

Annual Comprehensive Financial Report

of the



City of Waco, Texas

Prepared by the
Finance Department
Year Ended September 30, 2021

City of Waco, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2021

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CITY COUNCIL

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Andrea Barefield
Alice Rodriguez
Kelly Palmer
Jim Holmes

CITY MANAGER

Bradley Ford

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Deidra Emerson

ASSISTANT CITY MANAGERS

Paul Cain
Ryan Holt
Lisa Blackmon

CHIEF FINANCIAL OFFICER

Janice Andrews, CPA



City of Waco, Texas

Table of Contents

September 30, 2021

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Table of Contents	i
Letter of Transmittal	xi
Organizational Chart	xxi
Certificate of Achievement	xxii
<u>FINANCIAL SECTION</u>	
Independent Auditor’s Report	3 - 5
Management’s Discussion and Analysis	8 - 20
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	23
Statement of Activities	24 - 25
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds	26
Reconciliation of the Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	30 - 38
Statement of Net Position – Proprietary Funds	39

City of Waco, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
<i>Fund Financial Statements</i> (continued)	
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	40
Statement of Cash Flows – Proprietary Funds	41
Statement of Fiduciary Net Position – Custodial Funds	42
Statement of Changes in Fiduciary Net Position – Custodial Funds	43
<i>Notes to Financial Statements</i>	45 - 91
Required Supplemental Information	
Schedule of Changes in Net Pension Liability and Related Ratios	94 - 95
Schedule of Pension Contributions and Notes to Schedule of Pension Contributions	96 - 97
Schedule of Changes in Total OPEB Liability and Related Ratios and Notes to Schedule of Changes in Total OPEB Liability and Related Ratios	98
Combining and Individual Fund Statements and Schedules	
<i>General Fund</i>	
Comparative Balance Sheets	103
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	104
<i>Nonmajor Governmental Funds</i>	
Combining Balance Sheet	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	108

City of Waco, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Combining and Individual Fund Statements and Schedules (continued)	
<i>Nonmajor Special Revenue Funds</i>	
Combining Balance Sheet	110 - 113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	114 - 117
Comparative Balance Sheets – Tax Increment Fund No. 1	120
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Tax Increment Fund No. 1	121
Comparative Balance Sheets – Tax Increment Fund No. 2	124
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Tax Increment Fund No. 2	125
Comparative Balance Sheets – Tax Increment Fund No. 3	128
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Tax Increment Fund No. 3	129
Comparative Balance Sheets – Health Programs Fund	132
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Health Programs Fund	133
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Health Programs Fund	134 - 136
Sub-Combining Balance Sheet – Grant Funds	138 - 143
Sub-Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Grant Funds	144 - 149
Comparative Balance Sheets – Waco Public Improvement District No. 1 Fund	152

City of Waco, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Combining and Individual Fund Statements and Schedules (continued)	
<i>Nonmajor Special Revenue Funds</i> (continued)	
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Waco Public Improvement District No. 1 Fund	153
Comparative Balance Sheets – Abandoned Motor Vehicle Fund	156
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Abandoned Motor Vehicle Fund	157
Comparative Balance Sheets – Police Forfeitures Fund	160
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Police Forfeitures Fund	161
Comparative Balance Sheets – Court Local Municipal Jury Fund	164
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Court Local Municipal Jury Fund	165
Comparative Balance Sheets – Court Local Truancy Prevention and Diversion Fund	168
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Court Local Truancy Prevention and Diversion Fund	169
Comparative Balance Sheets – Court Security Fund	172
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Court Security Fund	173
Comparative Balance Sheets – Court Technology Fund	176
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Court Technology Fund	177

City of Waco, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Combining and Individual Fund Statements and Schedules (continued)	
<i>Nonmajor Special Revenue Funds</i> (continued)	
Comparative Balance Sheets – Hamilton Memorial Fund	180
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Hamilton Memorial Fund	181
Comparative Balance Sheets – Miss Nellie’s Park Maintenance Fund	184
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Miss Nellie’s Park Maintenance Fund	185
<i>Nonmajor Debt Service Funds</i>	
Combining Balance Sheet	188
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	189
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Obligation Debt Fund	190
<i>Nonmajor Capital Projects Funds</i>	
Combining Balance Sheet	192 - 193
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	194 - 195
<i>Nonmajor Permanent Funds</i>	
Combining Balance Sheet	198
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	199

City of Waco, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Combining and Individual Fund Statements and Schedules (continued)	
<i>Major Enterprise Funds</i>	
Comparative Statements of Net Position – Water Fund	204 - 205
Comparative Statements of Revenues, Expenses and Changes in Net Position – Water Fund	206
Comparative Statements of Cash Flows – Water Fund	207
Comparative Statements of Net Position – Wastewater Fund	210 - 211
Comparative Statements of Revenues, Expenses and Changes in Net Position – Wastewater Fund	212
Comparative Statements of Cash Flows – Wastewater Fund	213
Comparative Statements of Net Position – Solid Waste Fund	216 - 217
Comparative Statements of Revenues, Expenses and Changes in Net Position – Solid Waste Fund	218
Comparative Statements of Cash Flows – Solid Waste Fund	219
<i>Nonmajor Enterprise Funds</i>	
Combining Statement of Net Position	222 - 223
Combining Statement of Revenues, Expenses and Changes in Net Position	224 - 225
Combining Statements of Cash Flows	226 - 227
Comparative Statements of Net Position – Airport Fund	230

City of Waco, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Combining and Individual Fund Statements and Schedules (continued)	
<i>Nonmajor Enterprise Funds</i> (continued)	
Comparative Statements of Revenues, Expenses and Changes in Net Position – Airport Fund	231
Comparative Statements of Cash Flows – Airport Fund	232
Comparative Statements of Net Position – Convention Services Fund	234
Comparative Statements of Revenues, Expenses and Changes in Net Position – Convention Services Fund	235
Comparative Statements of Cash Flows – Convention Services Fund	236
Comparative Statements of Net Position – Ranger Hall of Fame Fund	238
Comparative Statements of Revenues, Expenses and Changes in Net Position – Ranger Hall of Fame Fund	239
Comparative Statements of Cash Flows – Ranger Hall of Fame Fund	240
Comparative Statements of Net Position – Cameron Park Zoo Fund	242
Comparative Statements of Revenues, Expenses and Changes in Fund Net Position – Cameron Park Zoo Fund	243
Comparative Statements of Cash Flows – Cameron Park Zoo Fund	244
Comparative Statements of Net Position – Transit Services Fund	246
Comparative Statements of Revenues, Expenses and Changes in Net Position – Transit Services Fund	247
Comparative Statements of Cash Flows – Transit Services Fund	248

City of Waco, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Combining and Individual Fund Statements and Schedules (continued)	
<i>Nonmajor Enterprise Funds</i> (continued)	
Comparative Statements of Net Position – Cottonwood Creek Golf Course Fund	250
Comparative Statements of Revenues, Expenses and Changes in Net Position – Cottonwood Creek Golf Course Fund	251
Comparative Statements of Cash Flows – Cottonwood Creek Golf Course Fund	252
Comparative Statements of Cash Flows – Stormwater (Drainage) Utility Fund	254
Comparative Statements of Net Position – Stormwater (Drainage) Utility Fund	255
Comparative Statements of Revenues, Expenses and Changes in Net Position – Stormwater (Drainage) Utility Fund	256
<i>Internal Service Funds</i>	
Combining Statement of Net Position	258
Combining Statement of Revenues, Expenses and Changes in Net Position	259
Combining Statement of Cash Flows	260
Comparative Statements of Net Position – Insurance Fund	262
Comparative Statements of Revenues, Expenses and Changes in Net Position – Insurance Fund	263
Comparative Statements of Cash Flows – Insurance Fund	264

City of Waco, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Combining and Individual Fund Statements and Schedules (continued)	
<i>Internal Service Funds</i> (continued)	
Comparative Statements of Net Position – Health Insurance Fund	266
Comparative Statements of Revenues, Expenses and Changes in Net Position – Health Insurance Fund	267
Comparative Statements of Cash Flows – Health Insurance Fund	268
Comparative Statements of Net Position – Engineering Fund	270
Comparative Statements of Revenues, Expenses and Changes in Net Position – Engineering Fund	271
Comparative Statements of Cash Flows – Engineering Fund	272
Comparative Statements of Net Position – Fleet Services Fund	274
Comparative Statements of Revenues, Expenses and Changes in Net Position – Fleet Services Fund	275
Comparative Statements of Cash Flows – Fleet Services Fund	276
<i>Custodial Funds</i>	
Combining Statement of Fiduciary Net Position – Custodial Funds	278
Combining Statement of Changes in Fiduciary Net Position – Custodial Fund	279

City of Waco, Texas

Table of Contents (Continued)

	<u>Table</u>	<u>Page</u>
<u>STATISTICAL SECTION</u>		
Net Position by Component	I	282 - 283
Changes in Net Position	II	284 - 287
Fund Balances of Governmental Funds	III	288 - 291
Changes in Fund Balances of Governmental Funds	IV	292 - 293
Assessed Value and Estimated Actual Value of Taxable Property	V	294 - 295
Property Tax Rates – Direct and Overlapping Governments	VI	296 - 297
Principal Property Taxpayers	VII	298 - 299
Property Tax Levies and Collections	VIII	300 - 301
Ratio of Outstanding Debt by Type	IX	302 - 303
Ratio of General Bonded Debt Outstanding	X	304
Direct and Overlapping Governmental Activities Debt	XI	305
Pledged-Revenue Coverage	XII	306 - 307
Demographic and Economic Statistics	XIII	309
Principal Employers	XIV	310 – 311
Full-Time Equivalent City Government Employees by Function	XV	312 - 313
Operating Indicators by Function	XVI	314 - 315
Capital Asset Statistics by Function	XVII	316 - 317



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January 14, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Waco (the City) for the fiscal year ended September 30, 2021, including the independent auditor's report, is hereby submitted. This ACFR is published to provide the Mayor and City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government.

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

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

Jaynes, Reitmeier, Boyd & Therrell, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Waco's financial statements for the year ended September 30, 2021. The independent auditor's report is presented in the financial section of this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984; the Single Audit Act Amendments of 1996, Uniform Guidance, and the *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 compliments 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 24th largest city in Texas and the county seat of McLennan County, which has an area of more than 1,000 square miles. Historically, the City has been a trade and agricultural center for the Central Texas region. Efforts by the community's leadership over the past several years have led to diversification in the regional economy, a major factor contributing to significant improvement in growth and development.

The City of Waco operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and five Council Members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing citizens to boards and committees and hiring the City Manager, City Attorney, Municipal Judge, and City Secretary. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City government, and for hiring the heads of the various departments.

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

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

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

The City Manager presented the proposed operating budget to the City Council on August 3, 2021 for the fiscal year 2021-2022. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. The fiscal year 2021-2022 budget was legally enacted through passage of a resolution on August 31, 2021.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

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

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

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

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

The educational sector contributes significantly to the City's economic stability. Waco is the home of Baylor University (Baylor), a private university with a student enrollment of approximately 20,600. Baylor offers more than 126 undergraduate degree programs, 79 master's degree programs and 47 doctoral programs. McLennan Community College (MCC) is a public, two-year college with an enrollment of over 8,500 students. MCC offers a comprehensive range of educational programs including associate's degree programs, workforce development training and continuing education courses. Additionally, several bachelor's degree programs are available on the MCC campus through partnerships with four-year state universities. With an enrollment of over 4,300, Texas State Technical College offers associates degrees and certificates in 50 programs of study, preparing a workforce to meet the demands of industry and business.

The Waco Metropolitan Statistical Area (MSA) covers 1,834 square miles. The City encompasses 101 square miles, including 14 square miles of water, within the Waco corporate limits. The average Waco MSA labor force grew from 128,177 in 2020 to 131,036 by September 2021. Total employment at the beginning of fiscal year 2021 – 2022 was 126,503 while the unemployment rate was 4.1%.

Unassigned fund balance in the general fund (39.7% of fiscal year 2022 budgeted revenues) exceeds the financial management policy guidelines set by the City Council. In fiscal year 2020, the City Council established a guideline of 28% designed to protect the City’s creditworthiness as well as its financial position from unforeseeable emergencies.

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

Relevant Financial Policies

In addition to the general fund balance financial policy mentioned above, the City also strives to maintain a positive unrestricted net position in the City’s water, wastewater and solid waste funds to provide sufficient reserves for emergencies and revenue shortfalls—establishing minimum working capital 30% of annual revenues. The working capital percentages at September 30, 2021, for the water, wastewater and solid waste funds were 58.7%, 60.3% and 50.1%, respectively. These working capital percentages were calculated after removing funds set aside for cash Capital Improvement Program funding.

Financial Information

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

FY2020-21 Initiatives & Accomplishments

In March 2021, the City Council renewed their commitment to the following updated strategic goals for the City of Waco:

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

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

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

Economic Development is the fuel that powers the engine— “the rising tide that lifts all ships”— through investment that creates tax revenue and jobs, drives ancillary investment in the community, expands community partnerships, and instills confidence in a prosperous future. Significant accomplishments in facilitating Economic Development include: continued increase to the City’s contribution to the Waco-McLennan County Economic Development Corporation (WMCEDC); continuation of the Small Business Recovery Fund program including policy, interlocal agreements, an application process and selection criteria which benefited 235 small businesses through a total of \$695,339 of WMCEDC and Community Development Block Grant (CDBG) funds; and funding for an Economic Development plan. In early 2021, Waco became the first Metropolitan Area in Texas, and the 15th in the nation, to recover all jobs lost due to the pandemic.

- Overall, economic development project successes accounted for over \$500 million in new industrial investment and over 1,500 new full-time jobs added to Waco. Key projects included:
 - Completed construction of *Amazon's* new \$200 million robotics fulfillment center employing more than 1,000, creating more the \$700 million in economic impact over ten years; becoming the 4th Fortune 100 company with a major facility in Waco.
 - Completed construction of *Hello Bello's* first wholly owned production facility which will create 100 new jobs and invest more than \$30 million in a 312,000 square foot facility.
 - Announcement of *S2A Modular* – a \$30 million capital investment creating 200 jobs and *Hesselbein Tire Southwest* – a \$16 million capital investment.
 - Announcement of *Uzin Utz North America* – with a \$34 million capital investment.
 - Expansion of existing industry in Waco with a \$58 million expansion at Mars Wrigley Confectionery and a \$10.75 million expansion investment at Cargill bringing 125 new jobs to the facility.
 - Continued development at the Cottonwood Creek Market with 2021 entertainment venue openings at Top Golf and Cinemark and an anticipated 2022 opening of Main Event.
 - Continued construction of the Riverfront Project, including a December 2021 announcement of the largest economic development deal the City has participated in: a \$185 million agreement with Baylor University on the Paul and Alejandra Foster Pavilion.
 - The \$6 million Bridge Street Plaza project finished construction and opened in Fall 2021. This public plaza will complement the ongoing Elm Avenue redevelopment project and serve as a public placemaking and gathering space that honors the culture and history of East Waco.
 - Tax Increment Reinvestment Zone (TIRZ) #4 was developed and announced in late 2021. This is the largest such zone developed within Waco.
- Air transportation growth and development continued in 2021 with ongoing work on the significant drainage relocation project, roadway and parking lot paving project, and completion of the jetbridge rehabilitation project. The Airport Terminal Building Modernization project moved through the design and planning phase this year, with work expected to begin in 2022.

- Tourism development continues to advance in Waco. The recently created Waco Tourism Public Improvement District (WTPID), which includes Waco hotels committed to generation of additional marketing funds, granted the first WTPID incentive to secure an agreement with the Texas Association of Private and Parochial Schools to host TAPPS Championship events in Waco through 2023. Five new hotels opened during the pandemic bringing 542 new hotel rooms to the market. Waco’s hotel occupancy was #2 in the state as of the second quarter of 2021 and local hotels were #3 in percentage improvement in Average Daily Rate, Hotel Occupancy Percent Change, and Hotel RevPAR—all important measures of hotel industry health.

A culture of equity focuses on countering race inequities that have become a part of the organizational culture affecting its policies, processes, programs and practices. Creating such a culture requires collaboration, conversation, communication and commitment to transformational action. Accomplishments to date include: creation of a new position to support and facilitate equity initiatives in the organization with the search and interview process underway in late 2021; the aforementioned raise in the base pay for full-time jobs in Waco to \$15 per hour and the inclusion of a \$15 per hour minimum wage in WMCEDC incentive agreements; committed funding to facilitate greater utilization of Minority and Women Owned Businesses in Waco and to begin development of a STEAM program in Waco; initiation of a Disparity Study to determine that all firms or businesses have equal access to contracting opportunities on the City’s contracts and associated subcontracts and recommend strategies to ensure full and fair competition in Waco; hiring process changes to improve Diversity and Inclusion; continued employee participation in Race Equity Institute training; and an emphasis on multilanguage accessibility to City services including use of language translators and American Sign Language translators to provide translation at City Press Conferences and all meetings of the City Council as well as improved translation functionality on the current and new City website. This year the public was able to engage in the City’s budget process through an interactive tool called Balancing Act, in which individuals were able to input their priorities for how portions of the City’s \$34.7 million American Rescue Plan Act funding should be allocated. The City plans to further utilize similar tools to increase transparency and involvement in the City’s future budget processes.

Building a High Performing Government means: leadership that is aligned, moving together toward the same vision, mission and goals; an organizational structure and culture that possesses the ability to be nimble, flexible and adaptive and to implement and sustain continuous improvement and that puts the right systems and processes in place that facilitates rather than impedes goal attainment; motivated employees who are committed to public service and making tomorrow’s Waco better than today’s. During FY 2021, a number of successes within this goal included: maintaining the City’s work force throughout the pandemic with no forced layoffs and a mid-year market-based compensation adjustment for employees, as well as the elevation of the City’s base pay for full-time employees to \$15 per hour, effective in FY2021-2022.

- During FY21, the organization continued to adapt in response to the COVID-19 pandemic and weathered the historic Winter Storm Uri.
 - A combination of excellent staff response, prior investments in critical infrastructure, and communication and cooperation with Waco residents resulted in Waco being one of few Texas cities who did not have to shut off water or issue city-wide boil water notices.

- Early 2021 saw the release and mass distribution of the COVID-19 vaccine; the City of Waco, through the Waco-McLennan County Public Health District, became a regional vaccine distribution hub. This year the City implemented a generous COVID-19 vaccine incentive package to promote higher rates of vaccination among City staff and ensure continuity of service for residents and visitors.
- The City underwent a Strategic Communications Assessment audit this year to analyze the current communications channels and efforts already in place and to develop a strategic plan for continued innovation and improvement for both internal and external communications efforts. This year the City kicked off the development of a new City website, with completed roll-out to the public anticipated in mid-2022. The IT and communications teams also worked closely on the development of a new resident engagement tool, MyWaco, with a soft launch in December 2021 and a full roll-out in early 2022.
- The City of Waco made several key hires and staffing changes in 2021 that greatly benefitted the leadership team in Waco, including Chief of Police, Waco-McLennan County Public Health District Director, Director of Office of Management and Budget, Assistant City Manager, Director of Economic Development, and Director of Communications and Marketing.

Infrastructure is the foundational element upon which cities are built—its transportation & traffic systems, water works, wastewater system, and storm drainage system—and which determines a city’s ability to become a smart, modern city that welcomes and supports investment and growth in the future. During Fiscal Year 2020-21, the City invested over \$92 million in our infrastructure utilizing cash, reserve assignments, tax increment financing, and debt financing. These investments included our Parks & Recreation system (\$1.05 million), Public Works & Streets (\$31.6 million), Utilities (\$46.3 million), Airport (\$7.6 million), and Solid Waste (\$6.2 million). Recognizing the need for “growth to pay for growth”, the City Council approved impact fees to be implemented in 2021, thereby reducing the burden on existing taxpayers and utility ratepayers by shifting more of the cost to new development. FY21 also marked the approval of the new Drainage utility fee to become affective in FY22, to fund ongoing maintenance and repair to the City’s vast stormwater drainage network.

A safe and resilient city safeguards its residents and visitors from crimes, disaster, and other potential dangers and threats and creates an environment that fosters energy, enthusiasm, and excitement—a vibrant city!

- Accomplishments in public safety include
 - \$1.5 million towards creation of a Community Policing initiative: Relational Policing. Relational policing is based on the tenets of transparency, respect, engagement, emotional capital, accountability that combine to build trust between the community and the Waco Police Department.

- In its first 8 months of reporting, the operations at our Texas Anti-Gang center resulted in the arrest of 115 gang members for felony offenses, filing of 306 felony cases, and 11 felony convictions to date. Their enforcement efforts have resulted in the seizure of 106 weapons and in the last four months they have collaborated to conduct at least 9 organized gang suppression operations.
- Completion of construction of the new facility to house Fire Department administrative offices and Fire Station #6. Move in and ribbon cutting anticipated in early 2022.
- Approximately \$600,000 of funding towards a lease program to replace aging Fire apparatus and bring 6 new engines and an aerial truck on board the Waco Fire Department.
- Looking forward to FY22, Public Safety in Waco will grow with the addition of 3 firefighters and 2 dispatch personnel, as well as Department of Justice grant funding received in late 2021 for the addition of 12 police officers.
- Winter Storm Uri challenged cities across Texas and placed a renewed emphasis on resiliency. In response to the storm, the City conducted a comprehensive after-action review looking at the successes and struggles endured locally. Funding from the American Rescue Plan Act will be used to fund key findings of the after-action review, including the purchase of generators for additional City facilities that will be designated warming/cooling centers as well as for critical utility infrastructure locations.

Quality of life is the extent to which one is healthy, comfortable, and able to enjoy life. Improving, intensifying or enhancing quality of life creates more enjoyment and satisfaction. It makes living in Waco better for everyone! Key successes in enhancing quality of life include:

- The Office of Neighborhood Engagement was created to breathe new life into our neighborhoods and to improve communication and cooperation with Neighborhood Associations throughout Waco. In FY21, this team reactivated 4 previously dormant Neighborhood Associations, bringing the total number of active associations to 18. This year the team implemented the Neighborhoods Grant Program, through which Neighborhood Associations could apply for grant funding for eligible projects. Funded projects this year included improved signage, memorial bench projects, and enhanced neighborhood communication and outreach events.
- The City of Waco Code Compliance team and Housing division joined forces within the Community Services Department. This connection has enabled the City to enforce City Codes and work with residents to achieve code compliance while connecting residents to the resources and services available including the City's ongoing lead abatement, roof repair, and home rehabilitation assistance programs.
- The completion of Trailblazer Park, an 18-acre park with a pavilion, water fountains, benches, tables, and a shaded playground with accessible play equipment at the trailhead of the Cotton Belt Trail.

- Continued work on the Suspension Bridge rehabilitation project, with anticipated completion and reopening of the bridge and Indian Spring Park in Spring 2022.
- In Summer 2021, the City of Waco joined with the Lions Park Trust Board and local community partners to announce the revitalization project at Waco Lions Park. The City committed \$2 million towards the strategic planning project. The planning process is anticipated to take 18 months and will include significant community input through stakeholder committees and public meetings.
- Future park development is underway with land acquisition and design for a China Spring neighborhood park and master planning initiated for the Cotton Palace Park, one of the City's most historic recreation sites.

Creating a vibrant Waco is a citywide effort but most notably includes the Special Events division of our Parks and Recreation department as well as the various tourism related municipal operations such as the Texas Ranger Hall of Fame and Museum, the Mammoth National Monument, and the Cameron Park Zoo. Important successes creating a vibrant city included:

- Celebration of several national championships in Waco, including a community parade honoring the NCAA Champion Baylor Men's Basketball Team, a community celebration for the MCC Highlanders World series champion baseball team, and the recent Baylor Football Big 12 Conference and Sugar Bowl Champions.
- The return of the Waco Winter Wonderland to an in-person event: a 3-day event launched with a tree lighting ceremony and fireworks show and an event filled weekend complete with snow-hill, Ferris wheel, train rides, and visits with Santa. The Waco Fire Cheer truck and Solid Waste Grinchmobile made special appearances at the event, as well as throughout the City during the holiday season.
- In 2021, Waco experienced a return to pre-pandemic attendance at area attractions, including record setting revenues for multiple months at both the Waco Mammoth National Monument and Cameron Park Zoo. Cottonwood Creek Golf Course and similar recreation programs are also back to pre-pandemic levels.

A growing city must take care to do so responsibly to ensure the sustainability of those common traits the community shares: identity, purpose, objectives, goals, and interests. Sustainability means managing growth to preserve the community's values and the continued delivery of high-quality City services while also protecting the community's natural resources. Fiscal year 2021 saw these accomplishments in support of sustainability: Hired a Sustainability Program Manager; membership with the Urban Sustainability Directors Network; initiated both a facilities assessment and fleet assessment plans; continued evaluation of existing and future electric vehicle and electric vehicle charging infrastructure opportunities, including the addition of 4 electric vehicles to the City fleet; contract with MP2 Energy Texas, LLC, to provide 100% green, renewable energy to the City of Waco from the following Texas wind and solar assets: Bruennings Breeze Wind, Chapman Wind, Stella Wind, Phoebe Energy Solar, and Prospero Solar. The term is for seven (7) years beginning April 1, 2022.

The Solid Waste Department continues their efforts towards increased recycling and diversion.

- Council District Curbside Cleanup Events, Household Hazard Waste Day collections, and scrap tire collections continue, with significant community participation.
- Styrofoam recycling programs are set to launch at the Cobbs Recycling Center, with the acquisition of new Styrofoam densifying equipment. The Solid Waste Department was awarded the STAR Busch Bin Grant in late 2021, which will supply City offices with designated Styrofoam recycling bins to encourage the diversion of Styrofoam waste from the landfill.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waco for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020. This was the 39th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

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

The City has also received the Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2020. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

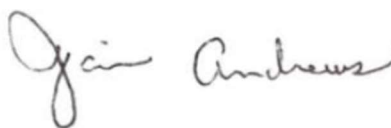
We also acknowledge the thorough, professional, and courteous manner in which our independent auditors, Jaynes, Reitmeier, Boyd & Therrell, P.C., conducted the audit.

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

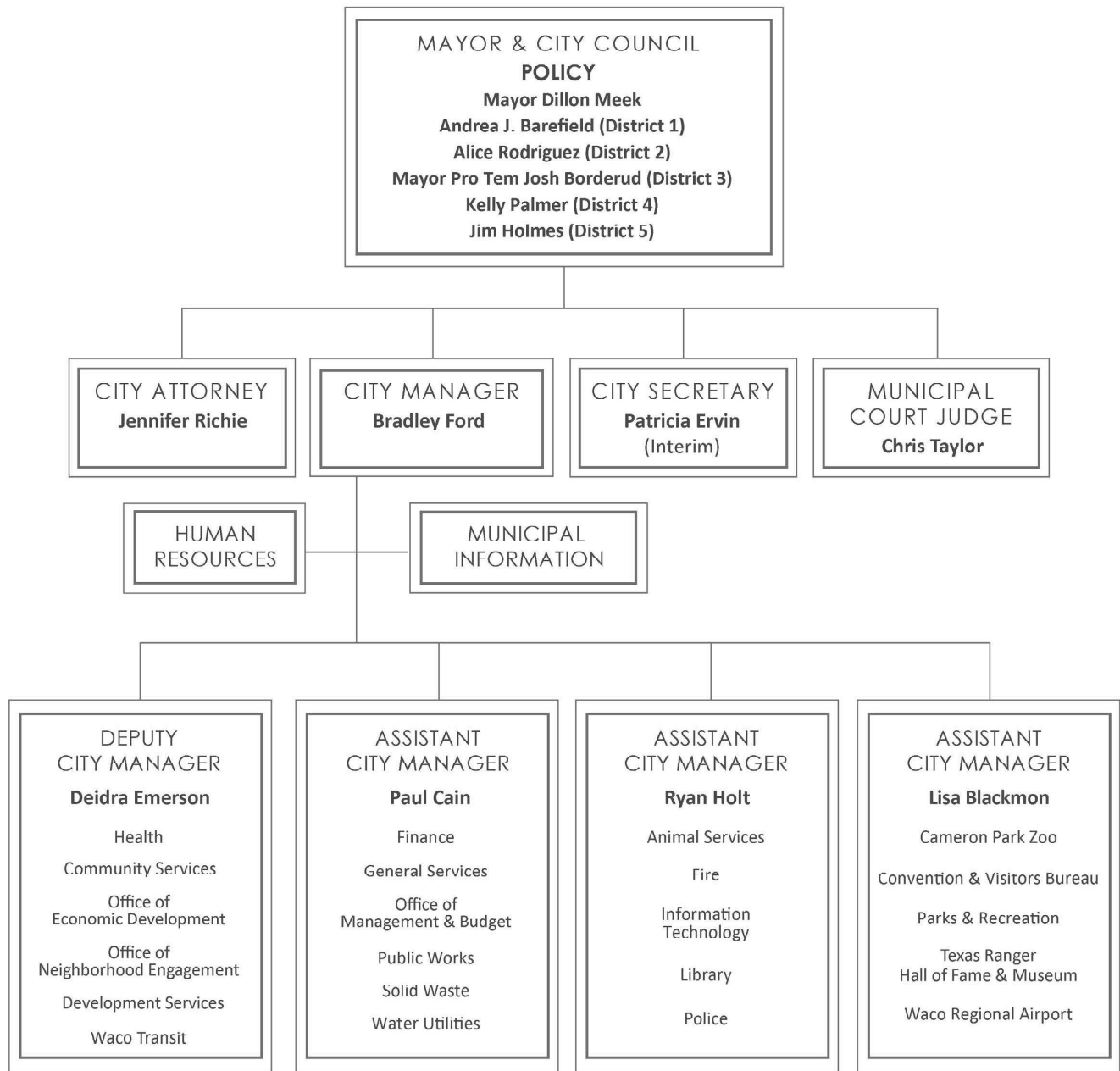
Respectfully submitted,



Bradley Ford
City Manager



Janice Andrews, CPA
Chief Finance Officer



Effective 12/21





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Waco
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

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, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Waco, Texas, as of and for the year ended September 30, 2021, 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. The financial statements of the Baylor Waco Stadium Authority and Waco Tourism Public Improvement District, component units of the City, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Waco, Texas, as of September 30, 2021, 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 Principle

As discussed in Note IV. R. to the financial statements, the City adopted Governmental Accounting Standards Board (“GASB”) Statement No. 84 *Fiduciary Activities*, effective October 1, 2020. Our opinion is not modified with respect to this matter.

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 8 through 20 and the other required supplementary information on pages 94 through 98 (collectively, the “required supplementary information”) 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 14, 2022, 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 14, 2022

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, 2021. 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 xx of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of September 30, 2021 by \$820,145,145 (net position). Of this amount, \$193,373,176 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$85,009,018.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$239,041,048. The fund balance components are nonspendable - \$1,207,685, restricted - \$106,874,716, committed - \$56,695,194, assigned - \$10,160,804 and unassigned - \$64,102,649. The City Council approves the amounts reported as committed and assigned.
- As of September 30, 2021, unassigned fund balance for the General Fund was \$64,102,649 or 39.7% of the Fiscal Year 2022 budgeted general fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements – The government-wide financial statements, which begin on page 23 of this report, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

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

The government-wide financial statements can be found on pages 23 – 25 of this report.

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

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

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

Beginning on page 26 of this report, information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, 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, Cottonwood Creek Golf Course operations, and stormwater (drainage).

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City uses its internal service funds to account for its risk management, health insurance, engineering, and fleet services. These internal service

functions have been included within governmental activities in the government-wide financial statements.

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

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position can be found on pages 42 and 43 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 91 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City’s changes in its net pension liability, related pension contributions, and changes in total OPEB liability. Required supplementary information can be found on pages 94 through 98 of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information beginning on page 103 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government’s financial position. In the case of the City of Waco, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$820,145,145 as of September 30, 2021.

The largest portion of the City’s net position (\$574,443,720) reflects its net investment in capital assets (e.g., land, building, equipment, improvements, museum collections, construction in progress, infrastructure and water rights), less any outstanding debt used to acquire those assets. The City uses these capital 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 293,080,072	250,719,941	276,495,998	258,451,900	569,576,070	509,171,841
Capital assets	<u>363,026,005</u>	<u>323,034,288</u>	<u>583,006,410</u>	<u>542,828,050</u>	<u>946,032,415</u>	<u>865,862,338</u>
Total assets	<u>656,106,077</u>	<u>573,754,229</u>	<u>859,502,408</u>	<u>801,279,950</u>	<u>1,515,608,485</u>	<u>1,375,034,179</u>
Total deferred outflows of resources	<u>13,608,981</u>	<u>14,048,794</u>	<u>4,142,723</u>	<u>4,595,095</u>	<u>17,751,704</u>	<u>18,643,889</u>
Long-term liabilities	195,528,627	179,028,906	399,834,011	377,099,821	595,362,638	556,128,727
Other liabilities	<u>63,899,890</u>	<u>41,203,376</u>	<u>40,325,074</u>	<u>46,247,513</u>	<u>104,224,964</u>	<u>87,450,889</u>
Total liabilities	<u>259,428,517</u>	<u>220,232,282</u>	<u>440,159,085</u>	<u>423,347,334</u>	<u>699,587,602</u>	<u>643,579,616</u>
Total deferred inflows of resources	<u>11,727,819</u>	<u>12,792,339</u>	<u>1,899,623</u>	<u>2,069,986</u>	<u>13,627,442</u>	<u>14,862,325</u>
Net position:						
Net investment in capital assets	262,466,289	243,043,416	311,977,431	285,558,323	574,443,720	528,601,739
Restricted	51,245,572	48,213,632	1,082,677	1,006,408	52,328,249	49,220,040
Unrestricted	<u>84,846,861</u>	<u>63,521,354</u>	<u>108,526,315</u>	<u>93,972,994</u>	<u>193,373,176</u>	<u>157,494,348</u>
Total net position	<u>\$ 398,558,722</u>	<u>354,778,402</u>	<u>421,586,423</u>	<u>380,537,725</u>	<u>820,145,145</u>	<u>735,316,127</u>

A portion of the City's net position (\$52,328,249) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$193,373,176) 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, 2021, 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 \$85,009,018 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, 2021. Governmental activities increased the City's net position by \$43,780,320 and represented 52% of the total. Business-type activities increased the City's net position by \$41,228,698 and represented 48% of the total increase.

**City of Waco
Changes in Net Position**

	Year Ended September 30,					
	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 8,703,930	127,171,595	135,875,525	6,759,483	121,353,597	128,113,080
Operating grants and contributions	16,122,738	7,190,824	23,313,562	22,262,586	6,773,559	29,036,145
Capital grants and contributions	14,300,491	21,233,196	35,533,687	4,689,356	6,358,716	11,048,072
General revenues:						
Ad valorem taxes	96,322,780	-	96,322,780	91,825,848	-	91,825,848
Sales taxes	48,720,357	-	48,720,357	41,033,102	-	41,033,102
Franchise taxes	14,523,390	-	14,523,390	14,480,403	-	14,480,403
Hotel/motel taxes	-	4,519,547	4,519,547	-	3,138,696	3,138,696
Other taxes	1,368,393	-	1,368,393	1,168,421	-	1,168,421
Investment earnings	669,398	200,269	869,667	3,990,302	1,143,224	5,133,526
Miscellaneous	2,834,269	-	2,834,269	2,989,133	-	2,989,133
Total revenues	<u>203,565,746</u>	<u>160,315,431</u>	<u>363,881,177</u>	<u>189,198,634</u>	<u>138,767,792</u>	<u>327,966,426</u>
Expenses:						
General government	25,498,744	-	25,498,744	24,927,532	-	24,927,532
Public works	17,613,038	-	17,613,038	16,663,378	-	16,663,378
Public safety	79,691,854	-	79,691,854	82,482,836	-	82,482,836
Culture and recreation	18,044,204	-	18,044,204	18,281,256	-	18,281,256
Housing and community development	5,617,611	-	5,617,611	2,752,409	-	2,752,409
Public health	9,604,109	-	9,604,109	8,941,058	-	8,941,058
Interest on long-term debt	3,789,974	-	3,789,974	3,303,458	-	3,303,458
Water	-	40,438,161	40,438,161	-	41,071,141	41,071,141
Wastewater	-	30,142,967	30,142,967	-	29,284,437	29,284,437
Solid waste	-	22,960,146	22,960,146	-	21,389,352	21,389,352
Airport	-	5,370,976	5,370,976	-	5,001,016	5,001,016
Convention services	-	3,315,097	3,315,097	-	4,380,349	4,380,349
Ranger Hall of Fame	-	1,631,553	1,631,553	-	1,517,423	1,517,423
Cameron Park Zoo	-	5,879,107	5,879,107	-	6,003,814	6,003,814
Transit services	-	7,246,662	7,246,662	-	7,754,706	7,754,706
Cottonwood Creek Golf Course	-	1,911,463	1,911,463	-	1,903,771	1,903,771
Stormwater (Drainage)	-	116,493	116,493	-	-	-
Total expenses	<u>159,859,534</u>	<u>119,012,625</u>	<u>278,872,159</u>	<u>157,351,927</u>	<u>118,306,009</u>	<u>275,657,936</u>
Increase in net position before special item and transfers	43,706,212	41,302,806	85,009,018	31,846,707	20,461,783	52,308,490
Special Item--gain on termination of agreement	-	-	-	-	29,769,651	29,769,651
Transfers	74,108	(74,108)	-	(1,465,270)	1,465,270	-
Increase in net position	<u>43,780,320</u>	<u>41,228,698</u>	<u>85,009,018</u>	<u>30,381,437</u>	<u>51,696,704</u>	<u>82,078,141</u>
Net position, beginning of year	<u>354,778,402</u>	<u>380,357,725</u>	<u>735,136,127</u>	<u>324,396,965</u>	<u>328,661,021</u>	<u>653,057,986</u>
Net position, end of year	<u>\$ 398,558,722</u>	<u>421,586,423</u>	<u>820,145,145</u>	<u>354,778,402</u>	<u>380,357,725</u>	<u>735,136,127</u>

City of Waco
Changes in Net Position
(Continued)

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

- Overall, governmental revenues increased \$14.4 million (7.6%). Ad valorem taxes reflected an increase of \$4.5 million (4.9%), primarily as a result of growth in the property tax base including an increase of almost \$188 million as a result of new construction. Sales taxes reported an increase of \$7.7 million (18.7%) reflecting strong economic activities. Charges for services reported an increase of almost \$2.0 million (28.8%) primarily due to increased park/recreation activities and revenue from permits. Operating grants reported a decrease of \$6.1 million (27.6%) primarily due to COVID-19 grant funding that was reported in the prior year. This decrease was offset by the increase in capital grants of \$9.6 million (204.9%) due to developer contributed assets. Investment earnings decreased \$3.3 million (83.2%) primarily due to market fluctuations.
- Overall, governmental expenses increased \$2.5 million (1.6%). A 2% salary increase for all eligible employees was approved in March. Due to COVID-19, the City did not budget salary increases in FY2020-21, but instead budgeted for a potential mid-year salary adjustment which was contingent upon sales tax recovery as well as long-term budget savings identified by City staff. The budget also reflected the City's focus on investing in public safety as seven new positions were approved to be added to the Police Department for a new neighborhood engagement team to lead the community policing initiative. To accomplish Council's goals, six other positions for information technology, management development, neighborhood development, and the equity initiative were included in the budget. These increases for salaries and related benefits were partially offset by cost savings and reductions in pension expense. As expected, significant fluctuations in pension expense may occur in response to changes in fair value of plan assets and the total pension liability. Pension expense decreased \$6.7 million as compared to a prior year increase of \$1.5 million due to market changes.

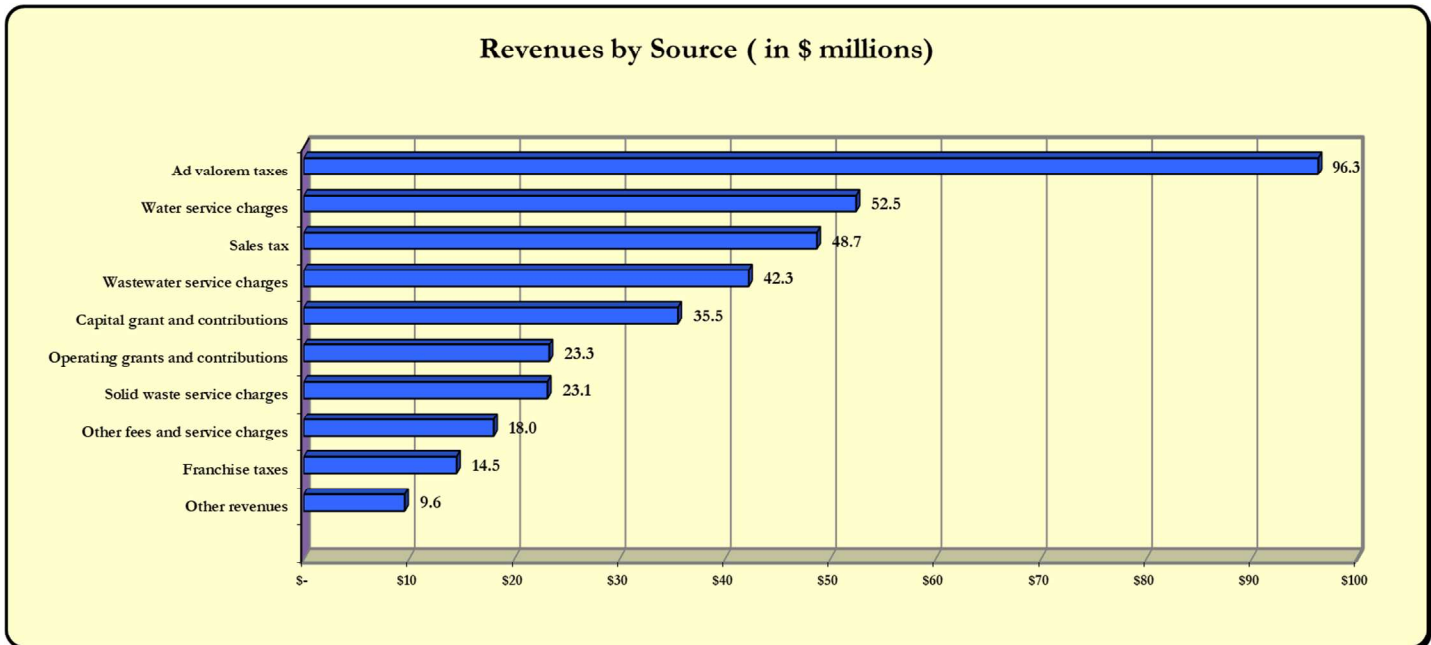
Business-type activities – Key elements of the increase in business-type net position include:

- Charges for services increased by almost \$5.8 million (4.8%) as compared to prior year primarily due to rate increases and growth in service activity. Effective January 1, 2021, water and wastewater base monthly service rates increased along with volumetric rate increases, but water rates were restructured to provide a lower cost for customers with minimal use to align with the Council's goal of creating a culture of equity. The change in revenue for the three major funds follows: decrease for water (-\$0.7 million), increase for wastewater (\$3.9 million), and increase for solid waste (\$1.3 million). Critical infrastructure needs continue to be a significant factor contributing to changes in rates. The other nonmajor enterprise funds reported a combined net increase of \$1.3 million. Cameron Park Zoo reported an increase of \$1.6 million due to increased attendance and merchandise sales. This increase was partially offset by decreases for Convention Center and Transit. Convention Center was closed for part of the year due to COVID-19 and the winter storm. A positive indicator of growth in the economy was the \$1.4 million (44%) increase in hotel/motel taxes. Operating grants reported an increase of \$0.4 million (6.2%) and capital grants and contributions increased \$14.9 million (233.9%).

