217,784	1,105,518	1,372,169
Investment earnings	3,014,075	5,862,173	8,581,097	10,019,870
Contributions	504,467	315,636	1,221,670	1,313,646
Intergovernmental	9,601,175	8,088,056	8,829,853	9,627,740
Program income	396,608	203,156	574,447	540,969
Other	5,659,249	6,961,060	7,370,079	7,731,057
Total revenues	<u>96,322,912</u>	<u>103,572,680</u>	<u>111,824,770</u>	<u>123,703,468</u>
Expenditures:				
General government	15,170,622	16,093,920	15,460,289	20,398,112
Public works	1,636,867	2,172,354	2,027,118	3,294,892
Public safety	44,030,608	45,855,051	49,271,195	51,914,828
Culture and recreation	9,927,788	10,765,662	11,358,378	12,240,672
Housing and community development	4,586,655	2,722,490	3,910,039	3,808,125
Public health	5,799,035	6,169,752	6,826,015	6,494,336
Capital outlay	11,939,278	9,007,008	13,283,208	14,726,146
Debt service:				
Principal	4,713,219	4,840,973	5,101,924	6,963,545
Interest and fiscal charges	2,176,840	2,127,921	2,139,412	4,725,942
Bond issuance costs	27,347	50,768	595,706	27,237
Total expenditures	<u>100,008,259</u>	<u>99,805,899</u>	<u>109,973,284</u>	<u>124,593,835</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,685,347)</u>	<u>3,766,781</u>	<u>1,851,486</u>	<u>(890,367)</u>
Other financing sources (uses):				
General obligation bonds issued	3,515,000	4,705,000	66,380,000	3,775,000
Refunding bonds issued	-	-	5,220,000	-
Capital leases	219,811	-	-	189,395
Premiums on general obligation bonds	28,905	46,452	756,120	27,104
Premiums on refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	(5,207,616)	-
Transfers in	11,447,928	12,326,533	16,522,025	20,307,345
Transfer out	(13,574,775)	(12,099,446)	(16,485,684)	(18,921,570)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>1,636,869</u>	<u>4,978,539</u>	<u>67,184,845</u>	<u>5,377,274</u>
Net change in fund balances	<u>\$ (2,048,478)</u>	<u>\$ 8,745,320</u>	<u>\$ 69,036,331</u>	<u>\$ 4,486,907</u>
Debt service as a percentage of noncapital expenditures	7.54%	7.51%	7.17%	10.65%

