

Comprehensive Annual Financial Report

of the



City of Waco, Texas

Prepared by the
Finance Department
Year Ended September 30, 2020

City of Waco, Texas
Comprehensive Annual Financial Report
Year Ended September 30, 2020

Elected Officials as of November 2020

MAYOR

Dillon Meek

CITY COUNCIL

Hector Sabido, Mayor Pro Tem
Andrea Barefield
Josh Borderud
Kelly Palmer
Jim Holmes

CITY MANAGER

Bradley Ford

DEPUTY CITY MANAGER

Deidra Emerson

ASSISTANT CITY MANAGERS

Paul Cain
Ryan Holt
Galen Price

CHIEF FINANCIAL OFFICER

Janice Andrews, CPA



City of Waco, Texas

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February 9, 2021

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

The Comprehensive Annual Financial Report (CAFR) of the City of Waco (the City) for the fiscal year ended September 30, 2020, including the independent auditor's report, is hereby submitted. This CAFR is published to provide the Mayor and City Council, City staff, our citizens, our 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, 2020. 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 25th 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 4, 2020 for the fiscal year 2020-2021. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. The fiscal year 2020-2021 budget was legally enacted through passage of a resolution on September 1, 2020.

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 glass container manufacturer, a paint and coatings manufacturer, 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 19,500. 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 6,100, Texas State Technical College offers associates degrees and certificates in 34 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 126,770 in 2019 to 129,677 by September 2020. Total employment at the beginning of fiscal year 2020 – 2021 was 121,902 while the unemployment rate was 5.3%.

Unassigned fund balance in the general fund (33% of fiscal year 2021 budgeted revenues) lands slightly above the financial management policy guidelines set by the City Council. In fiscal year 2020, the City Council established a new 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, 2020, for the water, wastewater and solid waste funds were 51.50%, 52.2% and 48.8%, 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.

FY2019-20 Initiatives & Accomplishments

During 2020, the City Council adopted the following strategic goals for the City of Waco to guide the City into the future:

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

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

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

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 2020, a number of successes within this goal included: market based compensation adjustments for employees; focused multi-media distribution of the City's mission, vision, values, and goals; and initiation of a management development / internship program to grow new leaders. In

addition, significant organizational changes were made in response to the COVID-19 pandemic such as operational safety protocols for employees; utilization of Zoom Government to host virtual City Council meetings; weekly press conferences; and creation of web-based dashboards advising the public of various statistics related to the pandemic. Regarding the 2020 census, a committee of representatives from the City Council, higher education institutions, media organizations, and community volunteers and City staff led outreach efforts to ensure all Wacoans were counted. Technology improvements including phone system upgrades and the deployment of Microsoft Office 365 on all city computers greatly enhanced both communication and productivity. More than \$300,000 was saved through efficiencies in the City's purchasing practices such as a "P-Card" utilization and rebates from the use of purchasing cooperatives and electricity load management programs.

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; committed funding to facilitate greater utilization of Minority and Women Owned Businesses in Waco and to begin development of a STEAM program in Waco; hiring process changes to improve Diversity and Inclusion; continued employee participation in Race Equity Institute training; adoption of a new rate structure for water utilities in which thousands of customers with below average consumption will see their bills decrease—shifting a greater portion of cost recovery to high consumption users; and use of language translators and American Sign Language translators to provide translation at City Press Conferences and all meetings of the City Council.

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:

- a Neighborhood Vitality Initiative created to breathe new life into our neighborhoods and to improve communication and cooperation with Neighborhood Associations throughout Waco
- Recreation related successes: Formal negotiations began with McLennan County and Waco ISD to finalize the deal points necessary to facilitate construction of the Venue project and expansion of the Lake Air Little League baseball fields; Funding allocated to update our Master Plan for the city's Park, Recreation and Trail amenities; a contract award to rehabilitate the Waco Suspension Bridge; and acquisition of a 128-acre tract of land expanding Cameron Park.
- Health related successes include: use of a new mobile van to service Women's, Infants, and Children (WIC) participants with emphasis on contactless issuance of WIC benefits; launched the Waco Area WIC Facebook page that provides nutrition education, breastfeeding support, cooking demonstrations, and general information; completed 51 Provider Quality Improvement Assessments to better increase the use of the Texas Immunization Registry and provided ImmTrac program outreach to 24 Daycares and 6 schools; initiated a large outreach campaign to encourage individuals to continue HIV testing throughout the pandemic; and successfully completed two program audits with no negative findings.

- Key victories in education, literacy, and information services such as: library offering an innovative and unique service – Curbside Pickup—serving approximately 14,000 patrons during shelter in place orders; and support of local education efforts such as STEAM kits, flash cards, and book club kits.
- Housing programs for Wacoans saw numerous key accomplishments in 2020 such as: COVID-19 related rental assistance to 17 residents, assisted 341 individuals with 24/7 shelter care, and assisted 15 homeless persons with self-isolation and quarantine; construction of two Community Housing Development Organization homes; completion of 19 roofs for low to moderate income individuals and 25 wheelchair ramps for low income persons; services to 517 victims of domestic violence; and parent and early childhood education to 46 low-income families.
- Accomplishments in animal care and control included: maintaining “no kill” status via a live exit rate of 95%; facility improvements including security camera upgrades, application of security film on facility windows, installation of heating and air conditioning in Sally Port, pest control improvements; and the SpayStreet Waco program offering free and low cost to spay/neuter surgery and microchip services to Waco residents.

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: Increasing the City’s contribution to the Waco-McLennan County Economic Development Corporation; Creation of a Small Business Recovery Fund program including policy, interlocal agreements, an application process and selection criteria which benefited more than 210 small businesses.

- Overall, economic development project successes accounted for more than \$441 million in total capital investment and approximately 1,500 new full-time jobs (plus 622 retained jobs for 2,156 total jobs affected). Key projects included:
 - Announcement 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.
 - Announcement 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 *Envases* aluminum can production facility (its first in the United States) on 60 acres in Texas Central Park creating more than 120 full time jobs.
 - Downtown’s *Marriott AC* hotel with a total investment of more than \$60 million
- Air transportation growth and development came via: acquisition of 6.7 acres of land to protect the Runway Protection Zone; completion of Taxiway Charlie Reconstruction; and implementation of approximately \$6,000,000 in CARES funded capital improvements.
- Tourism development continued to advance through: Creation of the Tourism Public Improvement District (TPID) which includes 18 Waco hotels committed to generation of additional marketing funds; numerous upgrades to the Waco Convention Center such as Chisholm Hall receiving a \$1 million HVAC renovation, along with interior spaces receiving new paint and upgraded signage. In addition, new exterior security cameras were installed, and the exterior of the Tourist Information Center was painted and repaired.

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 2019-20, the City invested \$75.8 million in our infrastructure utilizing cash, reserve assignments, tax increment financing, and debt financing. These investments included our Parks & Recreation system (\$9.4 million), Public Works & Streets (\$ 24.7 million) and Utilities (\$ 41.7 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.

- Accomplishments in the operations, maintenance, and improvement of our streets, traffic, and stormwater systems
 - Development and creation of the Municipal Drainage Utility System providing a dedicated revenue source for maintenance of the system and its capital improvements in FY 2021.
 - Design of the Waco Drive pedestrian improvement grant project (\$10 million) via TxDOT.
 - Flood Insurance Rate Map updates throughout the City and its Extra-Territorial Jurisdiction (ETJ)
 - Review and approval of 372 sets of plans, plats and zoning cases for development within the City
 - Installed new traffic signal camera systems throughout the City to improve operation & upgraded multiple signal cabinets to new TS2 models to enable modern traffic control functions
 - Provided traffic control equipment for nearly 30 special events up until March 2020
- Achievements in providing water and wastewater services to Wacoans:
 - Began construction of:
 - the new Church Road Lift Station, expanding wastewater capacity in the Harris Creek and Speegleville Rd. areas.
 - the new Ritchie Road Tower, a two-million-gallon, composite, elevated storage tank
 - Implemented Interactive Voice Response (IVR) phone system for customer payment and account inquiry, processing 82,257 call in eight months
 - Completed water line improvements in Peach St., Spring Valley/Old Lorena Rd. and alley between Austin Ave. and Washington Ave
 - Completed numerous audits successfully with no violations:
 - TCEQ’s Pretreatment Program Audit
 - Texas Department of Health and Safety’s Hazcom Audit
 - Implemented successful joint internship program with Baylor University (CRASR)
 - Continued national accreditation recognition as a National Environmental Laboratory Accreditation Program (NELAP) certified lab

A safe city safeguards its citizens 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
 - Creation of a Community Policing initiative
 - Relocated city staff to the new Texas Anti-Gang (TAG) facility.

- The U.S. Marshal Task Force Officer assisted with over 250 cases throughout the year and was directly responsible for the arrest of 164 violent / dangerous fugitives, 30 of which were members of criminal street gangs.
- The SAFE Unit has 87 apartment communities and rental property management companies fully certified in our Crime Free Programs. These partnerships resulted in a 29% reduction in calls for police service, 42% reduction in reported crime, and a 75% reduction in arrests at these locations.
- The Personnel Unit hired 25 new police recruits which included 6 FAST track officers and 19 that graduated the academy.
- Began construction of a new facility to house Fire Department administrative offices and Fire Station #6.
- Purchased boat slip at Ridgewood Marina and moved Boat 2 to this location.
- Developed a plan to utilize capital leasing to replace during FY 2021, 7 new fire trucks with an average age of 19 years.
- Completed a full-scale emergency management exercise in conjunction with the Waco Regional Airport. Waco Regional Airport is the first and only airport to successfully complete the triennial full-scale exercise.
- Upgraded Waco Fire Portable and Mobile radios.
- Successfully managed the Federal Surge Testing Program that tested 34,519 residents over a three-month period,
- Distributed thousands of Personal Protective Equipment from gloves, gowns, masks to nursing homes, first responders, mortuary services, and schools.

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:

- A virtual summer campaign called “RECESS!” which offered a variety of recreation opportunities to the public in compliance with COVID-19 protocols.
- Continued the annual tradition of Waco Wonderland by offering a three-day virtual experience, which aired on the Waco Wonderland Facebook page and the Waco City Cable Channel.
- At the Texas Ranger Museum and Hall of Fame
 - Spending per visitor was up 31% in 2020 over 2019 amounts.
 - Ranked among the top attractions in the area by TripAdvisor, Money Magazine, Inc., and the British Travel Industry.
 - Initiated a Comprehensive Plan with Jack Rouse Associates to outline the future of the historical center.
- At the Waco Mammoth National Monument:
 - Connected with new audiences by going online with a staff-produced, 14-part series of “Mammoth Minute” videos.
 - Reached more than 1,800 students this summer via a “Distance Learning” initiative which gave remote student viewers an unprecedented opportunity to go (virtual) with a Ranger into the fossil bed for an up-close and live view of the Waco mammoths.
 - Achieved record revenues by transitioning to an outdoor gift shop. The adjustment provided more space to display park souvenirs, which resulted in revenues that often-outpaced pre-COVID retail revenues.

- At the Cameron Park Zoo:
 - Formalized agreements with County for implementation of bond improvements approved by Voters in 2019; New African hoofstock barn plans are complete, and the project is ready to begin construction in the Spring.
 - Welcomed several new animals including Mowgli, the black bear; mountain lion, Takoda; and Greater Kudu, DJ.
 - Hosted the fifth annual Great Ape Cardiac Health Workshop, welcoming 14 zoo professionals from around the United States.
 - Installed the Paly Foundation exhibits “Journey to Africa: Elephants” and “The Rhinoceros & the Pangolin: A Story of Two Strange Creatures Who Share a Secret”, for the month of September.

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. Success requires resiliency, the ability to be nimble, flexible, and adaptive to respond to change and “hit the ground running”. Fiscal year 2020 saw these accomplishments in support of sustainability and resiliency: Replaced drinking fountains with water bottle fillers at the Zoo; Upgraded all school flasher systems to solar power; Installed new solar-powered features at Pioneer Park, Mouth of the Bosque entrance and two additional city-maintained locations; Installed dog waste stations with complimentary dog waste bags at Waco Mammoth National Monument, Trail Blazer Park, Council Acres Park and Viking Hills Park; Contracted 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. Annual savings are projected at \$413,781.

- Refuse and Recycling accomplishments
 - Worked with Waco residents to help implement a revised Solid Waste Ordinance that included providing equitable services for the collection of brush and bulky services.
 - Introduced a free smartphone app, called Waco Curbside Services where residents sign up to receive collection day reminders (email, phone call, text message and Twitter) and can ask an interactive “look up” tool to find out “What Goes Where” to assist them with disposal and recycling. Approximately 2,400 residents have downloaded and actively use the app.
 - Diverted and/or recycled 12,594 tons of yard waste, 232 tons of metal, 5.7 tons of cardboard and 96 tons of tires.
 - Collected 4,258 tons of brush and 4,084 tons of recyclables at the curbside.
 - Conducted a Scrap Tire Day for Waco residents where approximately 1,591 scrap tires were recycled.
 - Conducted City Council District Clean-up events in all five City Council Districts where residents were able to have an extra service day their brush and bulky materials collected at curbside, at no additional fee. A total of 457 tons were collected from all five districts, helping residents to keep their properties and neighborhoods clean.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waco for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019. This was the 38th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that 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 CAFR 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, 2019. 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.

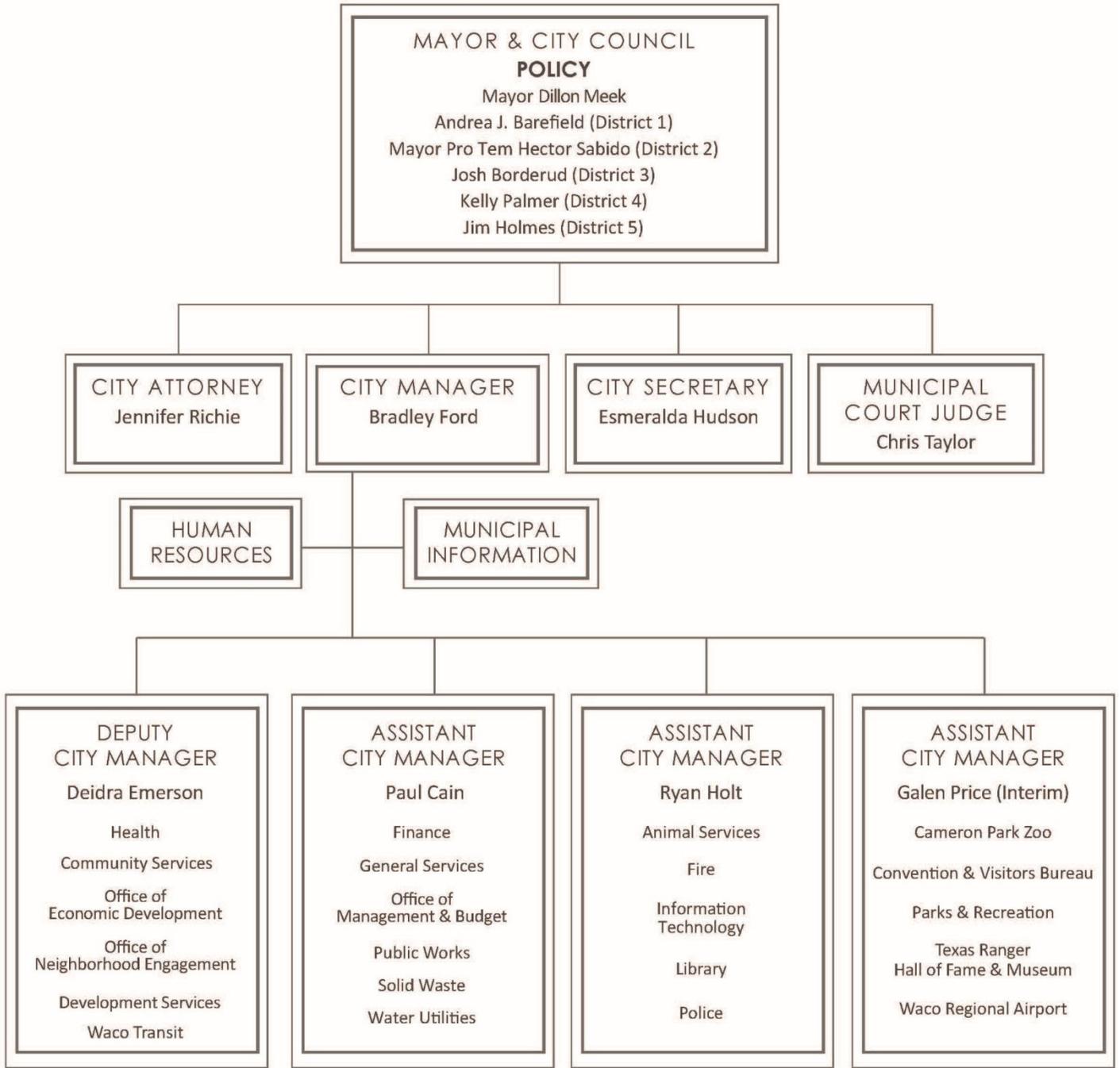
Respectfully submitted,



Bradley Ford
City Manager



Janice Andrews, CPA
Chief Finance Officer



Effective 11/17/20





Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

**City of Waco
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section





JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

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, 2020, 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, a discretely presented component unit 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 significant 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, 2020, 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.

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 93 through 95 (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 February 9, 2021, 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.

February 9, 2021



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, 2020. 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, 2020 by \$735,136,127 (net position). Of this amount, \$157,314,348 (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 \$82,078,141.
- For business-type activities and the wastewater fund, the City recognized a special item - a \$29,769,651 gain from the termination of the Waco Metropolitan Area Regional Sewer System ("WMARSS") interlocal cooperation agreement, which results 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. Additional information on the termination of WMARSS is included in Note IV. P. to the financial statements.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$214,361,828. The fund balance components are nonspendable - \$1,412,675, restricted - \$99,319,178, committed - \$38,534,149, assigned - \$27,006,004 and unassigned - \$48,089,822. The City Council approves the amounts reported as committed and assigned.
- As of September 30, 2020, unassigned fund balance for the General Fund was \$48,089,822 or 33% of the Fiscal Year 2021 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, and Cottonwood Creek Golf Course.

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, and Cottonwood Creek Golf Course operations.

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

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

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the 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 can be found on page 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 90 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 93 through 95 of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information beginning on page 101 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 \$735,136,127 as of September 30, 2020.

The largest portion of the City’s net position (\$528,601,739) 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 250,719,941	218,223,373	258,451,900	249,921,870	509,171,841	468,145,243
Capital assets	<u>323,034,288</u>	<u>305,585,840</u>	<u>542,828,050</u>	<u>488,950,939</u>	<u>865,862,338</u>	<u>794,536,779</u>
Total assets	<u>573,754,229</u>	<u>523,809,213</u>	<u>801,279,950</u>	<u>738,872,809</u>	<u>1,375,034,179</u>	<u>1,262,682,022</u>
Total deferred outflows of resources	<u>14,048,794</u>	<u>32,099,859</u>	<u>4,595,095</u>	<u>7,932,443</u>	<u>18,643,889</u>	<u>40,032,302</u>
Long-term liabilities	179,028,906	189,004,221	377,099,821	371,144,955	556,128,727	560,149,176
Other liabilities	<u>41,203,376</u>	<u>41,983,052</u>	<u>46,247,513</u>	<u>46,918,849</u>	<u>87,450,889</u>	<u>88,901,901</u>
Total liabilities	<u>220,232,282</u>	<u>230,987,273</u>	<u>423,347,334</u>	<u>418,063,804</u>	<u>643,579,616</u>	<u>649,051,077</u>
Total deferred inflows of resources	<u>12,792,339</u>	<u>524,834</u>	<u>2,069,986</u>	<u>80,427</u>	<u>14,862,325</u>	<u>605,261</u>
Net position:						
Net investment in capital assets	243,043,416	227,983,027	285,558,323	245,071,453	528,601,739	473,054,480
Restricted	48,213,632	43,936,163	1,006,408	1,057,103	49,220,040	44,993,266
Unrestricted	<u>63,521,354</u>	<u>52,477,775</u>	<u>93,792,994</u>	<u>82,532,465</u>	<u>157,314,348</u>	<u>135,010,240</u>
Total net position	<u>\$ 354,778,402</u>	<u>324,396,965</u>	<u>380,357,725</u>	<u>328,661,021</u>	<u>735,136,127</u>	<u>653,057,986</u>

A portion of the City’s net position (\$49,220,040) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$157,314,348) 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, 2020, 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 \$82,078,141 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, 2020. Governmental activities increased the City's net position by \$30,381,437 and represented 37% of the total. Business-type activities increased the City's net position by \$51,696,704 and represented 63% of the total increase.

**City of Waco
Changes in Net Position**

	Year Ended September 30,					
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 6,759,483	121,353,597	128,113,080	8,288,182	115,996,463	124,284,645
Operating grants and contributions	22,262,586	6,773,559	29,036,145	11,527,188	4,028,788	15,555,976
Capital grants and contributions	4,689,356	6,358,716	11,048,072	8,561,177	3,182,243	11,743,420
General revenues:						
Ad valorem taxes	91,825,848	-	91,825,848	88,727,973	-	88,727,973
Sales taxes	41,033,102	-	41,033,102	40,610,169	-	40,610,169
Franchise taxes	14,480,403	-	14,480,403	14,590,418	-	14,590,418
Hotel/motel taxes	-	3,138,696	3,138,696	-	4,617,066	4,617,066
Other taxes	1,168,421	-	1,168,421	1,273,129	-	1,273,129
Investment earnings	3,990,302	1,143,224	5,133,526	7,976,252	2,278,688	10,254,940
Miscellaneous	2,989,133	-	2,989,133	3,349,070	-	3,349,070
Total revenues	<u>189,198,634</u>	<u>138,767,792</u>	<u>327,966,426</u>	<u>184,903,558</u>	<u>130,103,248</u>	<u>315,006,806</u>
Expenses:						
General government	24,927,532	-	24,927,532	21,418,706	-	21,418,706
Public works	16,663,378	-	16,663,378	15,263,962	-	15,263,962
Public safety	82,482,836	-	82,482,836	81,605,115	-	81,605,115
Culture and recreation	18,281,256	-	18,281,256	20,036,504	-	20,036,504
Public health	8,941,058	-	8,941,058	9,205,925	-	9,205,925
Housing and community development	2,752,409	-	2,752,409	2,904,350	-	2,904,350
Interest on long-term debt	3,303,458	-	3,303,458	3,149,200	-	3,149,200
Water	-	41,071,141	41,071,141	-	39,841,010	39,841,010
Wastewater	-	29,284,437	29,284,437	-	27,232,626	27,232,626
Solid waste	-	21,389,352	21,389,352	-	20,867,979	20,867,979
Airport	-	5,001,016	5,001,016	-	4,333,238	4,333,238
Convention services	-	4,380,349	4,380,349	-	5,684,576	5,684,576
Ranger Hall of Fame	-	1,517,423	1,517,423	-	1,404,669	1,404,669
Cameron Park Zoo	-	6,003,814	6,003,814	-	5,357,572	5,357,572
Transit services	-	7,754,706	7,754,706	-	8,234,983	8,234,983
Cottonwood Creek Golf Course	-	1,903,771	1,903,771	-	2,094,332	2,094,332
Total expenses	<u>157,351,927</u>	<u>118,306,009</u>	<u>275,657,936</u>	<u>153,583,762</u>	<u>115,050,985</u>	<u>268,634,747</u>
Increase in net position before special item and transfers	31,846,707	20,461,783	52,308,490	31,319,796	15,052,263	46,372,059
Special Item--gain on termination of WMARSS agreement	-	29,769,651	29,769,651	-	-	-
Transfers	(1,465,270)	1,465,270	-	(233,023)	233,023	-
Increase in net position	<u>30,381,437</u>	<u>51,696,704</u>	<u>82,078,141</u>	<u>31,086,773</u>	<u>15,285,286</u>	<u>46,372,059</u>
Net position, beginning of year	<u>324,396,965</u>	<u>328,661,021</u>	<u>653,057,986</u>	<u>293,310,192</u>	<u>313,375,735</u>	<u>606,685,927</u>
Net position, end 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>

City of Waco
Changes in Net Position
(Continued)

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

- Overall, governmental revenues increased \$4.3 million (2.3%). Ad valorem taxes reflected an increase of \$3.1 million (3.5%), primarily as a result of growth in the property tax base including an increase in assessed values of approximately \$183 million resulting from new construction within the City. Sales taxes reflected a slight increase of approximately \$0.4 million (1.0%). Due to COVID-19, the City amended sales taxes revenue budget projections as part of implemented cost management measures, but the revenue ended the year exceeding prior year's actual collections. The pandemic had a detrimental impact on charges for services which reported a reduction of \$1.5 million (-18.4%) compared to prior year as many of the City facilities were closed or had limited activity for much of the fiscal year. Operating grants reported an increase of \$10.7 million (93.1%) primarily due to COVID-19 grant funding of \$8.2 million and the Texas anti-gang state grant of \$1.4 million. These increases helped to offset the reduction of \$3.9 million for capital grants due primarily to reductions in public works grants and contributed assets. Investment earnings decreased approximately \$4.0 million (-50.0%) primarily as a result of market fluctuations due to the impact of COVID-19.
- Overall, governmental expenses increased \$3.8 million (2.5%). A 3.0% salary increase for all eligible employees and job class step increases for eligible civil service employees were approved in the budget. 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 during the fiscal year. Economic development incentives and economic development grants expenses increased \$2.4 million primarily due to Waco-McLennan County Economic Development Corporation ("WMCEDC") projects, and business grant programs. These increases for salaries and related benefits and economic development were partially offset by cost savings measures implemented by the City as a response to COVID-19 and an overall reduction 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 \$4.9 million as compared to prior year due to market changes.

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

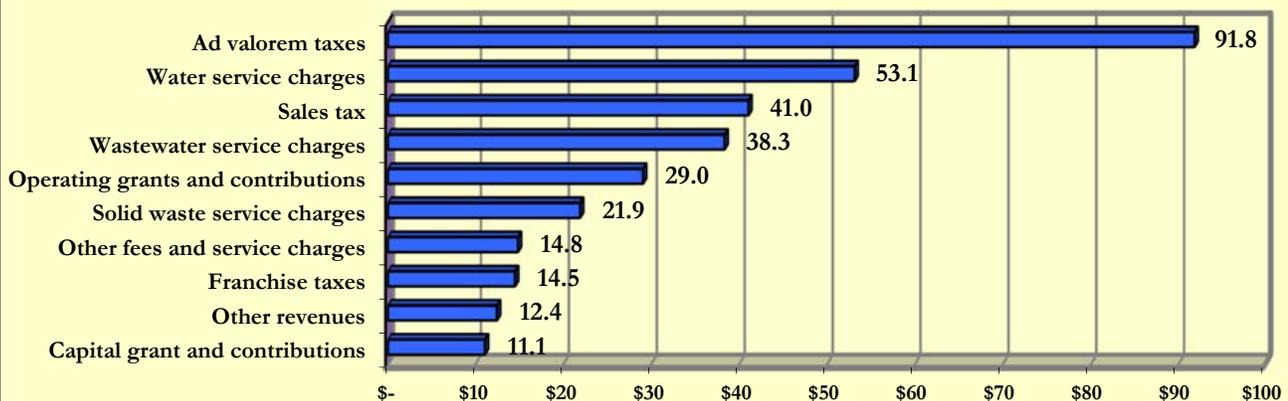
- Charges for services increased by almost \$5.4 million (4.6%) as compared to prior year primarily due to rate increases and growth in service activity as follows: water (\$2.8 million), wastewater (\$3.9 million), and solid waste (\$1.4 million). Effective January 1, 2020, water and wastewater base monthly service rates increased along with volumetric rate increases. Infrastructure needs, identified in master plans for water and wastewater completed in 2015, continue to be a significant factor contributing to changes in rates. Solid waste fees for residential, commercial, roll-off, and landfill gate increased in October. These increases were necessary as the City continues its work to upgrade infrastructure necessary for the safe and timely disposal of solid waste. These increases for the three major activities were offset by decreases in charges for services in all of the other nonmajor activities. These activities reported a decrease of \$2.8 million for charges for services as compared to prior year due to COVID-19 impact on operations. The Convention Center was closed for part of year due to COVID-19 and reported the largest

City of Waco
Changes in Net Position
(Continued)

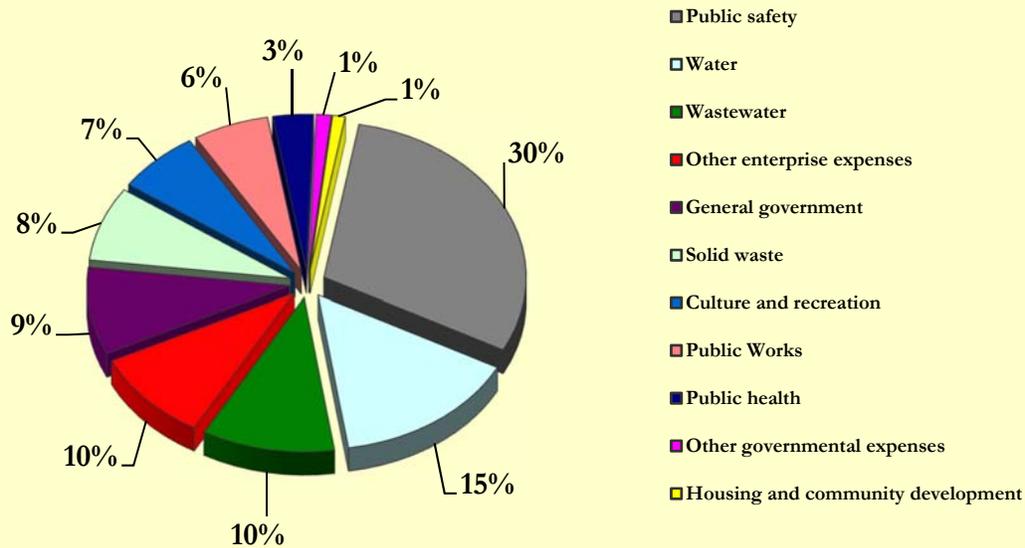
decrease of approximately \$0.9 million. Operating grants reported an increase of \$2.7 million (68.1%) and capital grants and contributions increased approximately \$3.2 million (99.8%). The increase in operating grants was due to COVID-19 grant funding for the Airport of approximately \$1.5 million, Texas Department of Transportation intergovernmental revenue of \$0.7 million for water and wastewater, and \$0.5 million increase in grant funding for transit. The increase in capital grants and contributions was due to \$3.6 million for contributed assets for water and wastewater and \$0.7 million for transit buses, which was partially offset by a reduction of \$1.1 million for airport grants primarily due to the purchase of an ARFF (Aircraft Rescue and Fire Fighting) vehicle in prior year. Investment earnings decreased approximately \$1.1 million (-49.8%) primarily as a result of market fluctuations due to the impact of COVID-19.

- Total expenses increased \$3.3 million (2.8%) with the major activities of water, wastewater, and solid waste reporting a total increase of \$3.8 million, which was offset by net reductions of \$0.5 million for the other nonmajor enterprise activities. Although expenses such as salaries and benefits, supplies, depreciation, and interest increased, cost savings measures helped to reduce other expense categories such as purchased professional services, maintenance, and other purchased services. Depreciation increased \$2.5 million with wastewater accounting for \$1.3 million of the increase. Interest expense also increased \$0.7 million primarily due to an increase in debt financing that has been issued to meet water and wastewater infrastructure needs.
- 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 results 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. Additional information on the termination of WMARSS is included in Note IV. P. to the financial statements.

Revenues by Source (in \$ millions)



Expenses by Activity (Percent of Total)



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the current fiscal year, the City of Waco's governmental funds reported combined ending fund balances of \$214,361,828. Approximately 0.7% (\$1,412,675) 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 46.3% (\$99,319,178) 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 18.0% (\$38,534,149) 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 12.6% (\$27,006,004) 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 \$48,089,822 (22.4%) is reported as unassigned. Refer to pages 53 and 54 of this report for a more detailed presentation of governmental fund balances.

During the current year 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 budgeted revenues. Unassigned general fund balance at the end of the current fiscal year is 33% of 2021 budgeted revenues. The fund balance of the general fund at the end of the current year reported an increase of \$4,771,588. Total revenues in the general fund increased \$6,770,852 as compared to the prior year and were \$3,805,796 more than the final budget. Key factors in general fund revenue are as follows:

- Increases of approximately \$2.5 million in property tax revenues resulted primarily from growth in net assessed taxable values of approximately 6%. Property taxes represented approximately 44% of total general fund revenues.
- Sales tax revenue reported a slight increase of approximately \$0.4 million as compared to prior year, with actual amounts exceeding the amount originally budgeted for the fiscal year by approximately \$2.0 million. Prior to the impact of COVID-19 in March 2020, the City was experiencing continued strong growth in sales tax revenue. The Council took quick and decisive action to amend the City's budget to brace for the unknown impact of the virus; however, the City was able to close the year with stronger than expected annual sales tax collections. This revenue source represents 27% of total general fund revenues.
- Gross receipts fees, which had been budgeted very conservatively, decreased \$0.2 million 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 40 of this report provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective major proprietary funds are water - \$43,318,204, wastewater - \$35,584,348, and solid waste - \$6,496,709. These funds recognized increases in total net position during 2020 as follows: water - \$11,217,524, wastewater - \$40,827,845, and solid waste - \$232,751.

General Fund budgetary highlights – The difference between the original budget and the final amended budget for appropriations was a net decrease of \$1,332,279. The primary differences can be briefly summarized as follows:

Total increases to the budget were \$17,107,967 with many of these related to capital needs. The budget increases are as follows:

- \$7,905,000 increase for Waco Suspension Bridge project
- \$2,409,312 increase for purchase orders that rolled from FY 2019
- \$1,200,000 increase for transfer to Transit for bus rapid transit corridor funding
- \$962,000 increase for land purchases to be used for parks
- \$700,000 increase for transfer to Zoo for operating needs
- \$650,000 increase for Elm Street project
- \$454,913 increase for various professional services contracts
- \$418,560 increase for traffic signal and pedestrian improvement design on Waco Drive
- \$320,035 increase for 17th Street Bridge repair
- \$309,934 increase for various software purchases
- \$300,000 increase for the construction of Fire Station No. 6
- \$298,313 increase for Section 4B IH-35 TxDOT highway project
- \$281,083 increase for police equipment and supplies in connection with seven new budgeted positions
- \$277,500 increase for contracts with others
- \$243,373 increase in transfer to surplus due to savings from net reduction in transfers to other funds
- \$189,640 increase for various emergency repairs/replacements
- \$90,814 increase for various equipment purchases
- \$70,000 increase for developer participation agreement
- \$27,490 increase for various supply and capital needs

Total decreases to the budget were \$18,440,246 with the two most significant needed as a result of combining the economic incentive fund with the general fund for annual reporting. The other decreases are primarily due to cost savings measures implemented as part of the COVID-19 response.

- \$11,402,191 decrease for economic development projects
- \$2,500,000 decrease for transfer out to economic development fund
- \$1,469,256 decrease for contingency expense
- \$1,225,426 decrease for transfer to Golf
- \$700,000 decrease for transfer to Capital Equipment Replacement Fund
- \$643,373 decrease in transfer to Transit for current operations
- \$300,000 decrease for transfer to Airport for current operations
- \$200,000 decrease for engineering charges for Street Department

For a more detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2020, 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, 2020, amounts to \$865,862,338 (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:

- Added approximately \$73.8 million for various water and wastewater systems projects, including additions of \$25.3 million due to the termination of the Waco Metropolitan Area Regional Sewer System (“WMARSS”) interlocal cooperation agreement, which results in the City assuming all undivided interests in the facilities and operations of WMARSS. Additional information on the termination of WMARSS is included in Note IV. P. to the financial statements.
- Capitalized \$27.5 million in street and drainage infrastructure and developer contributions.
- Capitalized \$2.7 million for parks improvements.

**City of Waco
Capital Assets**

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 63,189,674	61,183,206	17,100,882	15,202,447	80,290,556	76,385,653
Buildings	84,533,296	83,011,175	85,073,136	84,508,590	169,606,432	167,519,765
Improvements other than buildings	70,838,861	69,529,596	621,197,492	584,909,947	692,036,353	654,439,543
Machinery and equipment	67,471,285	65,342,853	67,417,296	62,207,295	134,888,581	127,550,148
Museum collections	-	-	2,274,424	2,264,424	2,274,424	2,264,424
Infrastructure	344,126,081	318,076,080	-	-	344,126,081	318,076,080
Construction work in progress	24,734,958	23,797,173	96,082,572	62,674,846	120,817,530	86,472,019
Water rights	-	-	32,482,879	32,482,879	32,482,879	32,482,879
Less: accumulated depreciation	<u>(331,859,867)</u>	<u>(315,354,243)</u>	<u>(378,800,631)</u>	<u>(355,299,489)</u>	<u>(710,660,498)</u>	<u>(670,653,732)</u>
Total capital assets	\$ <u>323,034,288</u>	<u>305,585,840</u>	<u>542,828,050</u>	<u>488,950,939</u>	<u>865,862,338</u>	<u>794,536,779</u>

Additional information on the City's capital assets can be found in Note IV on pages 64 – 66 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Waco had total bonded debt and notes payable of \$516,386,028. Of this amount, \$514,812,790 represents bonded debt backed by the full faith and credit of the government. The \$1,573,238 notes payable are for highway improvement right of way contributions and for purchase of pump station and water transmission lines.

**City of Waco
Bonds and Notes Payable**

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation certificates	\$ 133,127,359	113,735,153	381,685,431	370,491,773	514,812,790	484,226,926
Notes payable	<u>161,422</u>	<u>322,844</u>	<u>1,411,816</u>	<u>1,501,978</u>	<u>1,573,238</u>	<u>1,824,822</u>
	\$ <u>133,288,781</u>	<u>114,057,997</u>	<u>383,097,247</u>	<u>371,993,751</u>	<u>516,386,028</u>	<u>486,051,748</u>

During the 2020 fiscal year, the City issued \$58,710,000 in general obligation certificates of obligation. The proceeds will be used for various general City improvements, including improvements to City administration and service buildings, recreation centers, central library, fire stations, police stations and zoo facilities. Other uses will be for the construction, acquisition and improvement of City streets, traffic control systems, sidewalks, landscaping, street lighting and drainage and parks recreation facilities. Additionally certain proceeds of the bonds will be used for the acquisition of vehicles, fire-fighting, and other equipment, and water and wastewater improvements.