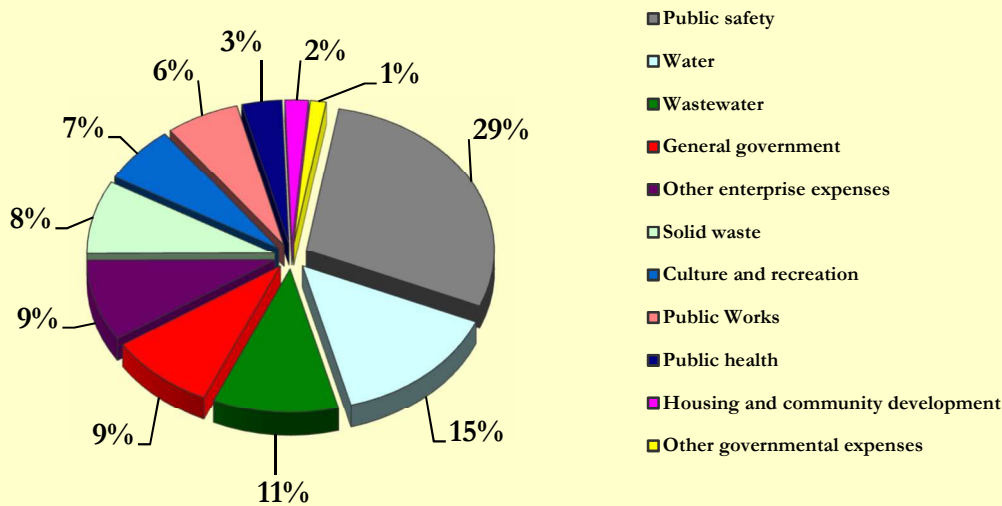
City of Waco
Changes in Net Position
(Continued)

Of the increase in capital grants, \$14.1 million was due to developer contributed assets for water and wastewater. Airport reported an increase of \$1.5 million for capital grants due to FAA funding for a taxiway and CARES grant funding. Cameron Park Zoo reported an increase of \$0.4 million due to the zoo expansion project which is being funded through an interlocal agreement with McLennan County. These increases in capital grants were partially offset by a reduction of \$1.1 million for transit grants for bus purchases in the prior year. Investment earnings decreased \$0.9 million (82.5%) primarily due to market fluctuations.

- Total expenses increased \$0.7 million (0.6%). Increased maintenance costs of \$0.8 million were partially a result of the winter storm event. Increased depreciation expense and loss on disposals of capital assets totaled \$1.6 million. These increases were partially offset by a \$1.1 million reduction for the current year pension expense. The fluctuations in pension expense are due to changes in fair value of plan assets and the total pension liability.
- In the prior year, for business-type activities and the wastewater fund, the City recognized a special item - a \$29,769,651 gain from the termination of the WMARSS interlocal cooperation agreement, which resulted in the City assuming all undivided interest in the facilities and operations of WMARSS and simultaneously executing wholesale wastewater contracts with the prior participating cities to become customers of the City's solely-owned wastewater system.



Expenses by Activity (Percent of Total)



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the current fiscal year, the City of Waco's governmental funds reported combined ending fund balances of \$239,041,048. Approximately 0.5% (\$1,207,685) 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 and permanent funds. Approximately 44.7% (\$106,874,716) of the total fund balance is classified as restricted. Restricted fund balance reflects resources that are subject to externally enforceable legal restrictions. This classification includes debt service, capital projects, and special revenue funds such as tax increment zones. Approximately 23.7% (\$56,695,194) of the fund balance is reported as committed. Committed fund balances represent resources whose use has a self-imposed limitation imposed by the City Council and would require formal action to remove or modify the commitment. This classification includes resources that have been committed for economic development initiatives, capital projects and

public health. Approximately 4.3% (\$10,160,804) 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 \$64,102,649 (26.8%) is reported as unassigned. Refer to pages 55 and 56 of this report for a more detailed presentation of governmental fund balances.

The City Council approved an amendment to the City's financial management policy statement to provide for general fund unassigned fund balance to be maintained at 28% of the next year's budgeted revenues. Unassigned general fund balance at the end of the current fiscal year is 39.7% of 2022 budgeted revenues. The fund balance of the general fund at the end of the current year reported an increase of \$710,573. Total revenues in the general fund increased \$4,288,043 as compared to the prior year and were \$10,640,482 more than the final budget. Key factors in general fund revenue are as follows:

- Increases of approximately \$2.2 million in property tax revenues resulted primarily from growth in net assessed taxable values of approximately 4.7%. Property taxes represented approximately 44% of total general fund revenues.
- Sales tax revenue reported an increase of almost \$7.7 million as compared to prior year, with actual amounts exceeding the amount originally budgeted for the fiscal year by approximately \$12.7 million. This increase was the result of economic stimulus from the federal government, adding spending capabilities for families from the child tax credit, increased wages, and a return to pre-pandemic employment levels. This revenue source represents 31% of total general fund revenues.
- Gross receipts fees, which had been budgeted very conservatively, increased slightly (\$88,760) as compared to prior year. Approximately 9% of total general fund revenues came from gross receipts fees.

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

Unrestricted net position of the respective major proprietary funds are water - \$47,064,159, wastewater - \$40,889,565, and solid waste - \$8,132,134. These funds recognized changes in total net position during 2021 as follows: water - \$17,687,564, wastewater - \$20,495,447, and solid waste - (\$167,806).

General Fund budgetary highlights – The difference between the original budget and the final amended budget for appropriations was a net increase of \$6,835,419. The primary differences can be briefly summarized as follows:

Total increases to the budget were \$22,003,855 with many of these related to capital needs. The budget increases are as follows:

- \$14,258,422 increase for transfer to Special Projects Reserve Fund
- \$1,696,083 increase for purchase orders that rolled from FY 2020

- \$1,271,193 increase for transfer for the quiet zone project
- \$1,095,965 increase for transfer for 17th Street Bridge Repair project
- \$661,311 increase for critical software needs
- \$500,000 increase for street emergency work
- \$500,000 increase for transfer to parks CIP
- \$440,000 increase for transfer to stormwater (drainage) fund for start-up costs
- \$350,000 increase for economic development activities
- \$290,000 increase for radio replacement
- \$250,000 increase for transfer to street CIP to be used for ADA projects
- \$175,000 increase for transfer to building demolition fund
- \$125,000 increase for housing and homelessness studies
- \$100,000 increase for small business grant program
- \$40,000 increase for transfer for STEAM project
- \$36,470 increase for transfer to Hazmat fund
- \$214,411 increase for various operational needs

Funding for the increases was provided primarily by general fund assignments and sales tax revenue.

Total decreases to the budget were \$15,168,436 with the most significant decrease due to unexpended economic development funds.

- \$13,628,436 decrease for unexpended economic development projects
- \$1,540,000 decrease for operational savings

For a more detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2021, refer to the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on pages 30 to 38 of this report.

CAPITAL ASSETS

The City of Waco's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$946,032,415 (net of accumulated depreciation).

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

- Capitalized approximately \$59.8 million for various water and wastewater systems projects and developer contributions.
- Capitalized \$39.2 million in street and drainage infrastructure and developer contributions.
- Capitalized \$9.0 million for parks improvements.

City of Waco Capital Assets

		Governmental		Business-type		Totals	
		Activities		Activities			
		2021	2020	2021	2020	2021	2020
Land	\$	68,002,913	63,189,674	18,201,777	17,100,882	86,204,690	80,290,556
Buildings		87,549,652	84,533,296	87,321,091	85,073,136	174,870,743	169,606,432
Improvements other than buildings		71,569,994	70,838,861	648,202,335	621,197,492	719,772,329	692,036,353
Machinery and equipment		70,451,366	67,471,285	67,233,113	67,417,296	137,684,479	134,888,581
Museum collections		-	-	2,287,924	2,274,424	2,287,924	2,274,424
Infrastructure		361,005,560	344,126,081	-	-	361,005,560	344,126,081
Construction work in progress		55,510,849	24,734,958	129,419,511	96,082,572	184,930,360	120,817,530
Water rights		-	-	32,482,879	32,482,879	32,482,879	32,482,879
Less: accumulated depreciation		<u>(351,064,329)</u>	<u>(331,859,867)</u>	<u>(402,142,220)</u>	<u>(378,800,631)</u>	<u>(753,206,549)</u>	<u>(710,660,498)</u>
Total capital assets	\$	<u>363,026,005</u>	<u>323,034,288</u>	<u>583,006,410</u>	<u>542,828,050</u>	<u>946,032,415</u>	<u>865,862,338</u>

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

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Waco had total bonded debt, notes payable and capital lease obligations of \$563,861,979. Of this amount, \$558,039,508 represents bonded debt backed by the full faith and credit of the government. The \$1,317,649 note payable is for purchase of pump station and water transmission lines. The \$4,504,822 capital lease obligation is for new fire trucks.

City of Waco Bonds and Notes Payable

		Governmental		Business-type		Totals	
		Activities		Activities			
		2021	2020	2021	2020	2021	2020
General obligation certificates	\$	152,549,918	133,127,359	405,489,590	381,685,431	558,039,508	514,812,790
Notes payable		-	161,422	1,317,649	1,411,816	1,317,649	1,573,238
Capital lease obligation		<u>4,504,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,504,822</u>	<u>-</u>
	\$	<u>157,054,740</u>	<u>133,288,781</u>	<u>406,807,239</u>	<u>383,097,247</u>	<u>563,861,979</u>	<u>516,386,028</u>

During the 2021 fiscal year, the City issued \$76,830,000 (including \$1,550,000 taxable) in general obligation certificates of obligation. The proceeds will be used for various general City improvements, including improvements to City administration, maintenance, and operations and service buildings. Other uses will be for the construction, acquisition and improvement of City streets, traffic control systems, sidewalks, landscaping, street lighting, drainage, and parks/recreation facilities. Additionally certain proceeds of the bonds will be used for the acquisition of vehicles, fire-fighting, and other equipment, water and wastewater improvements, and solid waste disposal system, facilities, and equipment. The City also issued \$22,150,000 of general obligation refunding bonds which were used to refund existing general obligation debt. This current refunding was undertaken to reduce total debt service payments by \$2,894,543 over the next twelve years, resulting in an economic gain of \$2,648,134. Finally, the City issued a \$5 million capital lease for the purchase of new fire trucks.

The City’s bond ratings are listed below:

	<u>Moody’s Investors Service</u>	<u>Standard and Poor’s</u>
General obligation bonds	Aa1	AA+

Additional information on the City of Waco’s long-term debt can be found in Note IV on pages 71 to 76 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The fiscal year 2022 budget development, although done during the global pandemic, was prepared as the City as well as the rest of the country worked towards adjusting to the new normal. As the budget was being developed, we noticed trends similar to when the economy and City were fully open in fiscal year 2019. Being conscious of the pandemic, but also seeing extremely positive economic signs through the resiliency of the residents of the City of Waco as well as visitors from across the country, the budget was developed using a historical perspective of growth from fiscal year 2019 and prior as well as factoring in recent trends and economic stimulus. To this end as part of the fiscal year 2022 budget, the property rate was reduced by \$0.00895 per \$100 of assessed taxable valuation. With the improvements in the economy that existed as we reached the conclusion of the fiscal year 2022 budget development process in tandem with the economic development efforts that the City has made over recent years fully materializing in employment within the City, the City of Waco was able to return to pre-pandemic levels sooner than most other cities. The adopted fiscal year 2022 General Fund revenue budget increased by nearly \$15.6 million or 10.7% compared to the adopted fiscal year 2021 budget. This is due to sales tax increasing by \$7.6 million and property tax revenues increasing by \$7.5 million due to increased valuations. The fiscal year 2022 budget includes a \$1.3 million utilization of surplus to provide cash funding for capital projects. This amount is assigned in fund balance in the general fund at September 30, 2021. The fiscal year 2022 budget included the establishment of a base wage rate of at least \$15 per hour for City employees. In addition, the budget included a general salary increase of 3% such that employees either received a salary increase up to \$15 per hour or a 3% increase whichever was greater for the employee. The Texas Municipal Retirement System (TMRS) benefit provisions of the City’s plan were reviewed during the fiscal year 2012 budget process and as a result, the City Council approved a plan change to turn off annually repeating annuity increases. The City’s contribution rate for 2022 (14.34%) decreased slightly from the 2021 rate (14.69%). The City plans to contribute more than the full rate to assist in reducing the unfunded liability more quickly.

The City's budget for fiscal year 2022 included approximately \$16.1 million for TMRS contributions. Fiscal year 2022 is the first full operational year for the City's new stormwater (drainage) utility fund. The fund will begin assessing a rate of \$5.41 per equivalent residential unit (ERU). This is the only utility rate increase for residential customers in fiscal year 2022. The rates for residential, commercial, and industrial water and wastewater customers were maintained at fiscal year 2021 rates. There are no increases for solid waste residential, commercial and landfill gate fees for fiscal year 2022. The fiscal year 2022 budget also sees investment of over \$118 million in the City's capital improvements program. These funds will be utilized for new City facilities (two new fire stations) as well as maintenance and repair of existing facilities, repair, maintenance, and improvement of City infrastructure (street, water, wastewater), dedicated investment in the City's drainage infrastructure through the new drainage utility, continued funding for the City's planned new landfill, as well as continued investment in the City's park system, and funding for the modernization of the City's airport terminal.

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, Chief Financial Officer, 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, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Waco Health Facilities Development Corporation
Assets					
Cash and investments	\$ 271,855,155	114,721,212	386,576,367	87,221	31,975
Receivables (net of allowances for uncollectibles):					
Accounts	3,824,716	14,366,782	18,191,498	63,315	-
Special assessments	15,267	-	15,267	-	-
Taxes	11,616,148	-	11,616,148	-	-
Intergovernmental receivable	3,494,823	4,627,160	8,121,983	-	-
Prepaid expense	-	313,536	313,536	5,205	-
Internal balances	741,511	(741,511)	-	-	-
Inventories	1,197,811	1,387,732	2,585,543	-	-
Restricted cash and investments	-	141,821,087	141,821,087	-	-
Notes receivable	268,384	-	268,384	-	-
Real estate held for resale	66,257	-	66,257	-	-
Capital assets not being depreciated:					
Land	68,002,913	18,201,777	86,204,690	-	-
Museum collections	-	2,287,924	2,287,924	-	-
Construction in progress	55,510,849	129,419,511	184,930,360	-	-
Capital assets, net of accumulated depreciation:					
Buildings	49,801,286	35,966,885	85,768,171	-	-
Machinery and equipment	18,236,834	19,900,386	38,137,220	24,931	-
Improvements other than buildings	26,163,558	360,061,353	386,224,911	-	-
Infrastructure	145,310,565	-	145,310,565	-	-
Water rights	-	17,168,574	17,168,574	-	-
Total assets	656,106,077	859,502,408	1,515,608,485	180,672	31,975
Deferred outflows of resources					
Deferred outflows of resources:					
Deferred losses on refundings of debt	949,529	2,181,590	3,131,119	-	-
Deferred outflows on pension liability	12,046,960	1,961,133	14,008,093	-	-
Deferred outflows on OPEB liability	612,492	-	612,492	-	-
Total deferred outflows of resources	13,608,981	4,142,723	17,751,704	-	-
Liabilities					
Accounts payable	8,726,887	2,421,846	11,148,733	55,902	-
Accrued liabilities	7,793,826	2,567,394	10,361,220	-	-
Accrued interest payable	1,199,638	3,025,767	4,225,405	-	-
Unearned revenue	17,412,882	169,804	17,582,686	1,500	-
Escrow funds	357,999	-	357,999	-	-
Customer deposits	720,589	-	720,589	-	-
Advanced deposits from Baylor University	-	-	-	123,270	-
Liabilities payable from restricted assets	-	6,894,559	6,894,559	-	-
Noncurrent liabilities:					
Due within one year	27,688,069	25,245,704	52,933,773	-	-
Due in more than one year	195,528,627	399,834,011	595,362,638	-	-
Total liabilities	259,428,517	440,159,085	699,587,602	180,672	-
Deferred inflows of resources:					
Deferred inflows on pension liability	11,669,102	1,899,623	13,568,725	-	-
Deferred inflows on OPEB liability	58,717	-	58,717	-	-
Total deferred inflows of resources	11,727,819	1,899,623	13,627,442	-	-
Net position					
Net investment in capital assets	262,466,289	311,977,431	574,443,720	-	-
Restricted for:					
Tax increment financing/public improvement district	45,354,317	-	45,354,317	-	-
Housing and community development	236,855	-	236,855	-	-
Culture and recreation	180,414	-	180,414	-	-
Public safety	2,285,587	-	2,285,587	-	-
Public works	678,759	-	678,759	-	-
Municipal information	1,636,663	-	1,636,663	-	-
Debt service	546,081	-	546,081	-	-
Parks and cemetery care - nonexpendable	326,896	-	326,896	-	-
Capital projects	-	1,082,677	1,082,677	-	-
Unrestricted	84,846,861	108,526,315	193,373,176	-	31,975
Total net position	\$ 398,558,722	\$ 421,586,423	\$ 820,145,145	\$ -	\$ 31,975

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Activities
Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ (25,498,744)	348,566	2,013,070	-
Public works	(17,613,038)	-	-	14,300,491
Public safety	(79,691,854)	5,832,062	3,571,795	-
Culture and recreation	(18,044,204)	1,313,651	1,089,655	-
Housing and community development	(5,617,611)	-	4,641,983	-
Public health	(9,604,109)	1,209,651	4,806,235	-
Interest on long-term debt	(3,789,974)	-	-	-
Total governmental activities	<u>(159,859,534)</u>	<u>8,703,930</u>	<u>16,122,738</u>	<u>14,300,491</u>
Business-type activities:				
Water	(40,438,161)	52,448,798	411,859	8,847,195
Wastewater	(30,142,967)	42,245,415	214,969	8,926,428
Solid waste	(22,960,146)	23,137,315	20,000	-
Airport	(5,370,976)	1,022,426	2,235,681	2,940,488
Convention services	(3,315,097)	498,987	-	-
Ranger Hall of Fame	(1,631,553)	495,975	32,005	13,500
Cameron Park Zoo	(5,879,107)	3,344,779	-	481,213
Transit services	(7,246,662)	2,228,232	4,276,310	24,372
Cottonwood Creek Golf Course	(1,911,463)	1,749,668	-	-
Stormwater (drainage)	(116,493)	-	-	-
Total business-type activities	<u>(119,012,625)</u>	<u>127,171,595</u>	<u>7,190,824</u>	<u>21,233,196</u>
Total primary government	<u>\$ (278,872,159)</u>	<u>135,875,525</u>	<u>23,313,562</u>	<u>35,533,687</u>
Component Units:				
Baylor Waco Stadium Authority	\$ (2,495,768)	313,054	2,182,714	-
Waco Health Facilities Development Corporation	-	-	-	-
Total component units	<u>\$ (2,495,768)</u>	<u>313,054</u>	<u>2,182,714</u>	<u>-</u>
General revenues:				
Taxes:				
Property				
Property tax increment financing				
Sales				
Franchise				
Hotel/motel				
Other				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

See accompanying notes to financial statements.

Net Revenues (Expenses) and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Waco Health Facilities Development Corporation
(23,137,108)	-	(23,137,108)		
(3,312,547)	-	(3,312,547)		
(70,287,997)	-	(70,287,997)		
(15,640,898)	-	(15,640,898)		
(975,628)	-	(975,628)		
(3,588,223)	-	(3,588,223)		
(3,789,974)	-	(3,789,974)		
<u>(120,732,375)</u>	<u>-</u>	<u>(120,732,375)</u>		
-	21,269,691	21,269,691		
-	21,243,845	21,243,845		
-	197,169	197,169		
-	827,619	827,619		
-	(2,816,110)	(2,816,110)		
-	(1,090,073)	(1,090,073)		
-	(2,053,115)	(2,053,115)		
-	(717,748)	(717,748)		
-	(161,795)	(161,795)		
-	(116,493)	(116,493)		
<u>-</u>	<u>36,582,990</u>	<u>36,582,990</u>		
<u>(120,732,375)</u>	<u>36,582,990</u>	<u>(84,149,385)</u>		
			-	-
			<u>-</u>	<u>-</u>
			-	-
			<u>-</u>	<u>-</u>
\$ 82,999,797	-	82,999,797	-	-
13,322,983	-	13,322,983	-	-
48,720,357	-	48,720,357	-	-
14,523,390	-	14,523,390	-	-
-	4,519,547	4,519,547	-	-
1,368,393	-	1,368,393	-	-
669,398	200,269	869,667	-	56
2,834,269	-	2,834,269	-	-
74,108	(74,108)	-	-	-
<u>164,512,695</u>	<u>4,645,708</u>	<u>169,158,403</u>	<u>-</u>	<u>56</u>
43,780,320	41,228,698	85,009,018	-	56
<u>354,778,402</u>	<u>380,357,725</u>	<u>735,136,127</u>	<u>-</u>	<u>31,919</u>
<u>\$ 398,558,722</u>	<u>421,586,423</u>	<u>820,145,145</u>	<u>-</u>	<u>31,975</u>

City of Waco, Texas

Balance Sheet Governmental Funds September 30, 2021

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 85,871,205	\$ 169,592,476	\$ 255,463,681
Receivables, net of allowances:			
Accounts	3,694,693	130,023	3,824,716
Special assessments	-	15,267	15,267
Taxes	11,152,771	463,377	11,616,148
Notes	-	268,384	268,384
Advances to other funds	-	168,368	168,368
Intergovernmental receivable	86,043	3,408,780	3,494,823
Inventory	874,629	-	874,629
Real estate held for resale	6,160	60,097	66,257
Due from other funds	1,885,445	2,077,128	3,962,573
Total assets	\$ 103,570,946	\$ 176,183,900	\$ 279,754,846
Liabilities			
Accounts payable	\$ 2,075,059	\$ 6,507,220	\$ 8,582,279
Accrued liabilities	5,170,532	2,187,791	7,358,323
Unearned revenue	52,539	17,360,343	17,412,882
Due to other funds	234,175	3,389,430	3,623,605
Deposits	720,589	-	720,589
Escrow funds	310,453	47,008	357,461
Total liabilities	8,563,347	29,491,792	38,055,139
Deferred inflows of resources			
Unavailable revenue:			
Property taxes	2,025,295	441,772	2,467,067
Court fines	176,325	-	176,325
Special assessments	-	15,267	15,267
Total deferred inflows of resources	2,201,620	457,039	2,658,659
Total liabilities and deferred inflows of resources	10,764,967	29,948,831	40,713,798
Fund balances			
Nonspendable:			
Inventory	874,629	-	874,629
Parks and cemetery care	-	326,896	326,896
Real estate held for resale	6,160	-	6,160
Restricted for:			
Capital projects	-	55,153,344	55,153,344
Culture and recreation	-	180,414	180,414
Debt service	-	1,303,947	1,303,947
Housing and community development	-	296,952	296,952
Municipal information	1,636,663	-	1,636,663
Public works	-	678,759	678,759
Public safety	-	2,285,587	2,285,587
Tax increment zone activities	-	44,304,621	44,304,621
Waco Public Improvement District	-	1,034,429	1,034,429
Committed to:			
Capital projects	-	37,279,317	37,279,317
Economic development	16,025,074	-	16,025,074
Public health	-	3,390,803	3,390,803
Assigned to:			
Culture and recreation	163,113	-	163,113
Economic development	6,493,032	-	6,493,032
Housing and community development	32,899	-	32,899
Other	1,118,170	-	1,118,170
Public safety	694,975	-	694,975
Public works	365,062	-	365,062
Subsequent year's budget appropriation	1,293,553	-	1,293,553
Unassigned	64,102,649	-	64,102,649
Total fund balances	\$ 92,805,979	\$ 146,235,069	\$ 239,041,048
Total liabilities, deferred inflows of resources, and fund balances	\$ 103,570,946	\$ 176,183,900	\$ 279,754,846

See accompanying notes to financial statements.

City of Waco, Texas

Reconciliation of the Balance Sheet to the Statement of Net Position September 30, 2021

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

Total fund balances - governmental funds (page 28)	\$	239,041,048
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		362,239,575
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.		2,658,659
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.		13,474,183
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(218,854,743)</u>
Net position of governmental activities (page 25)	\$	<u><u>398,558,722</u></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, 2021

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 117,775,591	\$ 27,139,464	\$ 144,915,055
Special assessments	-	644,776	644,776
Business and occupation fees	14,523,391	-	14,523,391
Permits, licenses and fees	2,652,165	1,037,971	3,690,136
Fines	1,430,399	500,891	1,931,290
Charges for services	2,273,973	-	2,273,973
Investment earnings	227,211	414,280	641,491
Contributions	766,646	-	766,646
Intergovernmental	2,277,704	12,443,092	14,720,796
Program income	-	213,753	213,753
Other	14,754,479	590,506	15,344,985
Total revenues	<u>156,681,559</u>	<u>42,984,733</u>	<u>199,666,292</u>
Expenditures:			
Current:			
General government	29,252,693	13,463,664	42,716,357
Public works	7,234,403	426,653	7,661,056
Public safety	79,239,354	1,380,302	80,619,656
Culture and recreation	14,315,708	9,326	14,325,034
Housing and community development	1,191,415	4,466,995	5,658,410
Public health	-	9,765,137	9,765,137
Debt service:			
Principal	-	8,780,000	8,780,000
Interest and fiscal charges	-	5,144,979	5,144,979
Bond issuance costs	-	160,006	160,006
Capital outlay	-	37,837,873	37,837,873
Total expenditures	<u>131,233,573</u>	<u>81,434,935</u>	<u>212,668,508</u>
Excess (deficiency) of revenues over expenditures	<u>25,447,986</u>	<u>(38,450,202)</u>	<u>(13,002,216)</u>
Other financing sources (uses):			
Refunding bonds issued	-	3,155,000	3,155,000
Payment to refunded bond escrow agent	-	(3,539,057)	(3,539,057)
Premium on refunding bonds	-	350,193	350,193
General obligation bonds issued	-	28,960,000	28,960,000
Premium on general obligation bonds	-	1,230,197	1,230,197
Capital lease	-	5,000,000	5,000,000
Transfers in	7,140,674	30,325,055	37,465,729
Transfers out	(31,878,087)	(3,062,539)	(34,940,626)
Total other financing sources (uses)	<u>(24,737,413)</u>	<u>62,418,849</u>	<u>37,681,436</u>
Net change in fund balances	710,573	23,968,647	24,679,220
Fund balances, beginning of year	92,095,406	122,266,422	214,361,828
Fund balances, end of year	<u>\$ 92,805,979</u>	<u>\$ 146,235,069</u>	<u>\$ 239,041,048</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, 2021

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

Net change in fund balances - total governmental funds (page 28)	\$	24,679,220
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.		26,101,236
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is to increase net position.		13,959,169
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(142,345)
The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(25,719,733)
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.		7,087,275
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>(2,184,502)</u>
Change in net position of governmental activities (pages 24 - 25)	\$	<u><u>43,780,320</u></u>

See accompanying notes to financial statements.

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget	2020 Actual Amounts
	Original	Final			
Revenue					
Taxes:					
Sales tax income	\$ 36,000,000	43,000,000	48,720,357	5,720,357	41,033,102
Property taxes	65,862,422	65,862,422	68,451,663	2,589,241	66,154,072
Interest and penalty on taxes	435,000	435,000	603,571	168,571	661,027
Totals	<u>102,297,422</u>	<u>109,297,422</u>	<u>117,775,591</u>	<u>8,478,169</u>	<u>107,848,201</u>
Business and occupation fees:					
Occupation taxes	116,979	116,979	78,414	(38,565)	124,186
Gross receipts taxes	14,107,001	14,107,001	14,444,977	337,976	14,356,217
Totals	<u>14,223,980</u>	<u>14,223,980</u>	<u>14,523,391</u>	<u>299,411</u>	<u>14,480,403</u>
Permits, licenses and fees:					
Building permits	970,896	970,896	1,537,446	566,550	1,056,438
Plumbing permits	276,886	276,886	334,303	57,417	276,553
Electrical permits	361,513	361,513	473,385	111,872	390,070
Heating and air conditioning licenses	127,093	127,093	163,546	36,453	141,242
Fire inspection fees	44,579	44,579	75,614	31,035	37,911
Cab permits	650	650	550	(100)	550
House moving permits	165	165	-	(165)	-
Open air/street vending	6,720	6,720	4,985	(1,735)	6,230
Sign permits	31,799	31,799	30,658	(1,141)	34,678
Subdivision fees	36,623	36,623	31,678	(4,945)	37,018
Totals	<u>1,856,924</u>	<u>1,856,924</u>	<u>2,652,165</u>	<u>795,241</u>	<u>1,980,690</u>
Fines:					
Court fines	863,187	863,187	1,353,106	489,919	1,220,406
Auto impound fees	66,166	66,166	77,293	11,127	61,364
Totals	<u>929,353</u>	<u>929,353</u>	<u>1,430,399</u>	<u>501,046</u>	<u>1,281,770</u>
Charges for services:					
Recreation	366,255	366,255	579,867	213,612	318,495
Weed mowing	42,759	42,759	72,109	29,350	67,098
Library fees	76,420	76,420	80,828	4,408	79,936
Animal pick up	10,210	10,210	18,176	7,966	11,180
Animal shelter fees	493,973	493,973	427,834	(66,139)	443,511
Grounds maintenance	56,750	56,750	60,204	3,454	60,204
Graphics	81,034	81,034	83,105	2,071	66,397
Police security	63,119	63,119	57,831	(5,288)	67,260
Airport services	1,092,000	1,092,000	894,019	(197,981)	807,743
Totals	<u>2,282,520</u>	<u>2,282,520</u>	<u>2,273,973</u>	<u>(8,547)</u>	<u>1,921,824</u>
Interest on investments	<u>136,030</u>	<u>136,030</u>	<u>227,211</u>	<u>91,181</u>	<u>1,175,429</u>
Contributions	<u>627,782</u>	<u>752,782</u>	<u>766,646</u>	<u>13,864</u>	<u>779,925</u>
Intergovernmental	<u>2,521,417</u>	<u>2,625,917</u>	<u>2,277,704</u>	<u>(348,213)</u>	<u>9,631,875</u>

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with Final Budget	2020
	Original	Final	Actual Amounts		Actual Amounts
Revenues (continued)					
Other:					
Indirect expense reimbursements	9,841,069	9,841,069	9,847,928	6,859	9,046,939
False alarm fines	10,250	10,250	9,220	(1,030)	11,150
BSC civil penalties	2,770	2,770	85,000	82,230	2,912
Rents from real estate	238,411	238,411	307,607	69,196	181,095
Miscellaneous revenue	2,812,558	2,892,409	3,307,473	415,064	3,252,327
Sale of real estate	-	-	-	-	3,222
Sale of other scrap	6,592	6,592	17,008	10,416	9,880
Zoning applications	52,175	52,175	54,500	2,325	51,350
Commission from sale of mixed drinks	689,759	689,759	717,478	27,719	534,099
Commission on municipal court fines	50,078	50,078	49,624	(454)	48,465
Commission on concessions	132,471	132,471	358,641	226,170	146,815
Garage sale permits	18,850	18,850	-	(18,850)	4,110
Special assessments	1,315	1,315	-	(1,315)	1,035
Totals	<u>13,856,298</u>	<u>13,936,149</u>	<u>14,754,479</u>	<u>818,330</u>	<u>13,293,399</u>
Total revenue	<u>138,731,726</u>	<u>146,041,077</u>	<u>156,681,559</u>	<u>10,640,482</u>	<u>152,393,516</u>
Expenditures					
General Government					
Administrative Services:					
Salaries and wages	1,817,594	2,171,486	2,114,567	56,919	1,442,473
Employee benefits	473,287	580,745	560,250	20,495	377,889
Purchased professional/technical services	139,264	238,287	297,950	(59,663)	202,945
Purchased property services	39,000	39,000	19,722	19,278	11,392
Maintenance	-	151,956	131,988	19,968	-
Other purchased services	710,763	705,687	474,332	231,355	625,915
Supplies	110,950	119,925	147,441	(27,516)	97,877
Capital expenditures	-	-	2,012	(2,012)	20,476
Other expenses	338,618	304,438	8,969	295,469	17,787
Total Administrative Services	<u>3,629,476</u>	<u>4,311,524</u>	<u>3,757,231</u>	<u>554,293</u>	<u>2,796,754</u>
City Secretary:					
Salaries and wages	370,910	362,910	345,674	17,236	433,230
Employee benefits	139,016	139,016	126,220	12,796	158,232
Purchased professional/technical services	103,357	139,078	102,610	36,468	109,827
Maintenance	35,065	35,065	35,368	(303)	36,692
Other purchased services	37,518	39,518	41,669	(2,151)	25,329
Supplies	20,612	25,004	37,133	(12,129)	40,805
Capital expenditures	-	-	8,171	(8,171)	-
Total City Secretary	<u>706,478</u>	<u>740,591</u>	<u>696,845</u>	<u>43,746</u>	<u>804,115</u>
Finance Services:					
Salaries and wages	1,977,096	1,623,204	1,441,554	181,650	1,650,077
Employee benefits	660,108	552,650	492,029	60,621	544,339
Purchased professional/technical services	146,240	127,010	127,519	(509)	142,426
Purchased property services	750	750	-	750	500
Maintenance	152,952	996	-	996	-
Other purchased services	61,097	48,173	23,528	24,645	31,937
Supplies	29,600	26,060	20,089	5,971	278,189
Capital expenditures	-	-	-	-	16,209
Other expenses	78,000	78,000	36,997	41,003	60,976
Total Finance Services	<u>3,105,843</u>	<u>2,456,843</u>	<u>2,141,716</u>	<u>315,127</u>	<u>2,724,653</u>

(Continued)

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with Final Budget	2020
	Original	Final	Actual Amounts		Actual Amounts
Expenditures (continued)					
General Government (continued)					
Legal Services:					
Salaries and wages	952,752	952,752	983,662	(30,910)	921,254
Employee benefits	293,391	293,391	290,213	3,178	277,271
Purchased professional/technical services	4,450	4,450	4,761	(311)	69
Maintenance	1,260	1,260	-	1,260	-
Other purchased services	33,974	33,974	16,354	17,620	19,432
Supplies	40,765	40,765	36,098	4,667	40,064
Capital expenditures	8,145	8,145	5,886	2,259	-
Total Legal Services	<u>1,334,737</u>	<u>1,334,737</u>	<u>1,336,974</u>	<u>(2,237)</u>	<u>1,258,090</u>
Planning Services:					
Salaries and wages	1,574,223	1,574,223	1,585,013	(10,790)	582,063
Employee benefits	529,422	529,422	686,426	(157,004)	175,268
Purchased professional/technical services	45,915	87,849	56,064	31,785	138,136
Purchased property services	101,906	101,906	95,256	6,650	61,284
Maintenance	21,052	26,552	18,956	7,596	1,230
Other purchased services	62,111	62,111	58,614	3,497	18,810
Supplies	66,723	66,723	48,955	17,768	25,820
Other expenses	38,564	38,564	56,318	(17,754)	-
Total Planning Services	<u>2,439,916</u>	<u>2,487,350</u>	<u>2,605,602</u>	<u>(118,252)</u>	<u>1,002,611</u>
Human Resources:					
Salaries and wages	965,276	965,276	944,454	20,822	910,051
Employee benefits	320,820	320,820	303,234	17,586	295,106
Purchased professional/technical services	44,588	44,588	40,260	4,328	25,935
Purchased property services	1,500	1,500	-	1,500	-
Maintenance	11,053	11,053	5,920	5,133	6,615
Other purchased services	163,969	161,469	104,580	56,889	79,547
Supplies	16,700	19,200	23,339	(4,139)	20,398
Total Human Resources	<u>1,523,906</u>	<u>1,523,906</u>	<u>1,421,787</u>	<u>102,119</u>	<u>1,337,652</u>
Municipal Information:					
Salaries and wages	585,133	535,133	562,401	(27,268)	579,205
Employee benefits	204,069	204,069	190,879	13,190	200,784
Purchased professional/technical services	35,040	85,040	48,146	36,894	54,386
Maintenance	55,398	55,398	42,745	12,653	21,259
Other purchased services	18,776	18,776	13,818	4,958	19,485
Supplies	67,872	67,872	48,968	18,904	40,802
Other expenses	24,000	24,000	26,053	(2,053)	22,498
Capital expenditures	50,000	50,000	27,656	22,344	39,918
Total Public Information Services	<u>1,040,288</u>	<u>1,040,288</u>	<u>960,666</u>	<u>79,622</u>	<u>978,337</u>
Information Technology Services:					
Salaries and wages	1,991,194	1,901,194	1,870,215	30,979	1,821,231
Employee benefits	693,426	693,426	644,851	48,575	625,082
Purchased professional/technical services	297,108	405,743	213,455	192,288	162,450
Maintenance	1,412,203	1,908,002	1,887,316	20,686	1,066,504
Other purchased services	477,745	469,945	407,189	62,756	442,219
Supplies	111,852	203,406	171,590	31,816	145,025
Capital expenditures	724,552	748,018	436,802	311,216	1,119,656
Total Information Technology Services	<u>5,708,080</u>	<u>6,329,734</u>	<u>5,631,418</u>	<u>698,316</u>	<u>5,382,167</u>

(Continued)

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with Final Budget	2020
	Original	Final	Actual Amounts		Actual Amounts
Expenditures (continued)					
General Government (continued)					
Purchasing Services:					
Salaries and wages	530,530	530,530	554,710	(24,180)	529,811
Employee benefits	184,573	184,573	185,284	(711)	182,537
Purchased professional/technical services	200	200	175	25	800
Maintenance	1,226	1,226	-	1,226	217
Other purchased services	19,188	19,188	16,680	2,508	14,336
Supplies	9,803	9,803	12,330	(2,527)	9,455
Total Purchasing Services	<u>745,520</u>	<u>745,520</u>	<u>769,179</u>	<u>(23,659)</u>	<u>737,156</u>
Facilities:					
Salaries and wages	1,063,837	982,042	949,066	32,976	975,908
Employee benefits	462,369	462,369	415,341	47,028	433,973
Purchased professional/technical services	959,838	973,390	850,496	122,894	842,741
Purchased property services	7,062	7,062	8,405	(1,343)	10,656
Maintenance	1,424,721	1,702,984	1,577,912	125,072	1,116,718
Other purchased services	60,215	62,665	51,308	11,357	55,497
Supplies	236,330	264,865	201,069	63,796	209,844
Capital expenditures	-	-	-	-	173,960
Total Facilities	<u>4,214,372</u>	<u>4,455,377</u>	<u>4,053,597</u>	<u>401,780</u>	<u>3,819,297</u>
Office of Economic Development					
Salaries and wages	315,458	315,458	200,126	115,332	259,499
Employee benefits	97,101	97,101	64,415	32,686	75,734
Purchased professional/technical services	9,175	48,675	16,742	31,933	15,560
Purchased property services	3,150	3,150	-	3,150	-
Other purchased services	35,049	35,049	10,845	24,204	6,491
Supplies	10,075	10,075	30,493	(20,418)	3,213
Total Economic Development	<u>470,008</u>	<u>509,508</u>	<u>322,621</u>	<u>186,887</u>	<u>360,497</u>
Economic Development					
Purchased professional/technical services	-	350,000	-	350,000	-
Other expenses	-	2,750,000	-	2,750,000	-
Total Economic Development	<u>-</u>	<u>3,100,000</u>	<u>-</u>	<u>3,100,000</u>	<u>-</u>
Economic Development Incentive					
Purchased professional/technical services	2,750,000	2,750,000	1,246,082	1,503,918	1,658,259
Other expense	13,628,436	-	7,204	(7,204)	402,653
Total Economic Development Incentive	<u>16,378,436</u>	<u>2,750,000</u>	<u>1,253,286</u>	<u>1,496,714</u>	<u>2,060,912</u>
Contributions:					
McLennan County	176,730	176,730	160,358	16,372	167,518
HOTRMHMR	39,322	39,322	39,322	-	58,798
H. O. T. Council of Governments	12,000	12,000	11,652	348	11,652
The Advocacy Center	84,419	84,419	84,419	-	84,419
Greater Waco Chamber	175,000	175,000	175,000	-	165,000
Central Texas African American Chamber	125,000	175,000	175,000	-	93,000
Cen-Tex Hispanic Chamber	125,000	157,500	157,500	-	133,000
City Center Waco	164,000	164,000	164,000	-	234,000
Central Texas Senior Ministry	35,000	35,000	35,000	-	35,000
Economic Development Grants	535,000	535,000	496,466	38,534	495,290
McLennan County Appraisal District	742,263	742,263	728,151	14,112	704,375

(Continued)

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with Final Budget	2020
	Original	Final	Actual Amounts		Actual Amounts
Expenditures (continued)					
General Government (continued)					
Contributions: (continued)					
Greater Waco Collective Impact Initiative	100,000	164,715	125,966	38,749	266,667
Greater Waco Sports Commission	75,000	75,000	75,000	-	-
Historic Waco Foundation/Arts-Historic Agencies	29,250	29,250	29,250	-	29,250
Creative Waco	427,000	559,325	463,000	96,325	326,000
HOT Goodwill Industries, Inc.	-	-	-	-	53,559
Start Up Waco	-	50,000	50,000	-	-
MCIF	-	50,000	50,000	-	-
Caritas of Waco	-	-	-	-	31,677
CampusTown	29,000	36,250	29,000	7,250	29,000
Riverfront	2,750,000	-	-	-	-
Total Contributions	5,623,984	3,260,774	3,049,084	211,690	2,918,205
Miscellaneous:					
Salaries and wages	139,682	139,682	229,706	(90,024)	202,575
Employee benefits	80,000	80,000	119,252	(39,252)	131,118
Purchased professional/technical services	583,500	583,500	472,043	111,457	547,678
Maintenance	6,564	6,564	4,935	1,629	35,127
Other purchased services	1,412	1,412	745	667	3,588
Supplies	6,513	6,513	21,233	(14,720)	96,351
Capital expenditures	-	-	-	-	28,367
Other expenses	699,152	549,152	404,773	144,379	349,670
Total Miscellaneous	1,516,823	1,366,823	1,252,687	114,136	1,394,474
Total General Government	48,437,867	36,412,975	29,252,693	7,160,282	27,574,920
Public Works					
Streets and Drainage Services:					
Salaries and wages	2,104,693	2,104,693	1,885,568	219,125	1,746,019
Employee benefits	930,009	930,009	859,487	70,522	804,816
Purchased professional/technical services	1,710,709	1,809,960	1,773,231	36,729	2,989,033
Purchased property services	24,288	24,288	16,176	8,112	19,209
Maintenance	1,435,032	1,249,532	958,714	290,818	950,787
Other purchased services	133,573	133,573	112,580	20,993	104,027
Supplies	341,442	328,062	345,673	(17,611)	282,525
Other expenses	161,422	161,422	175,840	(14,418)	161,422
Capital expenditures	-	657,607	1,107,134	(449,527)	206,449
Total Streets and Drainage Services	6,841,168	7,399,146	7,234,403	164,743	7,264,287
Total Public Works	6,841,168	7,399,146	7,234,403	164,743	7,264,287
Public Safety					
Municipal Court:					
Salaries and wages	793,835	793,835	807,321	(13,486)	843,022
Employee benefits	290,573	290,573	285,235	5,338	295,433
Purchased professional/technical services	44,375	44,375	7,990	36,385	20,992
Maintenance	74,275	74,275	73,644	631	70,073
Other purchased services	19,202	19,202	11,640	7,562	13,127
Supplies	79,503	22,503	65,575	(43,072)	59,943
Other expenses	13,000	13,000	11,431	1,569	9,839
Total Municipal Court	1,314,763	1,257,763	1,262,836	(5,073)	1,312,429

(Continued)