Source: Comprehensive Annual Financial Reports

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

Table IV

		Fiscal Year									
		2009	2010	2011	2012	2013	2014				
\$	27,714,013	\$	27,318,396	\$	28,003,416	\$	29,186,254	\$	31,075,760	\$	33,487,659
	49,627,810		51,354,302		52,587,053		53,995,242		57,093,126		56,684,455
	468,021		539,666		545,059		558,497		864,693		507,622
	13,663,140		13,338,717		13,587,115		13,682,123		13,405,186		14,181,593
	2,023,919		1,901,686		1,682,153		2,069,365		2,361,710		2,519,019
	2,188,574		2,054,487		1,815,418		1,647,361		1,915,904		2,555,149
	1,545,120		1,751,702		1,779,213		1,501,983		1,643,861		1,639,054
	6,066,254		773,739		440,229		325,873		285,712		296,370
	2,147,972		627,197		350,827		269,577		504,130		883,815
	9,795,311		12,812,272		11,001,361		9,625,197		10,888,461		10,278,693
	244,575		1,991,904		521,371		608,810		297,998		338,265
	7,781,494		8,387,706		8,832,941		9,166,618		10,327,351		10,028,613
	<u>123,266,203</u>		<u>122,851,774</u>		<u>121,146,156</u>		<u>122,636,900</u>		<u>130,663,892</u>		<u>133,400,307</u>
	20,828,176		19,695,545		18,067,565		19,881,170		27,395,172		24,937,624
	1,969,524		2,235,645		2,753,649		2,051,156		3,214,854		2,583,490
	54,260,356		58,519,975		56,363,026		55,143,283		60,765,347		62,521,778
	13,173,083		13,149,983		12,932,267		14,773,781		12,792,566		13,998,629
	3,600,810		4,143,724		3,321,373		3,469,303		3,088,943		3,160,091
	6,799,722		7,240,481		7,155,606		6,993,107		7,271,899		7,267,366
	17,592,890		40,944,884		20,198,033		23,954,367		14,814,436		10,002,288
	7,144,536		7,270,310		6,967,663		7,090,342		5,912,954		5,340,143
	4,604,103		4,211,528		4,192,140		4,194,170		3,946,312		3,788,820
	58,014		70,242		500		68,981		35,891		26,107
	<u>130,031,214</u>		<u>157,482,317</u>		<u>131,951,822</u>		<u>137,619,660</u>		<u>139,238,374</u>		<u>133,626,336</u>
	<u>(6,765,011)</u>		<u>(34,630,543)</u>		<u>(10,805,666)</u>		<u>(14,982,760)</u>		<u>(8,574,482)</u>		<u>(226,029)</u>
	-		4,925,000		7,285,000		3,480,000		2,175,000		1,645,000
	5,802,122		2,900,000		-		6,465,000		1,700,000		-
	-		-		-		145,351		-		-
	115,070		29,024		54,583		10,594		168,544		59,040
	-		202,379		-		792,695		316,832		-
	(5,950,970)		(3,093,588)		-		(7,243,886)		(1,999,938)		-
	16,106,280		13,394,260		12,781,678		15,015,607		14,935,710		17,504,831
	(13,768,171)		(12,593,232)		(12,047,501)		(14,513,914)		(13,145,858)		(16,420,580)
	-		-		-		1,790,086		290,376		105,278
	<u>2,304,331</u>		<u>5,763,843</u>		<u>8,073,760</u>		<u>5,941,533</u>		<u>4,440,666</u>		<u>2,893,569</u>
\$	<u>(4,460,680)</u>	\$	<u>(28,866,700)</u>	\$	<u>(2,731,906)</u>	\$	<u>(9,041,227)</u>	\$	<u>(4,133,816)</u>	\$	<u>2,667,540</u>
	10.24%		8.87%		9.28%		9.85%		7.94%		7.49%

City of Waco, Texas
Assessed Value and Estimated Actual Value of Taxable Property
(Unaudited)
Last Ten Fiscal Years

Category	Fiscal Year			
	2014	2013	2012	2011
Real - residential single family	\$ 3,193,078,012	3,145,755,030	\$ 2,964,790,976	\$ 2,899,061,978
Real - residential multi-family	552,903,404	540,947,926	530,246,728	527,542,939
Real - platted lots & residential inventory	185,737,380	161,765,042	159,734,533	158,194,756
Real - acreage, land only	66,466,703	73,968,631	73,351,221	72,134,192
Real - improved farm & ranch	28,871,288	18,486,406	19,298,600	19,050,487
Real - commercial & industrial	1,885,152,286	1,839,811,136	1,820,432,553	1,769,330,218
Real and tangible personal - utilities	147,349,253	140,452,424	138,700,708	142,912,428
Tangible personal - business	1,674,043,041	1,667,295,558	1,566,759,638	1,473,384,230
Tangible personal - other	<u>2,328,520</u>	<u>2,236,139</u>	<u>2,442,607</u>	<u>2,054,003</u>
Total market value	7,735,929,887	7,590,718,292	7,275,757,564	7,063,665,231
Less total exemptions	<u>927,340,793</u>	<u>938,850,655</u>	<u>829,201,392</u>	<u>783,127,564</u>
Taxable assessed value	<u>\$ 6,808,589,094</u>	<u>6,651,867,637</u>	<u>\$ 6,446,556,172</u>	<u>\$ 6,280,537,667</u>
Total direct tax rate per \$100 of taxable assessed value	<u>\$ 0.776232</u>	<u>0.786232</u>	<u>\$ 0.786232</u>	<u>\$ 0.786232</u>
Estimated actual taxable value	<u>\$ 7,735,929,887</u>	<u>7,590,718,292</u>	<u>\$ 7,275,757,564</u>	<u>\$ 7,063,665,231</u>
Taxable assessed value as a percentage of actual taxable value	88.0%	87.6%	88.6%	88.9%

