

Comprehensive Annual Financial Report

of the



City of Waco, Texas

Prepared by the
Finance Department
Year Ended September 30, 2017

City of Waco, Texas
Comprehensive Annual Financial Report
Year Ended September 30, 2017

MAYOR

Kyle Deaver

CITY COUNCIL

Jim Holmes, Mayor Pro Tem
Noah Jackson, Jr.
Alice Rodriguez
John Kinnaird
Dillon Meek

CITY MANAGER

Dale A. Fisseler, P.E.

DEPUTY CITY MANAGER

Wiley Stem, III

ASSISTANT CITY MANAGERS

Jack Harper, II
Deidra Emerson
Bradley Ford

DIRECTOR OF FINANCE

Janice Andrews, CPA



City of Waco, Texas

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Post Office Box 2570
Waco, Texas 76702-2570
254 / 750-5758
Fax: 254 / 750-5772
www.waco-texas.com

February 5, 2018

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, 2017, 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.

The City Charter requires an annual audit by independent certified public accountants. The Waco City Council selected the accounting firm of Jaynes, Reitmeier, Boyd & Therrell, P.C. In addition to meeting the requirements set forth in the City Charter, the audit also was designed to meet the requirements of the federal Single Audit Act and related 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"). 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, 2017. 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 three 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.

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

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

The central location in the state makes the City commercially attractive as a distribution center. Waco straddles the major north/south route of Interstate 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, stability in the financial sector, availability of diverse higher education opportunities and steady population growth. Waco will continue to attract new industry because the City provides a high quality labor force, attractive real estate opportunities, favorable tax treatment and abundant natural resources.

Waco's main sources of income are primarily from educational and health services and manufacturing, according to Baylor University's Center for Business & Economic Research. Any fluctuations in Waco's historically stable economy have originated in the manufacturing base. Waco's top ten taxpayers include a candy manufacturer, a soft drink bottler, an aircraft components manufacturer, an eye care products manufacturer, one retail shopping center, an electric utility, a disposable diaper manufacturer, a glass container manufacturer, a warehouse, and a poultry processor. Eight of the top ten employers are education, government, healthcare or manufacturing related.

The educational sector contributes significantly to the City's economic stability. Waco is the home of Baylor University, a private university with a student enrollment of approximately 17,000. Baylor offers 132 undergraduate degree programs, 75 master's degree programs and 42 doctoral programs. McLennan Community College (MCC) is a public, two-year college with an enrollment of over 8,800 students. MCC offers a comprehensive range of educational programs including associate's degree programs, workforce development training and continuing education courses. Additionally, several bachelor's degree programs are available on the MCC campus through partnerships with four-year state universities. With an enrollment of over 4,300, Texas State Technical College offers associates degrees and certificates in 44 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 1.6% from 120,430 in 2009 to 122,423 by September 2017. Total employment at the beginning of fiscal year 2017 – 2018 was 117,790 while the unemployment rate was 3.3%.

Long-term Financial Planning

Unassigned fund balance in the general fund (19 percent of fiscal year 2018 budgeted revenues) falls within the financial management policy guidelines set by the City Council. In response to the implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB No. 54) in fiscal year 2011, the City Council established a new guideline designed to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

The City's five-year Capital Improvement Program is a plan for both long-term and short-term capital needs. Debt payments are structured to provide that capital assets funded by debt have a longer life than the debt associated with those assets. Regarding general obligation debt, the City adopted a policy in fiscal year 2011 to strive each year to decrease the use of debt financing to meet the long-term goal of funding capital expenditures with non-debt sources when possible.

Relevant Financial Policies

In addition to the general fund balance financial policy mentioned above, the City also strives to maintain a positive unrestricted net assets position in the City's water, wastewater and solid waste funds to provide sufficient reserves for emergencies and revenue shortfalls. In addition, the minimum working capital shall be 30% of annual revenues. The working capital percentages at September 30, 2017, for the water, wastewater and solid waste funds were 46.5%, 51.1% and 102.8%, respectively. These working capital percentages were calculated after removing funds set aside for cash Capital Improvement Program funding.

Major Initiatives

Several projects have been initiated to expand capacity improvements associated with the wastewater collection system and water distribution system. These improvements will complement the recent expansions of the water and wastewater plants. The City's water quality and quantity improvements along with pipeline upgrades position Waco and Central Texas extremely well for economic development and residential growth for coming generations.

The master plans for water and wastewater, completed in 2015, include projects of \$75.6 million and \$106.8 million, respectively, in the five-year capital improvements program. Currently, \$37.6 million in water master plan projects and \$15 million in wastewater master plan projects are in construction. Another \$67.4 million in master plan projects are in design. Both the water and wastewater master plans have identified new infrastructure required to support growth as well as existing infrastructure rehabilitation/replacement projects. Additionally, water and wastewater projects will continue to be identified and executed as part of the City's capital improvement program. The solid waste master plan is ongoing and includes a study for new or alternate disposal capacity.

The City is currently updating a storm water master plan, which will guide the City in developing a stronger storm water management program to address current and future flooding and erosion concerns. The plan includes floodplain map revisions, revised base flood elevations and prioritization of improvements to address selected chronic flood problem areas. The storm water master plan is expected to be completed in fiscal year 2018.

Staff continues to implement the Imagine Waco downtown plan and the City Plan. Both plans call for strategic effort to revitalize Elm Avenue, as well as properties along the Brazos River. In 2017, staff applied for and received a highly competitive streetscape grant from the Texas Department of Transportation (TxDOT) to support the revitalization of the Elm Avenue corridor. The \$3.7 million project promotes on-going redevelopment along the corridor and will add and improve visual elements such as concrete and decorative paver sidewalks, street trees, street furniture and bike racks, pedestrian accent lighting and other decorative enhancements. The project will be done in concert with other private investments in the area, including a local craft brewery and the potential additions of new residential and hotel developments.

Riverfront development has been a continual focus of the City and its economic development partners for years. During 2018, staff anticipates construction activities will commence on the Brazos Promenade project. The adjacent Brazos Commons project continues to recruit first class users to its development and will likely start construction in 2019. Each of these riverfront projects is estimated to include more than \$100 million in investment. Both mixed-use developments will activate the riverfront and result in new residents, shops, restaurants, and hotel rooms. In 2017, the Tax Increment Financing Board approved up to \$12.2 million in public improvements for Brazos Promenade and \$7.9 million in public improvements for Brazos Commons.

Financial Information

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waco for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2016. This was the 35th 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.

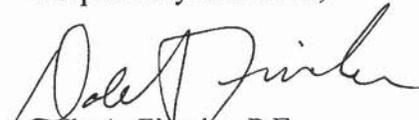
The City has also received GFOA's Popular Annual Financial Reporting Award for the fiscal year ended September 30, 2016 and the Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2016. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

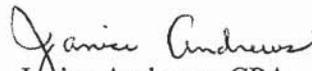
We also acknowledge the thorough, professional, and courteous manner in which our independent auditors, Jaynes, Reitmeier, Boyd & Therrell, P.C., conducted the audit.

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

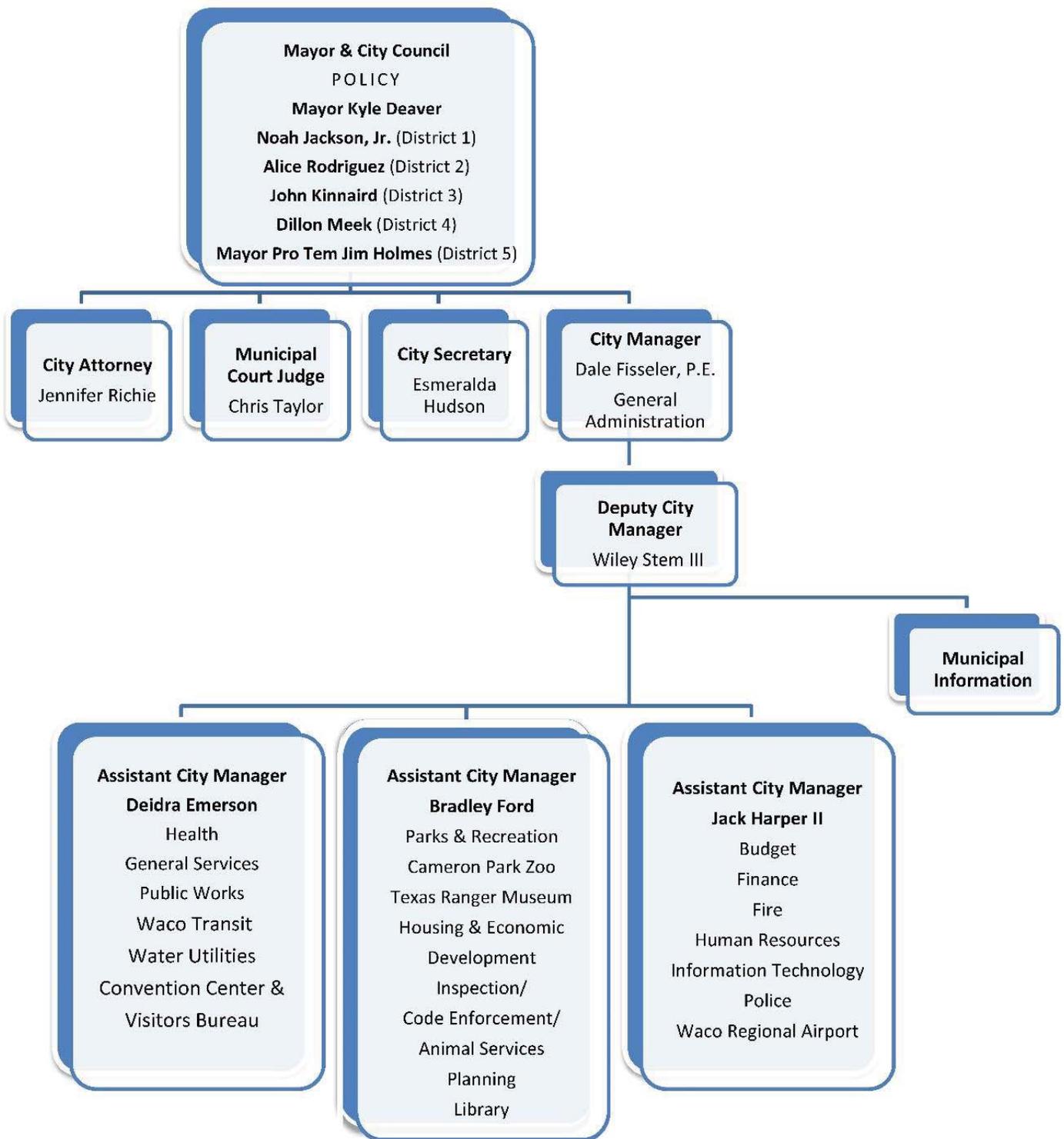
Respectfully submitted,



Dale A. Fisseler, P.E.
City Manager



Janice Andrews, CPA
Director of Finance





Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
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Presented to

**City of Waco
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

Financial Section





JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 500 | 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waco, Texas, as of and for the year ended September 30, 2017, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waco, Texas, as of September 30, 2017, 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 9 through 21 and the other required supplementary information on pages 95 and 96 (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 5, 2018, 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.

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

February 5, 2018



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, 2017. 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 xvi 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, 2017 by \$564,411,013 (net position). Of this amount, \$104,169,011 (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 \$28,853,954.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$117,518,546. The fund balance components are nonspendable - \$1,315,078, restricted - \$41,270,249, committed - \$26,622,891, assigned - \$23,251,648 and unassigned - \$25,058,680. The City Council approves the amounts reported as committed and assigned.
- As of September 30, 2017, unassigned fund balance for the General Fund was \$25,058,680 or 19% of the 2018 budgeted general fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements – The government-wide financial statements, which begin on page 25 of this report, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

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

The government-wide financial statements can be found on pages 25 – 27 of this report.

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

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

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

Beginning on page 28 of this report, information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, 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 42 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 45 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 through 92 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 and related pension contributions. Required supplementary information can be found on pages 95 and 96 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 \$564,411,013 as of September 30, 2017.

The largest portion of the City’s net position (\$430,910,954) reflects its net investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, infrastructure and water rights), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Waco Net Position

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 143,619,584	122,294,368	219,014,659	193,308,922	362,634,243	315,603,290
Capital assets	281,257,337	272,946,431	423,671,196	417,314,597	704,928,533	690,261,028
Total assets	424,876,921	395,240,799	642,685,855	610,623,519	1,067,562,776	1,005,864,318
Total deferred outflows of resources	28,728,896	34,366,412	8,135,312	9,501,611	36,864,208	43,868,023
Long-term liabilities	153,349,089	149,150,429	317,396,647	300,556,637	470,745,736	449,707,066
Other liabilities	32,938,777	31,368,368	34,964,920	31,450,654	67,903,697	62,819,022
Total liabilities	186,287,866	180,518,797	352,361,567	332,007,291	538,649,433	512,526,088
Total deferred inflows of resources	1,175,226	759,293	191,312	123,603	1,366,538	882,896
Net position:						
Net investment in capital assets	206,699,045	195,340,533	224,211,909	218,895,017	430,910,954	414,235,550
Restricted	28,463,123	23,224,157	867,925	700,480	29,331,048	23,924,637
Unrestricted	30,980,557	29,764,431	73,188,454	68,398,739	104,169,011	98,163,170
Total net position	\$ 266,142,725	248,329,121	298,268,288	287,994,236	564,411,013	536,323,357

A portion of the City's net position (\$29,331,048) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$104,169,011) 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, 2017, 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 \$28,853,954 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, 2017. Governmental activities increased the City's net position by \$17,813,604 and represented 62% of the total. Business-type activities increased the City's net position by \$11,040,350 and represented 38% of the total increase.

City of Waco Changes in Net Position

	Year Ended September 30,					
	2017			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 8,317,906	101,185,264	109,503,170	8,745,470	92,706,376	101,451,846
Operating grants and contributions	9,365,279	4,031,927	13,397,206	9,550,112	3,734,120	13,284,232
Capital grants and contributions	9,608,784	3,654,269	13,263,053	7,269,459	6,998,128	14,267,587
General revenues:						
Ad valorem taxes	73,329,810	-	73,329,810	66,177,875	-	66,177,875
Sales taxes	38,135,659	-	38,135,659	37,371,461	-	37,371,461
Franchise taxes	14,238,292	-	14,238,292	13,734,655	-	13,734,655
Hotel/motel taxes	-	3,724,543	3,724,543	-	3,204,122	3,204,122
Other taxes	1,063,684	-	1,063,684	910,456	-	910,456
Investment earnings	1,644,507	462,647	2,107,154	855,366	378,946	1,234,312
Miscellaneous	1,702,214	-	1,702,214	1,450,460	-	1,450,460
Special item-gain on exchange transaction	3,420,000	-	3,420,000	-	-	-
Total revenues	<u>160,826,135</u>	<u>113,058,650</u>	<u>273,884,785</u>	<u>146,065,314</u>	<u>107,021,692</u>	<u>253,087,006</u>
Expenses:						
General government	21,961,388	-	21,961,388	17,591,625	-	17,591,625
Public works	13,531,718	-	13,531,718	12,385,381	-	12,385,381
Public safety	77,631,982	-	77,631,982	71,900,506	-	71,900,506
Culture and recreation	18,409,985	-	18,409,985	17,575,724	-	17,575,724
Public health	7,974,445	-	7,974,445	7,853,838	-	7,853,838
Housing and community development	2,499,865	-	2,499,865	2,421,277	-	2,421,277
Interest on long-term debt	2,724,381	-	2,724,381	2,784,644	-	2,784,644
Water	-	36,237,977	36,237,977	-	34,485,785	34,485,785
Wastewater	-	22,369,323	22,369,323	-	22,024,527	22,024,527
Solid waste	-	16,437,794	16,437,794	-	15,458,545	15,458,545
Airport	-	3,948,697	3,948,697	-	3,821,305	3,821,305
Convention services	-	4,524,677	4,524,677	-	4,301,096	4,301,096
Ranger Hall of Fame	-	1,333,563	1,333,563	-	1,444,823	1,444,823
Cameron Park Zoo	-	5,232,360	5,232,360	-	4,777,181	4,777,181
Transit services	-	8,360,490	8,360,490	-	8,640,336	8,640,336
Cottonwood Creek Golf Course	-	1,852,186	1,852,186	-	1,821,529	1,821,529
Total expenses	<u>144,733,764</u>	<u>100,297,067</u>	<u>245,030,831</u>	<u>132,512,995</u>	<u>96,775,127</u>	<u>229,288,122</u>
Increase in net position before transfers	16,092,371	12,761,583	28,853,954	13,552,319	10,246,565	23,798,884
Transfers	1,721,233	(1,721,233)	-	485,004	(485,004)	-
Increase in net position	<u>17,813,604</u>	<u>11,040,350</u>	<u>28,853,954</u>	<u>14,037,323</u>	<u>9,761,561</u>	<u>23,798,884</u>
Net position, beginning of year, as previously reported	248,329,121	287,994,236	536,323,357	234,291,798	278,232,675	512,524,473
Prior period adjustment	-	(766,298)	(766,298)	-	-	-
Net position, beginning of year as restated	<u>248,329,121</u>	<u>287,227,938</u>	<u>535,557,059</u>	<u>234,291,798</u>	<u>278,232,675</u>	<u>512,524,473</u>
Net position, end of year	<u>\$ 266,142,725</u>	<u>298,268,288</u>	<u>564,411,013</u>	<u>248,329,121</u>	<u>287,994,236</u>	<u>536,323,357</u>

City of Waco
Changes in Net Position
(Continued)

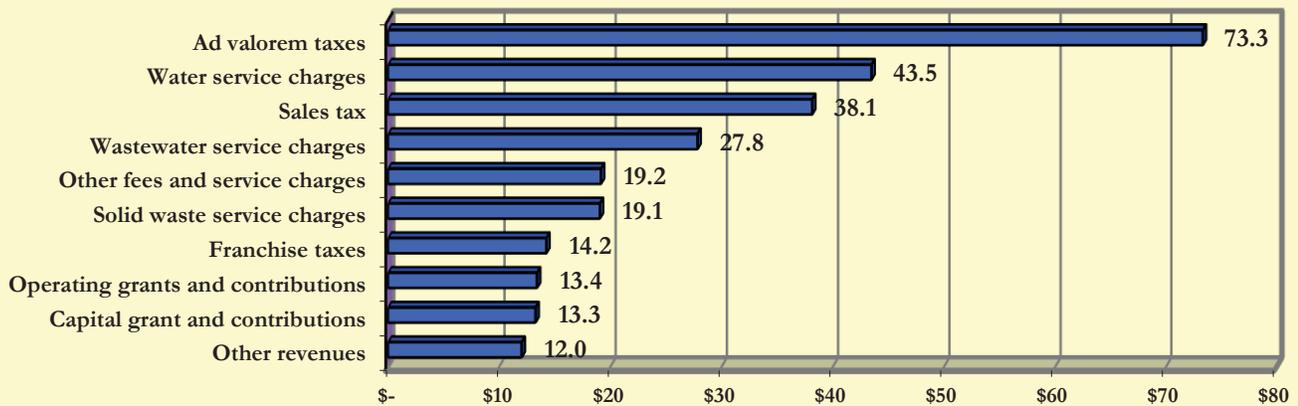
Governmental activities – Key elements of the change in governmental net position include:

- Overall, governmental revenues increased \$14.8 million (10.1%). Ad valorem taxes reflected an increase of \$7.2 million (10.8%), primarily as a result of growth in property tax base including an increase of \$287 million in new construction assessments. Sales taxes reflected an increase of approximately \$0.8 million (2%).
- Overall, governmental expenses increased \$12.2 million (9.2%). A 2.75% salary increase, job class step increases, as well as expanded job class steps for some civil services employees based on rank and service time were approved in the budget. In addition, phase two and three of a city-wide compensation and classification study was implemented during the year. The fiscal impact for these salary increases, including benefits was approximately \$3.0 million. As expected after the adoption of GASB 68, significant fluctuations in pension expense may occur in response to changes in fair value of plan assets and the total pension liability. Pension expense increased \$1.3 million as compared to prior year due to these changes. Increases of approximately \$4.2 million were also budgeted for other operating expenses such as maintenance, contributions to outside agencies, claim costs for risk and health insurance, economic development incentive projects, other purchased services, and supplies.