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with Final Budget	2020
	Original	Final	Actual Amounts		Actual Amounts
Expenditures (continued)					
Public Safety (continued)					
Inspection Services:					
Salaries and wages	92,247	-	-	-	1,379,868
Employee benefits	(92,249)	-	-	-	513,171
Purchased professional/technical services	-	-	-	-	128,375
Purchased property services	-	-	-	-	64,232
Maintenance	-	-	-	-	17,170
Other purchased services	-	-	-	-	53,255
Supplies	-	-	-	-	53,484
Other expenses	-	-	-	-	48,807
Totals Inspection Services	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,258,362</u>
Emergency Management Services:					
Salaries and wages	321,554	335,784	322,873	12,911	288,386
Employee benefits	119,990	119,990	115,999	3,991	107,096
Purchased professional/technical services	47,428	80,592	57,596	22,996	31,588
Purchased property services	3,000	27,000	32,361	(5,361)	-
Maintenance	491,072	440,842	425,152	15,690	438,070
Other purchased services	61,075	68,573	40,994	27,579	12,394
Supplies	56,145	346,217	350,236	(4,019)	339,684
Other expenses	78,233	78,233	79,487	(1,254)	110,983
Total Emergency Management Services	<u>1,178,497</u>	<u>1,497,231</u>	<u>1,424,698</u>	<u>72,533</u>	<u>1,328,201</u>
Fire Services:					
Salaries and wages	18,422,832	18,422,832	19,609,433	(1,186,601)	18,648,992
Employee benefits	6,768,192	6,768,192	6,974,586	(206,394)	6,571,751
Purchased professional/technical services	119,697	105,947	94,906	11,041	156,405
Purchased property services	75,567	71,052	83,192	(12,140)	77,967
Maintenance	752,082	880,276	928,750	(48,474)	466,342
Other purchased services	1,042,321	887,224	960,497	(73,273)	386,942
Supplies	756,593	865,177	784,049	81,128	745,268
Capital expenditures	-	45,447	30,847	14,600	245,993
Total Fire Services	<u>27,937,284</u>	<u>28,046,147</u>	<u>29,466,260</u>	<u>(1,420,113)</u>	<u>27,299,660</u>
Police Services:					
Salaries and wages	27,325,379	27,325,379	27,257,827	67,552	26,256,928
Employee benefits	9,804,713	9,804,713	9,568,921	235,792	9,248,359
Purchased professional/technical services	939,704	945,512	793,495	152,017	768,888
Purchased property services	120,270	120,270	120,122	148	107,357
Maintenance	1,313,814	1,313,814	863,770	450,044	1,097,831
Other purchased services	1,183,373	1,183,373	1,094,277	89,096	995,545
Supplies	2,370,674	2,068,636	2,129,125	(60,489)	2,083,208
Capital expenditures	342,559	610,578	671,979	(61,401)	165,580
Other expenses	900	900	1,048	(148)	1,209
Total Police Services	<u>43,401,386</u>	<u>43,373,175</u>	<u>42,500,564</u>	<u>872,611</u>	<u>40,724,905</u>
Traffic Services					
Salaries and wages	1,060,429	1,060,429	805,725	254,704	733,276
Employee benefits	456,818	456,818	365,291	91,527	322,134
Purchased professional/technical services	372,761	440,280	84,419	355,861	160,489
Purchased property services	2,787	2,787	2,371	416	2,315
Maintenance	788,062	698,033	674,647	23,386	682,043
Other purchased services	34,956	34,956	27,916	7,040	27,115

(Continued)

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget	2020 Actual Amounts
	Original	Final			
Expenditures (continued)					
Public Safety (continued)					
Traffic Services (continued)					
Supplies	755,386	687,386	715,994	(28,608)	680,549
Capital expenditures	-	126,749	126,749	-	306,212
Totals Traffic Services	<u>3,471,199</u>	<u>3,507,438</u>	<u>2,803,112</u>	<u>704,326</u>	<u>2,914,133</u>
Animal Services					
Salaries and wages	850,947	824,547	718,851	105,696	727,516
Employee benefits	369,039	369,039	310,286	58,753	307,013
Purchased professional/technical services	287,974	314,374	286,964	27,410	219,020
Purchased property services	23,880	23,880	17,049	6,831	20,349
Maintenance	85,340	85,340	60,597	24,743	51,713
Other purchased services	75,454	75,454	56,451	19,003	72,235
Supplies	468,079	311,079	295,250	15,829	296,967
Capital expenditures	-	40,000	36,436	3,564	60,920
Other expenses	1,000	1,000	-	1,000	-
Totals Animal Services	<u>2,161,713</u>	<u>2,044,713</u>	<u>1,781,884</u>	<u>262,829</u>	<u>1,755,733</u>
Total Public Safety	<u>79,464,840</u>	<u>79,726,467</u>	<u>79,239,354</u>	<u>487,113</u>	<u>77,593,423</u>
Culture & Recreation					
Library Services:					
Salaries and wages	2,067,282	2,067,282	1,958,375	108,907	1,941,237
Employee benefits	767,912	767,912	722,950	44,962	718,573
Purchased professional/technical services	155,235	155,235	173,622	(18,387)	180,466
Purchased property services	30,139	30,139	20,469	9,670	21,074
Maintenance	163,912	163,912	157,785	6,127	154,917
Other purchased services	148,240	144,720	89,653	55,067	154,333
Supplies	815,537	819,057	779,303	39,754	758,365
Capital expenditures	-	-	-	-	27,845
Other expenses	1,308	1,308	1,502	(194)	1,100
Total Library Services	<u>4,149,565</u>	<u>4,149,565</u>	<u>3,903,659</u>	<u>245,906</u>	<u>3,957,910</u>
Parks:					
Salaries and wages	4,023,495	4,023,495	3,255,667	767,828	3,563,578
Employee benefits	1,838,376	1,838,376	1,533,689	304,687	1,639,536
Purchased professional/technical services	1,144,483	1,023,027	856,559	166,468	663,110
Purchased property services	1,047,996	885,996	844,701	41,295	902,639
Maintenance	754,994	754,994	857,930	(102,936)	736,324
Other purchased services	235,566	222,022	220,160	1,862	203,172
Supplies	864,555	807,861	780,925	26,936	673,792
Capital expenditures	-	63,300	47,804	15,496	1,228,032
Other expenses	116,736	251,736	240,677	11,059	66,410
Total Parks	<u>10,026,201</u>	<u>9,870,807</u>	<u>8,638,112</u>	<u>1,232,695</u>	<u>9,676,593</u>
Recreation Services:					
Salaries and wages	1,164,702	1,164,702	863,669	301,033	805,971
Employee benefits	376,566	376,566	291,195	85,371	286,570
Purchased professional/technical services	510,494	393,494	194,571	198,923	122,290
Maintenance	28,268	28,268	24,699	3,569	24,260
Other purchased services	273,262	273,262	184,144	89,118	103,540
Supplies	262,401	233,451	211,706	21,745	154,343

(Continued)

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with Final Budget	2020
	Original	Final	Actual Amounts		Actual Amounts
Expenditures (continued)					
Culture & Recreation (continued)					
Recreation Services: (continued)					
Capital expenditures	-	-	-	-	53,049
Other expenses	16,700	16,700	3,953	12,747	4,871
Total Recreation Services	<u>2,632,393</u>	<u>2,486,443</u>	<u>1,773,937</u>	<u>712,506</u>	<u>1,554,894</u>
Total Culture & Recreation	<u>16,808,159</u>	<u>16,506,815</u>	<u>14,315,708</u>	<u>2,191,107</u>	<u>15,189,397</u>
Housing & Community Development					
Housing Services:					
Salaries and wages	801,295	801,295	570,891	230,404	259,299
Employee benefits	263,057	263,057	276,459	(13,402)	76,792
Purchased professional/technical services	159,152	284,152	202,082	82,070	26,630
Purchased property services	34,662	34,662	27,054	7,608	-
Maintenance	16,078	16,078	13,330	2,748	-
Other purchased services	56,329	56,329	37,934	18,395	10,662
Supplies	45,155	45,155	45,884	(729)	3,416
Other expenses	35,000	35,000	17,781	17,219	4,360
Total Housing Services	<u>1,410,728</u>	<u>1,535,728</u>	<u>1,191,415</u>	<u>344,313</u>	<u>381,159</u>
Total Housing & Community Development	<u>1,410,728</u>	<u>1,535,728</u>	<u>1,191,415</u>	<u>344,313</u>	<u>381,159</u>
Total Expenditures	<u>152,962,762</u>	<u>141,581,131</u>	<u>131,233,573</u>	<u>10,347,558</u>	<u>128,003,186</u>
Excess of revenues over expenditures	<u>(14,231,036)</u>	<u>4,459,946</u>	<u>25,447,986</u>	<u>20,988,040</u>	<u>24,390,330</u>
Other Financing Sources (Uses):					
Transfers in:					
Abandoned Motor Vehicles	50,000	50,000	50,000	-	420,522
Court Security	101,838	101,838	91,505	(10,333)	87,203
Insurance	1,645,628	1,645,628	1,645,628	-	-
Rolling Stock	-	-	-	-	1,000,000
Equipment Replacement	-	-	-	-	600,000
Revenue in lieu of property taxes	5,353,541	5,353,541	5,353,541	-	5,084,754
Total transfers in	<u>7,151,007</u>	<u>7,151,007</u>	<u>7,140,674</u>	<u>(10,333)</u>	<u>7,192,479</u>
Transfers out:					
Street Improvements:					
Street Cash CIP	(2,482,119)	(5,099,277)	(5,099,277)	-	(8,408,505)
Capital Improvements:					
Facilities Cash CIP	-	(40,000)	(40,000)	-	-
Parks Cash CIP	-	(650,000)	(650,000)	-	(7,930,975)
Cameron Park Zoo	(2,846,770)	(2,846,770)	(2,846,770)	-	(3,396,770)
Cottonwood Creek Golf Course	(678,304)	(678,304)	(678,304)	-	(678,304)
Transit	(701,728)	(701,728)	-	701,728	(58,355)
Airport Services	-	-	-	-	(153,898)
Health Services	(3,863,148)	(3,863,148)	(3,863,148)	-	(3,863,148)
Ranger Hall of Fame	(538,787)	(538,787)	(538,787)	-	(538,787)
Housing demo-lot clearing	-	(175,000)	(175,000)	-	(175,000)
Fire Cash CIP	-	-	-	-	(300,000)
Transit Cash CIP	-	-	-	-	(1,200,000)
Hazmat	-	(36,470)	(36,470)	-	-
Stormwater	-	(440,000)	(440,000)	-	-
Special Projects Reserve	(3,190,083)	(17,448,505)	(17,448,505)	-	-
Grant (police)	(216,000)	(216,000)	(61,826)	154,174	(107,479)
Total transfers out	<u>(14,516,939)</u>	<u>(32,733,989)</u>	<u>(31,878,087)</u>	<u>855,902</u>	<u>(26,811,221)</u>

(Continued)

City of Waco, Texas

General Fund

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

Year Ended September 30, 2021

(With Comparative Actual Amounts for Year Ended September 30, 2020)

	<u>Budgeted Amounts</u>		<u>2021 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2020 Actual Amounts</u>
	<u>Original</u>	<u>Final</u>			
Expenditures (continued)					
Other Financing Sources (Uses): (continued)					
Transfers out: (continued)					
Total other financing sources (uses)	<u>(7,365,932)</u>	<u>(25,582,982)</u>	<u>(24,737,413)</u>	<u>845,569</u>	<u>(19,618,742)</u>
Net change in fund balances	(21,596,968)	(21,123,036)	710,573	21,833,609	4,771,588
Fund balance, beginning of year	<u>92,095,406</u>	<u>92,095,406</u>	<u>92,095,406</u>	<u>-</u>	<u>87,323,818</u>
Fund balance, end of year	\$ <u>70,498,438</u>	<u>70,972,370</u>	<u>92,805,979</u>	<u>21,833,609</u>	<u>92,095,406</u>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-type Activities					Governmental
	Total				Internal Service	
	Water Fund	Wastewater Fund	Solid Waste Fund	Nonmajor Funds		Funds
Assets						
Current assets:						
Cash and investments	\$ 45,621,463	\$ 40,917,535	\$ 16,021,656	\$ 12,160,558	\$ 114,721,212	\$ 16,391,474
Accounts receivable, net of allowances	6,697,880	4,514,500	2,358,637	795,765	14,366,782	-
Prepaid items	313,536	-	-	-	313,536	-
Due from other funds	-	-	-	-	-	234,175
Intergovernmental receivable	666,324	364,428	-	3,596,408	4,627,160	-
Restricted cash and investments	5,001,637	1,888,402	4,520	-	6,894,559	-
Inventories	258,794	46,133	-	1,082,805	1,387,732	323,182
Total current assets	<u>58,559,634</u>	<u>47,730,998</u>	<u>18,384,813</u>	<u>17,635,536</u>	<u>142,310,981</u>	<u>16,948,831</u>
Noncurrent assets:						
Restricted cash and investments	51,588,088	79,615,703	3,584,662	138,075	134,926,528	-
Advances to other funds	525,336	-	-	-	525,336	-
Capital assets:						
Land	3,180,914	3,361,999	8,258,110	3,400,754	18,201,777	38,800
Buildings	10,457,345	11,818,016	1,370,137	63,675,593	87,321,091	920,153
Improvements other than buildings	358,318,718	188,966,952	30,876,058	70,040,607	648,202,335	118,289
Machinery and equipment	10,190,509	13,571,644	24,272,948	19,198,012	67,233,113	1,767,969
Museum collections	-	-	-	2,287,924	2,287,924	-
Construction work in progress	47,472,380	76,310,990	2,727,526	2,908,615	129,419,511	-
Intangible water rights	32,482,879	-	-	-	32,482,879	-
Less: accumulated depreciation	<u>(175,449,748)</u>	<u>(85,008,621)</u>	<u>(46,382,257)</u>	<u>(95,301,594)</u>	<u>(402,142,220)</u>	<u>(2,058,781)</u>
Total noncurrent assets	<u>338,766,421</u>	<u>288,636,683</u>	<u>24,707,184</u>	<u>66,347,986</u>	<u>718,458,274</u>	<u>786,430</u>
Total assets	<u>\$ 397,326,055</u>	<u>\$ 336,367,681</u>	<u>\$ 43,091,997</u>	<u>\$ 83,983,522</u>	<u>\$ 864,911,978</u>	<u>\$ 17,735,261</u>
Deferred outflows of resources						
Deferred losses on refundings of debt	1,700,368	481,222	-	-	2,181,590	-
Deferred outflows on pension liability	840,485	560,324	560,324	-	1,961,133	-
Total deferred outflows of resources	<u>2,540,853</u>	<u>1,041,546</u>	<u>560,324</u>	<u>-</u>	<u>4,142,723</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 399,866,908</u>	<u>\$ 337,409,227</u>	<u>\$ 43,652,321</u>	<u>\$ 83,983,522</u>	<u>\$ 864,911,978</u>	<u>\$ 17,735,261</u>
Liabilities						
Current liabilities:						
Accounts payable	519,498	630,469	548,389	723,490	2,421,846	144,608
Accrued liabilities	631,880	664,090	212,417	1,059,007	2,567,394	435,503
Unearned revenue	-	-	-	169,804	169,804	-
Due to other funds	-	-	-	573,143	573,143	-
Compensated absences payable	748,679	338,181	532,317	710,591	2,329,768	324,775
Refundable contracts	92,588	-	-	-	92,588	-
Notes payable	98,348	-	-	-	98,348	-
Escrow funds	-	-	-	-	-	538
Bonds payable	12,445,000	9,140,000	1,140,000	-	22,725,000	-
Accrued interest payable	1,677,676	1,253,939	94,152	-	3,025,767	-
Current liabilities payable from restricted assets:						
Accounts payable	1,842,529	1,888,402	4,520	-	3,735,451	-
Customer deposits	3,159,108	-	-	-	3,159,108	-
Estimated claims and judgments	-	-	-	-	-	3,253,215
Total current liabilities	<u>21,215,306</u>	<u>13,915,081</u>	<u>2,531,795</u>	<u>3,236,035</u>	<u>40,898,217</u>	<u>4,158,639</u>
Noncurrent liabilities:						
Refundable contracts	906,653	192,542	-	-	1,099,195	-
Estimated landfill closure and post-closure care costs	-	-	6,552,888	-	6,552,888	-
Advances from other funds	-	-	-	693,704	693,704	-
Compensated absences payable	697,282	236,913	478,557	320,738	1,733,490	102,439
Bonds payable	206,059,528	169,431,032	7,274,030	-	382,764,590	-
Notes payable	1,219,301	-	-	-	1,219,301	-
Net pension liability	2,770,521	1,847,013	1,847,013	-	6,464,547	-
Total noncurrent liabilities	<u>211,653,285</u>	<u>171,707,500</u>	<u>16,152,488</u>	<u>1,014,442</u>	<u>400,527,715</u>	<u>102,439</u>
Total liabilities	<u>232,868,591</u>	<u>185,622,581</u>	<u>18,684,283</u>	<u>4,250,477</u>	<u>441,425,932</u>	<u>4,261,078</u>
Deferred inflows of resources						
Deferred inflows on pension liability	814,123	542,750	542,750	-	1,899,623	-
Total deferred inflows of resources	<u>814,123</u>	<u>542,750</u>	<u>542,750</u>	<u>-</u>	<u>1,899,623</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>233,682,714</u>	<u>186,165,331</u>	<u>19,227,033</u>	<u>4,250,477</u>	<u>443,325,555</u>	<u>4,261,078</u>
Net position						
Net investment in capital assets	119,120,035	110,354,331	16,293,154	66,209,911	311,977,431	786,430
Restricted for:						
Capital projects	-	-	-	1,082,677	1,082,677	-
Unrestricted	47,064,159	40,889,565	8,132,134	12,440,457	108,526,315	12,687,753
Total net position	<u>\$ 166,184,194</u>	<u>\$ 151,243,896</u>	<u>\$ 24,425,288</u>	<u>\$ 79,733,045</u>	<u>\$ 421,586,423</u>	<u>\$ 13,474,183</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, 2021

	Business-type Activities					Governmental Activities
	Water Fund	Wastewater Fund	Solid Waste Fund	Total		Internal Service Funds
				Nonmajor Funds	Total Enterprise Funds	
Operating revenues:						
Charges for services	\$ 51,801,140	\$ 41,396,970	\$ 22,822,574	\$ 6,457,261	\$ 122,477,945	\$ 24,842,006
Net merchandise sales	-	-	-	1,214,331	1,214,331	-
Contributions	-	-	-	40,584	40,584	-
Other	647,658	782,561	314,741	1,441,868	3,186,828	383,729
Total operating revenues	<u>52,448,798</u>	<u>42,179,531</u>	<u>23,137,315</u>	<u>9,154,044</u>	<u>126,919,688</u>	<u>25,225,735</u>
Operating expenses:						
Salaries and wages	5,302,979	3,843,610	4,299,205	7,647,376	21,093,170	3,275,347
Employee benefits	1,726,615	1,197,132	1,562,981	2,758,974	7,245,702	1,231,254
Purchased professional/technical services	1,758,053	1,804,206	2,805,600	1,786,659	8,154,518	1,334,017
Purchased property services	183,521	104,734	44,436	597,122	929,813	61,810
Maintenance	3,491,026	3,119,557	2,973,264	1,151,249	10,735,096	178,074
Other purchased services	1,312,330	406,932	411,409	1,389,986	3,520,657	1,527,538
Supplies	4,266,742	2,747,399	2,242,469	2,331,507	11,588,117	144,187
Other	5,540,638	5,125,952	4,191,318	1,787,694	16,645,602	17,275,987
Depreciation	11,252,920	7,178,629	3,119,482	5,846,869	27,397,900	158,490
Total operating expenses	<u>34,834,824</u>	<u>25,528,151</u>	<u>21,650,164</u>	<u>25,297,436</u>	<u>107,310,575</u>	<u>25,186,704</u>
Operating income (loss)	<u>17,613,974</u>	<u>16,651,380</u>	<u>1,487,151</u>	<u>(16,143,392)</u>	<u>19,609,113</u>	<u>39,031</u>
Nonoperating revenues (expenses):						
Investment earnings	80,870	75,422	26,382	17,595	200,269	27,047
Other income	-	65,884	-	186,023	251,907	-
Hotel/motel tax	-	-	-	4,519,547	4,519,547	-
Contributions	-	-	-	32,005	32,005	-
Intergovernmental revenues	411,859	214,969	20,000	6,511,991	7,158,819	-
Bond issuance costs	(233,395)	(103,168)	(57,231)	-	(393,794)	-
Interest expense and fiscal charges	(5,369,942)	(4,461,370)	(86,507)	-	(9,917,819)	-
Gain (loss) on disposal of capital assets	-	(50,278)	(1,166,244)	(173,915)	(1,390,437)	-
Total nonoperating revenues (expenses)	<u>(5,110,608)</u>	<u>(4,258,541)</u>	<u>(1,263,600)</u>	<u>11,093,246</u>	<u>460,497</u>	<u>27,047</u>
Income (loss) before contributions and transfers	12,503,366	12,392,839	223,551	(5,050,146)	20,069,610	66,078
Capital contributions	8,847,195	8,926,428	-	3,570,187	21,343,810	89,801
Transfers in	145,042	233,395	96,930	4,843,452	5,318,819	33,881
Transfers out	(3,808,039)	(1,057,215)	(488,287)	(150,000)	(5,503,541)	(2,374,262)
Changes in net position	17,687,564	20,495,447	(167,806)	3,213,493	41,228,698	(2,184,502)
Total net position, beginning of year	<u>148,496,630</u>	<u>130,748,449</u>	<u>24,593,094</u>	<u>76,519,552</u>	<u>380,357,725</u>	<u>15,658,685</u>
Total net position, end of year	<u>\$ 166,184,194</u>	<u>\$ 151,243,896</u>	<u>\$ 24,425,288</u>	<u>\$ 79,733,045</u>	<u>\$ 421,586,423</u>	<u>\$ 13,474,183</u>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental	
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor Enterprises Funds	Internal Service Funds	
Cash flows from operating activities:						
Cash received from customers	\$ 52,312,009	\$ 42,218,660	\$ 22,831,059	\$ 9,143,509	\$ 126,505,237	\$ 25,225,735
Cash paid to suppliers for goods and services	(16,847,971)	(13,340,686)	(13,277,805)	(9,555,595)	(53,022,057)	(20,643,820)
Cash paid to employees for services	(7,599,731)	(5,304,818)	(5,924,465)	(10,200,048)	(29,029,062)	(4,478,648)
Net cash provided by (used for) operating activities	<u>27,864,307</u>	<u>23,573,156</u>	<u>3,628,789</u>	<u>(10,612,134)</u>	<u>44,454,118</u>	<u>103,267</u>
Cash flows from noncapital financing activities:						
Intergovernmental revenue	411,859	498,525	20,000	8,472,922	9,403,306	-
Contributions	(174,362)	-	-	32,005	(142,357)	-
Hotel/motel tax	-	-	-	4,289,984	4,289,984	-
Passenger facility charges	-	-	-	158,380	158,380	-
Other nonoperating income	-	65,884	-	-	65,884	-
Transfers from other funds	145,042	233,395	96,930	4,843,452	5,318,819	554,058
Transfers to other funds	(3,808,039)	(1,057,215)	(488,287)	(1,455,080)	(6,808,621)	(2,374,262)
Net cash provided by (used for) noncapital financing activities	<u>(3,425,500)</u>	<u>(259,411)</u>	<u>(371,357)</u>	<u>16,341,663</u>	<u>12,285,395</u>	<u>(1,820,204)</u>
Cash flows from capital and related financing activities:						
Aquisition of capital assets	(24,531,760)	(23,233,298)	(4,027,139)	(4,562,079)	(56,354,276)	-
Proceeds from disposal of capital assets	-	-	-	-	-	-
Proceeds from sale of debt	21,643,581	21,776,871	6,207,231	-	49,627,683	-
Capital contributions	-	-	-	3,445,719	3,445,719	-
Payments of refundable contracts	(92,588)	-	-	-	(92,588)	-
Transfers from other funds	-	-	-	-	-	-
Principal paid on debt	(12,235,000)	(8,540,000)	(1,195,000)	-	(21,970,000)	-
Interest paid on debt	(7,208,556)	(6,131,252)	(134,584)	-	(13,474,392)	-
Payment of bond issuance costs	-	-	(57,231)	-	(57,231)	-
Proceeds from insurance recoveries	-	-	-	27,643	27,643	-
Net cash provided by (used for) capital and related financing activities	<u>(22,424,323)</u>	<u>(16,127,679)</u>	<u>793,277</u>	<u>(1,088,717)</u>	<u>(38,847,442)</u>	<u>-</u>
Cash flows from investing activities:						
Investment earnings	80,870	75,422	26,382	17,595	200,269	27,047
Net cash provided by (used for) investing activities	<u>80,870</u>	<u>75,422</u>	<u>26,382</u>	<u>17,595</u>	<u>200,269</u>	<u>27,047</u>
Net increase (decrease) in cash and cash equivalents	2,095,354	7,261,488	4,077,091	4,658,407	18,092,340	(1,689,890)
Cash and cash equivalents, beginning of year	100,115,834	115,160,152	15,533,747	7,640,226	238,449,959	18,081,364
Cash and cash equivalents, end of year	<u>\$ 102,211,188</u>	<u>\$ 122,421,640</u>	<u>\$ 19,610,838</u>	<u>\$ 12,298,633</u>	<u>\$ 256,542,299</u>	<u>\$ 16,391,474</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 17,613,974	\$ 16,651,380	\$ 1,487,151	\$ (16,143,392)	\$ 19,609,113	\$ 39,031
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Provision for uncollectible accounts receivable	97,040	71,712	43,780	-	212,532	-
Depreciation	11,252,920	7,178,629	3,119,482	5,846,869	27,397,900	158,490
Changes in assets and liabilities:						
Decrease (increase) in assets:						
Accounts receivable	(275,460)	(32,583)	(350,036)	(10,013)	(668,092)	-
Prepaid items	17,793	-	-	-	17,793	-
Inventories	(884)	(18,379)	-	(62,769)	(82,032)	(122,296)
Increase (decrease) in liabilities:						
Accounts payable	(241,561)	(431,079)	(518,410)	(56,399)	(1,247,449)	14,331
Accrued liabilities	(331,893)	379,000	(269,150)	(179,006)	(401,049)	884
Unearned revenue	-	-	-	(433)	(433)	-
Estimated landfill closure and post-closure care costs	-	-	298,646	-	298,646	-
Compensated absences payable	160,208	87,450	130,300	(6,991)	370,967	73,743
Net pension liability	(469,461)	(312,974)	(312,974)	-	(1,095,409)	-
Customer deposits	41,631	-	-	-	41,631	-
Estimated claims and judgements	-	-	-	-	-	(60,916)
Net cash provided by (used for) operating activities	<u>\$ 27,864,307</u>	<u>\$ 23,573,156</u>	<u>\$ 3,628,789</u>	<u>\$ (10,612,134)</u>	<u>\$ 44,454,118</u>	<u>\$ 103,267</u>
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ 8,847,195	\$ 8,926,428	\$ -	\$ 132,656	\$ 17,906,279	\$ 89,801
Proceeds of refunding bonds used for payment to refunded bond escrow agent	<u>\$ 20,049,628</u>	<u>\$ 1,150,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,199,700</u>	<u>\$ -</u>

See accompanying notes to financial statements

City of Waco, Texas
Statement of Fiduciary Net Position
September 30, 2021

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 3,890,015
Accounts receivable	103,500
Intergovernmental receivable	251,169
Total assets	4,244,684
 Liabilities	
Accounts payable	17,905
Accrued liabilities	205,137
Total liabilities	223,042
 Net position	
Restricted for other organizations and governments	4,021,642
Total net position	\$ 4,021,642

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2021

	<u>Custodial Funds</u>
Additions	
Charges for services	\$ 146,481
Public improvement assessments	1,193,105
Investment earnings	6,281
Intergovernmental revenue	1,298,401
Other	294,509
Total additions	2,938,777
 Deductions	
Salaries and wages	\$ 716,495
Employee benefits	126,458
Purchased professional/technical services	169,547
Maintenance	56,506
Other purchased services	93,488
Supplies	150,683
Other	1,352,444
Total deductions	2,665,621
Net increase in fiduciary net position	273,156
Net position, beginning	3,748,486
Net position, ending	\$ 4,021,642

See accompanying notes to financial statements.



City of Waco, Texas

Notes to Financial Statements

September 30, 2021

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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

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

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

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

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 the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

functional activities. *Program revenue* includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

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

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

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

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

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

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

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)

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 and fiduciary 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.

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 non-major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

The City reports the following non-major proprietary funds:

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

Additionally, the City reports the following fund types:

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

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

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

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

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)

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

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

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

Deposits and Investments

The City'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 appropriate state laws and regulations. Each of these LGIPs seeks to maintain a constant \$1.00 net asset value per share.

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

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)

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

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

Receivables and Payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 90 days are estimated to be uncollectible and comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 6.16% of outstanding property taxes at September 30, 2021.

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)

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

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

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)

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

Pensions

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

Other Post-Employment Benefits (“OPEB”)

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

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

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

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental activities and proprietary funds, a liability is reported for a portion of 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 are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable amortized bond premium. Bond issuance costs are expensed when incurred.

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)

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.

Fund Balance

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

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

The City Council has adopted Financial Management Policy Statements that include the policy to strive to maintain the general fund unassigned fund balance at 28% of budgeted revenues. General fund unassigned fund balance at September 30, 2021 was 39.7% of fiscal year 2022 budgeted revenues.

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)

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	\$ 874,629	-	874,629
Real estate held for resale	6,160	-	6,160
Parks and cemetery care	-	326,896	326,896
Restricted for:			
Municipal information activities	1,636,663	-	1,636,663
Debt service activities	-	1,303,947	1,303,947
Capital projects activities	-	55,153,344	55,153,344
Tax increment zone activities	-	44,304,621	44,304,621
Housing and community development activities	-	296,952	296,952
Public works activities	-	678,759	678,759
Public safety activities	-	2,285,587	2,285,587
Culture and recreation activities	-	180,414	180,414
Waco Public Improvement District activities	-	1,034,429	1,034,429
Committed to:			
Economic development activities	16,025,074	-	16,025,074
Capital projects activities	-	37,279,317	37,279,317
Public health services	-	3,390,803	3,390,803
Assigned to:			
Economic development activities	6,493,032	-	6,493,032
Housing and community development activities	32,899	-	32,899
Public safety activities	694,975	-	694,975
Public works activities	365,062	-	365,062
Culture and recreation activities	163,113	-	163,113
Subsequent year's budget appropriation	1,293,553	-	1,293,553
Other activities	1,118,170	-	1,118,170
Unassigned	64,102,649	-	64,102,649
	\$ 92,805,979	146,235,069	239,041,048

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

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)

improvements of those assets, and adding back unspent proceeds. Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated as a condition of the gift instrument, that the principal is to be maintained in perpetuity, and invested for the purpose of producing present and future income. The City is subject to the State of Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA) in relation to endowment funds.

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$218,854,743 difference are as follows:

Serial bonds and certificates of obligation	\$ (145,245,000)
Less: deferred charge on refunding (to be amortized as interest expense)	949,529
Plus: issuance premium (to be amortized as interest expense)	(7,304,918)
Capital lease	(4,504,822)
Accrued interest payable	(1,199,638)
Compensated absences	(19,611,499)
Net pension liability and pension related deferred outflows/ inflows of \$377,858 (to be amortized as pension expense)	(39,332,952)
Refundable contracts	(80,007)
Contracts payable	(830,000)
Net other post-employment benefit (OPEB) liability and related deferred outflows/inflows of \$553,775 (to be amortized as OPEB expense)	<u>(1,695,436)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (218,854,743)</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***

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$26,101,236 difference are as follows:

Capital outlay	\$ 45,945,358
Depreciation expense	<u>(19,844,122)</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>\$ 26,101,236</u>

Another element of that reconciliation states, “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, transfers and donations) is to increase net position.” The details of this \$13,959,169 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>\$ 13,959,169</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>\$ 13,959,169</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, “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 \$142,345 difference are as follows:

Court fines	\$ (276,566)
Property taxes	128,082
Special assessments	<u>6,139</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (142,345)</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 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 \$25,719,733 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation debt and refunding debt	\$ (32,115,000)
Plus: premium on issuance	(1,580,390)
Capital lease	(5,000,000)
Principal repayments:	
General obligation debt	8,780,000
Payment to escrow agent for refunding	3,539,057
Capital lease	495,178
Note payable	<u>161,422</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>\$ (25,719,733)</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, “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 \$7,087,275 difference are as follows:

OPEB liability	\$ (131,805)
Compensated absences	(1,024,872)
Net pension liability	6,728,941
Accrued interest	(152,867)
Amortization of deferred charge on refunding	(291,997)
Amortization of bond premiums	<u>1,959,875</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>\$ 7,087,275</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.

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

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

III. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

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, 2021 are \$2,374,219 for the general fund and \$36,077,647 for other nonmajor funds.

IV. Detail Notes on All Funds

A. Deposits and Investments

As of September 30, 2021, the City has U.S. Federal agency securities of \$95,002,738 and General Municipal Obligations of \$209,466,640 which are valued using quoted market prices (Level 1).

As of September 30, 2021, the City had the following investments:

	<u>Total Investments</u>	<u>Percent of Portfolio</u>	<u>Weighted Average Maturity (in Years)</u>
Investments reported at amortized cost:			
Texas Local Government Investment Pool (Tex Pool)	\$ 34,585,710	6.48	0.10
Texas Local Government Investment Pool (TexPool Prime)	51,406,797	9.63	0.13
Texas Short-Term Asset Reserve (TexSTAR)	<u>5,658,819</u>	<u>1.06</u>	0.11
Total local government investment pools	91,651,326	17.16	
Money market mutual funds	4,683,158	0.88	0.08
Collateralized bank savings accounts	133,257,676	24.95	-
Investments reported at fair value:			
U.S. Federal agency securities	95,002,738	17.79	2.53
General Municipal Obligations	<u>209,466,640</u>	<u>39.22</u>	0.97
Total investments	<u>\$ 534,061,538</u>	<u>100.00</u>	0.85

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the maturities of its investments as follows: maturities of U.S. Treasury obligations, U.S. Federal agency securities and repurchase agreements cannot exceed three years. Further, the weighted average maturity of the City's pooled operating portfolio shall at no time exceed one year with the calculation to include all portfolio securities, bank and savings account deposits and local government pools and money fund holdings. The weighted average maturity for the City's pooled operating portfolio pursuant to this calculation was 0.94 years as of September 30, 2021.

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
- 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
- Depository Certificates of Deposit guaranteed by the FDIC. Deposits in excess of the FDIC insured amount are secured in accordance with City of Waco Policy
- Local Government Investment Pools rated not less than AAAM by Standard & Poor's, Aaa by Moody's or AAA/V1+ by Fitch

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

- Fully insured or collateralized depository interest bearing banking accounts of any bank in Texas to include fully FDIC insured money market account spread programs
- General debt obligations of any US state, agency, city, county, or other political sub-divisions of any US state rated as to investment quality by a nationally recognized investment rating agency firm not less than A or equivalent, with a stated maximum maturity of three years

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government’s investments in the securities of a single issuer. The City’s investment policy includes an investment objective of seeking diversification to avoid unreasonable risk. More than 5% of the City’s investments at September 30, 2021 were in securities of the following issuers:

<u>U.S. Agency Issuer</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Federal Home Loan Bank	\$ 84,797,806	15.88%

Custodial Credit Risk

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

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

Reconciliation of Cash and Investments

Carrying amount of deposits and cash on hand	\$ (1,742,094)
Carrying amount of investments	<u>534,061,538</u>
Total	<u>\$ 532,319,444</u>
Cash and investments - governmental activities	\$ 271,855,155
Cash and investments - business-type activities	114,721,212
Restricted cash and investments - business-type activities	141,821,087
Component units, excluding Baylor Waco Stadium Authority	31,975
Custodial funds	<u>3,890,015</u>
Total	<u>\$ 532,319,444</u>

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

Local Government Investment Pools

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

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

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 (continued)

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

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	\$ 11,323,822	-	-	-	463,377	11,787,199
Accounts	15,489,407	9,204,853	5,967,930	3,709,870	2,406,059	36,778,119
Special assessments	-	-	-	-	15,267	15,267
Intergovernmental	86,043	666,324	364,428	-	6,532,516	7,649,311
Notes	-	-	-	-	4,350,582	4,350,582
	<u>26,899,272</u>	<u>9,871,177</u>	<u>6,332,358</u>	<u>3,709,870</u>	<u>13,767,801</u>	<u>60,580,478</u>
Gross receivables						
Less: allowance for uncollectibles	<u>11,965,765</u>	<u>2,506,973</u>	<u>1,453,430</u>	<u>1,351,233</u>	<u>5,089,797</u>	<u>22,367,198</u>
Net total receivables	<u>\$ 14,933,507</u>	<u>7,364,204</u>	<u>4,878,928</u>	<u>2,358,637</u>	<u>8,678,004</u>	<u>38,213,280</u>

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	\$ 97,040
Uncollectibles related to wastewater charges	71,712
Uncollectibles related to solid waste charges	<u>43,780</u>
Total uncollectibles of the current fiscal year	<u>\$ 212,532</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Primary Government			Balance September 30, 2021
	Balance October 1, 2020	Increases	Decreases	
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 63,189,674	4,813,239	-	68,002,913
Construction in progress	24,734,958	41,584,080	(10,808,189)	55,510,849
Total capital assets not being depreciated	<u>87,924,632</u>	<u>46,397,319</u>	<u>(10,808,189)</u>	<u>123,513,762</u>
Capital assets, being depreciated:				
Buildings	84,533,296	3,016,356	-	87,549,652
Machinery and equipment	67,471,285	3,957,647	(977,566)	70,451,366
Improvements other than buildings	70,838,861	731,133	-	71,569,994
Infrastructure	344,126,081	16,879,479	-	361,005,560
Total capital assets being depreciated	<u>566,969,523</u>	<u>24,584,615</u>	<u>(977,566)</u>	<u>590,576,572</u>
Less accumulated depreciation:				
Buildings	34,587,383	3,160,983	-	37,748,366
Machinery and equipment	48,691,241	4,321,441	(798,150)	52,214,532
Improvements other than buildings	42,756,606	2,649,830	-	45,406,436
Infrastructure	205,824,637	9,870,358	-	215,694,995
Total accumulated depreciation	<u>331,859,867</u>	<u>20,002,612</u>	<u>(798,150)</u>	<u>351,064,329</u>
Total capital assets being depreciated, net	<u>235,109,656</u>	<u>4,582,003</u>	<u>(179,416)</u>	<u>239,512,243</u>
Total capital assets, net	<u>\$ 323,034,288</u>	<u>50,979,322</u>	<u>(10,987,605)</u>	<u>363,026,005</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

C. Capital Assets (continued)

	Primary Government			Balance September 30, 2021
	Balance October 1, 2020	Increases	Decreases	
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 17,100,882	1,100,895	-	18,201,777
Construction in progress	96,082,572	46,492,194	(13,155,255)	129,419,511
Museum collections	2,274,424	13,500	-	2,287,924
	<u>115,457,878</u>	<u>47,606,589</u>	<u>(13,155,255)</u>	<u>149,909,212</u>
Total capital assets not being depreciated				
Capital assets, being depreciated:				
Buildings	85,073,136	2,247,955	-	87,321,091
Machinery and equipment	67,417,297	2,988,870	(3,173,054)	67,233,113
Improvements other than buildings	621,197,492	27,944,070	(939,227)	648,202,335
Water rights - impound fee	32,482,879	-	-	32,482,879
	<u>806,170,804</u>	<u>33,180,895</u>	<u>(4,112,281)</u>	<u>835,239,418</u>
Total capital assets being depreciated				
Less accumulated depreciation:				
Buildings	48,590,336	2,763,870	-	51,354,206
Machinery and equipment	45,871,384	4,631,587	(3,170,244)	47,332,727
Improvements other than buildings	269,949,435	19,077,615	(886,068)	288,140,982
Water rights - impound fee	14,389,477	924,828	-	15,314,305
	<u>378,800,632</u>	<u>27,397,900</u>	<u>(4,056,312)</u>	<u>402,142,220</u>
Total accumulated depreciation				
Total capital assets being depreciated, net				
	<u>427,370,172</u>	<u>5,782,995</u>	<u>(55,969)</u>	<u>433,097,198</u>
Total capital assets, net				
	<u>\$ 542,828,050</u>	<u>53,389,584</u>	<u>(13,211,224)</u>	<u>583,006,410</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

C. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,229,553
Public works	10,465,024
Public safety	3,847,069
Culture and recreation	4,368,142
Public health	<u>92,824</u>
Total depreciation expense - governmental activities	<u>\$ 20,002,612</u>

Depreciation expense was charged to functions/programs as follows:

Business-type activities	
Water	\$ 11,252,920
Wastewater	7,178,629
Solid waste	3,119,482
Airport	2,768,548
Convention services	907,832
Ranger Hall of Fame	156,119
Cameron Park Zoo	1,080,525
Transit services	769,763
Cottonwood Creek Golf Course	<u>164,082</u>
Total depreciation expense - business-type activities	<u>\$ 27,397,900</u>

Construction commitments

The City has active construction projects as of September 30, 2021. At year-end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street projects	\$ 37,525,021	17,192,900
Water projects	47,472,380	10,778,807
Wastewater projects	76,310,990	27,595,761
Solid waste	2,727,526	2,034,235
Other projects	<u>20,894,443</u>	<u>19,500,201</u>
Total	<u>\$ 184,930,360</u>	<u>77,101,904</u>

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

D. *Interfund Receivables, Payables and Transfers*

The composition of interfund balances as of September 30, 2021 is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,312,302
General	Nonmajor business-type	573,143
Internal service	General	234,175
Nonmajor governmental	Nonmajor governmental	<u>2,077,128</u>
		<u>\$ 4,196,748</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

	Transfers in							Total
	General	Water	Wastewater	Solid Waste	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
Transfers out:								
General	\$ -	-	-	-	27,374,226	4,503,861	-	31,878,087
Water	3,808,039	-	-	-	-	-	-	3,808,039
Wastewater	1,057,215	-	-	-	-	-	-	1,057,215
Solid waste	488,287	-	-	-	-	-	-	488,287
Nonmajor governmental	141,505	-	-	-	2,921,034	-	-	3,062,539
Nonmajor enterprise	-	-	-	-	-	150,000	-	150,000
Internal service	1,645,628	145,042	233,395	96,930	29,795	189,591	33,881	2,374,262
Total transfers	<u>\$ 7,140,674</u>	<u>145,042</u>	<u>233,395</u>	<u>96,930</u>	<u>30,325,055</u>	<u>4,843,452</u>	<u>33,881</u>	<u>42,818,429</u>

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

D. Interfund Receivables, Payables and 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, (3) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) move unspent interest earnings on certificates of obligation from the capital projects fund to enterprise funds. Additionally, transfers from the internal service fund are for charge adjustments in accordance with the City’s financial management policy.

In the year ended September 30, 2021, 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	\$	3,808,039
Wastewater		1,057,215
Solid waste		488,287

E. Leases

Operating leases

The government leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$904,453 for the year ended September 30, 2021. The future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>		
2022	\$	854,131
2023		552,246
2024		444,831
2025		123,748
2026		68,184
2027-2028		<u>100,276</u>
Total	\$	<u><u>2,143,416</u></u>

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

E. Leases (continued)

Capital leases

The City has acquired certain capital assets for governmental activities through the use of a lease purchase agreement. This lease purchase agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital lease, which are being constructed by the equipment supplier as of September 30, 2021, are as follows:

	Cost	Accumulated Depreciation	Net Book Value
Governmental activities:			
Fire trucks, construction in progress	\$ 5,000,000	-	5,000,000
Total	\$ 5,000,000	-	5,000,000

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, is as follows:

Year Ending September 30,	Governmental Activities
2022	\$ 534,913
2023	534,913
2024	534,913
2025	534,913
2026	534,913
2027-2030	2,139,652
Total minimum lease payments	4,814,217
Less: amount representing interest	309,395
Present value of minimum lease payments	\$ 4,504,822

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.