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 69 to 74 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2021 budget had the unprecedented challenge of budget development during a global pandemic. No change in the total property tax rate is planned for fiscal year 2021. With the uncertainty surrounding revenues such as sales tax and expected minimal growth in property tax, the general fund budget (including transfers in) for fiscal year 2021 is based on a decrease in revenues of 2.2% as compared to last year's adopted budget. This is mainly due to a decrease in budgeted sales taxes revenues of \$36 million as compared to prior year adopted budget of \$39 million. Although there is a slight budgeted increase in total property tax assessed values for fiscal year 2021, the emphasis on needed infrastructure improvements resulted in a shift of the tax rate to meet the increase debt service requirements of approximately \$1.8 million. As a result, general fund had a decrease of budgeted property tax revenue of approximately \$1 million. The fiscal year 2021 budget includes a \$7.9 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, 2020.

Due to the COVID-19, the City did not budget salary increase in the proposed budget. This represented the first time in nine years that this has not been part of the annual budget. Civil service employees will receive a job class step increase, if eligible. The City has budgeted for a potential mid-year salary adjustment which is contingent upon sales tax recovery, as well as long-term budget savings identified by the City staff. 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 2021 (14.69%) increased slightly from the 2020 rate (14.33%). 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 2021 included approximately \$14.2 million for TMRS contributions.

Fiscal year 2021 includes rate increases to residential, commercial and industrial water and wastewater customers, but with a new rate structure water rates have been restructured to provide a lower cost for customer's with minimal use. The results of master plans for water and wastewater were a significant factor contributing to changes in water and wastewater service rates. Infrastructure needs and a timeline to complete the essential improvements were identified in the master plans. There are no increases for solid waste residential, commercial, roll-off rates, and landfill gate fees for fiscal year 2021.

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, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Waco Health Facilities Development Corporation
Assets					
Cash and investments	\$ 223,092,004	101,328,362	324,420,366	71,790	31,919
Receivables (net of allowances for uncollectibles):					
Accounts	4,221,856	13,681,659	17,903,515	23,788	-
Special assessments	9,128	-	9,128	-	-
Taxes	10,242,280	-	10,242,280	-	-
Intergovernmental receivable	9,584,171	6,729,844	16,314,015	-	-
Prepaid expense	-	331,329	331,329	4,612	-
Internal balances	2,046,591	(2,046,591)	-	-	-
Inventories	1,226,382	1,305,700	2,532,082	-	-
Restricted cash and investments	-	137,121,597	137,121,597	-	-
Notes receivable	231,272	-	231,272	-	-
Real estate held for resale	66,257	-	66,257	-	-
Capital assets not being depreciated:					
Land	63,189,674	17,100,882	80,290,556	-	-
Museum collections	-	2,274,424	2,274,424	-	-
Construction in progress	24,734,958	96,082,572	120,817,530	-	-
Capital assets, net of accumulated depreciation:					
Buildings	49,945,913	36,482,800	86,428,713	-	-
Machinery and equipment	18,780,044	21,545,912	40,325,956	34,433	-
Improvements other than buildings	28,082,255	351,248,057	379,330,312	-	-
Infrastructure	138,301,444	-	138,301,444	-	-
Water rights	-	18,093,403	18,093,403	-	-
Total assets	573,754,229	801,279,950	1,375,034,179	134,623	31,919
Deferred outflows of resources					
Deferred outflows of resources:					
Deferred losses on refundings of debt	1,235,425	2,581,875	3,817,300	-	-
Deferred outflows on pension liability	12,366,926	2,013,220	14,380,146	-	-
Deferred outflows on OPEB liability	446,443	-	446,443	-	-
Total deferred outflows of resources	14,048,794	4,595,095	18,643,889	-	-
Liabilities					
Accounts payable	6,026,631	3,288,468	9,315,099	38,592	-
Accrued liabilities	7,522,880	2,957,093	10,479,973	-	-
Accrued interest payable	1,046,771	2,792,538	3,839,309	-	-
Unearned revenue	152,042	170,237	322,279	450	-
Escrow funds	580,121	-	580,121	-	-
Customer deposits	804,266	-	804,266	-	-
Advanced deposits from Baylor University	-	-	-	95,581	-
Liabilities payable from restricted assets	-	12,469,168	12,469,168	-	-
Noncurrent liabilities:					
Due within one year	25,070,665	24,670,009	49,740,674	-	-
Due in more than one year	179,028,906	377,099,821	556,128,727	-	-
Total liabilities	220,232,282	423,447,334	643,679,616	134,623	-
Deferred inflows of resources:					
Deferred inflows on pension liability	12,715,629	2,069,986	14,785,615	-	-
Deferred inflows on OPEB liability	76,710	-	76,710	-	-
Total deferred inflows of resources	12,792,339	2,069,986	14,862,325	-	-
Net position					
Net investment in capital assets	243,043,416	285,558,323	528,601,739	-	-
Restricted for:					
Tax increment financing/public improvement district	43,709,530	-	43,709,530	-	-
Housing and community development	186,868	-	186,868	-	-
Culture and recreation	169,374	-	169,374	-	-
Public safety	1,658,699	-	1,658,699	-	-
Public works	636,582	-	636,582	-	-
Municipal information	1,471,560	-	1,471,560	-	-
Parks and cemetery care - nonexpendable	381,019	-	381,019	-	-
Capital projects	-	1,006,408	1,006,408	-	-
Unrestricted	63,521,354	93,792,994	157,314,348	-	31,919
Total net position	\$ 354,778,402	\$ 380,357,725	\$ 735,136,127	\$ -	\$ 31,919

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Activities
Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ (24,927,532)	336,898	2,075,084	-
Public works	(16,663,378)	1,035	-	3,626,527
Public safety	(82,482,836)	4,647,611	11,461,981	50,000
Culture and recreation	(18,281,256)	657,512	1,725,803	607,337
Public health	(8,941,058)	1,116,427	4,533,926	405,492
Housing and community development	(2,752,409)	-	2,465,792	-
Interest on long-term debt	(3,303,458)	-	-	-
Total governmental activities	<u>(157,351,927)</u>	<u>6,759,483</u>	<u>22,262,586</u>	<u>4,689,356</u>
Business-type activities:				
Water	(41,071,141)	53,110,881	258,577	1,829,961
Wastewater	(29,284,437)	38,309,365	513,898	1,886,839
Solid waste	(21,389,352)	21,881,584	-	-
Airport	(5,001,016)	967,466	1,511,130	1,406,207
Convention services	(4,380,349)	853,499	-	-
Ranger Hall of Fame	(1,517,423)	381,521	26,800	10,000
Cameron Park Zoo	(6,003,814)	1,711,401	-	61,338
Transit services	(7,754,706)	2,547,859	4,463,154	1,164,371
Cottonwood Creek Golf Course	(1,903,771)	1,590,021	-	-
Total business-type activities	<u>(118,306,009)</u>	<u>121,353,597</u>	<u>6,773,559</u>	<u>6,358,716</u>
Total primary government	<u>\$ (275,657,936)</u>	<u>128,113,080</u>	<u>29,036,145</u>	<u>11,048,072</u>
Component Units:				
Baylor Waco Stadium Authority	\$ (2,432,129)	320,349	2,111,780	-
Waco Health Facilities Development Corporation	-	-	-	-
Total component units	<u>\$ (2,432,129)</u>	<u>320,349</u>	<u>2,111,780</u>	<u>-</u>
General revenues:				
Taxes:				
Property				
Property tax increment financing				
Sales				
Franchise				
Hotel/motel				
Other				
Unrestricted investment earnings				
Miscellaneous				
Special item: Gain on termination of WMARSS agreement				
Transfers				
Total general revenues, special item, 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
(22,515,550)	-	(22,515,550)		
(13,035,816)	-	(13,035,816)		
(66,323,244)	-	(66,323,244)		
(15,290,604)	-	(15,290,604)		
(2,885,213)	-	(2,885,213)		
(286,617)	-	(286,617)		
<u>(3,303,458)</u>	<u>-</u>	<u>(3,303,458)</u>		
<u>(123,640,502)</u>	<u>-</u>	<u>(123,640,502)</u>		
-	14,128,278	14,128,278		
-	11,425,665	11,425,665		
-	492,232	492,232		
-	(1,116,213)	(1,116,213)		
-	(3,526,850)	(3,526,850)		
-	(1,099,102)	(1,099,102)		
-	(4,231,075)	(4,231,075)		
-	420,678	420,678		
-	(313,750)	(313,750)		
<u>-</u>	<u>16,179,863</u>	<u>16,179,863</u>		
<u>(123,640,502)</u>	<u>16,179,863</u>	<u>(107,460,639)</u>		
			-	-
			<u>-</u>	<u>-</u>
			-	-
			<u>-</u>	<u>-</u>
\$ 77,783,241	-	77,783,241	-	-
14,042,607	-	14,042,607	-	-
41,033,102	-	41,033,102	-	-
14,480,403	-	14,480,403	-	-
-	3,138,696	3,138,696	-	-
1,168,421	-	1,168,421	-	-
3,990,302	1,143,224	5,133,526	-	331
2,989,133	-	2,989,133	-	-
-	29,769,651	29,769,651	-	-
<u>(1,465,270)</u>	<u>1,465,270</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>154,021,939</u>	<u>35,516,841</u>	<u>189,538,780</u>	<u>-</u>	<u>331</u>
30,381,437	51,696,704	82,078,141	-	331
<u>324,396,965</u>	<u>328,661,021</u>	<u>653,057,986</u>	<u>-</u>	<u>31,588</u>
<u>\$ 354,778,402</u>	<u>380,357,725</u>	<u>735,136,127</u>	<u>-</u>	<u>31,919</u>

City of Waco, Texas

Balance Sheet

Governmental Funds

September 30, 2020

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 89,482,027	\$ 115,528,613	\$ 205,010,640
Receivables, net of allowances:			
Accounts	3,847,978	373,878	4,221,856
Special assessments	-	9,128	9,128
Taxes	9,819,239	423,041	10,242,280
Notes	-	231,272	231,272
Advances to other funds	-	168,368	168,368
Intergovernmental receivable	6,032,811	3,551,360	9,584,171
Inventory	1,025,496	-	1,025,496
Real estate held for resale	6,160	60,097	66,257
Due from other funds	3,003,274	10,589,316	13,592,590
Total assets	\$ 113,216,985	\$ 130,935,073	\$ 244,152,058
Liabilities			
Accounts payable	\$ 2,266,223	\$ 3,630,132	\$ 5,896,355
Accrued liabilities	6,379,201	709,060	7,088,261
Unearned revenue	152,042	-	152,042
Due to other funds	8,659,352	3,809,367	12,468,719
Deposits	804,266	-	804,266
Escrow funds	427,524	152,059	579,583
Total liabilities	18,688,608	8,300,618	26,989,226
Deferred inflows of resources			
Unavailable revenue:			
Property taxes	1,980,080	358,905	2,338,985
Court fines	452,891	-	452,891
Special assessments	-	9,128	9,128
Total deferred inflows of resources	2,432,971	368,033	2,801,004
Total liabilities and deferred inflows of resources	21,121,579	8,668,651	29,790,230
Fund balances			
Nonspendable:			
Inventory	1,025,496	-	1,025,496
Parks and cemetery care	-	381,019	381,019
Real estate held for resale	6,160	-	6,160
Restricted for:			
Capital projects	-	50,835,124	50,835,124
Culture and recreation	-	169,374	169,374
Debt service	-	600,472	600,472
Housing and community development	-	246,965	246,965
Municipal information	1,471,560	-	1,471,560
Public works	-	636,582	636,582
Public safety	-	1,658,699	1,658,699
Tax increment zone activities	-	42,551,716	42,551,716
Waco Public Improvement District	-	1,148,686	1,148,686
Committed to:			
Capital projects	-	20,797,066	20,797,066
Economic development	14,496,364	-	14,496,364
Public health	-	3,240,719	3,240,719
Assigned to:			
Capital improvements	12,917,754	-	12,917,754
Culture and recreation	8,236	-	8,236
Economic development	3,958,032	-	3,958,032
Other	1,138,853	-	1,138,853
Public safety	757,889	-	757,889
Public works	245,706	-	245,706
Subsequent year's budget appropriation	7,979,534	-	7,979,534
Unassigned	48,089,822	-	48,089,822
Total fund balances	\$ 92,095,406	\$ 122,266,422	\$ 214,361,828
Total liabilities, deferred inflows of resources, and fund balances	\$ 113,216,985	\$ 130,935,073	\$ 244,152,058

See accompanying notes to financial statements.

City of Waco, Texas
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2020

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

Total fund balances - governmental funds (page 26)	\$	214,361,828
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		322,179,170
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.		2,801,004
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.		15,658,685
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(200,222,285)</u>
Net position of governmental activities (page 25)	\$	<u><u>354,778,402</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, 2020

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 107,848,201	\$ 25,152,357	\$ 133,000,558
Special assessments	-	630,654	630,654
Business and occupation fees	14,480,403	-	14,480,403
Permits, licenses and fees	1,980,690	986,740	2,967,430
Fines	1,281,770	368,246	1,650,016
Charges for services	1,921,824	-	1,921,824
Investment earnings	1,175,429	2,647,615	3,823,044
Contributions	779,925	50,000	829,925
Intergovernmental	9,631,875	10,318,776	19,950,651
Program income	-	227,685	227,685
Other	13,293,399	960,504	14,253,903
Total revenues	152,393,516	41,342,577	193,736,093
Expenditures:			
Current:			
General government	27,574,920	11,396,502	38,971,422
Public safety	77,593,423	2,417,640	80,011,063
Public works	7,264,287	661,926	7,926,213
Culture and recreation	15,189,397	7,054	15,196,451
Housing and community development	381,159	2,544,250	2,925,409
Public health	-	8,813,617	8,813,617
Debt service:			
Principal	-	7,590,000	7,590,000
Interest and fiscal charges	-	4,553,085	4,553,085
Bond issuance costs	-	123,993	123,993
Capital outlay	-	21,821,248	21,821,248
Total expenditures	128,003,186	59,929,315	187,932,501
Excess (deficiency) of revenues over expenditures	24,390,330	(18,586,738)	5,803,592
Other financing sources (uses):			
General obligation bonds issued	-	26,210,000	26,210,000
Premium on general obligation bonds	-	2,551,941	2,551,941
Transfers in	7,192,479	24,380,433	31,572,912
Transfers out	(26,811,221)	(6,203,051)	(33,014,272)
Total other financing sources (uses)	(19,618,742)	46,939,323	27,320,581
Net change in fund balances	4,771,588	28,352,585	33,124,173
Fund balances, beginning of year	87,323,818	93,913,837	181,237,655
Fund balances, end of year	\$ 92,095,406	\$ 122,266,422	\$ 214,361,828

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, 2020

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)	\$	33,124,173
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.		12,937,725
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is to increase net position.		4,483,383
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(137,940)
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.		(21,010,519)
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.		(1,704,205)
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>2,688,820</u>
Change in net position of governmental activities (pages 24 - 25)	\$	<u><u>30,381,437</u></u>

See accompanying notes to financial statements.

City of Waco, Texas

General Fund

Statement of Revenue, Expenditures, and Changes in Fund Balance -

Budget and Actual

Year Ended September 30, 2020

(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with Final Budget	2019
	Original	Final	Actual Amounts		Actual Amounts
Revenue					
Taxes:					
Sales tax income	\$ 39,017,059	37,547,803	41,033,102	3,485,299	40,610,169
Property taxes	66,891,605	66,891,605	66,154,072	(737,533)	63,737,123
Interest and penalty on taxes	435,000	435,000	661,027	226,027	490,219
Totals	<u>106,343,664</u>	<u>104,874,408</u>	<u>107,848,201</u>	<u>2,973,793</u>	<u>104,837,511</u>
Business and occupation fees:					
Occupation taxes	94,979	94,979	124,186	29,207	69,898
Gross receipts taxes	14,267,611	14,267,611	14,356,217	88,606	14,520,520
Totals	<u>14,362,590</u>	<u>14,362,590</u>	<u>14,480,403</u>	<u>117,813</u>	<u>14,590,418</u>
Permits, licenses and fees:					
Building permits	670,896	670,896	1,056,438	385,542	958,069
Plumbing permits	241,886	241,886	276,553	34,667	283,236
Electrical permits	351,513	351,513	390,070	38,557	392,890
Heating and air conditioning licenses	112,093	112,093	141,242	29,149	115,063
Fire inspection fees	38,851	38,851	37,911	(940)	43,251
Cab permits	650	650	550	(100)	550
House moving permits	165	165	-	(165)	55
Open air/street vending	6,720	6,720	6,230	(490)	6,875
Sign permits	30,299	30,299	34,678	4,379	40,475
Subdivision fees	42,123	42,123	37,018	(5,105)	35,318
Totals	<u>1,495,196</u>	<u>1,495,196</u>	<u>1,980,690</u>	<u>485,494</u>	<u>1,875,782</u>
Fines:					
Court fines	1,413,187	1,414,702	1,220,406	(194,296)	1,526,176
Auto impound fees	131,166	131,166	61,364	(69,802)	81,198
Totals	<u>1,544,353</u>	<u>1,545,868</u>	<u>1,281,770</u>	<u>(264,098)</u>	<u>1,607,374</u>
Charges for services:					
Recreation	986,124	986,124	318,495	(667,629)	938,954
Weed mowing	74,009	74,009	67,098	(6,911)	46,541
Library fees	126,420	126,420	79,936	(46,484)	127,849
Animal pick up	13,710	13,710	11,180	(2,530)	20,525
Animal shelter fees	371,725	371,725	443,511	71,786	424,564
Grounds maintenance	56,750	56,750	60,204	3,454	58,453
Graphics	76,034	76,034	66,397	(9,637)	88,867
Police Security	63,119	63,119	67,260	4,141	50,598
Airport Services	350,200	350,200	807,743	457,543	345,589
Totals	<u>2,118,091</u>	<u>2,118,091</u>	<u>1,921,824</u>	<u>(196,267)</u>	<u>2,101,940</u>
Interest on investments	1,249,632	1,249,632	1,175,429	(74,203)	2,470,954

City of Waco, Texas
General Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2020
(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with	2019
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues (continued)					
Contributions	<u>627,782</u>	<u>852,782</u>	<u>779,925</u>	<u>(72,857)</u>	<u>677,457</u>
Intergovernmental	<u>1,809,669</u>	<u>8,124,493</u>	<u>9,631,875</u>	<u>1,507,382</u>	<u>2,121,293</u>
Other:					
Indirect expense reimbursements	9,097,290	9,097,290	9,046,939	(50,351)	9,444,613
False alarm fines	15,250	15,250	11,150	(4,100)	14,750
BSC civil penalties	7,770	7,770	2,912	(4,858)	-
Rents from real estate	406,711	406,711	181,095	(225,616)	427,659
Miscellaneous revenue	3,285,015	3,331,099	3,252,327	(78,772)	3,822,857
Sale of real estate	100,000	100,000	3,222	(96,778)	519,130
Sale of other scrap	9,592	9,592	9,880	288	8,686
Zoning applications	39,675	39,675	51,350	11,675	53,775
Commission from sale of mixed drinks	614,759	614,759	534,099	(80,660)	707,292
Commission on municipal court fines	55,078	55,078	48,465	(6,613)	53,957
Commission on concessions	267,971	267,971	146,815	(121,156)	269,796
Garage sale permits	18,150	18,150	4,110	(14,040)	16,630
Special assessments	1,315	1,315	1,035	(280)	790
Totals	<u>13,918,576</u>	<u>13,964,660</u>	<u>13,293,399</u>	<u>(671,261)</u>	<u>15,339,935</u>
Total revenue	<u>143,469,553</u>	<u>148,587,720</u>	<u>152,393,516</u>	<u>3,805,796</u>	<u>145,622,664</u>
Expenditures					
General Government					
Administrative Services:					
Salaries and wages	1,102,884	1,102,884	1,442,473	(339,589)	912,981
Employee benefits	292,342	292,342	377,889	(85,547)	249,664
Purchased professional/technical services	180,258	330,258	202,945	127,313	154,257
Purchased property services	39,000	39,000	11,392	27,608	23,112
Other purchased services	720,712	739,248	625,915	113,333	696,197
Supplies	115,732	115,732	97,877	17,855	105,985
Capital expenditures	-	-	20,476	(20,476)	-
Other expenses	7,300	121,704	17,787	103,917	27,055
Total Administrative Services	<u>2,458,228</u>	<u>2,741,168</u>	<u>2,796,754</u>	<u>(55,586)</u>	<u>2,169,251</u>
City Secretary:					
Salaries and wages	369,448	369,448	433,230	(63,782)	329,939
Employee benefits	137,536	137,536	158,232	(20,696)	128,289
Purchased professional/technical services	200,357	264,566	109,827	154,739	47,777
Purchased property services	-	-	-	-	230
Maintenance	31,182	31,182	36,692	(5,510)	33,813
Other purchased services	36,443	36,443	25,329	11,114	27,783
Supplies	19,984	28,733	40,805	(12,072)	30,408
Total City Secretary	<u>794,950</u>	<u>867,908</u>	<u>804,115</u>	<u>63,793</u>	<u>598,239</u>
Finance Services:					
Salaries and wages	1,902,512	1,902,512	1,650,077	252,435	1,515,370
Employee benefits	616,820	616,820	544,339	72,481	506,450
Purchased professional/technical services	246,386	246,386	142,426	103,960	140,338

(Continued)

City of Waco, Texas
General Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2020
(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with	2019
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
General Government (continued)					
Finance Services: (continued)					
Purchased property services	1,000	1,000	500	500	500
Maintenance	7,310	7,310	-	7,310	159
Other purchased services	60,344	61,225	31,937	29,288	43,005
Supplies	29,710	293,885	278,189	15,696	39,361
Capital expenditures	-	-	16,209	(16,209)	9,304
Other expenses	78,000	78,000	60,976	17,024	59,779
Total Finance Services	<u>2,942,082</u>	<u>3,207,138</u>	<u>2,724,653</u>	<u>482,485</u>	<u>2,314,266</u>
Legal Services:					
Salaries and wages	939,578	939,578	921,254	18,324	895,484
Employee benefits	284,656	284,656	277,271	7,385	273,800
Purchased professional/technical services	4,450	4,450	69	4,381	67
Maintenance	300	300	-	300	-
Other purchased services	33,974	33,974	19,432	14,542	30,251
Supplies	35,125	35,125	40,064	(4,939)	36,991
Total Legal Services	<u>1,298,083</u>	<u>1,298,083</u>	<u>1,258,090</u>	<u>39,993</u>	<u>1,236,593</u>
Planning Services:					
Salaries and wages	541,570	541,570	582,063	(40,493)	530,550
Employee benefits	186,732	186,732	175,268	11,464	175,826
Purchased professional/technical services	31,000	210,229	138,136	72,093	48,205
Purchased property services	65,784	65,784	61,284	4,500	67,284
Maintenance	4,100	4,100	1,230	2,870	455
Other purchased services	20,042	20,042	18,810	1,232	23,359
Supplies	37,490	37,490	25,820	11,670	45,141
Total Planning Services	<u>886,718</u>	<u>1,065,947</u>	<u>1,002,611</u>	<u>63,336</u>	<u>890,820</u>
Human Resources:					
Salaries and wages	887,692	887,692	910,051	(22,359)	795,761
Employee benefits	290,368	290,368	295,106	(4,738)	271,457
Purchased professional/technical services	42,580	43,521	25,935	17,586	54,059
Purchased property services	1,500	-	-	-	-
Maintenance	2,553	5,738	6,615	(877)	4,266
Other purchased services	132,354	117,615	79,547	38,068	112,854
Supplies	15,650	28,704	20,398	8,306	18,310
Total Human Resources	<u>1,372,697</u>	<u>1,373,638</u>	<u>1,337,652</u>	<u>35,986</u>	<u>1,256,707</u>
Municipal Information:					
Salaries and wages	564,486	564,486	579,205	(14,719)	550,096
Employee benefits	198,892	198,892	200,784	(1,892)	194,751
Purchased professional/technical services	28,890	28,890	54,386	(25,496)	36,188
Maintenance	54,888	54,888	21,259	33,629	21,361
Other purchased services	18,776	18,776	19,485	(709)	19,276
Supplies	67,164	67,164	40,802	26,362	42,038
Other expenses	24,000	24,000	22,498	1,502	22,876
Capital expenditures	50,000	50,000	39,918	10,082	172,470
Total Public Information Services	<u>1,007,096</u>	<u>1,007,096</u>	<u>978,337</u>	<u>28,759</u>	<u>1,059,056</u>

(Continued)

City of Waco, Texas
General Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2020
(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with	2019
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
General Government (continued)					
Information Technology Services:					
Salaries and wages	1,884,676	1,859,676	1,821,231	38,445	1,721,159
Employee benefits	648,556	648,556	625,082	23,474	610,148
Purchased professional/technical services	302,223	346,922	162,450	184,472	174,039
Maintenance	1,357,013	1,406,484	1,066,504	339,980	1,336,366
Other purchased services	463,110	498,810	442,219	56,591	395,251
Supplies	112,888	137,761	145,025	(7,264)	102,672
Capital expenditures	1,351,083	1,416,457	1,119,656	296,801	246,627
Total Information Technology Services	6,119,549	6,314,666	5,382,167	932,499	4,586,262
Purchasing Services:					
Salaries and wages	526,590	526,590	529,811	(3,221)	507,251
Employee benefits	181,128	181,128	182,537	(1,409)	176,559
Purchased professional/technical services	200	800	800	-	-
Maintenance	360	360	217	143	284
Other purchased services	25,807	22,984	14,336	8,648	21,369
Supplies	9,892	12,115	9,455	2,660	10,058
Total Purchasing Services	743,977	743,977	737,156	6,821	715,521
Facilities:					
Salaries and wages	1,174,902	1,174,902	975,908	198,994	856,929
Employee benefits	513,392	513,392	433,973	79,419	424,243
Purchased professional/technical services	752,101	1,021,889	842,741	179,148	902,806
Purchased property services	6,420	6,420	10,656	(4,236)	10,309
Maintenance	1,648,607	1,520,319	1,116,718	403,601	1,117,597
Other purchased services	57,142	57,142	55,497	1,645	64,194
Supplies	237,604	267,622	209,844	57,778	228,414
Capital expenditures	-	174,556	173,960	596	13,290
Total Facilities	4,390,168	4,736,242	3,819,297	916,945	3,617,782
Economic Development					
Salaries and wages	317,356	317,356	259,499	57,857	296,531
Employee benefits	96,764	96,764	75,734	21,030	89,176
Purchased professional/technical services	10,300	10,300	15,560	(5,260)	7,790
Purchased property services	2,500	2,500	-	2,500	-
Other purchased services	33,414	33,414	6,491	26,923	18,399
Supplies	9,375	9,375	3,213	6,162	6,760
Total Economic Development	469,709	469,709	360,497	109,212	418,656
Economic Development Incentive					
Purchased professional/technical services	2,500,000	2,500,000	1,658,259	841,741	175,000
Other expense	11,402,191	-	402,653	(402,653)	-
Total Economic Development Incentive	13,902,191	2,500,000	2,060,912	439,088	175,000
Contributions:					
McLennan County	166,250	166,250	167,518	(1,268)	158,746
HOTRHMHR	39,322	99,322	58,798	40,524	39,322

(Continued)

City of Waco, Texas

General Fund

Statement of Revenue, Expenditures, and Changes in Fund Balance -

Budget and Actual

Year Ended September 30, 2020

(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with Final Budget	2019
	Original	Final	Actual Amounts		Actual Amounts
Expenditures (continued)					
General Government (continued)					
Contributions: (continued)					
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	165,000	165,000	165,000	-	165,000
Central Texas African American Chamber	93,000	93,000	93,000	-	93,000
Cen-Tex Hispanic Chamber	118,000	165,500	133,000	32,500	118,000
City Center Waco	234,000	234,000	234,000	-	239,000
Central Texas Senior Ministry	35,000	35,000	35,000	-	28,000
Economic Development Grants	635,000	635,000	495,290	139,710	(26,228)
McLennan County Appraisal District	852,100	852,100	704,375	147,725	729,845
Greater Waco Collective Impact Initiative	100,000	355,000	266,667	88,333	75,000
Historic Waco Foundation/Arts-Historic Agencies	29,250	29,250	29,250	-	29,250
Creative Waco	377,000	408,325	326,000	82,325	406,915
HOT Goodwill Industries, Inc.	71,412	77,363	53,559	23,804	65,461
The Cove	-	-	-	-	52,291
Caritas of Waco	50,000	50,000	31,677	18,323	45,163
CampusTown	29,000	36,250	29,000	7,250	21,750
Total Contributions	<u>3,090,753</u>	<u>3,497,779</u>	<u>2,918,205</u>	<u>579,574</u>	<u>2,336,586</u>
Miscellaneous:					
Salaries and wages	(870,318)	(870,318)	202,575	(1,072,893)	-
Employee benefits	80,002	80,002	131,118	(51,116)	37,258
Purchased professional/technical services	683,500	743,763	547,678	196,085	443,468
Purchased property services	-	-	-	-	259
Maintenance	8,765	8,765	35,127	(26,362)	4,507
Other purchased services	1,412	1,412	3,588	(2,176)	287
Supplies	3,933	3,933	96,351	(92,418)	5,297
Capital expenditures	-	-	28,367	(28,367)	75,185
Other expenses	3,149,152	1,694,040	349,670	1,344,370	347,315
Total Miscellaneous	<u>3,056,446</u>	<u>1,661,597</u>	<u>1,394,474</u>	<u>267,123</u>	<u>913,576</u>
Total General Government	<u>42,532,647</u>	<u>31,484,948</u>	<u>27,574,920</u>	<u>3,910,028</u>	<u>22,288,315</u>
Public Works					
Streets and Drainage Services:					
Salaries and wages	1,746,616	1,746,616	1,746,019	597	1,211,822
Employee benefits	841,982	841,982	804,816	37,166	681,146
Purchased professional/technical services	2,094,709	2,866,300	2,989,033	(122,733)	2,871,095
Purchased property services	23,544	23,544	19,209	4,335	19,236
Maintenance	1,440,480	1,420,480	950,787	469,693	1,131,977
Other purchased services	110,653	110,653	104,027	6,626	106,247
Supplies	309,124	309,124	282,525	26,599	250,299
Other expenses	161,422	161,422	161,422	-	221,392
Capital expenditures	179,000	302,008	206,449	95,559	119,993
Total Streets and Drainage Services	<u>6,907,530</u>	<u>7,782,129</u>	<u>7,264,287</u>	<u>517,842</u>	<u>6,613,207</u>
Total Public Works	<u>6,907,530</u>	<u>7,782,129</u>	<u>7,264,287</u>	<u>517,842</u>	<u>6,613,207</u>

(Continued)

City of Waco, Texas

General Fund

Statement of Revenue, Expenditures, and Changes in Fund Balance -

Budget and Actual

Year Ended September 30, 2020

(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with Final Budget	2019
	Original	Final	Actual Amounts		Actual Amounts
Expenditures (continued)					
Public Safety					
Municipal Court:					
Salaries and wages	799,872	799,872	843,022	(43,150)	790,970
Employee benefits	289,178	289,178	295,433	(6,255)	296,163
Purchased professional/technical services	45,560	45,560	20,992	24,568	46,187
Maintenance	2,200	2,200	70,073	(67,873)	12,682
Other purchased services	26,238	26,238	13,127	13,111	19,601
Supplies	84,526	86,041	59,943	26,098	73,238
Other expenses	13,928	13,928	9,839	4,089	10,064
Total Municipal Court	<u>1,261,502</u>	<u>1,263,017</u>	<u>1,312,429</u>	<u>(49,412)</u>	<u>1,248,905</u>
Inspection Services:					
Salaries and wages	1,467,988	1,467,988	1,379,868	88,120	1,274,768
Employee benefits	542,632	542,632	513,171	29,461	482,019
Purchased professional/technical services	158,209	158,475	128,375	30,100	124,096
Purchased property services	72,144	72,144	64,232	7,912	69,381
Maintenance	35,740	35,740	17,170	18,570	57,293
Other purchased services	64,992	64,992	53,255	11,737	63,939
Supplies	50,576	56,321	53,484	2,837	76,129
Capital expenditures	-	-	-	-	48,620
Other expenses	34,664	34,664	48,807	(14,143)	38,469
Totals Inspection Services	<u>2,426,945</u>	<u>2,432,956</u>	<u>2,258,362</u>	<u>174,594</u>	<u>2,234,714</u>
Emergency Management Services:					
Salaries and wages	325,158	325,158	288,386	36,772	315,941
Employee benefits	120,438	120,438	107,096	13,342	118,088
Purchased professional/technical services	28,528	28,528	31,588	(3,060)	15,058
Purchased property services	3,000	2,900	-	2,900	550
Maintenance	482,972	587,375	438,070	149,305	325,849
Other purchased services	60,705	60,705	12,394	48,311	39,264
Supplies	332,158	332,258	339,684	(7,426)	42,887
Capital expenditures	-	-	-	-	284,149
Other expenses	138,390	138,390	110,983	27,407	114,600
Total Emergency Management Services	<u>1,491,349</u>	<u>1,595,752</u>	<u>1,328,201</u>	<u>267,551</u>	<u>1,256,386</u>
Fire Services:					
Salaries and wages	17,964,710	17,964,710	18,648,992	(684,282)	17,562,937
Employee benefits	6,566,548	6,566,548	6,571,751	(5,203)	6,332,222
Purchased professional/technical services	130,217	237,935	156,405	81,530	94,841
Purchased property services	70,020	66,160	77,967	(11,807)	63,440
Maintenance	712,473	852,860	466,342	386,518	588,781
Other purchased services	412,791	376,685	386,942	(10,257)	391,258
Supplies	751,292	848,227	745,268	102,959	776,056
Capital expenditures	56,000	138,500	245,993	(107,493)	329,517
Total Fire Services	<u>26,664,051</u>	<u>27,051,625</u>	<u>27,299,660</u>	<u>(248,035)</u>	<u>26,139,052</u>

(Continued)

City of Waco, Texas
General Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2020
(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with	2019
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
Public Safety (continued)					
Police Services:					
Salaries and wages	26,441,498	26,442,282	26,256,928	185,354	25,213,403
Employee benefits	9,444,011	9,444,011	9,248,359	195,652	9,075,327
Purchased professional/technical services	840,117	858,711	768,888	89,823	615,254
Purchased property services	116,166	116,166	107,357	8,809	141,481
Maintenance	1,155,409	1,213,078	1,097,831	115,247	1,008,614
Other purchased services	1,119,833	1,120,860	995,545	125,315	1,111,848
Supplies	2,407,855	2,549,263	2,083,208	466,055	1,804,254
Capital expenditures	39,000	407,237	165,580	241,657	359,594
Other expenses	900	900	1,209	(309)	1,285
Total Police Services	<u>41,564,789</u>	<u>42,152,508</u>	<u>40,724,905</u>	<u>1,427,603</u>	<u>39,331,060</u>
Traffic Services					
Salaries and wages	1,084,318	1,084,318	733,276	351,042	766,133
Employee benefits	454,590	454,590	322,134	132,456	368,181
Purchased professional/technical services	122,761	215,646	160,489	55,157	124,568
Purchased property services	2,664	2,664	2,315	349	2,231
Maintenance	804,703	753,094	682,043	71,051	675,426
Other purchased services	34,456	34,456	27,115	7,341	33,010
Supplies	751,728	753,578	680,549	73,029	661,161
Capital expenditures	833,000	432,792	306,212	126,580	252,722
Totals Traffic Services	<u>4,088,220</u>	<u>3,731,138</u>	<u>2,914,133</u>	<u>817,005</u>	<u>2,883,432</u>
Animal Services					
Salaries and wages	895,024	895,024	727,516	167,508	711,239
Employee benefits	367,836	367,836	307,013	60,823	318,194
Purchased professional/technical services	327,974	327,974	219,020	108,954	282,052
Purchased property services	21,900	21,900	20,349	1,551	20,224
Maintenance	69,787	69,787	51,713	18,074	52,095
Other purchased services	73,804	73,804	72,235	1,569	78,147
Supplies	462,613	462,613	296,967	165,646	345,166
Capital expenditures	-	42,698	60,920	(18,222)	9,130
Other expenses	1,000	1,000	-	1,000	-
Totals Animal Services	<u>2,219,938</u>	<u>2,262,636</u>	<u>1,755,733</u>	<u>506,903</u>	<u>1,816,247</u>
Total Public Safety	<u>79,716,794</u>	<u>80,489,632</u>	<u>77,593,423</u>	<u>2,896,209</u>	<u>74,909,796</u>
Culture & Recreation					
Library Services:					
Salaries and wages	2,104,390	2,104,390	1,941,237	163,153	1,891,544
Employee benefits	769,718	769,718	718,573	51,145	726,927
Purchased professional/technical services	153,545	190,102	180,466	9,636	174,979
Purchased property services	27,816	27,816	21,074	6,742	19,971
Maintenance	157,276	168,333	154,917	13,416	147,605
Other purchased services	148,240	149,191	154,333	(5,142)	142,633
Supplies	775,042	784,249	758,365	25,884	745,461

(Continued)

City of Waco, Texas
General Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2020
(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with	2019
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
Culture & Recreation (continued)					
Library Services: (continued)					
Capital expenditures	-	27,845	27,845	-	21,625
Other expenses	1,308	1,308	1,100	208	174,931
Total Library Services	4,137,335	4,222,952	3,957,910	265,042	4,045,676
Parks:					
Salaries and wages	4,294,576	4,294,576	3,563,578	730,998	3,182,349
Employee benefits	1,870,802	1,870,802	1,639,536	231,266	1,608,712
Purchased professional/technical services	719,313	724,262	663,110	61,152	957,427
Purchased property services	963,276	963,276	902,639	60,637	801,427
Maintenance	667,360	667,360	736,324	(68,964)	897,976
Other purchased services	240,987	240,987	203,172	37,815	208,878
Supplies	764,789	752,789	673,792	78,997	715,711
Capital expenditures	130,970	1,286,616	1,228,032	58,584	188,170
Other expenses	116,036	116,036	66,410	49,626	114,469
Total Parks	9,768,109	10,916,704	9,676,593	1,240,111	8,675,119
Recreation Services:					
Salaries and wages	1,257,936	1,257,936	805,971	451,965	994,527
Employee benefits	401,332	401,332	286,570	114,762	351,582
Purchased professional/technical services	512,712	512,712	122,290	390,422	503,421
Maintenance	25,373	25,373	24,260	1,113	22,738
Other purchased services	258,176	258,176	103,540	154,636	254,146
Supplies	281,284	281,284	154,343	126,941	299,044
Capital expenditures	34,500	34,500	53,049	(18,549)	18,445
Other expenses	16,700	16,700	4,871	11,829	7,137
Total Recreation Services	2,788,013	2,788,013	1,554,894	1,233,119	2,451,040
Total Culture & Recreation	16,693,457	17,927,669	15,189,397	2,738,272	15,171,835
Housing & Community Development					
Housing Services:					
Salaries and wages	469,898	469,898	259,299	210,599	175,849
Employee benefits	135,492	135,492	76,792	58,700	72,281
Purchased professional/technical services	3,130	148,130	26,630	121,500	48,643
Purchased property services	3,000	3,000	-	3,000	201
Other purchased services	17,780	17,780	10,662	7,118	14,333
Supplies	2,960	2,960	3,416	(456)	4,238
Other expenses	35,000	35,000	4,360	30,640	-
Total Housing Services	667,260	812,260	381,159	431,101	315,545
Total Housing & Community Development	667,260	812,260	381,159	431,101	315,545
Total Expenditures	146,517,688	138,496,638	128,003,186	10,493,452	119,298,698
Excess of revenues over expenditures	(3,048,135)	10,091,082	24,390,330	14,299,248	26,323,966

(Continued)

City of Waco, Texas
General Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2020
(With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with	2019
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Other Financing Sources (Uses):					
Transfers in:					
Abandoned Motor Vehicles	50,000	420,522	420,522	-	200,508
Court Security	101,838	104,686	87,203	(17,483)	83,781
TxDOT Brazos Riverwalk	-	-	-	-	26,419
Rolling Stock	-	1,000,000	1,000,000	-	-
Equipment Replacement	600,000	600,000	600,000	-	-
Revenue in lieu of property taxes	5,084,754	5,084,754	5,084,754	-	4,800,961
Total transfers in	<u>5,836,592</u>	<u>7,209,962</u>	<u>7,192,479</u>	<u>(17,483)</u>	<u>5,111,669</u>
Transfers out:					
Street Improvements:					
Street Cash CIP	(6,481,910)	(8,408,505)	(8,408,505)	-	(3,936,508)
Capital Improvements:					
Facilities Cash CIP	-	-	-	-	(116,000)
Parks Cash CIP	-	(7,930,975)	(7,930,975)	-	-
Stormwater CIP	-	-	-	-	(352,898)
Cameron Park Zoo	(2,696,770)	(3,396,770)	(3,396,770)	-	(2,758,019)
Equipment Replacement Cash CIP	(700,000)	-	-	-	(600,000)
Cottonwood Creek Golf Course	(1,903,730)	(678,304)	(678,304)	-	(428,304)
Transit	(701,728)	(58,355)	(58,355)	-	(482,408)
Airport Services	(453,898)	(153,898)	(153,898)	-	(453,898)
Health Services	(3,863,148)	(3,863,148)	(3,863,148)	-	(3,837,160)
Ranger Hall of Fame	(538,787)	(538,787)	(538,787)	-	(538,787)
Fleet Services	-	-	-	-	(415,000)
Economic Development Incentive	(2,500,000)	-	-	-	-
Housing demo-lot clearing	(175,000)	(175,000)	(175,000)	-	(175,000)
Fire Cash CIP	-	(300,000)	(300,000)	-	-
Transit Cash CIP	-	(1,200,000)	(1,200,000)	-	-
Grant (police)	(216,000)	(216,000)	(107,479)	108,521	(110,251)
Total transfers out	<u>(20,230,971)</u>	<u>(26,919,742)</u>	<u>(26,811,221)</u>	<u>108,521</u>	<u>(14,204,233)</u>
Total other financing sources (uses)	<u>(14,394,379)</u>	<u>(19,709,780)</u>	<u>(19,618,742)</u>	<u>91,038</u>	<u>(9,092,564)</u>
Net change in fund balances	(17,442,514)	(9,618,698)	4,771,588	14,390,286	17,231,402
Fund balance, beginning of year	<u>87,323,818</u>	<u>87,323,818</u>	<u>87,323,818</u>	<u>-</u>	<u>70,092,416</u>
Fund balance, end of year	<u>\$ 69,881,304</u>	<u>77,705,120</u>	<u>92,095,406</u>	<u>14,390,286</u>	<u>87,323,818</u>

See accompanying notes to financial statements.