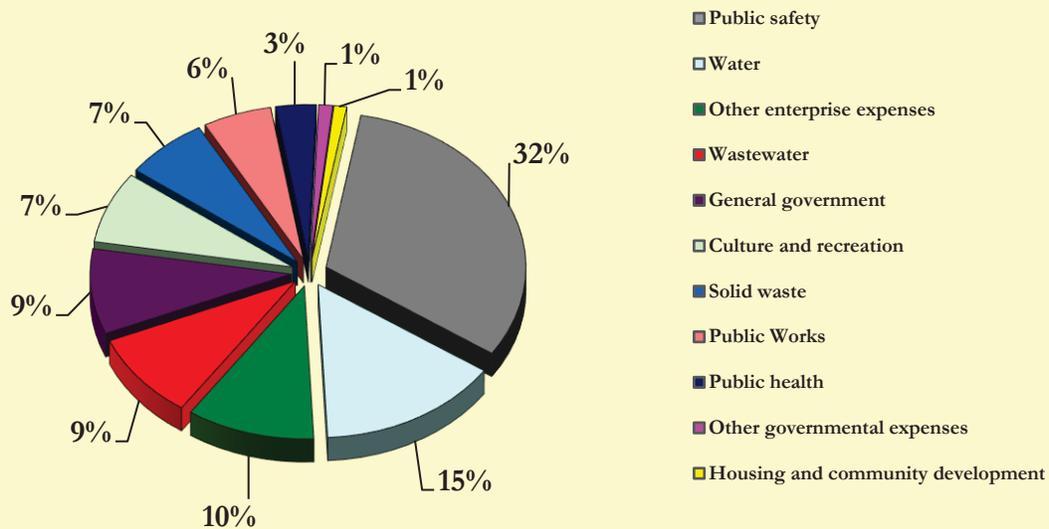
Business-type activities – Key elements of the increase in business-type net position include:

- Charges for services increased by almost \$8.5 million (9.2%) as compared to prior year primarily due to rate increases and growth in service activity; water (\$3.8 million), wastewater (\$4.4 million), and solid waste (\$0.2 million). Effective January 1, 2017, 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, were a significant factor contributing to changes in rates. Although solid waste residential and roll-off rates remained the same for fiscal year 2017, fee changes were included for commercial collection and landfill. Capital grants and contributions decreased approximately \$3.3 million primarily due to completion of airport capital projects.
- Total expenses increased \$3.5 million (3.6%). Approximately \$0.9 million was due to the 2.75% salary increase approved for the fiscal year. Purchased professional/technical services increased \$1.2 million primarily due to increased costs for engineering and professional services. Maintenance expense increased approximately \$0.8 million primarily for water and wastewater plants, mains, equipment, and debris removal for the dam. Depreciation expense increased approximately \$0.7 million primarily for water and wastewater projects.

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 \$117,518,546. Approximately 1.1% (\$1,315,078) 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 35.1% (\$41,270,249) 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 22.7% (\$26,622,891) 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 19.8% (\$23,251,648) 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 \$25,058,680 (21.3%) is reported as unassigned. Refer to pages 56 and 57 of this report for a more detailed presentation of governmental fund balances.

The City's Financial Management Policy Statements provide for general fund unassigned fund balance to be maintained at 18% of current year revenues. Unassigned general fund balance at the end of the current fiscal year is 19% of 2018 budgeted revenues. The fund balance of the general fund at the end of the current year reported an increase of \$4,750,742. Total revenues in the general fund increased \$5,212,780 as compared to the prior year and were \$5,212,253 more than the final budget. Key factors in general fund revenue are as follows:

- Increases of approximately \$4.5 million in property tax revenues resulted primarily from growth in net taxable assessed property valuation of over 9%. The distribution of the tax rate allocated to the General Fund increased slightly also due to the Council's initiatives to increase cash funding for capital projects. Property taxes represented approximately 42% of total general fund revenues.
- Sales tax revenue reported an increase of approximately \$0.8 million as compared to prior year, with actual amounts exceeding the amount originally budgeted for the fiscal year by over \$3.9 million. Increased economic activity, lower unemployment rates, and lower fuel prices all contributed to this revenue growth. This revenue source represents over 30% of total general fund revenues.
- Gross receipts fees, which had been budgeted very conservatively, increased \$0.6 million as compared to prior year. Approximately 11% of total general fund revenues came from gross receipts fees.

Proprietary funds - The City's proprietary fund statements beginning on page 42 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 - \$33,949,484, Wastewater - \$22,098,958, and Solid Waste - \$13,562,942. These funds experienced increases in total net position during 2017 as follows: Water - \$4,423,390, Wastewater - \$5,218,462, and Solid Waste - \$2,396,208.

General Fund budgetary highlights – Differences between the original budget and the final amended budget for appropriations were \$6,253,308. The primary differences can be briefly summarized as follows:

- \$2,035,674 increase for Riverwalk projects
- \$527,923 increase for property purchases
- \$519,601 increase for street microsurfacing project
- \$346,900 increase for Stormwater Master Plan
- \$327,583 increase for engineering services
- \$325,468 increase for various equipment
- \$320,813 increase for Street Improvements 2017 Reclamation project
- \$270,141 increase for employee benefits
- \$258,000 increase for City's Municipal information cable channel equipment
- \$206,545 increase for Ranger Hall of Fame grounds and facilities projects
- \$200,000 increase for Community Loan Program
- \$168,566 increase for Barron's Branch project
- \$113,000 increase for Brazos Promenade project
- \$104,602 increase for various professional services
- \$94,759 increase for utilities relocation
- \$80,254 increase for joint use facility utilization study
- \$74,348 increase for upgrade of two fire positions

- \$61,242 increase for body worn camera project
- \$59,600 increase for riverfront project
- \$42,741 increase for fire engine repairs
- \$26,960 increase for various supplies
- \$26,600 increase for City-wide media services training
- \$26,368 increase for rolling stock
- \$20,620 increase for Workforce Employer Resource project
- \$15,000 increase for IT consulting services

Of this increase, \$3,237,950 was from fund balance assigned for capital improvements, \$561,786 from fund balance assigned for economic development, \$299,352 from fund balance assigned for public works, \$199,813 from fund balance assigned for other, \$365,900 from fund balance restricted for culture and recreation, \$122,028 from fund balance assigned for public safety, \$73,334 from fund balance assigned for culture and recreation, \$872,265 from increases in sales tax, \$126,831 from increases in miscellaneous revenues, \$258,000 from increases in franchise fees, \$4,400 from increases in contribution revenues, and \$131,649 from increases in transfers.

Refer to the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on pages 32 to 40 of this report for a detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2017.

CAPITAL ASSETS

The City of Waco's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounts to \$704,928,533 (net of accumulated depreciation). This investment in capital assets includes land, building, machinery and equipment, improvements other than buildings, infrastructure and construction work in progress. Major capital asset events occurring during the current fiscal year included the following:

- Capitalized approximately \$20.6 million on various water and wastewater systems projects.
- Capitalized \$10 million in street and drainage expenditures and contributions.
- Capitalized approximately \$2.6 million for landfill cell.
- Capitalized \$4.8 million on various park facility improvements expenditures.
- Capitalized \$3.4 million on for administrative land acquisitions.
- Capitalized \$1.7 million for fire trucks and land.

**City of Waco
Capital Assets**

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 54,536,013	48,750,962	6,667,091	6,551,892	61,203,104	55,302,854
Buildings	78,652,372	74,674,139	83,049,381	82,194,623	161,701,753	156,868,762
Improvements other than buildings	62,711,102	62,560,580	506,220,277	500,873,939	568,931,379	563,434,519
Machinery and equipment	59,100,555	54,263,125	54,652,868	51,147,711	113,753,423	105,410,836
Museum collections	-	-	2,224,424	2,224,424	2,224,424	2,224,424
Infrastructure	296,302,234	280,762,640	-	-	296,302,234	280,762,640
Construction work in progress	11,651,485	17,255,893	51,073,533	33,153,723	62,725,018	50,409,616
Water rights	-	-	32,482,879	32,482,879	32,482,879	32,482,879
Less: accumulated depreciation	<u>(281,696,424)</u>	<u>(265,320,908)</u>	<u>(312,699,257)</u>	<u>(291,314,594)</u>	<u>(594,395,681)</u>	<u>(556,635,502)</u>
Total capital assets	\$ <u>281,257,337</u>	<u>272,946,431</u>	<u>423,671,196</u>	<u>417,314,597</u>	<u>704,928,533</u>	<u>690,261,028</u>

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

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Waco had total bonded debt and notes payable of \$404,653,060. Of this amount, \$402,336,409 represents bonded debt backed by the full faith and credit of the government. The \$2,316,651 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	
	2017	2016	2017	2016	2017	2016
General obligation certificates	\$ 88,289,702	84,123,284	314,046,707	295,326,024	402,336,409	379,449,308
Notes payable	<u>645,688</u>	<u>807,110</u>	<u>1,670,963</u>	<u>1,750,105</u>	<u>2,316,651</u>	<u>2,557,215</u>
	\$ <u>88,935,390</u>	<u>84,930,394</u>	<u>315,717,670</u>	<u>297,076,129</u>	<u>404,653,060</u>	<u>382,006,523</u>

During the 2017 fiscal year, the City issued \$34,620,000 in general obligation certificates of obligation. The proceeds will be used for various general City improvements including expansion and improvements to city administration and services buildings, City Hall, police department facilities, and health facilities, traffic control systems, streets, street lighting and drainage, sidewalks, vehicles, fire-fighting equipment, equipment, stormwater drainage facilities, water, and wastewater improvements. The City's combination tax and revenue certificates of obligation bond ratings are listed below:

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The general fund budget (including transfers in) for fiscal year 2018 is based on an increase in revenues of 5.2% over last year's adopted budget, due mainly to the increase from ad valorem taxes and sales taxes. No ad valorem tax rate adjustment is included for 2018. The fiscal year 2018 budget includes a \$2.9 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, 2017.

Approximately 27% of general fund revenues come from sales taxes. The City ended 2017 with sales tax revenue considerably over the original adopted budget. Sales taxes for 2018 were budgeted with a 4% increase over the fiscal year 2017 adopted budget, but still less than actual receipts for 2017. The City's preference is to be conservative in this area of the budget because this revenue is so volatile and is affected by so many factors over which the City has no control.

The 2017 budget includes a 3.00% salary increase for employees and increases for certain civil service employees who are eligible for step pay increases. 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 2018 (14.25%) increased slightly from the 2017 rate (13.96%). 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 2018 included approximately \$12.2 million for TMRS contributions.

Fiscal year 2018 includes rate increases to residential, commercial and industrial water and wastewater customers. 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. Base rates for water and wastewater monthly services will increase, along with volumetric rate increases. Solid waste residential, commercial, and roll-off rates will remain the same for fiscal year 2018. However, fee changes are included for the landfill.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Janice Andrews, Finance Director, 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, 2017

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Central Waco Development Corporation	Waco Health Facilities Development Corporation
Assets						
Cash and investments	\$ 122,329,185	83,327,719	205,656,904	54,760	6,261	30,405
Receivables (net of allowances for uncollectibles):						
Accounts	4,218,901	12,305,247	16,524,148	64,266	-	-
Special assessments	2,010	-	2,010	-	-	-
Taxes	8,856,506	-	8,856,506	-	-	-
Intergovernmental receivable	2,895,723	3,928,379	6,824,102	-	-	-
Accrued interest receivable	-	2,477	2,477	-	-	-
Internal balances	2,484,092	(2,484,092)	-	-	-	-
Due from others as fiscal agent	86,697	-	86,697	-	-	-
Inventories	1,165,114	1,234,581	2,399,695	18,754	-	-
Restricted cash and investments	-	120,293,352	120,293,352	-	-	-
Notes receivable	1,530,329	406,996	1,937,325	-	-	-
Real estate held for resale	51,027	-	51,027	-	-	-
Capital assets not being depreciated:						
Land	54,536,013	6,667,091	61,203,104	-	-	-
Museum collections	-	2,224,424	2,224,424	-	-	-
Construction in progress	11,651,485	51,073,533	62,725,018	-	-	-
Capital assets, net of accumulated depreciation:						
Buildings	53,141,873	42,716,729	95,858,602	-	-	-
Machinery and equipment	18,381,769	16,757,520	35,139,289	-	-	-
Improvements other than buildings	27,787,394	283,364,015	311,151,409	-	-	-
Infrastructure	115,758,803	-	115,758,803	-	-	-
Water rights	-	20,867,884	20,867,884	-	-	-
Total assets	424,876,921	642,685,855	1,067,562,776	137,780	6,261	30,405
Deferred outflows of resources						
Deferred outflows of resources:						
Deferred losses on refundings of debt	2,078,255	3,796,842	5,875,097	-	-	-
Deferred outflows on pension liability	26,650,641	4,338,470	30,989,111	-	-	-
Total deferred outflows of resources	28,728,896	8,135,312	36,864,208	-	-	-
Liabilities						
Accounts payable	3,795,528	2,441,238	6,236,766	42,646	-	-
Accrued liabilities	6,322,648	4,492,030	10,814,678	49,932	-	-
Accrued interest payable	694,403	2,115,942	2,810,345	-	-	-
Unearned revenue	21,804	215,884	237,688	17,300	-	-
Escrow funds	436,216	-	436,216	-	-	-
Customer deposits	766,256	-	766,256	-	-	-
Advanced deposits from Baylor University	-	-	-	27,902	-	-
Liabilities payable from restricted assets	-	6,134,349	6,134,349	-	-	-
Noncurrent liabilities:						
Due within one year	20,901,922	19,565,477	40,467,399	-	-	-
Due in more than one year	153,349,089	317,396,647	470,745,736	-	-	-
Total liabilities	186,287,866	352,361,567	538,649,433	137,780	-	-
Deferred inflows of resources:						
Deferred inflows on pension liability	1,175,226	191,312	1,366,538	-	-	-
Total deferred inflows of resources	1,175,226	191,312	1,366,538	-	-	-
Net position						
Net investment in capital assets	206,699,045	224,211,909	430,910,954	-	-	-
Restricted for:						
Tax increment financing/public improvement district	23,625,931	-	23,625,931	-	-	-
Housing and community development	1,525,707	-	1,525,707	-	-	-
Culture and recreation	581,442	-	581,442	-	-	-
Public safety	1,208,289	-	1,208,289	-	-	-
Municipal information	1,006,021	-	1,006,021	-	-	-
Debt service	147,618	-	147,618	-	-	-
Parks and cemetery care - nonexpendable	368,115	-	368,115	-	-	-
Capital projects	-	867,925	867,925	-	-	-
Unrestricted	30,980,557	73,188,454	104,169,011	-	6,261	30,405
Total net position	\$ 266,142,725	\$ 298,268,288	\$ 564,411,013	\$ -	\$ 6,261	\$ 30,405

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Activities
Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental activities:			
General government	\$ (21,961,388)	282,226	1,227,377
Public works	(13,531,718)	972	-
Public safety	(77,631,982)	5,211,330	1,328,400
Culture and recreation	(18,409,985)	1,574,384	1,219,230
Public health	(7,974,445)	1,248,994	3,788,057
Housing and community development	(2,499,865)	-	1,802,215
Interest on long-term debt	(2,724,381)	-	-
Total governmental activities	<u>(144,733,764)</u>	<u>8,317,906</u>	<u>9,365,279</u>
Business-type activities:			
Water	(36,237,977)	43,474,418	184,782
Wastewater	(22,369,323)	27,826,441	14,878
Solid waste	(16,437,794)	19,052,864	16,108
Airport	(3,948,697)	1,134,454	102,960
Convention services	(4,524,677)	1,568,402	-
Ranger Hall of Fame	(1,333,563)	654,740	37,397
Cameron Park Zoo	(5,232,360)	2,223,777	-
Transit services	(8,360,490)	3,606,218	3,675,802
Cottonwood Creek Golf Course	(1,852,186)	1,643,950	-
Total business-type activities	<u>(100,297,067)</u>	<u>101,185,264</u>	<u>4,031,927</u>
Total primary government	<u>\$ (245,030,831)</u>	<u>109,503,170</u>	<u>13,397,206</u>
Component Units:			
Baylor Waco Stadium Authority	\$ (2,792,956)	623,480	2,169,476
Central Waco Development Corporation	-	-	-
Waco Health Facilities Development Corporation	-	-	-
Total component units	<u>\$ (2,792,956)</u>	<u>623,480</u>	<u>2,169,476</u>

General revenues:
Taxes:
Property
Property tax increment financing
Sales
Franchise
Hotel/motel
Other
Unrestricted investment earnings
Miscellaneous
Special item-gain on exchange transaction
Transfers
Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes to financial statements.

Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Central Waco Development Corporation	Waco Health Facilities Development Corporation
-	(20,451,785)	-	(20,451,785)			
6,310,154	(7,220,592)	-	(7,220,592)			
547,751	(70,544,501)	-	(70,544,501)			
2,750,879	(12,865,492)	-	(12,865,492)			
-	(2,937,394)	-	(2,937,394)			
-	(697,650)	-	(697,650)			
-	(2,724,381)	-	(2,724,381)			
<u>9,608,784</u>	<u>(117,441,795)</u>	<u>-</u>	<u>(117,441,795)</u>			
65,203	-	7,486,426	7,486,426			
488,790	-	5,960,786	5,960,786			
-	-	2,631,178	2,631,178			
963,914	-	(1,747,369)	(1,747,369)			
-	-	(2,956,275)	(2,956,275)			
-	-	(641,426)	(641,426)			
-	-	(3,008,583)	(3,008,583)			
2,136,362	-	1,057,892	1,057,892			
-	-	(208,236)	(208,236)			
<u>3,654,269</u>	<u>-</u>	<u>8,574,393</u>	<u>8,574,393</u>			
<u>13,263,053</u>	<u>(117,441,795)</u>	<u>8,574,393</u>	<u>(108,867,402)</u>			
-				-	-	-
-				-	-	-
<u>-</u>				<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>				<u>-</u>	<u>-</u>	<u>-</u>
\$ 63,095,312	-	-	63,095,312	-	-	-
10,234,498	-	-	10,234,498	-	-	-
38,135,659	-	-	38,135,659	-	-	-
14,238,292	-	-	14,238,292	-	-	-
-	3,724,543	-	3,724,543	-	-	-
1,063,684	-	-	1,063,684	-	-	-
1,644,507	462,647	-	2,107,154	-	38	183
1,702,214	-	-	1,702,214	-	-	-
3,420,000	-	-	3,420,000	-	-	-
1,721,233	(1,721,233)	-	-	-	-	-
<u>135,255,399</u>	<u>2,465,957</u>	<u>-</u>	<u>137,721,356</u>	<u>-</u>	<u>38</u>	<u>183</u>
17,813,604	11,040,350	-	28,853,954	-	38	183
<u>248,329,121</u>	<u>287,227,938</u>	<u>-</u>	<u>535,557,059</u>	<u>-</u>	<u>6,223</u>	<u>30,222</u>
<u>\$ 266,142,725</u>	<u>298,268,288</u>	<u>-</u>	<u>564,411,013</u>	<u>-</u>	<u>6,261</u>	<u>30,405</u>

City of Waco, Texas

Balance Sheet Governmental Funds September 30, 2017

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 55,205,804	\$ 54,614,262	\$ 109,820,066
Receivables, net of allowances:			
Accounts	3,896,814	322,039	4,218,853
Special assessments	-	2,010	2,010
Taxes	8,527,438	329,068	8,856,506
Notes	-	1,530,329	1,530,329
Advances to other funds	-	168,368	168,368
Intergovernmental receivable	75,129	2,820,594	2,895,723
Inventory	855,118	85,685	940,803
Real estate held for resale	6,160	44,867	51,027
Due from other funds	3,212,501	-	3,212,501
Total assets	\$ 71,778,964	\$ 59,917,222	\$ 131,696,186
Liabilities			
Accounts payable	\$ 2,077,867	\$ 1,488,582	\$ 3,566,449
Accrued liabilities	5,197,283	575,286	5,772,569
Unearned revenue	20,594	1,210	21,804
Due to other funds	397,560	810,080	1,207,640
Deposits	766,256	-	766,256
Escrow funds	408,378	27,300	435,678
Total liabilities	8,867,938	2,902,458	11,770,396
Deferred inflows of resources			
Unavailable revenue:			
Property taxes	1,609,521	316,880	1,926,401
Court fines	478,833	-	478,833
Special assessments	-	2,010	2,010
Total deferred inflow of resources	2,088,354	318,890	2,407,244
Total liabilities and deferred inflows of resources	10,956,292	3,221,348	14,177,640
Fund balances (deficits)			
Nonspendable			
Inventory	855,118	85,685	940,803
Parks and cemetery care	-	368,115	368,115
Real estate held for resale	6,160	-	6,160
Restricted			
Capital projects	-	12,754,861	12,754,861
Culture and recreation	-	581,442	581,442
Debt service	-	528,707	528,707
Housing and community development	-	1,570,574	1,570,574
Municipal information	1,006,021	-	1,006,021
Public safety	-	1,208,289	1,208,289
Tax increment zone activities	-	22,732,032	22,732,032
Waco Public Improvement District	-	888,323	888,323
Committed			
Capital projects	-	14,236,424	14,236,424
Economic development	10,645,045	-	10,645,045
Public health	-	1,741,422	1,741,422
Assigned			
Capital improvements	14,880,555	-	14,880,555
Culture and recreation	129,850	-	129,850
Economic development	4,491,067	-	4,491,067
Other	264,776	-	264,776
Public safety	507,585	-	507,585
Public works	109,472	-	109,472
Subsequent year's budget appropriation	2,868,343	-	2,868,343
Unassigned	25,058,680	-	25,058,680
Total fund balances (deficits)	\$ 60,822,672	\$ 56,695,874	\$ 117,518,546
Total liabilities, deferred inflows of resources, and fund balances	\$ 71,778,964	\$ 59,917,222	\$ 131,696,186

See accompanying notes to financial statements.

City of Waco, Texas

Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2017

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

Total fund balances - governmental funds (page 28)	\$	117,518,546
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		280,391,605
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.		2,407,244
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.		10,583,185
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(144,757,855)</u>
Net position of governmental activities (page 25)	\$	<u><u>266,142,725</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, 2017

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 91,855,453	\$ 9,283,223	\$ 101,138,676
Property taxes	-	10,779,442	10,779,442
Business and occupation fees	14,238,292	-	14,238,292
Permits, licenses and fees	1,574,504	1,044,119	2,618,623
Fines	1,786,602	267,653	2,054,255
Charges for services	1,939,164	-	1,939,164
Investment earnings	521,037	1,053,362	1,574,399
Contributions	683,968	560,806	1,244,774
Intergovernmental	1,921,435	9,422,867	11,344,302
Program income	-	222,053	222,053
Other	10,545,927	534,342	11,080,269
Total revenues	<u>125,066,382</u>	<u>33,167,867</u>	<u>158,234,249</u>
Expenditures:			
Current:			
General government	22,496,688	5,924,703	28,421,391
Public works	1,643,939	-	1,643,939
Public safety	69,194,896	856,455	70,051,351
Culture and recreation	13,264,569	4,423,741	17,688,310
Housing and community development	308,018	2,268,657	2,576,675
Public health	-	7,588,586	7,588,586
Debt service:			
Principal	-	6,685,000	6,685,000
Interest and fiscal charges	-	3,240,961	3,240,961
Bond issuance costs	-	84,655	84,655
Capital outlay	-	13,884,468	13,884,468
Total expenditures	<u>106,908,110</u>	<u>44,957,226</u>	<u>151,865,336</u>
Excess (deficiency) of revenues over expenditures	<u>18,158,272</u>	<u>(11,789,359)</u>	<u>6,368,913</u>
Other financing sources (uses):			
General obligation bonds issued	-	11,465,000	11,465,000
Premium on general obligation bonds	-	451,335	451,335
Transfers in	4,761,411	17,590,231	22,351,642
Transfers out	(18,168,941)	(2,215,645)	(20,384,586)
Total other financing sources (uses)	<u>(13,407,530)</u>	<u>27,290,921</u>	<u>13,883,391</u>
Net change in fund balances	4,750,742	15,501,562	20,252,304
Fund balances, beginning of year	56,071,930	41,194,312	97,266,242
Fund balances, end of year	<u>\$ 60,822,672</u>	<u>\$ 56,695,874</u>	<u>\$ 117,518,546</u>

See accompanying notes to financial statements.

City of Waco, Texas
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended September 30, 2017

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

Net change in fund balances - total governmental funds (page 30)	\$	20,252,304
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 depreciation exceeded capital outlay in the current period.		(1,363,379)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is to increase net position.		6,316,011
The City entered into a nonmonetary agreement to trade certain properties with a local university. The effect was a gain on exchange transaction.		3,420,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(143,662)
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.		(5,069,913)
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.		(6,364,193)
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>766,436</u>
Change in net position of governmental activities (pages 26 - 27)	\$	<u><u>17,813,604</u></u>

See accompanying notes to financial statements.

City of Waco, Texas
General Fund
Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2017
(With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenue					
Taxes:					
Sales tax income	\$ 34,184,913	35,057,178	38,135,659	3,078,481	37,371,461
Property taxes	52,920,764	52,920,764	53,256,332	335,568	48,804,522
Interest and penalty on taxes	450,000	450,000	463,462	13,462	439,315
Totals	<u>87,555,677</u>	<u>88,427,942</u>	<u>91,855,453</u>	<u>3,427,511</u>	<u>86,615,298</u>
Business and occupation fees:					
Occupation taxes	35,000	35,000	50,694	15,694	97,574
Gross receipts taxes	13,568,892	13,826,892	14,187,598	360,706	13,637,081
Totals	<u>13,603,892</u>	<u>13,861,892</u>	<u>14,238,292</u>	<u>376,400</u>	<u>13,734,655</u>
Permits, licenses and fees:					
Building permits	632,029	632,029	653,197	21,168	788,519
Plumbing permits	225,000	225,000	268,530	43,530	265,225
Electrical permits	321,680	321,680	389,693	68,013	390,127
Heating and air conditioning licenses	135,000	135,000	137,153	2,153	158,168
Fire inspection fees	48,418	48,418	47,768	(650)	57,173
Cab permits	-	-	650	650	700
House moving permits	392	392	167	(225)	112
Open air/street vending	5,400	5,400	7,705	2,305	6,330
Sign permits	32,668	32,668	30,210	(2,458)	37,047
Subdivision fees	34,446	34,446	39,431	4,985	39,497
Totals	<u>1,435,033</u>	<u>1,435,033</u>	<u>1,574,504</u>	<u>139,471</u>	<u>1,742,898</u>
Fines:					
Court fines	2,041,960	2,041,960	1,656,378	(385,582)	2,111,806
Auto impound fees	147,911	147,911	130,224	(17,687)	145,439
Totals	<u>2,189,871</u>	<u>2,189,871</u>	<u>1,786,602</u>	<u>(403,269)</u>	<u>2,257,245</u>
Charges for services:					
Recreation	654,484	654,484	861,127	206,643	765,041
Weed mowing	80,000	80,000	50,402	(29,598)	104,275
Library fees	115,187	115,187	133,995	18,808	122,903
Animal pick up	10,325	10,325	12,570	2,245	9,620
Animal shelter fees	370,527	370,527	391,208	20,681	330,539
Grounds maintenance	55,097	55,097	55,097	-	53,622
Graphics	62,182	62,182	64,667	2,485	65,764
Police Security	22,770	22,770	35,303	12,533	40,525
Airport Security Services	314,648	314,648	334,795	20,147	342,255
Totals	<u>1,685,220</u>	<u>1,685,220</u>	<u>1,939,164</u>	<u>253,944</u>	<u>1,834,544</u>
Interest on investments	75,000	75,000	521,037	446,037	213,552

City of Waco, Texas
 General Fund
 Statement of Revenue, Expenditures,
 & Changes in Fund Balance -
 Budget and Actual
 Year Ended September 30, 2017
 (With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues (continued)					
Contributions	617,001	621,401	683,968	62,567	784,013
Intergovernmental	1,832,886	1,832,886	1,921,435	88,549	2,049,784
Other:					
Indirect expense reimbursements	7,115,251	7,115,251	7,069,233	(46,018)	7,494,575
False alarm fines	11,026	11,026	15,800	4,774	15,250
BSC civil penalties	-	-	500	500	-
Rents from real estate	139,130	139,130	267,724	128,594	223,461
Miscellaneous revenue	1,417,623	1,544,454	2,145,094	600,640	1,797,530
Sale of real estate	100,000	100,000	101,893	1,893	220,877
Sale of other scrap	12,899	12,899	13,140	241	12,026
Zoning applications	13,437	13,437	35,175	21,738	24,060
Commission from sale of mixed drinks	528,576	528,576	581,837	53,261	555,555
Commission on municipal court fines	86,653	86,653	64,859	(21,794)	90,116
Commission on concessions	151,536	151,536	229,379	77,843	165,116
Garage sale permits	21,922	21,922	20,320	(1,602)	20,990
Special assessments	-	-	973	973	2,057
Totals	9,598,053	9,724,884	10,545,927	821,043	10,621,613
Total revenue	118,592,633	119,854,129	125,066,382	5,212,253	119,853,602
Expenditures					
General Government					
Administrative Services:					
Salaries and wages	1,442,467	1,396,467	1,365,497	30,970	1,415,797
Employee benefits	427,037	427,037	414,168	12,869	414,322
Purchased professional/technical services	46,394	214,894	316,488	(101,594)	133,906
Purchased property services	31,406	31,406	35,733	(4,327)	33,715
Maintenance	2,000	2,000	324	1,676	-
Other purchased services	306,366	401,125	599,354	(198,229)	234,546
Supplies	105,494	105,494	92,068	13,426	113,742
Capital expenditures	-	-	-	-	17,821
Other expenses	280,000	486,545	112,983	373,562	111,895
Total Administrative Services	2,641,164	3,064,968	2,936,615	128,353	2,475,744
City Secretary:					
Salaries and wages	320,967	320,967	307,289	13,678	283,736
Employee benefits	121,391	121,391	116,398	4,993	109,581
Purchased professional/technical services	132,500	117,595	51,769	65,826	60,045
Maintenance	21,993	23,280	23,003	277	21,405
Other purchased services	24,164	27,914	24,403	3,511	26,876
Supplies	16,768	26,636	23,544	3,092	44,460
Total City Secretary	637,783	637,783	546,406	91,377	546,103
Finance Services:					
Salaries and wages	1,263,207	1,263,207	1,239,682	23,525	1,012,541
Employee benefits	406,273	406,273	399,377	6,896	324,797
Purchased professional/technical services	102,490	102,490	100,022	2,468	92,811

(Continued)

City of Waco, Texas
 General Fund
 Statement of Revenue, Expenditures,
 & Changes in Fund Balance -
 Budget and Actual
 Year Ended September 30, 2017
 (With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
General Government (continued)					
Finance Services: (continued)					
Maintenance	500	500	680	(180)	1,144
Other purchased services	26,882	26,882	24,936	1,946	25,602
Supplies	30,240	30,240	34,494	(4,254)	33,425
Other expenses	63,114	63,114	11,493	51,621	10,646
Total Finance Services	<u>1,892,706</u>	<u>1,892,706</u>	<u>1,810,684</u>	<u>82,022</u>	<u>1,500,966</u>
Legal Services:					
Salaries and wages	949,714	949,714	865,378	84,336	834,018
Employee benefits	279,836	279,836	258,251	21,585	245,179
Purchased professional/technical services	5,850	5,850	3,274	2,576	(733)
Maintenance	300	300	-	300	109
Other purchased services	28,920	28,920	18,966	9,954	26,678
Supplies	32,099	32,099	38,349	(6,250)	28,140
Total Legal Services	<u>1,296,719</u>	<u>1,296,719</u>	<u>1,184,218</u>	<u>112,501</u>	<u>1,133,391</u>
Planning Services:					
Salaries and wages	493,125	493,125	492,339	786	437,666
Employee benefits	174,718	174,718	157,083	17,635	146,386
Purchased professional/technical services	140,000	131,686	27,761	103,925	45,397
Purchased property services	65,764	65,764	65,800	(36)	65,837
Maintenance	1,100	1,100	3,354	(2,254)	2,465
Other purchased services	20,512	20,512	19,967	545	18,990
Supplies	27,987	36,301	35,948	353	31,349
Total Planning Services	<u>923,206</u>	<u>923,206</u>	<u>802,252</u>	<u>120,954</u>	<u>748,090</u>
Human Resources:					
Salaries and wages	558,360	554,360	596,872	(42,512)	595,719
Employee benefits	195,815	195,815	201,238	(5,423)	196,174
Purchased professional/technical services	46,970	44,498	28,304	16,194	23,503
Purchased property services	-	550	550	-	-
Maintenance	2,200	2,200	1,549	651	1,635
Other purchased services	63,501	80,601	81,995	(1,394)	32,655
Supplies	16,441	22,363	20,517	1,846	15,088
Total Human Resources	<u>883,287</u>	<u>900,387</u>	<u>931,025</u>	<u>(30,638)</u>	<u>864,774</u>
Municipal Information:					
Salaries and wages	484,556	484,556	505,037	(20,481)	472,596
Employee benefits	171,278	171,278	173,981	(2,703)	165,613
Purchased professional/technical services	9,123	19,123	29,973	(10,850)	45,044
Maintenance	35,827	40,827	38,909	1,918	43,326
Other purchased services	21,759	21,759	23,618	(1,859)	18,461
Supplies	20,911	61,911	38,314	23,597	61,811
Other expenses	48,060	48,060	19,046	29,014	23,708
Capital expenditures	-	202,000	185,748	16,252	37,992
Total Public Information Services	<u>791,514</u>	<u>1,049,514</u>	<u>1,014,626</u>	<u>34,888</u>	<u>868,551</u>

(Continued)

City of Waco, Texas
 General Fund
 Statement of Revenue, Expenditures,
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 Year Ended September 30, 2017
 (With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
General Government (continued)					
Information Technology Services:					
Salaries and wages	1,530,816	1,530,816	1,355,893	174,923	1,074,968
Employee benefits	512,748	512,748	467,395	45,353	376,112
Purchased professional/technical services	234,637	249,637	131,386	118,251	137,544
Maintenance	934,361	936,161	1,048,857	(112,696)	743,609
Other purchased services	411,371	411,371	349,014	62,357	428,353
Supplies	93,906	92,106	112,377	(20,271)	66,658
Capital expenditures	180,000	189,800	34,316	155,484	194,635
Other expenses	(121,060)	(121,060)	(121,060)	-	(117,820)
Total Information Technology Services	<u>3,776,779</u>	<u>3,801,579</u>	<u>3,378,178</u>	<u>423,401</u>	<u>2,904,059</u>
Purchasing Services:					
Salaries and wages	399,876	399,876	412,627	(12,751)	385,244
Employee benefits	140,709	140,709	139,399	1,310	131,313
Purchased professional/technical services	400	400	-	400	18,261
Maintenance	371	371	-	371	376
Other purchased services	21,708	21,708	16,227	5,481	15,859
Supplies	9,812	9,812	9,353	459	8,225
Total Purchasing Services	<u>572,876</u>	<u>572,876</u>	<u>577,606</u>	<u>(4,730)</u>	<u>559,278</u>
Facilities:					
Salaries and wages	1,021,071	921,571	941,841	(20,270)	981,268
Employee benefits	494,441	492,035	456,226	35,809	476,792
Purchased professional/technical services	357,699	477,953	548,397	(70,444)	437,253
Purchased property services	9,587	9,587	7,931	1,656	8,003
Maintenance	1,324,612	1,231,518	1,128,745	102,773	1,235,357
Other purchased services	71,375	71,375	45,198	26,177	44,977
Supplies	260,291	260,291	257,270	3,021	261,484
Capital expenditures	-	87,741	87,741	-	-
Total Facilities	<u>3,539,076</u>	<u>3,552,071</u>	<u>3,473,349</u>	<u>78,722</u>	<u>3,445,134</u>
Economic Development					
Salaries and wages	169,027	169,027	85,445	83,582	162,371
Employee benefits	54,253	54,253	35,377	18,876	48,611
Purchased professional/technical services	6,500	91,100	90,911	189	339,610
Other purchased services	15,056	15,056	4,913	10,143	8,550
Supplies	8,279	8,279	6,764	1,515	2,922
Other expenses	-	168,566	168,566	-	-
Total Economic Development	<u>253,115</u>	<u>506,281</u>	<u>391,976</u>	<u>114,305</u>	<u>562,064</u>
Economic Development Incentive					
Purchased professional/technical services	-	1,750,000	1,462,500	287,500	965,500
Total Economic Development Incentive	<u>-</u>	<u>1,750,000</u>	<u>1,462,500</u>	<u>287,500</u>	<u>965,500</u>
Contributions:					
McLennan County	146,535	147,505	147,504	1	139,556
Rosemound Cemetery	125,000	125,000	125,000	-	140,708
HOTRMHMR	40,000	40,000	39,322	678	19,661