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

Table V

Fiscal Year						
	2010	2009	2008	2007	2006	2005
\$	2,831,728,139	\$ 2,786,526,338	\$ 2,525,731,582	\$ 2,371,733,450	\$ 2,186,456,501	\$ 2,086,818,247
	506,927,890	481,461,020	450,937,111	414,909,141	369,875,756	361,093,107
	166,731,693	159,010,177	140,742,891	121,598,228	125,387,077	103,260,164
	61,537,818	52,701,391	47,734,843	46,911,329	44,640,849	42,225,809
	18,251,255	16,724,697	16,424,746	15,467,787	14,578,466	10,706,413
	1,712,740,259	1,590,177,832	1,465,906,212	1,352,880,299	1,281,485,269	1,238,569,331
	147,985,807	138,718,155	157,931,476	159,458,452	172,733,873	178,806,710
	1,458,577,289	1,393,542,226	1,318,022,800	1,339,092,276	1,250,564,002	1,273,477,380
	<u>2,329,066</u>	<u>2,488,121</u>	<u>2,423,748</u>	<u>2,353,642</u>	<u>2,404,672</u>	<u>2,450,748</u>
	6,906,809,216	6,621,349,957	6,125,855,409	5,824,404,604	5,448,126,465	5,297,407,909
	<u>732,167,475</u>	<u>611,165,570</u>	<u>519,979,729</u>	<u>519,150,265</u>	<u>500,998,434</u>	<u>519,431,733</u>
\$	<u>6,174,641,741</u>	<u>6,010,184,387</u>	<u>5,605,875,680</u>	<u>5,305,254,339</u>	<u>4,947,128,031</u>	<u>4,777,976,176</u>
\$	<u>0.786232</u>	<u>0.786232</u>	<u>0.786232</u>	<u>0.699700</u>	<u>0.699700</u>	<u>0.699700</u>
\$	<u>6,906,809,216</u>	<u>6,621,349,957</u>	<u>6,125,855,409</u>	<u>5,824,404,604</u>	<u>5,448,126,465</u>	<u>5,297,407,909</u>
	89.4%	90.8%	91.5%	91.1%	90.8%	90.2%

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

Fiscal Year	City Direct Rates			Waco	China Spring	LaVega	McLennan
	Operating/ General	Debt Service	Total Direct	Independent School District	Independent School District	Independent School District	Community College
2005	0.563385	0.136315	0.699700	1.538329	1.537990	1.720000	0.126046
2006	0.566294	0.133406	0.699700	1.564000	1.590000	1.692500	0.121076
2007	0.570007	0.129693	0.699700	1.443810	1.459534	1.536607	0.120362
2008	0.580229	0.206003	0.786232	1.162050	1.450000	1.205920	0.153002
2009	0.592848	0.193384	0.786232	1.359149	1.429637	1.182827	0.151134
2010	0.603720	0.182512	0.786232	1.366350	1.437240	1.238915	0.156332
2011	0.611239	0.174993	0.786232	1.364750	1.407000	1.365000	0.156306
2012	0.613251	0.172981	0.786232	1.360998	1.411400	1.365000	0.152823
2013	0.637434	0.148798	0.786232	1.355180	1.374402	1.420000	0.151530
2014	0.639191	0.137041	0.776232	1.354800	1.540000	1.420000	0.151530

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

Source: McLennan County Appraisal District

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
0.444900	1.646961	1.622000	1.492075	1.754570	1.651000	1.650000
0.459900	1.652470	1.622000	1.530088	1.700000	1.627499	1.650000
0.440000	1.511801	1.506500	1.419765	1.581534	1.510902	1.521100
0.452900	1.280000	1.290000	1.274290	1.248406	1.175132	1.190000
0.450500	1.230000	1.320000	1.561346	1.247370	1.180000	1.210000
0.443100	1.270000	1.320000	1.555070	1.247450	1.316000	1.190000
0.442710	1.288824	1.320000	1.545259	1.270000	1.315000	1.190000
0.442710	1.281105	1.320000	1.537596	1.290000	1.315000	1.190000
0.460573	1.269091	1.320000	1.478460	1.310000	1.315000	1.185000
0.535293	1.265653	1.320000	1.487914	1.620000	1.315000	1.355000

City of Waco, Texas
Principal Property Taxpayers
(Unaudited)
Current Year and Nine Years Ago

Fiscal year 2014

<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Valuation</u>
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	0.00 %
Associated Hygienic Products, L.L.C.	39,385,892	0.60 %
Sherwin Williams Co. Inc.	<u>33,845,918</u>	<u>0.50 %</u>
Total	\$ <u><u>591,226,607</u></u>	<u><u>8.68 %</u></u>