City of Waco, Texas
Notes to Financial Statements
(Continued)

F. Long-term Debt (continued)

General obligation bonds (continued)

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:

Purpose	Interest Rates	Amount
Governmental activities	1.50% - 5.00%	\$ 106,800,000
Governmental activities - refunding	2.00% - 5.00%	38,445,000
Business-type activities	1.50% - 5.00%	281,555,000
Business-type activities - refunding	2.00% - 5.00%	<u>108,475,000</u>
		<u>\$ 535,275,000</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
2022	\$ 9,585,000	5,486,429	22,725,000	14,295,042
2023	10,095,000	4,728,031	23,490,000	12,565,252
2024	10,410,000	4,236,581	23,895,000	11,467,123
2025	10,725,000	3,733,969	22,530,000	10,396,706
2026	11,025,000	3,215,906	21,410,000	9,389,909
2027-2031	39,300,000	10,332,766	117,790,000	33,409,194
2032-2036	30,625,000	4,960,282	116,775,000	14,082,027
2037-2041	20,705,000	1,270,757	41,415,000	1,838,151
2042-2046	<u>2,775,000</u>	<u>151,881</u>	-	-
Total	<u>\$ 145,245,000</u>	<u>38,116,602</u>	<u>390,030,000</u>	<u>107,443,404</u>

Current refunding of debt

On March 30, 2021, the City issued \$22,150,000 General Obligation Refunding Bonds Series 2021 to refund \$24,575,000 of existing general obligation debt on the call date of April 7, 2021. The true interest cost of the refunding bonds is 1.23% with a final maturity of February 1, 2035. The reacquisition price exceeded the net carrying amount of the refunded debt by \$518,320. This amount is being amortized over the life of the refunding bonds. The refunding transaction was undertaken to reduce total debt service payments by \$2,894,543 over the next twelve years, resulting in an economic gain of \$2,648,134.

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

F. Long-term Debt (continued)

Notes payable

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

Year Ending September 30,	Note Payable	
	Principal	Interest
2022	\$ 98,348	55,414
2023	96,535	51,046
2024	31,325	48,257
2025	32,716	46,866
2026	34,169	45,413
2027-2031	195,003	202,907
2032-2036	242,326	155,584
2037-2041	301,133	96,777
2042-2045	286,094	25,601
Total	\$ 1,317,649	727,865

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, 2021.

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail 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 tax rate for the current fiscal year 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 \$1,271,790 have been recorded as a liability in the accompanying statement of net position.

Changes in long-term liabilities

Long-term liability activity (shown in thousands of dollars) for the year ended September 30, 2021 was as follows:

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail 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>					
Bonds payable:					
General obligation bonds	\$ 125,425	32,115	12,295	145,245	9,585
Plus: premium on bonds	<u>7,702</u>	<u>1,562</u>	<u>1,959</u>	<u>7,305</u>	<u>-</u>
Total bonds payable	<u>133,127</u>	<u>33,677</u>	<u>14,254</u>	<u>152,550</u>	<u>9,585</u>
Capital lease	-	5,000	495	4,505	474
Contracts payable	830	-	-	830	-
Refundable contracts	80	-	-	80	-
Estimated claims and judgments	3,314	16,937	16,998	3,253	3,253
Note payable	162	-	162	-	-
Compensated absences	18,940	13,914	12,815	20,039	14,376
Net pension liability	45,713	42,192	48,194	39,711	-
OPEB liability	<u>1,933</u>	<u>375</u>	<u>59</u>	<u>2,249</u>	<u>-</u>
Total other long-term liabilities	<u>70,972</u>	<u>78,418</u>	<u>78,723</u>	<u>70,667</u>	<u>18,103</u>
Governmental activity long-term liabilities	<u>\$ 204,099</u>	<u>112,095</u>	<u>92,977</u>	<u>223,217</u>	<u>27,688</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Business-type activities:</u>					
Bonds payable:					
General obligation bonds	\$ 366,195	66,865	43,030	390,030	22,725
Plus: premium on bonds	<u>15,490</u>	<u>4,109</u>	<u>4,139</u>	<u>15,460</u>	<u>-</u>
Total bonds payable	<u>381,685</u>	<u>70,974</u>	<u>47,169</u>	<u>405,490</u>	<u>22,725</u>
Refundable contracts	1,284	-	92	1,192	92
Estimated landfill closure	6,254	299	-	6,553	-
Note payable	1,412	-	94	1,318	98
Compensated absences	3,692	2,446	2,075	4,063	2,331
Net pension liability	<u>7,442</u>	<u>6,868</u>	<u>7,846</u>	<u>6,464</u>	<u>-</u>
Total other long-term liabilities	<u>20,084</u>	<u>9,613</u>	<u>10,107</u>	<u>19,590</u>	<u>2,521</u>
Business-type activity long-term liabilities	<u>\$ 401,769</u>	<u>80,587</u>	<u>57,276</u>	<u>425,080</u>	<u>25,246</u>

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

F. Long-term Debt (continued)

Changes in long-term liabilities (continued)

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, \$427,214 and \$3,253,215 of internal service funds' compensated absences and estimated claims and judgments, respectively, are included in the above governmental amounts. Also, for the governmental activities, compensated absences, net pension liability, other post-employment benefits, and 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	\$ 3,159,108
Bond construction account	138,523,904
Capital grants and contributions	<u>138,075</u>
Total restricted assets	<u>\$ 141,821,087</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 and participates in a joint self-insured program. The City has established the insurance fund and health insurance fund (internal services funds) to account for and finance its risk management activities. All funds participate in these programs and make payments to these funds based on actuarial estimates of the amounts needed to pay prior and current-year claims and to establish reserves for catastrophic losses. The reserves for catastrophic losses were approximately \$10,500,000 at September 30, 2021.

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

H. Risk Management (continued)

doctrines, damage awards (including frequency and amount of payouts), and economic and social trends. Accordingly, claims are reevaluated periodically to consider the effects of such factors.

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

The insurance fund provides coverage for up to a maximum of \$500,000 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 participants in a joint self-insured program for each general liability or property damage claim. The City purchases coverage for claims in excess of \$50,000. The commercial liability coverage limits are \$1,000,000 per occurrence for general liability with a \$2,000,000 annual aggregate, except for law enforcement liability for which the limits are \$5,000,000 per occurrence and \$10,000,000 annual aggregate. The coverage limits for the City's property are: \$10,000,000 aggregate for automobile catastrophe, \$446,173,336 aggregate for real and personal property, \$12,793,201 aggregate for mobile equipment and \$5,000,000 per accident for boiler and machinery.

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

There have been no claim settlements in excess of the insurance and stop loss coverages that have been procured in 2021, 2020, or 2019. Changes in the amounts of estimated unpaid liability, workers' compensation and health insurance claims during the past two years are as follows (shown in thousands of dollars):

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of fiscal year	\$ 3,314	3,056
Incurred claims (including IBNRs)	16,937	14,441
Claim payments	<u>(16,998)</u>	<u>(14,183)</u>
Unpaid claims, end of fiscal year	<u>\$ 3,253</u>	<u>3,314</u>

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

I. Contingent Liabilities

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

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

J. Commitments

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

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 \$32,054,306 had been funded through 2020. This annual grant funding is limited to tax increment revenue collected each year from the reinvestment zone number one as follows:

Year	Amount
2022	\$ 3,006,034

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

K. Postemployment Benefits Other Than Pensions (OPEB)

Benefits provided. The City administers a single-employer defined benefit life insurance plan. The plan provides \$2,500 of life insurance to each qualified retiree. 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 (TMRS) with a minimum of twenty years of service are eligible for postretirement life insurance benefits. There are no plan assets, as this is a pay-as-you go plan.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	652
Active plan members	<u>1,429</u>
	<u><u>2,081</u></u>

Total OPEB Liability

The actuarial valuation was performed as of December 31, 2019.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	December 31, 2019
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	2.00% as of December 31, 2020
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for TMRS
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

City of Waco, Texas

**Notes to Financial Statements
(Continued)**

IV. Detail Notes on All Funds (continued)

K. Other Post-employment Benefits (continued)

Participation Rates 100% of eligible retirees will choose to receive the employer paid life benefit; 50% of those with coverage are assumed to elect optional coverage of \$5,000.

Other Information

Notes The discount rate changed from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/19	\$ <u>1,933,364</u>
Changes for the year:	
Service cost	19,735
Interest	52,625
Difference between expected and actual experience of the total OPEB liability	(265)
Changes in assumptions or other inputs	302,958
Benefit payments	(59,206)
Net changes	315,847
Balance at 12/31/20	2,249,211

Sensitivity for the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City calculated using a discount rate of 2.00%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current discount rate:

	1% Decrease (1.00%)	Discount Rate (2.00%)	1% Increase (3.00%)
Total OPEB liability	\$ <u>2,767,324</u>	<u>2,249,211</u>	<u>1,858,511</u>

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

K. Other Post-employment Benefits (continued)

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$192,409. At September 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 62,889	511
Changes in assumptions or other inputs	505,003	58,206
Contributions subsequent to the measurement date	<u>44,600</u>	<u>-</u>
Total	<u>\$ 612,492</u>	<u>58,717</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$44,600 will be recognized as a reduction of the OPEB liability for the year ended September 30, 2022.

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

<u>Measurement Year Ended December 31,</u>	
2021	\$ 120,049
2022	120,049
2023	102,538
2024	112,196
2025	52,093
Thereafter	<u>2,250</u>
	<u>\$ 509,175</u>

L. Defined Benefit Pension Plan

Plan Description

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Plan Description (continued)

accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees in of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the member’s contributions, with interest, and the City-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

Employees covered by benefit terms: At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	1,132
Inactive employees entitled to but not yet receiving benefits	682
Active employees	<u>1,433</u>
	<u><u>3,247</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary,

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Contributions (continued)

using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City of Waco were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the City of Waco were 14.33% and 14.69% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$14,660,849 and were in excess of the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Net Pension Liability (continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.0%	5.3%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	<u>100.0%</u>	

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Net Pension Liability (continued)

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2019	\$ 531,758,641	478,603,771	53,154,870
Changes for the year:			
Service cost	13,485,534	-	13,485,534
Interest	35,331,031	-	35,331,031
Difference between expected and actual experience	467,755	-	467,755
Changes of assumptions	-	-	-
Contributions - employer	-	13,774,969	(13,774,969)
Contributions - employee	-	6,432,786	(6,432,786)
Net investment income	-	36,300,324	(36,300,324)
Benefit payments, including refunds of employee contributions	(30,157,451)	(30,157,451)	-
Administrative expense	-	(235,076)	235,076
Other changes	-	(9,170)	9,170
Net changes	19,126,869	26,106,382	(6,979,513)
Balance at December 31, 2020	\$ 550,885,510	504,710,153	46,175,357

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease in Discount Rate (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase in Discount Rate (7.75%)</u>
City's net pension liability (asset) \$	<u>113,905,694</u>	<u>46,175,357</u>	<u>(10,503,657)</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the year ended September 30, 2021, the City recognized pension expense of \$6,836,500.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,394,882	31,295
Changes in actuarial assumptions	723,893	-
Net difference between projected and actual earnings on pension plan investments	-	13,537,430
Contributions subsequent to the measurement date	<u>10,889,318</u>	<u>-</u>
Total	<u>\$ 14,008,093</u>	<u>13,568,725</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$10,889,318 will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

*Pension Expense and Deferred Outflows of Resources
and Deferred Inflows of Resources Related to Pensions* (continued)

reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended <u>December 31:</u>	
2021	\$ (3,457,672)
2022	1,771,089
2023	(7,964,453)
2024	(798,914)
2025	<u>-</u>
	<u>\$ (10,449,950)</u>

M. Fire and Police One-half Pay Pension

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

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

An actuarial valuation has not been performed on this plan due to its small relative size. The estimated unfunded liability based on the present value of future benefits with a 7.5 percent interest rate assumption is \$70,627 at September 30, 2021.

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:

2021	\$ 18,444
2020	18,444
2019	18,444

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

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 \$6,552,888 as of September 30, 2021, which is based on 90.6% usage (filled) of the landfill. It is estimated that an additional \$679,968 will be recognized as closure and post-closure care expenses between the date of the statement of net position and the date the landfill is expected to be filled to capacity (2024). The estimated total current cost of the landfill closure and post-closure care \$7,232,856 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, 2021. However, the actual cost of closure and postclosure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

O. Waco Public Improvement District #2

Waco Public Improvement District No. 2 transactions are recorded in a custodial fund as the City acts as an agent for the property owner in collecting assessments and forwarding the collections to the bondholders. However, the City is not obligated in any manner for repayment of these special assessments. As of September 30, 2021, such special assessment debt outstanding totaled \$271,000.

P. 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.

Q. Tax Abatements

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

Q. Tax Abatements (continued)

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

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

<u>Abatement Program</u>	<u>Abatements Granted</u>
Commercial - Real Property	\$ 72,706,936
Commercial - Personal Property	7,708,241
Residential	3,219,295
	<u>\$ 83,634,472</u>

R. Adoption of Accounting Pronouncement

Effective October 1, 2020, the City adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 84 *Fiduciary Activities*. Accordingly, the City’s agency funds are now reported as custodial funds and net position for the custodial funds at October 1, 2020, was increased by \$3,748,486.

S. Subsequent Events

Subsequent to year end, the City Council approved a non-binding Memorandum of Understanding (MOU) with Baylor University for the development of a new basketball facility and other riverfront development. Among the elements of the MOU is the City’s contribution of \$65 million for public elements of the development. The terms of this contribution are to be provided for in future agreements to be considered by the City Council.

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

T. 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. 87, *Leases* (issued June 2017) – the objective of this statement is to increase the usefulness of governments’ financial statements by requiring reporting of certain lease liabilities that are currently not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. The statement will also require notes to financial statements related to the timing, significance, and purpose of a government’s leasing arrangements. The requirements of this statement are effective on a retrospective basis for the City’s financial statements for the fiscal year beginning on October 1, 2021.

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

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

City of Waco, Texas
Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

T. Authoritative Pronouncements Not Yet Effective (continued)

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (“IRC”) Section 457 Deferred Compensation Plans (issued June 2020) – the objectives of this statement are to (1) increase consistency and comparability of the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board; (2) mitigate costs associated with the reporting of certain defined benefit and defined contribution plans as fiduciary component units, and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for IRC Section 457 plans. Certain provisions relating to component unit criteria are effective upon issuance. The remaining requirements of this statement are effective for the City’s financial statements for the fiscal year beginning on October 1, 2021.



Required Supplemental Information

City of Waco, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
Last Seven Measurement Dates

	December 31,			
	2020	2019	2018	2017
Total Pension Liability				
Service cost	\$ 13,485,534	12,631,699	12,098,625	11,780,852
Interest (on the Total Pension Liability)	35,331,031	33,835,653	32,475,392	31,314,896
Difference between expected and actual experience	467,755	2,546,787	2,542,969	(378,999)
Change in assumptions	-	1,426,701	-	-
Benefit payments, including refunds of employee contributions	<u>(30,157,451)</u>	<u>(27,270,560)</u>	<u>(27,192,449)</u>	<u>(24,173,783)</u>
Net change in Total Pension Liability	19,126,869	23,170,280	19,924,537	18,542,966
Total Pension Liability - beginning	<u>531,758,641</u>	<u>508,588,361</u>	<u>488,663,824</u>	<u>470,120,858</u>
Total Pension Liability - ending (a)	<u>\$ 550,885,510</u>	<u>531,758,641</u>	<u>508,588,361</u>	<u>488,663,824</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 13,774,969	13,084,126	12,489,042	11,357,317
Contributions - employee	6,432,786	6,105,921	5,828,911	5,705,023
Net investment income	36,300,324	65,178,854	(13,303,463)	54,977,759
Benefit payments, including refunds of employee contributions	(30,157,451)	(27,270,560)	(27,192,449)	(24,173,783)
Administrative expense	(235,076)	(368,538)	(257,236)	(284,984)
Other	<u>(9,170)</u>	<u>(11,069)</u>	<u>(13,441)</u>	<u>(14,442)</u>
Net change in Plan Fiduciary Net Position	26,106,382	56,718,734	(22,448,636)	47,566,890
Plan Fiduciary Net Position - Beginning	<u>478,603,771</u>	<u>421,885,037</u>	<u>444,333,673</u>	<u>396,766,783</u>
Plan Fiduciary Net Position - ending (b)	<u>\$ 504,710,153</u>	<u>478,603,771</u>	<u>421,885,037</u>	<u>444,333,673</u>
Net Pension Liability - ending (a) - (b)	\$ 46,175,357	53,154,870	86,703,324	44,330,151
Plan Fiduciary Net Position as a percentage of Total Pension Liability	91.62%	90.00%	82.95%	90.93%
Covered payroll	\$ 91,738,327	87,115,165	83,209,253	81,079,501
Net Pension Liability as a percentage of covered payroll	50.33%	61.02%	104.20%	54.67%

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

See accompanying independent auditor's report.

2016	2015	2014
11,202,475	10,455,324	9,662,721
30,078,486	29,600,291	28,296,862
280,568	(2,438,332)	1,770,413
-	7,544,258	-
<u>(22,893,267)</u>	<u>(22,685,162)</u>	<u>(20,326,595)</u>
18,668,262	22,476,379	19,403,401
<u>451,452,596</u>	<u>428,976,217</u>	<u>409,572,816</u>
<u><u>470,120,858</u></u>	<u><u>451,452,596</u></u>	<u><u>428,976,217</u></u>
9,999,248	9,928,219	10,444,097
5,401,710	5,284,986	5,371,982
25,606,114	569,868	21,154,751
(22,893,267)	(22,685,162)	(20,326,595)
(289,241)	(347,125)	(220,877)
<u>(15,583)</u>	<u>(17,145)</u>	<u>(18,160)</u>
17,808,981	(7,266,359)	16,405,198
<u>378,957,802</u>	<u>386,224,161</u>	<u>369,818,963</u>
<u><u>396,766,783</u></u>	<u><u>378,957,802</u></u>	<u><u>386,224,161</u></u>
73,354,075	72,494,794	42,752,056
84.40%	83.94%	90.03%
77,045,909	75,489,706	76,730,734
95.21%	96.03%	55.72%

City of Waco, Texas
Schedule of Pension Contributions
Fiscal Years Ended

	September 30,			
	2021	2020	2019	2018
Actuarially determined contribution	\$ 14,212,473	12,999,559	12,034,470	11,797,668
Contributions in relation to the actuarially determined contribution	<u>14,660,849</u>	<u>13,700,810</u>	<u>12,836,559</u>	<u>12,249,630</u>
Contribution deficiency (excess)	<u>\$ (448,376)</u>	<u>(701,251)</u>	<u>(802,089)</u>	<u>(451,962)</u>
Covered payroll	<u>\$ 97,364,217</u>	<u>91,247,898</u>	<u>85,461,415</u>	<u>82,982,040</u>
Contributions as a percentage of covered payroll	<u>15.06%</u>	<u>15.02%</u>	<u>15.02%</u>	<u>14.77%</u>

Notes to Schedule of Pension Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City’s plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee Table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information

There were no benefit changes during the year.

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

See accompanying independent auditor’s report.

<u>2017</u>	<u>2016</u>	<u>2015</u>
10,942,485	9,918,113	9,999,116
<u>10,942,485</u>	<u>9,918,113</u>	<u>9,999,116</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>79,821,678</u>	<u>76,215,914</u>	<u>75,315,307</u>
<u>13.71%</u>	<u>13.01%</u>	<u>13.28%</u>

City of Waco, Texas
Schedule of Changes in Total
OPEB Liability and Related Ratios
Last Four Measurement Dates

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

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

Valuation Date: December 31, 2019

Methods and Assumptions:

Actuarial Cost Method Individual Entry Age Normal

Discount Rate 2.00% as of December 31, 2020

Inflation 2.50%

Salary Increases 3.50% to 11.50%, including inflation

Demographic Assumptions Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)

Mortality For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

Participation Rates 100% of eligible retirees will choose to receive the employer paid life benefit; 50% of those with coverage are assumed to elect optional coverage of \$5,000.

Other Information:

Notes Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

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

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

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

**Combining and Individual
Fund Statements and Schedules**



General Fund



City of Waco, Texas

Comparative Balance Sheets

Governmental Funds

September 30, 2021 and 2020

	General Fund	
	2021	2020
Assets		
Cash and investments	\$ 85,871,205	\$ 89,482,027
Accounts receivable, net of allowances	3,694,693	3,847,978
Due from other funds	1,885,445	3,003,274
Taxes receivable	11,152,771	9,819,239
Intergovernmental receivable	86,043	6,032,811
Inventory	874,629	1,025,496
Real estate held for resale	6,160	6,160
Total assets	\$ 103,570,946	\$ 113,216,985
Liabilities		
Accounts payable	\$ 2,075,059	\$ 2,266,223
Accrued liabilities	5,170,532	6,379,201
Unearned revenue	52,539	152,042
Due to other funds	234,175	8,659,352
Deposits	720,589	804,266
Escrow funds	310,453	427,524
Total liabilities	8,563,347	18,688,608
Deferred inflows of resources		
Unavailable revenue-property taxes	2,025,295	1,980,080
Unavailable revenue-court fines	176,325	452,891
Total deferred inflow of resources	2,201,620	2,432,971
Total liabilities and deferred inflows of resources	10,764,967	21,121,579
Fund balance (deficit)		
Nonspendable		
Inventory	874,629	1,025,496
Real estate held for resale	6,160	6,160
Restricted for:		
Municipal information	1,636,663	1,471,560
Committed to:		
Economic development	16,025,074	14,496,364
Assigned to:		
Capital improvements	-	12,917,754
Culture and recreation	163,113	8,236
Economic development	6,493,032	3,958,032
Housing and community development	32,899	-
Other	1,118,170	1,138,853
Public safety	694,975	757,889
Public works	365,062	245,706
Subsequent year's budget appropriation	1,293,553	7,979,534
Unassigned	64,102,649	48,089,822
Total fund balance (deficit)	\$ 92,805,979	\$ 92,095,406
Total liabilities, deferred inflows of resources, and fund balance	\$ 103,570,946	\$ 113,216,985

See accompanying independent auditor's report.

City of Waco, Texas

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds Years Ended September 30, 2021 and 2020

	General Fund	
	2021	2020
Revenues:		
Taxes	\$ 117,775,591	\$ 107,848,201
Business and occupation fees	14,523,391	14,480,403
Permits, licenses and fees	2,652,165	1,980,690
Fines	1,430,399	1,281,770
Charges for services	2,273,973	1,921,824
Investment earnings	227,211	1,175,429
Contributions	766,646	779,925
Intergovernmental	2,277,704	9,631,875
Other	14,754,479	13,293,399
Total revenues	156,681,559	152,393,516
Expenditures:		
Current:		
General government	29,252,693	27,574,920
Public works	7,234,403	7,264,287
Public safety	79,239,354	77,593,423
Culture and recreation	14,315,708	15,189,397
Housing and community development	1,191,415	381,159
Total expenditures	131,233,573	128,003,186
Excess (deficiency) of revenues over expenditures	25,447,986	24,390,330
Other financing sources (uses):		
Transfers in	7,140,674	7,192,479
Transfers out	(31,878,087)	(26,811,221)
Total other financing sources (uses)	(24,737,413)	(19,618,742)
Net change in fund balances	710,573	4,771,588
Fund balance, beginning of year	92,095,406	87,323,818
Fund balance, end of year	\$ 92,805,979	\$ 92,095,406

See accompanying independent auditor's report.

Nonmajor Governmental Funds

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

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

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

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



City of Waco, Texas
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
September 30, 2021
(With Comparative Totals for September 30, 2020)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds	
					2021	2020
Assets						
Cash and investments	\$ 70,431,616	\$ 1,282,342	\$ 97,551,622	\$ 326,896	\$ 169,592,476	\$ 115,528,613
Accounts receivable, net of allowances	130,023	-	-	-	130,023	373,878
Due from other funds	606,599	-	1,470,529	-	2,077,128	10,589,316
Special assessments	15,267	-	-	-	15,267	9,128
Taxes receivable, net of allowance	-	463,377	-	-	463,377	423,041
Notes receivable	268,384	-	-	-	268,384	231,272
Advances to other funds	-	-	168,368	-	168,368	168,368
Intergovernmental receivable	3,408,780	-	-	-	3,408,780	3,551,360
Real estate held for resale	60,097	-	-	-	60,097	60,097
Total assets	<u>\$ 74,920,766</u>	<u>\$ 1,745,719</u>	<u>\$ 99,190,519</u>	<u>\$ 326,896</u>	<u>\$ 176,183,900</u>	<u>\$ 130,935,073</u>
Liabilities						
Accounts payable	\$ 2,721,783	\$ -	\$ 3,785,437	\$ -	\$ 6,507,220	\$ 3,630,132
Accrued liabilities	685,899	-	1,501,892	-	2,187,791	709,060
Unearned revenue	17,360,343	-	-	-	17,360,343	-
Due to other funds	1,918,901	-	1,470,529	-	3,389,430	3,809,367
Escrow funds	47,008	-	-	-	47,008	152,059
Total liabilities	<u>22,733,934</u>	<u>-</u>	<u>6,757,858</u>	<u>-</u>	<u>29,491,792</u>	<u>8,300,618</u>
Deferred inflows of resources						
Unavailable revenue-property taxes	-	441,772	-	-	441,772	358,905
Unavailable revenue-special assessments	15,267	-	-	-	15,267	9,128
Total deferred inflows of resources	<u>15,267</u>	<u>441,772</u>	<u>-</u>	<u>-</u>	<u>457,039</u>	<u>368,033</u>
Total liabilities and deferred inflows of resources	<u>22,749,201</u>	<u>441,772</u>	<u>6,757,858</u>	<u>-</u>	<u>29,948,831</u>	<u>8,668,651</u>
Fund balances (deficits)						
Nonspendable:						
Parks and cemetery care	-	-	-	326,896	326,896	381,019
Restricted for:						
Capital projects	-	-	55,153,344	-	55,153,344	50,835,124
Culture and recreation	180,414	-	-	-	180,414	169,374
Debt service	-	1,303,947	-	-	1,303,947	600,472
Housing and community development	296,952	-	-	-	296,952	246,965
Public works	678,759	-	-	-	678,759	636,582
Public safety	2,285,587	-	-	-	2,285,587	1,658,699
Tax increment zone activities	44,304,621	-	-	-	44,304,621	42,551,716
Waco Public Improvement District	1,034,429	-	-	-	1,034,429	1,148,686
Committed to:						
Capital projects	-	-	37,279,317	-	37,279,317	20,797,066
Public health	3,390,803	-	-	-	3,390,803	3,240,719
Total fund balances (deficits)	<u>52,171,565</u>	<u>1,303,947</u>	<u>92,432,661</u>	<u>326,896</u>	<u>146,235,069</u>	<u>122,266,422</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 74,920,766</u>	<u>\$ 1,745,719</u>	<u>\$ 99,190,519</u>	<u>\$ 326,896</u>	<u>\$ 176,183,900</u>	<u>\$ 130,935,073</u>

See accompanying independent auditor's report.

City of Waco, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021
(With Comparative Totals for Year Ended September 30, 2020)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals	
					2021	2020
Revenues:						
Taxes	\$ 13,322,983	\$ 13,816,481	\$ -	\$ -	\$ 27,139,464	\$ 25,152,357
Special assessments	644,776	-	-	-	644,776	630,654
Permits, licenses and fees	1,037,971	-	-	-	1,037,971	986,740
Fines	500,891	-	-	-	500,891	368,246
Investment earnings	92,464	4,020	317,404	392	414,280	2,647,615
Contributions	-	-	-	-	-	50,000
Intergovernmental	12,443,092	-	-	-	12,443,092	10,318,776
Program income	213,753	-	-	-	213,753	227,685
Other	590,506	-	-	-	590,506	960,504
Total revenues	28,846,436	13,820,501	317,404	392	42,984,733	41,342,577
Expenditures:						
Current:						
General government	13,409,149	-	-	54,515	13,463,664	11,396,502
Public safety	1,380,302	-	-	-	1,380,302	2,417,640
Public works	426,653	-	-	-	426,653	661,926
Culture and recreation	9,326	-	-	-	9,326	7,054
Housing and community development	4,466,995	-	-	-	4,466,995	2,544,250
Public health	9,765,137	-	-	-	9,765,137	8,813,617
Debt service:						
Principal	-	8,780,000	-	-	8,780,000	7,590,000
Interest and fiscal charges	-	5,144,979	-	-	5,144,979	4,553,085
Bond issuance costs	-	160,006	-	-	160,006	123,993
Capital outlay	-	-	37,837,873	-	37,837,873	21,821,248
Total expenditures	29,457,562	14,084,985	37,837,873	54,515	81,434,935	59,929,315
Excess (deficiency) of revenues over (under) expenditures	(611,126)	(264,484)	(37,520,469)	(54,123)	(38,450,202)	(18,586,738)
Other financing sources (uses):						
Refunding bonds issued	-	3,155,000	-	-	3,155,000	-
Payment to refunded bond escrow agent	-	(3,539,057)	-	-	(3,539,057)	-
Premium on refunding bonds	-	350,193	-	-	350,193	-
General obligation bonds issued	-	131,223	28,828,777	-	28,960,000	26,210,000
Premium on general obligation bonds	-	5,574	1,224,623	-	1,230,197	2,551,941
Capital lease proceeds	-	-	5,000,000	-	5,000,000	-
Transfers in	4,390,329	865,026	25,069,700	-	30,325,055	24,380,433
Transfers out	(1,260,379)	-	(1,802,160)	-	(3,062,539)	(6,203,051)
Total other financing sources (uses)	3,129,950	967,959	58,320,940	-	62,418,849	46,939,323
Net change in fund balances	2,518,824	703,475	20,800,471	(54,123)	23,968,647	28,352,585
Fund balances, beginning of year	49,652,741	600,472	71,632,190	381,019	122,266,422	93,913,837
Fund balances, end of year	\$ 52,171,565	\$ 1,303,947	\$ 92,432,661	\$ 326,896	\$ 146,235,069	\$ 122,266,422

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.

Grant Funds - These funds are 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 1436-2, Section 5 of the Penal Code and Ordinance Number 2858, Section 28-42 control the handling of abandoned motor vehicles. Financing is provided from the sale of abandoned motor vehicles at public auction.

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

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

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

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' Pretty Place.

City of Waco, Texas
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2021
 (With Comparative Totals for September 30, 2020)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3
Assets			
Cash and investments	\$ 42,954,505	\$ 3,017,463	\$ 73,003
Accounts receivable, net of allowances	-	-	-
Due from other funds	-	-	-
Special assessments receivable	-	-	-
Notes receivable	-	-	-
Intergovernmental receivable	-	-	-
Real estate held for resale	-	-	-
Total assets	<u>\$ 42,954,505</u>	<u>\$ 3,017,463</u>	<u>\$ 73,003</u>
Liabilities			
Accounts payable	\$ 547,808	\$ -	\$ -
Accrued liabilities	585,943	-	-
Unearned revenue	-	-	-
Due to other funds	606,599	-	-
Escrow funds	-	-	-
Total liabilities	<u>1,740,350</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,740,350</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)			
Restricted for:			
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public works	-	-	-
Public safety	-	-	-
Tax increment zone activities	41,214,155	3,017,463	73,003
Waco Public Improvement District	-	-	-
Committed to:			
Public health	-	-	-
Total fund balances (deficits)	<u>41,214,155</u>	<u>3,017,463</u>	<u>73,003</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 42,954,505</u>	<u>\$ 3,017,463</u>	<u>\$ 73,003</u>

Health Programs Fund	Grant Funds	Waco Public Improvement District No. 1 Fund	Abandoned Motor Vehicle Fund	Police Forfeitures Fund
\$ 3,595,925	\$ 17,966,570	\$ 1,171,532	\$ 949,833	\$ 431,308
-	120,317	9,706	-	-
-	606,599	-	-	-
-	-	15,267	-	-
-	268,384	-	-	-
1,321,962	2,086,818	-	-	-
-	60,097	-	-	-
\$ 4,917,887	\$ 21,108,785	\$ 1,196,505	\$ 949,833	\$ 431,308
\$ 1,397,007	\$ 626,789	\$ 146,809	\$ 485	\$ 2,280
83,069	16,887	-	-	-
-	17,360,343	-	-	-
-	1,312,302	-	-	-
47,008	-	-	-	-
<u>1,527,084</u>	<u>19,316,321</u>	<u>146,809</u>	<u>485</u>	<u>2,280</u>
-	-	15,267	-	-
-	-	15,267	-	-
<u>1,527,084</u>	<u>19,316,321</u>	<u>162,076</u>	<u>485</u>	<u>2,280</u>
-	140,757	-	-	-
-	296,952	-	-	-
-	678,759	-	-	-
-	675,996	-	949,348	429,028
-	-	-	-	-
-	-	1,034,429	-	-
<u>3,390,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,390,803</u>	<u>1,792,464</u>	<u>1,034,429</u>	<u>949,348</u>	<u>429,028</u>
\$ 4,917,887	\$ 21,108,785	\$ 1,196,505	\$ 949,833	\$ 431,308

(continued)

City of Waco, Texas
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2021
 (With Comparative Totals for September 30, 2020)

	<u>Court Local Municipal Jury Fund</u>	<u>Court Local Truancy Prevention and Diversion Fund</u>	<u>Court Security Fund</u>
Assets			
Cash and investments	\$ 845	\$ 42,286	\$ 66,641
Accounts receivable, net of allowances	-	-	-
Due from other funds	-	-	-
Special assessments receivable	-	-	-
Notes receivable	-	-	-
Intergovernmental receivable	-	-	-
Real estate held for resale	-	-	-
Total assets	<u>\$ 845</u>	<u>\$ 42,286</u>	<u>\$ 66,641</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Escrow funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)			
Restricted for:			
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public works	-	-	-
Public safety	845	42,286	66,641
Tax increment zone activities	-	-	-
Waco Public Improvement District	-	-	-
Committed to:			
Public health	-	-	-
Total fund balances (deficits)	<u>845</u>	<u>42,286</u>	<u>66,641</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 845</u>	<u>\$ 42,286</u>	<u>\$ 66,641</u>

Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
			2021	2020
\$ 122,048	\$ 10,111	\$ 29,546	\$ 70,431,616	\$ 49,026,065
-	-	-	130,023	373,878
-	-	-	606,599	540,000
-	-	-	15,267	9,128
-	-	-	268,384	231,272
-	-	-	3,408,780	3,551,360
-	-	-	60,097	60,097
\$ 122,048	\$ 10,111	\$ 29,546	\$ 74,920,766	\$ 53,791,800
\$ 605	\$ -	\$ -	\$ 2,721,783	\$ 1,962,329
-	-	-	685,899	463,956
-	-	-	17,360,343	-
-	-	-	1,918,901	1,665,051
-	-	-	47,008	38,595
605	-	-	22,733,934	4,129,931
-	-	-	15,267	9,128
-	-	-	15,267	9,128
605	-	-	22,749,201	4,139,059
-	10,111	29,546	180,414	169,374
-	-	-	296,952	246,965
-	-	-	678,759	636,582
121,443	-	-	2,285,587	1,658,699
-	-	-	44,304,621	42,551,716
-	-	-	1,034,429	1,148,686
-	-	-	3,390,803	3,240,719
121,443	10,111	29,546	52,171,565	49,652,741
\$ 122,048	\$ 10,111	\$ 29,546	\$ 74,920,766	\$ 53,791,800

City of Waco, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended September 30, 2021
 (With Comparative Totals for September 30, 2020)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3
Revenues:			
Property taxes	\$ 13,154,229	\$ 168,541	\$ 213
Special assessments	-	-	-
Permits, licenses and fees	-	-	-
Fines	-	-	-
Investment earnings	77,560	5,100	127
Intergovernmental	1,574,808	20,733	24
Program income	-	-	-
Other	-	-	-
Total revenues	14,806,597	194,374	364
Expenditures:			
Current:			
General government	12,231,474	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public health	-	-	-
Total expenditures	12,231,474	-	-
Excess (deficiency) of revenues over (under) expenditures	2,575,123	194,374	364
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(1,016,956)	-	-
Total other financing sources (uses)	(1,016,956)	-	-
Net change in fund balances	1,558,167	194,374	364
Fund balances, beginning of year	39,655,988	2,823,089	72,639
Fund balances, end of year	\$ 41,214,155	\$ 3,017,463	\$ 73,003

Health Programs Fund	Grant Funds	Waco Public Improvement District No. 1 Fund	Abandoned Motor Vehicle Fund	Police Forfeitures Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	644,776	-	-
1,037,971	-	-	-	-
-	-	-	388,998	-
6,391	-	2,307	-	717
4,421,755	6,425,772	-	-	-
179,480	34,273	-	-	-
376,681	63,997	2,433	-	147,395
<u>6,022,278</u>	<u>6,524,042</u>	<u>649,516</u>	<u>388,998</u>	<u>148,112</u>
-	413,902	763,773	-	-
-	1,309,962	-	19,703	18,841
-	426,653	-	-	-
-	9,326	-	-	-
-	4,466,995	-	-	-
9,765,137	-	-	-	-
<u>9,765,137</u>	<u>6,626,838</u>	<u>763,773</u>	<u>19,703</u>	<u>18,841</u>
<u>(3,742,859)</u>	<u>(102,796)</u>	<u>(114,257)</u>	<u>369,295</u>	<u>129,271</u>
3,892,943	497,386	-	-	-
-	(101,918)	-	(50,000)	-
<u>3,892,943</u>	<u>395,468</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
150,084	292,672	(114,257)	319,295	129,271
3,240,719	1,499,792	1,148,686	630,053	299,757
<u>\$ 3,390,803</u>	<u>\$ 1,792,464</u>	<u>\$ 1,034,429</u>	<u>\$ 949,348</u>	<u>\$ 429,028</u>

(continued)

City of Waco, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended September 30, 2021
 (With Comparative Totals for September 30, 2020)

	Court Local Municipal Jury Fund	Court Local Truancy Prevention and Diversion Fund	Court Security Fund
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Permits, licenses and fees	-	-	-
Fines	845	42,286	36,749
Investment earnings	-	-	-
Intergovernmental	-	-	-
Program income	-	-	-
Other	-	-	-
Total revenues	845	42,286	36,749
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	11,305
Public works	-	-	-
Culture and recreation	-	-	-
Housing and community development	-	-	-
Public health	-	-	-
Total expenditures	-	-	11,305
Excess (deficiency) of revenues over (under) expenditures	845	42,286	25,444
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	(91,505)
Total other financing sources (uses)	-	-	(91,505)
Net change in fund balances	845	42,286	(66,061)
Fund balances, beginning of year	-	-	132,702
Fund balances, end of year	\$ 845	\$ 42,286	\$ 66,641

Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
			2021	2020
\$ -	\$ -	\$ -	\$ 13,322,983	\$ 14,042,607
-	-	-	644,776	630,654
-	-	-	1,037,971	986,740
32,013	-	-	500,891	368,246
-	35	227	92,464	497,627
-	-	-	12,443,092	10,318,776
-	-	-	213,753	227,685
-	-	-	590,506	960,504
<u>32,013</u>	<u>35</u>	<u>227</u>	<u>28,846,436</u>	<u>28,032,839</u>
-	-	-	13,409,149	11,396,502
20,491	-	-	1,380,302	2,417,640
-	-	-	426,653	661,926
-	-	-	9,326	7,054
-	-	-	4,466,995	2,544,250
-	-	-	9,765,137	8,813,617
<u>20,491</u>	<u>-</u>	<u>-</u>	<u>29,457,562</u>	<u>25,840,989</u>
<u>11,522</u>	<u>35</u>	<u>227</u>	<u>(611,126)</u>	<u>2,191,850</u>
-	-	-	4,390,329	4,145,627
-	-	-	(1,260,379)	(1,373,051)
-	-	-	3,129,950	2,772,576
11,522	35	227	2,518,824	4,964,426
109,921	10,076	29,319	49,652,741	44,688,315
<u>\$ 121,443</u>	<u>\$ 10,111</u>	<u>\$ 29,546</u>	<u>\$ 52,171,565</u>	<u>\$ 49,652,741</u>



Tax Increment Fund No. 1

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Tax Increment Fund No. 1	
	2021	2020
Assets		
Cash and investments	\$ 42,954,505	\$ 41,060,076
Accounts receivable, net of allowances	-	238,980
Total assets	\$ 42,954,505	\$ 41,299,056
Liabilities		
Accounts payable	\$ 547,808	\$ 941,705
Accrued liabilities	585,943	161,363
Due to other funds	606,599	540,000
Total liabilities	1,740,350	1,643,068
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	41,214,155	39,655,988
Total fund balance (deficit)	41,214,155	39,655,988
Total liabilities and fund balance	\$ 42,954,505	\$ 41,299,056

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Tax Increment Fund No. 1	
	2021	2020
Revenues:		
Property taxes	\$ 13,154,229	\$ 13,850,647
Investment earnings	77,560	425,141
Intergovernmental	1,574,808	1,309,802
Total revenues	14,806,597	15,585,590
Expenditures:		
Current:		
General government	12,231,474	10,385,017
Total expenditures	12,231,474	10,385,017
Excess (deficiency) of revenues over expenditures	2,575,123	5,200,573
Other financing sources (uses):		
Transfers out	(1,016,956)	(865,326)
Total other financing sources (uses)	(1,016,956)	(865,326)
Net change in fund balance	1,558,167	4,335,247
Fund balance, beginning of year	39,655,988	35,320,741
Fund balance, end of year	\$ 41,214,155	\$ 39,655,988

See accompanying independent auditor's report.



Tax Increment Fund No. 2

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Tax Increment Fund No. 2	
	2021	2020
Assets		
Cash and investments	\$ 3,017,463	\$ 2,823,089
Total assets	\$ 3,017,463	\$ 2,823,089
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	\$ 3,017,463	\$ 2,823,089
Total fund balance (deficit)	\$ 3,017,463	\$ 2,823,089

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Tax Increment Fund No. 2	
	2021	2020
Revenues:		
Property taxes	\$ 168,541	\$ 191,442
Investment earnings	5,100	27,718
Intergovernmental	20,733	18,539
Total revenues	194,374	237,699
Expenditures:		
Current:		
General government	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	194,374	237,699
Net change in fund balance	194,374	237,699
Fund balance, beginning of year	2,823,089	2,585,390
Fund balance, end of year	\$ 3,017,463	\$ 2,823,089



Tax Increment Fund No. 3

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Tax Increment Fund No. 3	
	2021	2020
Assets		
Cash and investments	\$ 73,003	\$ 72,639
Total assets	\$ 73,003	\$ 72,639
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	\$ 73,003	\$ 72,639
Total fund balance (deficit)	\$ 73,003	\$ 72,639

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and
 Nonmajor Special Revenue Funds
 Changes in Fund Balance
 Years Ended September 30, 2021 and 2020

	Tax Increment Fund No. 3	
	2021	2020
Revenues:		
Property taxes	\$ 213	\$ 518
Investment earnings	127	750
Intergovernmental	24	29
Total revenues	364	1,297
Expenditures:		
Current:		
General government	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	364	1,297
Net change in fund balance	364	1,297
Fund balance, beginning of year	72,639	71,342
Fund balance, end of year	\$ 73,003	\$ 72,639

See accompanying independent auditor's report.