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City of Waco, Texas
 General Fund
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 (With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
General Government (continued)					
Contributions: (continued)					
H. O. T. Council of Governments	10,000	10,000	11,652	(1,652)	9,842
The Advocacy Center	91,645	91,645	91,645	-	91,645
Greater Waco Chamber	165,000	165,000	165,000	-	136,500
Central Texas African American Chamber	68,000	68,000	73,667	(5,667)	62,333
Cen-Tex Hispanic Chamber	118,000	118,000	118,000	-	68,000
City Center Waco	340,500	310,250	300,250	10,000	280,000
Central Texas Senior Ministry	150,000	28,000	28,000	-	28,000
Economic Development Grants	635,000	635,000	569,592	65,408	536,059
McLennan County Appraisal District	673,085	672,840	672,839	1	641,033
YMCA Multi-Purpose Center	-	-	-	-	3,769
CHDO projects	28,000	150,000	54,146	95,854	-
Greater Waco Collective Impact Initiative	100,000	130,250	130,250	-	100,000
Greater Waco Sports Commission	75,000	75,000	75,000	-	50,000
Historic Waco Foundation	29,250	29,250	29,250	-	142,000
Creative Waco	385,000	385,000	334,675	50,325	-
Community Loan Program	-	200,000	200,000	-	-
HOT Goodwill Industries, Inc.	-	11,902	11,902	-	-
The Cove	54,545	54,545	2,254	52,291	-
Mission Waco	20,000	20,000	20,000	-	-
Caritas of Waco	-	8,718	8,526	192	-
Total Contributions	3,254,560	3,475,905	3,208,474	267,431	2,449,106
Miscellaneous:					
Employee benefits	80,000	79,275	32,099	47,176	56,847
Purchased professional/technical services	221,500	221,500	233,455	(11,955)	198,380
Maintenance	6,765	6,765	20,319	(13,554)	4,907
Other purchased services	100,537	100,537	547	99,990	623
Supplies	3,697	3,697	6,916	(3,219)	3,502
Capital expenditures	-	92,000	145,403	(53,403)	-
Other expenses	569,000	569,000	340,040	228,960	369,819
Total Miscellaneous	981,499	1,072,774	778,779	293,995	634,078
Total General Government	21,444,284	24,496,769	22,496,688	2,000,081	19,656,838
Public Works					
Streets and Drainage Services:					
Salaries and wages	458,634	458,634	336,282	122,352	318,029
Employee benefits	309,978	309,978	255,510	54,468	269,142
Purchased professional/technical services	264,179	588,531	169,374	419,157	506,128
Purchased property services	25,607	25,607	37,810	(12,203)	22,753
Maintenance	691,272	691,272	443,200	248,072	382,612
Other purchased services	103,894	103,094	71,365	31,729	55,554
Supplies	250,124	225,924	155,100	70,824	235,613
Other expenses	(18,153)	(18,153)	80,400	(98,553)	90,133

(Continued)

City of Waco, Texas
 General Fund
 Statement of Revenue, Expenditures,
 & Changes in Fund Balance -
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 Year Ended September 30, 2017
 (With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
Public Works (continued)					
Capital expenditures	224,358	224,358	94,898	129,460	-
Total Streets and Drainage Services	2,309,893	2,609,245	1,643,939	965,306	1,879,964
Total Public Works	2,309,893	2,609,245	1,643,939	965,306	1,879,964
Public Safety					
Municipal Court:					
Salaries and wages	808,170	808,170	805,730	2,440	727,345
Employee benefits	286,550	286,550	281,472	5,078	260,633
Purchased professional/technical services	116,650	116,650	120,175	(3,525)	141,389
Maintenance	1,120	1,120	147	973	511
Other purchased services	37,895	37,895	23,712	14,183	26,007
Supplies	83,571	83,571	75,231	8,340	70,025
Other expenses	13,928	13,928	11,916	2,012	14,601
Total Municipal Court	1,347,884	1,347,884	1,318,383	29,501	1,240,511
Inspection Services:					
Salaries and wages	1,081,246	1,050,146	953,270	96,876	979,985
Employee benefits	398,664	398,664	364,732	33,932	366,833
Purchased professional/technical services	195,000	226,100	171,640	54,460	164,092
Purchased property services	68,688	68,688	64,206	4,482	65,090
Maintenance	48,083	48,083	46,034	2,049	44,277
Other purchased services	59,826	59,826	56,264	3,562	58,332
Supplies	64,277	64,277	44,282	19,995	41,315
Other expenses	26,289	26,289	32,937	(6,648)	22,753
Totals Inspection Services	1,942,073	1,942,073	1,733,365	208,708	1,742,677
Emergency Management Services:					
Salaries and wages	286,775	286,775	282,799	3,976	273,855
Employee benefits	106,106	106,106	100,336	5,770	103,293
Purchased professional/technical services	43,024	27,938	11,508	16,430	30,672
Purchased property services	2,720	1,320	1,020	300	1,300
Maintenance	280,236	280,131	250,760	29,371	251,146
Other purchased services	36,548	36,406	26,022	10,384	24,846
Supplies	16,532	18,179	12,326	5,853	31,288
Capital expenditures	658,400	673,486	591,935	81,551	403,240
Other expenses	142,747	142,747	139,504	3,243	165,609
Total Emergency Management Services	1,573,088	1,573,088	1,416,210	156,878	1,285,249
Fire Services:					
Salaries and wages	15,913,753	15,973,889	16,285,247	(311,358)	15,063,233
Employee benefits	5,352,846	5,622,849	5,632,664	(9,815)	5,209,735
Purchased professional/technical services	54,494	68,594	62,562	6,032	85,209
Purchased property services	58,495	58,495	55,469	3,026	47,452
Maintenance	688,592	731,333	560,912	170,421	595,013

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City of Waco, Texas
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 Year Ended September 30, 2017
 (With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
Public Safety (continued)					
Fire Services: (continued)					
Other purchased services	508,751	389,896	358,225	31,671	433,783
Supplies	643,113	762,218	650,132	112,086	489,680
Capital expenditures	29,000	507,476	478,476	29,000	1,651,498
Total Fire Services	23,249,044	24,114,750	24,083,687	31,063	23,575,603
Police Services:					
Salaries and wages	22,967,215	22,967,215	23,325,195	(357,980)	22,717,059
Employee benefits	7,937,908	7,937,908	7,919,547	18,361	7,849,236
Purchased professional/technical services	713,190	824,867	649,062	175,805	533,386
Purchased property services	68,607	68,607	42,827	25,780	42,190
Maintenance	997,918	993,767	1,064,759	(70,992)	845,498
Other purchased services	1,033,371	1,044,421	996,431	47,990	923,919
Supplies	1,924,660	1,713,155	1,521,439	191,716	1,423,204
Capital expenditures	51,149	413,014	308,227	104,787	61,365
Other expenses	909	909	792	117	833
Total Police Services	35,694,927	35,963,863	35,828,279	135,584	34,396,690
Traffic Services					
Salaries and wages	872,422	832,422	720,417	112,005	427,215
Employee benefits	379,149	379,149	327,845	51,304	257,686
Purchased professional/technical services	177,817	266,848	192,360	74,488	89,376
Purchased property services	2,694	2,694	1,807	887	2,145
Maintenance	680,824	680,824	788,932	(108,108)	578,644
Other purchased services	49,932	49,932	32,090	17,842	48,796
Supplies	694,505	673,705	617,559	56,146	606,396
Capital expenditures	614,315	614,315	483,149	131,166	268,381
Totals Traffic Services	3,471,658	3,499,889	3,164,159	335,730	2,278,639
Animal Services					
Salaries and wages	648,459	648,459	699,188	(50,729)	412,204
Employee benefits	283,150	283,150	288,012	(4,862)	195,152
Purchased professional/technical services	251,691	251,691	207,272	44,419	291,765
Purchased property services	10,887	10,887	17,667	(6,780)	9,212
Maintenance	32,493	22,791	32,720	(9,929)	2,428
Other purchased services	63,391	63,391	55,981	7,410	43,042
Supplies	298,266	307,968	330,116	(22,148)	183,604
Capital expenditures	22,000	22,000	19,857	2,143	39,550
Other expenses	1,030	1,030	-	1,030	-
Totals Animal Services	1,611,367	1,611,367	1,650,813	(39,446)	1,176,957
Total Public Safety	68,890,041	70,052,914	69,194,896	858,018	65,696,326
Culture & Recreation					
Library Services:					
Salaries and wages	1,947,438	1,868,672	1,778,454	90,218	1,746,566
Employee benefits	705,927	705,927	651,276	54,651	611,293

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General Fund
Statement of Revenue, Expenditures,
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Year Ended September 30, 2017
(With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
Culture & Recreation (continued)					
Library Services: (continued)					
Purchased professional/technical services	173,662	222,193	165,737	56,456	255,844
Purchased property services	21,599	21,599	25,554	(3,955)	16,174
Maintenance	128,424	141,404	168,222	(26,818)	100,757
Other purchased services	183,224	183,224	151,829	31,395	177,893
Supplies	613,371	630,626	606,898	23,728	555,164
Capital expenditures	-	-	6,492	(6,492)	297,021
Other expenses	164,555	164,555	164,666	(111)	159,950
Total Library Services	<u>3,938,200</u>	<u>3,938,200</u>	<u>3,719,128</u>	<u>219,072</u>	<u>3,920,662</u>
Parks:					
Salaries and wages	3,719,579	3,496,379	2,967,379	529,000	3,216,005
Employee benefits	1,700,559	1,700,559	1,462,760	237,799	1,547,760
Purchased professional/technical services	636,841	1,003,981	702,515	301,466	403,253
Purchased property services	749,091	749,091	787,078	(37,987)	708,461
Maintenance	585,621	585,621	614,101	(28,480)	573,612
Other purchased services	256,975	256,975	248,376	8,599	226,306
Supplies	765,224	735,224	570,217	165,007	527,895
Capital expenditures	107,803	138,748	131,435	7,313	159,864
Other expenses	50,735	50,735	104,693	(53,958)	64,579
Total Parks	<u>8,572,428</u>	<u>8,717,313</u>	<u>7,588,554</u>	<u>1,128,759</u>	<u>7,427,735</u>
Recreation Services:					
Salaries and wages	900,533	900,533	778,214	122,319	789,607
Employee benefits	288,835	288,835	252,726	36,109	251,713
Purchased professional/technical services	529,939	529,939	453,362	76,577	470,039
Purchased property services	-	-	4,295	(4,295)	-
Maintenance	15,290	15,290	12,120	3,170	13,932
Other purchased services	163,644	163,644	164,774	(1,130)	96,813
Supplies	263,588	263,588	230,131	33,457	218,694
Capital expenditures	50,000	72,780	51,700	21,080	28,760
Other expenses	17,995	17,995	9,565	8,430	8,382
Total Recreation Services	<u>2,229,824</u>	<u>2,252,604</u>	<u>1,956,887</u>	<u>295,717</u>	<u>1,877,940</u>
Total Culture & Recreation	<u>14,740,452</u>	<u>14,908,117</u>	<u>13,264,569</u>	<u>1,643,548</u>	<u>13,226,337</u>
Housing & Community Development					
Housing Services:					
Salaries and wages	321,538	321,538	198,490	123,048	250,912
Employee benefits	102,517	102,517	73,899	28,618	79,180
Purchased professional/technical services	5,000	15,908	15,942	(34)	134,916
Other purchased services	15,880	15,880	7,555	8,325	16,068
Supplies	4,864	4,864	3,274	1,590	3,549
Other expenses	35,000	35,000	8,858	26,142	-
Total Housing Services	<u>484,799</u>	<u>495,707</u>	<u>308,018</u>	<u>187,689</u>	<u>484,625</u>
Total Housing & Community Development	<u>484,799</u>	<u>495,707</u>	<u>308,018</u>	<u>187,689</u>	<u>484,625</u>
Total Expenditures	<u>107,869,469</u>	<u>112,562,752</u>	<u>106,908,110</u>	<u>5,654,642</u>	<u>100,944,090</u>

(Continued)

City of Waco, Texas
General Fund
Statement of Revenue, Expenditures,
& Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2017
(With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued)					
Excess of revenues over expenditures	10,723,164	7,291,377	18,158,272	10,866,895	18,909,512
Other Financing Sources (Uses):					
Transfers in:					
Abandoned Motor Vehicles	50,000	181,649	181,649	-	68,084
Court Security	90,232	90,232	93,258	3,026	88,168
Library	-	-	13,055	13,055	-
Sanitation	-	-	-	-	62,638
Revenue in lieu of property taxes	4,473,449	4,473,449	4,473,449	-	4,369,206
Risk Management	-	-	-	-	-
Total transfers in	4,613,681	4,745,330	4,761,411	16,081	4,588,096
Transfers out:					
Street Improvements:					
Street Reconstruction	(3,885,972)	(3,885,972)	(3,885,972)	-	(3,885,972)
Street Cash CIP	(2,049,165)	(2,238,154)	(2,238,154)	-	(3,171,181)
Capital Improvements:					
Facilities Cash CIP	-	(756,425)	(756,425)	-	(1,490,103)
Animal Shelter Cash CIP	-	-	-	-	(1,674,417)
Parks Cash CIP	(300,000)	(350,000)	(350,000)	-	(685,000)
Library Cash CIP	-	-	-	-	(171,772)
Information Technology Cash CIP	-	-	-	-	(212,300)
Stormwater CIP	-	(346,900)	(346,900)	-	(1,993,642)
Cameron Park Zoo	(2,437,223)	(2,437,223)	(1,937,223)	500,000	(2,010,257)
Rolling Stock	(1,500,000)	(1,526,368)	(1,526,367)	1	(1,210,000)
Equipment Replacement Cash CIP	(400,000)	(400,000)	(400,000)	-	(300,000)
Brownfields	-	-	-	-	-
TxDOT Brazos Riverwalk	-	(1,941,343)	(1,941,343)	-	(68,236)
Cottonwood Creek Golf Course	(285,639)	(285,639)	(285,639)	-	(134,448)
Transit	(384,793)	(384,793)	(88,333)	296,460	-
Airport Services	(354,363)	(354,363)	(354,363)	-	(736,059)
Convention Services	-	-	-	-	(96,000)
Health Services	(3,235,270)	(3,235,270)	(3,235,270)	-	(2,874,265)
Ranger Hall of Fame	(669,619)	(669,619)	(609,619)	60,000	(737,456)
Economic Development Incentive	(1,750,000)	-	-	-	-
Housing demo-lot clearing	(175,000)	(175,000)	(175,000)	-	(140,000)
Grant (police)	(50,000)	(50,000)	(38,333)	11,667	(147,654)
Total transfers out	(17,477,044)	(19,037,069)	(18,168,941)	868,128	(21,738,762)
Total other financing sources (uses)	(12,863,363)	(14,291,739)	(13,407,530)	884,209	(17,150,666)
Net change in fund balances	(2,140,199)	(7,000,362)	4,750,742	11,751,104	1,758,846
Fund balance, beginning of year	56,071,930	56,071,930	56,071,930	-	54,313,084
Fund balance, end of year	\$ 53,931,731	49,071,568	60,822,672	11,751,104	56,071,930

See accompanying notes to financial statements.



City of Waco, Texas
Statement of Net Position
Proprietary Funds
September 30, 2017

	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	\$ 34,389,227	\$ 22,804,703	\$ 20,602,691	\$ 5,531,098	\$ 83,327,719	\$ 12,509,119
Accounts receivable, net of allowances	6,318,540	3,216,631	2,099,144	670,932	12,305,247	48
Due from other funds	-	-	-	-	-	397,560
Intergovernmental receivable	233,385	134,085	16,108	3,544,801	3,928,379	-
Current portion of notes receivable	-	52,245	-	-	52,245	-
Restricted cash and investments	4,822,161	1,312,188	-	-	6,134,349	-
Inventory	272,442	9,485	-	952,654	1,234,581	224,311
Accrued interest on notes receivable	-	2,477	-	-	2,477	-
Total current assets	<u>46,035,755</u>	<u>27,531,814</u>	<u>22,717,943</u>	<u>10,699,485</u>	<u>106,984,997</u>	<u>13,131,038</u>
Noncurrent assets:						
Restricted cash and investments	46,259,571	67,817,798	-	81,634	114,159,003	-
Noncurrent portion of notes receivable	-	354,751	-	-	354,751	-
Advances to other funds	525,336	-	-	-	525,336	-
Capital assets:						
Land	1,279,185	2,691,723	1,783,510	912,673	6,667,091	38,800
Buildings	10,024,595	11,089,302	1,370,137	60,565,347	83,049,381	920,153
Improvements other than buildings	287,064,213	131,662,680	26,167,880	61,325,504	506,220,277	118,289
Machinery and equipment	9,529,540	10,986,405	17,809,204	16,327,719	54,652,868	1,428,526
Museum collections	-	-	-	2,224,424	2,224,424	-
Construction work in progress	24,795,189	16,303,689	2,900,306	7,074,349	51,073,533	-
Intangible water rights	32,482,879	-	-	-	32,482,879	-
Less: accumulated depreciation and amortization	(137,655,042)	(63,044,148)	(38,149,242)	(73,850,825)	(312,699,257)	(1,640,036)
Total noncurrent assets	<u>274,305,466</u>	<u>177,862,200</u>	<u>11,881,795</u>	<u>74,660,825</u>	<u>538,710,286</u>	<u>865,732</u>
Total assets	<u>320,341,221</u>	<u>205,394,014</u>	<u>34,599,738</u>	<u>85,360,310</u>	<u>645,695,283</u>	<u>13,996,770</u>
Deferred outflows of resources						
Deferred losses on refundings of debt	2,643,627	1,135,902	17,313	-	3,796,842	-
Deferred outflows on pension liability	1,859,346	1,239,562	1,239,562	-	4,338,470	-
Total deferred outflows of resources	<u>4,502,973</u>	<u>2,375,464</u>	<u>1,256,875</u>	<u>-</u>	<u>8,135,312</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 324,844,194</u>	<u>\$ 207,769,478</u>	<u>\$ 35,856,613</u>	<u>\$ 85,360,310</u>	<u>\$ 653,830,595</u>	<u>\$ 13,996,770</u>
Liabilities						
Current liabilities:						
Accounts payable	470,459	882,191	709,052	379,536	2,441,238	229,079
Accrued liabilities	1,560,735	328,753	769,128	1,833,414	4,492,030	550,079
Unearned revenue	-	-	-	215,884	215,884	-
Due to other funds	-	-	-	2,315,724	2,315,724	-
Compensated absences payable	634,776	569,514	406,956	597,929	2,209,175	256,408
Refundable contracts	347,523	-	-	-	347,523	-
Notes payable	82,657	-	-	-	82,657	-
Contracts payable	461,122	-	-	-	461,122	-
Escrow funds	-	-	-	-	-	538
Bonds payable	9,715,000	6,240,000	510,000	-	16,465,000	-
Accrued interest payable	1,220,647	874,253	21,042	-	2,115,942	-
Current liabilities payable from restricted assets:						
Accounts payable	1,663,033	1,312,188	-	-	2,975,221	-
Customer deposits	3,159,128	-	-	-	3,159,128	-
Estimated claims and judgments	-	-	-	-	-	2,321,887
Total current liabilities	<u>19,315,080</u>	<u>10,206,899</u>	<u>2,416,178</u>	<u>5,342,487</u>	<u>37,280,644</u>	<u>3,357,991</u>
Noncurrent liabilities:						
Refundable contracts	1,075,763	192,542	-	-	1,268,305	-
Estimated landfill closure and post-closure care costs	-	-	5,294,898	-	5,294,898	-
Advances from other funds	-	-	-	693,704	693,704	-
Compensated absences payable	433,549	71,448	204,665	299,933	1,009,595	55,594
Net pension liability	4,401,244	2,934,162	2,934,162	-	10,269,568	-
Bonds payable	176,942,660	117,916,675	2,722,372	-	297,581,707	-
Notes payable	1,588,306	-	-	-	1,588,306	-
Contracts payable	384,268	-	-	-	384,268	-
Total noncurrent liabilities	<u>184,825,790</u>	<u>121,114,827</u>	<u>11,156,097</u>	<u>993,637</u>	<u>318,090,351</u>	<u>55,594</u>
Total liabilities	<u>204,140,870</u>	<u>131,321,726</u>	<u>13,572,275</u>	<u>6,336,124</u>	<u>355,370,995</u>	<u>3,413,585</u>
Deferred inflows of resources						
Deferred inflows on pension liability	81,992	54,660	54,660	-	191,312	-
Total deferred inflows of resources	<u>81,992</u>	<u>54,660</u>	<u>54,660</u>	<u>-</u>	<u>191,312</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>204,222,862</u>	<u>131,376,386</u>	<u>13,626,935</u>	<u>6,336,124</u>	<u>355,562,307</u>	<u>3,413,585</u>
Net position						
Net investment in capital assets	86,671,848	54,294,134	8,666,736	74,579,191	224,211,909	865,732
Restricted for:						
Capital projects	-	-	-	867,925	867,925	-
Unrestricted	33,949,484	22,098,958	13,562,942	3,577,070	73,188,454	9,717,453
Total net position	<u>\$ 120,621,332</u>	<u>\$ 76,393,092</u>	<u>\$ 22,229,678</u>	<u>\$ 79,024,186</u>	<u>\$ 298,268,288</u>	<u>\$ 10,583,185</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, 2017