City of Waco, Texas
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities				Governmental Activities	
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets:						
Cash and investments	\$ 42,949,857	\$ 35,564,202	\$ 15,296,490	\$ 7,517,813	\$ 101,328,362	\$ 18,081,364
Accounts receivable, net of allowances	6,519,460	4,553,629	2,052,381	556,189	13,681,659	-
Prepaid items	331,329	-	-	-	331,329	-
Due from other funds	-	-	-	-	-	754,352
Intergovernmental receivable	491,962	647,984	-	5,589,898	6,729,844	-
Restricted cash and investments	6,632,529	5,836,639	-	-	12,469,168	-
Inventories	257,910	27,754	-	1,020,036	1,305,700	200,886
Total current assets	<u>57,183,047</u>	<u>46,630,208</u>	<u>17,348,871</u>	<u>14,683,936</u>	<u>135,846,062</u>	<u>19,036,602</u>
Noncurrent assets:						
Restricted cash and investments	50,533,448	73,759,311	237,257	122,413	124,652,429	-
Advances to other funds	525,336	-	-	-	525,336	-
Capital assets:						
Land	3,180,914	3,361,999	7,157,215	3,400,754	17,100,882	38,800
Buildings	10,073,953	11,553,195	1,370,137	62,075,851	85,073,136	920,153
Improvements other than buildings	345,850,339	176,283,796	30,876,058	68,187,299	621,197,492	118,289
Machinery and equipment	10,229,129	13,585,073	23,358,132	20,244,962	67,417,296	1,772,456
Museum collections	-	-	-	2,274,424	2,274,424	-
Construction work in progress	29,459,353	61,544,778	3,521,508	1,556,933	96,082,572	-
Intangible water rights	32,482,879	-	-	-	32,482,879	-
Less: accumulated depreciation and amortization	(164,982,915)	(78,290,443)	(44,906,461)	(90,620,812)	(378,800,631)	(1,994,580)
Total noncurrent assets	<u>317,352,436</u>	<u>261,797,709</u>	<u>21,613,846</u>	<u>67,241,824</u>	<u>668,005,815</u>	<u>855,118</u>
Total assets	<u>374,535,483</u>	<u>308,427,917</u>	<u>38,962,717</u>	<u>81,925,760</u>	<u>803,851,877</u>	<u>19,891,720</u>
Deferred outflows of resources						
Deferred losses on refundings of debt	1,948,620	633,255	-	-	2,581,875	-
Deferred outflows on pension liability	862,808	575,206	575,206	-	2,013,220	-
Total deferred outflows of resources	<u>2,811,428</u>	<u>1,208,461</u>	<u>575,206</u>	<u>-</u>	<u>4,595,095</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 377,346,911</u>	<u>\$ 309,636,378</u>	<u>\$ 39,537,923</u>	<u>\$ 81,925,760</u>	<u>\$ 808,446,972</u>	<u>\$ 19,891,720</u>
Liabilities						
Current liabilities:						
Accounts payable	761,059	1,061,548	1,066,799	399,062	3,288,468	130,276
Accrued liabilities	963,773	285,090	481,567	1,226,663	2,957,093	434,619
Unearned revenue	-	-	-	170,237	170,237	-
Due to other funds	-	-	-	1,878,223	1,878,223	-
Compensated absences payable	773,237	309,283	406,301	586,369	2,075,190	265,084
Refundable contracts	530,653	-	-	-	530,653	-
Notes payable	94,166	-	-	-	94,166	-
Escrow funds	-	-	-	-	-	538
Bonds payable	12,235,000	8,540,000	1,195,000	-	21,970,000	-
Accrued interest payable	1,533,445	1,232,526	26,567	-	2,792,538	-
Current liabilities payable from restricted assets:						
Accounts payable	3,515,052	5,836,639	-	-	9,351,691	-
Customer deposits	3,117,477	-	-	-	3,117,477	-
Estimated claims and judgments	-	-	-	-	-	3,314,131
Total current liabilities	<u>23,523,862</u>	<u>17,265,086</u>	<u>3,176,234</u>	<u>4,260,554</u>	<u>48,225,736</u>	<u>4,144,648</u>
Noncurrent liabilities:						
Refundable contracts	561,176	192,542	-	-	753,718	-
Estimated landfill closure and post-closure care costs	-	-	6,254,242	-	6,254,242	-
Advances from other funds	-	-	-	693,704	693,704	-
Compensated absences payable	512,516	178,361	474,273	451,950	1,617,100	88,387
Bonds payable	198,858,649	158,534,321	2,322,461	-	359,715,431	-
Notes payable	1,317,650	-	-	-	1,317,650	-
Net pension liability	3,189,292	2,126,194	2,126,194	-	7,441,680	-
Total noncurrent liabilities	<u>204,439,283</u>	<u>161,031,418</u>	<u>11,177,170</u>	<u>1,145,654</u>	<u>377,793,525</u>	<u>88,387</u>
Total liabilities	<u>227,963,145</u>	<u>178,296,504</u>	<u>14,353,404</u>	<u>5,406,208</u>	<u>426,019,261</u>	<u>4,233,035</u>
Deferred inflows of resources						
Deferred inflows on pension liability	887,136	591,425	591,425	-	2,069,986	-
Total deferred inflows of resources	<u>887,136</u>	<u>591,425</u>	<u>591,425</u>	<u>-</u>	<u>2,069,986</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>228,850,281</u>	<u>178,887,929</u>	<u>14,944,829</u>	<u>5,406,208</u>	<u>428,089,247</u>	<u>4,233,035</u>
Net position						
Net investment in capital assets	105,178,426	95,164,101	18,096,385	67,119,411	285,558,323	855,118
Restricted for:						
Capital projects	-	-	-	1,006,408	1,006,408	-
Unrestricted	43,318,204	35,584,348	6,496,709	8,393,733	93,792,994	14,803,567
Total net position	<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>

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, 2020

	Business-type Activities					Governmental Activities
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:						
Charges for services	\$ 52,383,210	\$ 37,639,693	\$ 21,604,791	\$ 5,210,022	\$ 116,837,716	\$ 24,642,106
Net merchandise sales	-	-	-	855,250	855,250	-
Contributions	-	-	-	40,423	40,423	-
Other	727,621	645,125	86,712	1,727,359	3,186,817	82,560
Total operating revenues	<u>53,110,831</u>	<u>38,284,818</u>	<u>21,691,503</u>	<u>7,833,054</u>	<u>120,920,206</u>	<u>24,724,666</u>
Operating expenses:						
Salaries and wages	5,381,938	3,594,631	4,001,338	8,109,689	21,087,596	2,983,701
Employee benefits	2,283,371	1,477,501	1,828,242	2,809,298	8,398,412	1,123,206
Purchased professional/technical services	2,093,061	2,049,031	2,996,754	1,564,383	8,703,229	1,648,903
Purchased property services	168,856	91,675	27,594	798,150	1,086,275	60,407
Maintenance	3,285,735	2,750,824	2,692,330	1,164,875	9,893,764	175,648
Other purchased services	1,421,543	354,744	227,312	1,780,946	3,784,545	1,334,121
Supplies	4,557,168	2,669,199	1,980,764	2,201,425	11,408,556	184,837
Other	5,080,087	4,913,635	4,028,028	2,279,826	16,301,576	14,573,686
Depreciation/amortization	10,912,032	6,838,111	3,540,654	5,852,487	27,143,284	156,368
Total operating expenses	<u>35,183,791</u>	<u>24,739,351</u>	<u>21,323,016</u>	<u>26,561,079</u>	<u>107,807,237</u>	<u>22,240,877</u>
Operating income (loss)	<u>17,927,040</u>	<u>13,545,467</u>	<u>368,487</u>	<u>(18,728,025)</u>	<u>13,112,969</u>	<u>2,483,789</u>
Nonoperating revenues (expenses):						
Investment earnings	474,308	412,060	160,680	96,176	1,143,224	164,037
Other income	50	24,547	-	218,713	243,310	-
Hotel/motel tax	-	-	-	3,138,696	3,138,696	-
Contributions	-	-	-	26,800	26,800	-
Intergovernmental revenues	258,577	513,898	-	5,974,284	6,746,759	-
Bond issuance costs	(88,796)	(64,953)	-	-	(153,749)	-
Interest expense and fiscal charges	(5,798,554)	(4,480,133)	(66,336)	-	(10,345,023)	-
Gain (loss) on disposal of capital assets	-	-	190,081	-	190,081	-
Total nonoperating revenues (expenses)	<u>(5,154,415)</u>	<u>(3,594,581)</u>	<u>284,425</u>	<u>9,454,669</u>	<u>990,098</u>	<u>164,037</u>
Income (loss) before contributions, special items, and transfers	12,772,625	9,950,886	652,912	(9,273,356)	14,103,067	2,647,826
Capital contributions	1,829,961	1,886,839	-	2,665,826	6,382,626	40,994
Special item: Gain on termination of agreement	-	29,769,651	-	-	29,769,651	-
Transfers in	250,000	250,000	-	6,176,114	6,676,114	-
Transfers out	(3,635,062)	(1,029,531)	(420,161)	(150,000)	(5,234,754)	-
Changes in net position	11,217,524	40,827,845	232,751	(581,416)	51,696,704	2,688,820
Total net position, beginning of year	137,279,106	89,920,604	24,360,343	77,100,968	328,661,021	12,969,865
Total net position, end 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>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds				Governmental	
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	\$ 53,878,733	\$ 38,162,267	\$ 21,717,493	\$ 7,819,349	\$ 121,577,842	\$ 24,724,666
Cash paid to suppliers for goods and services	(16,563,303)	(12,620,251)	(10,911,987)	(9,998,813)	(50,094,354)	(17,994,233)
Cash paid to employees for services	(7,360,983)	(4,936,504)	(5,526,397)	(10,643,215)	(28,467,099)	(4,025,771)
Net cash provided by (used for) operating activities	<u>29,954,447</u>	<u>20,605,512</u>	<u>5,279,109</u>	<u>(12,822,679)</u>	<u>43,016,389</u>	<u>2,704,662</u>
Cash flows from noncapital financing activities:						
Intergovernmental revenue	258,577	-	-	3,532,255	3,790,832	-
Contributions	(258,577)	-	-	26,800	(231,777)	-
Hotel/motel tax	-	-	-	3,251,265	3,251,265	-
Passenger facility charges	-	-	-	176,477	176,477	-
Transfers from other funds	-	-	-	6,176,114	6,176,114	-
Other nonoperating income	-	24,547	-	-	24,547	-
Transfers to other funds	(3,635,062)	(1,029,531)	(420,161)	(1,422,024)	(6,506,778)	(130,838)
Advances from other funds	-	-	-	664,200	664,200	-
Net cash provided by (used for) noncapital financing activities	<u>(3,635,062)</u>	<u>(1,004,984)</u>	<u>(420,161)</u>	<u>12,405,087</u>	<u>7,344,880</u>	<u>(130,838)</u>
Cash flows from capital and related financing activities:						
Aquisition of capital assets	(18,343,607)	(23,629,334)	(3,832,082)	(2,841,344)	(48,646,367)	(142,714)
Proceeds from disposal of capital assets	-	-	190,081	-	190,081	-
Proceeds from issuance of debt	20,507,116	15,000,148	-	-	35,507,264	-
Capital contributions	-	-	-	1,331,683	1,331,683	-
Payments of refundable contracts	(530,652)	-	-	-	(530,652)	-
Transfers from other funds	250,000	250,000	-	-	500,000	-
Principal paid on debt	(11,495,000)	(8,120,000)	(1,035,000)	-	(20,650,000)	-
Interest paid on debt	(7,429,410)	(6,159,924)	(223,351)	-	(13,812,685)	-
Proceeds from insurance recoveries	-	-	-	42,236	42,236	-
Net cash provided by (used for) capital and related financing activities	<u>(17,041,553)</u>	<u>(22,659,110)</u>	<u>(4,900,352)</u>	<u>(1,467,425)</u>	<u>(46,068,440)</u>	<u>(142,714)</u>
Cash flows from investing activities:						
Rental revenue	50	-	-	-	50	-
Investment earnings	474,308	412,060	160,680	96,176	1,143,224	164,037
Net cash provided by (used for) investing activities	<u>474,358</u>	<u>412,060</u>	<u>160,680</u>	<u>96,176</u>	<u>1,143,274</u>	<u>164,037</u>
Net increase (decrease) in cash and cash equivalents	9,752,190	(2,646,522)	119,276	(1,788,841)	5,436,103	2,595,147
Cash and cash equivalents, beginning of year	90,363,644	117,806,674	15,414,471	9,429,067	233,013,856	15,486,217
Cash and cash equivalents, end of year	<u>\$ 100,115,834</u>	<u>\$ 115,160,152</u>	<u>\$ 15,533,747</u>	<u>\$ 7,640,226</u>	<u>\$ 238,449,959</u>	<u>\$ 18,081,364</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 17,927,040	\$ 13,545,467	\$ 368,487	\$ (18,728,025)	\$ 13,112,969	\$ 2,483,789
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Provision for uncollectible accounts receivable	76,646	64,917	22,124	-	163,687	-
Depreciation/amortization	10,912,032	6,838,111	3,540,654	5,852,487	27,143,284	156,368
Changes in assets and liabilities:						
Decrease (increase) in assets:						
Accounts receivable	724,045	(187,468)	3,866	100,104	640,547	-
Prepaid items	(57,014)	-	-	-	(57,014)	-
Inventories	(40,987)	(13,427)	-	(18,169)	(72,583)	13,111
Increase (decrease) in liabilities:						
Accounts payable	162,189	229,431	589,388	561	981,569	(124,892)
Accrued liabilities	60,104	(63,100)	169,942	(125,359)	41,587	(163,267)
Unearned revenue	-	-	-	(114,135)	(114,135)	-
Estimated landfill closure and post-closure care costs	-	-	293,350	-	293,350	-
Compensated absences payable	121,279	123,646	223,363	209,856	678,144	81,136
Net pension liability	101,902	67,935	67,935	-	237,772	-
Customer deposits	(32,789)	-	-	-	(32,789)	-
Estimated claims and judgements	-	-	-	-	-	258,417
Net cash provided by (used for) operating activities	<u>\$ 29,954,447</u>	<u>\$ 20,605,512</u>	<u>\$ 5,279,109</u>	<u>\$ (12,822,680)</u>	<u>\$ 43,016,388</u>	<u>\$ 2,704,662</u>
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ -	\$ 1,886,839	\$ -	\$ 95,248	\$ 1,982,087	\$ 40,994
Contributions of capital assets conveyance from termination of agreement	\$ -	\$ 25,326,864	\$ -	\$ -	\$ 25,326,864	\$ -
Assets acquired through refundable contracts	\$ 1,829,961	\$ -	\$ -	\$ -	\$ 1,829,961	\$ -

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Fiduciary Net Position
September 30, 2020

	<u>Agency funds</u>
Assets	
Cash and investments	\$ 3,471,514
Intergovernmental receivable	<u>305,074</u>
Total assets	<u><u>\$ 3,776,588</u></u>
Liabilities	
Accrued liabilities	<u>3,776,588</u>
Total liabilities	<u><u>\$ 3,776,588</u></u>

See accompanying notes to financial statements.



City of Waco, Texas

Notes to Financial Statements

September 30, 2020

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)

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 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.

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

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

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

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

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.

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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**

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.

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.

City of Waco, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

Receivables and Payables

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 120 days are estimated to be uncollectible and comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 5.76% of outstanding property taxes at September 30, 2020.

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.

City of Waco, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

Capital Assets

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.

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.

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)

Other Post-Employment Benefits (“OPEB”)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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.

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)

Long-term Obligations

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

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

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, 2020 was 33% of fiscal year 2021 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	\$ 1,025,496	-	1,025,496
Real estate held for resale	6,160	-	6,160
Parks and cemetery care	-	381,019	381,019
Restricted for:			
Municipal information activities	1,471,560	-	1,471,560
Debt service activities	-	600,472	600,472
Capital projects activities	-	50,835,124	50,835,124
Tax increment zone activities	-	42,551,716	42,551,716
Housing and community development activities	-	246,965	246,965
Public works activities	-	636,582	636,582
Public safety activities	-	1,658,699	1,658,699
Culture and recreation activities	-	169,374	169,374
Waco Public Improvement District activities	-	1,148,686	1,148,686
Committed to:			
Economic development activities	14,496,364	-	14,496,364
Capital projects activities	-	20,797,066	20,797,066
Public health services	-	3,240,719	3,240,719
Assigned to:			
Capital improvements projects	12,917,754	-	12,917,754
Economic development activities	3,958,032	-	3,958,032
Public safety activities	757,889	-	757,889
Public works activities	245,706	-	245,706
Culture and recreation activities	8,236	-	8,236
Subsequent year's budget appropriation	7,979,534	-	7,979,534
Other activities	1,138,853	-	1,138,853
Unassigned	48,089,822	-	48,089,822
	\$ 92,095,406	122,266,422	214,361,828

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)

Net Position

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

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

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 \$200,222,285 difference are as follows:

Serial bonds and certificates of obligation	\$ 125,425,000
Less: deferred charge on refunding (to be amortized as interest expense)	(1,235,425)
Plus: issuance premium (to be amortized as interest expense)	7,702,359
Accrued interest payable	1,046,771
Compensated absences	18,586,627
Net pension liability and pension related deferred outflows/inflows of \$348,703 (to be amortized as pension expense)	46,061,893
Refundable contracts	80,007
Contracts payable	830,000
Net other post-employment benefit (OPEB) liability and related deferred outflows/inflows of \$369,933 (to be amortized as OPEB expense)	1,563,631
Notes payable	161,422
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 200,222,285</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 \$12,937,725 difference are as follows:

Capital outlay	\$ 31,746,645
Depreciation expense	<u>(18,808,920)</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>\$ 12,937,725</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 \$4,483,383 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>\$ 4,483,383</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 4,483,383</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 \$137,940 difference are as follows:

Property taxes	\$	(141,608)
Special assessments		<u>3,668</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	<u>(137,940)</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 \$21,010,519 difference are as follows:

Debt issued or incurred:		
Issuance of general obligation debt	\$	(26,210,000)
Plus: premium on issuance		(2,551,941)
Principal repayments:		
General obligation debt		7,590,000
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>(21,010,519)</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 \$1,704,205 difference are as follows:

OPEB liability	\$ (76,471)
Compensated absences	(1,540,752)
Net pension liability	(1,460,602)
Accrued interest	(70,199)
Amortization of deferred charge on refunding	(335,916)
Amortization of bond premiums	<u>1,779,735</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>\$ (1,704,205)</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, 2020 are \$2,150,684 for the general fund and \$38,473,111 for other nonmajor funds.

IV. Detail Notes on All Funds

A. Deposits and Investments

As of September 30, 2020, the City has U.S. Federal agency securities of \$101,330,534 which are valued using quoted market prices (Level 1).

As of September 30, 2020, 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)	\$ 90,924,005	19.51	0.10
Texas Local Government Investment Pool (TexPool Prime)	124,791,756	26.78	0.13
Texas Short-Term Asset Reserve (TexSTAR)	<u>123,611,455</u>	<u>26.53</u>	0.12
Total local government investment pools	339,327,216	72.82	
Money market mutual funds	4,637,525	1.00	0.10
Collateralized bank savings accounts	20,654,074	4.43	-
Investments reported at fair value:			
U.S. Federal agency securities	<u>101,330,534</u>	<u>21.75</u>	1.82
Total investments	<u>\$ 465,949,349</u>	<u>100.00</u>	0.49

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 0.59 years as of September 30, 2020.

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
- 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)

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, 2020 were in securities of the following issuers:

<u>U.S. Agency Issuer</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Federal Farm Credit Bank	\$ 35,049,992	7.52%
Federal Home Loan Mortgage Corporation	37,067,655	7.96%

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	\$ (903,953)
Carrying amount of investments	<u>465,949,349</u>
Total	<u>\$ 465,045,396</u>
Cash and investments - governmental activities	\$ 223,092,004
Cash and investments - business-type activities	101,328,362
Restricted cash and investments - business-type activities	137,121,597
Component units, excluding Baylor Waco Stadium Authority	31,919
Agency funds	<u>3,471,514</u>
Total	<u>\$ 465,045,396</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	\$ 9,990,290	-	-	-	423,041	10,413,331
Accounts	15,681,187	8,929,392	5,931,587	3,359,907	1,841,592	35,743,665
Special assessments	-	-	-	-	9,128	9,128
Intergovernmental	6,032,811	491,962	647,984	-	9,141,258	16,314,015
Notes	-	-	-	-	3,759,297	3,759,297
	<u>31,704,288</u>	<u>9,421,354</u>	<u>6,579,571</u>	<u>3,359,907</u>	<u>15,174,316</u>	<u>66,239,436</u>
Gross receivables						
Less: allowance for uncollectibles	<u>12,004,260</u>	<u>2,409,932</u>	<u>1,377,958</u>	<u>1,307,526</u>	<u>4,439,550</u>	<u>21,539,226</u>
Net total receivables	<u>\$ 19,700,028</u>	<u>7,011,422</u>	<u>5,201,613</u>	<u>2,052,381</u>	<u>10,734,766</u>	<u>44,700,210</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	\$ 76,646
Uncollectibles related to wastewater charges	64,917
Uncollectibles related to solid waste charges	<u>22,124</u>
Total uncollectibles of the current fiscal year	<u>\$ 163,687</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, 2020 was as follows:

	Primary Government			Balance September 30, 2020
	Balance October 1, 2019	Increases	Decreases	
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 61,183,206	2,006,468	-	63,189,674
Construction in progress	23,797,173	21,957,941	(21,020,156)	24,734,958
Total capital assets not being depreciated	<u>84,980,379</u>	<u>23,964,409</u>	<u>(21,020,156)</u>	<u>87,924,632</u>
Capital assets, being depreciated:				
Buildings	83,011,175	1,522,121	-	84,533,296
Machinery and equipment	65,342,853	4,591,218	(2,462,786)	67,471,285
Improvements other than buildings	69,529,596	1,309,265	-	70,838,861
Infrastructure	318,076,080	26,050,001	-	344,126,081
Total capital assets being depreciated	<u>535,959,704</u>	<u>33,472,605</u>	<u>(2,462,786)</u>	<u>566,969,523</u>
Less accumulated depreciation:				
Buildings	31,461,365	3,126,018	-	34,587,383
Machinery and equipment	47,002,130	4,148,775	(2,459,664)	48,691,241
Improvements other than buildings	40,160,009	2,596,597	-	42,756,606
Infrastructure	196,730,739	9,093,898	-	205,824,637
Total accumulated depreciation	<u>315,354,243</u>	<u>18,965,288</u>	<u>(2,459,664)</u>	<u>331,859,867</u>
Total capital assets being depreciated, net	<u>220,605,461</u>	<u>14,507,317</u>	<u>(3,122)</u>	<u>235,109,656</u>
Total capital assets, net	<u>\$ 305,585,840</u>	<u>38,471,726</u>	<u>(21,023,278)</u>	<u>323,034,288</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, 2020
	Balance October 1, 2019	Increases	Decreases	
<u>Business-type activities:</u>				
Capital assets, not being depreciated/amortized:				
Land	\$ 15,202,447	1,898,435	-	17,100,882
Construction in progress	62,674,846	48,075,094	(14,667,368)	96,082,572
Museum collections	2,264,424	10,000	-	2,274,424
Total capital assets not being depreciated/amortized	<u>80,141,717</u>	<u>49,983,529</u>	<u>(14,667,368)</u>	<u>115,457,878</u>
Capital assets, being depreciated/amortized:				
Buildings	84,508,590	564,546	-	85,073,136
Machinery and equipment	62,207,295	7,458,677	(2,248,676)	67,417,296
Improvements other than buildings	584,909,947	37,682,099	(1,394,554)	621,197,492
Water rights - impound fee	32,482,879	-	-	32,482,879
Total capital assets being depreciated/amortized	<u>764,108,711</u>	<u>45,705,322</u>	<u>(3,643,230)</u>	<u>806,170,803</u>
Less accumulated depreciation:				
Buildings	45,785,519	2,804,817	-	48,590,336
Machinery and equipment	43,504,888	4,614,084	(2,247,588)	45,871,384
Improvements other than buildings	252,544,433	18,799,556	(1,394,554)	269,949,435
Water rights - impound fee	13,464,649	924,827	-	14,389,476
Total accumulated depreciation/amortization	<u>355,299,489</u>	<u>27,143,284</u>	<u>(3,642,142)</u>	<u>378,800,631</u>
Total capital assets being depreciated/amortized, net	<u>408,809,222</u>	<u>18,562,038</u>	<u>(1,088)</u>	<u>427,370,172</u>
Total capital assets, net	<u>\$ 488,950,939</u>	<u>68,545,567</u>	<u>(14,668,456)</u>	<u>542,828,050</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	\$ 1,138,207
Public works	9,673,334
Public safety	3,689,723
Culture and recreation	4,394,525
Public health	<u>69,499</u>
Total depreciation expense - governmental activities	<u>\$ 18,965,288</u>

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

Business-type activities	
Water	\$ 10,912,032
Wastewater	6,838,111
Solid waste	3,540,654
Airport	2,820,553
Convention services	914,634
Ranger Hall of Fame	158,348
Cameron Park Zoo	1,060,836
Transit services	727,572
Cottonwood Creek Golf Course	<u>170,544</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 27,143,284</u>

Construction commitments

The City has active construction projects as of September 30, 2020. At year-end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street projects	\$ 20,017,255	12,726,391
Water projects	29,459,353	23,860,019
Wastewater projects	61,544,778	25,954,779
Solid waste	3,521,508	1,686,015
Other projects	<u>6,274,636</u>	<u>25,773,279</u>
Total	<u>\$ 120,817,530</u>	<u>90,000,483</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, 2020 is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
Nonmajor governmental	General	\$ 7,905,000
General	Nonmajor governmental	1,125,051
General	Nonmajor business-type	1,878,223
Internal service	General	754,352
Nonmajor governmental	Nonmajor governmental	2,684,316
		\$ 14,346,942

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

Advances to/from other funds

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

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.

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

IV. Detail Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers (continued)

Interfund transfers

	Transfers in					Total
	General	Water	Wastewater	Nonmajor Governmental	Nonmajor Enterprise	
Transfers out:						
General	\$ -	-	-	20,785,107	6,026,114	26,811,221
Water	3,635,062	-	-	-	-	3,635,062
Wastewater	1,029,531	-	-	-	-	1,029,531
Solid waste	420,161	-	-	-	-	420,161
Nonmajor governmental	2,107,725	250,000	250,000	3,595,326	-	6,203,051
Nonmajor enterprise	-	-	-	-	150,000	150,000
Total transfers	<u>\$ 7,192,479</u>	<u>250,000</u>	<u>250,000</u>	<u>24,380,433</u>	<u>6,176,114</u>	<u>38,249,026</u>

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

In the year ended September 30, 2020, 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	\$ 3,635,062
Wastewater	1,029,531
Solid waste	420,161

E. Leases

Operating leases

The government leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$867,908 for the year ended September 30, 2020. The future minimum lease payments for these leases are as follows:

City of Waco, Texas

**Notes to Financial Statements
(Continued)**

IV. Detail Notes on All Funds (continued)

E. Leases (continued)

Operating leases (continued)

Year Ending September 30,		
2021	\$	644,968
2022		239,545
2023		201,462
2024		94,048
2025		68,184
2026-2028		169,360
Total	\$	1,417,567

F. Long-term Debt

General obligation bonds

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

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as twenty-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	2.00% - 5.00%	\$ 83,015,000
Governmental activities - refunding	2.00% - 5.00%	42,410,000
Business-type activities	2.00% - 5.00%	243,840,000
Business-type activities - refunding	2.00% - 5.00%	122,355,000
		\$ 491,620,000

City of Waco, Texas

Notes to Financial Statements
(Continued)

F. Long-term Debt (continued)

General obligation bonds (continued)

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
2021	\$ 8,780,000	5,200,766	21,970,000	13,795,617
2022	8,990,000	4,456,819	21,900,000	12,428,562
2023	9,160,000	4,029,850	21,930,000	11,439,995
2024	9,405,000	3,584,669	22,255,000	10,430,391
2025	9,675,000	3,129,506	20,790,000	9,453,497
2026-2030	37,210,000	9,711,730	103,680,000	34,538,189
2031-2035	24,710,000	4,320,097	106,580,000	15,614,084
2036-2040	17,495,000	1,014,464	47,090,000	2,256,367
Total	\$ <u>125,425,000</u>	<u>35,447,901</u>	<u>366,195,000</u>	<u>109,956,702</u>

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.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

F. Long-term Debt (continued)

Year Ending September 30,	Note Payable	
	Principal	Interest
2021	\$ 94,166	59,596
2022	98,348	55,414
2023	96,535	51,046
2024	31,325	48,257
2025	32,716	46,866
2026-2030	186,711	211,199
2031-2035	232,021	165,889
2036-2040	288,328	109,582
2041-2045	351,666	39,612
Total	\$ 1,411,816	787,461

The City has entered into an agreement with the State of Texas acting through the Texas Department of Transportation to contribute right of way funds for highway improvements on certain sections of FM 1637 and U.S. Highway 84. The total of the payments is \$994,740, with \$833,318 paid through 2020. The final payment for this agreement will be made in fiscal year 2021.

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, 2020.

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 current tax rate is \$0.776232 per \$100 valuation.

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

Refundable contracts

The City maintains a policy of refunding to subdivision developers certain costs for the construction of water and wastewater improvements and streets and drainage facilities, applicable to single family housing developments. The policy was created to encourage the construction of single family residences within the corporate limits of the City. Amounts under contract which have not yet been refunded of \$1,364,378 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, 2020 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	\$ 106,805	26,210	7,590	125,425	8,780
Plus: premium on bonds	<u>6,930</u>	<u>2,552</u>	<u>1,780</u>	<u>7,702</u>	<u>-</u>
Total bonds payable	<u>113,735</u>	<u>28,762</u>	<u>9,370</u>	<u>133,127</u>	<u>8,780</u>
Contracts payable	830	-	-	830	-
Refundable contracts	80	-	-	80	-
Estimated claims and judgments	3,056	14,441	14,183	3,314	3,314
Note payable	323	-	161	162	162
Compensated absences	17,318	13,245	11,623	18,940	12,815
Net pension liability	74,565	41,515	70,367	45,713	-
OPEB liability	<u>1,527</u>	<u>465</u>	<u>59</u>	<u>1,933</u>	<u>-</u>
Total other long-term liabilities	<u>97,699</u>	<u>69,666</u>	<u>96,393</u>	<u>70,972</u>	<u>16,291</u>
Governmental activity long-term liabilities	<u>\$ 211,434</u>	<u>98,428</u>	<u>105,763</u>	<u>204,099</u>	<u>25,071</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	\$ 354,345	32,500	20,650	366,195	21,970
Plus: premium on bonds	<u>16,147</u>	<u>3,161</u>	<u>3,818</u>	<u>15,490</u>	<u>-</u>
Total bonds payable	<u>370,492</u>	<u>35,661</u>	<u>24,468</u>	<u>381,685</u>	<u>21,970</u>
Refundable contracts	1,354	461	531	1,284	531
Estimated landfill closure	5,961	293	-	6,254	-
Note payable	1,502	-	90	1,412	94
Compensated absences	3,014	2,659	1,981	3,692	2,075
Net pension liability	<u>12,138</u>	<u>6,759</u>	<u>11,455</u>	<u>7,442</u>	<u>-</u>
Total other long-term liabilities	<u>23,969</u>	<u>10,172</u>	<u>14,057</u>	<u>20,084</u>	<u>2,700</u>
Business-type activity long-term liabilities	<u>\$ 394,461</u>	<u>45,833</u>	<u>38,525</u>	<u>401,769</u>	<u>24,670</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, \$353,471 and \$3,314,131 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	\$ 3,117,477
Bond construction account	136,999,184
Capital grants and contributions	<u>122,413</u>
Total restricted assets	<u>\$ 140,239,074</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 \$12,500,000 at September 30, 2020.

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, \$437,352,761 aggregate for real and personal property, \$12,085,637 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 2020, 2019, or 2018. 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>2020</u>	<u>2019</u>
Unpaid claims, beginning of fiscal year	\$ 3,056	2,967
Incurred claims (including IBNRs)	14,441	14,830
Claim payments	<u>(14,183)</u>	<u>(14,741)</u>
Unpaid claims, end of fiscal year	<u>\$ 3,314</u>	<u>3,056</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 \$1,047,647 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 \$29,048,272 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
2021	\$ 3,006,034
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	1,429
	2,081

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	2.75% as of December 31, 2019
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)

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$137,682. At September 30, 2020, 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	\$ 78,492	381
Changes in assumptions or other inputs	324,749	76,329
Contributions subsequent to the measurement date	<u>43,202</u>	<u>-</u>
Total	<u>\$ 446,443</u>	<u>76,710</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$43,202 will be recognized as a reduction of the OPEB liability for the year ended September 30, 2021.