Source: McLennan County Appraisal District

Table VII

Fiscal Year 2005		
Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
MasterFoods USA (M & M Mars)	\$ 75,149,868	1.52 %
Coca Cola Company	49,526,616	1.00 %
TXU Electric Delivery Co.	48,701,790	0.98 %
AIG Baker Waco, L.L.C.	43,792,699	0.89 %
CBL/Richland Mall, L.P.	35,842,184	0.72 %
Southwestern Bell Telephone Co.	35,399,280	0.72 %
Pilgrim's Pride Corp.	31,280,364	0.63 %
L3 Communications	30,405,613	0.61 %
Allergan, Inc.	30,390,634	0.61 %
Owens-Brockway Glass	29,892,115	0.60 %
Total	\$ 410,381,163	8.28 %

City of Waco, Texas
Property Tax Levies and Collections
(Unaudited)
Last Eight Fiscal Years

<u>Fiscal Year</u>	<u>Tax Levy for City Operations and Debt</u>	<u>City Tax Levy for Tax Increment Financing</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Adjustments to Levy in Subsequent Years</u>
2007	36,481,122	640,192	37,121,314	(231,944)
2008	43,188,911	886,276	44,075,187	(125,838)
2009	46,270,500	1,268,052	47,538,552	(452,970)
2010	47,639,260	1,261,899	48,901,159	(640,299)
2011	48,078,029	1,247,577	49,325,606	(113,485)
2012	49,428,253	1,516,082	50,944,335	(484,715)
2013	50,896,824	1,541,926	52,438,750	(200,329)
2014	51,208,846	1,582,983	52,791,829	(2,346)

Note: Information not available before fiscal year 2007.

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
36,889,370	36,345,526	98.53	439,347	36,784,873	99.72
43,949,349	43,320,216	98.57	497,007	43,817,223	99.70
47,085,582	46,373,974	98.49	554,462	46,928,436	99.67
48,260,860	47,367,935	98.15	685,415	48,053,350	99.57
49,212,121	48,312,012	98.17	700,102	49,012,114	99.59
50,459,620	49,634,551	98.36	573,831	50,208,382	99.50
52,238,421	51,511,537	98.61	345,915	51,857,452	99.27
52,789,483	52,019,615	98.54	-	52,019,615	98.54

City of Waco, Texas
Ratio of Outstanding Debt by Type
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-
	General Obligation Bonds (1)	Capital Leases	General Obligation Bonds (2)	General Obligation Bonds
2005	47,082,218	1,194,166	2,381,013	177,192,698
2006	46,399,578	877,926	3,105,010	197,058,619
2007	108,842,854	547,669	2,773,546	249,410,055
2008	106,052,032	469,757	2,405,819	248,087,985
2009	99,232,249	128,270	2,022,392	235,015,348
2010	97,278,450	65,154	1,631,012	232,934,268
2011	98,019,198	-	1,224,455	220,721,649
2012	94,657,316	109,814	813,366	207,205,507
2013	91,155,603	61,608	615,000	228,080,781
2014	87,989,551	12,443	550,000	223,017,008

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) Presented net of original issuance discounts and premiums.
- (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

<u>Type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Actual Taxable Value of Property (3)</u>	<u>Population of City</u>	<u>Per Capita</u>
Notes Payable				
17,431,215	245,281,310	5.11%	119,136	2,059
17,378,150	264,819,283	5.33%	120,249	2,202
17,326,901	378,901,025	7.14%	121,372	3,122
17,273,375	374,288,968	6.68%	122,506	3,055
17,217,472	353,615,731	5.88%	123,650	2,860
17,159,087	349,067,971	5.65%	124,805	2,797
17,098,108	337,063,410	5.37%	125,971	2,676
17,034,421	319,820,424	4.96%	127,018	2,518
1,967,906	321,880,898	4.84%	128,125	2,512
1,898,437	313,467,439	4.60%	129,241	2,425

City of Waco, Texas
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	Total	Percentage of Actual Taxable Value of Property (2)	Population of City (3)	Per Capita
2005	226,655,929	597,513	226,058,416	4.73%	119,136	1,897
2006	246,563,207	532,768	246,030,439	4.97%	120,249	2,046
2007	361,026,455	58,321	360,968,134	6.80%	121,372	2,974
2008	356,545,836	355,119	356,190,717	6.35%	122,506	2,908
2009	336,269,989	403,845	335,866,144	5.59%	123,650	2,716
2010	331,843,730	183,371	331,660,359	5.37%	124,805	2,657
2011	319,965,302	49,695	319,915,607	5.09%	125,971	2,540
2012	302,676,189	33,913	302,642,276	4.69%	127,018	2,383
2013	319,851,384	-	319,851,384	4.76%	128,125	2,496
2014	311,556,559	-	311,556,559	4.58%	129,241	2,411

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, net of original issuance discounts and premiums, 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.