	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	\$ 43,104,256	\$ 27,361,802	\$ 18,841,460	\$ 7,281,989	\$ 96,589,507	\$ 21,779,090
Net merchandise sales	-	-	-	1,154,129	1,154,129	-
Contributions	-	-	-	180,016	180,016	-
Other	367,802	464,639	211,404	1,978,112	3,021,957	106,216
Total operating revenues	<u>43,472,058</u>	<u>27,826,441</u>	<u>19,052,864</u>	<u>10,594,246</u>	<u>100,945,609</u>	<u>21,885,306</u>
Operating expenses:						
Salaries and wages	4,819,154	3,003,314	3,184,855	7,773,658	18,780,981	2,482,010
Employee benefits	2,356,196	1,437,598	1,768,314	2,595,185	8,157,293	970,894
Purchased professional/technical services	1,767,851	2,088,838	2,050,598	2,568,657	8,475,944	1,600,506
Purchased property services	333,008	65,698	17,064	852,031	1,267,801	60,696
Maintenance	3,222,574	1,776,980	2,075,152	1,085,250	8,159,956	130,421
Other purchased services	856,065	357,182	167,365	1,370,592	2,751,204	1,056,009
Supplies	4,157,296	1,958,708	1,263,362	2,184,817	9,564,183	219,919
Other	4,156,917	3,316,057	3,085,806	1,260,691	11,819,471	14,418,385
Depreciation/amortization	9,509,849	5,008,464	2,744,662	5,561,092	22,824,067	130,016
Total operating expenses	<u>31,178,910</u>	<u>19,012,839</u>	<u>16,357,178</u>	<u>25,251,973</u>	<u>91,800,900</u>	<u>21,068,856</u>
Operating income (loss)	<u>12,293,148</u>	<u>8,813,602</u>	<u>2,695,686</u>	<u>(14,657,727)</u>	<u>9,144,709</u>	<u>816,450</u>
Nonoperating revenues (expenses):						
Investment earnings	182,967	129,804	120,348	29,528	462,647	68,770
Other income	2,360	-	-	315,429	317,789	-
Hotel/motel tax	-	-	-	3,724,543	3,724,543	-
Contributions	20,250	-	-	37,397	57,647	-
Intergovernmental revenues	164,532	14,878	16,108	3,700,628	3,896,146	-
Bond issuance costs	(174,800)	(100,973)	-	-	(275,773)	-
Interest expense and fiscal charges	(4,884,267)	(3,114,763)	(80,616)	-	(8,079,646)	-
Gain (loss) on disposal of capital assets	-	(140,748)	-	-	(140,748)	-
Total nonoperating revenues (expenses)	<u>(4,688,958)</u>	<u>(3,211,802)</u>	<u>55,840</u>	<u>7,807,525</u>	<u>(37,395)</u>	<u>68,770</u>
Income (loss) before contributions and transfers	7,604,190	5,601,800	2,751,526	(6,850,202)	9,107,314	885,220
Capital contributions	65,203	488,790	-	3,227,315	3,781,308	-
Transfers in	-	-	-	3,425,177	3,425,177	-
Transfers out	(3,246,003)	(872,128)	(355,318)	(800,000)	(5,273,449)	(118,784)
Changes in net position	<u>4,423,390</u>	<u>5,218,462</u>	<u>2,396,208</u>	<u>(997,710)</u>	<u>11,040,350</u>	<u>766,436</u>
Total net position, beginning of year, as restated	116,197,942	71,174,630	19,833,470	80,021,896	287,227,938	9,816,749
Total net position, end of year	<u>\$ 120,621,332</u>	<u>\$ 76,393,092</u>	<u>\$ 22,229,678</u>	<u>\$ 79,024,186</u>	<u>\$ 298,268,288</u>	<u>\$ 10,583,185</u>

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds					Governmental
	Water Fund	Wastewater Fund	Solid Waste Fund	Total Nonmajor	Total Enterprise Funds	Internal Service Funds
				Enterprises Funds		
Cash flows from operating activities:						
Cash received from customers	\$ 42,834,037	\$ 27,460,602	\$ 18,879,559	\$ 10,538,394	\$ 99,712,592	\$ 21,887,882
Cash paid to suppliers for goods and services	(13,253,308)	(8,720,766)	(8,327,245)	(9,397,505)	(39,698,824)	(17,328,268)
Cash paid to employees for services	(7,081,098)	(4,594,932)	(4,934,793)	(10,240,915)	(26,851,738)	(3,366,292)
Net cash provided by (used for) operating activities	22,499,631	14,144,904	5,617,521	(9,100,026)	33,162,030	1,193,322
Cash flows from noncapital financing activities:						
Intergovernmental revenue	167,961	14,878	16,108	3,828,141	4,027,088	-
Intergovernmental expenses	(461,122)	-	-	-	(461,122)	-
Contributions	-	-	-	37,397	37,397	-
Hotel/motel tax	-	-	-	3,728,707	3,728,707	-
Passenger facility charges	-	-	-	237,295	237,295	-
Other income	-	-	-	78,134	78,134	-
Transfers from other funds	20,250	-	-	3,425,177	3,445,427	3,569
Transfers to other funds	(3,246,003)	(872,128)	(355,318)	(2,950,467)	(7,423,916)	(118,784)
Net cash provided by (used for) noncapital financing activities	(3,518,914)	(857,250)	(339,210)	8,384,384	3,669,010	(115,215)
Cash flows from capital and related financing activities:						
Aquisition of capital assets	(12,676,862)	(8,387,622)	(3,403,200)	(934,867)	(25,402,551)	(68,290)
Proceeds from sale of debt	24,330,661	11,624,467	-	-	35,955,128	-
Capital contributions	518,665	786,775	-	3,860,738	5,166,178	-
Payments of refundable contracts	(347,523)	-	-	-	(347,523)	-
Principal paid on debt	(8,745,000)	(4,970,000)	(490,000)	-	(14,205,000)	-
Interest paid on debt	(6,780,915)	(5,046,715)	(135,677)	-	(11,963,307)	-
Payment of bond issuance costs	(148,450)	(17,795)	-	-	(166,245)	-
Net cash provided by (used for) capital and related financing activities	(3,849,424)	(6,010,890)	(4,028,877)	2,925,871	(10,963,320)	(68,290)
Cash flows from investing activities:						
Rental revenue	2,360	-	-	-	2,360	-
Investment earnings	182,967	130,112	120,348	29,528	462,955	68,770
Note payments from other entities	-	50,686	-	-	50,686	-
Net cash provided by (used for) investing activities	185,327	180,798	120,348	29,528	516,001	68,770
Net increase (decrease) in cash and cash equivalents	15,316,620	7,457,562	1,369,782	2,239,757	26,383,721	1,078,587
Cash and cash equivalents, beginning of year	70,154,339	84,477,127	19,232,909	3,372,975	177,237,350	11,430,532
Cash and cash equivalents, end of year	\$ 85,470,959	\$ 91,934,689	\$ 20,602,691	\$ 5,612,732	\$ 203,621,071	\$ 12,509,119
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 12,293,148	\$ 8,813,602	\$ 2,695,686	\$ (14,657,727)	\$ 9,144,709	\$ 816,450
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Provision for uncollectible accounts receivable	97,348	55,865	36,988	-	190,201	-
Depreciation/amortization	9,509,849	5,008,464	2,744,662	5,561,092	22,824,067	130,016
Changes in assets and liabilities:						
Decrease (increase) in assets:						
Accounts receivable	(735,369)	(421,704)	(210,293)	(109,424)	(1,476,790)	2,576
Inventories	28,045	(340)	-	(64,178)	(36,473)	(17,251)
Increase (decrease) in liabilities:						
Accounts payable	(147,735)	484,838	(576,900)	33,399	(206,398)	131,520
Accrued liabilities	752,870	(21,307)	358,948	52,787	1,143,298	112,775
Unearned revenue	-	-	-	53,569	53,569	-
Estimated landfill closure and post-closure care costs	-	-	273,475	-	273,475	-
Due to other funds	-	-	-	(49,216)	(49,216)	-
Compensated absences payable	109,374	(72,749)	(3,280)	79,672	113,017	74,129
Net pension liability	447,353	298,235	298,235	-	1,043,823	-
Customer deposits	144,748	-	-	-	144,748	-
Estimated claims and judgements	-	-	-	-	-	(56,893)
Net cash provided by (used for) operating activities	\$ 22,499,631	\$ 14,144,904	\$ 5,617,521	\$ (9,100,026)	\$ 33,162,030	\$ 1,193,322
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 127,039	\$ 127,039	\$ -
Assets acquired through refundable contracts	\$ 65,230	\$ -	\$ -	\$ -	\$ 65,230	\$ -

See accompanying notes to financial statements.

City of Waco, Texas
Statement of Fiduciary Net Position
September 30, 2017

	Agency funds
Assets	
Cash and investments	\$ 1,860,990
Accounts receivable	41
Intergovernmental receivable	383,039
Total assets	\$ 2,244,070
 Liabilities	
Accrued liabilities	2,157,373
Due to other funds	86,697
Total liabilities	\$ 2,244,070

See accompanying notes to financial statements.



City of Waco, Texas

Notes to Financial Statements

September 30, 2017

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

The *Waco Health Facilities Development Corporation* (the WHFDC) was created in 1983 under the Health Facilities Development Act as a public, nonprofit corporation for the purpose of issuing obligations in order to finance all

City of Waco, Texas

Notes to Financial Statements (Continued)

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

A. **Reporting Entity** (continued)

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

B. **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of 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-like activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

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

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

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

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

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

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

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

City of Waco, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

Agency funds account for receipts and disbursements for the Urban Renewal Agency, the Heart of Texas Housing Finance Corporation, 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

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)

ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Deposits and Investments

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

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

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

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

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.

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)

Deposits and Investments (continued)

- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Receivables and Payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days are estimated to be uncollectible and comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 7.71 percent of outstanding property taxes at September 30, 2017.

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

Inventories

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

Restricted Assets

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

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred during the current fiscal year was \$8,364,854 for business-type activities. Of this amount, \$285,208 were included as part of the cost of capital assets under construction in connection with water and wastewater fund construction projects.

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

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

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

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)

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial 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. The City has four items that qualify for reporting in this category: (1) the deferred charge on refunding reported in the government-wide statement of net position; a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price; this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt; (2) pension contributions made by the City subsequent to the measurement date; this amount will be recognized as a reduction of the net pension liability in the following year; (3) difference between projected and actual earnings on pension plan investments; this amount will be amortized into pension expense; and (4) changes in assumptions for the net pension liability; this amount will be amortized into pension expense.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category in the government-wide financial statements: (1) difference between expected and actual experience, this amount will be amortized into pension expense. The government also has one type of item, which arises under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from multiple sources: property taxes, court fines, special assessments, etc. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental activities and proprietary funds, a liability is reported for a portion of accumulating sick leave when it is probable that the government will make termination payments. A liability for compensated absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

Fund Balance (continued)

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

The City Council has adopted Financial Management Policy Statements that include the policy to strive to maintain the general fund unassigned fund balance at 18% of budgeted revenues. General fund unassigned fund balance at September 30, 2017 was 19% of fiscal year 2018 budgeted revenues.

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

	General Fund	Other Funds	Total
Fund balances:			
Nonspendable:			
Inventory	\$ 855,118	85,685	940,803
Real estate held for resale	6,160	-	6,160
Parks and cemetery care	-	368,115	368,115
Restricted for:			
Municipal information	1,006,021	-	1,006,021
Debt service	-	528,707	528,707
Capital projects	-	12,754,861	12,754,861
Tax increment zone activities	-	22,732,032	22,732,032
Housing and community development	-	1,570,574	1,570,574
Public safety	-	1,208,289	1,208,289
Culture and recreation	-	581,442	581,442
Waco Public Improvement District	-	888,323	888,323

City of Waco, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

Fund Balance (continued)

	General Fund	Other Funds	Total
Committed to:			
Economic development	10,645,045	-	10,645,045
Capital projects	-	14,236,424	14,236,424
Public health	-	1,741,422	1,741,422
Assigned to:			
Capital improvements	14,880,555	-	14,880,555
Economic development	4,491,067	-	4,491,067
Public safety	507,585	-	507,585
Public works	109,472	-	109,472
Culture and recreation	129,850	-	129,850
Subsequent year's budget appropriation	2,868,343	-	2,868,343
Other	264,776	-	264,776
Unassigned	25,058,680	-	25,058,680
	\$ 60,822,672	56,695,874	117,518,546

Net Position

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

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$144,757,855 difference are as follows:

Serial bonds and certificates of obligation	\$ 82,490,000
Less: deferred charge on refunding (to be amortized as interest expense)	(2,078,255)
Plus: issuance premium (to be amortized as interest expense)	5,799,702
Accrued interest payable	694,403
Compensated absences	18,367,261
Net pension liability and pension related deferred outflows/ inflows of \$25,475,415 (to be amortized as pension expense)	37,609,092
Refundable contracts	80,007
Contracts payable	830,000
Net other post-employment benefit obligation	319,957
Notes payable	<u>645,688</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 144,757,855</u>

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,363,379 difference are as follows:

City of Waco, Texas

Notes to Financial Statements
(Continued)

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

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

Capital outlay	\$ 16,044,537
Depreciation expense	<u>(17,407,916)</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>\$ (1,363,379)</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 \$6,316,011 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>\$ 6,316,011</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>\$ 6,316,011</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$143,662 difference are as follows:

Court fines	\$ (172,860)
Property taxes	30,310
Special assessments	<u>(1,112)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (143,662)</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

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

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

Another element of that reconciliation states, “The 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 \$5,069,913 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation and refunding debt	\$ (11,465,000)
Plus: premium on issuance	(451,335)
Principal repayments:	
General obligation debt	6,685,000
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>\$ (5,069,913)</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$6,364,193 difference are as follows:

Net other post-employment benefit obligation	\$ (23,854)
Compensated absences	(529,515)
Net pension liability	(6,412,059)
Accrued interest	(83,309)
Amortization of deferred charge on refunding	(380,373)
Amortization of bond premiums	<u>1,064,917</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>\$ (6,364,193)</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

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

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

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

Outstanding encumbrances for governmental funds as of September 30, 2017 are \$1,089,925 for the general fund and \$10,182,541 for other nonmajor funds.

B. Deficit Fund Position

Deficit net position in individual nonmajor funds at September 30, 2017 consist of the following:

	Net		Total
	Investment in		Net Position
	<u>Capital Assets</u>	<u>Unrestricted</u>	<u>Net Position</u>
Nonmajor Enterprise Fund:			
Cottonwood Creek Golf Course	\$ 961,806	(1,244,937)	(283,131)

The Cottonwood Creek Golf Course Fund is used to account for the City's golf course facility. Operations continue to be reviewed with emphasis on improving pro shop and concession operations. The change in net position was \$77,530 for the fiscal year as compared with \$(68,485) in the prior year.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds

A. Deposits and Investments

As of September 30, 2017, the City has U.S. Treasury securities and U.S. Federal agency securities of \$29,021,581 and \$163,880,835, respectively, which are valued using quoted market prices (Level 1).

As of September 30, 2017, the City had the following investments:

	Total Investments	Percent of Portfolio	Weighted Average Maturity (in Years)
Investments reported at amortized cost:			
Texas Local Government Investment Pool (Tex Pool)	\$ 46,339,127	15.16	0.08
Texas Short-Term Asset Reserve (TexSTAR)	60,834,478	19.90	0.07
Total local government investment pools	107,173,605	35.07	0.08
Collateralized Bank Savings Accounts	5,550,546	1.82	-
Investments reported at fair value:			
U.S. Treasury securities	29,021,581	9.50	0.60
U.S. Federal agency securities	163,880,835	53.62	0.76
Total investments	\$ 305,626,567	100.00	0.49

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 0.55 years as of September 30, 2017.

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.