Health Programs Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2021 and 2020

	Health Programs Fund	
	2021	2020
Assets		
Cash and investments	\$ 3,595,925	\$ 2,362,271
Accounts receivable, net of allowances	-	26,095
Intergovernmental receivable	1,321,962	1,289,213
Total assets	\$ 4,917,887	\$ 3,677,579
Liabilities		
Accounts payable	\$ 1,397,007	\$ 165,576
Accrued liabilities	83,069	232,689
Escrow funds	47,008	38,595
Total liabilities	1,527,084	436,860
Fund balance (deficit)		
Committed to:		
Public health	3,390,803	3,240,719
Total fund balance (deficit)	3,390,803	3,240,719
Total liabilities and fund balance	\$ 4,917,887	\$ 3,677,579

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Health Programs Fund	
	2021	2020
Revenues:		
Permits, licenses and fees	\$ 1,037,971	\$ 986,740
Investment earnings	6,391	26,730
Intergovernmental	4,421,755	3,905,589
Program income	179,480	151,986
Other	376,681	606,038
Total revenues	6,022,278	5,677,083
Expenditures:		
Current:		
Public health	9,765,137	8,813,617
Total expenditures	9,765,137	8,813,617
Excess (deficiency) of revenues over expenditures	(3,742,859)	(3,136,534)
Other financing sources (uses):		
Transfers in	3,892,943	3,863,148
Total other financing sources (uses)	3,892,943	3,863,148
Net change in fund balance	150,084	726,614
Fund balance, beginning of year	3,240,719	2,514,105
Fund balance, end of year	\$ 3,390,803	\$ 3,240,719

See accompanying independent auditor's report.

City of Waco, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Health Programs Fund
 Year Ended September 30, 2021
 (With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with	2020
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Health Administrative Services:					
Death and birth certificates	\$ 229,721	229,721	286,735	57,014	237,184
Interest on investments	2,000	2,000	6,391	4,391	26,730
Intergovernmental	231,446	231,446	325,105	93,659	403,814
Revenue-other	616,250	616,250	370,042	(246,208)	532,333
Total	<u>1,079,417</u>	<u>1,079,417</u>	<u>988,273</u>	<u>(91,144)</u>	<u>1,200,061</u>
Environmental Health Services:					
Health and welfare fees	496,536	496,536	637,876	141,340	605,402
Intergovernmental	85,335	85,335	-	(85,335)	62,206
Revenue-other	100	100	33	(67)	68
Total	<u>581,971</u>	<u>581,971</u>	<u>637,909</u>	<u>55,938</u>	<u>667,676</u>
Health Nursing Services:					
Health and welfare fees	97,512	97,512	90,591	(6,921)	113,616
Revenue-other	34,993	34,993	3,260	(31,733)	10,812
Total	<u>132,505</u>	<u>132,505</u>	<u>93,851</u>	<u>(38,654)</u>	<u>124,428</u>
Sexually Transmitted Disease:					
Health and welfare fees	28,850	28,850	22,769	(6,081)	30,538
Total	<u>28,850</u>	<u>28,850</u>	<u>22,769</u>	<u>(6,081)</u>	<u>30,538</u>
HIV/AIDS Services:					
Revenue-other	-	-	36	36	36
Total	<u>-</u>	<u>-</u>	<u>36</u>	<u>36</u>	<u>36</u>
Public Health Services:					
Program income	-	179,480	179,480	-	151,986
Intergovernmental	-	4,096,650	4,096,650	-	3,439,569
Revenue-other	-	3,310	3,310	-	62,789
Total	<u>-</u>	<u>4,279,440</u>	<u>4,279,440</u>	<u>-</u>	<u>3,654,344</u>
Total revenue	<u>1,822,743</u>	<u>6,102,183</u>	<u>6,022,278</u>	<u>(79,905)</u>	<u>5,677,083</u>
Expenditures:					
Health Administrative Services:					
Salaries and wages	581,649	581,648	425,427	156,221	487,381
Employee benefits	212,405	212,404	168,280	44,124	180,059
Purchased professional/technical services	58,070	84,162	175,656	(91,494)	143,836
Purchased property services	3,145	3,145	2,938	207	2,938
Maintenance	200	200	5,203	(5,003)	2,732
Other purchased services	29,860	30,285	175,694	(145,409)	22,671
Supplies	30,770	37,275	40,624	(3,349)	35,944
Contracts with others	1,176,736	1,222,168	1,222,168	-	1,110,499
Other	798,363	798,363	799,957	(1,594)	671,377
Capital expenditures	70,000	70,000	-	70,000	-
Total health administrative services	<u>2,961,198</u>	<u>3,039,650</u>	<u>3,015,947</u>	<u>23,703</u>	<u>2,657,437</u>

(Continued)

City of Waco, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Health Programs Fund
 Year Ended September 30, 2021
 (With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with	2020
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Environmental Health Services:					
Salaries and wages	\$ 411,778	392,788	472,648	(79,860)	494,119
Employee benefits	157,551	157,551	129,543	28,008	149,026
Purchased professional/technical services	600	18,090	10,990	7,100	2,812
Maintenance	10,986	10,986	405	10,581	15,283
Other purchased services	29,797	29,797	16,840	12,957	16,761
Supplies	73,482	74,982	55,213	19,769	65,790
Contracts with others	-	-	51,830	(51,830)	31,098
Capital expenditures	30,000	30,000	27,182	2,818	20,967
Total environmental health services:	<u>714,194</u>	<u>714,194</u>	<u>764,651</u>	<u>(50,457)</u>	<u>795,856</u>
Health Nursing Services:					
Salaries and wages	836,109	836,109	388,397	447,712	497,993
Employee benefits	307,040	307,040	165,702	141,338	178,531
Purchased professional/technical services	36,681	36,681	226,151	(189,470)	109,283
Purchased property services	-	-	45,195	(45,195)	-
Maintenance	6,920	6,920	4,253	2,667	3,558
Other purchased services	124,157	124,157	124,930	(773)	99,028
Supplies	277,770	286,849	115,475	171,374	183,298
Capital expenditures	-	6,100	5,685	415	-
Total public health nursing services	<u>1,588,677</u>	<u>1,603,856</u>	<u>1,075,788</u>	<u>528,068</u>	<u>1,071,691</u>
Sexually Transmitted Disease:					
Salaries and wages	256,176	256,176	256,127	49	252,875
Employee benefits	93,762	93,762	94,379	(617)	93,584
Purchased professional/technical services	16,140	16,140	11,398	4,742	12,001
Maintenance	1,170	1,170	1,345	(175)	185
Other purchased services	26,175	26,175	10,914	15,261	12,876
Supplies	25,180	25,180	34,458	(9,278)	22,808
Total sexually transmitted disease	<u>418,603</u>	<u>418,603</u>	<u>408,621</u>	<u>9,982</u>	<u>394,329</u>
HIV/AIDS Services:					
Salaries and wages	141,163	141,163	152,281	(11,118)	164,459
Employee benefits	49,899	49,899	53,938	(4,039)	55,342
Purchased professional/technical services	1,000	1,000	237	763	4,449
Other purchased services	14,838	14,838	9,335	5,503	8,073
Supplies	8,037	8,037	4,899	3,138	7,637
Total HIV/AIDS services	<u>214,937</u>	<u>214,937</u>	<u>220,690</u>	<u>(5,753)</u>	<u>239,960</u>
Public Health Services:					
Salaries and wages	-	1,772,001	1,772,001	-	1,742,235
Employee benefits	-	709,916	709,916	-	708,739
Purchased professional/technical services	-	511,089	511,089	-	302,129
Purchased property services	-	52,755	52,755	-	78,692
Maintenance	-	226,711	226,711	-	44,123
Other purchased services	-	385,606	385,606	-	314,202
Supplies	-	350,693	350,693	-	265,120
Other	-	259,619	259,619	-	199,104
Capital expenditures	-	11,050	11,050	-	-
Total public health services	<u>-</u>	<u>4,279,440</u>	<u>4,279,440</u>	<u>-</u>	<u>3,654,344</u>

(Continued)

City of Waco, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Health Programs Fund
 Year Ended September 30, 2021
 (With Comparative Actual Amounts for Year Ended September 30, 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget	2020 Actual Amounts
	Original	Final			
Total expenditures	\$ 5,897,609	10,270,680	9,765,137	505,543	8,813,617
Excess (deficiency) of revenue over expenditures	(4,074,866)	(4,168,497)	(3,742,859)	425,638	(3,136,534)
Other financing sources (uses):					
Transfers in	3,892,943	3,892,943	3,892,943	-	3,863,148
Total other financing sources (uses)	3,892,943	3,892,943	3,892,943	-	3,863,148
Net change in fund balance	(181,923)	(275,554)	150,084	425,638	726,614
Fund balance, beginning of year	3,240,719	3,240,719	3,240,719	-	2,514,105
Fund balance, end of year	\$ <u>3,058,796</u>	<u>2,965,165</u>	<u>3,390,803</u>	<u>425,638</u>	<u>3,240,719</u>

See accompanying independent auditor's report.

Grant Funds

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Funds
September 30, 2021
(With Comparative Totals for September 30, 2020)

	HUD Home Program	HUD Community Development Block Grant	HUD Lead Hazard	COVID Emergency Rental Assistance
Assets				
Cash and investments	\$ -	\$ 313,718	\$ -	\$ -
Accounts receivable, net of allowances	-	120,317	-	-
Due from other funds	-	-	-	-
Notes receivable	160,763	107,621	-	-
Intergovernmental receivable	180,351	388,936	75,381	623,706
Real estate held for resale	-	60,097	-	-
Total assets	<u>\$ 341,114</u>	<u>\$ 990,689</u>	<u>\$ 75,381</u>	<u>\$ 623,706</u>
Liabilities				
Accounts payable	\$ 267,871	\$ 79,607	\$ 4,919	\$ 72,617
Accrued liabilities	366	6,371	1,810	1,007
Unearned revenue	-	-	-	-
Due to other funds	72,389	-	68,652	550,082
Total liabilities	<u>340,626</u>	<u>85,978</u>	<u>75,381</u>	<u>623,706</u>
Fund balances (deficits)				
Nonspendable:				
Restricted for:				
Culture and recreation	-	-	-	-
Housing and community development	488	287,711	-	-
Public works	-	-	-	-
Public safety	-	617,000	-	-
Total fund balances (deficits)	<u>488</u>	<u>904,711</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 341,114</u>	<u>\$ 990,689</u>	<u>\$ 75,381</u>	<u>\$ 623,706</u>

See accompanying independent auditor's report.

<u>Fire LEOSE</u>	<u>Justice Assistance Grant COVID 2</u>	<u>Police LEOSE</u>	<u>HUD EDI Grant</u>	<u>Grande Clear Source Cable Ordinance</u>	<u>COVID American Rescue Plan</u>	<u>HUD Continuum of Care</u>
\$ 2,043	\$ -	\$ 6,736	\$ 8,753	\$ 85,374	\$ 17,360,343	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	20,144
-	-	-	-	-	-	-
<u>\$ 2,043</u>	<u>\$ -</u>	<u>\$ 6,736</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ 17,360,343</u>	<u>\$ 20,144</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,425
-	-	-	-	-	-	-
-	-	-	-	-	17,360,343	-
-	-	-	-	-	-	7,719
-	-	-	-	-	17,360,343	20,144
-	-	-	-	85,374	-	-
-	-	-	8,753	-	-	-
-	-	-	-	-	-	-
2,043	-	6,736	-	-	-	-
<u>2,043</u>	<u>-</u>	<u>6,736</u>	<u>8,753</u>	<u>85,374</u>	<u>-</u>	<u>-</u>
<u>\$ 2,043</u>	<u>\$ -</u>	<u>\$ 6,736</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ 17,360,343</u>	<u>\$ 20,144</u>

(Continued)

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Funds
September 30, 2021
(With Comparative Totals for September 30, 2020)

	Hazmat Program	HUD HMIS GRANT 2019	HUD HMIS GRANT 2018	SHSP 2019	SHSP 2020
Assets					
Cash and investments	\$ 45,477	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net of allowances	-	-	-	-	-
Due from other funds	-	-	-	-	-
Notes receivable	-	-	-	-	-
Intergovernmental receivable	-	18,064	-	-	32,396
Real estate held for resale	-	-	-	-	-
Total assets	<u>\$ 45,477</u>	<u>\$ 18,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,396</u>
Liabilities					
Accounts payable	\$ -	\$ 6,739	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	11,325	-	-	32,396
Total liabilities	<u>-</u>	<u>18,064</u>	<u>-</u>	<u>-</u>	<u>32,396</u>
Fund balances (deficits)					
Nonspendable:					
Restricted for:					
Culture and recreation	-	-	-	-	-
Housing and community development	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	45,477	-	-	-	-
Total fund balances (deficits)	<u>45,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 45,477</u>	<u>\$ 18,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,396</u>

See accompanying independent auditor's report.

<u>SHSP 2020 Police</u>	<u>STEP Comprehensive</u>	<u>TXDOT MPO FHWA</u>	<u>CJD Family Violence 2020-2021</u>	<u>CJD Family Violence 2021-2022</u>	<u>Brownfields</u>	<u>Tx Anti- Gang Grant 2020-2021</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,968	\$ 4,740	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,836	133,101	2,973	-	-	202,883
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 15,836</u>	<u>\$ 133,101</u>	<u>\$ 2,973</u>	<u>\$ 3,968</u>	<u>\$ 4,740</u>	<u>\$ 202,883</u>
\$ -	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ 2,451
-	-	3,293	-	3,968	-	-
-	-	-	-	-	-	-
-	15,836	129,800	2,973	-	-	200,432
-	15,836	133,101	2,973	3,968	-	202,883
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,740	-
-	-	-	-	-	4,740	-
<u>\$ -</u>	<u>\$ 15,836</u>	<u>\$ 133,101</u>	<u>\$ 2,973</u>	<u>\$ 3,968</u>	<u>\$ 4,740</u>	<u>\$ 202,883</u>

(Continued)

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Funds
September 30, 2021
(With Comparative Totals for September 30, 2020)

	<u>Tx Anti- Gang Grant 2021-2022</u>	<u>Justice Assistance Grant COVID 1</u>	<u>Justice Assistance Grant 2017</u>	<u>Justice Assistance Grant 2019</u>
Assets				
Cash and investments	\$ -	\$ 7,875	\$ -	\$ -
Accounts receivable, net of allowances	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Intergovernmental receivable	42,970	-	8,755	-
Real estate held for resale	-	-	-	-
Total assets	<u>\$ 42,970</u>	<u>\$ 7,875</u>	<u>\$ 8,755</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ 24,604	\$ 7,803	\$ -	\$ -
Accrued liabilities	-	72	-	-
Unearned revenue	-	-	-	-
Due to other funds	<u>18,366</u>	<u>-</u>	<u>8,755</u>	<u>-</u>
Total liabilities	<u>42,970</u>	<u>7,875</u>	<u>8,755</u>	<u>-</u>
Fund balances (deficits)				
Nonspendable:				
Restricted for:				
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Public works	-	-	-	-
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 42,970</u>	<u>\$ 7,875</u>	<u>\$ 8,755</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Library Memorial Fund	Shapley P Ross Memorial Fund	TXDOT TASA Gurley Lane	TXDOT TASA Elm	TXDOT JH Hines	Totals	
					2021	2020
\$ 55,189	\$ 194	\$ -	\$ -	\$ 72,160	\$ 17,966,570	\$ 254,242
-	-	-	-	-	120,317	98,324
-	-	-	606,599	-	606,599	540,000
-	-	-	-	-	268,384	231,272
-	-	-	341,322	-	2,086,818	2,262,147
-	-	-	-	-	60,097	60,097
\$ 55,189	\$ 194	\$ -	\$ 947,921	\$ 72,160	\$ 21,108,785	\$ 3,446,082
\$ -	\$ -	\$ -	\$ 147,745	\$ -	\$ 626,789	\$ 751,335
-	-	-	-	-	16,887	69,904
-	-	-	-	-	17,360,343	-
-	-	-	193,577	-	1,312,302	1,125,051
-	-	-	341,322	-	19,316,321	1,946,290
55,189	194	-	-	-	140,757	129,979
-	-	-	-	-	296,952	246,965
-	-	-	606,599	72,160	678,759	636,582
-	-	-	-	-	675,996	486,266
55,189	194	-	606,599	72,160	1,792,464	1,499,792
\$ 55,189	\$ 194	\$ -	\$ 947,921	\$ 72,160	\$ 21,108,785	\$ 3,446,082

City of Waco, Texas
Sub-Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Grant Funds
Year Ended September 30, 2021
(With Comparative Totals for the Year Ended September 30, 2020)

	HUD Home Program	HUD Community Development Block Grant	HUD Lead Hazard	COVID Emergency Rental Assistance
Revenues:				
Intergovernmental	\$ 656,811	\$ 1,639,918	\$ 398,723	\$ 1,690,672
Program income	8,873	22,660	-	-
Other	-	29,543	-	-
Total revenues	<u>665,684</u>	<u>1,692,121</u>	<u>398,723</u>	<u>1,690,672</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	54,881	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	665,710	1,612,565	398,723	1,690,672
Total expenditures	<u>665,710</u>	<u>1,667,446</u>	<u>398,723</u>	<u>1,690,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26)</u>	<u>24,675</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	175,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>175,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(26)	199,675	-	-
Fund balances, beginning of year	514	705,036	-	-
Fund balances, end of year	<u><u>\$ 488</u></u>	<u><u>\$ 904,711</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

Fire LEOSE	Justice Assistance Grant COVID 2	Police LEOSE	HUD EDI Grant	Grande Clear Source Cable Ordinance	COVID American Rescue Plan	HUD Continuum of Care
\$ -	\$ 202,086	\$ 13,408	\$ -	\$ -	\$ -	\$ 23,028
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	202,086	13,408	-	-	-	23,028
-	-	-	-	-	-	-
-	202,086	18,817	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	23,028
-	202,086	18,817	-	-	-	23,028
-	-	(5,409)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(5,409)	-	-	-	-
2,043	-	12,145	8,753	85,374	-	-
\$ 2,043	\$ -	\$ 6,736	\$ 8,753	\$ 85,374	\$ -	\$ -

(Continued)

City of Waco, Texas
Sub-Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Grant Funds
Year Ended September 30, 2021
(With Comparative Totals for the Year Ended September 30, 2020)

	Hazmat Program	HUD HMIS GRANT 2019	HUD HMIS GRANT 2018	SHSP 2019	SHSP 2020
Revenues:					
Intergovernmental	\$ -	\$ 61,555	\$ 12,002	\$ 12,460	\$ 32,396
Program income	-	2,740	-	-	-
Other	9,007	-	-	-	-
Total revenues	<u>9,007</u>	<u>64,295</u>	<u>12,002</u>	<u>12,460</u>	<u>32,396</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	12,460	32,396
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and community development	-	64,295	12,002	-	-
Total expenditures	<u>-</u>	<u>64,295</u>	<u>12,002</u>	<u>12,460</u>	<u>32,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	36,470	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>36,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	45,477	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-
Fund balances, end of year	<u><u>\$ 45,477</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

SHSP 2020 Police	STEP Comprehensive	TXDOT MPO FHWA	CJD Family Violence 2020-2021	CJD Family Violence 2021-2022	Brownfields	Tx Anti- Gang Grant 2020-2021
\$ 36,881	\$ 63,074	\$ 413,902	\$ 56,706	\$ 2,973	\$ -	\$ 617,561
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>36,881</u>	<u>63,074</u>	<u>413,902</u>	<u>56,706</u>	<u>2,973</u>	<u>-</u>	<u>617,561</u>
-	-	413,902	-	-	-	-
36,881	78,843	-	101,489	4,247	-	617,561
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>36,881</u>	<u>78,843</u>	<u>413,902</u>	<u>101,489</u>	<u>4,247</u>	<u>-</u>	<u>617,561</u>
-	(15,769)	-	(44,783)	(1,274)	-	-
-	15,769	-	44,783	1,274	-	-
-	-	-	-	-	-	-
-	<u>15,769</u>	<u>-</u>	<u>44,783</u>	<u>1,274</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	4,740	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,740</u>	<u>\$ -</u>

(Continued)

City of Waco, Texas

Sub-Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Grant Funds

Year Ended September 30, 2021

(With Comparative Totals for the Year Ended September 30, 2020)

	Tx Anti- Gang Grant 2021-2022	Justice Assistance Grant COVID 1	Justice Assistance Grant 2017	Justice Assistance Grant 2019
Revenues:				
Intergovernmental	\$ 42,970	\$ 39,984	\$ 35,281	\$ 32,059
Program income	-	-	-	-
Other	-	7	-	-
Total revenues	<u>42,970</u>	<u>39,991</u>	<u>35,281</u>	<u>32,059</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	42,970	39,991	35,281	32,059
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Total expenditures	<u>42,970</u>	<u>39,991</u>	<u>35,281</u>	<u>32,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

Library Memorial Fund	Shapley P Ross Memorial Fund	TXDOT TASA Gurley Lane	TXDOT TASA Elm	TXDOT JH Hines	Totals	
					2021	2020
\$ -	\$ -	\$ -	\$ 341,322	\$ -	\$ 6,425,772	\$ 5,084,817
-	-	-	-	-	34,273	75,699
20,104	-	5,336	-	-	63,997	248,839
<u>20,104</u>	<u>-</u>	<u>5,336</u>	<u>341,322</u>	<u>-</u>	<u>6,524,042</u>	<u>5,409,355</u>
-	-	-	-	-	413,902	442,685
-	-	-	-	-	1,309,962	2,304,688
-	-	-	426,653	-	426,653	661,926
9,326	-	-	-	-	9,326	6,526
-	-	-	-	-	4,466,995	2,544,250
<u>9,326</u>	<u>-</u>	<u>-</u>	<u>426,653</u>	<u>-</u>	<u>6,626,838</u>	<u>5,960,075</u>
<u>10,778</u>	<u>-</u>	<u>5,336</u>	<u>(85,331)</u>	<u>-</u>	<u>(102,796)</u>	<u>(550,720)</u>
-	-	-	151,930	72,160	497,386	282,479
-	-	(101,918)	-	-	(101,918)	-
<u>-</u>	<u>-</u>	<u>(101,918)</u>	<u>151,930</u>	<u>72,160</u>	<u>395,468</u>	<u>282,479</u>
10,778	-	(96,582)	66,599	72,160	292,672	(268,241)
44,411	194	96,582	540,000	-	1,499,792	1,768,033
<u>\$ 55,189</u>	<u>\$ 194</u>	<u>\$ -</u>	<u>\$ 606,599</u>	<u>\$ 72,160</u>	<u>\$ 1,792,464</u>	<u>\$ 1,499,792</u>



Waco Public Improvement District No. 1 Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2021 and 2020

	Waco Public Improvement District No. 1 Fund	
	2021	2020
Assets		
Cash and investments	\$ 1,171,532	\$ 1,224,420
Accounts receivable, net of allowance	9,706	10,479
Special assessments receivable	15,267	9,128
Total assets	\$ 1,196,505	\$ 1,244,027
Liabilities		
Accounts payable	\$ 146,809	\$ 86,213
Total liabilities	146,809	86,213
Deferred inflows of resources		
Unavailable revenue-special assessments	15,267	9,128
Total deferred inflows of resources	15,267	9,128
Total liabilities and deferred inflows of resources	162,076	95,341
Fund balance (deficit)		
Restricted for:		
Waco Public Improvement District	1,034,429	1,148,686
Total fund balance (deficit)	1,034,429	1,148,686
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,196,505	\$ 1,244,027

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Waco Public Improvement District No. 1 Fund	
	2021	2020
Revenues:		
Special assessments	\$ 644,776	\$ 630,654
Investment earnings	2,307	12,348
Other	2,433	68,243
Total revenues	649,516	711,245
Expenditures:		
Current:		
General government	763,773	568,800
Total expenditures	763,773	568,800
Excess (deficiency) of revenues over expenditures	(114,257)	142,445
Net change in fund balance	(114,257)	142,445
Fund balance, beginning of year	1,148,686	1,006,241
Fund balance, end of year	\$ 1,034,429	\$ 1,148,686

See accompanying independent auditor's report.



Abandoned Motor Vehicle Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Abandoned Motor Vehicle Fund	
	2021	2020
Assets		
Cash and investments	\$ 949,833	\$ 644,803
Total assets	\$ 949,833	\$ 644,803
Liabilities		
Accounts payable	\$ 485	\$ 14,750
Total liabilities	485	14,750
Fund balance (deficit)		
Restricted for:		
Public safety	949,348	630,053
Total fund balance (deficit)	949,348	630,053
Total liabilities and fund balance	\$ 949,833	\$ 644,803

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Abandoned Motor Vehicle Fund	
	2021	2020
Revenues:		
Fines	\$ 388,998	\$ 303,951
Total revenues	388,998	303,951
Expenditures:		
Current:		
Public safety	19,703	15,218
Total expenditures	19,703	15,218
Excess (deficiency) of revenues over expenditures	369,295	288,733
Other financing sources (uses):		
Transfers out	(50,000)	(420,522)
Total other financing sources (uses)	(50,000)	(420,522)
Net change in fund balance	319,295	(131,789)
Fund balance, beginning of year	630,053	761,842
Fund balance, end of year	\$ 949,348	\$ 630,053

See accompanying independent auditor's report.



Police Forfeitures Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Police Forfeitures Fund	
	2021	2020
Assets		
Cash and investments	\$ 431,308	\$ 302,189
Total assets	\$ 431,308	\$ 302,189
Liabilities		
Accounts payable	\$ 2,280	\$ 2,432
Total liabilities	2,280	2,432
Fund balance (deficit)		
Nonspendable		
Restricted for:		
Public safety	429,028	299,757
Total fund balance (deficit)	429,028	299,757
Total liabilities and fund balance	\$ 431,308	\$ 302,189

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Police Forfeitures Fund	
	2021	2020
Revenues:		
Investment earnings	\$ 717	\$ 3,388
Other	147,395	37,384
Total revenues	148,112	40,772
Expenditures:		
Current:		
Public safety	18,841	66,538
Total expenditures	18,841	66,538
Excess (deficiency) of revenues over expenditures	129,271	(25,766)
Net change in fund balance	129,271	(25,766)
Fund balance, beginning of year	299,757	325,523
Fund balance, end of year	\$ 429,028	\$ 299,757

See accompanying independent auditor's report.



Court Local Municipal Jury Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Court Local Municipal Jury Fund	
	2021	2020
Assets		
Cash and investments	\$ 845	\$ -
Total assets	\$ 845	\$ -
Fund balance (deficit)		
Restricted for:		
Public safety	\$ 845	\$ -
Total fund balance (deficit)	\$ 845	\$ -

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Court Local Municipal Jury Fund	
	2021	2020
Revenues:		
Fines	\$ 845	\$ -
Total revenues	845	-
Expenditures:		
Current:		
Public safety	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	845	-
Net change in fund balance	845	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ 845	\$ -

See accompanying independent auditor's report.



Court Local Truancy Prevention and Diversion Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Court Local Truancy Prevention and Diversion Fund	
	2021	2020
Assets		
Cash and investments	\$ 42,286	\$ -
Total assets	\$ 42,286	\$ -
Fund balance (deficit)		
Restricted for:		
Public safety	\$ 42,286	\$ -
Total fund balance (deficit)	\$ 42,286	\$ -

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Court Local Truancy Prevention and Diversion Fund	
	2021	2020
Revenues:		
Fines	\$ 42,286	\$ -
Total revenues	42,286	-
Expenditures:		
Current:		
Public safety	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	42,286	-
Net change in fund balance	42,286	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ 42,286	\$ -

See accompanying independent auditor's report.



Court Security Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Court Security Fund	
	2021	2020
Assets		
Cash and investments	\$ 66,641	\$ 132,702
Total assets	\$ 66,641	\$ 132,702
Fund balance (deficit)		
Restricted for:		
Public safety	\$ 66,641	\$ 132,702
Total fund balance (deficit)	\$ 66,641	\$ 132,702

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Court Security Fund	
	2021	2020
Revenues:		
Fines	\$ 36,749	\$ 31,911
Total revenues	36,749	31,911
Expenditures:		
Current:		
Public safety	11,305	9,629
Total expenditures	11,305	9,629
Excess (deficiency) of revenues over expenditures	25,444	22,282
Other financing sources (uses):		
Transfers out	(91,505)	(87,203)
Total other financing sources (uses)	(91,505)	(87,203)
Net change in fund balance	(66,061)	(64,921)
Fund balance, beginning of year	132,702	197,623
Fund balance, end of year	\$ 66,641	\$ 132,702

See accompanying independent auditor's report.



Court Technology Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2021 and 2020

	Court Technology Fund	
	2021	2020
Assets		
Cash and investments	\$ 122,048	\$ 110,239
Total assets	\$ 122,048	\$ 110,239
Liabilities		
Accounts payable	\$ 605	\$ 318
Total liabilities	605	318
Fund balance (deficit)		
Restricted for:		
Public safety	121,443	109,921
Total fund balance (deficit)	121,443	109,921
Total liabilities and fund balance	\$ 122,048	\$ 110,239

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Court Technology Fund	
	2021	2020
Revenues:		
Fines	\$ 32,013	\$ 32,384
Total revenues	32,013	32,384
Expenditures:		
Current:		
Public safety	20,491	21,567
Total expenditures	20,491	21,567
Excess (deficiency) of revenues over expenditures	11,522	10,817
Net change in fund balance	11,522	10,817
Fund balance, beginning of year	109,921	99,104
Fund balance, end of year	\$ 121,443	\$ 109,921

See accompanying independent auditor's report.



Hamilton Memorial Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Hamilton Memorial Fund	
	2021	2020
Assets		
Cash and investments	\$ 10,111	\$ 10,076
Total assets	\$ 10,111	\$ 10,076
Fund balance (deficit)		
Restricted for:		
Culture and recreation	\$ 10,111	\$ 10,076
Total fund balance (deficit)	\$ 10,111	\$ 10,076

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Hamilton Memorial Fund	
	2021	2020
Revenues:		
Investment earnings	\$ 35	\$ 208
Total revenues	35	208
Expenditures:		
Current:		
Culture and recreation	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	35	208
Net change in fund balance	35	208
Fund balance, beginning of year	10,076	9,868
Fund balance, end of year	\$ 10,111	\$ 10,076

See accompanying independent auditor's report.



Miss Nellie's Park Maintenance Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2021 and 2020

	Miss Nellie's Park Maintenance Fund	
	2021	2020
Assets		
Cash and investments	\$ 29,546	\$ 29,319
Total assets	\$ 29,546	\$ 29,319
Fund balance (deficit)		
Restricted for:		
Culture and recreation	\$ 29,546	\$ 29,319
Total fund balance (deficit)	\$ 29,546	\$ 29,319

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2021 and 2020

	Miss Nellie's Park Maintenance Fund	
	2021	2020
Revenues:		
Investment earnings	\$ 227	\$ 1,344
Total revenues	227	1,344
Expenditures:		
Current:		
Culture and recreation	-	528
Total expenditures	-	528
Excess (deficiency) of revenues over expenditures	227	816
Net change in fund balance	227	816
Fund balance, beginning of year	29,319	28,503
Fund balance, end of year	\$ 29,546	\$ 29,319

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
Combining Balance Sheets
Nonmajor Debt Service Funds
September 30, 2021
(with Comparative Totals for September 30, 2020)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2021	2020
Assets				
Cash and investments	\$ 4,204	\$ 1,278,138	\$ 1,282,342	\$ 536,336
Taxes receivable	-	463,377	463,377	423,041
Total assets	<u>\$ 4,204</u>	<u>\$ 1,741,515</u>	<u>\$ 1,745,719</u>	<u>\$ 959,377</u>
Deferred inflows of resources				
Unavailable revenue-property taxes	\$ -	\$ 441,772	\$ 441,772	\$ 358,905
Total deferred inflows of resources	<u>-</u>	<u>441,772</u>	<u>441,772</u>	<u>358,905</u>
Fund balances (deficits)				
Restricted for:				
Debt service	4,204	1,299,743	1,303,947	600,472
Total fund balances (deficits)	<u>4,204</u>	<u>1,299,743</u>	<u>1,303,947</u>	<u>600,472</u>
Total deferred inflows of resources and fund balances	<u>\$ 4,204</u>	<u>\$ 1,741,515</u>	<u>\$ 1,745,719</u>	<u>\$ 959,377</u>

See accompanying independent auditor's report.

City of Waco, Texas

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Debt Service Funds

Year Ended September 30, 2021

(with Comparative Totals for September 30, 2020)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2021	2020
Revenues:				
Taxes	\$ -	\$ 13,816,481	\$ 13,816,481	\$ 11,109,750
Investment earnings	-	4,020	4,020	17,904
Total revenues	<u>-</u>	<u>13,820,501</u>	<u>13,820,501</u>	<u>11,127,654</u>
Expenditures:				
Current:				
Debt service:				
Principal	-	8,780,000	8,780,000	7,590,000
Interest and fiscal charges	-	5,144,979	5,144,979	4,553,085
Bond issuance costs	-	160,006	160,006	123,993
Total expenditures	<u>-</u>	<u>14,084,985</u>	<u>14,084,985</u>	<u>12,267,078</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(264,484)</u>	<u>(264,484)</u>	<u>(1,139,424)</u>
Other financing sources (uses):				
Refunding bonds issued	-	3,155,000	3,155,000	-
Payment to refunded bond escrow agent	-	(3,539,057)	(3,539,057)	-
Premium on refunding bonds	-	350,193	350,193	-
General obligation bonds issued	-	131,223	131,223	120,234
Premium on general obligation bonds	-	5,574	5,574	11,707
Transfers in	-	865,026	865,026	865,326
Total other financing sources (uses)	<u>-</u>	<u>967,959</u>	<u>967,959</u>	<u>997,267</u>
Net change in fund balances	-	703,475	703,475	(142,157)
Fund balances, beginning of year	4,204	596,268	600,472	742,629
Fund balances, end of year	<u>\$ 4,204</u>	<u>\$ 1,299,743</u>	<u>\$ 1,303,947</u>	<u>\$ 600,472</u>

See accompanying independent auditor's report.

City of Waco, Texas
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Obligation Debt Fund
For the Year Ended September 30, 2021
(With Comparative Totals for the Year Ended September 30, 2020)

	Budgeted Amounts		2021	Variance with	2020
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Property taxes	\$ 13,320,567	13,320,567	13,816,481	495,914	11,109,750
Investment earnings	13,340	13,340	4,020	(9,320)	17,904
Total revenues	<u>13,333,907</u>	<u>13,333,907</u>	<u>13,820,501</u>	<u>486,594</u>	<u>11,127,654</u>
Expenditures:					
Debt service:					
Principal	8,780,000	8,780,000	8,780,000	-	7,590,000
Interest and fiscal charges	5,203,534	5,146,461	5,144,979	1,482	4,553,085
Bond issuance costs	-	160,006	160,006	-	123,993
Total expenditures	<u>13,983,534</u>	<u>14,086,467</u>	<u>14,084,985</u>	<u>1,482</u>	<u>12,267,078</u>
Excess (deficiency) of revenues under expenditures	<u>(649,627)</u>	<u>(752,560)</u>	<u>(264,484)</u>	<u>488,076</u>	<u>(1,139,424)</u>
Other financing sources (uses):					
Refunding bonds issued	-	3,505,193	3,155,000	(350,193)	-
Payment to refunded bond escrow agent	-	(3,539,057)	(3,539,057)	-	-
Premium on refunding bonds	-	-	350,193	350,193	-
General obligation bonds issued	-	136,797	131,223	(5,574)	120,234
Premium on general obligation bonds	-	-	5,574	5,574	11,707
Transfers in	865,027	865,027	865,026	(1)	865,326
Total other financing sources (uses)	<u>865,027</u>	<u>967,960</u>	<u>967,959</u>	<u>(1)</u>	<u>997,267</u>
Net change in fund balance	215,400	215,400	703,475	488,075	(142,157)
Fund balance, beginning of year	<u>596,268</u>	<u>596,268</u>	<u>596,268</u>	<u>-</u>	<u>738,425</u>
Fund balance, end of year	<u>\$ 811,668</u>	<u>811,668</u>	<u>1,299,743</u>	<u>488,075</u>	<u>596,268</u>

See accompanying independent auditors' report.

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

2015 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
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2021
(With Comparative Totals for September 30, 2020)

	Capital Improvement Fund	Equipment Replacement Fund	Street Improvement Fund	Special Projects Reserve Fund
Assets				
Cash and investments	\$ 12,478,324	\$ 1,500,000	\$ 50,155,790	\$ 17,421,505
Due from other funds	1,470,529	-	-	-
Advances to other funds	168,368	-	-	-
Total assets	<u>\$ 14,117,221</u>	<u>\$ 1,500,000</u>	<u>\$ 50,155,790</u>	<u>\$ 17,421,505</u>
Liabilities				
Accounts payable	\$ 1,343,525	\$ -	\$ 2,003,064	\$ -
Accrued liabilities	358,969	-	789,149	-
Due to other funds	-	-	-	-
Escrow funds	-	-	-	-
Total liabilities	<u>1,702,494</u>	<u>-</u>	<u>2,792,213</u>	<u>-</u>
Fund balances (deficits)				
Restricted for:				
Capital projects	168,368	-	41,252,124	-
Committed to:				
Capital projects	12,246,359	1,500,000	6,111,453	17,421,505
Total fund balances (deficits)	<u>12,414,727</u>	<u>1,500,000</u>	<u>47,363,577</u>	<u>17,421,505</u>
Total liabilities and fund balances (deficits)	<u>\$ 14,117,221</u>	<u>\$ 1,500,000</u>	<u>\$ 50,155,790</u>	<u>\$ 17,421,505</u>

See accompanying independent auditor's report.

2021/2020 Bond Issue Fund	2019 Bond Issue Fund	2018 Bond Issue Fund	2017 Bond Issue Fund	2016 Bond Issue Fund	Totals	
					2021	2020
\$ 7,300,619	\$ 4,192,489	\$ 3,347,440	\$ 1,053,946	\$ 101,509	\$ 97,551,622	\$ 65,585,193
-	-	-	-	-	1,470,529	10,049,316
-	-	-	-	-	168,368	168,368
\$ 7,300,619	\$ 4,192,489	\$ 3,347,440	\$ 1,053,946	\$ 101,509	\$ 99,190,519	\$ 75,802,877
\$ 179,208	\$ 167,802	\$ 4,200	\$ 87,638	\$ -	\$ 3,785,437	\$ 1,667,803
-	346,823	-	6,951	-	1,501,892	245,104
-	-	1,470,529	-	-	1,470,529	2,144,316
-	-	-	-	-	-	113,464
179,208	514,625	1,474,729	94,589	-	6,757,858	4,170,687
7,121,411	3,677,864	1,872,711	959,357	101,509	55,153,344	50,835,124
-	-	-	-	-	37,279,317	20,797,066
7,121,411	3,677,864	1,872,711	959,357	101,509	92,432,661	71,632,190
\$ 7,300,619	\$ 4,192,489	\$ 3,347,440	\$ 1,053,946	\$ 101,509	\$ 99,190,519	\$ 75,802,877

City of Waco, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended September 30, 2021
 (With Comparative Totals for the Year Ended September 30, 2020)

	Capital Improvement Fund	Equipment Replacement Fund	Street Improvement Fund	Special Projects Reserve Fund
Revenues:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Capital outlay	9,812,432	-	17,295,623	27,000
Total expenditures	<u>9,812,432</u>	<u>-</u>	<u>17,295,623</u>	<u>27,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,812,432)</u>	<u>-</u>	<u>(17,295,623)</u>	<u>(27,000)</u>
Other financing sources (uses):				
General obligation bonds issued	-	-	27,928,777	-
Premium on general obligation bonds	-	-	1,224,623	-
Capital lease proceeds	5,000,000	-	-	-
Transfers in	2,420,000	-	5,201,195	17,448,505
Transfers out	-	-	(72,160)	-
Total other financing sources (uses)	<u>7,420,000</u>	<u>-</u>	<u>34,282,435</u>	<u>17,448,505</u>
Net change in fund balances	(2,392,432)	-	16,986,812	17,421,505
Fund balances, beginning of year	14,807,159	1,500,000	30,376,765	-
Fund balances, end of year	<u>\$ 12,414,727</u>	<u>\$ 1,500,000</u>	<u>\$ 47,363,577</u>	<u>\$ 17,421,505</u>

See accompanying independent auditor's report.

2021/2020 Bond Issue Fund	2019 Bond Issue Fund	2018 Bond Issue Fund	2017 Bond Issue Fund	2016 Bond Issue Fund	Totals	
					2021	2020
\$ 179,753	\$ 70,730	\$ 56,606	\$ 6,066	\$ 4,249	\$ 317,404	\$ 2,129,274
-	-	-	-	-	-	50,000
<u>179,753</u>	<u>70,730</u>	<u>56,606</u>	<u>6,066</u>	<u>4,249</u>	<u>317,404</u>	<u>2,179,274</u>
885,412	3,488,302	6,153,910	175,194	-	37,837,873	21,821,248
<u>885,412</u>	<u>3,488,302</u>	<u>6,153,910</u>	<u>175,194</u>	<u>-</u>	<u>37,837,873</u>	<u>21,821,248</u>
(705,659)	(3,417,572)	(6,097,304)	(169,128)	4,249	(37,520,469)	(19,641,974)
900,000	-	-	-	-	28,828,777	26,089,766
-	-	-	-	-	1,224,623	2,540,234
-	-	-	-	-	5,000,000	-
-	-	-	-	-	25,069,700	19,369,480
-	-	(1,533,970)	(187,630)	(8,400)	(1,802,160)	(4,830,000)
<u>900,000</u>	<u>-</u>	<u>(1,533,970)</u>	<u>(187,630)</u>	<u>(8,400)</u>	<u>58,320,940</u>	<u>43,169,480</u>
194,341	(3,417,572)	(7,631,274)	(356,758)	(4,151)	20,800,471	23,527,506
6,927,070	7,095,436	9,503,985	1,316,115	105,660	71,632,190	48,104,684
<u>\$ 7,121,411</u>	<u>\$ 3,677,864</u>	<u>\$ 1,872,711</u>	<u>\$ 959,357</u>	<u>\$ 101,509</u>	<u>\$ 92,432,661</u>	<u>\$ 71,632,190</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

Combining Balance Sheet

Nonmajor Permanent Funds

September 30, 2021

(With Comparative Totals for September 30, 2020)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2021	2020
Assets					
Cash and investments	\$ 216,896	\$ 10,000	\$ 100,000	\$ 326,896	\$ 381,019
Total assets	\$ 216,896	\$ 10,000	\$ 100,000	\$ 326,896	\$ 381,019
Fund balances (deficits)					
Restricted for:					
Parks and cemetery care	\$ 216,896	\$ 10,000	\$ 100,000	\$ 326,896	\$ 381,019
Total fund balances (deficits)	\$ 216,896	\$ 10,000	\$ 100,000	\$ 326,896	\$ 381,019

See accompanying independent auditor's report.

City of Waco, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Permanent Funds

For the Year Ended September 30, 2021

(With Comparative Totals for Year Ended September 30, 2020)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2021	2020
Revenues:					
Investment earnings	\$ 392	\$ -	\$ -	\$ 392	\$ 2,810
Total revenues	392	-	-	392	2,810
Expenditures:					
Current:					
General government	54,515	-	-	54,515	-
Total expenditures	54,515	-	-	54,515	-
Excess (deficiency) of revenues over (under) expenditures	(54,123)	-	-	(54,123)	2,810
Net change in fund balances	(54,123)	-	-	(54,123)	2,810
Fund balances, beginning of year	271,019	10,000	100,000	381,019	378,209
Fund balances, end of year	\$ 216,896	\$ 10,000	\$ 100,000	\$ 326,896	\$ 381,019

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
Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2021 and 2020

	Water Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 45,621,463	\$ 42,949,857
Accounts receivable, net of allowance	6,697,880	6,519,460
Prepaid items	313,536	331,329
Intergovernmental receivable	666,324	491,962
Restricted cash and investments	5,001,637	6,632,529
Inventory	258,794	257,910
Total current assets	58,559,634	57,183,047
Noncurrent assets:		
Restricted cash and investments	51,588,088	50,533,448
Advances to other funds	525,336	525,336
Capital assets:		
Land	3,180,914	3,180,914
Buildings	10,457,345	10,073,953
Improvements other than buildings	358,318,718	345,850,339
Equipment	10,190,509	10,229,129
Construction work in progress	47,472,380	29,459,353
Intangible water rights	32,482,879	32,482,879
Less: accumulated depreciation	(175,449,748)	(164,982,915)
Total noncurrent assets	338,766,421	317,352,436
Total assets	397,326,055	374,535,483
Deferred outflows of resources		
Deferred losses on refundings of debt	1,700,368	1,948,620
Deferred outflows on pension liability	840,485	862,808
Total deferred outflows of resources	2,540,853	2,811,428
Total assets and deferred outflows of resources	\$ 399,866,908	\$ 377,346,911

See accompanying independent auditor's report.