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>	
2020	\$ 69,975
2021	69,975
2022	69,975
2023	52,464
2024	62,122
Thereafter	<u>2,020</u>
	<u>\$ 326,531</u>

L. Defined Benefit Pension Plan

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act,

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)

Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) 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 employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven 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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	1,093
Inactive employees entitled to but not yet receiving benefits	643
Active employees	<u>1,449</u>
	<u><u>3,185</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

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

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Contributions (continued)

TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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 14.02% and 14.33% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$13,700,810 and were in excess of the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 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	<u>10.0%</u>	7.75%
Total	<u><u>100.0%</u></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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2018	\$ 508,588,361	421,885,037	86,703,324
Changes for the year:			
Service cost	12,631,699	-	12,631,699
Interest	33,835,653	-	33,835,653
Difference between expected and actual experience	2,546,787	-	2,546,787
Changes of assumptions	1,426,701	-	1,426,701
Contributions - employer	-	13,084,126	(13,084,126)
Contributions - employee	-	6,105,921	(6,105,921)
Net investment income	-	65,178,854	(65,178,854)
Benefit payments, including refunds of employee contributions	(27,270,560)	(27,270,560)	-
Administrative expense	-	(368,538)	368,538
Other changes	-	(11,069)	11,069
Net changes	<u>23,170,280</u>	<u>56,718,734</u>	<u>(33,548,454)</u>
Balance at December 31, 2019	\$ <u>531,758,641</u>	<u>478,603,771</u>	<u>53,154,870</u>

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>118,713,524</u>	<u>53,154,870</u>	<u>(1,733,249)</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, 2020, the City recognized pension expense of \$15,399,185.

At September 30, 2020, 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	\$ 3,301,411	118,221
Changes in actuarial assumptions	1,075,297	-
Net difference between projected and actual earnings on pension plan investments	-	14,667,394
Contributions subsequent to the measurement date	<u>10,003,438</u>	<u>-</u>
Total	<u>\$ 14,380,146</u>	<u>14,785,615</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$10,003,438 will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. 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>	
2020	\$ (2,804,090)
2021	(2,775,990)
2022	2,452,771
2023	<u>(7,281,598)</u>
	<u>\$ (10,408,907)</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 \$74,344 at September 30, 2020.

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:

2020	\$ 18,444
2019	18,444
2018	23,394

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 \$6,254,242 as of September 30, 2020, which is based on 87.5% usage (filled) of the landfill. It is estimated that an additional \$892,849 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 (\$7,147,091) 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, 2020. 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 an agency fund as the City acts as an agent for the property owner in collecting assessments and forwarding the collections to the bondholders. However, the City is not obligated in any manner for repayment of these special assessments. As of September 30, 2020, such special assessment debt outstanding totaled \$430,000.

P. Termination of Undivided Interest in Waco Metropolitan Area Regional Sewer System

During 2004, the City entered into an agreement with four other participating cities to acquire the facilities and operations of the Waco Metropolitan Area Regional Sewer System (the System or WMARSS) from Brazos River Authority (the Authority). Prior to the acquisition, the cities were “tenants in common” of the System owned by the Authority, and funded the System through payments to the Authority based on the amount of wastewater treated. The City’s initial purchase included an 84.47% undivided interest in the System; however, the City subsequently sold portions of its undivided interest to other cities.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

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

Effective October 1, 2019, the City executed a termination agreement with the six participating cities in WMARSS. The agreement terminated the operation and management agreements, discontinued all WMARSS operations, accepted the conveyance of WMARSS assets to the City, and allowed the conveyance of certain WMARSS easements to the City and the City of Lorena. Simultaneously, the City executed wholesale wastewater contracts with each of the cities of Bellmead, Hewitt, Lacy Lakeview, Lorena, Robinson and Woodway for each of the cities to become a customer of the City's solely-owned wastewater system. The City did not pay cash consideration or assume bonded indebtedness of the participating cities in return of the transfer of ownership interests. Under the previous arrangement WMARSS member cities shared in percentages of operations and maintenance and capital project expenditures. Under the new arrangement, costs are recovered through rates set for operations and maintenance, capital improvements, and capacity expansion. The impact of this termination on the City is a special item gain of \$29,769,651 recognized in the wastewater fund and business-type activities.

Q. Related Organization

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

R. Tax Abatements

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)

R. 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	\$ 68,102,595
Commercial - Personal Property	9,462,433
Residential	2,694,565
	<u>\$ 80,259,593</u>

S. 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.

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

IV. Detail Notes on All Funds (continued)

S. Authoritative Pronouncements Not Yet Effective (continued)

GASB Statement No. 84, *Fiduciary Activities* (issued January 2017) – the objective of this statement is to enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The requirements of this statement were effective for financial statements for periods beginning after December 15, 2018; however, in May 2020, GASB issued statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (Statement 95), and delayed implementation to fiscal years beginning after December 15, 2019.

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 currently are 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 were effective for financial statements for periods beginning after December 15, 2019; however, in May 2020, GASB issued Statement 95 and delayed implementation to fiscal years beginning after June 15, 2021.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* (issued August 2018) – the objective of this statement is to clarify accounting and financial reporting requirements for a state or local government’s majority equity interest in an organization that remains legally separate after acquisition. The requirements of this statement were effective for reporting periods beginning after December 15, 2018; however, in May 2020, GASB issued Statement 95 and delayed implementation to fiscal years beginning after December 15, 2019.

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 financial statements for periods beginning after December 15, 2020.

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. 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 the SBITAs, and require disclosures regarding the SBITAs. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2022.

Required Supplemental Information



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

	December 31,					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 12,631,699	12,098,625	11,780,852	11,202,475	10,455,324	9,662,721
Interest (on the Total Pension Liability)	33,835,653	32,475,392	31,314,896	30,078,486	29,600,291	28,296,862
Difference between expected and actual experience	2,546,787	2,542,969	(378,999)	280,568	(2,438,332)	1,770,413
Change in assumptions	1,426,701	-	-	-	7,544,258	-
Benefit payments, including refunds of employee contributions	(27,270,560)	(27,192,449)	(24,173,783)	(22,893,267)	(22,685,162)	(20,326,595)
Net change in Total Pension Liability	23,170,280	19,924,537	18,542,966	18,668,262	22,476,379	19,403,401
Total Pension Liability - beginning	508,588,361	488,663,824	470,120,858	451,452,596	428,976,217	409,572,816
Total Pension Liability - ending (a)	\$ 531,758,641	508,588,361	488,663,824	470,120,858	451,452,596	428,976,217
Plan Fiduciary Net Position						
Contributions - employer	\$ 13,084,126	12,489,042	11,357,317	9,999,248	9,928,219	10,444,097
Contributions - employee	6,105,921	5,828,911	5,705,023	5,401,710	5,284,986	5,371,982
Net investment income	65,178,854	(13,303,463)	54,977,759	25,606,114	569,868	21,154,751
Benefit payments, including refunds of employee contributions	(27,270,560)	(27,192,449)	(24,173,783)	(22,893,267)	(22,685,162)	(20,326,595)
Administrative expense	(368,538)	(257,236)	(284,984)	(289,241)	(347,125)	(220,877)
Other	(11,069)	(13,441)	(14,442)	(15,583)	(17,145)	(18,160)
Net change in Plan Fiduciary Net Position	56,718,734	(22,448,636)	47,566,890	17,808,981	(7,266,359)	16,405,198
Plan Fiduciary Net Position - Beginning	421,885,037	444,333,673	396,766,783	378,957,802	386,224,161	369,818,963
Plan Fiduciary Net Position - ending (b)	\$ 478,603,771	421,885,037	444,333,673	396,766,783	378,957,802	386,224,161
Net Pension Liability - ending (a) - (b)	\$ 53,154,870	86,703,324	44,330,151	73,354,075	72,494,794	42,752,056
Plan Fiduciary Net Position as a percentage of Total Pension Liability	90.00%	82.95%	90.93%	84.40%	83.94%	90.03%
Covered payroll	\$ 87,115,165	83,209,253	81,079,501	77,045,909	75,489,706	76,730,734
Net Pension Liability as a percentage of covered payroll	61.02%	104.20%	54.67%	95.21%	96.03%	55.72%

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.

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

	September 30,					
	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 12,999,559	12,034,470	11,797,668	10,942,485	9,918,113	9,999,116
Contributions in relation to the actuarially determined contribution	<u>13,700,810</u>	<u>12,836,559</u>	<u>12,249,630</u>	<u>10,942,485</u>	<u>9,918,113</u>	<u>9,999,116</u>
Contribution deficiency (excess)	\$ <u>(701,251)</u>	<u>(802,089)</u>	<u>(451,962)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ <u>91,247,898</u>	<u>85,461,415</u>	<u>82,982,040</u>	<u>79,821,678</u>	<u>76,215,914</u>	<u>75,315,307</u>
Contributions as a percentage of covered payroll	<u>15.02%</u>	<u>15.02%</u>	<u>14.77%</u>	<u>13.71%</u>	<u>13.01%</u>	<u>13.28%</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	26 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.

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

	December 31,		
	2019	2018	2017
Total OPEB liability			
Service cost	\$ 11,927	14,881	11,106
Interest	55,780	53,178	55,396
Difference between expected and actual experience	94,095	(563)	-
Changes in assumptions or other inputs	303,781	(112,575)	137,980
Benefit payments	(59,493)	(53,608)	(53,860)
Net change in Total OPEB Liability	406,090	(98,687)	150,622
Total OPEB Liability - beginning	1,527,274	1,625,961	1,475,339
Total OPEB Liability - ending	\$ 1,933,364	1,527,274	1,625,961
Covered-employee payroll	\$ 87,115,165	83,209,248	76,362,199
Total OPEB liability as a percentage of covered-employee payroll	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	2.75% as of December 31, 2019
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:

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

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

Additionally, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study. 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, 2020 and 2019

	General Fund	
	2020	2019
Assets		
Cash and investments	\$ 89,482,027	\$ 83,105,533
Accounts receivable, net of allowances	3,847,978	3,630,048
Due from other funds	3,003,274	2,623,568
Taxes	9,819,239	9,538,625
Intergovernmental receivable	6,032,811	74,843
Inventory	1,025,496	963,711
Real estate held for resale	6,160	6,160
Total assets	<u><u>\$ 113,216,985</u></u>	<u><u>\$ 99,942,488</u></u>
Liabilities		
Accounts payable	\$ 2,266,223	\$ 2,647,599
Accrued liabilities	6,379,201	5,640,687
Unearned revenue	152,042	20,869
Due to other funds	8,659,352	623,514
Deposits	804,266	646,445
Escrow funds	427,524	460,087
Total liabilities	<u>18,688,608</u>	<u>10,039,201</u>
Deferred inflows of resources		
Unavailable revenue-property taxes	1,980,080	2,126,578
Unavailable revenue court fines	452,891	452,891
Total deferred inflow of resources	<u>2,432,971</u>	<u>2,579,469</u>
Total liabilities and deferred inflows of resources	<u>21,121,579</u>	<u>12,618,670</u>
Fund balance (deficit)		
Nonspendable		
Inventory	1,025,496	963,711
Real estate held for resale	6,160	6,160
Restricted for:		
Municipal information	1,471,560	1,318,309
Committed to:		
Economic development	14,496,364	13,688,936
Assigned to:		
Capital improvements	12,917,754	25,476,197
Culture and recreation	8,236	340,878
Economic development	3,958,032	8,274,949
Other	1,138,853	1,045,887
Public safety	757,889	699,653
Public works	245,706	566,574
Subsequent year's budget appropriation	7,979,534	4,403,230
Unassigned	48,089,822	30,539,334
Total fund balance (deficit)	<u>\$ 92,095,406</u>	<u>\$ 87,323,818</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 113,216,985</u></u>	<u><u>\$ 99,942,488</u></u>

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, 2020 and 2019

	General Fund	
	2020	2019
Revenues:		
Taxes	\$ 107,848,201	\$ 104,837,511
Business and occupation fees	14,480,403	14,590,418
Permits, licenses and fees	1,980,690	1,875,782
Fines	1,281,770	1,607,374
Charges for services	1,921,824	2,101,940
Investment earnings	1,175,429	2,470,954
Contributions	779,925	677,457
Intergovernmental	9,631,875	2,121,293
Other	13,293,399	15,339,935
Total revenues	152,393,516	145,622,664
Expenditures:		
Current:		
General government	27,574,920	22,288,315
Public works	7,264,287	6,613,207
Public safety	77,593,423	74,909,796
Culture and recreation	15,189,397	15,171,835
Housing and community development	381,159	315,545
Total expenditures	128,003,186	119,298,698
Excess (deficiency) of revenues over expenditures	24,390,330	26,323,966
Other financing sources (uses):		
Transfers in	7,192,479	5,111,669
Transfers out	(26,811,221)	(14,204,233)
Total other financing sources (uses)	(19,618,742)	(9,092,564)
Net change in fund balances	4,771,588	17,231,402
Fund balance, beginning of year	87,323,818	70,092,416
Fund balance, end of year	\$ 92,095,406	\$ 87,323,818

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, 2020
(With Comparative Totals for September 30, 2019)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds	
					2020	2019
Assets						
Cash and investments	\$ 49,026,065	\$ 536,336	\$ 65,585,193	\$ 381,019	\$ 115,528,613	\$ 99,768,349
Accounts receivable, net of allowances	373,878	-	-	-	373,878	138,775
Due from other funds	540,000	-	10,049,316	-	10,589,316	1,044,045
Special assessments	9,128	-	-	-	9,128	5,460
Taxes receivable, net of allowance	-	423,041	-	-	423,041	375,793
Notes receivable	231,272	-	-	-	231,272	338,144
Advances to other funds	-	-	168,368	-	168,368	168,368
Intergovernmental receivable	3,551,360	-	-	-	3,551,360	1,863,206
Real estate held for resale	60,097	-	-	-	60,097	60,097
Total assets	\$ 53,791,800	\$ 959,377	\$ 75,802,877	\$ 381,019	\$ 130,935,073	\$ 103,762,237
Liabilities						
Accounts payable	\$ 1,962,329	\$ -	\$ 1,667,803	\$ -	\$ 3,630,132	\$ 5,786,965
Accrued liabilities	463,956	-	245,104	-	709,060	1,451,551
Due to other funds	1,665,051	-	2,144,316	-	3,809,367	1,181,566
Escrow funds	38,595	-	113,464	-	152,059	1,068,843
Total liabilities	4,129,931	-	4,170,687	-	8,300,618	9,488,925
Deferred inflows of resources						
Unavailable revenue-property taxes	-	358,905	-	-	358,905	354,015
Unavailable revenue-special assessments	9,128	-	-	-	9,128	5,460
Total deferred inflows of resources	9,128	358,905	-	-	368,033	359,475
Total liabilities and deferred inflows of resources	4,139,059	358,905	4,170,687	-	8,668,651	9,848,400
Fund balances (deficits)						
Nonspendable:						
Parks and cemetery care	-	-	-	381,019	381,019	378,209
Restricted for:						
Capital projects	-	-	50,835,124	-	50,835,124	35,639,375
Culture and recreation	169,374	-	-	-	169,374	153,891
Debt service	-	600,472	-	-	600,472	742,629
Housing and Community Development	246,965	-	-	-	246,965	325,423
Public works	636,582	-	-	-	636,582	1,142,535
Public safety	1,658,699	-	-	-	1,658,699	1,568,647
Tax increment zone activities	42,551,716	-	-	-	42,551,716	37,977,473
Waco Public Improvement District	1,148,686	-	-	-	1,148,686	1,006,241
Committed to:						
Capital projects	-	-	20,797,066	-	20,797,066	12,465,309
Public health	3,240,719	-	-	-	3,240,719	2,514,105
Total fund balances (deficits)	\$ 49,652,741	\$ 600,472	\$ 71,632,190	\$ 381,019	\$ 122,266,422	\$ 93,913,837
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 53,791,800	\$ 959,377	\$ 75,802,877	\$ 381,019	\$ 130,935,073	\$ 103,762,237

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, 2020
(With Comparative Totals for Year Ended September 30, 2019)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
	Funds	Funds	Funds	Funds	2020	2019
Revenues:						
Taxes	\$ 14,042,607	\$ 11,109,750	\$ -	\$ -	\$ 25,152,357	\$ 24,008,749
Special assessments	630,654	-	-	-	630,654	530,432
Permits, licenses and fees	986,740	-	-	-	986,740	1,081,246
Fines	368,246	-	-	-	368,246	448,254
Investment earnings	497,627	17,904	2,129,274	2,810	2,647,615	5,169,628
Contributions	-	-	50,000	-	50,000	394,921
Intergovernmental	10,318,776	-	-	-	10,318,776	7,313,711
Program income	227,685	-	-	-	227,685	194,820
Other	960,504	-	-	-	960,504	877,438
Total revenues	28,032,839	11,127,654	2,179,274	2,810	41,342,577	40,019,199
Expenditures:						
Current:						
General government	11,396,502	-	-	-	11,396,502	8,563,343
Public safety	2,417,640	-	-	-	2,417,640	844,769
Public works	661,926	-	-	-	661,926	438,678
Culture and recreation	7,054	-	-	-	7,054	29,518
Housing and community development	2,544,250	-	-	-	2,544,250	2,934,790
Public health	8,813,617	-	-	-	8,813,617	8,944,992
Debt service:						
Principal	-	7,590,000	-	-	7,590,000	6,555,000
Interest and fiscal charges	-	4,553,085	-	-	4,553,085	4,016,921
Bond issuance costs	-	123,993	-	-	123,993	203,758
Capital outlay	-	-	21,821,248	-	21,821,248	25,302,918
Total expenditures	25,840,989	12,267,078	21,821,248	-	59,929,315	57,834,687
Excess (deficiency) of revenues over (under) expenditures	2,191,850	(1,139,424)	(19,641,974)	2,810	(18,586,738)	(17,815,488)
Other financing sources (uses):						
Refunding bonds issued	-	-	-	-	-	9,365,000
Payment to refunded bond escrow agent	-	-	-	-	-	(10,434,176)
Premium on refunding bonds	-	-	-	-	-	1,065,159
General obligation bonds issued	-	120,234	26,089,766	-	26,210,000	18,560,000
Premium on general obligation bonds	-	11,707	2,540,234	-	2,551,941	1,583,439
Transfers in	4,145,627	865,326	19,369,480	-	24,380,433	13,759,451
Transfers out	(1,373,051)	-	(4,830,000)	-	(6,203,051)	(4,412,342)
Total other financing sources (uses)	2,772,576	997,267	43,169,480	-	46,939,323	29,486,531
Net change in fund balances	4,964,426	(142,157)	23,527,506	2,810	28,352,585	11,701,043
Fund balances, beginning of year	44,688,315	742,629	48,104,684	378,209	93,913,837	82,212,794
Fund balances, end of year	\$ 49,652,741	\$ 600,472	\$ 71,632,190	\$ 381,019	\$ 122,266,422	\$ 93,913,837

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 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, 2020
 (With Comparative Totals for September 30, 2019)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3	Health Programs Fund	Grant Funds	Waco Public Improvement District No. 1 Fund
Assets						
Cash and investments	\$ 41,060,076	\$ 2,823,089	\$ 72,639	\$ 2,362,271	\$ 254,242	\$ 1,224,420
Accounts receivable, net of allowances	238,980	-	-	26,095	98,324	10,479
Due from other funds	-	-	-	-	540,000	-
Special assessments receivable	-	-	-	-	-	9,128
Taxes receivable	-	-	-	-	-	-
Notes receivable	-	-	-	-	231,272	-
Intergovernmental receivable	-	-	-	1,289,213	2,262,147	-
Real estate held for resale	-	-	-	-	60,097	-
Total assets	<u>\$ 41,299,056</u>	<u>\$ 2,823,089</u>	<u>\$ 72,639</u>	<u>\$ 3,677,579</u>	<u>\$ 3,446,082</u>	<u>\$ 1,244,027</u>
Liabilities						
Accounts payable	\$ 941,705	\$ -	\$ -	\$ 165,576	\$ 751,335	\$ 86,213
Accrued liabilities	161,363	-	-	232,689	69,904	-
Due to other funds	540,000	-	-	-	1,125,051	-
Escrow funds	-	-	-	38,595	-	-
Total liabilities	<u>1,643,068</u>	<u>-</u>	<u>-</u>	<u>436,860</u>	<u>1,946,290</u>	<u>86,213</u>
Deferred inflows of resources						
Unavailable revenue-special assessments	-	-	-	-	-	9,128
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,128</u>
Total liabilities and deferred inflows of resources	<u>1,643,068</u>	<u>-</u>	<u>-</u>	<u>436,860</u>	<u>1,946,290</u>	<u>95,341</u>
Fund balances (deficits)						
Restricted for:						
Culture and recreation	-	-	-	-	129,979	-
Housing and community development	-	-	-	-	246,965	-
Public works	-	-	-	-	636,582	-
Public safety	-	-	-	-	486,266	-
Tax increment zone activities	39,655,988	2,823,089	72,639	-	-	-
Waco Public Improvement District	-	-	-	-	-	1,148,686
Committed to:						
Public health	-	-	-	3,240,719	-	-
Total fund balances (deficits)	<u>\$ 39,655,988</u>	<u>\$ 2,823,089</u>	<u>\$ 72,639</u>	<u>\$ 3,240,719</u>	<u>\$ 1,499,792</u>	<u>\$ 1,148,686</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 41,299,056</u>	<u>\$ 2,823,089</u>	<u>\$ 72,639</u>	<u>\$ 3,677,579</u>	<u>\$ 3,446,082</u>	<u>\$ 1,244,027</u>

See accompanying independent auditor's report.

Abandoned Motor Vehicle Fund	Police Forfeitures Fund	Court Security Fund	Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
						2020	2019
\$ 644,803	\$ 302,189	\$ 132,702	\$ 110,239	\$ 10,076	\$ 29,319	\$ 49,026,065	\$ 43,706,212
-	-	-	-	-	-	373,878	138,775
-	-	-	-	-	-	540,000	596,000
-	-	-	-	-	-	9,128	5,460
-	-	-	-	-	-	-	-
-	-	-	-	-	-	231,272	338,144
-	-	-	-	-	-	3,551,360	1,863,206
-	-	-	-	-	-	60,097	60,097
\$ 644,803	\$ 302,189	\$ 132,702	\$ 110,239	\$ 10,076	\$ 29,319	\$ 53,791,800	\$ 46,707,894
\$ 14,750	\$ 2,432	\$ -	\$ 318	\$ -	\$ -	\$ 1,962,329	\$ 810,167
-	-	-	-	-	-	463,956	433,572
-	-	-	-	-	-	1,665,051	733,521
-	-	-	-	-	-	38,595	36,859
<u>14,750</u>	<u>2,432</u>	<u>-</u>	<u>318</u>	<u>-</u>	<u>-</u>	<u>4,129,931</u>	<u>2,014,119</u>
-	-	-	-	-	-	\$ 9,128	\$ 5,460
-	-	-	-	-	-	9,128	5,460
<u>14,750</u>	<u>2,432</u>	<u>-</u>	<u>318</u>	<u>-</u>	<u>-</u>	<u>4,139,059</u>	<u>2,019,579</u>
-	-	-	-	10,076	29,319	\$ 169,374	\$ 153,891
-	-	-	-	-	-	246,965	325,423
-	-	-	-	-	-	636,582	1,142,535
630,053	299,757	132,702	109,921	-	-	1,658,699	1,568,647
-	-	-	-	-	-	42,551,716	37,977,473
-	-	-	-	-	-	1,148,686	1,006,241
-	-	-	-	-	-	3,240,719	2,514,105
\$ 630,053	\$ 299,757	\$ 132,702	\$ 109,921	\$ 10,076	\$ 29,319	\$ 49,652,741	\$ 44,688,315
\$ 644,803	\$ 302,189	\$ 132,702	\$ 110,239	\$ 10,076	\$ 29,319	\$ 53,791,800	\$ 46,707,894

City of Waco, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2020
(With Comparative Totals for September 30, 2019)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3	Health Programs Fund	Grant Funds	Waco Public Improvement District No. 1 Fund
Revenues:						
Property taxes	\$ 13,850,647	\$ 191,442	\$ 518	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	630,654
Permits, licenses and fees	-	-	-	986,740	-	-
Fines	-	-	-	-	-	-
Investment earnings	425,141	27,718	750	26,730	-	12,348
Intergovernmental	1,309,802	18,539	29	3,905,589	5,084,817	-
Program income	-	-	-	151,986	75,699	-
Other	-	-	-	606,038	248,839	68,243
Total revenues	<u>15,585,590</u>	<u>237,699</u>	<u>1,297</u>	<u>5,677,083</u>	<u>5,409,355</u>	<u>711,245</u>
Expenditures:						
Current:						
General government	10,385,017	-	-	-	442,685	568,800
Public safety	-	-	-	-	2,304,688	-
Public works	-	-	-	-	661,926	-
Culture and recreation	-	-	-	-	6,526	-
Housing and community development	-	-	-	-	2,544,250	-
Public health	-	-	-	8,813,617	-	-
Total expenditures	<u>10,385,017</u>	<u>-</u>	<u>-</u>	<u>8,813,617</u>	<u>5,960,075</u>	<u>568,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,200,573</u>	<u>237,699</u>	<u>1,297</u>	<u>(3,136,534)</u>	<u>(550,720)</u>	<u>142,445</u>
Other financing sources (uses):						
Transfers in	-	-	-	3,863,148	282,479	-
Transfers out	(865,326)	-	-	-	-	-
Total other financing sources (uses)	<u>(865,326)</u>	<u>-</u>	<u>-</u>	<u>3,863,148</u>	<u>282,479</u>	<u>-</u>
Net change in fund balances	4,335,247	237,699	1,297	726,614	(268,241)	142,445
Fund balances, beginning of year	35,320,741	2,585,390	71,342	2,514,105	1,768,033	1,006,241
Fund balances, end of year	<u>\$ 39,655,988</u>	<u>\$ 2,823,089</u>	<u>\$ 72,639</u>	<u>\$ 3,240,719</u>	<u>\$ 1,499,792</u>	<u>\$ 1,148,686</u>

See accompanying independent auditor's report.

Abandoned Motor Vehicle Fund	Police Forfeitures Fund	Court Security Fund	Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
						2020	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,042,607	\$ 14,758,484
-	-	-	-	-	-	630,654	560,432
-	-	-	-	-	-	986,740	1,081,246
303,951	-	31,911	32,384	-	-	368,246	448,254
-	3,388	-	-	208	1,344	497,627	971,855
-	-	-	-	-	-	10,318,776	7,313,711
-	-	-	-	-	-	227,685	194,820
-	37,384	-	-	-	-	960,504	877,438
<u>303,951</u>	<u>40,772</u>	<u>31,911</u>	<u>32,384</u>	<u>208</u>	<u>1,344</u>	<u>28,032,839</u>	<u>26,206,240</u>
-	-	-	-	-	-	11,396,502	8,563,343
15,218	66,538	9,629	21,567	-	-	2,417,640	844,769
-	-	-	-	-	-	661,926	438,678
-	-	-	-	-	528	7,054	29,518
-	-	-	-	-	-	2,544,250	2,934,790
-	-	-	-	-	-	8,813,617	8,944,992
<u>15,218</u>	<u>66,538</u>	<u>9,629</u>	<u>21,567</u>	<u>-</u>	<u>528</u>	<u>25,840,989</u>	<u>21,756,090</u>
<u>288,733</u>	<u>(25,766)</u>	<u>22,282</u>	<u>10,817</u>	<u>208</u>	<u>816</u>	<u>2,191,850</u>	<u>4,450,150</u>
-	-	-	-	-	-	4,145,627	5,385,061
(420,522)	-	(87,203)	-	-	-	(1,373,051)	(2,040,692)
<u>(420,522)</u>	<u>-</u>	<u>(87,203)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,772,576</u>	<u>3,344,369</u>
(131,789)	(25,766)	(64,921)	10,817	208	816	4,964,426	7,234,087
761,842	325,523	197,623	99,104	9,868	28,503	44,688,315	37,454,228
\$ 630,053	\$ 299,757	\$ 132,702	\$ 109,921	\$ 10,076	\$ 29,319	\$ 49,652,741	\$ 44,688,315



Tax Increment Fund No. 1

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2020 and 2019

	Tax Increment Fund No. 1	
	2020	2019
Assets		
Cash and investments	\$ 41,060,076	\$ 36,171,808
Accounts receivable, net of allowances	238,980	7,736
Total assets	\$ 41,299,056	\$ 36,179,544
Liabilities		
Accounts payable	\$ 941,705	\$ 101,440
Accrued liabilities	161,363	161,363
Due to other funds	540,000	596,000
Total liabilities	1,643,068	858,803
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	39,655,988	35,320,741
Total fund balance (deficit)	\$ 39,655,988	\$ 35,320,741
Total liabilities and fund balance	\$ 41,299,056	\$ 36,179,544

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, 2020 and 2019

	Tax Increment Fund No. 1	
	2020	2019
Revenues:		
Property taxes	\$ 13,850,647	\$ 13,996,581
Investment earnings	425,141	822,963
Intergovernmental	1,309,802	791,387
Total revenues	15,585,590	15,610,931
Expenditures:		
Current:		
General government	10,385,017	7,495,664
Total expenditures	10,385,017	7,495,664
Excess (deficiency) of revenues over expenditures	5,200,573	8,115,267
Other financing sources (uses):		
Transfers out	(865,326)	(1,479,984)
Total other financing sources (uses)	(865,326)	(1,479,984)
Net change in fund balance	4,335,247	6,635,283
Fund balance, beginning of year	35,320,741	28,685,458
Fund balance, end of year	\$ 39,655,988	\$ 35,320,741

See accompanying independent auditor's report.



Tax Increment Fund No. 2

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2020 and 2019

	Tax Increment Fund No. 2	
	2020	2019
Assets		
Cash and investments	\$ 2,823,089	\$ 2,585,390
Total assets	\$ 2,823,089	\$ 2,585,390
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	\$ 2,823,089	\$ 2,585,390
Total fund balance (deficit)	\$ 2,823,089	\$ 2,585,390
 Total liabilities and fund balance	 \$ 2,823,089	 \$ 2,585,390

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, 2020 and 2019

	Tax Increment Fund No. 2	
	2020	2019
Revenues:		
Property taxes	\$ 191,442	\$ 200,934
Investment earnings	27,718	59,783
Intergovernmental	18,539	11,436
Total revenues	237,699	272,153
Expenditures:		
Current:		
General government	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	237,699	272,153
Net change in fund balance	237,699	272,153
Fund balance, beginning of year	2,585,390	2,313,237
Fund balance, end of year	\$ 2,823,089	\$ 2,585,390

See accompanying independent auditor's report.



Tax Increment Fund No. 3

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2020 and 2019

	Tax Increment Fund No. 3	
	2020	2019
Assets		
Cash and investments	\$ 72,639	\$ 71,342
Total assets	\$ 72,639	\$ 71,342
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	\$ 72,639	\$ 71,342
Total fund balance (deficit)	\$ 72,639	\$ 71,342

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, 2020 and 2019

	Tax Increment Fund No. 3	
	2020	2019
Revenues:		
Property taxes	\$ 518	\$ 537
Investment earnings	750	1,701
Intergovernmental	29	31
Total revenues	1,297	2,269
Expenditures:		
Current:		
General government	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	1,297	2,269
Net change in fund balance	1,297	2,269
Fund balance, beginning of year	71,342	69,073
Fund balance, end of year	\$ 72,639	\$ 71,342

See accompanying independent auditor's report.



Health Programs Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2020 and 2019

	Health Programs Fund	
	2020	2019
Assets		
Cash and investments	\$ 2,362,271	\$ 1,791,393
Accounts receivable, net of allowances	26,095	52,502
Intergovernmental receivable	1,289,213	1,010,712
Total assets	\$ 3,677,579	\$ 2,854,607
Liabilities		
Accounts payable	\$ 165,576	\$ 87,928
Accrued liabilities	232,689	215,715
Escrow funds	38,595	36,859
Total liabilities	436,860	340,502
Fund balance (deficit)		
Committed to:		
Public health	3,240,719	2,514,105
Total fund balance (deficit)	\$ 3,240,719	\$ 2,514,105
Total liabilities and fund balance	\$ 3,677,579	\$ 2,854,607

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, 2020 and 2019

	Health Programs Fund	
	2020	2019
Revenues:		
Permits, licenses and fees	\$ 986,740	\$ 1,081,246
Investment earnings	26,730	50,252
Intergovernmental	3,905,589	3,486,394
Program income	151,986	160,262
Other	606,038	676,337
Total revenues	5,677,083	5,454,491
Expenditures:		
Current:		
Public health	8,813,617	8,944,992
Total expenditures	8,813,617	8,944,992
Excess (deficiency) of revenues over expenditures	(3,136,534)	(3,490,501)
Other financing sources (uses):		
Transfers in	3,863,148	3,837,160
Transfers out	-	(250,000)
Total other financing sources (uses)	3,863,148	3,587,160
Net change in fund balance	726,614	96,659
Fund balance, beginning of year	2,514,105	2,417,446
Fund balance, end of year	\$ 3,240,719	\$ 2,514,105

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, 2020
 (With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with	2019
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Health Administrative Services:					
Death and birth certificates	\$ 253,088	253,088	237,184	(15,904)	322,047
Interest on investments	22,669	22,669	26,730	4,061	50,252
Intergovernmental	189,000	189,000	403,814	214,814	203,713
Revenue-other	533,040	533,040	532,333	(707)	442,925
Total	<u>997,797</u>	<u>997,797</u>	<u>1,200,061</u>	<u>202,264</u>	<u>1,018,937</u>
Environmental Health Services:					
Health and welfare fees	457,410	488,508	605,402	116,894	556,492
Intergovernmental	84,267	84,267	62,206	(22,061)	12,284
Revenue-other	100	100	68	(32)	77
Total	<u>541,777</u>	<u>572,875</u>	<u>667,676</u>	<u>94,801</u>	<u>568,853</u>
Health Nursing Services:					
Health and welfare fees	136,121	136,121	113,616	(22,505)	166,948
Revenue-other	34,993	34,993	10,812	(24,181)	112,085
Total	<u>171,114</u>	<u>171,114</u>	<u>124,428</u>	<u>(46,686)</u>	<u>279,033</u>
Sexually Transmitted Disease:					
Health and welfare fees	30,500	30,500	30,538	38	35,759
Total	<u>30,500</u>	<u>30,500</u>	<u>30,538</u>	<u>38</u>	<u>35,759</u>
HIV/AIDS Services:					
Revenue-other	-	-	36	36	18
Total	<u>-</u>	<u>-</u>	<u>36</u>	<u>36</u>	<u>18</u>
Public Health Services:					
Program income	-	151,986	151,986	-	160,262
Intergovernmental	-	3,439,569	3,439,569	-	3,270,397
Revenue-other	-	62,789	62,789	-	121,232
Total	<u>-</u>	<u>3,654,344</u>	<u>3,654,344</u>	<u>-</u>	<u>3,551,891</u>
Total revenue	<u>1,741,188</u>	<u>5,426,630</u>	<u>5,677,083</u>	<u>250,453</u>	<u>5,454,491</u>
Expenditures:					
Health Administrative Services:					
Salaries and wages	609,922	554,922	487,381	67,541	523,246
Employee benefits	217,220	217,220	180,059	37,161	190,564
Purchased professional/technical services	73,724	128,724	143,836	(15,112)	111,136
Purchased property services	2,676	2,676	2,938	(262)	2,671
Maintenance	200	200	2,732	(2,532)	42,122
Other purchased services	19,626	19,626	22,671	(3,045)	31,931
Supplies	29,120	41,120	35,944	5,176	43,767
Contracts with others	1,155,930	1,155,930	1,110,499	45,431	1,129,942
Other	671,400	671,400	671,377	23	945,268
Total health administrative services	<u>2,779,818</u>	<u>2,791,818</u>	<u>2,657,437</u>	<u>134,381</u>	<u>3,020,647</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, 2020
 (With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with	2019
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Environmental Health Services:					
Salaries and wages	\$ 375,680	375,680	494,119	(118,439)	465,746
Employee benefits	141,838	141,838	149,026	(7,188)	134,082
Purchased professional/technical services	20,600	20,600	2,812	17,788	22,924
Maintenance	13,694	13,694	15,283	(1,589)	7,947
Other purchased services	26,390	26,390	16,761	9,629	18,257
Supplies	79,968	79,968	65,790	14,178	69,444
Contracts with others	-	31,098	31,098	-	-
Capital expenditures	25,000	25,000	20,967	4,033	-
Total environmental health services:	<u>683,170</u>	<u>714,268</u>	<u>795,856</u>	<u>(81,588)</u>	<u>718,400</u>
Health Nursing Services:					
Salaries and wages	792,676	772,676	497,993	274,683	611,279
Employee benefits	268,766	268,766	178,531	90,235	206,512
Purchased professional/technical services	17,710	37,710	109,283	(71,573)	5,413
Maintenance	6,920	6,920	3,558	3,362	1,072
Other purchased services	124,757	105,757	99,028	6,729	52,952
Supplies	277,770	287,711	183,298	104,413	202,884
Total public health nursing services	<u>1,488,599</u>	<u>1,479,540</u>	<u>1,071,691</u>	<u>407,849</u>	<u>1,080,112</u>
Sexually Transmitted Disease:					
Salaries and wages	252,172	252,172	252,875	(703)	236,271
Employee benefits	94,372	94,372	93,584	788	90,065
Purchased professional/technical services	11,160	11,160	12,001	(841)	12,504
Maintenance	1,170	1,170	185	985	659
Other purchased services	26,175	26,175	12,876	13,299	16,904
Supplies	20,960	20,960	22,808	(1,848)	21,197
Total sexually transmitted disease	<u>406,009</u>	<u>406,009</u>	<u>394,329</u>	<u>11,680</u>	<u>377,600</u>
HIV/AIDS Services:					
Salaries and wages	128,624	128,624	164,459	(35,835)	136,119
Employee benefits	45,154	45,154	55,342	(10,188)	48,568
Purchased professional/technical services	1,000	1,000	4,449	(3,449)	-
Other purchased services	14,838	14,838	8,073	6,765	8,135
Supplies	8,037	8,037	7,637	400	3,520
Total HIV/AIDS services	<u>197,653</u>	<u>197,653</u>	<u>239,960</u>	<u>(42,307)</u>	<u>196,342</u>
Public Health Services:					
Salaries and wages	-	1,742,235	1,742,235	-	1,721,937
Employee benefits	-	708,739	708,739	-	746,799
Purchased professional/technical services	-	302,129	302,129	-	239,764
Purchased property services	-	78,692	78,692	-	91,785
Maintenance	-	44,123	44,123	-	40,755
Other purchased services	-	314,202	314,202	-	311,910
Supplies	-	265,120	265,120	-	194,932
Other	-	199,104	199,104	-	204,009
Total public health services	<u>-</u>	<u>3,654,344</u>	<u>3,654,344</u>	<u>-</u>	<u>3,551,891</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, 2020
 (With Comparative Actual Amounts for Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with Final Budget	2019
	Original	Final	Actual Amounts		Actual Amounts
Total expenditures	\$ 5,555,249	9,243,632	8,813,617	430,015	8,944,992
Excess (deficiency) of revenue over expenditures	(3,814,061)	(3,817,002)	(3,136,534)	680,468	(3,490,501)
Other financing sources (uses):					
Transfers in	3,863,148	3,863,148	3,863,148	-	3,837,160
Transfers out	-	-	-	-	(250,000)
Total other financing sources (uses)	3,863,148	3,863,148	3,863,148	-	3,587,160
Net change in fund balance	49,087	46,146	726,614	680,468	96,659
Fund balance, beginning of year	2,514,105	2,514,105	2,514,105	-	2,417,446
Fund balance, end of year	<u>\$ 2,563,192</u>	<u>2,560,251</u>	<u>3,240,719</u>	<u>680,468</u>	<u>2,514,105</u>

See accompanying independent auditor's report.