City of Waco, Texas

Notes to Financial Statements (Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

Credit Risk (continued)

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

- U.S. Treasury obligations
- Other obligations of the U.S. Government guaranteed by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States
- U.S. Federal agency securities
- Repurchase agreements and flexible repurchase agreements, collateralized by U.S. Treasury obligations or U.S. federal agency securities, or by pass-through mortgage-backed securities issued by the U.S. federal agencies
- Money market mutual funds rated not less than AAAm by Standard & Poor's, Aaa by Moody's or AAA/V1+ by Fitch
- Local Government Investment Pools rated not less than AAAm by Standard & Poor's, Aaa by Moody's or AAA/V1+ by Fitch

The City's investments in TexPool and Tex STAR 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, 2017 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	\$ 36,919,302	12.08%
Federal Home Loan Bank	66,114,771	21.63%
Federal Home Loan Mortgage Corporation	36,008,735	11.78%
Federal National Mortgage Association	24,838,027	8.13%

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

Custodial Credit Risk

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

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

Reconciliation of Cash and Investments

Carrying amount of deposits and cash on hand	\$ 24,248,361
Carrying amount of investments	<u>305,626,567</u>
Total	<u>\$ 329,874,928</u>
Cash and investments - governmental activities	\$ 122,329,185
Cash and investments - business-type activities	83,327,719
Restricted cash and investments - business-type activities	120,293,352
Component units, excluding Baylor Waco Stadium Authority	36,666
Agency funds	1,860,990
Other participants' undivided interest in WMARSS cash and investments	<u>2,027,016</u>
Total	<u>\$ 329,874,928</u>

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

A. Deposits and Investments (continued)

Local Government Investment Pools

TexPool. The Comptroller of Public Accounts (the Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company) which is authorized to operate TexPool. Federated Investors, Inc. provides asset management services to TexPool. Additionally, the Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. 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 Fleming Asset Management and First Southwest Asset Management, Inc. TexSTAR is managed by a five-member governing board comprised of three representatives of eligible governmental entities and one member designated by each of the co-administrators. There are no maximum transaction amounts and withdrawals from TexPool may be made daily. The pool uses amortized cost rather than the fair value to report net assets to compute share prices.

B. Receivables

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

	<u>General</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 8,698,490	-	-	-	329,068	9,027,558
Accounts	15,156,708	8,088,008	4,363,510	3,216,186	1,792,071	32,616,483
Special assessments	-	-	-	-	2,010	2,010
Intergovernmental	75,129	233,385	134,085	16,108	6,365,395	6,824,102
Notes	-	-	406,996	-	6,433,881	6,840,877
	<u>23,930,327</u>	<u>8,321,393</u>	<u>4,904,591</u>	<u>3,232,294</u>	<u>14,922,425</u>	<u>55,311,030</u>
Gross receivables						
Less: allowance for uncollectibles	<u>11,430,946</u>	<u>1,769,468</u>	<u>1,146,879</u>	<u>1,117,042</u>	<u>5,702,604</u>	<u>21,166,939</u>
Net total receivables	<u>\$ 12,499,381</u>	<u>6,551,925</u>	<u>3,757,712</u>	<u>2,115,252</u>	<u>9,219,821</u>	<u>34,144,091</u>

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

B. Receivables (continued)

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

Uncollectibles related to water sales	\$ 97,348
Uncollectibles related to wastewater charges	55,865
Uncollectibles related to solid waste charges	36,988
Total uncollectibles of the current fiscal year	\$ 190,201

C. Capital Assets

Capital asset activity for the year ended September 30, 2017 was as follows:

	Primary Government			Balance September 30, 2017
	Balance October 1, 2016	Increases	Decreases	
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 48,750,962	5,785,051	-	54,536,013
Construction in progress	17,255,893	11,668,244	(17,272,652)	11,651,485
Total capital assets not being depreciated	66,006,855	17,453,295	(17,272,652)	66,187,498
Capital assets, being depreciated:				
Buildings	74,674,139	3,990,152	(11,919)	78,652,372
Machinery and equipment	54,263,125	6,038,021	(1,200,591)	59,100,555
Improvements other than buildings	62,560,580	150,522	-	62,711,102
Infrastructure	280,762,640	15,539,594	-	296,302,234
Total capital assets being depreciated	472,260,484	25,718,289	(1,212,510)	496,766,263
Less accumulated depreciation:				
Buildings	22,765,626	2,744,873	-	25,510,499
Machinery and equipment	37,288,311	4,581,205	(1,150,730)	40,718,786
Improvements other than buildings	32,010,923	2,924,471	(11,686)	34,923,708
Infrastructure	173,256,048	7,287,383	-	180,543,431
Total accumulated depreciation	265,320,908	17,537,932	(1,162,416)	281,696,424
Total capital assets being depreciated, net	206,939,576	8,180,357	(50,094)	215,069,839
Total capital assets, net	\$ 272,946,431	25,633,652	(17,322,746)	281,257,337

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, 2017
	Balance October 1, 2016	Increases	Decreases	
<u>Business-type activities:</u>				
Capital assets, not being depreciated/amortized:				
Land	\$ 6,551,892	115,199	-	6,667,091
Construction in progress	33,153,723	24,106,289	(6,186,479)	51,073,533
Museum collections	2,224,424	-	-	2,224,424
Total capital assets not being depreciated/amortized	<u>41,930,039</u>	<u>24,221,488</u>	<u>(6,186,479)</u>	<u>59,965,048</u>
Capital assets, being depreciated/amortized:				
Buildings	82,194,623	854,758	-	83,049,381
Machinery and equipment	51,147,711	4,910,384	(1,405,227)	54,652,868
Improvements other than buildings	500,873,939	5,355,591	(9,253)	506,220,277
Water rights - impound fee	32,482,879	-	-	32,482,879
Total capital assets being depreciated/amortized	<u>666,699,152</u>	<u>11,120,733</u>	<u>(1,414,480)</u>	<u>676,405,405</u>
Less accumulated depreciation:				
Buildings	37,618,176	2,742,051	(27,575)	40,332,652
Machinery and equipment	35,260,047	3,892,309	(1,257,008)	37,895,348
Improvements other than buildings	207,746,204	15,264,879	(154,821)	222,856,262
Water rights - impound fee	10,690,167	924,828	-	11,614,995
Total accumulated depreciation/amortization	<u>291,314,594</u>	<u>22,824,067</u>	<u>(1,439,404)</u>	<u>312,699,257</u>
Total capital assets being depreciated/amortized, net	<u>375,384,558</u>	<u>(11,703,334)</u>	<u>24,924</u>	<u>363,706,148</u>
Total capital assets, net	<u>\$ 417,314,597</u>	<u>12,518,154</u>	<u>(6,161,555)</u>	<u>423,671,196</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	\$ 933,545
Public works	7,818,647
Public safety	4,104,889
Culture and recreation	4,639,545
Public health	<u>41,306</u>
Total depreciation expense - governmental activities	<u>\$ 17,537,932</u>

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

Business-type activities	
Water	\$ 9,509,849
Wastewater	5,008,464
Solid waste	2,744,662
Airport	2,202,996
Convention services	872,637
Ranger Hall of Fame	142,387
Cameron Park Zoo	1,103,757
Transit services	1,066,946
Cottonwood Creek Golf Course	<u>172,369</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 22,824,067</u>

Construction commitments

The City has active construction projects as of September 30, 2017. At year-end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street projects	\$ 3,368,637	4,189,815
Water projects	24,795,189	19,405,420
Wastewater projects	16,303,689	10,313,768
Airport projects	6,957,453	15,782
Solid waste	2,900,306	575,451
Parks projects	5,375,387	337,636
Other projects	<u>3,024,357</u>	<u>440,375</u>
Total	<u>\$ 62,725,018</u>	<u>35,278,247</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, 2017 is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 810,080
General	Nonmajor business-type	2,315,724
Internal service	General	397,560
General	Agency	86,697
		\$ 3,610,061

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

	Transfer in			Total
	General	Nonmajor Governmental	Nonmajor Enterprise	
Transfers out:				
General	\$ -	14,893,764	3,275,177	18,168,941
Water	3,246,003	-	-	3,246,003
Wastewater	872,128	-	-	872,128
Solid waste	355,318	-	-	355,318
Nonmajor governmental	287,962	1,927,683	-	2,215,645
Nonmajor enterprise	-	650,000	150,000	800,000
Internal service	-	118,784	-	118,784
 Total transfers	 \$ 4,761,411	 17,590,231	 3,425,177	 25,776,819

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

In the year ended September 30, 2017, 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	\$ 3,246,003
Wastewater	872,128
Solid waste	355,318

E. Leases

Operating leases

The government leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$677,846 for the year ended September 30, 2017. 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)

<u>Year Ending</u> <u>September 30,</u>		
2018		\$ 566,165
2019		337,446
2020		<u>227,600</u>
Total		<u>\$ 1,131,211</u>

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:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00% - 5.00%	\$ 39,190,000
Governmental activities - refunding	2.00% - 5.00%	43,300,000
Business-type activities	2.00% - 5.00%	153,760,000
Business-type activities - refunding	2.00% - 5.00%	<u>144,645,000</u>
		<u>\$ 380,895,000</u>

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:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 6,660,000	3,436,586	16,465,000	11,177,154
2019	5,965,000	3,066,219	17,425,000	10,306,094
2020	6,470,000	2,808,060	17,930,000	9,575,187
2021	6,845,000	2,521,656	17,905,000	8,828,484
2022	6,600,000	2,235,794	17,070,000	8,119,162
2023-2027	34,215,000	6,581,933	78,600,000	29,908,458
2028-2032	10,295,000	1,745,439	76,950,000	15,475,602
2033-2037	5,440,000	423,270	56,060,000	3,775,226
Total	\$ <u>82,490,000</u>	<u>22,818,957</u>	<u>298,405,000</u>	<u>97,165,367</u>

Prior year defeasance of bonds

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On September 30, 2017, \$5,055,000 of bonds considered defeased are still outstanding.

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
2018	\$ 82,657	71,105
2019	86,328	67,434
2020	90,162	63,600
2021	94,166	59,596
2022	98,348	55,414
2023-2027	230,432	235,477
2028-2032	203,663	194,247
2033-2037	253,088	144,822
2038-2042	314,507	83,403
2043-2047	217,612	14,502
Total	\$ 1,670,963	989,600

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 \$349,052 paid through 2017. Four annual payments of \$161,422 will be required for fiscal years 2018 to 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, 2017.

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)

The City has entered into a contract with the City of Hewitt for the repayment of over-billing that occurred under an existing wholesale water contract. The contract is payable in monthly installments of \$38,427 through July 2019.

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 \$1,615,828 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, 2017 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	\$ 77,710	11,465	6,685	82,490	6,660
Plus: premium on bonds	<u>6,413</u>	<u>451</u>	<u>1,064</u>	<u>5,800</u>	<u>-</u>
Total bonds payable	<u>84,123</u>	<u>11,916</u>	<u>7,749</u>	<u>88,290</u>	<u>6,660</u>
Contracts payable	830	-	-	830	-
Refundable contracts	80	-	-	80	-
Estimated claims and judgments	2,379	14,911	14,968	2,322	2,322
Note payable	807	-	161	646	161
Compensated absences	18,076	11,764	11,161	18,679	11,759
Net pension liability	62,346	35,764	35,025	63,085	-
Net OPEB obligation	<u>296</u>	<u>93</u>	<u>69</u>	<u>320</u>	<u>-</u>
Total other long-term liabilities	<u>84,814</u>	<u>62,532</u>	<u>61,384</u>	<u>85,962</u>	<u>14,242</u>
Governmental activity long-term liabilities	<u>\$ 168,937</u>	<u>74,448</u>	<u>69,133</u>	<u>174,252</u>	<u>20,902</u>
<u>Business-type activities:</u>					
Bonds payable:					
General obligation bonds	\$ 277,455	35,155	14,205	298,405	16,465
Plus: premium on bonds	<u>17,871</u>	<u>910</u>	<u>3,139</u>	<u>15,642</u>	<u>-</u>
Total bonds payable	<u>295,326</u>	<u>36,065</u>	<u>17,344</u>	<u>314,047</u>	<u>16,465</u>
Refundable contracts	1,514	450	348	1,616	348
Estimated landfill closure	5,021	274	-	5,295	-
Contracts payable	1,307	-	462	845	461
Note payable	1,750	-	79	1,671	83
Compensated absences	3,106	2,184	2,071	3,219	2,209
Net pension liability	<u>10,149</u>	<u>5,822</u>	<u>5,701</u>	<u>10,270</u>	<u>-</u>
Total other long-term liabilities	<u>22,847</u>	<u>8,730</u>	<u>8,661</u>	<u>22,916</u>	<u>3,101</u>
Business-type activity long-term liabilities	<u>\$ 318,173</u>	<u>44,795</u>	<u>26,005</u>	<u>336,963</u>	<u>19,566</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, \$312,002 and \$2,321,887 of internal service funds' compensated absences and estimated claims and judgments, respectively, are included in the above governmental amounts. Also, for the governmental activities, compensated absences, net pension liability, other post-employment benefits, and capital leases are generally liquidated by the general fund. Refundable contracts are liquidated by the street and drainage refundable contracts debt service fund.

G. Restricted Assets

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

Customer deposits	\$	3,159,128
Bond construction account		117,052,590
Capital grants and contributions		<u>81,634</u>
Total restricted assets		<u>\$ 120,293,352</u>

H. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City has established the insurance fund and health insurance fund (internal services funds) to account for and finance its risk management activities. All funds participate in these programs and make payments to these funds based on actuarial estimates of the amounts needed to pay prior and current-year claims and to establish reserves for catastrophic losses. The reserves for catastrophic losses were approximately \$8,500,000 at September 30, 2017.

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 provides commercial insurance for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of \$50,000. The commercial liability insurance limits are \$1,000,000 per occurrence for general liability with a \$2,000,000 annual aggregate, except for law enforcement liability for which the limits are \$5,000,000 per occurrence and \$10,000,000 annual aggregate. The commercial insurance limits for the City's property coverages are: \$10,000,000 aggregate for automobile catastrophe, \$421,377,229 aggregate for real and personal property, \$11,272,263 aggregate for mobile equipment and \$5,000,000 per accident for boiler and machinery.

Effective January 1, 2006, the City began to self-insure purchases 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 2017, 2016, or 2015. 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>2017</u>	<u>2016</u>
Unpaid claims, beginning of fiscal year	\$ 2,379	2,477
Incurred claims (including IBNRs)	14,911	14,209
Claim payments	<u>(14,968)</u>	<u>(14,307)</u>
Unpaid claims, end of fiscal year	<u>\$ 2,322</u>	<u>2,379</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 government expects such amounts, if any to be immaterial.

There are currently several claims and lawsuits pending against the City. It is the opinion of the City Attorney and management that there is 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 \$2,605,228 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 \$20,030,170 had been funded through 2017. This annual grant funding is limited to tax increment revenue collected each year from the reinvestment zone number one as follows:

Year	Amount
2018	\$ 3,006,034
2019	3,006,034
2020	3,006,034
2021	3,006,034
2022	3,006,034

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

K. Other Post-employment Benefits

Plan Description – The City administers a single-employer defined benefit life insurance plan. The plan provides \$2,500 of life insurance to each qualified retiree. An optional \$5,000 in life insurance is available at the retiree’s expense. According to the City’s personnel policy, retirees who have retired under the Texas Municipal Retirement System with a minimum of twenty years of service are eligible for postretirement life insurance benefits.

Actuarial methods and assumptions

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

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

Actuarial Methods and Assumptions

Type of benefit	Life insurance only
Inflation rate	2.50% per annum
Investment rate of return	4.00% per annum, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Payroll growth	3.00% per annum

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

K. Other Post-employment Benefits (continued)

Actuarial methods and assumptions (continued)

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

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that, if paid on an ongoing basis is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for the fiscal year ending September 30, 2017 and the preceding two fiscal years are as follows:

Reconciliation of Net Other Post-employment Benefit Obligation

	2017	2016	2015
Annual Required Contribution (ARC)	\$ 92,501	89,807	85,579
Interest on OPEB obligation	11,844	10,911	11,366
Adjustment to the ARC (amortization)	(11,538)	(10,629)	(10,530)
Annual OPEB cost	92,807	90,089	86,415
Net estimated employer contributions	(68,953)	(66,760)	(66,211)
Increase in net OPEB obligation	23,854	23,329	20,204
Net OPEB obligation, beginning of year	296,103	272,774	252,570
Net OPEB obligation, end of year	319,957	296,103	272,774

The City's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2017 and the preceding two fiscal years were as follows:

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

IV. Detail Notes on All Funds (continued)

K. Other Post-employment Benefits (continued)

Actuarial methods and assumptions (continued)

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Employer</u> <u>Amount</u> <u>Contributed</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
September 30, 2017	\$ 92,807	68,953	74.3%	\$ 319,957
September 30, 2016	90,089	66,760	74.1%	\$ 296,103
September 30, 2015	86,415	66,211	76.6%	272,774

Funding status and funding progress

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

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage of</u> <u>Covered</u> <u>Payroll</u>
12/31/2015	\$ -	1,796,660	1,796,660	0%	\$ 75,489,706	2.4%
12/31/2013	-	1,576,980	1,576,980	0%	71,807,295	2.2%
12/31/2011	-	1,646,618	1,646,618	0%	67,309,969	2.4%
12/31/2009	-	1,119,718	1,119,718	0%	66,925,539	1.7%
12/31/2007	-	973,424	973,424	0%	64,258,478	1.5%

Under the reporting parameters, the City's retiree life insurance plan is 0% funded with the actuarial accrued liability exceeding actuarial assets by \$1,796,660 at December 31, 2015. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 2.4%.

L. Defined Benefit Pension Plan

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal

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)

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, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	963
Inactive employees entitled to but not yet receiving benefits	533
Active employees	1,450

Contributions

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

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Contributions (continued)

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 12.96% and 13.96% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017 were \$10,942,485 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, 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, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
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, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a three-year forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016 valuations were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement

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)

mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were the first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. 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 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	<u>5.0%</u>	7.75%
Total	<u>100.0%</u>	

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

Net Pension Liability (continued)

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2015	\$ 451,452,596	378,957,802	72,494,794
Changes for the year:			
Service cost	11,202,475	-	11,202,475
Interest	30,078,486	-	30,078,486
Difference between expected and actual experience	280,568	-	280,568
Contributions - employer	-	9,999,248	(9,999,248)
Contributions - employee	-	5,401,710	(5,401,710)
Net investment income	-	25,606,114	(25,606,114)
Benefit payments, including refunds of employee contributions	(22,893,267)	(22,893,267)	-
Administrative expense	-	(289,241)	289,241
Other changes	-	(15,583)	15,583
Net changes	<u>18,668,262</u>	<u>17,808,981</u>	<u>859,281</u>
Balance at December 31, 2016	\$ <u>470,120,858</u>	<u>396,766,783</u>	<u>73,354,075</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 using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

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

IV. Detail Notes on All Funds (continued)

L. Defined Benefit Pension Plan (continued)

	<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 \$	<u>131,815,375</u>	<u>73,354,075</u>	<u>24,447,902</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, 2017, the City recognized pension expense of \$18,398,367.