	<u>2021</u>	<u>2020</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 519,498	\$ 761,059
Accrued liabilities	631,880	963,773
Compensated absences payable	748,679	773,237
Refundable contracts	92,588	530,653
Notes payable	98,348	94,166
Revenue bonds payable	12,445,000	12,235,000
Accrued interest payable	1,677,676	1,533,445
Current liabilities payable from restricted assets:		
Accounts payable	1,842,529	3,515,052
Customer deposits	3,159,108	3,117,477
Total current liabilities	<u>21,215,306</u>	<u>23,523,862</u>
Noncurrent liabilities:		
Refundable contracts	906,653	561,176
Compensated absences payable	697,282	512,516
Bonds payable	206,059,528	198,858,649
Notes payable	1,219,301	1,317,650
Net pension liability	2,770,521	3,189,292
Total noncurrent liabilities	<u>211,653,285</u>	<u>204,439,283</u>
Total liabilities	<u>232,868,591</u>	<u>227,963,145</u>
Deferred inflows of resources		
Deferred inflows on pension liability	814,123	887,136
Total deferred inflows of resources	<u>814,123</u>	<u>887,136</u>
Total liabilities and deferred inflows of resources	<u>233,682,714</u>	<u>228,850,281</u>
Net position		
Net investment in capital assets	119,120,035	105,178,426
Unrestricted	47,064,159	43,318,204
Total net position	<u>\$ 166,184,194</u>	<u>\$ 148,496,630</u>

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Major Enterprise Funds
Years Ended September 30, 2021 and 2020

	Water Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 51,801,140	\$ 52,383,210
Other	647,658	727,621
Total operating revenues	<u>52,448,798</u>	<u>53,110,831</u>
Operating expenses:		
Salaries and wages	5,302,979	5,381,938
Employee benefits	1,726,615	2,283,371
Purchased professional/technical services	1,758,053	2,093,061
Purchased property services	183,521	168,856
Maintenance	3,491,026	3,285,735
Other purchased services	1,312,330	1,421,543
Supplies	4,266,742	4,557,168
Other	5,540,638	5,080,087
Depreciation	11,252,920	10,912,032
Total operating expenses	<u>34,834,824</u>	<u>35,183,791</u>
Operating income (loss)	<u>17,613,974</u>	<u>17,927,040</u>
Nonoperating revenues (expenses):		
Investment earnings	80,870	474,308
Other income	-	50
Intergovernmental revenue	411,859	258,577
Bond issuance costs	(233,395)	(88,796)
Interest expense and fiscal charges	(5,369,942)	(5,798,554)
Total nonoperating revenues (expenses)	<u>(5,110,608)</u>	<u>(5,154,415)</u>
Income (loss) before contributions and transfers	12,503,366	12,772,625
Capital contributions	8,847,195	1,829,961
Transfers in	145,042	250,000
Transfers out	(3,808,039)	(3,635,062)
Change in net position	17,687,564	11,217,524
Total net position, beginning of year	148,496,630	137,279,106
Total net position, end of year	<u>\$ 166,184,194</u>	<u>\$ 148,496,630</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2021 and 2020

	Water Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 52,312,009	\$ 53,878,733
Cash paid to suppliers for goods and services	(16,847,971)	(16,563,303)
Cash paid to employees for services	(7,599,731)	(7,360,983)
Net cash provided by (used for) operating activities	<u>27,864,307</u>	<u>29,954,447</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenue	411,859	258,577
Contributions	(174,362)	(258,577)
Transfers from other funds	145,042	-
Transfers to other funds	(3,808,039)	(3,635,062)
Net cash provided by (used for) noncapital financing activities	<u>(3,425,500)</u>	<u>(3,635,062)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(24,531,760)	(18,343,607)
Proceeds from sale of debt	21,643,581	20,507,116
Payments of refundable contracts	(92,588)	(530,652)
Principal paid on debt	(12,235,000)	(11,495,000)
Interest paid on debt	(7,208,556)	(7,429,410)
Transfers from other funds	-	250,000
Net cash provided by (used for) capital and related financing activities	<u>(22,424,323)</u>	<u>(17,041,553)</u>
Cash flows from investing activities:		
Rental revenue	-	50
Investment earnings	80,870	474,308
Net cash provided by (used for) investing activities	<u>80,870</u>	<u>474,358</u>
Net increase (decrease) in cash and cash equivalents	2,095,354	9,752,190
Cash and cash equivalents, beginning of year	100,115,834	90,363,644
Cash and cash equivalents, end of year	<u>\$ 102,211,188</u>	<u>\$ 100,115,834</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 17,613,974	\$ 17,927,040
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	97,040	76,646
Depreciation	11,252,920	10,912,032
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(275,460)	724,045
Prepaid items	17,793	(57,014)
Inventory	(884)	(40,987)
Increase (decrease) in liabilities:		
Accounts payable	(241,561)	162,189
Accrued liabilities	(331,893)	60,104
Compensated absences payable	160,208	121,279
Net pension liability	(469,461)	101,902
Customer deposits	41,631	(32,789)
Net cash provided by (used for) operating activities	<u>\$ 27,864,307</u>	<u>\$ 29,954,447</u>
Schedule of Noncash capital and related financing activities:		
Contributions of capital assets	<u>\$ 8,847,195</u>	<u>\$ 1,774,710</u>
Assets acquired through refundable contracts	<u>\$ -</u>	<u>\$ 55,251</u>
Proceeds of refunding bonds used for payment to refunded bond escrow agent	<u>\$ 20,049,628</u>	<u>\$ -</u>

See accompanying independent auditor's report.



Wastewater Fund

City of Waco, Texas
Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2021 and 2020

	Wastewater Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 40,917,535	\$ 35,564,202
Accounts receivable, net of allowance	4,514,500	4,553,629
Intergovernmental receivable	364,428	647,984
Restricted cash and investments	1,888,402	5,836,639
Inventory	46,133	27,754
Total current assets	47,730,998	46,630,208
Noncurrent assets:		
Restricted cash and investments	79,615,703	73,759,311
Capital assets:		
Land	3,361,999	3,361,999
Buildings	11,818,016	11,553,195
Improvements other than buildings	188,966,952	176,283,796
Equipment	13,571,644	13,585,073
Construction work in progress	76,310,990	61,544,778
Less: accumulated depreciation	(85,008,621)	(78,290,443)
Total noncurrent assets	288,636,683	261,797,709
Total assets	336,367,681	308,427,917
Deferred outflows of resources		
Deferred losses on refundings of debt	481,222	633,255
Deferred outflows on pension liability	560,324	575,206
Total deferred outflows of resources	1,041,546	1,208,461
Total assets and deferred outflows of resources	\$ 337,409,227	\$ 309,636,378

See accompanying independent auditor's report.

	<u>2021</u>	<u>2020</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 630,469	\$ 1,061,548
Accrued liabilities	664,090	285,090
Compensated absences payable	338,181	309,283
Revenue bonds payable	9,140,000	8,540,000
Accrued interest payable	1,253,939	1,232,526
Current liabilities payable from restricted assets:		
Accounts payable	1,888,402	5,836,639
Total current liabilities	<u>13,915,081</u>	<u>17,265,086</u>
Noncurrent liabilities:		
Refundable contracts	192,542	192,542
Compensated absences payable	236,913	178,361
Bonds payable	169,431,032	158,534,321
Net pension liability	1,847,013	2,126,194
Total noncurrent liabilities	<u>171,707,500</u>	<u>161,031,418</u>
Total liabilities	<u>185,622,581</u>	<u>178,296,504</u>
Deferred inflows of resources		
Deferred inflows on pension liability	542,750	591,425
Total deferred inflows of resources	<u>542,750</u>	<u>591,425</u>
Total liabilities and deferred inflows of resources	<u>186,165,331</u>	<u>178,887,929</u>
Net position		
Net investment in capital assets	110,354,331	95,164,101
Unrestricted	40,889,565	35,584,348
Total net position	<u>\$ 151,243,896</u>	<u>\$ 130,748,449</u>

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Major Enterprise Funds
Years Ended September 30, 2021 and 2020

	Wastewater Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 41,396,970	\$ 37,639,693
Other	782,561	645,125
Total operating revenues	<u>42,179,531</u>	<u>38,284,818</u>
Operating expenses:		
Salaries and wages	3,843,610	3,594,631
Employee benefits	1,197,132	1,477,501
Purchased professional/technical services	1,804,206	2,049,031
Purchased property services	104,734	91,675
Maintenance	3,119,557	2,750,824
Other purchased services	406,932	354,744
Supplies	2,747,399	2,669,199
Other	5,125,952	4,913,635
Depreciation	7,178,629	6,838,111
Total operating expenses	<u>25,528,151</u>	<u>24,739,351</u>
Operating income (loss)	<u>16,651,380</u>	<u>13,545,467</u>
Nonoperating revenues (expenses):		
Investment earnings	75,422	412,060
Other income	65,884	24,547
Intergovernmental revenue	214,969	513,898
Bond issuance costs	(103,168)	(64,953)
Interest expense and fiscal charges	(4,461,370)	(4,480,133)
Gain (loss) on disposal of capital assets	(50,278)	-
Total nonoperating revenues (expenses)	<u>(4,258,541)</u>	<u>(3,594,581)</u>
Income (loss) before contributions and transfers	12,392,839	9,950,886
Capital contributions	8,926,428	1,886,839
Special item: Gain on termination of agreement	-	29,769,651
Transfers in	233,395	250,000
Transfers out	(1,057,215)	(1,029,531)
Change in net position	20,495,447	40,827,845
Total net position, beginning of year	130,748,449	89,920,604
Total net position, end of year	<u>\$ 151,243,896</u>	<u>\$ 130,748,449</u>

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statement of Cash Flows
 Major Enterprise Funds
 Years Ended September 30, 2021 and 2020

	Wastewater Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 42,218,660	\$ 38,162,267
Cash paid to suppliers for goods and services	(13,340,686)	(12,620,251)
Cash paid to employees for services	(5,304,818)	(4,936,504)
Net cash provided by (used for) operating activities	23,573,156	20,605,512
Cash flows from noncapital financing activities:		
Intergovernmental revenue	498,525	-
Other nonoperating income	65,884	24,547
Transfers from other funds	233,395	-
Transfers to other funds	(1,057,215)	(1,029,531)
Net cash provided by (used for) noncapital financing activities	(259,411)	(1,004,984)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(23,233,298)	(23,629,334)
Proceeds from sale of debt	21,776,871	15,000,148
Transfer from other funds	-	250,000
Principal paid on debt	(8,540,000)	(8,120,000)
Interest paid on debt	(6,131,252)	(6,159,924)
Net cash provided by (used for) capital and related financing activities	(16,127,679)	(22,659,110)
Cash flows from investing activities:		
Investment earnings	75,422	412,060
Net cash provided by (used for) investing activities	75,422	412,060
Net increase (decrease) in cash and cash equivalents	7,261,488	(2,646,522)
Cash and cash equivalents, beginning of year	115,160,152	117,806,674
Cash and cash equivalents, end of year	\$ 122,421,640	\$ 115,160,152
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 16,651,380	\$ 13,545,467
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	71,712	64,917
Depreciation	7,178,629	6,838,111
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(32,583)	(187,468)
Inventory	(18,379)	(13,427)
Increase (decrease) in liabilities:		
Accounts payable	(431,079)	229,431
Accrued liabilities	379,000	(63,100)
Compensated absences payable	87,450	123,646
Net pension liability	(312,974)	67,935
Net cash provided by (used for) operating activities	\$ 23,573,156	\$ 20,605,512
Schedule of Noncash capital and related financing activities:		
Contributions of capital assets	\$ 8,926,428	\$ 1,886,839
Contributions of capital assets conveyance from termination of agreement	\$ -	\$ 25,326,864
Proceeds of refunding bonds used for payment to refunded bond escrow agent	\$ 1,150,072	\$ -



Solid Waste Fund

City of Waco, Texas
Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2021 and 2020

	Solid Waste Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 16,021,656	\$ 15,296,490
Accounts receivable, net of allowance	2,358,637	2,052,381
Restricted cash and investments	4,520	-
Total current assets	18,384,813	17,348,871
Noncurrent assets:		
Restricted cash and investments	3,584,662	237,257
Capital assets		
Land	8,258,110	7,157,215
Buildings	1,370,137	1,370,137
Improvements other than buildings	30,876,058	30,876,058
Equipment	24,272,948	23,358,132
Construction work in progress	2,727,526	3,521,508
Less: accumulated depreciation	(46,382,257)	(44,906,461)
Total noncurrent assets	24,707,184	21,613,846
Total assets	43,091,997	38,962,717
Deferred outflows of resources		
Deferred outflows on pension liability	560,324	575,206
Total deferred outflows of resources	560,324	575,206
Total assets and deferred outflows of resources	\$ 43,652,321	\$ 39,537,923

See accompanying independent auditor's report.

	<u>2021</u>	<u>2020</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 548,389	\$ 1,066,799
Accrued liabilities	212,417	481,567
Compensated absences payable	532,317	406,301
Revenue bonds payable	1,140,000	1,195,000
Accrued interest payable	94,152	26,567
Current liabilities payable from restricted assets:		
Accounts payable	4,520	-
Total current liabilities	<u>2,531,795</u>	<u>3,176,234</u>
Noncurrent liabilities:		
Estimated landfill closure and post-closure care costs	6,552,888	6,254,242
Compensated absences payable	478,557	474,273
Bonds payable	7,274,030	2,322,461
Net pension liability	1,847,013	2,126,194
Total noncurrent liabilities	<u>16,152,488</u>	<u>11,177,170</u>
Total liabilities	<u>18,684,283</u>	<u>14,353,404</u>
Deferred inflows of resources		
Deferred inflows on pension liability	542,750	591,425
Total deferred inflows of resources	<u>542,750</u>	<u>591,425</u>
Total liabilities and deferred inflows of resources	<u>19,227,033</u>	<u>14,944,829</u>
Net position		
Net investment in capital assets	16,293,154	18,096,385
Unrestricted	8,132,134	6,496,709
Total net position	<u>\$ 24,425,288</u>	<u>\$ 24,593,094</u>

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Major Enterprise Funds
Years Ended September 30, 2021 and 2020

	Solid Waste Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 22,822,574	\$ 21,604,791
Other	314,741	86,712
Total operating revenues	23,137,315	21,691,503
Operating expenses:		
Salaries and wages	4,299,205	4,001,338
Employee benefits	1,562,981	1,828,242
Purchased professional/technical services	2,805,600	2,996,754
Purchased property services	44,436	27,594
Maintenance	2,973,264	2,692,330
Other purchased services	411,409	227,312
Supplies	2,242,469	1,980,764
Other	4,191,318	4,028,028
Depreciation	3,119,482	3,540,654
Total operating expenses	21,650,164	21,323,016
Operating income (loss)	1,487,151	368,487
Nonoperating revenues (expenses):		
Investment earnings	26,382	160,680
Intergovernmental revenue	20,000	-
Bond issuance costs	(57,231)	-
Interest expense and fiscal charges	(86,507)	(66,336)
Gain (loss) on disposal of capital assets	(1,166,244)	190,081
Total nonoperating revenues (expenses)	(1,263,600)	284,425
Income (loss) before contributions and transfers	223,551	652,912
Transfers in	96,930	-
Transfers out	(488,287)	(420,161)
Change in net position	(167,806)	232,751
Total net position, beginning of year	24,593,094	24,360,343
Total net position, end of year	\$ 24,425,288	\$ 24,593,094

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2021 and 2020

	Solid Waste Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 22,831,059	\$ 21,717,493
Cash paid to suppliers for goods and services	(13,277,805)	(10,911,987)
Cash paid to employees for services	(5,924,465)	(5,526,397)
Net cash provided by (used for) operating activities	3,628,789	5,279,109
Cash flows from noncapital financing activities:		
Intergovernmental revenue	20,000	-
Transfers from other funds	96,930	-
Transfers to other funds	(488,287)	(420,161)
Net cash provided by (used for) noncapital financing activities	(371,357)	(420,161)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(4,027,139)	(3,832,082)
Proceeds from disposal of capital assets	-	190,081
Principal paid on debt	(1,195,000)	(1,035,000)
Interest paid on debt	(134,584)	(223,351)
Proceeds from sale of debt	6,207,231	-
Payment of bond issuance costs	(57,231)	-
Net cash provided by (used for) capital and related financing activities	793,277	(4,900,352)
Cash flows from investing activities:		
Investment earnings	26,382	160,680
Net cash provided by (used for) investing activities	26,382	160,680
Net increase (decrease) in cash and cash equivalents	4,077,091	119,276
Cash and cash equivalents, beginning of year	15,533,747	15,414,471
Cash and cash equivalents, end of year	\$ 19,610,838	\$ 15,533,747
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 1,487,151	\$ 368,487
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	43,780	22,124
Depreciation	3,119,482	3,540,654
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(350,036)	3,866
Increase (decrease) in liabilities:		
Accounts payable	(518,410)	589,388
Accrued liabilities	(269,150)	169,942
Estimated landfill closure and post-closure care costs	298,646	293,350
Compensated absences payable	130,300	223,363
Net pension liability	(312,974)	67,935
Net cash provided by (used for) operating activities	\$ 3,628,789	\$ 5,279,109

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.

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

City of Waco, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021
(With Comparative Totals for September 30, 2020)

	<u>Airport Fund</u>	<u>Convention Services Fund</u>	<u>Ranger Hall of Fame Fund</u>	<u>Cameron Park Zoo Fund</u>
Assets				
Current assets:				
Cash and investments	\$ 1,258,325	\$ 5,713,572	\$ 787,871	\$ 2,360,188
Accounts receivable, net of allowances	39,405	511,576	-	-
Intergovernmental receivable	2,049,586	-	-	472,672
Inventories	-	63,640	77,186	181,253
Total current assets	<u>3,347,316</u>	<u>6,288,788</u>	<u>865,057</u>	<u>3,014,113</u>
Noncurrent assets:				
Restricted cash and investments	-	-	138,075	-
Capital assets:				
Land	2,977,470	-	-	-
Buildings	15,625,930	27,182,675	3,720,747	9,513,244
Improvements other than buildings	47,714,906	555,845	418,768	19,088,891
Equipment	2,209,054	1,575,706	491,684	679,529
Museum collections	-	-	2,287,924	-
Construction work in progress	1,248,572	-	-	498,598
Less: accumulated depreciation	<u>(39,329,551)</u>	<u>(13,884,206)</u>	<u>(2,134,136)</u>	<u>(22,244,731)</u>
Total noncurrent assets	<u>30,446,381</u>	<u>15,430,020</u>	<u>4,923,062</u>	<u>7,535,531</u>
Total assets	<u>33,793,697</u>	<u>21,718,808</u>	<u>5,788,119</u>	<u>10,549,644</u>
Liabilities				
Current liabilities:				
Accounts payable	293,958	36,900	6,495	130,907
Accrued liabilities	22,096	46,714	17,818	81,201
Unearned revenue	-	102,374	-	53,680
Due to other funds	-	-	-	-
Compensated absences payable	81,787	117,414	153,688	306,019
Total current liabilities	<u>397,841</u>	<u>303,402</u>	<u>178,001</u>	<u>571,807</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Compensated absences payable	1,113	-	41,635	144,801
Total noncurrent liabilities	<u>1,113</u>	<u>-</u>	<u>41,635</u>	<u>144,801</u>
Total liabilities	<u>398,954</u>	<u>303,402</u>	<u>219,636</u>	<u>716,608</u>
Net position				
Net investment in capital assets	30,446,381	15,430,020	4,784,987	7,535,531
Restricted for:				
Capital projects	364,086	-	257,726	-
Unrestricted	2,584,276	5,985,386	525,770	2,297,505
Total net position	<u>\$ 33,394,743</u>	<u>\$ 21,415,406</u>	<u>\$ 5,568,483</u>	<u>\$ 9,833,036</u>

See accompanying independent auditor's report.

Transit Services Fund	Cottonwood Creek Golf Course Fund	Stormwater (Drainage) Utility Fund	Totals	
			2021	2020
\$ -	\$ 1,657,881	\$ 382,721	\$ 12,160,558	\$ 7,517,813
244,484	300	-	795,765	556,189
1,074,150	-	-	3,596,408	5,589,898
543,183	217,543	-	1,082,805	1,020,036
<u>1,861,817</u>	<u>1,875,724</u>	<u>382,721</u>	<u>17,635,536</u>	<u>14,683,936</u>
-	-	-	138,075	122,413
423,284	-	-	3,400,754	3,400,754
6,919,608	713,389	-	63,675,593	62,075,851
244,951	2,017,246	-	70,040,607	68,187,299
12,901,314	1,340,725	-	19,198,012	20,244,962
-	-	-	2,287,924	2,274,424
1,161,445	-	-	2,908,615	1,556,933
(14,254,420)	(3,454,550)	-	(95,301,594)	(90,620,812)
<u>7,396,182</u>	<u>616,810</u>	<u>-</u>	<u>66,347,986</u>	<u>67,241,824</u>
<u>9,257,999</u>	<u>2,492,534</u>	<u>382,721</u>	<u>83,983,522</u>	<u>81,925,760</u>
168,302	34,169	52,759	723,490	399,062
291,116	596,808	3,254	1,059,007	1,226,663
13,750	-	-	169,804	170,237
573,143	-	-	573,143	1,878,223
-	48,482	3,201	710,591	586,369
<u>1,046,311</u>	<u>679,459</u>	<u>59,214</u>	<u>3,236,035</u>	<u>4,260,554</u>
-	693,704	-	693,704	693,704
-	133,189	-	320,738	451,950
-	826,893	-	1,014,442	1,145,654
<u>1,046,311</u>	<u>1,506,352</u>	<u>59,214</u>	<u>4,250,477</u>	<u>5,406,208</u>
7,396,182	616,810	-	66,209,911	67,119,411
460,865	-	-	1,082,677	1,006,408
354,641	369,372	323,507	12,440,457	8,393,733
<u>\$ 8,211,688</u>	<u>\$ 986,182</u>	<u>\$ 323,507</u>	<u>\$ 79,733,045</u>	<u>\$ 76,519,552</u>

City of Waco, Texas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended September 30, 2021
(With Comparative Totals for the Year Ended September 30, 2020)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund	Cameron Park Zoo Fund
Operating revenues:				
Charges for services	\$ 623,861	\$ 405,591	\$ 340,727	\$ 2,539,845
Net merchandise sales	-	27,722	144,295	762,185
Contributions	-	40,343	-	241
Other	240,185	25,331	10,953	42,508
Total operating revenues	<u>864,046</u>	<u>498,987</u>	<u>495,975</u>	<u>3,344,779</u>
Operating expenses:				
Salaries and wages	537,843	756,444	791,137	2,041,455
Employee benefits	225,798	355,121	291,314	883,447
Purchased professional/technical services	194,679	113,699	259,662	159,626
Purchased property services	22,302	30,803	10,406	463,710
Maintenance	306,266	163,089	10,674	124,075
Other purchased services	81,134	582,978	40,308	122,960
Supplies	163,525	246,992	69,642	820,356
Other	896,966	158,139	2,291	182,953
Depreciation	2,768,548	907,832	156,119	1,080,525
Total operating expenses	<u>5,197,061</u>	<u>3,315,097</u>	<u>1,631,553</u>	<u>5,879,107</u>
Operating income (loss)	<u>(4,333,015)</u>	<u>(2,816,110)</u>	<u>(1,135,578)</u>	<u>(2,534,328)</u>
Nonoperating revenues (expenses):				
Investment earnings	3,133	7,241	1,703	3,286
Other income	158,380	-	-	-
Hotel/motel tax	-	4,519,547	-	-
Contributions	-	-	32,005	-
Intergovernmental revenue	2,235,681	-	-	-
Gain (loss) on disposal of capital assets	(173,915)	-	-	-
Total nonoperating revenues (expenses)	<u>2,223,279</u>	<u>4,526,788</u>	<u>33,708</u>	<u>3,286</u>
Income (loss) before contributions and transfers	(2,109,736)	1,710,678	(1,101,870)	(2,531,042)
Capital contributions	2,940,488	-	13,500	572,698
Transfers in	54,674	42,298	707,404	2,908,369
Transfers out	-	(150,000)	-	-
Net change in net position	885,426	1,602,976	(380,966)	950,025
Total net position, beginning of year	<u>32,509,317</u>	<u>19,812,430</u>	<u>5,949,449</u>	<u>8,883,011</u>
Total net position, end of the year	<u><u>\$ 33,394,743</u></u>	<u><u>\$ 21,415,406</u></u>	<u><u>\$ 5,568,483</u></u>	<u><u>\$ 9,833,036</u></u>

See accompanying independent auditor's report.

Transit Services Fund	Cottonwood Creek Golf Course Fund	Stormwater (Drainage) Utility Fund	Totals	
			2021	2020
\$ 1,085,148	\$ 1,462,089	\$ -	\$ 6,457,261	5,210,022
-	280,129	-	1,214,331	855,250
-	-	-	40,584	40,423
1,115,441	7,450	-	1,441,868	1,727,359
<u>2,200,589</u>	<u>1,749,668</u>	<u>-</u>	<u>9,154,044</u>	<u>7,833,054</u>
3,049,344	438,348	32,805	7,647,376	8,109,689
806,480	186,283	10,531	2,758,974	2,809,298
460,891	540,330	57,772	1,786,659	1,564,383
22,783	47,118	-	597,122	798,150
448,532	94,151	4,462	1,151,249	1,164,875
433,149	126,078	3,379	1,389,986	1,780,946
743,134	283,515	4,343	2,331,507	2,201,425
512,586	31,558	3,201	1,787,694	2,279,826
769,763	164,082	-	5,846,869	5,852,487
<u>7,246,662</u>	<u>1,911,463</u>	<u>116,493</u>	<u>25,297,436</u>	<u>26,561,079</u>
<u>(5,046,073)</u>	<u>(161,795)</u>	<u>(116,493)</u>	<u>(16,143,392)</u>	<u>(18,728,025)</u>
-	2,232	-	17,595	96,176
27,643	-	-	186,023	218,713
-	-	-	4,519,547	3,138,696
-	-	-	32,005	26,800
4,276,310	-	-	6,511,991	5,974,284
<u>-</u>	<u>-</u>	<u>-</u>	<u>(173,915)</u>	<u>-</u>
<u>4,303,953</u>	<u>2,232</u>	<u>-</u>	<u>11,093,246</u>	<u>9,454,669</u>
(742,120)	(159,563)	(116,493)	(5,050,146)	(9,273,356)
43,501	-	-	3,570,187	2,665,826
-	690,707	440,000	4,843,452	6,176,114
-	-	-	(150,000)	(150,000)
<u>(698,619)</u>	<u>531,144</u>	<u>323,507</u>	<u>3,213,493</u>	<u>(581,416)</u>
<u>8,910,307</u>	<u>455,038</u>	<u>-</u>	<u>76,519,552</u>	<u>77,100,968</u>
<u>\$ 8,211,688</u>	<u>\$ 986,182</u>	<u>\$ 323,507</u>	<u>\$ 79,733,045</u>	<u>\$ 76,519,552</u>

City of Waco, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2021
(With Comparative Totals for September 30, 2020)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Cash flows from operating activities:			
Cash received from customers	\$ 880,886	\$ 520,175	\$ 495,975
Cash paid to suppliers for goods and services	(1,604,634)	(1,822,374)	(377,297)
Cash paid to employees for services	(791,277)	(839,939)	(1,124,107)
Net cash provided by (used for) operating activities	(1,515,025)	(2,142,138)	(1,005,429)
Cash flows from noncapital financing activities:			
Intergovernmental revenue	2,569,831	-	-
Contributions	-	-	32,005
Hotel/motel tax	-	4,289,984	-
Passenger facility charges	158,380	-	-
Transfers from other funds	54,674	42,298	707,404
Transfers to other funds	(664,200)	(150,000)	-
Net cash provided by (used for) noncapital financing activities	2,118,685	4,182,282	739,409
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(2,769,815)	(317,596)	(39,525)
Capital contributions	3,421,347	-	-
Proceeds from insurance recoveries	-	-	-
Net cash provided by (used for) capital and related financing activities	651,532	(317,596)	(39,525)
Cash flows from investing activities:			
Investment earnings	3,133	7,241	1,703
Net cash provided by (used for) investing activities	3,133	7,241	1,703
Net increase (decrease) in cash and cash equivalents	1,258,325	1,729,789	(303,842)
Cash and cash equivalents, beginning of year	-	3,983,783	1,229,788
Cash and cash equivalents, end of year	\$ 1,258,325	\$ 5,713,572	\$ 925,946
Reconciliation of operating income (loss) to net cash used for operating activities:			
Operating income (loss)	\$ (4,333,015)	\$ (2,816,110)	\$ (1,135,578)
Adjustment to reconcile operating income (loss) to net cash used for operating activities:			
Depreciation	2,768,548	907,832	156,119
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	16,840	(5,788)	-
Inventory	-	(8,270)	13,486
Increase (decrease) in liabilities:			
Accounts payable	61,601	(161,019)	1,799
Accrued liabilities	(29,775)	(32,766)	(32,541)
Unearned revenue	-	26,976	-
Compensated absences payable	776	(52,993)	(8,714)
Net cash provided by (used for) operating activities	\$ (1,515,025)	\$ (2,142,138)	\$ (1,005,429)
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ -	\$ 13,500

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

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Stormwater (Drainage) Utility Fund	Totals	
				2021	2020
\$ 3,344,779	\$ 2,152,326	\$ 1,749,368	\$ -	\$ 9,143,509	\$ 7,819,349
(1,954,728)	(2,637,349)	(1,138,815)	(20,398)	(9,555,595)	(9,998,813)
(2,968,431)	(3,794,719)	(644,694)	(36,881)	(10,200,048)	(10,643,215)
<u>(1,578,380)</u>	<u>(4,279,742)</u>	<u>(34,141)</u>	<u>(57,279)</u>	<u>(10,612,134)</u>	<u>(12,822,679)</u>
-	5,903,091	-	-	8,472,922	3,532,255
-	-	-	-	32,005	26,800
-	-	-	-	4,289,984	3,251,265
-	-	-	-	158,380	176,477
2,908,369	-	690,707	440,000	4,843,452	6,840,314
-	(640,880)	-	-	(1,455,080)	(1,422,024)
<u>2,908,369</u>	<u>5,262,211</u>	<u>690,707</u>	<u>440,000</u>	<u>16,341,663</u>	<u>12,405,087</u>
(400,659)	(1,034,484)	-	-	(4,562,079)	(2,841,344)
-	24,372	-	-	3,445,719	1,331,683
-	27,643	-	-	27,643	42,236
<u>(400,659)</u>	<u>(982,469)</u>	<u>-</u>	<u>-</u>	<u>(1,088,717)</u>	<u>(1,467,425)</u>
3,286	-	2,232	-	17,595	96,176
<u>3,286</u>	<u>-</u>	<u>2,232</u>	<u>-</u>	<u>17,595</u>	<u>96,176</u>
932,616	-	658,798	382,721	4,658,407	(1,788,841)
1,427,572	-	999,083	-	7,640,226	9,429,067
<u>\$ 2,360,188</u>	<u>\$ -</u>	<u>\$ 1,657,881</u>	<u>\$ 382,721</u>	<u>\$ 12,298,633</u>	<u>\$ 7,640,226</u>
\$ (2,534,328)	\$ (5,046,073)	\$ (161,795)	\$ (116,493)	\$ (16,143,392)	(18,728,025)
1,080,525	769,763	164,082	-	5,846,869	5,852,487
-	(20,765)	(300)	-	(10,013)	100,104
(81,050)	(11,249)	24,314	-	(62,769)	(18,169)
(1,375)	(3,030)	(7,134)	52,759	(56,399)	561
(91,356)	59,112	(54,934)	3,254	(179,006)	(125,359)
91	(27,500)	-	-	(433)	(114,135)
49,113	-	1,626	3,201	(6,991)	209,856
<u>\$ (1,578,380)</u>	<u>\$ (4,279,742)</u>	<u>\$ (34,141)</u>	<u>\$ (57,279)</u>	<u>\$ (10,612,134)</u>	<u>\$ (12,822,680)</u>
<u>\$ 100,027</u>	<u>\$ 19,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,656</u>	<u>\$ 95,248</u>



Airport Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021 and 2020

	Airport Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 1,258,325	\$ -
Accounts receivable, net of allowance	39,405	56,245
Intergovernmental receivable	2,049,586	2,864,595
Total current assets	3,347,316	2,920,840
Noncurrent assets:		
Capital assets:		
Land	2,977,470	2,977,470
Buildings	15,625,930	15,208,680
Improvements other than buildings	47,714,906	45,870,138
Equipment	2,209,054	2,525,747
Construction work in progress	1,248,572	752,540
Less: accumulated depreciation	(39,329,551)	(36,908,751)
Total noncurrent assets	30,446,381	30,425,824
Total assets	33,793,697	33,346,664
Liabilities		
Current liabilities:		
Accounts payable	293,958	39,152
Accrued liabilities	22,096	51,871
Due to other funds	-	664,200
Compensated absences payable	81,787	51,710
Total current liabilities	397,841	806,933
Noncurrent liabilities:		
Compensated absences payable	1,113	30,414
Total noncurrent liabilities	1,113	30,414
Total liabilities	398,954	837,347
Net position		
Net investment in capital assets	30,446,381	30,425,824
Restricted for:		
Capital projects	364,086	331,693
Unrestricted	2,584,276	1,751,800
Total net position	\$ 33,394,743	\$ 32,509,317

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Airport Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 623,861	\$ 589,321
Net merchandise sales	-	1,565
Other	240,185	200,103
Total operating revenues	864,046	790,989
Operating expenses:		
Salaries and wages	537,843	532,053
Employee benefits	225,798	238,376
Purchased professional/technical services	194,679	148,052
Purchased property services	22,302	22,505
Maintenance	306,266	200,589
Other purchased services	81,134	83,521
Supplies	163,525	127,082
Other	896,966	828,285
Depreciation	2,768,548	2,820,553
Total operating expenses	5,197,061	5,001,016
Operating income (loss)	(4,333,015)	(4,210,027)
Nonoperating revenues (expenses):		
Investment earnings	3,133	15,903
Other income	158,380	176,477
Intergovernmental revenue	2,235,681	1,511,130
Gain (loss) on disposal of capital assets	(173,915)	-
Total nonoperating revenues (expenses)	2,223,279	1,703,510
Income (loss) before contributions and transfers	(2,109,736)	(2,506,517)
Capital contributions	2,940,488	1,428,902
Transfers in	54,674	153,898
Change in net position	885,426	(923,717)
Total net position, beginning of year	32,509,317	33,433,034
Total net position, end of year	\$ 33,394,743	\$ 32,509,317

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Airport Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 880,886	\$ 791,923
Cash paid to suppliers for goods and services	(1,604,634)	(1,444,116)
Cash paid to employees for services	(791,277)	(739,688)
Net cash provided by (used for) operating activities	(1,515,025)	(1,391,881)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	2,569,831	87,815
Passenger facility charges	158,380	176,477
Transfers from other funds	54,674	818,098
Transfers to other funds	(664,200)	-
Net cash provided by (used for) noncapital financing activities	2,118,685	1,082,390
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(2,769,815)	(1,534,055)
Capital contributions	3,421,347	167,312
Net cash provided by (used for) capital and related financing activities	651,532	(1,366,743)
Cash flows from investing activities:		
Investment earnings	3,133	15,903
Net cash provided by investing activities	3,133	15,903
Net increase (decrease) in cash and cash equivalents	1,258,325	(1,660,331)
Cash and cash equivalents, beginning of year	-	1,660,331
Cash and cash equivalents, end of year	\$ 1,258,325	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (4,333,015)	\$ (4,210,027)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2,768,548	2,820,553
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	16,840	934
Inventory	-	2,589
Increase (decrease) in liabilities:		
Accounts payable	61,601	(37,870)
Accrued liabilities	(29,775)	12,440
Compensated absences payable	776	19,500
Net cash provided by (used for) operating activities	\$ (1,515,025)	\$ (1,391,881)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ -	\$ 22,695

Noncash investing, capital, and financing activities:

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

See accompanying independent auditor's report.

Convention Services Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021 and 2020

	Convention Services Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 5,713,572	\$ 3,983,783
Accounts receivable, net of allowance	511,576	276,225
Inventory	63,640	55,370
Total current assets	6,288,788	4,315,378
Noncurrent assets:		
Capital assets:		
Buildings	27,182,675	26,091,668
Improvements other than buildings	555,845	555,845
Equipment	1,575,706	1,582,120
Construction work in progress	-	778,467
Less: accumulated depreciation	(13,884,206)	(12,987,844)
Total noncurrent assets	15,430,020	16,020,256
Total assets	21,718,808	20,335,634
Liabilities		
Current liabilities:		
Accounts payable	36,900	197,919
Accrued liabilities	46,714	79,481
Unearned revenue	102,374	75,398
Compensated absences payable	117,414	159,568
Total current liabilities	303,402	512,366
Noncurrent liabilities:		
Compensated absences payable	-	10,838
Total noncurrent liabilities	-	10,838
Total liabilities	303,402	523,204
Net position		
Net investment in capital assets	15,430,020	16,020,256
Unrestricted	5,985,386	3,792,174
Total net position	\$ 21,415,406	\$ 19,812,430

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Convention Services Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 405,591	\$ 550,624
Net merchandise sales	27,722	220,721
Contributions	40,343	40,423
Other	25,331	41,731
Total operating revenues	<u>498,987</u>	<u>853,499</u>
Operating expenses:		
Salaries and wages	756,444	1,025,242
Employee benefits	355,121	389,264
Purchased professional/technical services	113,699	258,871
Purchased property services	30,803	34,385
Maintenance	163,089	208,227
Other purchased services	582,978	898,604
Supplies	246,992	312,263
Other	158,139	338,859
Depreciation	907,832	914,634
Total operating expenses	<u>3,315,097</u>	<u>4,380,349</u>
Operating income (loss)	<u>(2,816,110)</u>	<u>(3,526,850)</u>
Nonoperating revenues (expenses):		
Investment earnings	7,241	46,571
Hotel/motel tax	4,519,547	3,138,696
Total nonoperating revenues (expenses)	<u>4,526,788</u>	<u>3,185,267</u>
Income (loss) before contributions and transfers	1,710,678	(341,583)
Capital contributions	-	1,215
Transfers in	42,298	-
Transfers out	(150,000)	(150,000)
Change in net position	<u>1,602,976</u>	<u>(490,368)</u>
Total net position, beginning of year	19,812,430	20,302,798
Total net position, end of year	<u>\$ 21,415,406</u>	<u>\$ 19,812,430</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Convention Services Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 520,175	\$ 844,238
Cash paid to suppliers for goods and services	(1,822,374)	(1,995,294)
Cash paid to employees for services	(839,939)	(1,414,317)
Net cash provided by (used for) operating activities	(2,142,138)	(2,565,373)
Cash flows from noncapital financing activities:		
Hotel/motel tax	4,289,984	3,251,265
Transfers from other funds	42,298	-
Transfers to other funds	(150,000)	(150,000)
Net cash provided by (used for) noncapital financing activities	4,182,282	3,101,265
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(317,596)	(858,578)
Net cash provided by (used for) capital and related financing activities	(317,596)	(858,578)
Cash flows from investing activities:		
Investment earnings	7,241	46,571
Net cash provided by investing activities	7,241	46,571
Net increase (decrease) in cash and cash equivalents	1,729,789	(276,115)
Cash and cash equivalents, beginning of year	3,983,783	4,259,898
Cash and cash equivalents, end of year	\$ 5,713,572	\$ 3,983,783
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (2,816,110)	\$ (3,526,850)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	907,832	914,634
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(5,788)	104,548
Inventory	(8,270)	(108)
Increase (decrease) in liabilities:		
Accounts payable	(161,019)	55,409
Accrued liabilities	(32,766)	(26,105)
Unearned revenue	26,976	(113,810)
Compensated absences payable	(52,993)	26,908
Net cash provided by (used for) operating activities	\$ (2,142,138)	\$ (2,565,374)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ -	\$ 1,215

See accompanying independent auditor's report.

Ranger Hall of Fame Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021 and 2020

	Ranger Hall of Fame Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 787,871	\$ 1,107,375
Inventory	77,186	90,672
Total current assets	<u>865,057</u>	<u>1,198,047</u>
Noncurrent assets:		
Restricted cash and investments	138,075	122,413
Capital assets:		
Buildings	3,720,747	3,720,747
Improvements other than buildings	418,768	418,768
Equipment	491,684	452,159
Museum collections	2,287,924	2,274,424
Less: accumulated depreciation	(2,134,136)	(1,978,017)
Total noncurrent assets	<u>4,923,062</u>	<u>5,010,494</u>
Total assets	<u>5,788,119</u>	<u>6,208,541</u>
Liabilities		
Current liabilities:		
Accounts payable	6,495	4,696
Accrued liabilities	17,818	50,359
Compensated absences payable	153,688	86,332
Total current liabilities	<u>178,001</u>	<u>141,387</u>
Noncurrent liabilities:		
Compensated absences payable	41,635	117,705
Total noncurrent liabilities	<u>41,635</u>	<u>117,705</u>
Total liabilities	<u>219,636</u>	<u>259,092</u>
Net position		
Net investment in capital assets	4,784,987	4,888,081
Restricted for:		
Capital projects	257,726	241,493
Unrestricted	525,770	819,875
Total net position	<u>\$ 5,568,483</u>	<u>\$ 5,949,449</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Ranger Hall of Fame Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 340,727	\$ 261,474
Net merchandise sales	144,295	108,016
Other	10,953	12,031
Total operating revenues	<u>495,975</u>	<u>381,521</u>
Operating expenses:		
Salaries and wages	791,137	685,043
Employee benefits	291,314	254,468
Purchased professional/technical services	259,662	58,090
Purchased property services	10,406	8,389
Maintenance	10,674	9,290
Other purchased services	40,308	35,582
Supplies	69,642	58,134
Other	2,291	250,079
Depreciation	156,119	158,348
Total operating expenses	<u>1,631,553</u>	<u>1,517,423</u>
Operating income (loss)	<u>(1,135,578)</u>	<u>(1,135,902)</u>
Nonoperating revenues (expenses):		
Investment earnings	1,703	14,124
Contributions	32,005	26,800
Total nonoperating revenues (expenses)	<u>33,708</u>	<u>40,924</u>
Income (loss) before contributions and transfers	<u>(1,101,870)</u>	<u>(1,094,978)</u>
Capital contributions	13,500	10,000
Transfers in	707,404	688,787
Change in net position	<u>(380,966)</u>	<u>(396,191)</u>
Total net position, beginning of year	5,949,449	6,345,640
Total net position, end of year	<u><u>\$ 5,568,483</u></u>	<u><u>\$ 5,949,449</u></u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Ranger Hall of Fame Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 495,975	\$ 381,521
Cash paid to suppliers for goods and services	(377,297)	(425,359)
Cash paid to employees for services	(1,124,107)	(862,696)
Net cash provided by (used for) operating activities	(1,005,429)	(906,534)
Cash flows from noncapital financing activities:		
Contributions	32,005	26,800
Transfers from other funds	707,404	688,787
Net cash provided by (used for) noncapital financing activities	739,409	715,587
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(39,525)	-
Net cash provided by (used for) capital and related financing activities	(39,525)	-
Cash flows from investing activities:		
Investment earnings	1,703	14,124
Net cash provided by investing activities	1,703	14,124
Net increase (decrease) in cash and cash equivalents	(303,842)	(176,823)
Cash and cash equivalents, beginning of year	1,229,788	1,406,611
Cash and cash equivalents, end of year	\$ 925,946	\$ 1,229,788
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (1,135,578)	\$ (1,135,902)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	156,119	158,348
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Inventory	13,486	4,073
Increase (decrease) in liabilities:		
Accounts payable	1,799	(3,345)
Accrued liabilities	(32,541)	5,458
Compensated absences payable	(8,714)	64,834
Net cash provided by (used for) operating activities	\$ (1,005,429)	\$ (906,534)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ 13,500	\$ 10,000

See accompanying independent auditor's report.