City of Waco, Texas
Direct and Overlapping Governmental Activities Debt
(Unaudited)
September 30, 2014

Taxing Authority	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Debt Overlapping Debt
Debt repaid with property taxes:			
Waco Independent School District	\$ 182,800,000	93.15%	\$ 170,278,200
Bosqueville Independent School District	9,757,946	72.98%	7,121,349
McLennan Community College	73,605,000	58.70%	43,206,135
McLennan County	18,250,000	58.70%	10,712,750
Midway Independent School District	113,324,179	50.62%	57,364,699
LaVega Independent School District	44,197,162	34.40%	15,203,824
China Spring Independent School District	45,505,000	39.11%	17,797,006
Connally Independent School District	19,190,000	18.92%	3,630,748
Lorena Independent School District	32,339,474	2.18%	705,001
McGregor Independent School District	23,893,775	0.11%	26,283
Subtotal, overlapping debt	<u>\$ 562,862,536</u>		<u>\$ 326,045,995</u>
City direct debt:			
City of Waco direct debt	\$ 87,989,551	100.00%	\$ 87,989,551
Tax increment financing	550,000	100.00%	550,000
Capital lease	12,443	100.00%	12,443
Subtotal, direct debt	<u>\$ 88,551,994</u>		<u>\$ 88,551,994</u>
Total direct and overlapping debt	<u>\$ 651,414,530</u>		<u>\$ 414,597,989</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, 2014.

City of Waco, Texas
Pledged-Revenue Coverage
(Unaudited)
Last Ten Fiscal Years

Fiscal Year		Gross Revenue (1)	Less: Operating Expenses (2)	Water and Net Revenue Available for Debt Service
2005	(4)	42,124,066	25,542,969	16,581,097
2006	(4)	51,317,327	26,451,840	24,865,487
2007	(4)	50,713,887	28,314,942	22,398,945
2008	(4)	56,859,579	29,823,743	27,035,836
2009	(4)	57,350,687	33,138,169	24,212,518
2010	(4)	54,797,775	34,602,793	20,194,982
2011	(4)	65,111,936	34,030,334	31,081,602
2012	(4)	60,733,168	32,836,116	27,897,052
2013	(4)	62,795,257	34,036,064	28,759,193
2014	(4)	60,346,778	35,497,646	24,849,132

(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: Comprehensive Annual Financial Reports

Table XII

Wastewater Funds

Debt Service Requirements (3)			Coverage
Principal	Interest	Total	
7,562,502	6,358,383	13,920,885	1.19 %
8,677,542	8,270,663	16,948,205	1.47 %
8,679,361	9,399,337	18,078,698	1.24 %
9,779,139	11,912,439	21,691,578	1.25 %
11,180,464	10,895,340	22,075,804	1.10 %
11,444,691	10,469,188	21,913,879	0.92 %
10,997,337	10,431,335	21,428,672	1.45 %
11,614,658	10,078,055	21,692,713	1.29 %
11,067,045	9,203,092	20,270,137	1.42 %
10,699,857	8,698,336	19,398,193	1.28 %



City of Waco, Texas
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
2005	240,784	6,604,554	27,429	29.0	5.0%
2006	242,397	6,990,038	28,837	26.8	4.8%
2007	244,453	7,386,981	30,218	28.0	4.3%
2008	246,735	7,776,891	31,519	27.6	4.6%
2009	249,441	7,919,379	31,749	25.3	6.7%
2010	253,855	8,343,574	32,867	28.2	7.2%
2011	255,757	8,649,339	33,819	28.4	7.4%
2012	257,148	9,142,094	35,552	29.3	6.5%
2013	258,974	9,302,993	35,922	27.7	6.1%
2014	N/A	N/A	N/A	N/A	4.7%

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 2010 U.S. Census and the 2005 through 2009 and 2011 through 2013 American Community Surveys. Unemployment rates provided by the Bureau of Labor Statistics. 2014 rate is as of October.