At September 30, 2017, 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	\$ 862,734	1,366,538
Changes in actuarial assumptions	4,228,100	-
Difference between projected and actual earnings on pension plan investments	17,751,354	-
Contributions subsequent to the measurement date	<u>8,146,923</u>	<u>-</u>
Total	<u>\$ 30,989,111</u>	<u>1,366,538</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$8,146,923 will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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)

Year Ended December 31:

2017	\$ 7,793,943
2018	7,687,172
2019	5,967,005
2020	<u>27,530</u>
	<u>\$ 21,475,650</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 three retired firemen and policemen under this plan with no eligible active employees.

An actuarial valuation has not been performed on this plan due to its small relative size. The estimated unfunded liability based on the present value of future benefits with a 7.5 percent interest rate assumption is \$86,712 at September 30, 2017.

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:

2017	\$ 25,044
2016	25,044
2015	33,237

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 \$5,294,898 as of September 30, 2017, which is based on 78.5% usage (filled) of the landfill. It is estimated that an additional \$1,446,625 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2023). The estimated total current cost of the landfill closure and post-closure care (\$6,741,523) 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, 2017. 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, 2017, such special assessment debt outstanding totaled \$866,000.

P. 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 leaving it with a 79.234% undivided interest in the System. The City’s undivided interest in the System as of September 30, 2017 was 75.272% as a result of certain capacity expansion improvements completed during 2012.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

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

The City assisted four of the participating cities in financing their initial investments. During 2004, the City's wastewater fund advanced \$1,849,058 to the four participating cities at an interest rate of 3.65% to be repaid in annual installments through February 2024. As of September 30, 2017, \$406,996 of principal remained outstanding on these loans.

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

Current assets	\$ 11,952,944
Capital assets	34,095,079
Current liabilities	(1,365,911)
Noncurrent liabilities	<u>(71,448)</u>
Net position	<u>\$ 44,610,664</u>
Operating revenue	\$ 502,695
Operating expenses	(7,475,944)
Non-operating revenue	<u>19,645</u>
Change in net position	<u>\$ (6,953,604)</u>

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.

City of Waco, Texas

Notes to Financial Statements
(Continued)

IV. Detail Notes on All Funds (continued)

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 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	\$ 28,872,935
Commercial - Personal Property	12,582,871
Residential	2,029,262
	<u>\$ 43,485,068</u>

S. Prior Period Adjustment

During the current year, the City determined that amounts previously reported as capital assets – construction in progress should not be recognized as a capital asset. Accordingly, net position at October 1, 2016 was decreased by \$766,298 for the wastewater fund and business-type activities.

City of Waco, Texas

Notes to Financial Statements

(Continued)

IV. Detail Notes on All Funds (continued)

T. Authoritative Pronouncements Not Yet Effective

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

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (issued June 2015) – the objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (“OPEB”). This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all OPEB with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017.

GASB Statement No. 83, Certain Asset Retirement Obligations (issued November 2016) – the objective of this statement is to establish criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. This statement requires that recognition occur when the liability is both incurred and reasonably estimable. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2018.

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 are effective for financial statements for periods beginning after December 15, 2018.

GASB Statement No. 85, Omnibus 2017 (issued March 2017) - statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017.

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. 86, *Certain Debt Extinguishment Issues* (issued May 2017) – the objective of this statement is to increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing the debt were acquired. The statement will also enhance consistency in financial reporting of prepaid insurance related to debt that has been extinguished. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017.

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 are effective for financial statements for periods beginning after December 15, 2019.

Required Supplemental Information



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

	December 31,		
	2016	2015	2014
Total Pension Liability			
Service cost	\$ 11,202,475	10,455,324	9,662,721
Interest (on the Total Pension Liability)	30,078,486	29,600,291	28,296,862
Difference between expected and actual experience	280,568	(2,438,332)	1,770,413
Change of assumptions	-	7,544,258	-
Benefit payments, including refunds of employee contributions	<u>(22,893,267)</u>	<u>(22,685,162)</u>	<u>(20,326,595)</u>
Net change in Total Pension Liability	18,668,262	22,476,379	19,403,401
Total Pension Liability - beginning	<u>451,452,596</u>	<u>428,976,217</u>	<u>409,572,816</u>
Total Pension Liability - Ending (a)	<u>\$ 470,120,858</u>	<u>451,452,596</u>	<u>428,976,217</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 9,999,248	9,928,219	10,444,097
Contributions - employee	5,401,710	5,284,986	5,371,982
Net investment income	25,606,114	569,868	21,154,751
Benefit payments, including refunds of employee contributions	(22,893,267)	(22,685,162)	(20,326,595)
Administrative expense	(289,241)	(347,125)	(220,877)
Other	<u>(15,583)</u>	<u>(17,145)</u>	<u>(18,160)</u>
Net change in Plan Fiduciary Net Position	17,808,981	(7,266,359)	16,405,198
Plan Fiduciary Net Position - Beginning	<u>378,957,802</u>	<u>386,224,161</u>	<u>369,818,963</u>
Plan Fiduciary Net Position - ending (b)	<u>\$ 396,766,783</u>	<u>378,957,802</u>	<u>386,224,161</u>
Net Pension Liability - ending (a) - (b)	\$ 73,354,075	72,494,794	42,752,056
Plan Fiduciary Net Position as a percentage of Total Pension Liability	84.40%	83.94%	90.03%
Covered payroll	\$ 77,045,909	75,489,706	76,730,734
Net Pension Liability as a percentage of covered payroll	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 Contributions
Fiscal Years Ended

	September 30,		
	2015	2016	2017
Actuarially determined contribution	\$ 9,999,116	9,918,113	10,942,485
Contributions in relation to the actuarially determined contribution	<u>9,999,116</u>	<u>9,918,113</u>	<u>10,942,485</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Covered payroll	<u>\$ 75,315,307</u>	<u>76,215,914</u>	<u>79,821,678</u>
Contributions as a percentage of covered payroll	<u>13.28%</u>	<u>13.01%</u>	<u>13.71%</u>

Notes to Schedule of 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	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 10.5%, 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 2015 valuation pursuant to an experience study of the period 2010 – 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

There were no benefit changes during the year.

Note: 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.

**Combining and Individual
Fund Statements and Schedules**



General Fund



City of Waco, Texas
Comparative Balance Sheets
Governmental Funds
September 30, 2017 and 2016

	General Fund	
	2017	2016
Assets		
Cash and investments	\$ 55,205,804	\$ 55,210,674
Accounts receivable, net of allowances	3,896,814	3,805,616
Taxes	8,527,438	8,524,133
Intergovernmental receivable	75,129	289,910
Inventory	855,118	925,826
Real estate held for resale	6,160	6,160
Due from other funds	3,212,501	5,092,334
Total assets	\$ 71,778,964	\$ 73,854,653
Liabilities		
Accounts payable	\$ 2,077,867	\$ 949,161
Accrued liabilities	5,197,283	4,797,157
Unearned revenue	20,594	10,166
Due to other funds	397,560	8,977,387
Deposits	766,256	583,741
Escrow funds	408,378	306,328
Total liabilities	8,867,938	15,623,940
Deferred inflows of resources		
Unavailable revenue-property taxes	1,609,521	1,507,090
Unavailable revenue court fines	478,833	651,693
Total deferred inflow of resources	2,088,354	2,158,783
Total liabilities and deferred inflows of resources	10,956,292	17,782,723
Fund balance (deficit)		
Nonspendable		
Inventory	855,118	925,826
Real estate held for resale	6,160	6,160
Restricted for:		
Culture and recreation	-	365,900
Municipal information	1,006,021	971,345
Committed to:		
Economic development	10,645,045	10,288,673
Assigned		
Capital improvements	14,880,555	11,891,042
Culture and recreation	129,850	141,888
Economic development	4,491,067	4,753,144
Housing and community development	-	3,822
Other	264,776	268,004
Public safety	507,585	237,645
Public works	109,472	300,048
Subsequent year's budget appropriation	2,868,343	2,140,199
Unassigned	25,058,680	23,778,234
Total fund balance (deficit)	\$ 60,822,672	\$ 56,071,930
Total liabilities, deferred inflows of resources, and fund balance	\$ 71,778,964	\$ 73,854,653

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, 2017 and 2016

	General Fund	
	2017	2016
Revenues:		
Taxes	\$ 91,855,453	\$ 86,615,298
Business and occupation fees	14,238,292	13,734,655
Permits, licenses and fees	1,574,504	1,742,898
Fines	1,786,602	2,257,245
Charges for services	1,939,164	1,834,544
Investment earnings	521,037	213,552
Contributions	683,968	784,013
Intergovernmental	1,921,435	2,049,784
Other	10,545,927	10,621,613
Total revenues	125,066,382	119,853,602
Expenditures:		
Current:		
General government	22,496,688	19,656,551
Public works	1,643,939	1,879,964
Public safety	69,194,896	65,696,613
Culture and recreation	13,264,569	13,226,337
Housing and community development	308,018	484,625
Total expenditures	106,908,110	100,944,090
Excess (deficiency) of revenues over expenditures	18,158,272	18,909,512
Other financing sources (uses):		
Transfers in	4,761,411	4,588,096
Transfers out	(18,168,941)	(21,738,762)
Total other financing sources (uses)	(13,407,530)	(17,150,666)
Net change in fund balances	4,750,742	1,758,846
Fund balance, beginning of year	56,071,930	54,313,084
Fund balance, end of year	\$ 60,822,672	\$ 56,071,930

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, 2017
(With Comparative Totals for September 30, 2016)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds	
					2017	2016
Assets						
Cash and investments	\$ 26,419,984	\$ 516,519	\$ 27,309,644	\$ 368,115	\$ 54,614,262	\$ 32,451,818
Accounts receivable, net of allowance	232,190	-	89,849	-	322,039	417,646
Special assessments	2,010	-	-	-	2,010	3,122
Taxes receivable, net of allowance	3,566	325,502	-	-	329,068	410,956
Notes receivable	1,530,329	-	-	-	1,530,329	2,113,325
Due from other funds	-	-	-	-	-	9,677,148
Advances to other funds	-	-	168,368	-	168,368	168,368
Intergovernmental receivable	2,752,528	-	68,066	-	2,820,594	1,435,746
Inventory	-	-	85,685	-	85,685	138,360
Real estate held for resale	44,867	-	-	-	44,867	44,867
Total assets	\$ 30,985,474	\$ 842,021	\$ 27,721,612	\$ 368,115	\$ 59,917,222	\$ 46,861,356
Liabilities						
Accounts payable	\$ 1,096,583	\$ -	\$ 391,999	\$ -	\$ 1,488,582	\$ 936,401
Accrued liabilities	322,643	-	252,643	-	575,286	2,835,339
Unearned revenue	1,210	-	-	-	1,210	1,210
Due to other funds	810,080	-	-	-	810,080	1,485,600
Escrow funds	27,300	-	-	-	27,300	16,371
Total liabilities	2,257,816	-	644,642	-	2,902,458	5,274,921
Deferred inflows of resources						
Unavailable revenue-property taxes	3,566	313,314	-	-	316,880	389,001
Unavailable revenue- special assessments	2,010	-	-	-	2,010	3,122
Total deferred inflows of resources	5,576	313,314	-	-	318,890	392,123
Total liabilities and deferred inflows of resources	2,263,392	313,314	644,642	-	3,221,348	5,667,044
Fund balances (deficits)						
Nonspendable:						
Inventory	-	-	85,685	-	85,685	138,360
Parks and cemetery care	-	-	-	368,115	368,115	366,560
Restricted for:						
Capital projects	-	-	12,754,861	-	12,754,861	4,631,102
Culture and recreation	581,442	-	-	-	581,442	347,288
Debt service	-	528,707	-	-	528,707	598,145
Housing and Community Development	1,570,574	-	-	-	1,570,574	2,037,017
Public safety	1,208,289	-	-	-	1,208,289	1,224,262
Tax increment zone activities	22,732,032	-	-	-	22,732,032	16,822,186
Waco Public Improvement District	888,323	-	-	-	888,323	755,292
Committed to:						
Capital projects	-	-	14,236,424	-	14,236,424	13,223,176
Public health	1,741,422	-	-	-	1,741,422	1,050,924
Total fund balances (deficits)	\$ 28,722,082	\$ 528,707	\$ 27,076,970	\$ 368,115	\$ 56,695,874	\$ 41,194,312
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 30,985,474	\$ 842,021	\$ 27,721,612	\$ 368,115	\$ 59,917,222	\$ 46,861,356

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, 2017 (With Comparative Totals for Year Ended September 30, 2016)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
	Funds	Funds	Funds	Funds	2017	2016
Revenues:						
Taxes	\$ 10,779,442	\$ 9,283,223	\$ -	\$ -	\$ 20,062,665	\$ 17,365,477
Permits, licenses and fees	1,044,119	-	-	-	1,044,119	996,124
Fines	267,653	-	-	-	267,653	312,072
Investment earnings	146,005	38,003	867,799	1,555	1,053,362	612,243
Contributions	-	-	560,806	-	560,806	635,632
Intergovernmental	9,395,700	-	27,167	-	9,422,867	7,126,191
Program income	222,053	-	-	-	222,053	298,107
Other	534,342	-	-	-	534,342	616,635
Total revenues	<u>22,389,314</u>	<u>9,321,226</u>	<u>1,455,772</u>	<u>1,555</u>	<u>33,167,867</u>	<u>27,962,481</u>
Expenditures:						
Current:						
General government	5,924,703	-	-	-	5,924,703	5,954,758
Public safety	856,455	-	-	-	856,455	1,475,687
Culture and recreation	4,423,741	-	-	-	4,423,741	201,130
Housing and community development	2,268,657	-	-	-	2,268,657	1,885,472
Public health	7,588,586	-	-	-	7,588,586	7,533,938
Debt service:						
Principal	-	6,685,000	-	-	6,685,000	5,895,000
Interest and fiscal charges	-	3,240,961	-	-	3,240,961	3,283,750
Bond issuance costs	-	84,655	-	-	84,655	99,402
Capital outlay	-	-	13,884,468	-	13,884,468	26,453,338
Total expenditures	<u>21,062,142</u>	<u>10,010,616</u>	<u>13,884,468</u>	<u>-</u>	<u>44,957,226</u>	<u>52,782,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,327,172</u>	<u>(689,390)</u>	<u>(12,428,696)</u>	<u>1,555</u>	<u>(11,789,359)</u>	<u>(24,819,994)</u>
Other financing sources (uses):						
Refunding bonds issued	-	-	-	-	-	1,945,000
Payment to refunded bond escrow agent	-	-	-	-	-	(2,055,353)
Premium on refunding bonds	-	-	-	-	-	136,375
General obligation bonds issued	-	79,955	11,385,045	-	11,465,000	3,805,000
Premium on general obligation bonds	-	3,148	448,187	-	451,335	334,219
Transfers in	5,508,730	536,849	11,544,652	-	17,590,231	19,089,884
Transfers out	(350,789)	-	(1,864,856)	-	(2,215,645)	(298,479)
Total other financing sources (uses)	<u>5,157,941</u>	<u>619,952</u>	<u>21,513,028</u>	<u>-</u>	<u>27,290,921</u>	<u>22,956,646</u>
Net change in fund balances	6,485,113	(69,438)	9,084,332	1,555	15,501,562	(1,863,348)
Fund balances, beginning of year	22,236,969	598,145	17,992,638	366,560	41,194,312	43,057,660
Fund balances, end of year	<u>\$ 28,722,082</u>	<u>\$ 528,707</u>	<u>\$ 27,076,970</u>	<u>\$ 368,115</u>	<u>\$ 56,695,874</u>	<u>\$ 41,194,312</u>

See accompanying independent auditor's report.

Nonmajor Special Revenue Funds

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

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

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

Grant Fund - 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, 2017
 (With Comparative Totals for September 30, 2016)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3	Health Programs Fund	Grant Fund	Waco Public Improvement District No. 1 Fund
Assets						
Cash and investments	\$ 20,587,631	\$ 2,090,068	\$ 67,621	\$ 1,074,576	\$ 522,258	\$ 934,313
Accounts receivable, net of allowances	20,610	-	-	108,670	102,910	-
Special assessments receivable	-	-	-	-	-	2,010
Taxes receivable	3,566	-	-	-	-	-
Notes receivable	-	-	-	-	1,530,329	-
Intergovernmental receivable	-	-	-	800,971	1,951,557	-
Due from other funds	-	-	-	-	-	-
Real estate held for resale	-	-	-	-	44,867	-
Total assets	<u>\$ 20,611,807</u>	<u>\$ 2,090,068</u>	<u>\$ 67,621</u>	<u>\$ 1,984,217</u>	<u>\$ 4,151,921</u>	<u>\$ 936,323</u>
Liabilities						
Accounts payable and contracts payable	\$ 327	\$ 379	\$ -	\$ 56,304	\$ 988,672	\$ 45,990
Accrued liabilities	33,192	-	-	159,191	130,260	-
Unearned revenue	-	-	-	-	1,210	-
Due to other funds	-	-	-	-	810,080	-
Escrow funds	-	-	-	27,300	-	-
Total liabilities	<u>33,519</u>	<u>379</u>	<u>-</u>	<u>242,795</u>	<u>1,930,222</u>	<u>45,990</u>
Deferred inflows of resources						
Unavailable Revenue-property taxes	3,566	-	-	-	-	-
Unavailable Revenue-special assessments	-	-	-	-	-	2,010
Total deferred inflow of resources	<u>3,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,010</u>
Total liabilities and deferred inflows of resources	<u>37,085</u>	<u>379</u>	<u>-</u>	<u>242,795</u>	<u>1,930,222</u>	<u>48,000</u>
Fund balances (deficits)						
Restricted for:						
Culture and recreation	-	-	-	-	548,634	-
Housing and Community Development	-	-	-	-	1,570,574	-
Public safety	-	-	-	-	102,491	-
Tax increment zone activities	20,574,722	2,089,689	67,621	-	-	-
Waco Public Improvement District	-	-	-	-	-	888,323
Committed to:						
Public health	-	-	-	1,741,422	-	-
Total fund balances (deficits)	<u>\$ 20,574,722</u>	<u>\$ 2,089,689</u>	<u>\$ 67,621</u>	<u>\$ 1,741,422</u>	<u>\$ 2,221,699</u>	<u>\$ 888,323</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 20,611,807</u>	<u>\$ 2,090,068</u>	<u>\$ 67,621</u>	<u>\$ 1,984,217</u>	<u>\$ 4,151,921</u>	<u>\$ 936,323</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	2017	2016
\$ 442,308	\$ 267,383	\$ 370,393	\$ 30,625	\$ 9,123	\$ 23,685	\$ 26,419,984	\$ 19,870,858
-	-	-	-	-	-	\$ 232,190	\$ 124,356
-	-	-	-	-	-	\$ 2,010	\$ 3,122
-	-	-	-	-	-	\$ 3,566	\$ 65,551
-	-	-	-	-	-	\$ 1,530,329	\$ 2,113,325
-	-	-	-	-	-	\$ 2,752,528	\$ 1,394,847
-	-	-	-	-	-	\$ -	\$ 65,079
-	-	-	-	-	-	\$ 44,867	\$ 44,867
\$ 442,308	\$ 267,383	\$ 370,393	\$ 30,625	\$ 9,123	\$ 23,685	\$ 30,985,474	23,682,005
\$ 531	\$ 2,280	\$ -	\$ 2,100	\$ -	\$ -	\$ 1,096,583	\$ 562,803
-	-	-	-	-	-	\$ 322,643	\$ 411,269
-	-	-	-	-	-	\$ 1,210	\$ 1,210
-	-	-	-	-	-	\$ 810,080	\$ 384,710
-	-	-	-	-	-	\$ 27,300	\$ 16,371
531	2,280	-	2,100	-	-	2,257,816	1,376,363
-	-	-	-	-	-	\$ 3,566	\$ 65,551
-	-	-	-	-	-	\$ 2,010	\$ 3,122
-	-	-	-	-	-	\$ 5,576	\$ 68,673
531	2,280	-	2,100	-	-	2,263,392	1,445,036
-	-	-	-	9,123	23,685	\$ 581,442	\$ 16,822,186
-	-	-	-	-	-	\$ 1,570,574	\$ 2,037,017
441,777	265,103	370,393	28,525	-	-	\$ 1,208,289	\$ 1,224,262
-	-	-	-	-	-	\$ 22,732,032	\$ 347,288
-	-	-	-	-	-	\$ 888,323	\$ 755,292
-	-	-	-	-	-	\$ 1,741,422	\$ 1,050,924
\$ 441,777	\$ 265,103	\$ 370,393	\$ 28,525	\$ 9,123	\$ 23,685	\$ 28,722,082	\$ 22,236,969
\$ 442,308	\$ 267,383	\$ 370,393	\$ 30,625	\$ 9,123	\$ 23,685	\$ 30,985,474	\$ 23,682,005