Cameron Park Zoo Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021 and 2020

	Cameron Park Zoo Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 2,360,188	\$ 1,427,572
Intergovernmental receivable	472,672	-
Inventory	181,253	100,203
Total current assets	<u>3,014,113</u>	<u>1,527,775</u>
Noncurrent assets:		
Capital assets:		
Buildings	9,513,244	9,421,759
Improvements other than buildings	19,088,891	19,080,351
Equipment	679,529	679,529
Construction work in progress	498,598	25,926
Less: accumulated depreciation	(22,244,731)	(21,164,206)
Total noncurrent assets	<u>7,535,531</u>	<u>8,043,359</u>
Total assets	<u>10,549,644</u>	<u>9,571,134</u>
Liabilities		
Current liabilities:		
Accounts payable	130,907	71,621
Accrued liabilities	81,201	161,206
Unearned revenue	53,680	53,589
Compensated absences payable	306,019	229,163
Total current liabilities	<u>571,807</u>	<u>515,579</u>
Noncurrent liabilities:		
Compensated absences payable	144,801	172,544
Total noncurrent liabilities	<u>144,801</u>	<u>172,544</u>
Total liabilities	<u>716,608</u>	<u>688,123</u>
Net position		
Net investment in capital assets	7,535,531	8,043,359
Unrestricted	2,297,505	839,652
Total net position	<u>\$ 9,833,036</u>	<u>\$ 8,883,011</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Cameron Park Zoo Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 2,539,845	\$ 1,392,809
Net merchandise sales	762,185	306,615
Contributions	241	-
Other	42,508	11,977
Total operating revenues	<u>3,344,779</u>	<u>1,711,401</u>
Operating expenses:		
Salaries and wages	2,041,455	1,968,543
Employee benefits	883,447	888,194
Purchased professional/technical services	159,626	161,702
Purchased property services	463,710	649,008
Maintenance	124,075	98,915
Other purchased services	122,960	118,709
Supplies	820,356	850,767
Other	182,953	207,140
Depreciation	1,080,525	1,060,836
Total operating expenses	<u>5,879,107</u>	<u>6,003,814</u>
Operating income (loss)	<u>(2,534,328)</u>	<u>(4,292,413)</u>
Nonoperating revenues (expenses):		
Investment earnings	3,286	10,224
Total nonoperating revenues (expenses)	<u>3,286</u>	<u>10,224</u>
Income (loss) before contributions and transfers	<u>(2,531,042)</u>	<u>(4,282,189)</u>
Capital contributions	572,698	61,338
Transfers in	2,908,369	3,396,770
Change in net position	<u>950,025</u>	<u>(824,081)</u>
Total net position, beginning of year	8,883,011	9,707,092
Total net position, end of year	<u>\$ 9,833,036</u>	<u>\$ 8,883,011</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Cameron Park Zoo Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 3,344,779	\$ 1,711,401
Cash paid to suppliers for goods and services	(1,954,728)	(2,332,797)
Cash paid to employees for services	(2,968,431)	(2,740,361)
Net cash provided by (used for) operating activities	(1,578,380)	(3,361,757)
Cash flows from noncapital financing activities:		
Transfers from other funds	2,908,369	3,396,770
Net cash provided by (used for) noncapital financing activities	2,908,369	3,396,770
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(400,659)	(167,865)
Net cash provided by (used for) capital and related financing activities	(400,659)	(167,865)
Cash flows from investing activities:		
Investment earnings	3,286	10,224
Net cash provided by investing activities	3,286	10,224
Net increase (decrease) in cash and cash equivalents	932,616	(122,628)
Cash and cash equivalents, beginning of year	1,427,572	1,550,200
Cash and cash equivalents, end of year	\$ 2,360,188	\$ 1,427,572
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (2,534,328)	\$ (4,292,413)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,080,525	1,060,836
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Inventory	(81,050)	(93,321)
Increase (decrease) in liabilities:		
Accounts payable	(1,375)	32,788
Accrued liabilities	(91,356)	(149,480)
Unearned revenues	91	(325)
Compensated absences payable	49,113	80,158
Net cash provided by (used for) operating activities	\$ (1,578,380)	\$ (3,361,757)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ 100,027	\$ 61,338

Noncash investing, capital, and financing activities:

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

See accompanying independent auditor's report.

Transit Services Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021 and 2020

	Transit Services Fund	
	2021	2020
Assets		
Current assets:		
Accounts receivable, net of allowance	\$ 244,484	\$ 223,719
Intergovernmental receivable	1,074,150	2,725,303
Inventory	543,183	531,934
Total current assets	1,861,817	3,480,956
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	12,901,314	13,664,682
Construction work in progress	1,161,445	-
Less: accumulated depreciation	(14,254,420)	(14,291,526)
Total noncurrent assets	7,396,182	6,960,999
Total assets	9,257,999	10,441,955
Liabilities		
Current liabilities:		
Accounts payable	168,302	44,371
Accrued liabilities	291,116	232,004
Unearned revenue	13,750	41,250
Due to other funds	573,143	1,214,023
Total current liabilities	1,046,311	1,531,648
Total liabilities	1,046,311	1,531,648
Net position		
Net investment in capital assets	7,396,182	6,960,999
Restricted for:		
Capital projects	460,865	433,222
Unrestricted	354,641	1,516,086
Total net position	\$ 8,211,688	\$ 8,910,307

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Transit Services Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 1,085,148	\$ 1,061,224
Other	1,115,441	1,444,399
Total operating revenues	2,200,589	2,505,623
Operating expenses:		
Salaries and wages	3,049,344	3,382,831
Employee benefits	806,480	830,606
Purchased professional/technical services	460,891	504,271
Purchased property services	22,783	22,040
Maintenance	448,532	544,874
Other purchased services	433,149	502,669
Supplies	743,134	627,837
Other	512,586	612,006
Depreciation	769,763	727,572
Total operating expenses	7,246,662	7,754,706
Operating income (loss)	(5,046,073)	(5,249,083)
Nonoperating revenues (expenses):		
Other income	27,643	42,236
Intergovernmental revenue	4,276,310	4,463,154
Total nonoperating revenues (expenses)	4,303,953	4,505,390
Income (loss) before contributions and transfers	(742,120)	(743,693)
Capital contributions	43,501	1,164,371
Transfers in	-	1,258,355
Change in net position	(698,619)	1,679,033
Total net position, beginning of year	8,910,307	7,231,274
Total net position, end of year	\$ 8,211,688	\$ 8,910,307

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Transit Services Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 2,152,326	\$ 2,500,245
Cash paid to suppliers for goods and services	(2,637,349)	(2,796,053)
Cash paid to employees for services	(3,794,719)	(4,181,293)
Net cash provided by (used for) operating activities	(4,279,742)	(4,477,101)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	5,903,091	3,444,440
Transfers from other funds	-	1,258,355
Transfers to other funds	(640,880)	(1,272,024)
Net cash provided by (used for) noncapital financing activities	5,262,211	3,430,771
Cash flows from capital and related financing activities:		
Acquisitions of capital assets	(1,034,484)	(160,277)
Capital contributions	24,372	1,164,371
Proceeds from insurance recoveries	27,643	42,236
Net cash provided by (used for) capital and related financing activities	(982,469)	1,046,330
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (5,046,073)	\$ (5,249,083)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	769,763	727,572
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(20,765)	(5,378)
Inventory	(11,249)	39,763
Increase (decrease) in liabilities:		
Accounts payable	(3,030)	(25,326)
Accrued liabilities	59,112	35,351
Unearned revenue	(27,500)	-
Net cash provided by (used for) operating activities	\$ (4,279,742)	\$ (4,477,101)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ 19,129	\$ -

See accompanying independent auditor's report.

Cottonwood Creek Golf Course Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021 and 2020

	Cottonwood Creek Golf Course Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 1,657,881	\$ 999,083
Accounts receivable, net of allowance	300	-
Inventory	217,543	241,857
Total current assets	1,875,724	1,240,940
Noncurrent assets:		
Capital assets:		
Buildings	713,389	713,389
Improvements other than buildings	2,017,246	2,017,246
Equipment	1,340,725	1,340,725
Less: accumulated depreciation	(3,454,550)	(3,290,468)
Total noncurrent assets	616,810	780,892
Total assets	2,492,534	2,021,832
Liabilities		
Current liabilities:		
Accounts payable	34,169	41,303
Accrued liabilities	596,808	651,742
Compensated absences payable	48,482	59,596
Total current liabilities	679,459	752,641
Noncurrent liabilities:		
Advances from other funds	693,704	693,704
Compensated absences payable	133,189	120,449
Total noncurrent liabilities	826,893	814,153
Total liabilities	1,506,352	1,566,794
Net position		
Net investment in capital assets	616,810	780,892
Unrestricted	369,372	(325,854)
Total net position	\$ 986,182	\$ 455,038

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Cottonwood Creek Golf Course Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 1,462,089	\$ 1,354,570
Net merchandise sales	280,129	218,333
Other	7,450	17,118
Total operating revenues	1,749,668	1,590,021
Operating expenses:		
Salaries and wages	438,348	515,977
Employee benefits	186,283	208,390
Purchased professional/technical services	540,330	433,397
Purchased property services	47,118	61,823
Maintenance	94,151	102,980
Other purchased services	126,078	141,861
Supplies	283,515	225,342
Other	31,558	43,457
Depreciation	164,082	170,544
Total operating expenses	1,911,463	1,903,771
Operating income (loss)	(161,795)	(313,750)
Nonoperating revenues (expenses):		
Investment earnings	2,232	9,354
Total nonoperating revenues (expenses)	2,232	9,354
Income (loss) before contributions and transfers	(159,563)	(304,396)
Transfers in	690,707	678,304
Change in net position	531,144	373,908
Total net position, beginning of year	455,038	81,130
Total net position, end of year	\$ 986,182	\$ 455,038

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Cottonwood Creek Golf Course Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 1,749,368	\$ 1,590,021
Cash paid to suppliers for goods and services	(1,138,815)	(1,005,194)
Cash paid to employees for services	(644,694)	(704,860)
Net cash provided by (used for) operating activities	(34,141)	(120,033)
Cash flows from noncapital financing activities:		
Transfers from other funds	690,707	678,304
Net cash provided by (used for) noncapital financing activities	690,707	678,304
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(120,569)
Net cash provided by (used for) capital and related financing activities	-	(120,569)
Cash flows from investing activities:		
Investment earnings	2,232	9,354
Net cash provided by investing activities	2,232	9,354
Net increase (decrease) in cash and cash equivalents	658,798	447,056
Cash and cash equivalents, beginning of year	999,083	552,027
Cash and cash equivalents, end of year	\$ 1,657,881	\$ 999,083
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (161,795)	\$ (313,750)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	164,082	170,544
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(300)	-
Inventory	24,314	28,835
Increase (decrease) in liabilities:		
Accounts payable	(7,134)	(21,095)
Accrued liabilities	(54,934)	(3,023)
Compensated absences payable	1,626	18,456
Net cash provided by (used for) operating activities	\$ (34,141)	\$ (120,033)

See accompanying independent auditor's report.

Stormwater (Drainage) Utility Fund

City of Waco, Texas
 Comparative Statement of Net Position
 Nonmajor Enterprise Funds
 September 30, 2021 and 2020

	Stormwater (Drainage) Utility Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 382,721	\$ -
Total current assets	382,721	-
Total assets	382,721	-
Liabilities		
Current liabilities:		
Accounts payable	52,759	-
Accrued liabilities	3,254	-
Compensated absences payable	3,201	-
Total current liabilities	59,214	-
Total liabilities	59,214	-
Net position		
Unrestricted	323,507	-
Total net position	\$ 323,507	\$ -

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statement of Revenues, Expenses, and Changes in Net Position
 Nonmajor Enterprise Funds
 Years Ended September 30, 2021 and 2020

	Stormwater (Drainage) Utility Fund	
	2021	2020
Operating revenues:		
Total operating revenues	\$ -	\$ -
Operating expenses:		
Salaries and wages	32,805	-
Employee benefits	10,531	-
Purchased professional/technical services	57,772	-
Maintenance	4,462	-
Other purchased services	3,379	-
Supplies	4,343	-
Other	3,201	-
Total operating expenses	116,493	-
Operating income (loss)	(116,493)	-
Income (loss) before contributions and transfers	(116,493)	-
Capital contributions		
Transfers in	440,000	-
Change in net position	323,507	-
Total net position, beginning of year	-	-
Total net position, end of year	\$ 323,507	\$ -

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2021 and 2020

	Stormwater (Drainage) Utility Fund	
	2021	2020
Cash flows from operating activities:		
Cash paid to suppliers for goods and services	\$ (20,398)	\$ -
Cash paid to employees for services	(36,881)	-
Net cash provided by (used for) operating activities	(57,279)	-
Cash flows from noncapital financing activities:		
Transfers from other funds	440,000	-
Net cash provided by (used for) noncapital financing activities	440,000	-
Net increase (decrease) in cash and cash equivalents	382,721	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ 382,721	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (116,493)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Increase (decrease) in liabilities:		
Accounts payable	52,759	-
Accrued liabilities	3,254	-
Compensated absences payable	3,201	-
Net cash provided by (used for) operating activities	\$ (57,279)	\$ -

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 fund is used to account for engineering services to other City departments.

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

City of Waco, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2021
(With Comparative Totals for September 30, 2020)

	Insurance Fund	Health	Engineering	Fleet	Totals	
		Insurance Fund	Fund	Services Fund	2021	2020
Assets						
Current assets:						
Cash and investments	\$ 8,633,912	\$ 5,449,490	\$ 1,882,495	\$ 425,577	\$ 16,391,474	\$ 18,081,364
Due from other funds	-	234,175	-	-	234,175	754,352
Inventories	-	-	-	323,182	323,182	200,886
Total current assets	<u>8,633,912</u>	<u>5,683,665</u>	<u>1,882,495</u>	<u>748,759</u>	<u>16,948,831</u>	<u>19,036,602</u>
Noncurrent assets:						
Capital assets:						
Land	-	-	24,400	14,400	38,800	38,800
Buildings	-	-	-	920,153	920,153	920,153
Improvements other than buildings	-	-	-	118,289	118,289	118,289
Equipment	26,659	-	694,379	1,046,931	1,767,969	1,772,456
Less: accumulated depreciation	(26,659)	-	(412,335)	(1,619,787)	(2,058,781)	(1,994,580)
Total capital assets	<u>-</u>	<u>-</u>	<u>306,444</u>	<u>479,986</u>	<u>786,430</u>	<u>855,118</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>306,444</u>	<u>479,986</u>	<u>786,430</u>	<u>855,118</u>
Total assets	<u>8,633,912</u>	<u>5,683,665</u>	<u>2,188,939</u>	<u>1,228,745</u>	<u>17,735,261</u>	<u>19,891,720</u>
Liabilities						
Current liabilities:						
Accounts payable	83,593	3,381	18,224	39,410	144,608	130,276
Accrued liabilities	46,044	319,840	45,201	24,418	435,503	434,619
Compensated absences payable	14,939	-	218,803	91,033	324,775	265,084
Escrow funds	-	-	538	-	538	538
Claims and judgments payable	2,316,215	937,000	-	-	3,253,215	3,314,131
Total current liabilities	<u>2,460,791</u>	<u>1,260,221</u>	<u>282,766</u>	<u>154,861</u>	<u>4,158,639</u>	<u>4,144,648</u>
Noncurrent liabilities:						
Compensated absences payable	45,297	-	57,142	-	102,439	88,387
Total noncurrent liabilities	<u>45,297</u>	<u>-</u>	<u>57,142</u>	<u>-</u>	<u>102,439</u>	<u>88,387</u>
Total liabilities	<u>2,506,088</u>	<u>1,260,221</u>	<u>339,908</u>	<u>154,861</u>	<u>4,261,078</u>	<u>4,233,035</u>
Net position						
Net investment in capital assets	-	-	306,444	479,986	786,430	855,118
Unrestricted	6,127,824	4,423,444	1,542,587	593,898	12,687,753	14,803,567
Total net position	<u>\$ 6,127,824</u>	<u>\$ 4,423,444</u>	<u>\$ 1,849,031</u>	<u>\$ 1,073,884</u>	<u>\$ 13,474,183</u>	<u>\$ 15,658,685</u>

See accompanying independent auditor's report.

City of Waco, Texas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2021
(With Comparative Totals for Year Ended September 30, 2020)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2021	2020
Operating revenues:						
Charges for services	\$ 4,691,013	\$ 14,929,505	\$ 3,232,764	\$ 1,988,724	\$ 24,842,006	\$ 24,642,106
Other	-	-	349,639	34,090	383,729	82,560
Total operating revenues	<u>4,691,013</u>	<u>14,929,505</u>	<u>3,582,403</u>	<u>2,022,814</u>	<u>25,225,735</u>	<u>24,724,666</u>
Operating expenses:						
Salaries and wages	118,029	69,138	2,029,942	1,058,238	3,275,347	2,983,701
Employee benefits	41,352	22,637	702,859	464,406	1,231,254	1,123,206
Purchased professional/technical services	336,480	814,221	171,644	11,672	1,334,017	1,648,903
Purchased property services	-	900	52,611	8,299	61,810	60,407
Maintenance	43,115	-	96,626	38,333	178,074	175,648
Other purchased services	1,421,963	1,863	71,878	31,834	1,527,538	1,334,121
Supplies	8,875	19,622	51,654	64,036	144,187	184,837
Other	1,726,125	14,622,214	566,937	360,711	17,275,987	14,573,686
Depreciation	1,342	-	73,144	84,004	158,490	156,368
Total operating expenses	<u>3,697,281</u>	<u>15,550,595</u>	<u>3,817,295</u>	<u>2,121,533</u>	<u>25,186,704</u>	<u>22,240,877</u>
Operating income (loss)	<u>993,732</u>	<u>(621,090)</u>	<u>(234,892)</u>	<u>(98,719)</u>	<u>39,031</u>	<u>2,483,789</u>
Nonoperating revenues (expenses):						
Investment earnings	13,816	9,509	3,178	544	27,047	164,037
Total nonoperating revenues (expenses)	<u>13,816</u>	<u>9,509</u>	<u>3,178</u>	<u>544</u>	<u>27,047</u>	<u>164,037</u>
Income (loss) before contributions and transfers	1,007,548	(611,581)	(231,714)	(98,175)	66,078	2,647,826
Capital contributions	-	-	-	89,801	89,801	40,994
Transfers in	-	-	15,422	18,459	33,881	-
Transfers out	<u>(2,374,262)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,374,262)</u>	<u>-</u>
Net change in net position	(1,366,714)	(611,581)	(216,292)	10,085	(2,184,502)	2,688,820
Total net position, beginning of year	7,494,538	5,035,025	2,065,323	1,063,799	15,658,685	12,969,865
Total net position, end of year	<u>\$ 6,127,824</u>	<u>\$ 4,423,444</u>	<u>\$ 1,849,031</u>	<u>\$ 1,073,884</u>	<u>\$ 13,474,183</u>	<u>\$ 15,658,685</u>

See accompanying independent auditor's report.

City of Waco, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2021
(With Comparative Totals for Year Ended September 30, 2020)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2021	2020
Cash flows from operating activities:						
Cash received from customers	\$ 4,691,013	\$ 14,929,505	\$ 3,582,403	\$ 2,022,814	\$ 25,225,735	\$ 24,724,666
Cash paid to suppliers for goods and services	(3,587,472)	(15,303,811)	(1,111,457)	(641,080)	(20,643,820)	(17,994,233)
Cash paid to employees for services	(147,787)	(91,775)	(2,676,658)	(1,562,428)	(4,478,648)	(4,025,771)
Net cash provided by (used for) operating activities	955,754	(466,081)	(205,712)	(180,694)	103,267	2,704,662
Cash flows from noncapital financing activities:						
Transfers from other funds	-	520,177	15,422	18,459	554,058	-
Transfers to other funds	(2,374,262)	-	-	-	(2,374,262)	(130,838)
Net cash provided by (used for) noncapital financing activities	(2,374,262)	520,177	15,422	18,459	(1,820,204)	(130,838)
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	-	-	-	(142,714)
Net cash provided by (used for) capital and related financing activities	-	-	-	-	-	(142,714)
Cash flows from investing activities:						
Investment earnings	13,816	9,509	3,178	544	27,047	164,037
Net cash provided by (used for) investing activities	13,816	9,509	3,178	544	27,047	164,037
Net increase (decrease) in cash and cash equivalents	(1,404,692)	63,605	(187,112)	(161,691)	(1,689,890)	2,595,147
Cash and cash equivalents, beginning of year	10,038,604	5,385,885	2,069,607	587,268	18,081,364	15,486,217
Cash and cash equivalents, end of year	<u>\$ 8,633,912</u>	<u>\$ 5,449,490</u>	<u>\$ 1,882,495</u>	<u>\$ 425,577</u>	<u>\$ 16,391,474</u>	<u>\$ 18,081,364</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 993,732	\$ (621,090)	\$ (234,892)	\$ (98,719)	\$ 39,031	\$ 2,483,789
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	1,342	-	73,144	84,004	158,490	156,368
Changes in assets and liabilities:						
(Increase) decrease in assets:						
Inventories	-	-	-	(122,296)	(122,296)	13,111
Increase (decrease) in liabilities:						
Accounts payable	32,118	(205)	(13,682)	(3,900)	14,331	(124,892)
Accrued liabilities	(47,116)	180,214	(86,425)	(45,789)	884	(163,267)
Compensated absences payable	11,594	-	56,143	6,006	73,743	81,136
Estimated claims and judgements	(35,916)	(25,000)	-	-	(60,916)	258,417
Net cash provided by (used for) operating activities	<u>\$ 955,754</u>	<u>\$ (466,081)</u>	<u>\$ (205,712)</u>	<u>\$ (180,694)</u>	<u>\$ 103,267</u>	<u>\$ 2,704,662</u>
Noncash investing, capital and financing activities:						
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 89,801	\$ 89,801	\$ 40,994

See accompanying independent auditor's report.

Insurance Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2021 and 2020

	Insurance Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 8,633,912	\$ 10,038,604
Total current assets	8,633,912	10,038,604
Noncurrent assets:		
Capital assets:		
Equipment	26,659	26,659
Less: accumulated depreciation	(26,659)	(25,317)
	-	1,342
Total noncurrent assets	-	1,342
Total assets	8,633,912	10,039,946
Liabilities		
Current liabilities:		
Accounts payable	\$ 83,593	\$ 51,475
Accrued liabilities	46,044	93,160
Compensated absences payable	14,939	18,864
Claims and judgments payable	2,316,215	2,352,131
Total current liabilities	2,460,791	2,515,630
Noncurrent liabilities:		
Compensated absences payable	45,297	29,778
Total noncurrent liabilities	45,297	29,778
Total liabilities	2,506,088	2,545,408
Net position		
Net investment in capital assets	-	1,342
Unrestricted	6,127,824	7,493,196
Total net position	\$ 6,127,824	\$ 7,494,538

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended September 30, 2021 and 2020

	Insurance Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 4,691,013	\$ 4,309,863
Total operating revenues	<u>4,691,013</u>	<u>4,309,863</u>
Operating expenses:		
Salaries and wages	118,029	126,823
Employee benefits	41,352	45,032
Purchased professional/technical services	336,480	427,654
Maintenance	43,115	37,591
Other purchased services	1,421,963	1,250,327
Supplies	8,875	4,961
Other	1,726,125	1,518,541
Depreciation	1,342	2,684
Total operating expenses	<u>3,697,281</u>	<u>3,413,613</u>
Operating income (loss)	<u>993,732</u>	<u>896,250</u>
Nonoperating revenues (expenses):		
Investment earnings	13,816	93,200
Total nonoperating revenues (expenses)	<u>13,816</u>	<u>93,200</u>
Income (loss) before contributions and transfers	1,007,548	989,450
Transfers out	<u>(2,374,262)</u>	-
Change in net position	(1,366,714)	989,450
Total net position, beginning of year	7,494,538	6,505,088
Total net position, end of year	<u>\$ 6,127,824</u>	<u>\$ 7,494,538</u>

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2021 and 2020

	Insurance Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 4,691,013	\$ 4,309,863
Cash paid to suppliers for goods and services	(3,587,472)	(3,162,531)
Cash paid to employees for services	(147,787)	(162,925)
Net cash provided by (used for) operating activities	955,754	984,407
Cash flows from noncapital financing activities:		
Transfers to other funds	(2,374,262)	-
Net cash provided by (used for) noncapital financing activities	(2,374,262)	-
Cash flows from investing activities:		
Investment earnings	13,816	93,200
Net cash provided by (used for) investing activities	13,816	93,200
Net increase (decrease) in cash and cash equivalents	(1,404,692)	1,077,607
Cash and cash equivalents, beginning of year	10,038,604	8,960,997
Cash and cash equivalents, end of year	\$ 8,633,912	\$ 10,038,604
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 993,732	\$ 896,250
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,342	2,684
Increase (decrease) in liabilities:		
Accounts payable	32,118	(135,630)
Accrued liabilities	(47,116)	(67,244)
Compensated absences payable	11,594	8,930
Estimated claims and judgements	(35,916)	279,417
Net cash provided by (used for) operating activities	\$ 955,754	\$ 984,407

See accompanying independent auditor's report.

Health Insurance Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2021 and 2020

	Health Insurance Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 5,449,490	\$ 5,385,885
Due from other funds	234,175	754,352
Total current assets	5,683,665	6,140,237
Total assets	5,683,665	6,140,237
Liabilities		
Current liabilities:		
Accounts payable	3,381	3,586
Accrued liabilities	319,840	139,626
Claims and judgments payable	937,000	962,000
Total current liabilities	1,260,221	1,105,212
Total liabilities	1,260,221	1,105,212
Net position		
Unrestricted	4,423,444	5,035,025
Total net position	\$ 4,423,444	\$ 5,035,025

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended September 30, 2021 and 2020

	Health Insurance Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 14,929,505	\$ 14,606,615
Total operating revenues	14,929,505	14,606,615
Operating expenses:		
Salaries and wages	69,138	68,569
Employee benefits	22,637	22,831
Purchased professional/technical services	814,221	812,803
Purchased property services	900	900
Other purchased services	1,863	1,012
Supplies	19,622	16,551
Other	14,622,214	12,212,923
Total operating expenses	15,550,595	13,135,589
Operating income (loss)	(621,090)	1,471,026
Nonoperating revenues (expenses):		
Investment earnings	9,509	47,486
Total nonoperating revenues (expenses)	9,509	47,486
Change in net position	(611,581)	1,518,512
Total net position, beginning of year	5,035,025	3,516,513
Total net position, end of year	\$ 4,423,444	\$ 5,035,025

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2021 and 2020

	Health Insurance Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 14,929,505	\$ 14,606,615
Cash paid to suppliers for goods and services	(15,303,811)	(13,180,015)
Cash paid to employees for services	(91,775)	(91,400)
Net cash provided by (used for) operating activities	(466,081)	1,335,200
Cash flows from noncapital financing activities:		
Transfers from other funds	520,177	-
Transfers to other funds	-	(130,838)
Net cash provided by (used for) noncapital financing activities	520,177	(130,838)
Cash flows from investing activities:		
Investment earnings	9,509	47,486
Net cash provided by (used for) investing activities	9,509	47,486
Net increase (decrease) in cash and cash equivalents	63,605	1,251,848
Cash and cash equivalents, beginning of year	5,385,885	4,134,037
Cash and cash equivalents, end of year	\$ 5,449,490	\$ 5,385,885
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (621,090)	\$ 1,471,026
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Increase (decrease) in liabilities:		
Accounts payable	(205)	(283)
Accrued liabilities	180,214	(114,543)
Estimated claims and judgements	(25,000)	(21,000)
Net cash provided by (used for) operating activities	\$ (466,081)	\$ 1,335,200

See accompanying independent auditor's report.

Engineering Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2021 and 2020

	Engineering Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 1,882,495	\$ 2,069,607
Total current assets	1,882,495	2,069,607
Noncurrent assets:		
Capital assets:		
Land	24,400	24,400
Equipment	694,379	694,379
Less: accumulated depreciation	(412,335)	(339,191)
	306,444	379,588
Total noncurrent assets	306,444	379,588
Total assets	2,188,939	2,449,195
Liabilities		
Current liabilities:		
Accounts payable	18,224	31,906
Accrued liabilities	45,201	131,626
Compensated absences payable	218,803	161,193
Escrow funds	538	538
Total current liabilities	282,766	325,263
Noncurrent liabilities:		
Compensated absences payable	57,142	58,609
Total noncurrent liabilities	57,142	58,609
Total liabilities	339,908	383,872
Net position		
Net investment in capital assets	306,444	379,588
Unrestricted	1,542,587	1,685,735
Total net position	\$ 1,849,031	\$ 2,065,323

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended September 30, 2021 and 2020

	Engineering Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 3,232,764	\$ 3,481,328
Other	349,639	79,140
Total operating revenues	3,582,403	3,560,468
Operating expenses:		
Salaries and wages	2,029,942	1,822,310
Employee benefits	702,859	631,901
Purchased professional/technical services	171,644	397,659
Purchased property services	52,611	53,186
Maintenance	96,626	100,830
Other purchased services	71,878	50,682
Supplies	51,654	111,658
Other	566,937	488,910
Depreciation	73,144	70,530
Total operating expenses	3,817,295	3,727,666
Operating income (loss)	(234,892)	(167,198)
Nonoperating revenues (expenses):		
Investment earnings	3,178	21,921
Total nonoperating revenues (expenses)	3,178	21,921
Income (loss) before contributions and transfers	(231,714)	(145,277)
Capital contributions	-	40,994
Transfers in	15,422	-
Change in net position	(216,292)	(104,283)
Total net position, beginning of year	2,065,323	2,169,606
Total net position, end of year	\$ 1,849,031	\$ 2,065,323

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2021 and 2020

	Engineering Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 3,582,403	\$ 3,560,468
Cash paid to suppliers for goods and services	(1,111,457)	(1,208,571)
Cash paid to employees for services	(2,676,658)	(2,409,928)
Net cash provided by (used for) operating activities	(205,712)	(58,031)
Cash flows from noncapital financing activities:		
Transfers from other funds	15,422	-
Net cash provided by (used for) noncapital financing activities	15,422	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(142,714)
Net cash provided by (used for) capital and related financing activities	-	(142,714)
Cash flows from investing activities:		
Investment earnings	3,178	21,921
Net cash provided by (used for) investing activities	3,178	21,921
Net increase (decrease) in cash and cash equivalents	(187,112)	(178,824)
Cash and cash equivalents, beginning of year	2,069,607	2,248,431
Cash and cash equivalents, end of year	\$ 1,882,495	\$ 2,069,607
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (234,892)	\$ (167,198)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	73,144	70,530
Changes in assets and liabilities:		
Increase (decrease) in liabilities:		
Accounts payable	(13,682)	(9,701)
Accrued liabilities	(86,425)	4,055
Compensated absences payable	56,143	44,283
Net cash provided by (used for) operating activities	\$ (205,712)	\$ (58,031)
Noncash investing, capital and financing activities:		
Total noncash investing, capital, and financing activities	\$ -	\$ 40,994

See accompanying independent auditor's report.

Fleet Services Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2021 and 2020

	Fleet Services Fund	
	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 425,577	\$ 587,268
Inventory	323,182	200,886
Total current assets	748,759	788,154
Noncurrent assets:		
Capital assets:		
Land	14,400	14,400
Buildings	920,153	920,153
Improvements other than buildings	118,289	118,289
Equipment	1,046,931	1,051,418
Less: accumulated depreciation	(1,619,787)	(1,630,072)
	479,986	474,188
Total noncurrent assets	479,986	474,188
Total assets	\$ 1,228,745	\$ 1,262,342
Liabilities		
Current liabilities:		
Accounts payable	\$ 39,410	\$ 43,309
Accrued liabilities	24,418	70,207
Compensated absences payable	91,033	85,027
Total current liabilities	154,861	198,543
Net position		
Net investment in capital assets	479,986	474,188
Unrestricted	593,898	589,611
Total net position	\$ 1,073,884	\$ 1,063,799

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended September 30, 2021 and 2020

	Fleet Services Fund	
	2021	2020
Operating revenues:		
Charges for services	\$ 1,988,724	\$ 2,244,300
Other	34,090	3,420
Total operating revenues	<u>2,022,814</u>	<u>2,247,720</u>
Operating expenses:		
Salaries and wages	1,058,238	965,999
Employee benefits	464,406	423,442
Purchased professional/technical services	11,672	10,787
Purchased property services	8,299	6,321
Maintenance	38,333	37,227
Other purchased services	31,834	32,100
Supplies	64,036	51,667
Other	360,711	353,312
Depreciation	84,004	83,154
Total operating expenses	<u>2,121,533</u>	<u>1,964,009</u>
Operating income (loss)	<u>(98,719)</u>	<u>283,711</u>
Nonoperating revenues (expenses):		
Investment earnings	544	1,430
Total nonoperating revenues (expenses)	<u>544</u>	<u>1,430</u>
Income (loss) before contributions and transfers	(98,175)	285,141
Capital contributions	89,801	-
Transfers in	<u>18,459</u>	<u>-</u>
Change in net position	10,085	285,141
Total net position, beginning of year	1,063,799	778,658
Total net position, end of year	<u>\$ 1,073,884</u>	<u>\$ 1,063,799</u>

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2021 and 2020

	Fleet Service Fund	
	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 2,022,814	\$ 2,247,720
Cash paid to suppliers for goods and services	(641,080)	(443,116)
Cash paid to employees for services	(1,562,428)	(1,361,518)
Net cash provided by (used for) operating activities	(180,694)	443,086
Cash flows from noncapital financing activities:		
Transfers from other funds	18,459	-
Net cash provided by (used for) noncapital financing activities	18,459	-
Cash flows from investing activities:		
Investment earnings	544	1,430
Net cash provided by (used for) investing activities	544	1,430
Net increase (decrease) in cash and cash equivalents	(161,691)	444,516
Cash and cash equivalents, beginning of year	587,268	142,752
Cash and cash equivalents, end of year	\$ 425,577	\$ 587,268
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (98,719)	\$ 283,711
Adjustment to reconcile operating income (loss) to net cash used provided by (used for) operating activities:		
Depreciation	84,004	83,154
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Inventory	(122,296)	13,111
Increase (decrease) in liabilities:		
Accounts payable	(3,900)	20,722
Accrued liabilities	(45,789)	14,465
Compensated absences payable	6,006	27,923
Net cash provided by (used for) operating activities	\$ (180,694)	\$ 443,086
Noncash investing, capital and financing activities:		
Contributions of capital assets	\$ 89,801	\$ -

See accompanying independent auditor's report.

Custodial Funds

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

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

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

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

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

City of Waco, Texas
Combining Statement of Fiduciary Net Position
Custodial Funds
Year Ended September 30, 2021

	Urban Renewal Agency Fund	Heart of Texas Housing Finance Corporation Fund	Waco Public Improvement District No. 2 Fund	Rural Transit Services Fund	Waco Tourism Public Improvement District Fund	Totals
Assets						
Cash and investments	\$ 61,855	\$ 2,789,769	\$ 33,174	\$ 903,580	\$ 101,637	\$ 3,890,015
Accounts receivable	-	-	-	-	103,500	103,500
Intergovernmental receivable	-	-	-	251,169	-	251,169
Total assets	<u>61,855</u>	<u>2,789,769</u>	<u>33,174</u>	<u>1,154,749</u>	<u>205,137</u>	<u>4,244,684</u>
Liabilities						
Accounts payable	-	-	-	17,905	-	17,905
Accrued liabilities	-	-	-	-	205,137	205,137
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,905</u>	<u>205,137</u>	<u>223,042</u>
Net position						
Restricted for other organizations and governments	61,855	2,789,769	33,174	1,136,844	-	4,021,642
Total net position	<u>\$ 61,855</u>	<u>\$ 2,789,769</u>	<u>\$ 33,174</u>	<u>\$ 1,136,844</u>	<u>\$ -</u>	<u>\$ 4,021,642</u>

See accompanying independent auditor's report.

City of Waco, Texas
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended September 30, 2021

	Urban Renewal Agency Fund	Heart of Texas Housing Finance Corporation Fund	Waco Public Improvement District No. 2 Fund	Rural Transit Services Fund	Waco Tourism Public Improvement District Fund	Totals
Additions						
Charges for services	\$ -	\$ -	\$ -	\$ 146,481	\$ -	\$ 146,481
Public improvement assessments	-	-	186,490	-	1,006,615	1,193,105
Investment earnings	107	4,683	-	1,491	-	6,281
Intergovernmental revenue	-	-	-	1,298,401	-	1,298,401
Other	-	242,500	-	45,991	6,018	294,509
Total additions	<u>107</u>	<u>247,183</u>	<u>186,490</u>	<u>1,492,364</u>	<u>1,012,633</u>	<u>2,938,777</u>
Deductions						
Salaries and wages	-	-	-	716,495	-	716,495
Employee benefits	-	-	-	126,458	-	126,458
Purchased professional/technical services	-	-	2,165	167,382	-	169,547
Maintenance	-	-	-	56,506	-	56,506
Other purchased services	-	-	-	93,488	-	93,488
Supplies	-	-	-	150,683	-	150,683
Other	-	111,250	180,787	47,774	1,012,633	1,352,444
Total deductions	<u>-</u>	<u>111,250</u>	<u>182,952</u>	<u>1,358,786</u>	<u>1,012,633</u>	<u>2,665,621</u>
Net increase (decrease) in fiduciary net position	107	135,933	3,538	133,578	-	273,156
Net position, beginning	61,748	2,653,836	29,636	1,003,266	-	3,748,486
Net position, ending	<u>\$ 61,855</u>	<u>\$ 2,789,769</u>	<u>\$ 33,174</u>	<u>\$ 1,136,844</u>	<u>\$ -</u>	<u>\$ 4,021,642</u>

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 not disclosures says about the City's overall financial health

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

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

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

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

Operating Information (Tables XV through XVII) – These schedules contain service and infrastructure data to help the reader understand how the information in 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 178,295,347	\$ 180,902,677	\$ 180,508,096	\$ 183,090,881
Restricted	22,291,256	19,391,804	18,895,396	20,655,062
Unrestricted	<u>24,430,892</u>	<u>28,460,006</u>	<u>34,063,949</u>	<u>30,545,855</u>
Total governmental activities net position	<u>\$ 225,017,495</u>	<u>\$ 228,754,487</u>	<u>\$ 233,467,441</u>	<u>\$ 234,291,798</u>
Business-type activities				
Net investment in capital assets	\$ 219,663,969	\$ 215,231,053	\$ 211,696,699	214,329,030
Restricted	6,834	1,180,611	1,274,319	1,370,154
Unrestricted	<u>48,873,949</u>	<u>60,118,510</u>	<u>65,792,573</u>	<u>63,820,011</u>
Total business-type activities net position	<u>\$ 268,544,752</u>	<u>\$ 276,530,174</u>	<u>\$ 278,763,591</u>	<u>\$ 279,519,195</u>
Primary government				
Net investment in capital assets	\$ 397,959,316	\$ 396,133,730	\$ 392,204,795	\$ 397,419,911
Restricted	22,298,090	20,572,415	20,169,715	22,025,216
Unrestricted	<u>73,304,841</u>	<u>88,578,516</u>	<u>99,856,522</u>	<u>94,365,866</u>
Total primary government net position	<u>\$ 493,562,247</u>	<u>\$ 505,284,661</u>	<u>\$ 512,231,032</u>	<u>\$ 513,810,993</u>

Source: Annual Comprehensive Financial Reports

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

Table I

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 195,340,533	\$ 206,699,045	\$ 216,259,979	\$ 227,983,027	\$ 243,043,416	\$ 262,466,289
23,224,157	28,463,123	36,749,778	43,936,163	48,213,632	51,245,572
29,764,431	30,980,557	40,300,435	52,477,775	63,521,354	84,846,861
<u>\$ 248,329,121</u>	<u>\$ 266,142,725</u>	<u>\$ 293,310,192</u>	<u>\$ 324,396,965</u>	<u>\$ 354,778,402</u>	<u>\$ 398,558,722</u>
218,895,017	224,211,909	231,095,661	245,071,453	285,558,323	311,977,431
700,480	867,925	943,463	1,057,103	1,006,408	1,082,677
68,398,739	73,188,454	81,336,611	82,532,465	93,792,994	108,526,315
<u>\$ 287,994,236</u>	<u>\$ 298,268,288</u>	<u>\$ 313,375,735</u>	<u>\$ 328,661,021</u>	<u>\$ 380,357,725</u>	<u>\$ 421,586,423</u>
\$ 414,235,550	\$ 430,910,954	\$ 447,355,640	\$ 473,054,480	\$ 528,601,739	\$ 574,443,720
23,924,637	29,331,048	37,693,241	44,993,266	49,220,040	52,328,249
98,163,170	104,169,011	121,637,046	135,010,240	157,314,348	193,373,176
<u>\$ 536,323,357</u>	<u>\$ 564,411,013</u>	<u>\$ 606,685,927</u>	<u>\$ 653,057,986</u>	<u>\$ 735,136,127</u>	<u>\$ 820,145,145</u>

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

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 14,177,640	\$ 20,039,649	\$ 16,223,167	\$ 15,012,962
Public works	11,844,356	13,699,976	12,205,449	12,767,308
Public safety	57,664,131	62,592,351	66,630,254	64,796,679
Culture and recreation	15,694,840	16,544,389	16,922,912	16,510,993
Public health	7,184,384	7,388,363	7,314,101	7,269,988
Housing and community development	3,664,525	2,255,720	2,974,293	2,704,824
Interest on long-term debt	4,098,714	3,798,174	3,631,452	3,155,598
Total governmental activities expenses	<u>114,328,590</u>	<u>126,318,622</u>	<u>125,901,628</u>	<u>122,218,352</u>
Business-type activities:				
Water	33,311,059	33,038,145	32,998,874	32,457,155
Wastewater	17,634,339	18,432,230	19,263,583	18,964,527
Solid waste	15,854,254	16,033,246	15,794,559	15,223,615
Airport	2,937,967	3,083,925	3,284,396	3,496,581
Convention services	3,372,280	3,941,005	3,957,683	4,074,149
Ranger Hall of Fame	1,209,145	1,343,575	1,326,695	1,333,639
Cameron Park Zoo	4,396,640	4,318,267	4,494,173	4,595,845
Transit services	7,970,314	8,046,015	8,177,708	8,188,525
Cottonwood Creek Golf Course	1,864,426	1,782,963	1,810,707	1,707,982
Stormwater	-	-	-	-
Total business-type activities expenses	<u>88,550,424</u>	<u>90,019,371</u>	<u>91,108,378</u>	<u>90,042,018</u>
Total primary government expenses	<u>202,879,014</u>	<u>216,337,993</u>	<u>217,010,006</u>	<u>212,260,370</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	243,137	277,810	192,402	243,883
Public works	385	1,537	2,257	3,188
Public safety	3,050,804	3,703,991	5,520,650	5,373,858
Culture and recreation	1,078,390	1,054,216	1,404,877	1,279,331
Public health	1,252,049	1,260,587	1,154,091	1,158,100
Operating grants and contributions	11,640,290	11,500,355	10,924,393	9,564,905
Capital grants and contributions	6,883,729	7,256,153	3,272,066	6,952,118
Total governmental activities program revenues	<u>24,148,784</u>	<u>25,054,649</u>	<u>22,470,736</u>	<u>24,575,383</u>