City of Waco, Texas
Principal Employers
(Unaudited)
Current Year and Nine Years Ago

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 %

N/A Not available

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

Table XIV

2005		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Baylor University	over 1,000	N/A
City of Waco	over 1,000	N/A
HEB Food Stores	over 1,000	N/A
Hillcrest Baptist Medical Center	over 1,000	N/A
Providence Health Systems	over 1,000	N/A
L3 Communications	over 1,000	N/A
Waco Independent School District	over 1,000	N/A
Wal-Mart Stores, Inc.	over 1,000	N/A
Cargill Foods, Inc.	over 1,000	N/A
Dealers Electric Supply	over 700	N/A
	<hr/>	<hr/>
Total	<u><u>N/A</u></u>	

City of Waco, Texas
Full-Time Equivalent City Government Employees by Function
(Unaudited)
Last Ten Fiscal Years

Function:	2005	2006	2007	2008
General Government	127.58	128.58	129.68	132.36
Public Works	57.44	59.00	59.00	59.00
Public Safety	564.08	580.40	603.48	602.13
Culture and Recreation	186.95	183.12	187.38	186.65
Housing and Community Development	22.36	23.04	18.60	18.75
Public Health	84.42	86.54	90.60	82.93
Water	116.25	114.00	114.00	117.00
Wastewater/WMARSS	65.25	67.50	68.50	68.75
Solid Waste	96.50	97.00	99.00	98.00
Airport	13.76	11.90	12.52	16.40
Convention Services	33.95	35.45	36.13	36.13
Ranger Hall of Fame	12.70	12.88	13.50	14.50
Cameron Park Zoo	39.99	45.85	45.85	51.29
Cottonwood Creek Golf Course	22.34	22.34	15.96	15.96
Insurance/Risk Management	6.00	6.75	7.00	7.00
Engineering	27.38	27.38	26.38	26.00
Fleet Services	24.00	24.00	24.00	25.00
Total	1,500.95	1,525.73	1,551.58	1,557.85

General Government:

City Manager's Office, Budget/Audit, Animal Shelter, City Secretary, Finance, Purchasing, Information Technology, Legal, Planning, Human Resources, Municipal Information, 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 Budget Office

Table XV

Fiscal Year					
2009	2010	2011	2012	2013	2014
132.46	132.23	128.73	129.26	142.78	144.80
60.00	60.00	58.00	56.00	59.00	59.00
601.98	608.01	605.93	603.43	604.75	610.25
184.11	197.73	196.31	189.18	185.45	185.45
18.90	19.50	22.45	20.18	19.48	19.48
83.93	83.60	86.75	86.55	82.55	83.00
120.25	124.25	122.75	122.25	126.25	125.25
68.75	68.75	69.25	68.75	71.75	72.75
101.50	101.50	103.00	101.00	99.00	96.00
16.40	15.02	13.77	13.77	13.77	13.77
34.88	35.88	34.38	33.63	33.20	35.71
15.50	15.50	15.50	15.50	15.50	15.50
52.28	51.41	51.16	51.16	51.11	51.10
15.96	15.96	15.96	15.96	15.96	13.00
7.00	7.00	8.00	8.00	8.00	8.00
26.00	25.00	24.00	24.00	24.00	24.00
25.00	25.00	25.00	25.00	25.00	27.00
<u>1,564.90</u>	<u>1,586.34</u>	<u>1,580.94</u>	<u>1,563.62</u>	<u>1,577.55</u>	<u>1,584.06</u>

City of Waco, Texas
Operating Indicators by Function
(Unaudited)
Last Ten Fiscal Years