Grant Funds

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Funds
September 30, 2020
(With Comparative Totals for September 30, 2019)

	HUD Home Program	HUD Community Development Block Grant	HUD Lead Hazard	Fire LEOSE
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ 2,043
Accounts receivable, net of allowances	-	97,727	-	-
Due from other funds	-	-	-	-
Notes receivable	149,194	82,078	-	-
Intergovernmental receivable	141,325	1,034,307	106,241	-
Real estate held for resale	-	60,097	-	-
Total assets	<u>\$ 290,519</u>	<u>\$ 1,274,209</u>	<u>\$ 106,241</u>	<u>\$ 2,043</u>
Liabilities				
Accounts payable	\$ 267,672	\$ 243,496	\$ 8,816	\$ -
Accrued liabilities	1,907	28,427	8,456	-
Due to other funds	20,426	297,250	88,969	-
Total liabilities	<u>290,005</u>	<u>569,173</u>	<u>106,241</u>	<u>-</u>
Fund balances (deficits)				
Restricted for:				
Culture and recreation	-	-	-	-
Housing and community development	514	237,698	-	-
Public works	-	-	-	-
Public safety	-	467,338	-	2,043
Total fund balances (deficits)	<u>\$ 514</u>	<u>\$ 705,036</u>	<u>\$ -</u>	<u>\$ 2,043</u>
Total liabilities and fund balances	<u>\$ 290,519</u>	<u>\$ 1,274,209</u>	<u>\$ 106,241</u>	<u>\$ 2,043</u>

See accompanying independent auditor's report.

Justice Assistance Grant COVID 2	Police LEOSE	HUD EDI Grant	Grande Clear Source Cable Ordinance	HUD Continuum of Care	HUD HMIS Grant 17
\$ -	\$ 12,145	\$ 8,753	\$ 85,374	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,394	-	-	-	18,568	-
-	-	-	-	-	-
\$ 1,394	\$ 12,145	\$ 8,753	\$ 85,374	\$ 18,568	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,343	-
1,394	-	-	-	15,225	-
<u>1,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,568</u>	<u>-</u>
-	-	-	85,374	-	-
-	-	8,753	-	-	-
-	-	-	-	-	-
-	12,145	-	-	-	-
<u>\$ -</u>	<u>\$ 12,145</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,394	\$ 12,145	\$ 8,753	\$ 85,374	\$ 18,568	\$ -

(Continued)

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Funds
September 30, 2020
(With Comparative Totals for September 30, 2019)

	HUD HMIS GRANT 2018	SHSP 2019	STEP Comprehensive	TXDOT MPO FHWA
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net of allowances	-	-	-	597
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Intergovernmental receivable	573	-	21,273	88,517
Real estate held for resale	-	-	-	-
Total assets	<u>\$ 573</u>	<u>\$ -</u>	<u>\$ 21,273</u>	<u>\$ 89,114</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 9
Accrued liabilities	-	-	-	16,004
Due to other funds	573	-	21,273	73,101
Total liabilities	<u>573</u>	<u>-</u>	<u>21,273</u>	<u>89,114</u>
Fund balances (deficits)				
Restricted for:				
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances	<u>\$ 573</u>	<u>\$ -</u>	<u>\$ 21,273</u>	<u>\$ 89,114</u>

See accompanying independent auditor's report.

CJD Family Violence 2020-2021	CJD Family Violence 2019-2020	Brownfields	Tx Anti- Gang Grant 2020-2021	Tx Anti- Gang Grant 2019-2020	National Incident Based Reporting System
\$ -	\$ -	\$ 4,740	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,351	12,172	-	25,024	544,109	218,858
-	-	-	-	-	-
\$ 14,351	\$ 12,172	\$ 4,740	\$ 25,024	\$ 544,109	\$ 218,858
\$ -	\$ -	\$ -	\$ 12,343	\$ 141	\$ 218,858
-	11,767	-	-	-	-
14,351	405	-	12,681	543,968	-
14,351	12,172	-	25,024	544,109	218,858
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,740	-	-	-
\$ -	\$ -	\$ 4,740	\$ -	\$ -	\$ -
\$ 14,351	\$ 12,172	\$ 4,740	\$ 25,024	\$ 544,109	\$ 218,858

(Continued)

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Funds
September 30, 2020
(With Comparative Totals for September 30, 2019)

	Justice Assistance Grant COVID 1	Justice Assistance Grant 2019	Justice Assistance Grant 2018	Library Memorial Fund
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ 44,411
Accounts receivable, net of allowances	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Intergovernmental receivable	27,598	7,837	-	-
Real estate held for resale	-	-	-	-
Total assets	<u>\$ 27,598</u>	<u>\$ 7,837</u>	<u>\$ -</u>	<u>\$ 44,411</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	27,598	7,837	-	-
Total liabilities	<u>27,598</u>	<u>7,837</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)				
Restricted for:				
Culture and recreation	-	-	-	44,411
Housing and community development	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,411</u>
Total liabilities and fund balances	<u>\$ 27,598</u>	<u>\$ 7,837</u>	<u>\$ -</u>	<u>\$ 44,411</u>

See accompanying independent auditor's

Shapley P Ross Memorial Fund		TXDOT TASA Gurley Lane	TXDOT TASA Elm	Totals	
				2020	2019
\$	194	\$ 96,582	\$ -	\$ 254,242	\$ 602,072
-	-	-	-	98,324	67,123
-	-	-	540,000	540,000	596,000
-	-	-	-	231,272	338,144
-	-	-	-	2,262,147	852,494
-	-	-	-	60,097	60,097
\$	194	\$ 96,582	\$ 540,000	\$ 3,446,082	\$ 2,515,930
\$	-	\$ -	\$ -	\$ 751,335	\$ 553,882
-	-	-	-	69,904	56,494
-	-	-	-	1,125,051	137,521
-	-	-	-	1,946,290	747,897
194	-	-	-	129,979	115,520
-	-	-	-	246,965	325,423
-	96,582	540,000	-	636,582	1,142,535
-	-	-	-	486,266	184,555
\$	194	\$ 96,582	\$ 540,000	\$ 1,499,792	\$ 1,768,033
\$	194	\$ 96,582	\$ 540,000	\$ 3,446,082	\$ 2,515,930

City of Waco, Texas
Sub-Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Grant Funds
Year Ended September 30, 2020
(With Comparative Totals for the Year Ended September 30, 2019)

	HUD Home Program	HUD Community Development Block Grant	HUD Lead Hazard	Fire LEOSE
Revenues:				
Intergovernmental	\$ 587,995	\$ 1,538,277	193,727	\$ 1,019
Program income	41,574	34,125	-	-
Other	-	217,214	-	-
Total revenues	<u>629,569</u>	<u>1,789,616</u>	<u>193,727</u>	<u>1,019</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	100,556	-	673
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	692,343	1,588,086	193,727	-
Total expenditures	<u>692,343</u>	<u>1,688,642</u>	<u>193,727</u>	<u>673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,774)</u>	<u>100,974</u>	<u>-</u>	<u>346</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	(62,774)	275,974	-	346
Fund balances, beginning of year	63,288	429,062	-	1,697
Fund balances, end of year	<u>\$ 514</u>	<u>\$ 705,036</u>	<u>\$ -</u>	<u>\$ 2,043</u>

See accompanying independent auditor's report.

Justice Assistance Grant COVID 2	Police LEOSE	HUD EDI Grant	Grande Clear Source Cable Ordinance	HUD Continuum of Care	HUD HMIS Grant 17
1,394	\$ 14,687	\$ -	\$ -	\$ 42,371	\$ 763
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,394</u>	<u>14,687</u>	<u>-</u>	<u>-</u>	<u>42,371</u>	<u>763</u>
-	-	-	-	-	-
1,394	4,980	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	42,371	763
<u>1,394</u>	<u>4,980</u>	<u>-</u>	<u>-</u>	<u>42,371</u>	<u>763</u>
-	9,707	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,707	-	-	-	-
-	2,438	8,753	85,374	-	-
<u>\$ -</u>	<u>\$ 12,145</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ -</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, 2020
(With Comparative Totals for the Year Ended September 30, 2019)

	HUD HMIS Grant 18	SHSP 2019	STEP Comprehensive	TXDOT MPO FHWA
Revenues:				
Intergovernmental	\$ 16,320	\$ 64,490	\$ 107,731	\$ 442,685
Program income	-	-	-	-
Other	10,640	-	-	-
Total revenues	<u>26,960</u>	<u>64,490</u>	<u>107,731</u>	<u>442,685</u>
Expenditures:				
Current:				
General government	-	-	-	442,685
Public safety	-	64,490	135,971	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	26,960	-	-	-
Total expenditures	<u>26,960</u>	<u>64,490</u>	<u>135,971</u>	<u>442,685</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(28,240)	-
Other financing sources (uses):				
Transfers in	-	-	28,240	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>28,240</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>

See accompanying independent auditor's report.

CJD Family Violence 2020-2021	CJD Family Violence 2019-2020	Brownfields	Tx Anti- Gang Grant 2020-2021	Tx Anti-Gang Grant 2019- 2020	National Incident Based Reporting System
\$ 14,351	\$ 63,383	\$ -	25,024	1,417,172	218,858
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,351</u>	<u>63,383</u>	<u>-</u>	<u>25,024</u>	<u>1,417,172</u>	<u>218,858</u>
-	-	-	-	-	-
14,351	142,622	-	25,024	1,417,172	218,858
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,351</u>	<u>142,622</u>	<u>-</u>	<u>25,024</u>	<u>1,417,172</u>	<u>218,858</u>
-	(79,239)	-	-	-	-
-	79,239	-	-	-	-
-	-	-	-	-	-
-	<u>79,239</u>	-	-	-	-
-	-	-	-	-	-
-	-	4,740	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,740</u>	<u>\$ -</u>	<u>\$ -</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, 2020

(With Comparative Totals for the Year Ended September 30, 2019)

	Justice Assistance Grant COVID 1	Justice Assistance Grant 2019	Justice Assistance Grant 2018	Library Memorial Fund
Revenues:				
Intergovernmental	120,645	29,690	28,262	\$ -
Program income	-	-	-	-
Other	-	-	-	20,983
Total revenues	<u>120,645</u>	<u>29,690</u>	<u>28,262</u>	<u>20,983</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	120,645	29,690	28,262	-
Public works	-	-	-	-
Culture and recreation	-	-	-	6,526
Housing and community development	-	-	-	-
Total expenditures	<u>120,645</u>	<u>29,690</u>	<u>28,262</u>	<u>6,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,457</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	-	-	-	14,457
Fund balances, beginning of year	-	-	-	29,954
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 44,411</u></u>

See accompanying independent auditor's report.

Shapley P Ross Memorial Fund	TXDOT TASA Gurley Lane	TXDOT TASA Elm	Totals	
			2020	2019
\$ -	155,973	-	\$ 5,084,817	\$ 3,024,463
-	-	-	75,699	34,558
2	-	-	248,839	69,074
<u>2</u>	<u>155,973</u>	<u>-</u>	<u>5,409,355</u>	<u>3,128,095</u>
-	-	-	442,685	487,311
-	-	-	2,304,688	715,846
-	605,926	56,000	661,926	438,678
-	-	-	6,526	29,518
-	-	-	2,544,250	2,934,790
<u>-</u>	<u>605,926</u>	<u>56,000</u>	<u>5,960,075</u>	<u>4,606,143</u>
<u>2</u>	<u>(449,953)</u>	<u>(56,000)</u>	<u>(550,720)</u>	<u>(1,478,048)</u>
-	-	-	282,479	1,547,901
-	-	-	-	(26,419)
<u>-</u>	<u>-</u>	<u>-</u>	<u>282,479</u>	<u>1,521,482</u>
2	(449,953)	(56,000)	(268,241)	43,434
192	546,535	596,000	1,768,033	1,724,599
\$ 194	\$ 96,582	\$ 540,000	\$ 1,499,792	\$ 1,768,033



Waco Public Improvement District No. 1 Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2020 and 2019

	Waco Public Improvement District No. 1 Fund	
	2020	2019
Assets		
Cash and investments	\$ 1,224,420	\$ 1,052,969
Accounts receivable, net of allowance	10,479	11,414
Special assessments receivable	9,128	5,460
Total assets	\$ 1,244,027	\$ 1,069,843
Liabilities		
Accounts payable	\$ 86,213	\$ 58,142
Total liabilities	86,213	58,142
Deferred inflows of resources		
Unavailable revenue-special assessments	9,128	5,460
Total deferred inflows of resources	9,128	5,460
Total liabilities and deferred inflows of resources	95,341	63,602
Fund balance (deficit)		
Restricted for:		
Waco Public Improvement District	1,148,686	1,006,241
Total fund balance (deficit)	\$ 1,148,686	\$ 1,006,241
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,244,027	\$ 1,069,843

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, 2020 and 2019

	Waco Public Improvement District No. 1 Fund	
	2020	2019
Revenues:		
Special assessments	\$ 630,654	\$ 560,432
Investment earnings	12,348	26,032
Other	68,243	93,768
Total revenues	711,245	680,232
Expenditures:		
Current:		
General government	568,800	580,368
Total expenditures	568,800	580,368
Excess (deficiency) of revenues over expenditures	142,445	99,864
Net change in fund balance	142,445	99,864
Fund balance, beginning of year	1,006,241	906,377
Fund balance, end of year	\$ 1,148,686	\$ 1,006,241

See accompanying independent auditor's report.



Abandoned Motor Vehicle Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2020 and 2019

	Abandoned Motor Vehicle Fund	
	2020	2019
Assets		
Cash and investments	\$ 644,803	\$ 763,734
Total assets	\$ 644,803	\$ 763,734
Liabilities		
Accounts payable	\$ 14,750	\$ 1,892
Total liabilities	14,750	1,892
Fund balance (deficit)		
Restricted for:		
Public safety	630,053	761,842
Total fund balance (deficit)	\$ 630,053	\$ 761,842
Total liabilities and fund balance	\$ 644,803	\$ 763,734

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, 2020 and 2019

	Abandoned Motor Vehicle Fund	
	2020	2019
Revenues:		
Fines	\$ 303,951	\$ 367,919
Total revenues	303,951	367,919
Expenditures:		
Current:		
Public safety	15,218	31,910
Total expenditures	15,218	31,910
Excess (deficiency) of revenues over expenditures	288,733	336,009
Other financing sources (uses):		
Transfers out	(420,522)	(200,508)
Total other financing sources (uses)	(420,522)	(200,508)
Net change in fund balance	(131,789)	135,501
Fund balance, beginning of year	761,842	626,341
Fund balance, end of year	\$ 630,053	\$ 761,842

See accompanying independent auditor's report.



Police Forfeitures Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2020 and 2019

	Police Forfeitures Fund	
	2020	2019
Assets		
Cash and investments	\$ 302,189	\$ 332,406
Accounts receivable, net of allowance	-	-
Total assets	\$ 302,189	\$ 332,406
Liabilities		
Accounts payable	\$ 2,432	\$ 6,883
Total liabilities	2,432	6,883
Fund balance (deficit)		
Nonspendable		
Restricted for:		
Public safety	299,757	325,523
Total fund balance (deficit)	\$ 299,757	\$ 325,523
Total liabilities and fund balance	\$ 302,189	\$ 332,406

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, 2020 and 2019

	Police Forfeitures Fund	
	2020	2019
Revenues:		
Investment earnings	\$ 3,388	\$ 7,577
Other	37,384	38,259
Total revenues	40,772	45,836
Expenditures:		
Current:		
Public safety	66,538	22,170
Total expenditures	66,538	22,170
Excess (deficiency) of revenues over expenditures	(25,766)	23,666
Net change in fund balance	(25,766)	23,666
Fund balance, beginning of year	325,523	301,857
Fund balance, end of year	\$ 299,757	\$ 325,523

See accompanying independent auditor's report.



Court Security Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2020 and 2019

	Court Security Fund	
	2020	2019
Assets		
Cash and investments	\$ 132,702	\$ 197,623
Total assets	\$ 132,702	\$ 197,623
Fund balance (deficit)		
Restricted for:		
Public safety	\$ 132,702	\$ 197,623
Total fund balance (deficit)	\$ 132,702	\$ 197,623

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, 2020 and 2019

	Court Security Fund	
	2020	2019
Revenues:		
Fines	\$ 31,911	\$ 34,432
Total revenues	31,911	34,432
Expenditures:		
Current:		
Public safety	9,629	60,008
Total expenditures	9,629	60,008
Excess (deficiency) of revenues over expenditures	22,282	(25,576)
Other financing sources (uses):		
Transfers out	(87,203)	(83,781)
Total other financing sources (uses)	(87,203)	(83,781)
Net change in fund balance	(64,921)	(109,357)
Fund balance, beginning of year	197,623	306,980
Fund balance, end of year	\$ 132,702	\$ 197,623

See accompanying independent auditor's report.



Court Technology Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2020 and 2019

	Court Technology Fund	
	2020	2019
Assets		
Cash and investments	\$ 110,239	\$ 99,104
Total assets	\$ 110,239	\$ 99,104
Liabilities		
Accounts payable	\$ 318	\$ -
Total liabilities	318	-
Fund balance (deficit)		
Restricted for:		
Public safety	109,921	99,104
Total fund balance (deficit)	109,921	99,104
Total liabilities and fund balance	\$ 110,239	\$ 99,104

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, 2020 and 2019

	Court Technology Fund	
	2020	2019
Revenues:		
Fines	\$ 32,384	\$ 45,903
Total revenues	32,384	45,903
Expenditures:		
Current:		
Public safety	21,567	14,835
Total expenditures	21,567	14,835
Excess (deficiency) of revenues over expenditures	10,817	31,068
Net change in fund balance	10,817	31,068
Fund balance, beginning of year	99,104	68,036
Fund balance, end of year	\$ 109,921	\$ 99,104

See accompanying independent auditor's report.



Hamilton Memorial Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2020 and 2019

	Hamilton Memorial Fund	
	2020	2019
Assets		
Cash and investments	\$ 10,076	\$ 9,868
Total assets	\$ 10,076	\$ 9,868
Fund balance (deficit)		
Restricted for:		
Culture and recreation	\$ 10,076	\$ 9,868
Total fund balance (deficit)	\$ 10,076	\$ 9,868

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, 2020 and 2019

	Hamilton Memorial Fund	
	2020	2019
Revenues:		
Investment earnings	\$ 208	\$ 475
Total revenues	208	475
Expenditures:		
Current:		
Culture and recreation	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	208	475
Net change in fund balance	208	475
Fund balance, beginning of year	9,868	9,393
Fund balance, end of year	\$ 10,076	\$ 9,868

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, 2020 and 2019

	Miss Nellie's Park Maintenance Fund	
	2020	2019
Assets		
Cash and investments	\$ 29,319	\$ 28,503
Total assets	\$ 29,319	\$ 28,503
Fund balance (deficit)		
Restricted for:		
Culture and recreation	\$ 29,319	\$ 28,503
Total fund balance (deficit)	\$ 29,319	\$ 28,503

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, 2020 and 2019

	Miss Nellie's Park Maintenance Fund	
	2020	2019
Revenues:		
Investment earnings	\$ 1,344	\$ 3,072
Total revenues	1,344	3,072
Expenditures:		
Current:		
Culture and recreation	528	-
Total expenditures	528	-
Excess (deficiency) of revenues over expenditures	816	3,072
Net change in fund balance	816	3,072
Fund balance, beginning of year	28,503	25,431
Fund balance, end of year	\$ 29,319	\$ 28,503

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, 2020
(with Comparative Totals for September 30, 2019)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2020	2019
Assets				
Cash and investments	\$ 4,204	\$ 532,132	\$ 536,336	\$ 720,851
Taxes	-	423,041	423,041	375,793
Total assets	<u>\$ 4,204</u>	<u>\$ 955,173</u>	<u>\$ 959,377</u>	<u>\$ 1,096,644</u>
Deferred inflows of resources				
Unavailable revenue-property taxes	\$ -	\$ 358,905	\$ 358,905	\$ 354,015
Total deferred inflows of resources	<u>-</u>	<u>358,905</u>	<u>358,905</u>	<u>354,015</u>
Fund balances (deficits)				
Restricted for:				
Debt service	4,204	596,268	\$ 600,472	742,629
Total fund balances (deficits)	<u>\$ 4,204</u>	<u>\$ 596,268</u>	<u>\$ 600,472</u>	<u>\$ 742,629</u>
Total deferred inflows of resources and fund balances	<u>\$ 4,204</u>	<u>\$ 955,173</u>	<u>\$ 959,377</u>	<u>\$ 1,096,644</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, 2020

(with Comparative Totals for September 30, 2019)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2020	2019
Revenues:				
Taxes	\$ -	\$ 11,109,750	\$ 11,109,750	\$ 9,810,697
Investment earnings	-	17,904	17,904	36,443
Total revenues	-	11,127,654	11,127,654	9,847,140
Expenditures:				
Current:				
Debt service:				
Principal	-	7,590,000	7,590,000	6,555,000
Interest and fiscal charges	-	4,553,085	4,553,085	4,016,921
Bond issuance costs	-	123,993	123,993	203,758
Total expenditures	-	12,267,078	12,267,078	10,775,679
Excess (deficiency) of revenues over expenditures	-	(1,139,424)	(1,139,424)	(928,539)
Other financing sources (uses):				
Refunding bonds issued	-	-	-	9,365,000
Payment to refunded bond escrow agent	-	-	-	(10,434,176)
Premium on refunding bonds	-	-	-	1,065,159
General obligation bonds issued	-	120,234	120,234	129,618
Premium on general obligation bonds	-	11,707	11,707	11,058
Transfers in	-	865,326	865,326	858,984
Total other financing sources (uses)	-	997,267	997,267	995,643
Net change in fund balances	-	(142,157)	(142,157)	67,104
Fund balances, beginning of year	4,204	738,425	742,629	675,525
Fund balances, end of year	<u>\$ 4,204</u>	<u>\$ 596,268</u>	<u>\$ 600,472</u>	<u>\$ 742,629</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, 2020
 (With Comparative Totals for the Year Ended September 30, 2019)

	Budgeted Amounts		2020	Variance with Final Budget	2019
	Original	Final	Actual Amounts		Actual Amounts
Revenues:					
Property taxes	\$ 11,215,356	11,215,356	11,109,750	(105,606)	9,810,697
Investment earnings	35,955	35,955	17,904	(18,051)	36,443
Total revenues	<u>11,251,311</u>	<u>11,251,311</u>	<u>11,127,654</u>	<u>(123,657)</u>	<u>9,847,140</u>
Expenditures:					
Debt service:					
Principal	7,590,000	7,590,000	7,590,000	-	6,555,000
Interest and fiscal charges	4,554,420	4,554,420	4,553,085	1,335	4,016,921
Bond issuance costs	-	131,941	123,993	7,948	203,758
Total expenditures	<u>12,144,420</u>	<u>12,276,361</u>	<u>12,267,078</u>	<u>9,283</u>	<u>10,775,679</u>
Excess (deficiency) of revenues under expenditures	<u>(893,109)</u>	<u>(1,025,050)</u>	<u>(1,139,424)</u>	<u>(114,374)</u>	<u>(928,539)</u>
Other financing sources (uses):					
Refunding bonds issued	-	-	-	-	9,365,000
Payment to refunded bond escrow agent	-	-	-	-	(10,434,176)
Premium on refunding bonds	-	-	-	-	1,065,159
General obligation bonds issued	-	131,941	120,234	(11,707)	129,618
Premium on general obligation bonds	-	-	11,707	11,707	11,058
Transfers in	865,200	865,200	865,326	126	858,984
Total other financing sources (uses)	<u>865,200</u>	<u>997,141</u>	<u>997,267</u>	<u>126</u>	<u>995,643</u>
Net change in fund balance	(27,909)	(27,909)	(142,157)	(114,248)	67,104
Fund balance, beginning of year	738,425	738,425	738,425	-	671,321
Fund balance, end of year	<u>\$ 710,516</u>	<u>710,516</u>	<u>596,268</u>	<u>(114,248)</u>	<u>738,425</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.

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, 2020
(With Comparative Totals for September 30, 2019)

	Capital Improvement Fund	Equipment Replacement Fund	Street Improvement Fund	2020 Bond Issue Fund	2019 Bond Issue Fund	2018 Bond Issue Fund
Assets						
Cash and investments	\$ 4,700,256	\$1,500,000	\$ 32,164,216	\$ 6,933,313	\$ 7,214,182	\$9,506,085
Due from other funds	10,049,316	-	-	-	-	-
Advances to other funds	168,368	-	-	-	-	-
Total assets	<u>\$ 14,917,940</u>	<u>\$1,500,000</u>	<u>\$ 32,164,216</u>	<u>\$ 6,933,313</u>	<u>\$ 7,214,182</u>	<u>\$9,506,085</u>
Liabilities						
Accounts payable	\$ 100,945	\$ -	\$ 1,509,727	\$ 6,243	\$ 47,738	\$ 2,100
Accrued liabilities	9,836	-	164,260	-	71,008	-
Due to other funds	-	-	-	-	-	-
Escrow funds	-	-	113,464	-	-	-
Total liabilities	<u>110,781</u>	<u>-</u>	<u>1,787,451</u>	<u>6,243</u>	<u>118,746</u>	<u>2,100</u>
Fund balances (deficits)						
Restricted for:						
Capital projects	168,368	-	25,718,490	6,927,070	7,095,436	9,503,985
Committed to:						
Capital projects	14,638,791	1,500,000	4,658,275	-	-	-
Total fund balances (deficits)	<u>\$ 14,807,159</u>	<u>\$1,500,000</u>	<u>\$ 30,376,765</u>	<u>\$ 6,927,070</u>	<u>\$ 7,095,436</u>	<u>\$9,503,985</u>
Total liabilities and fund balances (deficits)	<u>\$ 14,917,940</u>	<u>\$1,500,000</u>	<u>\$ 32,164,216</u>	<u>\$ 6,933,313</u>	<u>\$ 7,214,182</u>	<u>\$9,506,085</u>

See accompanying independent auditor's report.

2017 Bond Issue Fund	2016 Bond Issue Fund	2015 Bond Issue Fund	Totals	
			2020	2019
\$2,031,481	\$1,535,660	\$ -	\$ 65,585,193	\$ 54,963,077
-	-	-	10,049,316	448,045
-	-	-	168,368	168,368
<u>\$2,031,481</u>	<u>\$1,535,660</u>	<u>\$ -</u>	<u>\$ 75,802,877</u>	<u>\$ 55,579,490</u>
\$ 1,050	\$ -	\$ -	\$ 1,667,803	\$ 4,976,798
-	-	-	245,104	1,017,979
714,316	1,430,000	-	2,144,316	448,045
-	-	-	113,464	1,031,984
<u>715,366</u>	<u>1,430,000</u>	<u>-</u>	<u>4,170,687</u>	<u>7,474,806</u>
1,316,115	105,660	-	50,835,124	35,639,375
-	-	-	20,797,066	12,465,309
<u>\$1,316,115</u>	<u>\$ 105,660</u>	<u>\$ -</u>	<u>\$ 71,632,190</u>	<u>\$ 48,104,684</u>
<u>\$2,031,481</u>	<u>\$1,535,660</u>	<u>\$ -</u>	<u>\$ 75,802,877</u>	<u>\$ 55,579,490</u>

City of Waco, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2020
(With Comparative Totals for the Year Ended September 30, 2019)

	Capital Improvement Fund	Equipment Replacement Fund	Street Improvement Fund	2020 Bond Issue Fund	2019 Bond Issue Fund
Revenues:					
Investment earnings	\$ -	\$ -	\$ -	\$ 265,959	\$ 787,111
Contributions	50,000	-	-	-	-
Total revenues	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>265,959</u>	<u>787,111</u>
Expenditures:					
Capital outlay:					
Capital outlay	2,216,002	-	17,429,756	68,889	540,024
Total expenditures	<u>2,216,002</u>	<u>-</u>	<u>17,429,756</u>	<u>68,889</u>	<u>540,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,166,002)</u>	<u>-</u>	<u>(17,429,756)</u>	<u>197,070</u>	<u>247,087</u>
Other financing sources (uses):					
General obligation bonds issued	-	-	19,359,766	6,730,000	-
Premium on general obligation bonds	-	-	2,540,234	-	-
Transfers in	10,960,975	-	8,408,505	-	-
Transfers out	<u>(1,000,000)</u>	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>9,960,975</u>	<u>(600,000)</u>	<u>30,308,505</u>	<u>6,730,000</u>	<u>-</u>
Net change in fund balances	7,794,973	(600,000)	12,878,749	6,927,070	247,087
Fund balances, beginning of year	7,012,186	2,100,000	17,498,016	-	6,848,349
Fund balances, end of year	<u><u>\$ 14,807,159</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 30,376,765</u></u>	<u><u>\$ 6,927,070</u></u>	<u><u>\$ 7,095,436</u></u>

See accompanying independent auditor's report.

2018 Bond Issue Fund	2017 Bond Issue Fund	2016 Bond Issue Fund	2015 Bond Issue Fund	Totals	
				2020	2019
\$ 667,048	\$ 178,071	\$ 227,531	\$ 3,554	\$ 2,129,274	4,154,918
-	-	-	-	50,000	394,921
<u>667,048</u>	<u>178,071</u>	<u>227,531</u>	<u>3,554</u>	<u>2,179,274</u>	<u>4,549,839</u>
480,917	1,076,335	9,325	-	21,821,248	25,302,918
<u>480,917</u>	<u>1,076,335</u>	<u>9,325</u>	<u>-</u>	<u>21,821,248</u>	<u>25,302,918</u>
186,131	(898,264)	218,206	3,554	(19,641,974)	(20,753,079)
-	-	-	-	26,089,766	18,430,382
-	-	-	-	2,540,234	1,572,381
-	-	-	-	19,369,480	7,515,406
-	(1,171,000)	(2,048,640)	(10,360)	(4,830,000)	(2,371,650)
-	<u>(1,171,000)</u>	<u>(2,048,640)</u>	<u>(10,360)</u>	<u>43,169,480</u>	<u>25,146,519</u>
186,131	(2,069,264)	(1,830,434)	(6,806)	23,527,506	4,393,440
9,317,854	3,385,379	1,936,094	6,806	48,104,684	43,711,244
<u>\$ 9,503,985</u>	<u>\$ 1,316,115</u>	<u>\$ 105,660</u>	<u>\$ -</u>	<u>\$ 71,632,190</u>	<u>\$ 48,104,684</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, 2020

(With Comparative Totals for September 30, 2019)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2020	2019
Assets					
Cash and investments	\$ 271,019	\$ 10,000	\$ 100,000	\$ 381,019	\$ 378,209
Total assets	\$ 271,019	\$ 10,000	\$ 100,000	\$ 381,019	\$ 378,209
Fund balances (deficits)					
Nonspendable:					
Parks and cemetery care	\$ 271,019	\$ 10,000	\$ 100,000	\$ 381,019	\$ 378,209
Total fund balances (deficits)	\$ 271,019	\$ 10,000	\$ 100,000	\$ 381,019	\$ 378,209

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, 2020 (With Comparative Totals for Year Ended September 30, 2019)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2020	2019
Revenues:					
Investment earnings	\$ 2,810	\$ -	\$ -	\$ 2,810	\$ 6,412
Total revenues	<u>2,810</u>	<u>-</u>	<u>-</u>	<u>2,810</u>	<u>6,412</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,810</u>	<u>-</u>	<u>-</u>	<u>2,810</u>	<u>6,412</u>
Net change in fund balances	2,810	-	-	2,810	6,412
Fund balances, beginning of year	268,209	10,000	100,000	378,209	371,797
Fund balances, end of year	<u><u>\$ 271,019</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 381,019</u></u>	<u><u>\$ 378,209</u></u>

See accompanying independent auditor's report.



Major Enterprise Funds

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

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

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

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



Water Fund

City of Waco, Texas
Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2020 and 2019

	Water Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 42,949,857	\$ 37,603,199
Accounts receivable, net of allowance	6,519,460	7,320,151
Prepaid items	331,329	274,315
Intergovernmental receivable	491,962	233,385
Restricted cash and investments	6,632,529	5,671,724
Inventory	257,910	216,923
Total current assets	57,183,047	51,319,697
Noncurrent assets:		
Restricted cash and investments	50,533,448	47,088,721
Advances to other funds	525,336	525,336
Capital assets:		
Land	3,180,914	3,180,914
Buildings	10,073,953	10,024,595
Improvements other than buildings	345,850,339	333,430,604
Equipment	10,229,129	10,133,930
Construction work in progress	29,459,353	22,429,883
Intangible water rights	32,482,879	32,482,879
Less: accumulated depreciation and amortization	(164,982,915)	(156,014,655)
Total noncurrent assets	317,352,436	303,282,207
Total assets	374,535,483	354,601,904
Deferred outflows of resources		
Deferred losses on refundings of debt	1,948,620	2,226,663
Deferred outflows on pension liability	862,808	2,120,474
Total deferred outflows of resources	2,811,428	4,347,137
Total assets and deferred outflows of resources	\$ 377,346,911	\$ 358,949,041

See accompanying independent auditor's report.

	<u>2020</u>	<u>2019</u>
Liabilities		
Current liabilities:		
Accounts payable	761,059	598,870
Accrued liabilities	963,773	903,669
Compensated absences payable	773,237	733,533
Refundable contracts	530,653	595,903
Notes payable	94,166	90,162
Revenue bonds payable	12,235,000	11,495,000
Accrued interest payable	1,533,445	1,469,950
Current liabilities payable from restricted assets:		
Accounts payable	3,515,052	2,521,458
Customer deposits	3,117,477	3,150,266
Total current liabilities	<u>23,523,862</u>	<u>21,558,811</u>
Noncurrent liabilities:		
Refundable contracts	561,176	566,044
Compensated absences payable	512,516	430,941
Bonds payable	198,858,649	192,470,131
Notes payable	1,317,650	1,411,816
Net pension liability	3,189,292	5,202,199
Total noncurrent liabilities	<u>204,439,283</u>	<u>200,081,131</u>
Total liabilities	<u>227,963,145</u>	<u>221,639,942</u>
Deferred inflows of resources		
Deferred inflows on pension liability	887,136	29,993
Total deferred inflows of resources	<u>887,136</u>	<u>29,993</u>
Total liabilities and deferred inflows of resources	<u>228,850,281</u>	<u>221,669,935</u>
Net position		
Net investment in capital assets	105,178,426	98,354,478
Unrestricted	43,318,204	38,924,628
Total net position	<u>\$ 148,496,630</u>	<u>\$ 137,279,106</u>

City of Waco, Texas
 Comparative Statement of Revenues, Expenditures, and Changes in Net Position
 Major Enterprise Funds
 Years Ended September 30, 2020 and 2019

	Water Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 52,383,210	\$ 49,692,270
Other	727,621	593,032
Total operating revenues	53,110,831	50,285,302
Operating expenses:		
Salaries and wages	5,381,938	5,030,485
Employee benefits	2,283,371	2,503,579
Purchased professional/technical services	2,093,061	2,233,511
Purchased property services	168,856	164,182
Maintenance	3,285,735	2,934,946
Other purchased services	1,421,543	1,393,478
Supplies	4,557,168	4,283,515
Other	5,080,087	5,228,606
Depreciation/amortization	10,912,032	10,373,077
Total operating expenses	35,183,791	34,145,379
Operating income (loss)	17,927,040	16,139,923
Nonoperating revenues (expenses):		
Investment earnings	474,308	1,111,088
Other income	50	2,050
Intergovernmental revenue	258,577	4,771
Bond issuance costs	(88,796)	(215,706)
Interest expense and fiscal charges	(5,798,554)	(5,479,925)
Total nonoperating revenues (expenses)	(5,154,415)	(4,577,722)
Income (loss) before contributions and transfers	12,772,625	11,562,201
Capital contributions	1,829,961	100,043
Transfers in	250,000	-
Transfers out	(3,635,062)	(3,451,820)
Change in net position	11,217,524	8,210,424
Total net position, beginning of year	137,279,106	129,068,682
Total net position, end of year	\$ 148,496,630	\$ 137,279,106

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2020 and 2019

	Water Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 53,878,733	\$ 48,197,765
Cash paid to suppliers for goods and services	(16,563,303)	(16,376,158)
Cash paid to employees for services	(7,360,983)	(7,091,359)
Net cash provided by (used for) operating activities	29,954,447	24,730,248
Cash flows from noncapital financing activities:		
Intergovernmental revenue	258,577	4,771
Intergovernmental expenses	-	(345,841)
Contributions	(258,577)	-
Transfers to other funds	(3,635,062)	(3,451,820)
Net cash provided by (used for) noncapital financing activities	(3,635,062)	(3,792,890)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(18,343,607)	(25,540,527)
Proceeds from sale of debt	20,507,116	21,128,688
Payments of refundable contracts	(530,652)	(440,883)
Principal paid on debt	(11,495,000)	(10,680,000)
Interest paid on debt	(7,429,410)	(6,960,649)
Transfers from other funds	250,000	-
Net cash provided by (used for) capital and related financing activities	(17,041,553)	(22,493,371)
Cash flows from investing activities:		
Rental revenue	50	2,050
Investment earnings	474,308	1,111,088
Net cash provided by (used for) investing activities	474,358	1,113,138
Net increase (decrease) in cash and cash equivalents	9,752,190	(442,875)
Cash and cash equivalents, beginning of year	90,363,644	90,806,519
Cash and cash equivalents, end of year	\$ 100,115,834	\$ 90,363,644
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 17,927,040	\$ 16,139,923
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	76,646	121,201
Depreciation/amortization	10,912,032	10,373,077
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	724,045	(1,934,423)
Prepaid items	(57,014)	(274,315)
Inventory	(40,987)	19,214
Increase (decrease) in liabilities:		
Accounts payable	162,189	52,134
Accrued liabilities	60,104	(119,452)
Compensated absences payable	121,279	(52,555)
Net pension liability	101,902	444,233
Customer deposits	(32,789)	(38,789)
Net cash provided by (used for) operating activities	\$ 29,954,447	\$ 24,730,248
Schedule of Noncash capital and related financing activities:		
Assets acquired through refundable contracts	\$ 1,829,961	\$ 100,043
Proceeds of refunding bonds used for bond issuance costs and payment to refunded bond escrow agent	\$ -	\$ 11,279,487

See accompanying independent auditor's report.