Table II

Fiscal Year											
2016		2017		2018		2019		2020		2021	
\$	17,591,625	\$	21,961,388	\$	23,161,022	\$	21,418,706	\$	24,927,532	\$	25,498,744
	12,385,381		13,531,718		13,738,063		15,263,962		16,663,378		17,613,038
	71,900,506		77,631,982		76,378,833		81,605,115		82,482,836		79,691,854
	17,575,724		18,409,985		18,085,607		20,036,504		18,281,256		18,044,204
	7,853,838		7,974,445		7,991,534		9,205,925		8,941,058		9,604,109
	2,421,277		2,499,865		2,220,964		2,904,350		2,752,409		5,617,611
	2,784,644		2,724,381		2,942,299		3,149,200		3,303,458		3,789,974
	<u>132,512,995</u>		<u>144,733,764</u>		<u>144,518,322</u>		<u>153,583,762</u>		<u>157,351,927</u>		<u>159,859,534</u>
	34,485,785		36,237,977		37,944,429		39,841,010		41,071,141		40,438,161
	22,024,527		22,369,323		23,339,837		27,232,626		29,284,437		30,142,967
	15,458,545		16,437,794		17,150,662		20,867,979		21,389,352		22,960,146
	3,821,305		3,948,697		3,833,773		4,333,238		5,001,016		5,370,976
	4,301,096		4,524,677		4,855,004		5,684,576		4,380,349		3,315,097
	1,444,823		1,333,563		1,390,759		1,404,669		1,517,423		1,631,553
	4,777,181		5,232,360		5,342,574		5,357,572		6,003,814		5,879,107
	8,640,336		8,360,490		7,902,796		8,234,983		7,754,706		7,246,662
	1,821,529		1,852,186		2,044,411		2,094,332		1,903,771		1,911,463
	-		-		-		-		-		116,493
	<u>96,775,127</u>		<u>100,297,067</u>		<u>103,804,245</u>		<u>115,050,985</u>		<u>118,306,009</u>		<u>119,012,625</u>
	<u>229,288,122</u>		<u>245,030,831</u>		<u>248,322,567</u>		<u>268,634,747</u>		<u>275,657,936</u>		<u>278,872,159</u>
	271,051		282,226		383,837		435,415		336,898		348,566
	2,057		972		1,315		790		1,035		-
	5,995,911		5,211,330		5,167,028		4,915,802		4,647,611		5,832,062
	1,294,784		1,574,384		1,792,366		1,688,278		657,512		1,313,651
	1,181,667		1,248,994		1,179,052		1,247,897		1,116,427		1,209,651
	9,550,112		9,365,279		10,748,885		11,527,188		22,262,586		16,122,738
	<u>7,269,459</u>		<u>9,608,784</u>		<u>11,861,689</u>		<u>8,561,177</u>		<u>4,689,356</u>		<u>14,300,491</u>
	<u>25,565,041</u>		<u>27,291,969</u>		<u>31,134,172</u>		<u>28,376,547</u>		<u>33,711,425</u>		<u>39,127,159</u>

(Continued)

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

	2012	2013	2014	2015
Business-type activities:				
Charges for services:				
Water	\$ 38,759,662	\$ 40,713,824	\$ 38,600,073	\$ 37,773,754
Wastewater	21,542,770	21,718,912	21,343,556	20,827,643
Solid waste	16,531,734	16,489,195	16,866,587	17,704,519
Airport	1,065,157	1,079,297	1,142,240	1,093,157
Convention services	771,773	1,018,086	1,213,798	1,317,100
Ranger Hall of Fame	448,449	410,728	420,414	490,917
Cameron Park Zoo	1,602,554	1,618,495	1,582,279	1,615,849
Transit services	3,582,781	3,540,047	3,373,782	3,775,380
Cottonwood Creek Golf Course	1,226,374	1,615,885	1,549,328	1,511,944
Stormwater (Drainage)	-	-	-	-
Operating grants and contributions	3,415,770	3,419,959	3,869,760	3,566,046
Capital grants and contributions	3,786,143	4,836,705	1,682,452	3,459,180
Total business-type activities program revenues	<u>92,733,167</u>	<u>96,461,133</u>	<u>91,644,269</u>	<u>93,135,489</u>
Total primary government program revenues	<u>116,881,951</u>	<u>121,515,782</u>	<u>114,115,005</u>	<u>117,710,872</u>
Net (Expense)/Revenue				
Governmental activities	(90,179,806)	(101,263,973)	(103,430,892)	(97,642,969)
Business-type activities	<u>4,182,743</u>	<u>6,441,762</u>	<u>535,891</u>	<u>3,093,471</u>
Total primary government net expense	<u>(85,997,063)</u>	<u>(94,822,211)</u>	<u>(102,895,001)</u>	<u>(94,549,498)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	49,373,010	51,184,254	51,585,835	55,028,271
Tax increment financing tax	5,004,192	5,916,309	5,573,984	6,296,710
Sales taxes	29,186,254	31,075,760	33,487,659	35,813,531
Franchise taxes	13,682,123	13,405,186	14,181,593	13,762,575
Other taxes	650,815	676,254	785,905	871,076
Unrestricted investment earnings	360,561	308,603	323,760	476,804
Miscellaneous	882,450	2,153,305	1,196,841	1,214,952
Gain on disposal of capital assets	1,730,200	290,376	105,278	-
Transfers	(2,555,596)	81,051	902,991	2,537,789
Total governmental activities	<u>98,314,009</u>	<u>105,091,098</u>	<u>108,143,846</u>	<u>116,001,708</u>
Business-type activities:				
Hotel/motel taxes	1,897,865	2,095,987	2,403,171	2,707,056
Unrestricted investment earnings	196,566	159,463	197,346	289,580
Special item: Gain on termination of WMARSS agreement	-	-	-	-
Transfers	2,555,596	(81,051)	(902,991)	(2,537,789)
Total business-type activities	<u>4,650,027</u>	<u>2,174,399</u>	<u>1,697,526</u>	<u>458,847</u>
Total primary government	<u>102,964,036</u>	<u>107,265,497</u>	<u>109,841,372</u>	<u>116,460,555</u>
Change in Net Position				
Governmental activities	8,134,203	3,827,125	4,712,954	18,358,739
Business-type activities	<u>8,832,770</u>	<u>8,616,161</u>	<u>2,233,417</u>	<u>3,552,318</u>
Total primary government	<u>\$ 16,966,973</u>	<u>\$ 12,443,286</u>	<u>\$ 6,946,371</u>	<u>\$ 21,911,057</u>

Source: Annual Comprehensive Financial Reports

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

Table II
(Continued)

Fiscal Year									
2016	2017	2018	2019	2020	2021				
\$ 39,693,677	\$ 43,474,418	\$ 48,925,791	\$ 50,287,352	\$ 53,110,881	\$ 52,448,798				
23,376,856	27,826,441	30,079,874	34,435,075	38,309,365	42,245,415				
18,860,966	19,052,864	19,776,330	20,435,913	21,881,584	23,137,315				
1,118,487	1,134,454	967,939	1,317,810	967,466	1,022,426				
1,402,912	1,568,402	1,736,312	1,795,841	853,499	498,987				
559,262	654,740	721,386	752,273	381,521	495,975				
1,963,610	2,223,777	2,074,281	2,085,321	1,711,401	3,344,779				
4,112,010	3,606,218	3,232,108	3,123,994	2,547,859	2,228,232				
1,618,596	1,643,950	1,604,672	1,762,884	1,590,021	1,749,668				
-	-	-	-	-	-				
3,734,120	4,031,927	3,738,719	4,028,788	6,773,559	7,190,824				
6,998,128	3,654,269	1,048,602	3,182,243	6,358,716	21,233,196				
<u>103,438,624</u>	<u>108,871,460</u>	<u>113,906,014</u>	<u>123,207,494</u>	<u>134,485,872</u>	<u>155,595,615</u>				
<u>129,003,665</u>	<u>136,163,429</u>	<u>145,040,186</u>	<u>151,584,041</u>	<u>168,197,297</u>	<u>194,722,774</u>				
(106,947,954)	(117,441,795)	(113,384,150)	(125,207,215)	(123,640,502)	(120,732,375)				
6,663,497	8,574,393	10,101,769	8,156,509	16,179,863	36,582,990				
<u>(100,284,457)</u>	<u>(108,867,402)</u>	<u>(103,282,381)</u>	<u>(117,050,706)</u>	<u>(107,460,639)</u>	<u>(84,149,385)</u>				
58,427,545	63,095,312	68,192,298	74,555,736	77,783,241	82,999,797				
7,750,330	10,234,498	12,674,713	14,172,237	14,042,607	13,322,983				
37,371,461	38,135,659	39,017,059	40,610,169	41,033,102	48,720,357				
13,734,655	14,238,292	14,916,497	14,590,418	14,480,403	14,523,390				
910,456	1,063,684	1,148,309	1,273,129	1,168,421	1,368,393				
855,366	1,644,507	4,092,426	7,976,252	3,990,302	669,398				
1,450,460	1,702,214	1,162,457	3,349,070	2,989,133	2,834,269				
-	3,420,000	-	-	-	-				
485,004	1,721,233	462,783	(233,023)	(1,465,270)	74,108				
<u>120,985,277</u>	<u>135,255,399</u>	<u>141,666,542</u>	<u>156,293,988</u>	<u>154,021,939</u>	<u>164,512,695</u>				
3,204,122	3,724,543	4,270,253	4,617,066	3,138,696	4,519,547				
378,946	462,647	1,198,208	2,278,688	1,143,224	200,269				
-	-	-	-	29,769,651	-				
(485,004)	(1,721,233)	(462,783)	233,023	1,465,270	(74,108)				
<u>3,098,064</u>	<u>2,465,957</u>	<u>5,005,678</u>	<u>7,128,777</u>	<u>35,516,841</u>	<u>4,645,708</u>				
<u>124,083,341</u>	<u>137,721,356</u>	<u>146,672,220</u>	<u>163,422,765</u>	<u>189,538,780</u>	<u>169,158,403</u>				
14,037,323	17,813,604	28,282,392	31,086,773	30,381,437	43,780,320				
9,761,561	11,040,350	15,107,447	15,285,286	51,696,704	41,228,698				
<u>\$ 23,798,884</u>	<u>\$ 28,853,954</u>	<u>\$ 43,389,839</u>	<u>\$ 46,372,059</u>	<u>\$ 82,078,141</u>	<u>\$ 85,009,018</u>				

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

	2012	2013	2014	2015
General Fund				
Nonspendable:				
Advances to other funds	\$ 48,388	\$ -	\$ -	\$ -
Inventory	504,736	536,785	734,557	849,594
Real estate held for resale	6,160	6,160	6,160	6,160
Restricted for:				
Municipal information equipment	1,350	636,993	703,924	751,247
Culture and recreation	365,900	689,343	918,377	755,927
Public safety	-	377,841	83,856	119,629
Economic development	-	100,996	-	-
Committed to:				
Economic development	7,597,032	8,719,518	9,532,164	9,722,702
Culture and recreation	-	-	-	-
Assigned to:				
Capital improvements	3,838,635	9,073,859	15,050,171	4,810,928
Economic development	2,810,428	6,078,636	3,048,263	5,740,957
Housing and community development	45,000	25,000	25,000	142,117
Public works	14,942	470,084	4,677	352,180
Public safety	262,804	10,173	140,595	189,501
Culture and recreation	47,622	15,305	16,230	150,601
Subsequent year's budget appropriation of fund bal	-	-	-	7,108,799
Other	120,684	124,312	490,289	220,123
Unreserved/Unassigned	21,984,507	19,604,248	21,043,396	23,392,619
Total General Fund	\$ 37,648,188	\$ 46,469,253	\$ 51,797,659	\$ 54,313,084

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

	2012	2013	2014	2015
All Other Governmental Funds:				
Nonspendable:				
Parks and cemetery care	\$ 475,431	\$ 477,891	\$ 478,848	\$ 466,997
Real estate held for sale	40,061	40,061	40,061	46,705
Inventory	-	-	-	131,805
Restricted for:				
Debt service	230,130	238,053	185,902	491,257
Capital projects	23,348,990	15,531,634	11,828,967	7,184,956
Tax increment zone activities	14,565,233	10,960,465	10,891,785	13,579,596
Housing and community development	193,495	2,676,979	2,333,652	2,059,972
Public works	-	-	-	-
Public safety	2,314,311	1,831,495	1,406,274	1,442,749
Culture and recreation	1,194,942	755,434	1,302,930	450,821
Waco Public Improvement District	520,765	611,577	645,008	716,835
Committed to:				
Capital projects	1,308,537	1,443,453	2,582,281	15,665,156
Public health	157,585	351,412	561,880	820,811
Total all other governmental funds	<u>\$ 44,349,480</u>	<u>\$ 34,918,454</u>	<u>\$ 32,257,588</u>	<u>\$ 43,057,660</u>

Source: Annual Comprehensive Financial Reports

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

Table III

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	366,560	\$ 368,115	\$ 371,797	\$ 378,209	\$ 381,019	\$ 326,896
	-	-	-	-	-	-
	138,360	85,685	-	-	-	-
	598,145	528,707	675,525	742,629	600,472	1,303,947
	4,631,102	12,754,861	29,469,813	35,639,375	50,835,124	55,153,344
	16,822,186	22,732,032	31,067,768	37,977,473	42,551,716	44,304,621
	2,037,017	1,570,574	1,314,573	325,423	246,965	296,952
	-	-	-	1,142,535	636,582	678,759
	1,224,262	1,208,289	1,556,260	1,568,647	1,658,699	2,285,587
	347,288	581,442	191,804	153,891	169,374	180,414
	755,292	888,323	906,377	1,006,241	1,148,686	1,034,429
	13,223,176	14,236,424	14,241,431	12,465,309	20,797,066	37,279,317
	<u>1,050,924</u>	<u>1,741,422</u>	<u>2,417,446</u>	<u>2,514,105</u>	<u>3,240,719</u>	<u>3,390,803</u>
\$	<u>41,194,312</u>	<u>\$ 56,695,874</u>	<u>\$ 82,212,794</u>	<u>\$ 93,913,837</u>	<u>\$ 122,266,422</u>	<u>\$ 146,235,069</u>

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

	2012	2013	2014	2015
Revenues:				
Taxes:				
Sales	\$ 29,186,254	\$ 31,075,760	\$ 33,487,659	\$ 35,813,531
Property	53,698,407	56,769,973	56,383,515	60,851,059
Interest and penalty	558,497	864,693	507,622	598,772
Special assessments	296,835	323,153	300,940	326,760
Business and occupation fees	13,682,123	13,405,186	14,181,593	13,762,575
Permits, licenses and fees	2,069,365	2,361,710	2,519,019	2,454,494
Fines	1,647,361	1,915,904	2,555,149	2,506,051
Charges for services	1,501,983	1,643,861	1,639,054	1,749,690
Investment earnings	325,873	285,712	296,370	436,017
Contributions	269,577	504,130	883,815	3,490,258
Intergovernmental	9,625,197	10,888,461	10,278,693	9,968,503
Program income	608,810	297,998	338,265	289,272
Other	9,166,618	10,327,351	10,028,613	10,971,694
Total revenues	122,636,900	130,663,892	133,400,307	143,218,676
Expenditures:				
General government	19,881,170	27,395,172	24,937,624	22,826,332
Public works	2,051,156	3,214,854	2,583,490	1,405,812
Public safety	55,143,283	60,765,347	62,521,778	62,557,857
Culture and recreation	14,773,781	12,792,566	13,998,629	13,543,825
Housing and community development	3,469,303	3,088,943	3,160,091	2,897,236
Public health	6,993,107	7,271,899	7,267,366	7,247,059
Capital outlay	23,954,367	14,814,436	10,002,288	14,758,838
Debt service:				
Principal	7,090,342	5,912,954	5,340,143	5,585,000
Interest and fiscal charges	4,194,170	3,946,312	3,788,820	3,437,349
Bond issuance costs	68,981	35,891	26,107	250,679
Total expenditures	137,619,660	139,238,374	133,626,336	134,509,987
Excess (deficiency) of revenues over (under) expenditures	(14,982,760)	(8,574,482)	(226,029)	8,708,689
Other financing sources (uses):				
General obligation bonds issued	3,480,000	2,175,000	1,645,000	1,695,000
Refunding bonds issued	6,465,000	1,700,000	-	34,125,000
Capital leases	145,351	-	-	-
Premiums on general obligation bonds	10,594	168,544	59,040	57,044
Premiums on refunding bonds	792,695	316,832	-	6,804,247
Payments to refunded bond escrow agent	(7,243,886)	(1,999,938)	-	(40,676,302)
Transfers in	15,015,607	14,935,710	17,504,831	26,296,892
Transfer out	(14,513,914)	(13,145,858)	(16,420,580)	(23,695,073)
Proceeds from sale of capital assets	1,790,086	290,376	105,278	-
Total other financing sources	5,941,533	4,440,666	2,893,569	4,606,808
Net change in fund balances	\$ (9,041,227)	\$ (4,133,816)	\$ 2,667,540	\$ 13,315,497
Debt service as a percentage of noncapital expenditures	9.85%	7.94%	7.49%	7.49%

Source: Annual Comprehensive Financial Reports

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

Table IV

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	37,371,461	\$	38,135,659	\$	39,017,059	\$	40,610,169	\$	41,033,102	\$	48,720,357
	65,630,088		72,678,709		80,168,586		87,622,628		91,162,296		95,383,801
	620,805		620,791		636,115		613,463		805,160		810,897
	358,421		482,959		535,505		560,432		630,654		644,776
	13,734,655		14,238,292		14,916,497		14,590,418		14,480,403		14,523,391
	2,739,022		2,618,623		2,482,683		2,957,028		2,967,430		3,690,136
	2,569,317		2,054,255		1,883,191		2,055,628		1,650,016		1,931,290
	1,834,544		1,939,164		2,104,779		2,101,940		1,921,824		2,273,973
	825,795		1,574,399		3,921,246		7,640,582		3,823,044		641,491
	1,419,645		1,244,774		861,550		1,072,378		829,925		766,646
	9,175,975		11,344,302		9,590,294		9,435,004		19,950,651		14,720,796
	298,107		222,053		246,593		194,820		227,685		213,753
	11,238,248		11,080,269		12,156,194		16,217,373		14,253,903		15,344,985
	<u>147,816,083</u>		<u>158,234,249</u>		<u>168,520,292</u>		<u>185,671,863</u>		<u>193,736,093</u>		<u>199,666,292</u>
	25,611,309		28,421,391		30,108,527		30,851,658		38,971,422		42,716,357
	1,879,964		1,643,939		5,119,496		7,051,885		7,926,213		7,661,056
	67,172,300		70,051,351		73,673,507		75,754,565		80,011,063		80,619,656
	13,427,467		17,688,310		14,216,289		15,201,353		15,196,451		14,325,034
	2,370,097		2,576,675		2,908,249		3,250,335		2,925,409		5,658,410
	7,533,938		7,588,586		7,906,760		8,944,992		8,813,617		9,765,137
	26,453,338		13,884,468		11,595,064		25,302,918		21,821,248		37,837,873
	5,895,000		6,685,000		6,660,000		6,555,000		7,590,000		8,780,000
	3,283,750		3,240,961		3,440,471		4,016,921		4,553,085		5,144,979
	99,402		84,655		140,293		203,758		123,993		160,006
	<u>153,726,565</u>		<u>151,865,336</u>		<u>155,768,656</u>		<u>177,133,385</u>		<u>187,932,501</u>		<u>212,668,508</u>
	<u>(5,910,482)</u>		<u>6,368,913</u>		<u>12,751,636</u>		<u>8,538,478</u>		<u>5,803,592</u>		<u>(13,002,216)</u>
	3,805,000		11,465,000		19,840,000		18,560,000		26,210,000		28,960,000
	1,945,000		-		-		9,365,000		-		3,155,000
	-		-		-		-		-		5,000,000
	334,219		451,335		1,180,056		1,583,439		2,551,941		1,230,197
	136,375		-		-		1,065,159		-		350,193
	(2,055,353)		-		-		(10,434,176)		-		(3,539,057)
	23,677,980		22,351,642		13,552,009		18,871,120		31,572,912		37,465,729
	(22,037,241)		(20,384,586)		(12,537,037)		(18,616,575)		(33,014,272)		(34,940,626)
	-		-		-		-		-		-
	<u>5,805,980</u>		<u>13,883,391</u>		<u>22,035,028</u>		<u>20,393,967</u>		<u>27,320,581</u>		<u>37,681,436</u>
\$	<u>(104,502)</u>	\$	<u>20,252,304</u>	\$	<u>34,786,664</u>	\$	<u>28,932,445</u>	\$	<u>33,124,173</u>	\$	<u>24,679,220</u>
	7.24%		7.31%		7.04%		7.09%		7.77%		8.35%

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

Category	2021	2020	2019	2018
Real - residential single family	\$ 5,440,236,061	\$ 5,045,208,989	\$ 4,689,727,622	\$ 4,103,208,707
Real - residential multi-family	1,309,440,113	1,204,270,853	1,156,809,421	1,036,321,000
Real - platted lots & residential inventory	260,120,813	254,696,041	241,199,487	225,165,345
Real - acreage, land only	106,653,807	101,075,715	95,061,274	75,960,194
Real - improved farm & ranch	44,260,405	49,625,414	47,626,117	41,117,522
Real - commercial & industrial	3,082,168,132	2,931,146,517	2,831,537,753	2,652,184,099
Real and tangible personal - utilities	245,410,126	229,487,770	217,987,430	202,093,432
Tangible personal - business	2,001,638,910	2,131,366,180	2,037,021,720	1,940,142,010
Tangible personal - other	<u>3,099,232</u>	<u>2,699,122</u>	<u>2,370,660</u>	<u>2,334,390</u>
Total market value	12,493,027,599	11,949,576,601	11,319,341,484	10,278,526,699
Less total exemptions	<u>1,293,119,298</u>	<u>1,254,695,579</u>	<u>1,253,765,578</u>	<u>1,073,765,249</u>
Taxable assessed value	<u>\$ 11,199,908,301</u>	<u>\$ 10,694,881,022</u>	<u>\$ 10,065,575,906</u>	<u>\$ 9,204,761,450</u>
Total direct tax rate per \$100 of taxable assessed value	<u>\$ 0.776232</u>	<u>\$ 0.776232</u>	<u>\$ 0.776232</u>	<u>\$ 0.776232</u>
Estimated actual taxable value	<u>\$ 12,493,027,599</u>	<u>\$ 11,949,576,601</u>	<u>\$ 11,319,341,484</u>	<u>\$ 10,278,526,699</u>
Taxable assessed value as a percentage of actual taxable value	89.6%	89.5%	88.9%	89.6%

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

Table V

Fiscal Year						
	2017	2016	2015	2014	2013	2012
\$	3,666,787,394	\$ 3,442,331,305	\$ 3,330,608,637	\$ 3,193,078,012	\$ 3,145,755,030	\$ 2,964,790,976
	854,447,458	710,274,847	600,033,734	552,903,404	540,947,926	530,246,728
	216,913,884	179,995,100	192,366,941	185,737,380	161,765,042	159,734,533
	77,014,810	69,022,094	74,636,662	66,466,703	73,968,631	73,351,221
	34,974,967	29,242,020	32,499,555	28,871,288	18,486,406	19,298,600
	2,444,560,582	2,221,110,921	2,051,472,009	1,885,152,286	1,839,811,136	1,820,432,553
	192,815,272	202,959,032	177,491,413	147,349,253	140,452,424	138,700,708
	1,926,700,880	1,844,415,017	1,724,904,133	1,674,043,041	1,667,295,558	1,566,759,638
	<u>2,325,700</u>	<u>2,406,350</u>	<u>2,424,330</u>	<u>2,328,520</u>	<u>2,236,139</u>	<u>2,442,607</u>
	9,416,540,947	8,701,756,686	8,186,437,414	7,735,929,887	7,590,718,292	7,275,757,564
	<u>943,172,583</u>	<u>939,650,349</u>	<u>916,313,922</u>	<u>927,340,793</u>	<u>938,850,655</u>	<u>829,201,392</u>
\$	<u>8,473,368,364</u>	<u>7,762,106,337</u>	<u>7,270,123,492</u>	<u>6,808,589,094</u>	<u>6,651,867,637</u>	<u>6,446,556,172</u>
\$	<u>0.776232</u>	<u>0.776232</u>	<u>0.776232</u>	<u>0.786232</u>	<u>0.786232</u>	<u>0.786232</u>
\$	<u>9,416,540,947</u>	<u>8,701,756,686</u>	<u>8,186,437,414</u>	<u>7,735,929,887</u>	<u>7,590,718,292</u>	<u>7,275,757,564</u>
	90.0%	89.2%	88.8%	88.0%	87.6%	88.6%

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
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
2015	0.646744	0.129488	0.776232	1.353240	1.538834	1.465000	0.149530
2016	0.653858	0.122374	0.776232	1.400000	1.516068	1.459000	0.149724
2017	0.662094	0.114138	0.776232	1.400000	1.421381	1.422100	0.148898
2018	0.660723	0.115509	0.776232	1.302450	1.387194	1.413532	0.150346
2019	0.673581	0.102651	0.776232	1.410000	1.358720	1.394040	0.147696
2020	0.665656	0.110576	0.776232	1.302450	1.294110	1.290269	0.147696
2021	0.646729	0.129503	0.776232	1.263953	1.257416	1.299955	0.149782

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

Table VI

Overlapping Rates						
McLennan County	Connally Independent School District	Midway Independent School District	Bosqueville Independent School District	Lorena Independent School District	Robinson Independent School District	McGregor Independent School District
0.442710	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
0.535293	1.274394	1.320000	1.478175	1.640000	1.510000	1.355000
0.535293	1.281628	1.320000	1.507102	1.640000	1.510000	1.355000
0.525293	1.251212	1.320000	1.441544	1.579090	1.470000	1.333800
0.505293	1.374409	1.320000	1.429973	1.554090	1.406135	1.330000
0.485293	1.367955	1.320000	1.379229	1.534000	1.406135	1.330000
0.485293	1.266457	1.250000	1.322389	1.435210	1.286700	1.276100
0.468719	1.234741	1.236400	1.233088	1.332666	1.260930	1.167280

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

Fiscal year 2021

<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Valuation</u>
Mars Snackfood US L.L.C	\$ 105,765,354	0.94 %
Coca Cola Company	88,899,731	0.79 %
Oncor Electric Delivery CO L.L.C	82,137,070	0.73 %
Allergan, Inc	75,513,623	0.67 %
Sanderson Farms, Inc	74,135,486	0.66 %
L-3 Communications Integrated Systems L.P.	72,849,140	0.65 %
3503 RP Waco Central L.P.	64,500,000	0.58 %
Sherwin Williams CO Inc.	58,968,516	0.53 %
CD/Park7 Waco Owner LP	55,500,000	0.50 %
Atmos Energy/Mid-Tex	<u>53,330,840</u>	<u>0.48 %</u>
Total	<u>\$ 731,599,760</u>	<u>6.53 %</u>

Source: McLennan County Appraisal District

Table VII

Fiscal Year 2012		
Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
MasterFoods USA (M & M Mars)	\$ 106,641,690	1.65 %
Coca Cola Company	75,307,626	1.17 %
L-3 Communications Corp.	71,802,723	1.11 %
Allergan, Inc.	55,961,317	0.87 %
Inland Western Waco Central, L.P.	50,860,329	0.79 %
Oncor Electric Delivery Co.	49,745,701	0.77 %
CBL/Richland Mall, L.P.	40,477,164	0.63 %
Caterpillar Logistics Services, Inc.	37,265,349	0.58 %
Pilgrim's Pride Corp.	30,386,281	0.47 %
Sherwin Williams Co. Inc.	<u>28,654,984</u>	<u>0.44 %</u>
Total	\$ <u><u>547,103,164</u></u>	<u><u>8.49 %</u></u>

City of Waco, Texas
Property Tax Levies and Collections
(Unaudited)
Last Ten 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>
2012	49,428,253	1,516,082	50,944,335	(504,940)
2013	50,896,824	1,541,926	52,438,750	(286,215)
2014	51,208,846	1,582,983	52,791,829	(14,907)
2015	54,676,069	1,792,277	56,468,346	(210,830)
2016	58,055,153	2,224,388	60,279,541	(348,821)
2017	62,891,323	3,094,279	65,985,602	(841,374)
2018	67,536,896	3,506,068	71,042,964	(282,169)
2019	73,976,108	3,864,376	77,840,484	(635,129)
2020	79,178,817	3,942,081	83,120,898	(760,578)
2021	83,297,493	4,479,412	87,776,905	(1,051,086)

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
50,439,395	49,634,551	98.40	708,893	50,343,444	99.81
52,152,535	51,511,537	98.77	552,436	52,063,973	99.83
52,776,922	52,019,615	98.57	657,381	52,676,996	99.81
56,257,516	55,622,582	98.87	520,556	56,143,138	99.80
59,930,720	59,465,589	99.22	340,520	59,806,109	99.79
65,144,228	64,907,474	99.64	87,697	64,995,170	99.77
70,760,795	70,504,465	99.64	68,608	70,573,073	99.73
77,205,355	76,906,987	99.61	33,356	76,940,343	99.66
82,360,320	81,374,389	98.80	549,047	81,923,436	99.47
86,725,819	85,785,642	98.92	-	85,785,642	98.92

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

Fiscal Year	Governmental Activities						General Obligation Bonds
	General Obligation Bonds (1)	Capital Leases	General Obligation Bonds (2)	Contracts Payable	Refundable Contracts	Notes Payable	
2012	94,657,316	109,814	813,366	830,000	80,007	-	207,205,507
2013	91,155,603	61,608	615,000	830,000	80,007	-	228,080,781
2014	87,989,551	12,443	550,000	830,000	80,007	-	223,017,008
2015	86,321,896	-	370,000	830,000	80,007	968,532	223,050,091
2016	83,778,284	-	345,000	830,000	80,007	807,110	295,326,024
2017	88,004,702	-	285,000	830,000	80,007	645,688	314,046,707
2018	92,942,378	-	8,505,000	830,000	80,007	484,266	343,297,379
2019	105,635,153	-	8,100,000	830,000	80,007	322,844	370,491,773
2020	125,567,359	-	7,560,000	830,000	80,007	161,422	381,685,431
2021	146,044,918	4,504,822	6,505,000	830,000	80,007	-	405,489,590

Note 1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note 2: Personal income information is not available at the City level. In lieu of this ratio, the percentage of total debt to actual taxable value of property is provided.

(1) Includes unamortized premium.

(2) General obligation bonds payable from tax increment financing sources.

(3) See Table V for property value data.

Source: Estimated population provided by the City of Waco Planning Office.

Table IX

<u>Business-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>
<u>Notes Payable</u>	<u>Refundable Contracts</u>	<u>Contracts Payable</u>				
17,034,421	1,818,363	-	322,548,794	5.00%	127,018	2,539
1,967,906	1,795,178	-	324,586,083	4.88%	128,125	2,533
1,898,437	1,952,243	-	316,329,689	4.65%	129,241	2,448
1,825,882	1,572,435	-	315,018,843	4.33%	130,533	2,413
1,750,105	1,513,751	1,306,512	385,736,793	4.97%	132,889	2,903
1,670,963	1,615,828	845,390	408,024,285	4.82%	135,557	3,010
1,588,306	1,390,948	345,841	449,464,125	4.88%	137,048	3,280
1,501,978	1,354,489	-	488,316,244	4.85%	139,236	3,507
1,411,816	1,284,371	-	518,580,406	5.15%	138,486	3,745
1,317,649	1,191,783	-	565,963,769	5.62%	139,982	4,043

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
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
2015	309,741,987	259,739	309,482,248	4.26%	130,533	2,371
2016	379,449,308	310,501	379,138,807	4.88%	132,889	2,853
2017	402,336,409	147,618	402,188,791	4.75%	135,557	2,967
2018	444,744,757	104,018	444,640,739	4.83%	137,048	3,244
2019	484,226,926	120,072	484,106,854	4.81%	139,236	3,477
2020	514,812,790	-	514,812,790	4.81%	138,486	3,717
2021	558,039,508	546,081	557,493,427	4.98%	139,982	3,983

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) General bonded debt of both governmental and business-type activities, including unamortized premium, paid from property tax levy and revenues of the Water Fund, Wastewater Fund, Solid Waste Fund and Tax Increment Fund No. 1.

(2) See Table V for property value data.

(3) See Table IX for population data.

City of Waco, Texas
Direct and Overlapping Governmental Activities Debt
(Unaudited)
September 30, 2021

Taxing Authority	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Debt Overlapping Debt
Debt repaid with property taxes:			
Waco Independent School District	\$ 127,256,498	95.66%	\$ 121,733,566
Bosqueville Independent School District	5,680,584	79.56%	4,519,473
McLennan Community College	27,060,621	56.09%	15,178,302
McLennan County	35,317,069	56.09%	19,809,344
Midway Independent School District	101,360,910	52.04%	52,748,218
LaVega Independent School District	15,011,365	43.60%	6,544,955
China Spring Independent School District	33,339,019	41.50%	13,835,693
Connally Independent School District	1,967,975	17.65%	347,348
Lorena Independent School District	509,052	2.00%	10,181
Subtotal, overlapping debt	<u>\$ 347,503,093</u>		<u>\$ 234,727,080</u>
City direct debt:			
City of Waco direct debt	\$ 146,044,918	100.00%	\$ 146,044,918
Tax increment financing	6,505,000	100.00%	6,505,000
Capital lease	4,504,822	100.00%	4,504,822
Other	910,007	100.00%	910,007
Subtotal, direct debt	<u>\$ 157,964,747</u>		<u>\$ 157,964,747</u>
Total direct and overlapping debt	<u>\$ 505,467,840</u>		<u>\$ 392,691,827</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, 2021.

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

<u>Fiscal Year</u>		<u>Gross Revenue (1)</u>	<u>Less: Operating Expenses (2)</u>	<u>Water and Net Revenue Available for Debt Service</u>
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
2015	(4)	59,514,895	36,477,205	23,037,690
2016	(4)	64,908,762	37,994,953	26,913,809
2017	(4)	72,367,283	39,791,567	32,575,716
2018	(4)	80,691,818	40,693,841	39,997,977
2019	(4)	86,515,694	45,386,875	41,128,819
2020	(4)	93,579,089	46,837,592	46,741,497
2021	(4)	95,855,770	46,796,680	49,059,090

(1) Total revenue including interest.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of general obligation bonds reported in the water and wastewater funds.

(4) Although City has no outstanding revenue bonds, a limited pledge (not to exceed \$1,000) of surplus revenues of the City's water and wastewater system is used for security for certificates of obligation.

Source: Annual Comprehensive Financial Reports

Wastewater Funds

Debt Service Requirements (3)			
Principal	Interest	Total	Coverage
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 %
11,085,000	8,363,187	19,448,187	1.18 %
11,555,000	8,142,857	19,697,857	1.37 %
13,715,000	11,827,630	25,542,630	1.28 %
15,955,000	11,139,566	27,094,566	1.48 %
17,900,000	12,511,654	30,411,654	1.35 %
19,615,000	13,589,334	33,204,334	1.41 %
20,775,000	13,339,808	34,114,808	1.44 %



Table XIII

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
2012	256,939	8,603,174	33,483	29.3	6.5%
2013	258,633	8,778,110	33,940	27.7	6.1%
2014	260,155	9,228,315	35,472	27.9	5.1%
2015	262,361	9,713,471	37,023	28.7	4.1%
2016	265,207	10,012,971	37,755	28.2	4.0%
2017	268,696	10,549,900	39,263	28.8	3.3%
2018	271,942	11,103,700	40,831	28.6	3.2%
2019	273,920	11,428,760	41,723	28.9	3.1%
2020	277,005	12,576,979	43,403	N/A	5.5%
2021	N/A	N/A	N/A	N/A	4.1%

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 2012 through 2019 American Community Surveys. Unemployment rates provided by the Bureau of Labor Statistics. The 2021 rate is as of October.

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

Fiscal Year 2021		
Employer	Employees	Percentage of Total City Employment
Baylor University	3,253	2.34 %
Ascension Providence	3,075	2.21 %
Waco Independent School District	2,373	1.70 %
H-E-B	2,000	1.44 %
Baylor Scott & White Medical Center - Hillcrest	1,736	1.25 %
Texas State Technical College	1,706	1.23 %
City of Waco	1,518	1.09 %
McLennan County	1,201	0.86 %
Sanderson Farms Inc.	1,200	0.86 %
Wal-Mart	1,174	0.84 %
Total	19,236	13.82 %

N/A Not available

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

Table XIV

Fiscal Year 2012		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Baylor University	2,583	2.22 %
Wal-Mart Stores	2,561	2.20 %
Providence Healthcare Network	2,538	2.18 %
Waco Independent School District	2,276	1.95 %
L-3 Communications	2,079	1.78 %
Hillcrest Health System	1,800	1.54 %
City of Waco	1,506	1.29 %
H.E.B. Stores	1,500	1.29 %
Midway Independent School District	1,067	0.92 %
Sanderson Farms Inc.	1,041	0.89 %
	<hr/>	<hr/>
Total	<u>18,951</u>	<u>16.25 %</u>

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

Function:	2012	2013	2014	2015
General Government	129.26	142.78	144.80	147.80
Public Works	56.00	59.00	59.00	57.00
Public Safety	603.43	604.75	610.25	622.95
Culture and Recreation	189.18	185.45	185.45	185.41
Housing and Community Development	20.18	19.48	19.48	20.19
Public Health	86.55	82.55	83.00	81.50
Water	122.25	126.25	125.25	123.25
Wastewater/WMARSS	68.75	71.75	72.75	72.75
Solid Waste	101.00	99.00	96.00	93.50
Airport	13.77	13.77	13.77	13.52
Convention Services	33.63	33.20	35.71	35.70
Ranger Hall of Fame	15.50	15.50	15.50	15.50
Cameron Park Zoo	51.16	51.11	51.10	51.36
Cottonwood Creek Golf Course	15.96	15.96	13.00	13.00
Insurance/Risk Management	8.00	8.00	8.00	6.00
Engineering	24.00	24.00	24.00	24.00
Fleet Services	25.00	25.00	27.00	27.00
Total	1,563.62	1,577.55	1,584.06	1,590.43

General Government:

City Manager's Office, Office of Management and Budget, 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 Office of Management and Budget

Table XV

Fiscal Year					
2016	2017	2018	2019	2020	2021
160.48	163.43	166.15	168.60	168.60	191.64
53.00	46.00	42.05	39.05	41.05	44.05
620.12	618.23	628.32	630.945	637.950	643.175
188.22	189.90	190.2226	189.8576	189.8576	189.8576
19.62	19.04	18.38	19.78	19.78	19.78
80.50	81.50	81.50	87.20	88.20	88.20
123.68	123.31	119.795	120.49	120.49	120.49
73.32	74.83	76.34	76.51	76.51	76.51
90.00	91.39	90.0767	90.7167	90.7167	91.2833
13.52	13.40	12.40	12.40	12.40	12.40
34.95	34.96	34.95	34.95	34.95	34.95
15.50	15.14	15.125	15.125	15.125	15.125
51.36	50.82	48.95	58.6462	61.5827	61.5800
13.00	13.00	13.00	13.00	13.00	13.00
6.00	5.00	5.00	4.00	4.00	4.00
23.00	25.90	30.1133	32.1833	32.1833	32.1833
27.00	29.00	28.95	28.95	28.95	28.95
<u>1,593.27</u>	<u>1,594.85</u>	<u>1,601.32</u>	<u>1,622.40</u>	<u>1,635.35</u>	<u>1,667.17</u>

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

Function:	2012	2013	2014	2015
Public Safety				
Police				
Number of Sworn Employees - Budgeted	245	246	247	247
Number of Traffic Citations	9,632	14,439	21,995	13,626
Number of Class "C" Citations	2,793	3,203	3,042	2,432
Calls Dispatched	109,216	113,593	109,718	114,494
Fire				
Number of Sworn Employees - Budgeted	195	195	201	204
Number of Fire Responses	9,657	9,565	8,893	9,424
Public Works				
Street Resurfacing (miles)	11.50	25.20	18.33	9.96
Culture and Recreation				
Parks and Recreation				
Number of Teams in Athletic Leagues	359	330	322	283
Number of Participants in Track/Field Events	210	305	340	311
Number of Participants in After School	3,758	4,060	4,391	4,941
Library				
Volumes in Collection	313,596	318,633	331,674	345,903
Water				
Number of Water Connections	43,297	44,336	44,912	45,042
Average Daily Water Consumption (gallons)	28,107,000	28,920,000	24,035,699	27,645,000
Maximum Storage Capacity (gallons)	42,150,000	42,150,000	42,150,000	42,150,000
Solid Waste (Residential)				
Refuse Collected (tons)	51,257	52,890	54,477	59,596
Bulky/Brush Pickups (tons)	7,940	5,847	7,381	14,397
Recyclables Collected (tons)	2,619	3,011	3,302	3,422
Golf Course				
Number of Paid Rounds Played	34,760	39,894	38,232	38,571

N/A Not available

Source: City of Waco Departments

Table XVI

Fiscal Year					
2016	2017	2018	2019	2020	2021
249	253	253	253	260	267
10,903	10,682	11,918	15,152	12,819	12,140
2,642	2,005	1,845	2,184	1,667	1,180
109,785	102,938	97,239	102,503	102,438	95,698
204	204	204	204	204	204
9,208	13,336	15,369	19,010	19,662	19,451
23.32	37.70	11.70	50.74	115.00	23.84
254	352	367	378	-	164
324	288	315	342	-	333
4,532	4,779	3,267	2,994	-	331
326,883	336,667	324,082	337,566	363,903	372,026
45,914	46,543	46,691	47,964	48,531	49,217
26,502,074	26,374,910	26,933,400	26,494,200	26,350,000	25,330,000
42,150,000	42,150,000	42,150,000	44,025,000	43,565,000	43,565,000
58,732	60,494	79,756	79,417	63,569	80,296
13,599	13,931	12,870	13,191	4,258	4,285
3,104	2,618	3,420	4,275	4,084	3,612
37,881	39,878	43,079	40,884	40,527	40,024

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

	2012	2013	2014	2015
Function:				
Public safety				
Police:				
Stations	1	1	1	1
Staffed substations	4	3	3	2
Patrol units - equipped for arrest use	71	71	71	74
Fire stations	14	14	14	14
Highways and streets				
Streets - paved (miles)	599	603	604	605
Traffic control signals	195	198	198	198
Traffic beacons and flashers	105	108	110	116
Culture and recreation				
Parks acreage	1,235	1,271	1,271	1,266
Parks	46	46	56	56
Swimming pools	-	-	1	1
Tennis courts	36	34	29	29
Community centers	5	5	5	5
Water				
Water mains (miles)	1,021	1,035	1,043	1,042
Fire hydrants	5,229	5,362	5,398	5,457
Maximum daily capacity (thousands of gallons)	75,000	75,000	75,000	75,000
Wastewater				
Sanitary sewers (miles)	843	846	850	852
Storm sewers (miles)	347	351	355	358
Maximum daily capacity (thousands of gallons)	46,500	46,500	46,500	46,500

N/A Not available

Source: City of Waco Departments

Table XVII

Fiscal Year					
2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
2	2	2	2	2	2
80	90	71	76	76	76
14	13	13	13	13	13
609	612	620	624	628	630
182	182	197	190	185	187
100	106	100	85	95	104
1,266	1,655	1,655	1,655	1,748	1,687
56	56	56	56	66	66
1	3	3	3	3	3
29	29	28	28	30	30
5	6	6	6	6	6
1,051	1,076	1,087	1,091	1,110	1,120
5,522	5,663	5,744	5,778	5,851	5,929
75,000	75,000	75,000	75,000	75,000	75,000
866	874	884	887	891	902
362	367	371	372	384	392
46,500	46,500	46,500	46,500	46,500	46,500