Function:	2005	2006	2007
Public Safety			
Police			
Number of Sworn Employees - Budgeted	232	238	245
Number of Traffic Citations	9,650	9,712	13,289
Number of Class "C" Citations	2,041	2,195	2,558
Calls Dispatched	126,805	122,450	121,633
Fire			
Number of Sworn Employees - Budgeted	180	186	192
Number of Fire Responses	9,364	9,452	10,140
Public Works			
Street Resurfacing (miles)	13.62	40.30	33.61
Culture and Recreation			
Parks and Recreation			
Number of Teams in Athletic Leagues	464	479	424
Number of Participants in Track/Field Events	283	309	350
Number of Participants in After School	2,295	2,348	2,292
Library			
Volumes in Collection	301,329	300,252	305,652
E-books Available to Public	N/A	28,290	30,319
Water			
Number of Water Connections	42,957	44,928	41,623
Average Daily Water Consumption (gallons)	23,330,910	26,590,842	22,681,919
Maximum Storage Capacity (gallons)	36,990,000	42,143,000	42,143,000
Solid Waste (Residential)			
Refuse Collected (tons)	26,270	23,799	25,812
Bulky/Brush Pickups (tons)	6,339	5,703	6,496
Recyclables Collected (tons)	1,473	1,599	1,685
Golf Course			
Number of Paid Rounds Played	49,245	50,025	46,949

N/A Not available

Source: City of Waco Departments

Table XVI

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
245	245	245	245	245	246	247
23,212	17,804	16,556	9,676	9,632	14,439	21,995
3,404	3,790	2,805	2,413	2,793	3,203	3,042
116,442	111,717	107,825	106,233	109,216	113,593	109,718
192	192	195	195	195	195	201
10,089	9,537	9,383	9,257	9,657	9,565	8,893
7.25	9.82	7.98	9.60	11.50	25.20	18.33
440	383	365	353	359	330	320
247	258	262	292	210	305	340
2,671	3,560	3,478	3,586	3,758	4,060	4,391
319,754	331,791	338,316	309,439	313,596	318,633	331,674
30,899	31,245	30,962	28,321	36,609	36,664	38,994
41,752	42,391	42,722	43,078	43,297	44,336	44,912
28,009,000	28,671,000	26,221,000	32,351,000	28,107,000	28,920,000	24,035,699
42,143,000	42,143,000	42,143,000	42,143,000	42,143,000	42,143,000	42,143,000
45,572	45,138	47,658	47,512	51,257	52,890	54,477
5,162	5,614	6,452	6,956	7,940	5,847	7,381
2,415	2,898	2,859	2,580	2,619	3,011	3,302
45,581	44,306	36,838	42,824	34,760	39,894	38,232

City of Waco, Texas
Capital Asset Statistics by Function
(Unaudited)
Last Ten Fiscal Years

Function:	2005	2006	2007
Public safety			
Police:			
Stations	1	1	1
Staffed substations	3	3	3
Patrol units - equipped for arrest use	65	65	65
Fire stations	12	14	14
Highways and streets			
Streets - paved (miles)	559	569	587
Streetlights - City-owned	2,339	2,350	2,198
Streetlights - Leased	6,157	6,236	6,743
Traffic control signals	195	196	195
Traffic beacons and flashers	95	98	101
Culture and recreation			
Parks acreage	1,202.07	1,234.99	1,234.99
Parks	43	44	44
Swimming pools	2	2	2
Tennis courts	44	44	44
Community centers	3	3	3
Water			
Water mains (miles)	847	847	775
Fire hydrants	3,331	3,486	4,650
Maximum daily capacity (thousands of gallons)	66,000	66,000	66,000
Wastewater			
Sanitary sewers (miles)	766	766	728
Storm sewers (miles)	325	348	357
Maximum daily capacity (thousands of gallons)	37,800	37,800	37,800

N/A Not available

Source: City of Waco Departments

Table XVII

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
1	1	1	1	1	1	1
3	4	4	4	4	3	3
71	71	71	71	71	71	71
14	14	14	14	14	14	14
588	593	595	600	599	603	604
2,194	2,197	2,282	2,295	2,295	2,310	2,310
6,849	6,910	6,059	6,084	6,127	6,228	6,228
198	198	198	194	195	198	198
101	100	102	102	105	108	110
1,234.99	1,234.99	1,234.99	1,234.99	1,234.99	1,271.00	1626.7**
44	44	46	46	46	46	56
2	2	1	1	0	0	1
36	36	36	36	36	34	29
3	3	5	5	5	5	5
927	954	864	885	1,021	1,035	1,043
4,739	4,935	5,032	5,165	5,229	5,362	5,398
66,000	66,000	75,000	75,000	75,000	75,000	75,000
818	831	737	747	843	846	850
353	350	343	345	347	351	355
37,800	37,800	37,800	37,800	46,500	46,500	46,500