Wastewater Fund

City of Waco, Texas
Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2020 and 2019

	Wastewater Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 35,564,202	\$ 30,691,589
Accounts receivable, net of allowance	4,553,629	4,431,078
Intergovernmental receivable	647,984	134,085
Restricted cash and investments	5,836,639	9,572,646
Inventory	27,754	14,327
Total current assets	46,630,208	44,843,725
Noncurrent assets:		
Restricted cash and investments	73,759,311	77,542,439
Capital assets:		
Land	3,361,999	2,691,723
Buildings	11,553,195	11,089,302
Improvements other than buildings	176,283,796	152,445,986
Equipment	13,585,073	12,166,624
Construction work in progress	61,544,778	37,489,356
Less: accumulated depreciation and amortization	(78,290,443)	(72,556,301)
Total noncurrent assets	261,797,709	220,869,129
Total assets	308,427,917	265,712,854
Deferred outflows of resources		
Deferred losses on refundings of debt	633,255	758,010
Deferred outflows on pension liability	575,206	1,413,648
Total deferred outflows of resources	1,208,461	2,171,658
Total assets and deferred outflows of resources	\$ 309,636,378	\$ 267,884,512

See accompanying independent auditor's report.

	2020	2019
Liabilities		
Current liabilities:		
Accounts payable	1,061,548	832,117
Accrued liabilities	285,090	348,190
Compensated absences payable	309,283	357,884
Revenue bonds payable	8,540,000	8,120,000
Accrued interest payable	1,232,526	1,292,892
Current liabilities payable from restricted assets:		
Accounts payable	5,836,639	9,572,643
Total current liabilities	<u>17,265,086</u>	<u>20,523,726</u>
Noncurrent liabilities:		
Refundable contracts	192,542	192,542
Compensated absences payable	178,361	6,114
Bonds payable	158,534,321	153,753,400
Net pension liability	2,126,194	3,468,132
Total noncurrent liabilities	<u>161,031,418</u>	<u>157,420,188</u>
Total liabilities	<u>178,296,504</u>	<u>177,943,914</u>
Deferred inflows of resources		
Deferred inflows on pension liability	591,425	19,994
Total deferred inflows of resources	<u>591,425</u>	<u>19,994</u>
Total liabilities and deferred inflows of resources	<u>178,887,929</u>	<u>177,963,908</u>
Net position		
Net investment in capital assets	95,164,101	61,264,722
Unrestricted	35,584,348	28,655,882
Total net position	<u>\$ 130,748,449</u>	<u>\$ 89,920,604</u>

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Major Enterprise Funds
Years Ended September 30, 2020 and 2019

	Wastewater Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 37,639,693	\$ 33,868,919
Other	645,125	566,156
Total operating revenues	38,284,818	34,435,075
Operating expenses:		
Salaries and wages	3,594,631	3,051,733
Employee benefits	1,477,501	1,484,321
Purchased professional/technical services	2,049,031	2,057,079
Purchased property services	91,675	87,971
Maintenance	2,750,824	2,969,120
Other purchased services	354,744	556,220
Supplies	2,669,199	2,302,692
Other	4,913,635	4,692,833
Depreciation/amortization	6,838,111	5,536,080
Total operating expenses	24,739,351	22,738,049
Operating income (loss)	13,545,467	11,697,026
Nonoperating revenues (expenses):		
Investment earnings	412,060	577,365
Other income	24,547	-
Intergovernmental revenue	513,898	-
Bond issuance costs	(64,953)	(198,071)
Interest expense and fiscal charges	(4,480,133)	(4,110,929)
Gain (loss) on disposal of capital assets	-	(185,577)
Total nonoperating revenues (expenses)	(3,594,581)	(3,917,212)
Income (loss) before contributions and transfers	9,950,886	7,779,814
Capital contributions	1,886,839	-
Special item: Gain on termination of agreement	29,769,651	-
Transfers in	250,000	-
Transfers out	(1,029,531)	(960,784)
Change in net position	40,827,845	6,819,030
Total net position, beginning of year	89,920,604	83,101,574
Total net position, end of year	\$ 130,748,449	\$ 89,920,604

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2020 and 2019

	Wastewater Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 38,162,267	\$ 33,515,792
Cash paid to suppliers for goods and services	(12,620,251)	(16,117,744)
Cash paid to employees for services	(4,936,504)	(4,309,377)
Net cash provided by (used for) operating activities	20,605,512	13,088,671
Cash flows from noncapital financing activities:		
Other nonoperating income	24,547	-
Transfers to other funds	(1,029,531)	(960,784)
Net cash provided by (used for) noncapital financing activities	(1,004,984)	(960,784)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(23,629,334)	(18,865,749)
Proceeds from sale of debt	15,000,148	24,981,909
Transfer from other funds	250,000	-
Principal paid on debt	(8,120,000)	(7,220,000)
Interest paid on debt	(6,159,924)	(5,551,005)
Net cash provided by (used for) capital and related financing activities	(22,659,110)	(6,654,845)
Cash flows from investing activities:		
Investment earnings	412,060	579,524
Note payments from other entities	-	354,751
Net cash provided by (used for) investing activities	412,060	934,275
Net increase (decrease) in cash and cash equivalents	(2,646,522)	6,407,317
Cash and cash equivalents, beginning of year	117,806,674	111,399,357
Cash and cash equivalents, end of year	\$ 115,160,152	\$ 117,806,674
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 13,545,467	\$ 11,697,026
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	64,917	81,725
Depreciation/amortization	6,838,111	5,536,080
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(187,468)	(1,001,008)
Inventory	(13,427)	(96)
Increase (decrease) in liabilities:		
Accounts payable	229,431	(3,074,666)
Accrued liabilities	(63,100)	(352,801)
Compensated absences payable	123,646	(93,744)
Net pension liability	67,935	296,155
Net cash provided by (used for) operating activities	\$ 20,605,512	\$ 13,088,671
Schedule of Noncash capital and related financing activities:		
Contributions of capital assets	\$ 1,886,839	\$ -
Contributions of capital assets conveyance from termination of agreement	\$ 25,326,864	\$ -
Proceeds of refunding bonds used for bond issuance costs and payment to refunded bond escrow agent	\$ -	\$ 3,384,750

See accompanying independent auditor's report.



Solid Waste Fund

City of Waco, Texas
Comparative Statement of Net Position
Major Enterprise Funds
September 30, 2020 and 2019

	Solid Waste Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 15,296,490	\$ 15,177,214
Accounts receivable, net of allowance	2,052,381	2,078,371
Total current assets	17,348,871	17,255,585
Noncurrent assets:		
Restricted cash and investments	237,257	237,257
Capital assets		
Land	7,157,215	7,127,215
Buildings	1,370,137	1,370,137
Improvements other than buildings	30,876,058	30,876,058
Equipment	23,358,132	21,389,004
Construction work in progress	3,521,508	2,142,315
Less: accumulated depreciation and amortization	(44,906,461)	(41,819,568)
Total noncurrent assets	21,613,846	21,322,418
Total assets	38,962,717	38,578,003
Deferred outflows of resources		
Deferred outflows on pension liability	575,206	1,413,648
Total deferred outflows of resources	575,206	1,413,648
Total assets and deferred outflows of resources	\$ 39,537,923	\$ 39,991,651

See accompanying independent auditor's report.

	<u>2020</u>	<u>2019</u>
Liabilities		
Current liabilities:		
Accounts payable	1,066,799	477,411
Accrued liabilities	481,567	311,625
Compensated absences payable	406,301	318,018
Revenue bonds payable	1,195,000	1,035,000
Accrued interest payable	26,567	72,355
Total current liabilities	<u>3,176,234</u>	<u>2,214,409</u>
Noncurrent liabilities:		
Estimated landfill closure and post-closure care costs	6,254,242	5,960,892
Compensated absences payable	474,273	339,193
Bonds payable	2,322,461	3,618,242
Net pension liability	2,126,194	3,468,132
Total noncurrent liabilities	<u>11,177,170</u>	<u>13,386,459</u>
Total liabilities	<u>14,353,404</u>	<u>15,600,868</u>
Deferred inflows of resources		
Deferred gains on refundings of debt	-	10,446
Deferred inflows on pension liability	591,425	19,994
Total deferred inflows of resources	<u>591,425</u>	<u>30,440</u>
Total liabilities and deferred inflows of resources	<u>14,944,829</u>	<u>15,631,308</u>
Net position		
Net investment in capital assets	18,096,385	16,658,730
Unrestricted	6,496,709	7,701,613
Total net position	<u>\$ 24,593,094</u>	<u>\$ 24,360,343</u>

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Major Enterprise Funds
Years Ended September 30, 2020 and 2019

	Solid Waste Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 21,604,791	\$ 20,213,771
Other	86,712	222,142
Total operating revenues	21,691,503	20,435,913
Operating expenses:		
Salaries and wages	4,001,338	3,407,141
Employee benefits	1,828,242	1,815,115
Purchased professional/technical services	2,996,754	2,889,010
Purchased property services	27,594	22,143
Maintenance	2,692,330	2,096,240
Other purchased services	227,312	1,596,277
Supplies	1,980,764	1,756,662
Other	4,028,028	3,974,085
Depreciation/amortization	3,540,654	3,006,878
Total operating expenses	21,323,016	20,563,551
Operating income (loss)	368,487	(127,638)
Nonoperating revenues (expenses):		
Investment earnings	160,680	406,788
Bond issuance costs	-	(20,415)
Interest expense and fiscal charges	(66,336)	(19,402)
Gain (loss) on disposal of capital assets	190,081	(264,611)
Total nonoperating revenues (expenses)	284,425	102,360
Income (loss) before contributions and transfers	652,912	(25,278)
Transfers out	(420,161)	(388,357)
Change in net position	232,751	(413,635)
Total net position, beginning of year	24,360,343	24,773,978
Total net position, end of year	\$ 24,593,094	\$ 24,360,343

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Major Enterprise Funds
Years Ended September 30, 2020 and 2019

	Solid Waste Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 21,717,493	\$ 20,517,068
Cash paid to suppliers for goods and services	(10,911,987)	(11,765,997)
Cash paid to employees for services	(5,526,397)	(5,180,957)
Net cash provided by (used for) operating activities	5,279,109	3,570,114
Cash flows from noncapital financing activities:		
Transfers to other funds	(420,161)	(388,357)
Net cash provided by (used for) noncapital financing activities	(420,161)	(388,357)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(3,832,082)	(10,097,945)
Proceeds from disposal of capital assets	190,081	-
Principal paid on debt	(1,035,000)	(535,000)
Interest paid on debt	(223,351)	(95,166)
Proceeds from sale of debt	-	2,648,930
Net cash provided by (used for) capital and related financing activities	(4,900,352)	(8,079,181)
Cash flows from investing activities:		
Investment earnings	160,680	406,788
Net cash provided by (used for) investing activities	160,680	406,788
Net increase (decrease) in cash and cash equivalents	119,276	(4,490,636)
Cash and cash equivalents, beginning of year	15,414,471	19,905,107
Cash and cash equivalents, end of year	\$ 15,533,747	\$ 15,414,471
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 368,487	\$ (127,638)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	22,124	128,498
Depreciation/amortization	3,540,654	3,006,878
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	3,866	(47,343)
Increase (decrease) in liabilities:		
Accounts payable	589,388	(48,199)
Accrued liabilities	169,942	2,965
Estimated landfill closure and post-closure care costs	293,350	345,568
Compensated absences payable	223,363	13,230
Net pension liability	67,935	296,155
Net cash provided by (used for) operating activities	\$ 5,279,109	\$ 3,570,114
Schedule of Noncash capital and related financing activities:		
Proceeds of refunding bonds used for bond issuance costs and payment to refunded bond escrow agent	\$ -	\$ 246,341

See accompanying independent auditor's report.



Nonmajor Enterprise Funds

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

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

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

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

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

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

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

City of Waco, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2020
(With Comparative Totals for September 30, 2019)

	<u>Airport Fund</u>	<u>Convention Services Fund</u>	<u>Ranger Hall of Fame Fund</u>
Assets			
Current assets:			
Cash and investments	\$ -	\$ 3,983,783	\$ 1,107,375
Accounts receivable, net of allowances	56,245	276,225	-
Intergovernmental receivable	2,864,595	-	-
Inventories	-	55,370	90,672
Total current assets	<u>2,920,840</u>	<u>4,315,378</u>	<u>1,198,047</u>
Noncurrent assets:			
Restricted cash and investments	-	-	122,413
Capital assets:			
Land	2,977,470	-	-
Buildings	15,208,680	26,091,668	3,720,747
Improvements other than buildings	45,870,138	555,845	418,768
Equipment	2,525,747	1,582,120	452,159
Museum collections	-	-	2,274,424
Construction work in progress	752,540	778,467	-
Less: accumulated depreciation	(36,908,751)	(12,987,844)	(1,978,017)
Total noncurrent assets	<u>30,425,824</u>	<u>16,020,256</u>	<u>5,010,494</u>
Total assets	<u>\$ 33,346,664</u>	<u>\$ 20,335,634</u>	<u>\$ 6,208,541</u>
Liabilities			
Current liabilities:			
Accounts payable	39,152	197,919	4,696
Accrued liabilities	51,871	79,481	50,359
Unearned revenue	-	75,398	-
Due to other funds	664,200	-	-
Compensated absences payable	51,710	159,568	86,332
Total current liabilities	<u>806,933</u>	<u>512,366</u>	<u>141,387</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences payable	30,414	10,838	117,705
Total noncurrent liabilities	<u>30,414</u>	<u>10,838</u>	<u>117,705</u>
Total liabilities	<u>837,347</u>	<u>523,204</u>	<u>259,092</u>
Net position			
Net investment in capital assets	30,425,824	16,020,256	4,888,081
Restricted for:			
Capital projects	331,693	-	241,493
Unrestricted	1,751,800	3,792,174	819,875
Total net position	<u>\$ 32,509,317</u>	<u>\$ 19,812,430</u>	<u>\$ 5,949,449</u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2020	2019
\$ 1,427,572	\$ -	\$ 999,083	\$ 7,517,813	\$ 9,321,216
-	223,719	-	556,189	768,862
-	2,725,303	-	5,589,898	3,089,065
100,203	531,934	241,857	1,020,036	1,001,867
<u>1,527,775</u>	<u>3,480,956</u>	<u>1,240,940</u>	<u>14,683,936</u>	<u>14,181,010</u>
-	-	-	122,413	107,851
-	423,284	-	3,400,754	2,202,595
9,421,759	6,919,608	713,389	62,075,851	62,024,556
19,080,351	244,951	2,017,246	68,187,299	68,157,299
679,529	13,664,682	1,340,725	20,244,962	18,517,737
-	-	-	2,274,424	2,264,424
25,926	-	-	1,556,933	613,292
(21,164,206)	(14,291,526)	(3,290,468)	(90,620,812)	(84,908,965)
<u>8,043,359</u>	<u>6,960,999</u>	<u>780,892</u>	<u>67,241,824</u>	<u>68,978,789</u>
<u>\$ 9,571,134</u>	<u>\$ 10,441,955</u>	<u>\$ 2,021,832</u>	<u>\$ 81,925,760</u>	<u>\$ 83,159,799</u>
71,621	44,371	41,303	399,062	414,221
161,206	232,004	651,742	1,226,663	1,352,023
53,589	41,250	-	170,237	284,372
-	1,214,023	-	1,878,223	2,486,047
229,163	-	59,596	586,369	571,287
<u>515,579</u>	<u>1,531,648</u>	<u>752,641</u>	<u>4,260,554</u>	<u>5,107,950</u>
-	-	693,704	693,704	693,704
172,544	-	120,449	451,950	257,177
172,544	-	814,153	1,145,654	950,881
<u>688,123</u>	<u>1,531,648</u>	<u>1,566,794</u>	<u>5,406,208</u>	<u>6,058,831</u>
8,043,359	6,960,999	780,892	67,119,411	68,870,938
-	433,222	-	1,006,408	1,057,103
839,652	1,516,086	(325,854)	8,393,733	7,172,927
<u>\$ 8,883,011</u>	<u>\$ 8,910,307</u>	<u>\$ 455,038</u>	<u>\$ 76,519,552</u>	<u>\$ 77,100,968</u>

City of Waco, Texas
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended September 30, 2020
(With Comparative Totals for the Year Ended September 30, 2019)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Operating revenues:			
Charges for services	\$ 589,321	\$ 550,624	\$ 261,474
Net merchandise sales	1,565	220,721	108,016
Contributions	-	40,423	-
Other	200,103	41,731	12,031
Total operating revenues	<u>790,989</u>	<u>853,499</u>	<u>381,521</u>
Operating expenses:			
Salaries and wages	532,053	1,025,242	685,043
Employee benefits	238,376	389,264	254,468
Purchased professional/technical services	148,052	258,871	58,090
Purchased property services	22,505	34,385	8,389
Maintenance	200,589	208,227	9,290
Other purchased services	83,521	898,604	35,582
Supplies	127,082	312,263	58,134
Other	828,285	338,859	250,079
Depreciation expense	2,820,553	914,634	158,348
Total operating expenses	<u>5,001,016</u>	<u>4,380,349</u>	<u>1,517,423</u>
Operating income (loss)	<u>(4,210,027)</u>	<u>(3,526,850)</u>	<u>(1,135,902)</u>
Nonoperating revenues (expenses):			
Investment earnings	15,903	46,571	14,124
Other income	176,477	-	-
Hotel/motel tax	-	3,138,696	-
Contributions	-	-	26,800
Intergovernmental revenue	1,511,130	-	-
Total nonoperating revenues	<u>1,703,510</u>	<u>3,185,267</u>	<u>40,924</u>
(expenses)	<u>1,703,510</u>	<u>3,185,267</u>	<u>40,924</u>
Income (loss) before contributions and transfers	(2,506,517)	(341,583)	(1,094,978)
Capital contributions	1,428,902	1,215	10,000
Transfers in	153,898	-	688,787
Transfers out	-	(150,000)	-
Net change in net position	<u>(923,717)</u>	<u>(490,368)</u>	<u>(396,191)</u>
Total net position, beginning of year	33,433,034	20,302,798	6,345,640
Total net position, end of the year	<u><u>\$ 32,509,317</u></u>	<u><u>\$ 19,812,430</u></u>	<u><u>\$ 5,949,449</u></u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2020	2019
\$ 1,392,809	\$ 1,061,224	\$ 1,354,570	\$ 5,210,022	\$ 7,010,647
306,615	-	218,333	855,250	1,158,280
-	-	-	40,423	252,587
11,977	1,444,399	17,118	1,727,359	1,988,577
<u>1,711,401</u>	<u>2,505,623</u>	<u>1,590,021</u>	<u>7,833,054</u>	<u>10,410,091</u>
1,968,543	3,382,831	515,977	8,109,689	8,087,574
888,194	830,606	208,390	2,809,298	2,759,898
161,702	504,271	433,397	1,564,383	1,992,808
649,008	22,040	61,823	798,150	1,014,963
98,915	544,874	102,980	1,164,875	1,220,276
118,709	502,669	141,861	1,780,946	2,404,765
850,767	627,837	225,342	2,201,425	2,528,321
207,140	612,006	43,457	2,279,826	1,361,706
1,060,836	727,572	170,544	5,852,487	5,739,059
<u>6,003,814</u>	<u>7,754,706</u>	<u>1,903,771</u>	<u>26,561,079</u>	<u>27,109,370</u>
<u>(4,292,413)</u>	<u>(5,249,083)</u>	<u>(313,750)</u>	<u>(18,728,025)</u>	<u>(16,699,279)</u>
10,224	-	9,354	96,176	183,447
-	42,236	-	218,713	428,032
-	-	-	3,138,696	4,617,066
-	-	-	26,800	21,175
-	4,463,154	-	5,974,284	4,002,842
<u>10,224</u>	<u>4,505,390</u>	<u>9,354</u>	<u>9,454,669</u>	<u>9,252,562</u>
(4,282,189)	(743,693)	(304,396)	(9,273,356)	(7,446,717)
61,338	1,164,371	-	2,665,826	3,984,768
3,396,770	1,258,355	678,304	6,176,114	4,811,416
-	-	-	(150,000)	(680,000)
(824,081)	1,679,033	373,908	(581,416)	669,467
9,707,092	7,231,274	81,130	77,100,968	76,431,501
<u>\$ 8,883,011</u>	<u>\$ 8,910,307</u>	<u>\$ 455,038</u>	<u>\$ 76,519,552</u>	<u>\$ 77,100,968</u>

City of Waco, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2020
(With Comparative Totals for September 30, 2019)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Cash flows from operating activities:			
Cash received from customers	\$ 791,923	\$ 844,238	\$ 381,521
Cash paid to suppliers for goods and services	(1,444,116)	(1,995,294)	(425,359)
Cash paid to employees for services	(739,688)	(1,414,317)	(862,696)
Net cash provided by (used for) operating activities	<u>(1,391,881)</u>	<u>(2,565,373)</u>	<u>(906,534)</u>
Cash flows from noncapital financing activities:			
Intergovernmental revenue	87,815	-	-
Contributions	-	-	26,800
Hotel/motel tax	-	3,251,265	-
Passenger facility charges	176,477	-	-
Transfers from other funds	153,898	-	688,787
Transfers to other funds	-	(150,000)	-
Advances from other funds	664,200	-	-
Net cash provided by (used for) noncapital financing activities	<u>1,082,390</u>	<u>3,101,265</u>	<u>715,587</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(1,534,055)	(858,578)	-
Capital contributions	167,312	-	-
Proceeds from insurance recoveries	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(1,366,743)</u>	<u>(858,578)</u>	<u>-</u>
Cash flows from investing activities:			
Investment earnings	15,903	46,571	14,124
Net cash provided by (used for) investing activities	<u>15,903</u>	<u>46,571</u>	<u>14,124</u>
Net increase (decrease) in cash and cash equivalents	(1,660,331)	(276,115)	(176,823)
Cash and cash equivalents, beginning of year	1,660,331	4,259,898	1,406,611
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 3,983,783</u>	<u>\$ 1,229,788</u>
Reconciliation of operating income (loss) to net cash used for operating activities:			
Operating income (loss)	\$ (4,210,027)	\$ (3,526,850)	\$ (1,135,902)
Adjustment to reconcile operating income (loss) to net cash used for operating activities:			
Depreciation	2,820,553	914,634	158,348
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	934	104,548	-
Inventory	2,589	(108)	4,073
Increase (decrease) in liabilities:			
Accounts payable	(37,870)	55,409	(3,345)
Accrued liabilities	12,440	(26,105)	5,458
Unearned revenue	-	(113,810)	-
Compensated absences payable	19,500	26,908	64,834
Net cash provided by (used for) operating activities	<u>\$ (1,391,881)</u>	<u>\$ (2,565,374)</u>	<u>\$ (906,534)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	<u>\$ 22,695</u>	<u>\$ 1,215</u>	<u>\$ 10,000</u>

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	Totals	
			2020	2019
\$ 1,711,401	\$ 2,500,245	\$ 1,590,021	\$ 7,819,349	\$ 10,352,255
(2,332,797)	(2,796,053)	(1,005,194)	(9,998,813)	(10,205,087)
(2,740,361)	(4,181,293)	(704,860)	(10,643,215)	(10,908,758)
<u>(3,361,757)</u>	<u>(4,477,101)</u>	<u>(120,033)</u>	<u>(12,822,679)</u>	<u>(10,761,590)</u>
-	3,444,440	-	3,532,255	3,139,770
-	-	-	26,800	21,175
-	-	-	3,251,265	4,602,035
-	-	-	176,477	250,033
3,396,770	1,258,355	678,304	6,176,114	4,811,416
-	(1,272,024)	-	(1,422,024)	(422,105)
-	-	-	664,200	-
<u>3,396,770</u>	<u>3,430,771</u>	<u>678,304</u>	<u>12,405,087</u>	<u>12,402,324</u>
(167,865)	(160,277)	(120,569)	(2,841,344)	(3,146,063)
-	1,164,371	-	1,331,683	2,924,909
-	42,236	-	42,236	16,948
<u>(167,865)</u>	<u>1,046,330</u>	<u>(120,569)</u>	<u>(1,467,425)</u>	<u>(204,206)</u>
10,224	-	9,354	96,176	183,447
<u>10,224</u>	<u>-</u>	<u>9,354</u>	<u>96,176</u>	<u>183,447</u>
(122,628)	-	447,056	(1,788,841)	1,619,975
1,550,200	-	552,027	9,429,067	7,809,092
<u>\$ 1,427,572</u>	<u>\$ -</u>	<u>\$ 999,083</u>	<u>\$ 7,640,226</u>	<u>\$ 9,429,067</u>
\$ (4,292,413)	\$ (5,249,083)	\$ (313,750)	\$ (18,728,025)	(16,699,279)
1,060,836	727,572	170,544	5,852,487	5,739,059
-	(5,378)	-	100,104	(7,906)
(93,321)	39,763	28,835	(18,169)	1,697
32,788	(25,326)	(21,095)	561	20,976
(149,480)	35,351	(3,023)	(125,359)	291,255
(325)	-	-	(114,135)	3,984
80,158	-	18,456	209,856	(111,376)
<u>\$ (3,361,757)</u>	<u>\$ (4,477,101)</u>	<u>\$ (120,033)</u>	<u>\$ (12,822,680)</u>	<u>\$ (10,761,590)</u>
<u>\$ 61,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,248</u>	<u>\$ 942,568</u>



Airport Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2020 and 2019

	Airport Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ -	\$ 1,660,331
Accounts receivable, net of allowance	56,245	57,179
Intergovernmental receivable	2,864,595	218,105
Inventory	-	2,589
Total current assets	2,920,840	1,938,204
Noncurrent assets:		
Capital assets:		
Land	2,977,470	1,779,311
Buildings	15,208,680	15,189,938
Improvements other than buildings	45,870,138	45,870,138
Equipment	2,525,747	2,351,072
Construction work in progress	752,540	587,366
Less: accumulated depreciation and amortization	(36,908,751)	(34,088,198)
Total noncurrent assets	30,425,824	31,689,627
Total assets	33,346,664	33,627,831
Liabilities		
Current liabilities:		
Accounts payable	39,152	92,742
Accrued liabilities	51,871	39,431
Due to other funds	664,200	-
Compensated absences payable	51,710	49,943
Total current liabilities	806,933	182,116
Noncurrent liabilities:		
Compensated absences payable	30,414	12,681
Total noncurrent liabilities	30,414	12,681
Total liabilities	837,347	194,797
Net position		
Net investment in capital assets	30,425,824	31,689,627
Restricted for:		
Capital projects	331,693	277,673
Unrestricted	1,751,800	1,465,734
Total net position	\$ 32,509,317	\$ 33,433,034

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statement of Revenues, Expenditures, and Changes in Net Position
 Nonmajor Enterprise Funds
 Years Ended September 30, 2020 and 2019

	Airport Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 589,321	\$ 622,197
Net merchandise sales	1,565	5,219
Other income	200,103	279,310
Total operating revenues	790,989	906,726
Operating expenses:		
Salaries and wages	532,053	460,560
Employee benefits	238,376	197,814
Purchased professional/technical services	148,052	247,696
Purchased property services	22,505	20,077
Maintenance	200,589	112,432
Other purchased services	83,521	79,973
Supplies	127,082	121,845
Other	828,285	353,155
Depreciation/amortization	2,820,553	2,739,686
Total operating expenses	5,001,016	4,333,238
Operating income (loss)	(4,210,027)	(3,426,512)
Nonoperating revenues (expenses):		
Investment earnings	15,903	39,937
Other income	176,477	411,084
Intergovernmental revenue	1,511,130	97,138
Total nonoperating revenues (expenses)	1,703,510	548,159
Income (loss) before contributions and transfers	(2,506,517)	(2,878,353)
Capital contributions	1,428,902	2,530,094
Transfers in	153,898	453,898
Change in net position	(923,717)	105,639
Total net position, beginning of year	33,433,034	33,327,395
Total net position, end of year	\$ 32,509,317	\$ 33,433,034

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2020 and 2019

	Airport Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 791,923	\$ 905,428
Cash paid to suppliers for goods and services	(1,444,116)	(895,524)
Cash paid to employees for services	(739,688)	(647,223)
Net cash provided by (used for) operating activities	(1,391,881)	(637,319)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	87,815	95,993
Passenger facility charges	176,477	250,033
Transfers from other funds	153,898	453,898
Advances from other funds	664,200	
Net cash provided by (used for) noncapital financing activities	1,082,390	799,924
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,534,055)	(2,607,798)
Capital contributions	167,312	2,412,803
Net cash provided by (used for) capital and related financing activities	(1,366,743)	(194,995)
Cash flows from investing activities:		
Investment earnings	15,903	39,937
Net cash provided by investing activities	15,903	39,937
Net increase (decrease) in cash and cash equivalents	(1,660,331)	7,547
Cash and cash equivalents, beginning of year	1,660,331	1,652,784
Cash and cash equivalents, end of year	\$ -	\$ 1,660,331
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (4,210,027)	\$ (3,426,512)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	2,820,553	2,739,686
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	934	(1,298)
Inventory	2,589	(587)
Increase (decrease) in liabilities:		
Accounts payable	(37,870)	41,188
Accrued liabilities	12,440	3,438
Compensated absences payable	19,500	6,766
Net cash provided by (used for) operating activities	\$ (1,391,881)	\$ (637,319)
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, accounts 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, 2020 and 2019

	Convention Services Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 3,983,783	\$ 4,259,898
Accounts receivable, net of allowance	276,225	493,342
Inventory	55,370	55,262
Total current assets	4,315,378	4,808,502
Noncurrent assets:		
Capital assets:		
Buildings	26,091,668	26,090,453
Improvements other than buildings	555,845	555,845
Equipment	1,582,120	1,502,010
Construction work in progress	778,467	-
Less: accumulated depreciation and amortization	(12,987,844)	(12,073,209)
Total noncurrent assets	16,020,256	16,075,099
Total assets	20,335,634	20,883,601
Liabilities		
Current liabilities:		
Accounts payable	197,919	142,510
Accrued liabilities	79,481	105,586
Unearned revenue	75,398	189,208
Compensated absences payable	159,568	143,499
Total current liabilities	512,366	580,803
Noncurrent liabilities:		
Compensated absences payable	10,838	-
Total noncurrent liabilities	10,838	-
Total liabilities	523,204	580,803
Net position		
Net investment in capital assets	16,020,256	16,075,099
Unrestricted	3,792,174	4,227,699
Total net position	\$ 19,812,430	\$ 20,302,798

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2020 and 2019

	Convention Services Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 550,624	\$ 1,077,997
Net merchandise sales	220,721	480,479
Contributions	40,423	206,466
Other	41,731	30,899
Total operating revenues	<u>853,499</u>	<u>1,795,841</u>
Operating expenses:		
Salaries and wages	1,025,242	1,261,020
Employee benefits	389,264	494,637
Purchased professional/technical services	258,871	644,415
Purchased property services	34,385	41,297
Maintenance	208,227	232,109
Other purchased services	898,604	1,560,389
Supplies	312,263	426,777
Other	338,859	116,903
Depreciation/amortization	914,634	907,029
Total operating expenses	<u>4,380,349</u>	<u>5,684,576</u>
Operating income (loss)	<u>(3,526,850)</u>	<u>(3,888,735)</u>
Nonoperating revenues (expenses):		
Investment earnings	46,571	84,558
Hotel/motel tax	3,138,696	4,617,066
Total nonoperating revenues (expenses)	<u>3,185,267</u>	<u>4,701,624</u>
Income (loss) before contributions and transfers	<u>(341,583)</u>	<u>812,889</u>
Capital contributions	1,215	486,861
Transfers out	<u>(150,000)</u>	<u>(680,000)</u>
Change in net position	<u>(490,368)</u>	<u>619,750</u>
Total net position, beginning of year	20,302,798	19,683,048
Total net position, end of year	<u>\$ 19,812,430</u>	<u>\$ 20,302,798</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2020 and 2019

	Convention Services Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 844,238	\$ 1,680,694
Cash paid to suppliers for goods and services	(1,995,294)	(3,035,842)
Cash paid to employees for services	(1,414,317)	(1,777,598)
Net cash provided by (used for) operating activities	(2,565,373)	(3,132,746)
Cash flows from noncapital financing activities:		
Hotel/motel tax	3,251,265	4,602,035
Transfers to other funds	(150,000)	(680,000)
Net cash provided by (used for) noncapital financing activities	3,101,265	3,922,035
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(858,578)	(454,589)
Net cash provided by (used for) capital and related financing activities	(858,578)	(454,589)
Cash flows from investing activities:		
Investment earnings	46,571	84,558
Net cash provided by investing activities	46,571	84,558
Net increase (decrease) in cash and cash equivalents	(276,115)	419,258
Cash and cash equivalents, beginning of year	4,259,898	3,840,640
Cash and cash equivalents, end of year	\$ 3,983,783	\$ 4,259,898
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (3,526,850)	\$ (3,888,735)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	914,634	907,029
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	104,548	(51,467)
Inventory	(108)	(2,415)
Increase (decrease) in liabilities:		
Accounts payable	55,409	(11,975)
Accrued liabilities	(26,105)	15,705
Unearned revenue	(113,810)	(63,680)
Compensated absences payable	26,908	(37,208)
Net cash provided by (used for) operating activities	\$ (2,565,374)	\$ (3,132,746)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ 1,215	\$ 486,861

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, 2020 and 2019

	Ranger Hall of Fame Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 1,107,375	\$ 1,298,760
Inventory	90,672	94,745
Total current assets	1,198,047	1,393,505
Noncurrent assets:		
Restricted cash and investments	122,413	107,851
Capital assets:		
Buildings	3,720,747	3,720,747
Improvements other than buildings	418,768	418,768
Equipment	452,159	452,159
Museum collections	2,274,424	2,264,424
Less: accumulated depreciation and amortization	(1,978,017)	(1,819,669)
Total noncurrent assets	5,010,494	5,144,280
Total assets	6,208,541	6,537,785
Liabilities		
Current liabilities:		
Accounts payable	4,696	8,041
Accrued liabilities	50,359	44,901
Compensated absences payable	86,332	96,892
Total current liabilities	141,387	149,834
Noncurrent liabilities:		
Compensated absences payable	117,705	42,311
Total noncurrent liabilities	117,705	42,311
Total liabilities	259,092	192,145
Net position		
Net investment in capital assets	4,888,081	5,036,429
Restricted for:		
Capital projects	241,493	228,166
Unrestricted	819,875	1,081,045
Total net position	\$ 5,949,449	\$ 6,345,640

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statement of Revenues, Expenditures, and Changes in Net Position
 Nonmajor Enterprise Funds
 Years Ended September 30, 2020 and 2019

	Ranger Hall of Fame Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 261,474	\$ 547,886
Net merchandise sales	108,016	197,069
Other income	12,031	7,318
Total operating revenues	381,521	752,273
Operating expenses:		
Salaries and wages	685,043	645,207
Employee benefits	254,468	244,090
Purchased professional/technical services	58,090	40,583
Purchased property services	8,389	8,986
Maintenance	9,290	8,859
Other purchased services	35,582	49,258
Supplies	58,134	78,820
Other	250,079	166,763
Depreciation/amortization	158,348	162,103
Total operating expenses	1,517,423	1,404,669
Operating income (loss)	(1,135,902)	(652,396)
Nonoperating revenues (expenses):		
Investment earnings	14,124	29,893
Contributions	26,800	21,175
Total nonoperating revenues (expenses)	40,924	51,068
Income (loss) before contributions and transfers	(1,094,978)	(601,328)
Capital contributions	10,000	40,000
Transfers in	688,787	688,787
Change in net position	(396,191)	127,459
Total net position, beginning of year	6,345,640	6,218,181
Total net position, end of year	\$ 5,949,449	\$ 6,345,640

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2020 and 2019

	Ranger Hall of Fame Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 381,521	\$ 752,524
Cash paid to suppliers for goods and services	(425,359)	(357,773)
Cash paid to employees for services	(862,696)	(903,170)
Net cash provided by (used for) operating activities	(906,534)	(508,419)
Cash flows from noncapital financing activities:		
Contributions	26,800	21,175
Transfers from other funds	688,787	688,787
Net cash provided by (used for) noncapital financing activities	715,587	709,962
Cash flows from investing activities:		
Investment earnings	14,124	29,893
Net cash provided by investing activities	14,124	29,893
Net increase (decrease) in cash and cash equivalents	(176,823)	231,436
Cash and cash equivalents, beginning of year	1,406,611	1,175,175
Cash and cash equivalents, end of year	\$ 1,229,788	\$ 1,406,611
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (1,135,902)	\$ (652,396)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	158,348	162,103
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	-	251
Inventory	4,073	(7,269)
Increase (decrease) in liabilities:		
Accounts payable	(3,345)	2,213
Accrued liabilities	5,458	3,904
Compensated absences payable	64,834	(17,225)
Net cash provided by (used for) operating activities	\$ (906,534)	\$ (508,419)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ 10,000	\$ 40,000

See accompanying independent auditor's report.

Cameron Park Zoo Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2020 and 2019

	Cameron Park Zoo Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 1,427,572	\$ 1,550,200
Inventory	100,203	6,882
Total current assets	1,527,775	1,557,082
Noncurrent assets:		
Capital assets:		
Buildings	9,421,759	9,390,421
Improvements other than buildings	19,080,351	19,050,351
Equipment	679,529	511,664
Construction work in progress	25,926	25,926
Less: accumulated depreciation and amortization	(21,164,206)	(20,103,370)
Total noncurrent assets	8,043,359	8,874,992
Total assets	9,571,134	10,432,074
Liabilities		
Current liabilities:		
Accounts payable	71,621	38,833
Accrued liabilities	161,206	310,686
Unearned revenue	53,589	53,914
Compensated absences payable	229,163	197,808
Total current liabilities	515,579	601,241
Noncurrent liabilities:		
Compensated absences payable	172,544	123,741
Total noncurrent liabilities	172,544	123,741
Total liabilities	688,123	724,982
Net position		
Net investment in capital assets	8,043,359	8,874,992
Unrestricted	839,652	832,100
Total net position	\$ 8,883,011	\$ 9,707,092

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statement of Revenues, Expenditures, and Changes in Net Position
 Nonmajor Enterprise Funds
 Years Ended September 30, 2020 and 2019

	Cameron Park Zoo Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 1,392,809	\$ 1,816,095
Net merchandise sales	306,615	218,926
Contributions	-	46,121
Other income	11,977	4,179
Total operating revenues	<u>1,711,401</u>	<u>2,085,321</u>
Operating expenses:		
Salaries and wages	1,968,543	1,641,658
Employee benefits	888,194	748,656
Purchased professional/technical services	161,702	112,676
Purchased property services	649,008	643,878
Maintenance	98,915	70,770
Other purchased services	118,709	128,960
Supplies	850,767	802,433
Other	207,140	180,274
Depreciation/amortization	1,060,836	1,028,267
Total operating expenses	<u>6,003,814</u>	<u>5,357,572</u>
Operating income (loss)	<u>(4,292,413)</u>	<u>(3,272,251)</u>
Nonoperating revenues (expenses):		
Investment earnings	10,224	21,039
Total nonoperating revenues (expenses)	<u>10,224</u>	<u>21,039</u>
Income (loss) before contributions and transfers	<u>(4,282,189)</u>	<u>(3,251,212)</u>
Capital contributions	61,338	415,707
Transfers in	3,396,770	2,758,019
Change in net position	<u>(824,081)</u>	<u>(77,486)</u>
Total net position, beginning of year	<u>9,707,092</u>	<u>9,784,578</u>
Total net position, end of year	<u>\$ 8,883,011</u>	<u>\$ 9,707,092</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2020 and 2019

	Cameron Park Zoo Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 1,711,401	\$ 2,090,055
Cash paid to suppliers for goods and services	(2,332,797)	(1,700,990)
Cash paid to employees for services	(2,740,361)	(2,406,853)
Net cash provided by (used for) operating activities	(3,361,757)	(2,017,788)
Cash flows from noncapital financing activities:		
Transfers from other funds	3,396,770	2,758,019
Net cash provided by (used for) noncapital financing activities	3,396,770	2,758,019
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(167,865)	-
Net cash provided by (used for) capital and related financing activities	(167,865)	-
Cash flows from investing activities:		
Investment earnings	10,224	21,039
Net cash provided by investing activities	10,224	21,039
Net increase (decrease) in cash and cash equivalents	(122,628)	761,270
Cash and cash equivalents, beginning of year	1,550,200	788,930
Cash and cash equivalents, end of year	\$ 1,427,572	\$ 1,550,200
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (4,292,413)	\$ (3,272,251)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	1,060,836	1,028,267
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	-	4,734
Inventory	(93,321)	935
Increase (decrease) in liabilities:		
Accounts payable	32,788	(8,031)
Accrued liabilities	(149,480)	215,362
Unearned revenues	(325)	53,914
Compensated absences payable	80,158	(40,718)
Net cash provided by (used for) operating activities	\$ (3,361,757)	\$ (2,017,788)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ 61,338	\$ 415,707

See accompanying independent auditor's report.

Transit Services Fund

City of Waco, Texas
Comparative Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2020 and 2019

	Transit Services Fund	
	2020	2019
Assets		
Current assets:		
Accounts receivable, net of allowance	\$ 223,719	\$ 218,341
Intergovernmental receivable	2,725,303	2,870,960
Inventory	531,934	571,697
Total current assets	3,480,956	3,660,998
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	13,664,682	12,419,339
Less: accumulated depreciation and amortization	(14,291,526)	(13,643,259)
Total noncurrent assets	6,960,999	6,363,923
Total assets	10,441,955	10,024,921
Liabilities		
Current liabilities:		
Accounts payable	44,371	69,697
Accrued liabilities	232,004	196,653
Unearned revenue	41,250	41,250
Due to other funds	1,214,023	2,486,047
Total current liabilities	1,531,648	2,793,647
Total liabilities	1,531,648	2,793,647
Net position		
Net investment in capital assets	6,960,999	6,363,923
Restricted for:		
Capital projects	433,222	551,264
Unrestricted	1,516,086	316,087
Total net position	\$ 8,910,307	\$ 7,231,274

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statement of Revenues, Expenditures, and Changes in Net Position
 Nonmajor Enterprise Funds
 Years Ended September 30, 2020 and 2019

	Transit Services Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 1,061,224	\$ 1,455,631
Other	1,444,399	1,651,415
Total operating revenues	<u>2,505,623</u>	<u>3,107,046</u>
Operating expenses:		
Salaries and wages	3,382,831	3,573,439
Employee benefits	830,606	866,189
Purchased professional/technical services	504,271	480,203
Purchased property services	22,040	25,384
Maintenance	544,874	687,256
Other purchased services	502,669	458,195
Supplies	627,837	882,624
Other	612,006	521,869
Depreciation/amortization	727,572	739,824
Total operating expenses	<u>7,754,706</u>	<u>8,234,983</u>
Operating income (loss)	<u>(5,249,083)</u>	<u>(5,127,937)</u>
Nonoperating revenues (expenses):		
Other income	42,236	16,948
Intergovernmental revenue	4,463,154	3,905,704
Total nonoperating revenues (expenses)	<u>4,505,390</u>	<u>3,922,652</u>
Income (loss) before contributions and transfers	<u>(743,693)</u>	<u>(1,205,285)</u>
Capital contributions	1,164,371	512,106
Transfers in	1,258,355	482,408
Change in net position	<u>1,679,033</u>	<u>(210,771)</u>
Total net position, beginning of year	<u>7,231,274</u>	<u>7,442,045</u>
Total net position, end of year	<u>\$ 8,910,307</u>	<u>\$ 7,231,274</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2020 and 2019

	Transit Services Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 2,500,245	\$ 3,160,670
Cash paid to suppliers for goods and services	(2,796,053)	(3,031,126)
Cash paid to employees for services	(4,181,293)	(4,442,678)
Net cash provided by (used for) operating activities	(4,477,101)	(4,313,134)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	3,444,440	3,043,777
Transfers from other funds	1,258,355	482,408
Transfers to other funds	(1,272,024)	257,895
Net cash provided by (used for) noncapital financing activities	3,430,771	3,784,080
Cash flows from capital and related financing activities:		
Acquisitions of capital assets	(160,277)	-
Capital contributions	1,164,371	512,106
Proceeds from insurance recoveries	42,236	16,948
Net cash provided by (used for) capital and related financing activities	1,046,330	529,054
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (5,249,083)	\$ (5,127,937)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	727,572	739,824
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(5,378)	39,874
Inventory	39,763	52,780
Increase (decrease) in liabilities:		
Accounts payable	(25,326)	(19,362)
Accrued liabilities	35,351	(12,063)
Unearned revenue	-	13,750
Net cash provided by (used for) operating activities	\$ (4,477,101)	\$ (4,313,134)

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, 2020 and 2019

	Cottonwood Creek Golf Course Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 999,083	\$ 552,027
Inventory	241,857	270,692
Total current assets	1,240,940	822,719
Noncurrent assets:		
Capital assets:		
Buildings	713,389	713,389
Improvements other than buildings	2,017,246	2,017,246
Equipment	1,340,725	1,281,493
Less: accumulated depreciation and amortization	(3,290,468)	(3,181,260)
Total noncurrent assets	780,892	830,868
Total assets	2,021,832	1,653,587
Liabilities		
Current liabilities:		
Accounts payable	41,303	62,398
Accrued liabilities	651,742	654,766
Compensated absences payable	59,596	83,145
Total current liabilities	752,641	800,309
Noncurrent liabilities:		
Advances from other funds	693,704	693,704
Compensated absences payable	120,449	78,444
Total noncurrent liabilities	814,153	772,148
Total liabilities	1,566,794	1,572,457
Net position		
Net investment in capital assets	780,892	830,868
Unrestricted	(325,854)	(749,738)
Total net position	\$ 455,038	\$ 81,130

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Nonmajor Enterprise Funds
Years Ended September 30, 2020 and 2019

	Cottonwood Creek Golf Course Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 1,354,570	\$ 1,490,841
Net merchandise sales	218,333	256,587
Other	17,118	15,456
Total operating revenues	1,590,021	1,762,884
Operating expenses:		
Salaries and wages	515,977	505,690
Employee benefits	208,390	208,512
Purchased professional/technical services	433,397	467,235
Purchased property services	61,823	275,341
Maintenance	102,980	108,850
Other purchased services	141,861	127,990
Supplies	225,342	215,822
Other	43,457	22,742
Depreciation/amortization	170,544	162,150
Total operating expenses	1,903,771	2,094,332
Operating income (loss)	(313,750)	(331,448)
Nonoperating revenues (expenses):		
Investment earnings	9,354	8,020
Total nonoperating revenues (expenses)	9,354	8,020
Income (loss) before contributions and transfers	(304,396)	(323,428)
Transfers in	678,304	428,304
Change in net position	373,908	104,876
Total net position, beginning of year	81,130	(23,746)
Total net position, end of year	\$ 455,038	\$ 81,130

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Nonmajor Enterprise Funds
Years Ended September 30, 2020 and 2019

	Cottonwood Creek Golf Course Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 1,590,021	\$ 1,762,884
Cash paid to suppliers for goods and services	(1,005,194)	(1,183,832)
Cash paid to employees for services	(704,860)	(731,236)
Net cash provided by (used for) operating activities	(120,033)	(152,184)
Cash flows from noncapital financing activities:		
Transfers from other funds	678,304	428,304
Net cash provided by (used for) noncapital financing activities	678,304	428,304
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(120,569)	(83,676)
Net cash provided by (used for) capital and related financing activities	(120,569)	(83,676)
Cash flows from investing activities:		
Investment earnings	9,354	8,020
Net cash provided by investing activities	9,354	8,020
Net increase (decrease) in cash and cash equivalents	447,056	200,464
Cash and cash equivalents, beginning of year	552,027	351,563
Cash and cash equivalents, end of year	\$ 999,083	\$ 552,027
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (313,750)	\$ (331,448)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation/amortization	170,544	162,150
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Inventory	28,835	(41,747)
Increase (decrease) in liabilities:		
Accounts payable	(21,095)	16,943
Accrued liabilities	(3,023)	64,909
Compensated absences payable	18,456	(22,991)
Net cash provided by (used for) operating activities	\$ (120,033)	\$ (152,184)

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, 2020
(With Comparative Totals for September 30, 2019)

	Insurance	Health	Engineering	Fleet Services	Totals	
	Fund	Insurance Fund	Fund	Fund	2020	2019
Assets						
Current assets:						
Cash and investments	\$10,038,604	\$ 5,385,885	\$ 2,069,607	\$ 587,268	\$ 18,081,364	\$ 15,486,217
Due from other funds	-	754,352	-	-	754,352	623,514
Inventories	-	-	-	200,886	200,886	213,997
Total current assets	<u>10,038,604</u>	<u>6,140,237</u>	<u>2,069,607</u>	<u>788,154</u>	<u>19,036,602</u>	<u>16,323,728</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	1,051,418	1,772,456	1,588,748
Less: accumulated depreciation	(25,317)	-	(339,191)	(1,630,072)	(1,994,580)	(1,838,212)
Total capital assets	<u>1,342</u>	<u>-</u>	<u>379,588</u>	<u>474,188</u>	<u>855,118</u>	<u>827,778</u>
Total noncurrent assets	<u>1,342</u>	<u>-</u>	<u>379,588</u>	<u>474,188</u>	<u>855,118</u>	<u>827,778</u>
Total assets	<u>10,039,946</u>	<u>6,140,237</u>	<u>2,449,195</u>	<u>1,262,342</u>	<u>19,891,720</u>	<u>17,151,506</u>
Liabilities						
Current liabilities:						
Accounts payable	51,475	3,586	31,906	43,309	130,276	255,168
Accrued liabilities	93,160	139,626	131,626	70,207	434,619	597,886
Compensated absences payable	18,864	-	161,193	85,027	265,084	255,018
Escrow funds	-	-	538	-	538	538
Claims and judgments payable	2,352,131	962,000	-	-	3,314,131	3,055,714
Total current liabilities	<u>2,515,630</u>	<u>1,105,212</u>	<u>325,263</u>	<u>198,543</u>	<u>4,144,648</u>	<u>4,164,324</u>
Noncurrent liabilities:						
Compensated absences payable	29,778	-	58,609	-	88,387	17,317
Total noncurrent liabilities	<u>29,778</u>	<u>-</u>	<u>58,609</u>	<u>-</u>	<u>88,387</u>	<u>17,317</u>
Total liabilities	<u>2,545,408</u>	<u>1,105,212</u>	<u>383,872</u>	<u>198,543</u>	<u>4,233,035</u>	<u>4,181,641</u>
Net position						
Net investment in capital assets	1,342	-	379,588	474,188	855,118	827,778
Unrestricted	7,493,196	5,035,025	1,685,735	589,611	14,803,567	12,142,087
Total net position	<u>\$ 7,494,538</u>	<u>\$ 5,035,025</u>	<u>\$ 2,065,323</u>	<u>\$ 1,063,799</u>	<u>\$ 15,658,685</u>	<u>\$ 12,969,865</u>

See accompanying independent auditor's report.

City of Waco, Texas
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2020
(With Comparative Totals for Year Ended September 30, 2019)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2020	2019
Operating revenues:						
Charges for services	\$ 4,309,863	\$ 14,606,615	\$ 3,481,328	\$ 2,244,300	\$ 24,642,106	\$ 24,099,231
Other	-	-	79,140	3,420	82,560	13,957
Total operating revenues	<u>4,309,863</u>	<u>14,606,615</u>	<u>3,560,468</u>	<u>2,247,720</u>	<u>24,724,666</u>	<u>24,113,188</u>
Operating expenses:						
Salaries and wages	126,823	68,569	1,822,310	965,999	2,983,701	2,891,544
Employee benefits	45,032	22,831	631,901	423,442	1,123,206	1,059,234
Purchased professional/technical services	427,654	812,803	397,659	10,787	1,648,903	2,113,634
Purchased property services	-	900	53,186	6,321	60,407	62,352
Maintenance	37,591	-	100,830	37,227	175,648	156,446
Other purchased services	1,250,327	1,012	50,682	32,100	1,334,121	1,314,793
Supplies	4,961	16,551	111,658	51,667	184,837	149,841
Other	1,518,541	12,212,923	488,910	353,312	14,573,686	14,887,872
Depreciation expense	2,684	-	70,530	83,154	156,368	135,667
Total operating expenses	<u>3,413,613</u>	<u>13,135,589</u>	<u>3,727,666</u>	<u>1,964,009</u>	<u>22,240,877</u>	<u>22,771,383</u>
Operating income (loss)	<u>896,250</u>	<u>1,471,026</u>	<u>(167,198)</u>	<u>283,711</u>	<u>2,483,789</u>	<u>1,341,805</u>
Nonoperating revenues (expenses):						
Investment earnings	93,200	47,486	21,921	1,430	164,037	329,524
Total nonoperating revenues (expenses)	<u>93,200</u>	<u>47,486</u>	<u>21,921</u>	<u>1,430</u>	<u>164,037</u>	<u>329,524</u>
Income (loss) before contributions and transfers	989,450	1,518,512	(145,277)	285,141	2,647,826	1,671,329
Capital contributions	-	-	40,994	-	40,994	34,344
Transfers in	-	-	-	-	-	415,000
Net change in net position	989,450	1,518,512	(104,283)	285,141	2,688,820	2,120,673
Total net position, beginning of year	6,505,088	3,516,513	2,169,606	778,658	12,969,865	10,849,192
Total net position, end of year	<u>\$ 7,494,538</u>	<u>\$ 5,035,025</u>	<u>\$ 2,065,323</u>	<u>\$ 1,063,799</u>	<u>\$ 15,658,685</u>	<u>\$ 12,969,865</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, 2020
(With Comparative Totals for Year Ended September 30, 2019)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2020	2019
Cash flows from operating activities:						
Cash received from customers	\$ 4,309,863	\$ 14,606,615	\$ 3,560,468	\$ 2,247,720	\$ 24,724,666	\$ 24,113,660
Cash paid to suppliers for goods and services	(3,162,531)	(13,180,015)	(1,208,571)	(443,116)	(17,994,233)	(18,528,228)
Cash paid to employees for services	(162,925)	(91,400)	(2,409,928)	(1,361,518)	(4,025,771)	(3,993,416)
Net cash provided by (used for) operating activities	<u>984,407</u>	<u>1,335,200</u>	<u>(58,031)</u>	<u>443,086</u>	<u>2,704,662</u>	<u>1,592,016</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	-	415,000
Transfers to other funds	-	(130,838)	-	-	(130,838)	(68,099)
Net cash provided by (used for) noncapital financing activities	-	<u>(130,838)</u>	-	-	<u>(130,838)</u>	<u>346,901</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	(142,714)	-	(142,714)	(157,993)
Net cash provided by (used for) capital and related financing activities	-	-	<u>(142,714)</u>	-	<u>(142,714)</u>	<u>(157,993)</u>
Cash flows from investing activities:						
Investment earnings	93,200	47,486	21,921	1,430	164,037	329,524
Net cash provided by (used for) investing activities	<u>93,200</u>	<u>47,486</u>	<u>21,921</u>	<u>1,430</u>	<u>164,037</u>	<u>329,524</u>
Net increase (decrease) in cash and cash equivalents	1,077,607	1,251,848	(178,824)	444,516	2,595,147	2,110,448
Cash and cash equivalents, beginning of year	8,960,997	4,134,037	2,248,431	142,752	15,486,217	13,375,769
Cash and cash equivalents, end of year	<u>\$10,038,604</u>	<u>\$ 5,385,885</u>	<u>\$ 2,069,607</u>	<u>\$ 587,268</u>	<u>\$ 18,081,364</u>	<u>\$ 15,486,217</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 896,250	\$ 1,471,026	\$ (167,198)	\$ 283,711	\$ 2,483,789	\$ 1,341,805
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	2,684	-	70,530	83,154	156,368	135,667
Changes in assets and liabilities:						
(Increase) decrease in assets:						
Accounts receivable	-	-	-	-	-	472
Inventories	-	-	-	13,111	13,111	1,550
Increase (decrease) in liabilities:						
Accounts payable	(135,630)	(283)	(9,701)	20,722	(124,892)	52,398
Accrued liabilities	(67,244)	(114,543)	4,055	14,465	(163,267)	14,073
Compensated absences payable	8,930	-	44,283	27,923	81,136	(42,638)
Estimated claims and judgements	279,417	(21,000)	-	-	258,417	88,689
Net cash provided by (used for) operating activities	<u>\$ 984,407</u>	<u>\$ 1,335,200</u>	<u>\$ (58,031)</u>	<u>\$ 443,086</u>	<u>\$ 2,704,662</u>	<u>\$ 1,592,016</u>
Noncash investing, capital and financing activities:						
Contributions of capital assets	\$ -	\$ -	\$ 40,994	\$ -	\$ 40,994	\$ 34,344

See accompanying independent auditor's report.

Insurance Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2020 and 2019

	Insurance Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 10,038,604	\$ 8,960,997
Total current assets	10,038,604	8,960,997
Noncurrent assets:		
Capital assets:		
Equipment	26,659	26,659
Less: accumulated depreciation and amortization	(25,317)	(22,633)
	1,342	4,026
Total noncurrent assets	1,342	4,026
Total assets	10,039,946	8,965,023
Liabilities		
Current liabilities:		
Accounts payable	51,475	187,105
Accrued liabilities	93,160	160,404
Compensated absences payable	18,864	22,395
Claims and judgments payable	2,352,131	2,072,714
Total current liabilities	2,515,630	2,442,618
Noncurrent liabilities:		
Compensated absences payable	29,778	17,317
Total noncurrent liabilities	29,778	17,317
Total liabilities	2,545,408	2,459,935
Net position		
Net investment in capital assets	1,342	4,026
Unrestricted	7,493,196	6,501,062
Total net position	\$ 7,494,538	\$ 6,505,088

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
For the Years Ended September 30, 2020 and 2019

	Insurance Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 4,309,863	\$ 4,126,923
Total operating revenues	4,309,863	4,126,923
Operating expenses:		
Salaries and wages	126,823	178,445
Employee benefits	45,032	63,718
Purchased professional/technical services	427,654	1,008,514
Maintenance	37,591	409
Other purchased services	1,250,327	1,206,658
Supplies	4,961	3,012
Other	1,518,541	1,260,629
Depreciation/amortization	2,684	2,685
Total operating expenses	3,413,613	3,724,070
Operating income (loss)	896,250	402,853
Nonoperating revenues (expenses):		
Investment earnings	93,200	203,550
Total nonoperating revenues (expenses)	93,200	203,550
Change in net position	989,450	606,403
Total net position, beginning of year	6,505,088	5,898,685
Total net position, end of year	\$ 7,494,538	\$ 6,505,088

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2020 and 2019

	Insurance Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 4,309,863	\$ 4,127,395
Cash paid to suppliers for goods and services	(3,162,531)	(3,247,721)
Cash paid to employees for services	(162,925)	(233,523)
Net cash provided by (used for) operating activities	<u>984,407</u>	<u>646,151</u>
Cash flows from investing activities:		
Investment earnings	93,200	203,550
Net cash provided by (used for) investing activities	<u>93,200</u>	<u>203,550</u>
Net increase (decrease) in cash and cash equivalents	1,077,607	849,701
Cash and cash equivalents, beginning of year	8,960,997	8,111,296
Cash and cash equivalents, end of year	<u><u>\$ 10,038,604</u></u>	<u><u>\$ 8,960,997</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 896,250	\$ 402,853
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	2,684	2,685
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	-	472
Increase (decrease) in liabilities:		
Accounts payable	(135,630)	128,354
Accrued liabilities	(67,244)	14,458
Compensated absences payable	8,930	8,640
Estimated claims and judgements	279,417	88,689
Net cash provided by (used for) operating activities	<u><u>\$ 984,407</u></u>	<u><u>\$ 646,151</u></u>

See accompanying independent auditor's report.

Health Insurance Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2020 and 2019

	Health Insurance Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 5,385,885	\$ 4,134,037
Due from other funds	754,352	623,514
Total current assets	6,140,237	4,757,551
Total assets	6,140,237	4,757,551
Liabilities		
Current liabilities:		
Accounts payable	3,586	3,869
Accrued liabilities	139,626	254,169
Claims and judgments payable	962,000	983,000
Total current liabilities	1,105,212	1,241,038
Total liabilities	1,105,212	1,241,038
Net position		
Unrestricted	5,035,025	3,516,513
Total net position	\$ 5,035,025	\$ 3,516,513

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
For the Years Ended September 30, 2020 and 2019

	Health Insurance Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 14,606,615	\$ 14,657,213
Total operating revenues	14,606,615	14,657,213
Operating expenses:		
Salaries and wages	68,569	66,290
Employee benefits	22,831	22,297
Purchased professional/technical services	812,803	965,821
Purchased property services	900	3,292
Other purchased services	1,012	2,828
Supplies	16,551	29,937
Other	12,212,923	12,737,996
Total operating expenses	13,135,589	13,828,461
Operating income (loss)	1,471,026	828,752
Nonoperating revenues (expenses):		
Investment earnings	47,486	82,366
Total nonoperating revenues (expenses)	47,486	82,366
Change in net position	1,518,512	911,118
Total net position, beginning of year	3,516,513	2,605,395
Total net position, end of year	\$ 5,035,025	\$ 3,516,513

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2020 and 2019

	Health Insurance Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 14,606,615	\$ 14,657,213
Cash paid to suppliers for goods and services	(13,180,015)	(13,783,596)
Cash paid to employees for services	(91,400)	(88,587)
Net cash provided by (used for) operating activities	1,335,200	785,030
Cash flows from noncapital financing activities:		
Transfers to other funds	(130,838)	(68,099)
Net cash provided by (used for) noncapital financing activities	(130,838)	(68,099)
Cash flows from investing activities:		
Investment earnings	47,486	82,366
Net cash provided by (used for) investing activities	47,486	82,366
Net increase (decrease) in cash and cash equivalents	1,251,848	799,297
Cash and cash equivalents, beginning of year	4,134,037	3,334,740
Cash and cash equivalents, end of year	\$ 5,385,885	\$ 4,134,037
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 1,471,026	\$ 828,752
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Increase (decrease) in liabilities:		
Accounts payable	(283)	1,512
Accrued liabilities	(114,543)	(45,234)
Estimated claims and judgements	(21,000)	-
Net cash provided by (used for) operating activities	\$ 1,335,200	\$ 785,030

See accompanying independent auditor's report.

Engineering Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2020 and 2019

	Engineering Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 2,069,607	\$ 2,248,431
Total current assets	2,069,607	2,248,431
Noncurrent assets:		
Capital assets:		
Land	24,400	24,400
Equipment	694,379	510,671
Less: accumulated depreciation and amortization	(339,191)	(268,661)
	379,588	266,410
Total noncurrent assets	379,588	266,410
Total assets	2,449,195	2,514,841
Liabilities		
Current liabilities:		
Accounts payable	31,906	41,607
Accrued liabilities	131,626	127,571
Compensated absences payable	161,193	175,519
Escrow funds	538	538
Total current liabilities	325,263	345,235
Noncurrent liabilities:		
Compensated absences payable	58,609	-
Total noncurrent liabilities	58,609	-
Total liabilities	383,872	345,235
Net position		
Net investment in capital assets	379,588	266,410
Unrestricted	1,685,735	1,903,196
Total net position	\$ 2,065,323	\$ 2,169,606

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
For the Years Ended September 30, 2020 and 2019

	Engineering Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 3,481,328	\$ 3,869,153
Other	79,140	7,447
Total operating revenues	<u>3,560,468</u>	<u>3,876,600</u>
Operating expenses:		
Salaries and wages	1,822,310	1,717,997
Employee benefits	631,901	581,169
Purchased professional/technical services	397,659	131,700
Purchased property services	53,186	52,611
Maintenance	100,830	102,894
Other purchased services	50,682	73,060
Supplies	111,658	60,530
Other	488,910	594,465
Depreciation/amortization	70,530	56,877
Total operating expenses	<u>3,727,666</u>	<u>3,371,303</u>
Operating income (loss)	<u>(167,198)</u>	<u>505,297</u>
Nonoperating revenues (expenses):		
Investment earnings	21,921	43,236
Total nonoperating revenues (expenses)	<u>21,921</u>	<u>43,236</u>
Income (loss) before contributions and transfers	(145,277)	
Capital contributions	<u>40,994</u>	<u>-</u>
Change in net position	(104,283)	548,533
Total net position, beginning of year	2,169,606	1,621,073
Total net position, end of year	<u>\$ 2,065,323</u>	<u>\$ 2,169,606</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, 2020 and 2019

	Engineering Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 3,560,468	\$ 3,876,600
Cash paid to suppliers for goods and services	(1,208,571)	(928,459)
Cash paid to employees for services	(2,409,928)	(2,326,484)
Net cash provided by (used for) operating activities	(58,031)	621,657
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(142,714)	(85,329)
Net cash provided by (used for) capital and related financing activities	(142,714)	(85,329)
Cash flows from investing activities:		
Investment earnings	21,921	43,236
Net cash provided by (used for) investing activities	21,921	43,236
Net increase (decrease) in cash and cash equivalents	(178,824)	579,564
Cash and cash equivalents, beginning of year	2,248,431	1,668,867
Cash and cash equivalents, end of year	\$ 2,069,607	\$ 2,248,431
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (167,198)	\$ 505,297
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	70,530	56,877
Increase (decrease) in liabilities:		
Accounts payable	(9,701)	35,000
Accrued liabilities	4,055	51,801
Compensated absences payable	44,283	(27,318)
Net cash provided by (used for) operating activities	\$ (58,031)	\$ 621,657
Noncash investing, capital and financing activities:		
Contributions of capital assets	\$ 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, 2020 and 2019

	Fleet Services Fund	
	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 587,268	\$ 142,752
Inventory	200,886	213,997
Total current assets	788,154	356,749
Noncurrent assets:		
Capital assets:		
Land	14,400	14,400
Buildings	920,153	920,153
Improvements other than buildings	118,289	118,289
Equipment	1,051,418	1,051,418
Less: accumulated depreciation and amortization	(1,630,072)	(1,546,918)
	474,188	557,342
Total noncurrent assets	474,188	557,342
Total assets	1,262,342	914,091
Liabilities		
Current liabilities:		
Accounts payable	43,309	22,587
Accrued liabilities	70,207	55,742
Compensated absences payable	85,027	57,104
Total current liabilities	198,543	135,433
Net position		
Net investment in capital assets	474,188	557,342
Unrestricted	589,611	221,316
Total net position	\$ 1,063,799	\$ 778,658

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
For the Years Ended September 30, 2020 and 2019

	Fleet Services Fund	
	2020	2019
Operating revenues:		
Charges for services	\$ 2,244,300	\$ 1,445,942
Other	3,420	6,510
Total operating revenues	2,247,720	1,452,452
Operating expenses:		
Salaries and wages	965,999	928,812
Employee benefits	423,442	392,050
Purchased professional/technical services	10,787	7,599
Purchased property services	6,321	6,449
Maintenance	37,227	53,143
Other purchased services	32,100	32,247
Supplies	51,667	56,362
Other	353,312	294,782
Depreciation/amortization	83,154	76,105
Total operating expenses	1,964,009	1,847,549
Operating income (loss)	283,711	(395,097)
Nonoperating revenues (expenses):		
Investment earnings	1,430	372
Total nonoperating revenues (expenses)	1,430	372
Income (loss) before contributions and transfers	285,141	(394,725)
Capital contributions	-	34,344
Transfers in	-	415,000
Change in net position	285,141	54,619
Total net position, beginning of year	778,658	724,039
Total net position, end of year	\$ 1,063,799	\$ 778,658

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2020 and 2019

	Fleet Service Fund	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 2,247,720	\$ 1,452,452
Cash paid to suppliers for goods and services	(443,116)	(568,452)
Cash paid to employees for services	(1,361,518)	(1,344,822)
Net cash provided by (used for) operating activities	<u>443,086</u>	<u>(460,822)</u>
Cash flows from noncapital financing activities:		
Transfer from other funds	-	415,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>415,000</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(72,664)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(72,664)</u>
Cash flows from investing activities:		
Investment earnings	1,430	372
Net cash provided by (used for) investing activities	<u>1,430</u>	<u>372</u>
Net increase (decrease) in cash and cash equivalents	444,516	(118,114)
Cash and cash equivalents, beginning of year	142,752	260,866
Cash and cash equivalents, end of year	<u>\$ 587,268</u>	<u>\$ 142,752</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 283,711	\$ (395,097)
Adjustment to reconcile operating income (loss) to net cash used provided by (used for) operating activities:		
Depreciation	83,154	76,105
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Inventory	13,111	1,550
Increase (decrease) in liabilities:		
Accounts payable	20,722	(112,468)
Accrued liabilities	14,465	(6,952)
Compensated absences payable	27,923	(23,960)
Net cash provided by (used for) operating activities	<u>\$ 443,086</u>	<u>\$ (460,822)</u>
Noncash investing, capital and financing activities:		
Contributions of capital assets	<u>\$ -</u>	<u>\$ 34,344</u>

See accompanying independent auditor's report.

Agency Funds

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

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

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

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.

City of Waco, Texas
Combining Statement of Changes in Fiduciary Net Position
Agency Funds
Year Ended September 30, 2020

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>Urban Renewal Agency Fund</u>				
Assets:				
Cash and investments	\$ 61,107	641	-	61,748
Liabilities:				
Accrued liabilities	\$ 61,107	641	-	61,748
<u>Heart of Texas Housing Finance Corporation Fund</u>				
Assets:				
Cash and investments	\$ 2,581,985	311,431	222,080	2,671,336
Liabilities:				
Accrued liabilities	\$ 2,581,985	\$ 311,431	\$ 222,080	\$ 2,671,336
<u>Waco Public Improvement District No. 2 Fund</u>				
Assets:				
Cash and investments	\$ 27,161	186,490	184,015	29,636
Liabilities:				
Accrued liabilities	\$ 27,161	\$ 186,490	\$ 184,015	\$ 29,636
<u>Rural Transit Services Fund</u>				
Assets:				
Cash and investments	\$ 535,217	\$ 2,182,448	\$ 2,008,871	708,794
Accounts receivable	-	1,282	1,282	-
Intergovernmental receivable	399,830	1,998,807	2,093,563	305,074
Total assets	\$ 935,047	4,182,537	4,103,716	1,013,868
Liabilities:				
Accrued liabilities	\$ 935,047	\$ 4,182,537	\$ 4,103,716	\$ 1,013,868
<u>All Agency Funds</u>				
Assets:				
Cash and investments	3,205,470	2,681,010	2,414,966	3,471,514
Accounts receivable	-	1,282	1,282	-
Intergovernmental receivable	399,830	1,998,807	2,093,563	305,074
Total assets	\$ 3,605,300	4,681,099	4,509,811	3,776,588
Liabilities:				
Accrued liabilities	\$ 3,605,300	\$ 4,681,099	\$ 4,509,811	\$ 3,776,588

See accompanying notes to financial statements

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 174,645,915	\$ 178,295,347	\$ 180,902,677	\$ 180,508,096
Restricted	19,687,245	22,291,256	19,391,804	18,895,396
Unrestricted	<u>22,550,132</u>	<u>24,430,892</u>	<u>28,460,006</u>	<u>34,063,949</u>
Total governmental activities net position	<u>\$ 216,883,292</u>	<u>\$ 225,017,495</u>	<u>\$ 228,754,487</u>	<u>\$ 233,467,441</u>
Business-type activities				
Net investment in capital assets	\$ 213,553,436	\$ 219,663,969	\$ 215,231,053	\$ 211,696,699
Restricted	388,651	6,834	1,180,611	1,274,319
Unrestricted	<u>45,769,895</u>	<u>48,873,949</u>	<u>60,118,510</u>	<u>65,792,573</u>
Total business-type activities net position	<u>\$ 259,711,982</u>	<u>\$ 268,544,752</u>	<u>\$ 276,530,174</u>	<u>\$ 278,763,591</u>
Primary government				
Net investment in capital assets	\$ 388,199,351	\$ 397,959,316	\$ 396,133,730	\$ 392,204,795
Restricted	20,075,896	22,298,090	20,572,415	20,169,715
Unrestricted	<u>68,320,027</u>	<u>73,304,841</u>	<u>88,578,516</u>	<u>99,856,522</u>
Total primary government net position	<u>\$ 476,595,274</u>	<u>\$ 493,562,247</u>	<u>\$ 505,284,661</u>	<u>\$ 512,231,032</u>

Source: Comprehensive Annual Financial Reports

Note: The City implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", in fiscal year 2014. Fiscal year 2013 amounts 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						
	2015	2016	2017	2018	2019	2020
\$	183,090,881	\$ 195,340,533	\$ 206,699,045	\$ 216,259,979	\$ 227,983,027	\$ 243,043,416
	20,655,062	23,224,157	28,463,123	36,749,778	43,936,163	48,213,632
	<u>30,545,855</u>	<u>29,764,431</u>	<u>30,980,557</u>	<u>40,300,435</u>	<u>52,477,775</u>	<u>63,521,354</u>
\$	<u>234,291,798</u>	<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>
	214,329,030	218,895,017	224,211,909	231,095,661	245,071,453	285,558,323
	1,370,154	700,480	867,925	943,463	1,057,103	1,006,408
	<u>63,820,011</u>	<u>68,398,739</u>	<u>73,188,454</u>	<u>81,336,611</u>	<u>82,532,465</u>	<u>93,792,994</u>
\$	<u>279,519,195</u>	<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>
\$	397,419,911	\$ 414,235,550	\$ 430,910,954	\$ 447,355,640	\$ 473,054,480	\$ 528,601,739
	22,025,216	23,924,637	29,331,048	37,693,241	44,993,266	49,220,040
	<u>94,365,866</u>	<u>98,163,170</u>	<u>104,169,011</u>	<u>121,637,046</u>	<u>135,010,240</u>	<u>157,314,348</u>
\$	<u>513,810,993</u>	<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>

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

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 12,378,019	\$ 14,177,640	\$ 20,039,649	\$ 16,223,167
Public works	13,227,404	11,844,356	13,699,976	12,205,449
Public safety	61,291,317	57,664,131	62,592,351	66,630,254
Culture and recreation	15,636,875	15,694,840	16,544,389	16,922,912
Public health	7,417,771	7,184,384	7,388,363	7,314,101
Housing and community development	3,339,613	3,664,525	2,255,720	2,974,293
Interest on long-term debt	4,313,467	4,098,714	3,798,174	3,631,452
Total governmental activities expenses	<u>117,604,466</u>	<u>114,328,590</u>	<u>126,318,622</u>	<u>125,901,628</u>
Business-type activities:				
Water	34,186,629	33,311,059	33,038,145	32,998,874
Wastewater	17,522,331	17,634,339	18,432,230	19,263,583
Solid waste	16,201,178	15,854,254	16,033,246	15,794,559
Airport	2,503,823	2,937,967	3,083,925	3,284,396
Convention services	2,861,523	3,372,280	3,941,005	3,957,683
Ranger Hall of Fame	1,193,004	1,209,145	1,343,575	1,326,695
Cameron Park Zoo	4,315,032	4,396,640	4,318,267	4,494,173
Transit services	7,904,160	7,970,314	8,046,015	8,177,708
Cottonwood Creek Golf Course	1,691,790	1,864,426	1,782,963	1,810,707
Total business-type activities expenses	<u>88,379,470</u>	<u>88,550,424</u>	<u>90,019,371</u>	<u>91,108,378</u>
Total primary government expenses	<u>205,983,936</u>	<u>202,879,014</u>	<u>216,337,993</u>	<u>217,010,006</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	342,830	243,137	277,810	192,402
Public works	2,550	385	1,537	2,257
Public safety	3,478,363	3,050,804	3,703,991	5,520,650
Culture and recreation	1,415,791	1,078,390	1,054,216	1,404,877
Public health	1,184,937	1,252,049	1,260,587	1,154,091
Operating grants and contributions	9,720,348	11,640,290	11,500,355	10,924,393
Capital grants and contributions	6,061,358	6,883,729	7,256,153	3,272,066
Total governmental activities program revenues	<u>22,206,177</u>	<u>24,148,784</u>	<u>25,054,649</u>	<u>22,470,736</u>

Table II

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	15,012,962	\$	17,591,625	\$	21,961,388	\$	23,161,022	\$	21,418,706	\$	24,927,532
	12,767,308		12,385,381		13,531,718		13,738,063		15,263,962		16,663,378
	64,796,679		71,900,506		77,631,982		76,378,833		81,605,115		82,482,836
	16,510,993		17,575,724		18,409,985		18,085,607		20,036,504		18,281,256
	7,269,988		7,853,838		7,974,445		7,991,534		9,205,925		8,941,058
	2,704,824		2,421,277		2,499,865		2,220,964		2,904,350		2,752,409
	3,155,598		2,784,644		2,724,381		2,942,299		3,149,200		3,303,458
	<u>122,218,352</u>		<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>
	32,457,155		34,485,785		36,237,977		37,944,429		39,841,010		41,071,141
	18,964,527		22,024,527		22,369,323		23,339,837		27,232,626		29,284,437
	15,223,615		15,458,545		16,437,794		17,150,662		20,867,979		21,389,352
	3,496,581		3,821,305		3,948,697		3,833,773		4,333,238		5,001,016
	4,074,149		4,301,096		4,524,677		4,855,004		5,684,576		4,380,349
	1,333,639		1,444,823		1,333,563		1,390,759		1,404,669		1,517,423
	4,595,845		4,777,181		5,232,360		5,342,574		5,357,572		6,003,814
	8,188,525		8,640,336		8,360,490		7,902,796		8,234,983		7,754,706
	1,707,982		1,821,529		1,852,186		2,044,411		2,094,332		1,903,771
	<u>90,042,018</u>		<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>212,260,370</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>
	243,883		271,051		282,226		383,837		435,415		336,898
	3,188		2,057		972		1,315		790		1,035
	5,373,858		5,995,911		5,211,330		5,167,028		4,915,802		4,647,611
	1,279,331		1,294,784		1,574,384		1,792,366		1,688,278		657,512
	1,158,100		1,181,667		1,248,994		1,179,052		1,247,897		1,116,427
	9,564,905		9,550,112		9,365,279		10,748,885		11,527,188		22,262,586
	<u>6,952,118</u>		<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>24,575,383</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>

(Continued)

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

	2011	2012	2013	2014
Business-type activities:				
Charges for services:				
Water	\$ 43,094,944	\$ 38,759,662	\$ 40,713,824	\$ 38,600,073
Wastewater	21,619,018	21,542,770	21,718,912	21,343,556
Solid waste	15,948,286	16,531,734	16,489,195	16,866,587
Airport	1,054,550	1,065,157	1,079,297	1,142,240
Convention services	523,983	771,773	1,018,086	1,213,798
Ranger Hall of Fame	465,324	448,449	410,728	420,414
Cameron Park Zoo	1,575,223	1,602,554	1,618,495	1,582,279
Transit services	3,414,289	3,582,781	3,540,047	3,373,782
Cottonwood Creek Golf Course	1,578,174	1,226,374	1,615,885	1,549,328
Operating grants and contributions	3,514,732	3,415,770	3,419,959	3,869,760
Capital grants and contributions	4,014,798	3,786,143	4,836,705	1,682,452
Total business-type activities program revenues	<u>96,803,321</u>	<u>92,733,167</u>	<u>96,461,133</u>	<u>91,644,269</u>
Total primary government program revenues	<u>119,009,498</u>	<u>116,881,951</u>	<u>121,515,782</u>	<u>114,115,005</u>
Net (Expense)/Revenue				
Governmental activities	(95,398,289)	(90,179,806)	(101,263,973)	(103,430,892)
Business-type activities	<u>8,423,851</u>	<u>4,182,743</u>	<u>6,441,762</u>	<u>535,891</u>
Total primary government net expense	<u>(86,974,438)</u>	<u>(85,997,063)</u>	<u>(94,822,211)</u>	<u>(102,895,001)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	48,387,467	49,373,010	51,184,254	51,585,835
Tax increment financing tax	4,660,231	5,004,192	5,916,309	5,573,984
Sales taxes	28,003,416	29,186,254	31,075,760	33,487,659
Franchise taxes	13,587,114	13,682,123	13,405,186	14,181,593
Other taxes	679,232	650,815	676,254	785,905
Unrestricted investment earnings	481,791	360,561	308,603	323,760
Miscellaneous	678,741	882,450	2,153,305	1,196,841
Gain on disposal of capital assets	-	1,730,200	290,376	105,278
Transfers	<u>(5,848,585)</u>	<u>(2,555,596)</u>	<u>81,051</u>	<u>902,991</u>
Total governmental activities	<u>90,629,407</u>	<u>98,314,009</u>	<u>105,091,098</u>	<u>108,143,846</u>
Business-type activities:				
Hotel/motel taxes	1,754,730	1,897,865	2,095,987	2,403,171
Unrestricted investment earnings	183,254	196,566	159,463	197,346
Gain on disposal of capital assets	-	-	-	-
Special item: Gain on termination of agreement	-	-	-	-
Transfers	<u>5,848,585</u>	<u>2,555,596</u>	<u>(81,051)</u>	<u>(902,991)</u>
Total business-type activities	<u>7,786,569</u>	<u>4,650,027</u>	<u>2,174,399</u>	<u>1,697,526</u>
Total primary government	<u>98,415,976</u>	<u>102,964,036</u>	<u>107,265,497</u>	<u>109,841,372</u>
Change in Net Position				
Governmental activities	(4,768,882)	8,134,203	3,827,125	4,712,954
Business-type activities	<u>16,210,420</u>	<u>8,832,770</u>	<u>8,616,161</u>	<u>2,233,417</u>
Total primary government	<u>\$ 11,441,538</u>	<u>\$ 16,966,973</u>	<u>\$ 12,443,286</u>	<u>\$ 6,946,371</u>

Source: Comprehensive Annual Financial Reports

Note: The City implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", in fiscal year 2014. Fiscal year 2013 amounts 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					
		2015	2016	2017	2018	2019	2020
\$	37,773,754	\$ 39,693,677	\$ 43,474,418	\$ 48,925,791	\$ 50,287,352	\$ 53,110,881	
	20,827,643	23,376,856	27,826,441	30,079,874	34,435,075	38,309,365	
	17,704,519	18,860,966	19,052,864	19,776,330	20,435,913	21,881,584	
	1,093,157	1,118,487	1,134,454	967,939	1,317,810	967,466	
	1,317,100	1,402,912	1,568,402	1,736,312	1,795,841	853,499	
	490,917	559,262	654,740	721,386	752,273	381,521	
	1,615,849	1,963,610	2,223,777	2,074,281	2,085,321	1,711,401	
	3,775,380	4,112,010	3,606,218	3,232,108	3,123,994	2,547,859	
	1,511,944	1,618,596	1,643,950	1,604,672	1,762,884	1,590,021	
	3,566,046	3,734,120	4,031,927	3,738,719	4,028,788	6,773,559	
	3,459,180	6,998,128	3,654,269	1,048,602	3,182,243	6,358,716	
	<u>93,135,489</u>	<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>117,710,872</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>	
	(97,642,969)	(106,947,954)	(117,441,795)	(113,384,150)	(125,207,215)	(123,640,502)	
	3,093,471	6,663,497	8,574,393	10,101,769	8,156,509	16,179,863	
	<u>(94,549,498)</u>	<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>	
	55,028,271	58,427,545	63,095,312	68,192,298	74,555,736	77,783,241	
	6,296,710	7,750,330	10,234,498	12,674,713	14,172,237	14,042,607	
	35,813,531	37,371,461	38,135,659	39,017,059	40,610,169	41,033,102	
	13,762,575	13,734,655	14,238,292	14,916,497	14,590,418	14,480,403	
	871,076	910,456	1,063,684	1,148,309	1,273,129	1,168,421	
	476,804	855,366	1,644,507	4,092,426	7,976,252	3,990,302	
	1,214,952	1,450,460	1,702,214	1,162,457	3,349,070	2,989,133	
	-	-	3,420,000	-	-	-	
	2,537,789	485,004	1,721,233	462,783	(233,023)	(1,465,270)	
	<u>116,001,708</u>	<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>	
	2,707,056	3,204,122	3,724,543	4,270,253	4,617,066	3,138,696	
	289,580	378,946	462,647	1,198,208	2,278,688	1,143,224	
	-	-	-	-	-	-	
	-	-	-	-	-	29,769,651	
	<u>(2,537,789)</u>	<u>(485,004)</u>	<u>(1,721,233)</u>	<u>(462,783)</u>	<u>233,023</u>	<u>1,465,270</u>	
	<u>458,847</u>	<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>116,460,555</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>	
	18,358,739	14,037,323	17,813,604	28,282,392	31,086,773	30,381,437	
	<u>3,552,318</u>	<u>9,761,561</u>	<u>11,040,350</u>	<u>15,107,447</u>	<u>15,285,286</u>	<u>51,696,704</u>	
\$	<u>21,911,057</u>	<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>	

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

	2011	2012	2013	2014
General Fund				
Nonspendable:				
Advances to other funds	\$ 683,391	\$ 48,388	\$ -	\$ -
Inventory	529,830	504,736	536,785	734,557
Real estate held for resale	6,160	6,160	6,160	6,160
Restricted for:				
Municipal information equipment	-	1,350	636,993	703,924
Culture and recreation	-	365,900	689,343	918,377
Public safety	-	-	377,841	83,856
Economic development	-	-	100,996	-
Committed to:				
Economic development	8,394,212	7,597,032	8,719,518	9,532,164
Culture and recreation	2,500,000	-	-	-
Assigned to:				
Capital improvements	2,061,231	3,838,635	9,073,859	15,050,171
Economic development	1,137,659	2,810,428	6,078,636	3,048,263
Housing and community development	1,040,666	45,000	25,000	25,000
Public works	-	14,942	470,084	4,677
Public safety	297,238	262,804	10,173	140,595
Culture and recreation	151,913	47,622	15,305	16,230
Subsequent year's budget appropriation of fund balances	-	-	-	-
Other	67,868	120,684	124,312	490,289
Unreserved/Unassigned	<u>17,850,409</u>	<u>21,984,507</u>	<u>19,604,248</u>	<u>21,043,396</u>
 Total general fund	 <u>\$ 34,720,577</u>	 <u>\$ 37,648,188</u>	 <u>\$ 46,469,253</u>	 <u>\$ 51,797,659</u>

Table III

		Fiscal Year					
		2015	2016	2017	2018	2019	2020
\$	-	\$	-	\$	-	\$	-
	849,594		925,826		855,118		962,267
	6,160		6,160		6,160		6,160
	751,247		971,345		1,006,021		1,271,408
	755,927		365,900		-		-
	119,629		-		-		-
	-		-		-		-
	9,722,702		10,288,673		10,645,045		10,933,118
	-		-		-		-
	4,810,928		11,891,042		14,880,555		17,425,920
	5,740,957		4,753,144		4,491,067		7,354,149
	142,117		3,822		-		44,600
	352,180		300,048		109,472		240,959
	189,501		237,645		507,585		753,506
	150,601		141,888		129,850		130,993
	7,108,799		2,140,199		2,868,343		3,588,211
	220,123		268,004		264,776		416,224
	23,392,619		23,778,234		25,058,680		26,964,901
\$	<u>54,313,084</u>	\$	<u>56,071,930</u>	\$	<u>60,822,672</u>	\$	<u>70,092,416</u>
						\$	<u>87,323,818</u>
						\$	<u>92,095,406</u>

(Continued)

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

	2011	2012	2013	2014
All Other Governmental Funds:				
Nonspendable:				
Parks and cemetery care	\$ 474,415	\$ 475,431	\$ 477,891	\$ 478,848
Real estate held for sale	40,061	40,061	40,061	40,061
Inventory	-	-	-	-
Restricted for:				
Debt service	373,263	230,130	238,053	185,902
Capital projects	38,873,017	23,348,990	15,531,634	11,828,967
Tax increment zone activities	12,411,165	14,565,233	10,960,465	10,891,785
Housing and community development	175,114	193,495	2,676,979	2,333,652
Public works	-	-	-	-
Public safety	1,439,842	2,314,311	1,831,495	1,406,274
Culture and recreation	1,186,432	1,194,942	755,434	1,302,930
Waco Public Improvement District	413,153	520,765	611,577	645,008
Committed to:				
Capital projects	1,029,132	1,308,537	1,443,453	2,582,281
Public health	-	157,585	351,412	561,880
Unassigned	(97,276)	-	-	-
 Total all other governmental funds	 <u>\$ 56,318,318</u>	 <u>\$ 44,349,480</u>	 <u>\$ 34,918,454</u>	 <u>\$ 32,257,588</u>

Source: Comprehensive Annual Financial Reports

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

Table III

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	466,997	\$	366,560	\$	368,115	\$	371,797	\$	378,209	\$	381,019
	46,705		-		-		-		-		-
	131,805		138,360		85,685		-		-		-
	491,257		598,145		528,707		675,525		742,629		600,472
	7,184,956		4,631,102		12,754,861		29,469,813		35,639,375		50,835,124
	13,579,596		16,822,186		22,732,032		31,067,768		37,977,473		42,551,716
	2,059,972		2,037,017		1,570,574		1,314,573		325,423		246,965
	-		-		-		-		1,142,535		636,582
	1,442,749		1,224,262		1,208,289		1,556,260		1,568,647		1,658,699
	450,821		347,288		581,442		191,804		153,891		169,374
	716,835		755,292		888,323		906,377		1,006,241		1,148,686
	15,665,156		13,223,176		14,236,424		14,241,431		12,465,309		20,797,066
	820,811		1,050,924		1,741,422		2,417,446		2,514,105		3,240,719
	-		-		-		-		-		-
\$	<u>43,057,660</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>

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

	2011	2012	2013	2014
Revenues:				
Taxes:				
Sales	\$ 28,003,416	\$ 29,186,254	\$ 31,075,760	\$ 33,487,659
Property	52,307,731	53,698,407	56,769,973	56,383,515
Interest and penalty	545,059	558,497	864,693	507,622
Special assessments	279,322	296,835	323,153	300,940
Business and occupation fees	13,587,115	13,682,123	13,405,186	14,181,593
Permits, licenses and fees	1,682,153	2,069,365	2,361,710	2,519,019
Fines	1,815,418	1,647,361	1,915,904	2,555,149
Charges for services	1,779,213	1,501,983	1,643,861	1,639,054
Investment earnings	440,229	325,873	285,712	296,370
Contributions	350,827	269,577	504,130	883,815
Intergovernmental	11,001,361	9,625,197	10,888,461	10,278,693
Program income	521,371	608,810	297,998	338,265
Other	8,832,941	9,166,618	10,327,351	10,028,613
Total revenues	<u>121,146,156</u>	<u>122,636,900</u>	<u>130,663,892</u>	<u>133,400,307</u>
Expenditures:				
General government	18,067,565	19,881,170	27,395,172	24,937,624
Public works	2,753,649	2,051,156	3,214,854	2,583,490
Public safety	56,363,026	55,143,283	60,765,347	62,521,778
Culture and recreation	12,932,267	14,773,781	12,792,566	13,998,629
Housing and community development	3,321,373	3,469,303	3,088,943	3,160,091
Public health	7,155,606	6,993,107	7,271,899	7,267,366
Capital outlay	20,198,033	23,954,367	14,814,436	10,002,288
Debt service:				
Principal	6,967,663	7,090,342	5,912,954	5,340,143
Interest and fiscal charges	4,192,140	4,194,170	3,946,312	3,788,820
Bond issuance costs	500	68,981	35,891	26,107
Total expenditures	<u>131,951,822</u>	<u>137,619,660</u>	<u>139,238,374</u>	<u>133,626,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,805,666)</u>	<u>(14,982,760)</u>	<u>(8,574,482)</u>	<u>(226,029)</u>
Other financing sources (uses):				
General obligation bonds issued	7,285,000	3,480,000	2,175,000	1,645,000
Refunding bonds issued	-	6,465,000	1,700,000	-
Capital leases	-	145,351	-	-
Premiums on general obligation bonds	54,583	10,594	168,544	59,040
Premiums on refunding bonds	-	792,695	316,832	-
Payments to refunded bond escrow agent	-	(7,243,886)	(1,999,938)	-
Transfers in	12,781,678	15,015,607	14,935,710	17,504,831
Transfer out	(12,047,501)	(14,513,914)	(13,145,858)	(16,420,580)
Proceeds from sale of capital assets	-	1,790,086	290,376	105,278
Total other financing sources	<u>8,073,760</u>	<u>5,941,533</u>	<u>4,440,666</u>	<u>2,893,569</u>
Net change in fund balances	<u>\$ (2,731,906)</u>	<u>\$ (9,041,227)</u>	<u>\$ (4,133,816)</u>	<u>\$ 2,667,540</u>
Debt service as a percentage of noncapital expenditures	9.28%	9.85%	7.94%	7.49%

Source: Comprehensive Annual Financial Reports

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

Table IV

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	35,813,531	\$	37,371,461	\$	38,135,659	\$	39,017,059	\$	40,610,169	\$	41,033,102
	60,851,059		65,630,088		72,678,709		80,168,586		87,622,628		91,162,296
	598,772		620,805		620,791		636,115		613,463		805,160
	326,760		358,421		482,959		535,505		560,432		630,654
	13,762,575		13,734,655		14,238,292		14,916,497		14,590,418		14,480,403
	2,454,494		2,739,022		2,618,623		2,482,683		2,957,028		2,967,430
	2,506,051		2,569,317		2,054,255		1,883,191		2,055,628		1,650,016
	1,749,690		1,834,544		1,939,164		2,104,779		2,101,940		1,921,824
	436,017		825,795		1,574,399		3,921,246		7,640,582		3,823,044
	3,490,258		1,419,645		1,244,774		861,550		1,072,378		829,925
	9,968,503		9,175,975		11,344,302		9,590,294		9,435,004		19,950,651
	289,272		298,107		222,053		246,593		194,820		227,685
	10,971,694		11,238,248		11,080,269		12,156,194		16,217,373		14,253,903
	<u>143,218,676</u>		<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>
	22,826,332		25,611,309		28,421,391		30,108,527		30,851,658		38,971,422
	1,405,812		1,879,964		1,643,939		5,119,496		7,051,885		7,926,213
	62,557,857		67,172,300		70,051,351		73,673,507		75,754,565		80,011,063
	13,543,825		13,427,467		17,688,310		14,216,289		15,201,353		15,196,451
	2,897,236		2,370,097		2,576,675		2,908,249		3,250,335		2,925,409
	7,247,059		7,533,938		7,588,586		7,906,760		8,944,992		8,813,617
	14,758,838		26,453,338		13,884,468		11,595,064		25,302,918		21,821,248
	5,585,000		5,895,000		6,685,000		6,660,000		6,555,000		7,590,000
	3,437,349		3,283,750		3,240,961		3,440,471		4,016,921		4,553,085
	250,679		99,402		84,655		140,293		203,758		123,993
	<u>134,509,987</u>		<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>
	8,708,689		(5,910,482)		6,368,913		12,751,636		8,538,478		5,803,592
	1,695,000		3,805,000		11,465,000		19,840,000		18,560,000		26,210,000
	34,125,000		1,945,000		-		-		9,365,000		-
	-		-		-		-		-		-
	57,044		334,219		451,335		1,180,056		1,583,439		2,551,941
	6,804,247		136,375		-		-		1,065,159		-
	(40,676,302)		(2,055,353)		-		-		(10,434,176)		-
	26,296,892		23,677,980		22,351,642		13,552,009		18,871,120		31,572,912
	(23,695,073)		(22,037,241)		(20,384,586)		(12,537,037)		(18,616,575)		(33,014,272)
	-		-		-		-		-		-
	<u>4,606,808</u>		<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>13,315,497</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>
	7.49%		7.24%		7.31%		7.04%		7.09%		7.77%

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

Category	2020	2019	2018	2017
Real - residential single family	\$ 5,045,208,989	\$ 4,689,727,622	\$ 4,103,208,707	\$ 3,666,787,394
Real - residential multi-family	1,204,270,853	1,156,809,421	1,036,321,000	854,447,458
Real - platted lots & residential inventory	254,696,041	241,199,487	225,165,345	216,913,884
Real - acreage, land only	101,075,715	95,061,274	75,960,194	77,014,810
Real - improved farm & ranch	49,625,414	47,626,117	41,117,522	34,974,967
Real - commercial & industrial	2,931,146,517	2,831,537,753	2,652,184,099	2,444,560,582
Real and tangible personal - utilities	229,487,770	217,987,430	202,093,432	192,815,272
Tangible personal - business	2,131,366,180	2,037,021,720	1,940,142,010	1,926,700,880
Tangible personal - other	2,699,122	2,370,660	2,334,390	2,325,700
Total market value	11,949,576,601	11,319,341,484	10,278,526,699	9,416,540,947
Less total exemptions	1,254,695,579	1,253,765,578	1,073,765,249	943,172,583
Taxable assessed value	\$ 10,694,881,022	\$ 10,065,575,906	\$ 9,204,761,450	\$ 8,473,368,364
Total direct tax rate per \$100 of taxable assessed value	\$ 0.776232	\$ 0.776232	\$ 0.776232	\$ 0.776232
Estimated actual taxable value	\$ 11,949,576,601	\$ 11,319,341,484	\$ 10,278,526,699	\$ 9,416,540,947
Taxable assessed value as a percentage of actual taxable value	89.5%	88.9%	89.6%	90.0%

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

Table V

Fiscal Year						
	2016	2015	2014	2013	2012	2011
\$	3,442,331,305	\$ 3,330,608,637	\$ 3,193,078,012	\$ 3,145,755,030	\$ 2,964,790,976	\$ 2,899,061,978
	710,274,847	600,033,734	552,903,404	540,947,926	530,246,728	527,542,939
	179,995,100	192,366,941	185,737,380	161,765,042	159,734,533	158,194,756
	69,022,094	74,636,662	66,466,703	73,968,631	73,351,221	72,134,192
	29,242,020	32,499,555	28,871,288	18,486,406	19,298,600	19,050,487
	2,221,110,921	2,051,472,009	1,885,152,286	1,839,811,136	1,820,432,553	1,769,330,218
	202,959,032	177,491,413	147,349,253	140,452,424	138,700,708	142,912,428
	1,844,415,017	1,724,904,133	1,674,043,041	1,667,295,558	1,566,759,638	1,473,384,230
	<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>	<u>2,054,003</u>
	8,701,756,686	8,186,437,414	7,735,929,887	7,590,718,292	7,275,757,564	7,063,665,231
	<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>783,127,564</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>6,280,537,667</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>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>	<u>7,063,665,231</u>
	89.2%	88.8%	88.0%	87.6%	88.6%	88.9%

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
2011	0.611239	0.174993	0.786232	1.364750	1.407000	1.365000	0.156306
2012	0.613251	0.172981	0.786232	1.360998	1.411400	1.365000	0.152823
2013	0.637434	0.148798	0.786232	1.355180	1.374402	1.420000	0.151530
2014	0.639191	0.137041	0.776232	1.354800	1.540000	1.420000	0.151530
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

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	1.288824	1.320000	1.545259	1.270000	1.315000	1.190000
0.442710	1.281105	1.320000	1.537596	1.290000	1.315000	1.190000
0.460573	1.269091	1.320000	1.478460	1.310000	1.315000	1.185000
0.535293	1.265653	1.320000	1.487914	1.620000	1.315000	1.355000
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

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

Fiscal Year 2020

Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
Mars Snackfood US L.L.C	\$ 131,502,484	1.23 %
Allergan, Inc	98,374,926	0.92 %
Coca Cola Company	95,751,647	0.90 %
Sanderson Farms, Inc	70,572,293	0.66 %
L-3 Communications Integrated Systems L.P.	67,869,000	0.63 %
Sherwin Williams CO Inc.	65,286,365	0.61 %
Oncor Electric Delivery CO L.L.C	63,624,000	0.59 %
3503 RP Waco Central L.P.	62,219,025	0.58 %
Owens-Brockway Glass Container Inc.	55,063,707	0.51 %
Atmos Energy/Mid-Tex Distribut	<u>49,261,540</u>	<u>0.46 %</u>
Total	<u>\$ 759,524,987</u>	<u>7.09 %</u>

Source: McLennan County Appraisal District

Table VII

Fiscal Year 2011		
Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
MasterFoods USA (M & M Mars)	\$ 105,022,239	1.67 %
Coca Cola Company	99,996,861	1.59 %
L-3 Communications Corp.	72,485,013	1.15 %
Allergan, Inc.	53,164,216	0.85 %
Inland Western Waco Central, L.P.	51,745,953	0.82 %
Oncor Electric Delivery Co.	49,154,540	0.78 %
CBL/Richland Mall, L.P.	40,200,878	0.64 %
Pilgrim's Pride Corp.	32,253,826	0.51 %
Cargill Meat Solutions Corp.	28,789,268	0.46 %
Sherwin Williams Co. Inc.	<u>27,916,184</u>	<u>0.44 %</u>
Total	\$ <u><u>560,728,978</u></u>	<u><u>8.93 %</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>
2011	48,078,029	1,247,577	49,325,606	(121,741)
2012	49,428,253	1,516,082	50,944,335	(504,046)
2013	50,896,824	1,541,926	52,438,750	(286,175)
2014	51,208,846	1,582,983	52,791,829	(14,813)
2015	54,676,069	1,792,277	56,468,346	(210,315)
2016	58,055,153	2,224,388	60,279,541	(348,272)
2017	62,891,323	3,094,279	65,985,602	(821,394)
2018	67,536,896	3,506,068	71,042,964	(248,792)
2019	73,976,108	3,864,376	77,840,484	(486,877)
2020	79,178,817	3,942,081	83,120,898	(744,206)

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
49,203,865	48,312,012	98.19	802,592	49,114,604	99.82
50,440,289	49,634,551	98.40	701,970	50,336,521	99.79
52,152,575	51,511,537	98.77	544,453	52,055,990	99.81
52,777,016	52,019,615	98.56	644,480	52,664,095	99.79
56,258,031	55,622,582	98.87	506,065	56,128,647	99.77
59,931,269	59,465,589	99.22	323,946	59,789,535	99.76
65,164,208	64,907,474	99.61	80,342	64,987,816	99.73
70,794,172	70,504,465	99.59	51,390	70,555,855	99.66
77,353,607	76,906,987	99.42	34,316	76,941,303	99.47
82,376,692	81,374,389	98.78	-	81,374,389	98.78

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	Note Payable	
2011	98,019,198	-	1,224,455	830,000	80,007	-	220,721,649
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

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 Population 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>				
17,098,108	1,808,894	-	339,782,311	5.41%	125,971	2,697
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%	139,454	3,502
1,411,816	1,284,371	-	518,580,406	5.15%	141,127	3,675

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
2011	319,965,302	49,695	319,915,607	5.09%	125,971	2,540
2012	302,676,189	33,913	302,642,276	4.69%	127,018	2,383
2013	319,851,384	-	319,851,384	4.76%	128,125	2,496
2014	311,556,559	-	311,556,559	4.58%	129,241	2,411
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%	139,454	3,471
2020	514,812,790	-	514,812,790	4.81%	141,127	3,648

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, 2020

Taxing Authority	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Debt Overlapping Debt
Debt repaid with property taxes:			
Waco Independent School District	\$ 141,440,000	95.65%	\$ 135,287,360
Bosqueville Independent School District	7,520,000	79.29%	5,962,608
McLennan Community College	52,080,000	56.54%	29,446,032
McLennan County	52,410,000	56.54%	29,632,614
Midway Independent School District	205,045,000	53.04%	108,755,868
LaVega Independent School District	44,604,739	43.24%	19,287,089
China Spring Independent School District	33,064,986	39.91%	13,196,236
Connally Independent School District	12,485,000	17.98%	2,244,803
Lorena Independent School District	<u>27,098,973</u>	1.98%	<u>536,560</u>
Subtotal, overlapping debt	<u>\$ 575,748,698</u>		<u>\$ 344,349,170</u>
City direct debt:			
City of Waco direct debt	\$ 125,567,359	100.00%	\$ 125,567,359
Tax increment financing	7,560,000	100.00%	7,560,000
Other	<u>1,071,429</u>	100.00%	<u>1,071,429</u>
Subtotal, direct debt	<u>\$ 134,198,788</u>		<u>\$ 134,198,788</u>
Total direct and overlapping debt	<u>\$ 709,947,486</u>		<u>\$ 478,547,958</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, 2020.

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>
2011	(4)	65,111,936	34,030,334	31,081,602
2012	(4)	60,733,168	32,836,116	27,897,052
2013	(4)	62,795,257	34,036,064	28,759,193
2014	(4)	60,346,778	35,497,646	24,849,132
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

(1) Total revenue including interest.

(2) Total operating expenses exclusive of depreciation.

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

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

Source: Comprehensive Annual Financial Reports

Wastewater Funds

Debt Service Requirements (3)			Coverage
Principal	Interest	Total	
10,997,337	10,431,335	21,428,672	1.45 %
11,614,658	10,078,055	21,692,713	1.29 %
11,067,045	9,203,092	20,270,137	1.42 %
10,699,857	8,698,336	19,398,193	1.28 %
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 %



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
2011	255,615	8,240,751	32,239	28.4	7.4%
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	N/A	N/A	N/A	N/A	5.3%

N/A Not available

Sources: Estimated population and personal income information provided by the Bureau of Economic Analysis' Interactive Data application. Personal income information not available at the City level. Median age provided by the 2010 U.S. Census and the 2005 through 2009 and 2011 through 2017 American Community Surveys. Unemployment rates provided by the Bureau of Labor Statistics. The 2020 rate is as of October.

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

Fiscal Year 2020		
Employer	Employees	Percentage of Total City Employment
Baylor University	3,253	2.66 %
Waco Independent School District	2,373	1.94 %
H-E-B	2,000	1.64 %
Baylor Scott & White Medical Center-Hillcrest	1,736	1.42 %
Texas State Technical College Waco	1,706	1.40 %
Ascension Providence	1,622	1.33 %
City of Waco	1,518	1.24 %
McLennan County	1,201	0.98 %
Sanderson Farms Inc.	1,200	0.98 %
Wal-Mart	1,174	0.96 %
	17,783	14.56 %
Total	17,783	14.56 %

N/A Not available

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

Table XIV

Fiscal Year 2011		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Providence Health Center	2,618	2.24 %
Baylor University	2,583	2.21 %
Wal-Mart Stores	2,561	2.19 %
Waco Independent School District	2,276	1.94 %
L-3 Platform Integration	2,079	1.78 %
Hillcrest Health System	1,793	1.53 %
City of Waco	1,506	1.29 %
H.E.B. Stores	1,500	1.28 %
Midway Independent School District	1,067	0.91 %
Sanderson Farms, Inc	1,041	0.89 %
	<hr/>	<hr/>
Total	<u>19,024</u>	<u>16.25 %</u>

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

Function:	2011	2012	2013	2014
General Government	128.73	129.26	142.78	144.80
Public Works	58.00	56.00	59.00	59.00
Public Safety	605.93	603.43	604.75	610.25
Culture and Recreation	196.31	189.18	185.45	185.45
Housing and Community Development	22.45	20.18	19.48	19.48
Public Health	86.75	86.55	82.55	83.00
Water	122.75	122.25	126.25	125.25
Wastewater/WMARSS	69.25	68.75	71.75	72.75
Solid Waste	103.00	101.00	99.00	96.00
Airport	13.77	13.77	13.77	13.77
Convention Services	34.38	33.63	33.20	35.71
Ranger Hall of Fame	15.50	15.50	15.50	15.50
Cameron Park Zoo	51.16	51.16	51.11	51.10
Cottonwood Creek Golf Course	15.96	15.96	15.96	13.00
Insurance/Risk Management	8.00	8.00	8.00	8.00
Engineering	24.00	24.00	24.00	24.00
Fleet Services	25.00	25.00	25.00	27.00
Total	<u><u>1,580.94</u></u>	<u><u>1,563.62</u></u>	<u><u>1,577.55</u></u>	<u><u>1,584.06</u></u>

General Government:

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

Public Works

Streets and Street Reconstruction

Public Safety

Municipal Court, Inspections, Traffic, Emergency Management, Fire, Police

Culture and Recreation

Library, Parks and Recreation

Housing

Housing, Neighborhoods, Community Development

Source: City of Waco Budget Office

Table XV

Fiscal Year					
2015	2016	2017	2018	2019	2020
147.80	160.48	163.43	166.15	168.60	168.60
57.00	53.00	46.00	42.05	39.05	41.05
622.95	620.12	618.23	628.32	630.945	637.950
185.41	188.22	189.90	190.2226	189.8576	189.8576
20.19	19.62	19.04	18.38	19.78	19.78
81.50	80.50	81.50	81.50	87.20	88.20
123.25	123.68	123.31	119.795	120.49	120.49
72.75	73.32	74.83	76.34	76.51	76.51
93.50	90.00	91.39	90.0767	90.7167	90.7167
13.52	13.52	13.40	12.40	12.40	12.40
35.70	34.95	34.96	34.95	34.95	34.95
15.50	15.50	15.14	15.125	15.125	15.125
51.36	51.36	50.82	48.95	58.6462	61.5827
13.00	13.00	13.00	13.00	13.00	13.00
6.00	6.00	5.00	5.00	4.00	4.00
24.00	23.00	25.90	30.1133	32.1833	32.1833
27.00	27.00	29.00	28.95	28.95	28.95
<u>1,590.43</u>	<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>

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

	2011	2012	2013	2014
Function:				
Public Safety				
Police				
Number of Sworn Employees - Budgeted	245	245	246	247
Number of Traffic Citations	9,676	9,632	14,439	21,995
Number of Class "C" Citations	2,413	2,793	3,203	3,042
Calls Dispatched	106,233	109,216	113,593	109,718
Fire				
Number of Sworn Employees - Budgeted	195	195	195	201
Number of Fire Responses	9,257	9,657	9,565	8,893
Public Works				
Street Resurfacing (miles)	9.60	11.50	25.20	18.33
Culture and Recreation				
Parks and Recreation				
Number of Teams in Athletic Leagues	353	359	330	322
Number of Participants in Track/Field Events	292	210	305	340
Number of Participants in After School	3,586	3,758	4,060	4,391
Library				
Volumes in Collection	309,439	313,596	318,633	331,674
Water				
Number of Water Connections	43,078	43,297	44,336	44,912
Average Daily Water Consumption (gallons)	32,351,000	28,107,000	28,920,000	24,035,699
Maximum Storage Capacity (gallons)	42,150,000	42,150,000	42,150,000	42,150,000
Solid Waste (Residential)				
Refuse Collected (tons)	47,512	51,257	52,890	54,477
Bulky/Brush Pickups (tons)	6,956	7,940	5,847	7,381
Recyclables Collected (tons)	2,580	2,619	3,011	3,302
Golf Course				
Number of Paid Rounds Played	42,824	34,760	39,894	38,232

N/A Not available

Source: City of Waco Departments

Table XVI

Fiscal Year					
2015	2016	2017	2018	2019	2020
247	249	253	253	253	260
13,626	10,903	10,682	11,918	15,152	12,819
2,432	2,642	2,005	1,845	2,184	1,667
114,494	109,785	102,938	97,239	102,503	102,438
204	204	204	204	204	204
9,424	9,208	13,336	15,369	19,010	19,662
9.96	23.32	37.70	11.70	50.74	115.00
283	254	352	367	378	-
311	324	288	315	342	-
4,941	4,532	4,779	3,267	2,994	-
345,903	326,883	336,667	324,082	337,566	363,903
45,042	45,914	46,543	46,691	47,964	48,537
27,645,000	26,502,074	26,374,910	26,933,400	26,494,200	26,350,000
42,150,000	42,150,000	42,150,000	42,150,000	44,025,000	43,565,000
59,596	58,732	60,494	79,756	79,417	63,569
14,397	13,599	13,931	12,870	13,191	4,258
3,422	3,104	2,618	3,420	4,275	4,084
38,571	37,881	39,878	43,079	40,884	40,527

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

	2011	2012	2013	2014
Function:				
Public safety				
Police:				
Stations	1	1	1	1
Staffed substations	4	4	3	3
Patrol units - equipped for arrest use	71	71	71	71
Fire stations	14	14	14	14
Highways and streets				
Streets - paved (miles)	600	599	603	604
Traffic control signals	194	195	198	198
Traffic beacons and flashers	102	105	108	110
Culture and recreation				
Parks acreage	1,235	1,235	1,271	1,271
Parks	46	46	46	56
Swimming pools	1	-	-	1
Tennis courts	36	36	34	29
Community centers	5	5	5	5
Water				
Water mains (miles)	885	1,021	1,035	1,043
Fire hydrants	5,165	5,229	5,362	5,398
Maximum daily capacity (thousands of gallons)	75,000	75,000	75,000	75,000
Wastewater				
Sanitary sewers (miles)	747	843	846	850
Storm sewers (miles)	345	347	351	355
Maximum daily capacity (thousands of gallons)	37,800	46,500	46,500	46,500

N/A Not available

Source: City of Waco Departments

Table XVII

Fiscal Year					
2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
2	2	2	2	2	2
74	80	90	71	76	76
14	14	13	13	13	13
605	609	612	620	624	628
198	182	182	197	190	185
116	100	106	100	85	95
1,266	1,266	1,655	1,655	1,655	1,748
56	56	56	56	56	66
1	1	3	3	3	3
29	29	29	28	28	30
5	5	6	6	6	6
1,042	1,051	1,076	1,087	1,091	1,110
5,457	5,522	5,663	5,744	5,778	5,851
75,000	75,000	75,000	75,000	75,000	75,000
852	866	874	884	887	891
358	362	367	371	372	384
46,500	46,500	46,500	46,500	46,500	46,500