City of Waco, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2017
(With Comparative Totals for September 30, 2016)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3	Health Programs Fund	Grant Fund	Waco Public Improvement District No. 1 Fund
Revenues:						
Property taxes	\$ 10,157,937	\$ 138,075	\$ 471	\$ -	\$ -	\$ 482,959
Permits, licenses and fees	-	-	-	1,044,119	-	-
Fines	-	-	-	-	-	-
Investment earnings	118,385	12,314	406	6,762	-	5,719
Intergovernmental	579,071	7,950	27	3,387,906	5,420,746	-
Program income	-	-	-	198,591	23,462	-
Contributions	-	-	-	-	-	-
Other	-	-	-	406,436	26,783	52,011
Total revenues	<u>10,855,393</u>	<u>158,339</u>	<u>904</u>	<u>5,043,814</u>	<u>5,470,991</u>	<u>540,689</u>
Expenditures:						
Current:						
General government	5,030,620	-	-	-	486,425	407,658
Public safety	-	-	-	-	732,757	-
Culture and recreation	-	-	-	-	4,421,372	-
Housing and community development	-	-	-	-	2,268,657	-
Public health	-	-	-	7,588,586	-	-
Total expenditures	<u>5,030,620</u>	<u>-</u>	<u>-</u>	<u>7,588,586</u>	<u>7,909,211</u>	<u>407,658</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,824,773</u>	<u>158,339</u>	<u>904</u>	<u>(2,544,772)</u>	<u>(2,438,220)</u>	<u>133,031</u>
Other financing sources (uses):						
Transfers in	-	-	-	3,235,270	2,273,460	-
Transfers out	(74,170)	-	-	-	(1,712)	-
Total other financing sources (uses)	<u>(74,170)</u>	<u>-</u>	<u>-</u>	<u>3,235,270</u>	<u>2,271,748</u>	<u>-</u>
Net change in fund balances	5,750,603	158,339	904	690,498	(166,472)	133,031
Fund balances, beginning of year	14,824,119	1,931,350	66,717	1,050,924	2,388,171	755,292
Fund balances, end of year	<u>\$ 20,574,722</u>	<u>\$ 2,089,689</u>	<u>\$ 67,621</u>	<u>\$ 1,741,422</u>	<u>\$ 2,221,699</u>	<u>\$ 888,323</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	2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,779,442	\$ 8,123,640
-	-	-	-	-	-	\$ 1,044,119	\$ 996,124
176,255	-	39,175	52,223	-	-	\$ 267,653	\$ 312,072
-	1,546	-	-	114	759	\$ 146,005	\$ 50,971
-	-	-	-	-	-	\$ 9,395,700	\$ 6,249,254
-	-	-	-	-	-	\$ 222,053	\$ 298,107
-	-	-	-	-	-	\$ -	\$ 57,045
-	49,112	-	-	-	-	\$ 534,342	\$ 616,635
<u>176,255</u>	<u>50,658</u>	<u>39,175</u>	<u>52,223</u>	<u>114</u>	<u>759</u>	<u>22,389,314</u>	<u>16,703,848</u>
-	-	-	-	-	-	\$ 5,924,703	\$ 5,853,431
10,068	50,084	3,778	59,768	-	-	\$ 856,455	\$ 1,475,687
-	-	-	-	-	2,369	\$ 4,423,741	\$ 201,130
-	-	-	-	-	-	\$ 2,268,657	\$ 1,885,472
-	-	-	-	-	-	\$ 7,588,586	\$ 7,533,938
<u>10,068</u>	<u>50,084</u>	<u>3,778</u>	<u>59,768</u>	<u>-</u>	<u>2,369</u>	<u>21,062,142</u>	<u>16,949,658</u>
<u>166,187</u>	<u>574</u>	<u>35,397</u>	<u>(7,545)</u>	<u>114</u>	<u>(1,610)</u>	<u>1,327,172</u>	<u>(245,810)</u>
-	-	-	-	-	-	\$ 5,508,730	\$ 3,562,155
(181,649)	-	(93,258)	-	-	-	\$ (350,789)	\$ (196,865)
<u>(181,649)</u>	<u>-</u>	<u>(93,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,157,941</u>	<u>3,365,290</u>
(15,462)	574	(57,861)	(7,545)	114	(1,610)	6,485,113	3,119,480
457,239	264,529	428,254	36,070	9,009	25,295	\$ 22,236,969	\$ 19,117,489
<u>\$ 441,777</u>	<u>\$ 265,103</u>	<u>\$ 370,393</u>	<u>\$ 28,525</u>	<u>\$ 9,123</u>	<u>\$ 23,685</u>	<u>\$ 28,722,082</u>	<u>\$ 22,236,969</u>



Tax Increment Fund No. 1

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2017 and 2016

	Tax Increment Fund No. 1	
	2017	2016
Assets		
Cash and investments	\$ 20,587,631	\$ 14,810,743
Accounts receivable, net of allowances	20,610	13,376
Taxes	3,566	65,551
Total assets	20,611,807	14,889,670
Total assets	\$ 20,611,807	\$ 14,889,670
Liabilities		
Accounts payable	\$ 327	\$ -
Accrued liabilities	33,192	-
Total liabilities	33,519	-
Deferred inflows of resources		
Unavailable revenue-property taxes	3,566	65,551
Total deferred inflow of resources	3,566	65,551
Total liabilities and deferred inflows of resources	37,085	65,551
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	20,574,722	14,824,119
Total fund balance (deficit)	\$ 20,574,722	\$ 14,824,119
Total liabilities, deferred inflows of resources, and fund balance	\$ 20,611,807	\$ 14,889,670

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, 2017 and 2016

	Tax Increment Fund No. 1	
	2017	2016
Revenues:		
Property taxes	\$ 10,157,937	\$ 7,648,937
Investment earnings	118,385	40,405
Intergovernmental	579,071	429,745
Total revenues	10,855,393	8,119,087
Expenditures:		
Current:		
General government	5,030,620	4,964,302
Total expenditures	5,030,620	4,964,302
Excess (deficiency) of revenues over expenditures	5,824,773	3,154,785
Other financing sources (uses):		
Transfers out	(74,170)	(40,613)
Total other financing sources (uses)	(74,170)	(40,613)
Net change in fund balance	5,750,603	3,114,172
Fund balance, beginning of year	14,824,119	11,709,947
Fund balance, end of year	\$ 20,574,722	\$ 14,824,119

See accompanying independent auditor's report.



Tax Increment Fund No. 2

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2017 and 2016

	Tax Increment Fund No. 2	
	2017	2016
Assets		
Cash and investments	\$ 2,090,068	\$ 1,931,454
Total assets	\$ 2,090,068	\$ 1,931,454
Liabilities		
Accounts payable	\$ 379	\$ 104
Total liabilities	379	104
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	2,089,689	1,931,350
Total fund balance (deficit)	\$ 2,089,689	\$ 1,931,350
Total liabilities and fund balance	\$ 2,090,068	\$ 1,931,454

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, 2017 and 2016

	Tax Increment Fund No. 2	
	2017	2016
Revenues:		
Property taxes	\$ 138,075	\$ 115,810
Investment earnings	12,314	5,283
Intergovernmental	7,950	6,642
Total revenues	158,339	127,735
Expenditures:		
Current:		
General government	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	158,339	127,735
Net change in fund balance	158,339	127,735
Fund balance, beginning of year	1,931,350	1,803,615
Fund balance, end of year	\$ 2,089,689	\$ 1,931,350

See accompanying independent auditor's report.



Tax Increment Fund No. 3

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2017 and 2016

	Tax Increment Fund No. 3	
	2017	2016
Assets		
Cash and investments	\$ 67,621	\$ 66,717
Total assets	\$ 67,621	\$ 66,717
Fund balance (deficit)		
Restricted for:		
Tax increment zone activities	67,621	66,717
Total fund balance	\$ 67,621	\$ 66,717

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statements of Revenues, Expenditures, and
Nonmajor Special Revenue Funds
Changes in Fund Balance
Years Ended September 30, 2017 and 2016

	Tax Increment Fund No. 3	
	2017	2016
Revenues:		
Property taxes	\$ 471	\$ 472
Investment earnings	406	184
Intergovernmental	27	27
Total revenues	904	683
Expenditures:		
Current:		
General government	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	904	683
Net change in fund balance	904	683
Fund balance, beginning of year	66,717	66,034
Fund balance, end of year	\$ 67,621	\$ 66,717

See accompanying independent auditor's report.



Health Programs Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2017 and 2016

	Health Programs Fund	
	2017	2016
Assets		
Cash and investments	\$ 1,074,576	\$ 650,447
Accounts receivable, net of allowances	108,670	10,744
Intergovernmental receivable	800,971	618,277
Total assets	\$ 1,984,217	\$ 1,279,468
Liabilities		
Accounts payable	\$ 56,304	\$ 48,336
Accrued liabilities	159,191	163,837
Escrow funds	27,300	16,371
Total liabilities	242,795	228,544
Fund balance (deficit)		
Committed to:		
Public health	1,741,422	1,050,924
Total fund balance (deficit)	\$ 1,741,422	\$ 1,050,924
Total liabilities and fund balance	\$ 1,984,217	\$ 1,279,468

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, 2017 and 2016

	Health Programs Fund	
	2017	2016
Revenues:		
Permits, licenses and fees	\$ 1,044,119	\$ 996,124
Investment earnings	6,762	1,648
Intergovernmental	3,387,906	3,307,435
Program income	198,591	203,034
Other	406,436	381,545
Total revenues	5,043,814	4,889,786
Expenditures:		
Current:		
Public health	7,588,586	7,533,938
Total expenditures	7,588,586	7,533,938
Excess (deficiency) of revenues over expenditures	(2,544,772)	(2,644,152)
Other financing sources (uses):		
Transfers in	3,235,270	2,874,265
Total other financing sources (uses)	3,235,270	2,874,265
Net change in fund balance	690,498	230,113
Fund balance, beginning of year	1,050,924	820,811
Fund balance, end of year	\$ 1,741,422	\$ 1,050,924

See accompanying independent auditor's report.

City of Waco, Texas

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Health Programs Fund
For the Year Ended September 30, 2017
(With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with Final Budget	2016
	Original	Final	Actual Amounts		Actual Amounts
Revenues:					
Health Administrative Services:					
Death and birth certificates	\$ 255,338	255,338	260,903	5,565	270,048
Interest on investments	-	-	6,762	6,762	1,648
Intergovernmental	-	40,000	186,232	146,232	-
Revenue-other	399,852	359,852	353,413	(6,439)	377,153
Total	<u>655,190</u>	<u>655,190</u>	<u>807,310</u>	<u>152,120</u>	<u>648,849</u>
Environmental Health Services:					
Health and welfare fees	404,702	404,702	505,899	101,197	468,948
Intergovernmental	79,236	79,236	2,663	(76,573)	32,488
Revenue-other	516	516	814	298	944
Total	<u>484,454</u>	<u>484,454</u>	<u>509,376</u>	<u>24,922</u>	<u>502,380</u>
Health Nursing Services:					
Health and welfare fees	212,349	212,349	239,134	26,785	224,992
Revenue-other	-	-	51,775	51,775	1,157
Total	<u>212,349</u>	<u>212,349</u>	<u>290,909</u>	<u>78,560</u>	<u>226,149</u>
Sexually Transmitted Disease:					
Health and welfare fees	25,713	25,713	38,183	12,470	32,136
Total	<u>25,713</u>	<u>25,713</u>	<u>38,183</u>	<u>12,470</u>	<u>32,136</u>
HIV/AIDS Services:					
Revenue-other	-	-	90	90	36
Total	<u>-</u>	<u>-</u>	<u>90</u>	<u>90</u>	<u>36</u>
Public Health Services:					
Program income	-	198,591	198,591	-	203,034
Intergovernmental	-	3,199,544	3,199,011	(533)	3,274,947
Revenue-other	-	344	344	-	2,255
Total	<u>-</u>	<u>3,398,479</u>	<u>3,397,946</u>	<u>(533)</u>	<u>3,480,236</u>
Total revenue	<u>1,377,706</u>	<u>4,776,185</u>	<u>5,043,814</u>	<u>267,629</u>	<u>4,889,786</u>
Expenditures:					
Health Administrative Services:					
Salaries and wages	421,374	418,374	397,695	20,679	393,538
Employee benefits	152,403	152,403	141,986	10,417	143,912
Purchased professional/technical services	93,910	93,910	66,995	26,915	45,102
Purchased property services	2,580	2,580	3,059	(479)	2,570
Maintenance	500	500	-	500	-
Other purchased services	24,767	27,767	24,659	3,108	15,970
Supplies	31,050	31,050	36,951	(5,901)	31,081
Contracts with others	1,070,793	1,070,793	1,070,793	-	1,039,605
Other	386,812	386,812	386,812	-	450,509
Total health administrative services	<u>2,184,189</u>	<u>2,184,189</u>	<u>2,128,950</u>	<u>55,239</u>	<u>2,122,287</u>

(Continued)

City of Waco, Texas

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Health Programs Fund
For the Year Ended September 30, 2017
(With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with	2016
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Environmental Health Services:					
Salaries and wages	\$ 302,105	302,105	372,251	(70,146)	296,011
Employee benefits	113,661	113,661	107,074	6,587	107,324
Purchased professional/technical services	22,375	22,375	20,000	2,375	20,665
Maintenance	11,191	11,191	19,726	(8,535)	13,418
Other purchased services	16,045	16,045	12,686	3,359	12,105
Supplies	103,319	103,319	57,816	45,503	59,083
Total environmental health services:	<u>568,696</u>	<u>568,696</u>	<u>589,553</u>	<u>(20,857)</u>	<u>508,606</u>
Health Nursing Services:					
Salaries and wages	630,263	630,263	491,064	139,199	455,133
Employee benefits	226,846	226,846	176,161	50,685	183,462
Purchased professional/technical services	141,400	141,400	30,182	111,218	15,068
Maintenance	3,565	3,565	2,196	1,369	1,998
Other purchased services	44,357	44,357	49,070	(4,713)	32,906
Supplies	254,597	254,597	227,784	26,813	222,799
Total public health nursing services	<u>1,301,028</u>	<u>1,301,028</u>	<u>976,457</u>	<u>324,571</u>	<u>911,366</u>
Sexually Transmitted Disease:					
Salaries and wages	235,339	235,339	204,659	30,680	214,084
Employee benefits	87,421	87,421	73,174	14,247	78,059
Purchased professional/technical services	14,000	14,000	10,603	3,397	11,455
Maintenance	200	1,350	835	515	165
Other purchased services	14,467	12,817	11,277	1,540	15,165
Supplies	17,419	18,419	22,420	(4,001)	19,773
Total sexually transmitted disease	<u>368,846</u>	<u>369,346</u>	<u>322,968</u>	<u>46,378</u>	<u>338,701</u>
HIV/AIDS Services:					
Salaries and wages	128,933	128,933	120,212	8,721	121,281
Employee benefits	44,400	44,400	41,093	3,307	41,055
Purchased professional/technical services	-	-	925	(925)	901
Other purchased services	11,999	11,999	6,366	5,633	6,900
Supplies	4,885	4,385	4,116	269	2,605
Total HIV/AIDS services	<u>190,217</u>	<u>189,717</u>	<u>172,712</u>	<u>17,005</u>	<u>172,742</u>
Public Health Services:					
Salaries and wages	-	1,720,957	1,720,957	-	1,813,091
Employee benefits	-	691,670	691,670	-	690,478
Purchased professional/technical services	-	234,442	233,909	533	232,554
Purchased property services	-	94,342	94,342	-	100,439
Maintenance	-	5,888	5,888	-	2,350
Other purchased services	-	258,700	258,700	-	250,279
Supplies	-	215,601	215,601	-	174,561
Other	-	176,879	176,879	-	216,484
Total public health services	<u>-</u>	<u>3,398,479</u>	<u>3,397,946</u>	<u>533</u>	<u>3,480,236</u>

(Continued)

City of Waco, Texas

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Health Programs Fund
 For the Year Ended September 30, 2017
 (With Comparative Actual Amounts for Year Ended September 30, 2016)

	Budgeted Amounts		2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
	Original	Final			
Total expenditures	\$ 4,612,976	8,011,455	7,588,586	422,869	7,533,938
Excess (deficiency) of revenue over expenditures	<u>(3,235,270)</u>	<u>(3,235,270)</u>	<u>(2,544,772)</u>	<u>690,498</u>	<u>(2,644,152)</u>
Other financing sources (uses):					
Transfers in	<u>3,235,270</u>	<u>3,235,270</u>	<u>3,235,270</u>	<u>-</u>	<u>2,874,265</u>
Total other financing sources (uses)	<u>3,235,270</u>	<u>3,235,270</u>	<u>3,235,270</u>	<u>-</u>	<u>2,874,265</u>
Net change in fund balance	-	-	690,498	690,498	230,113
Fund balance, beginning of year	<u>1,050,924</u>	<u>1,050,924</u>	<u>1,050,924</u>	<u>-</u>	<u>820,811</u>
Fund balance, end of year	<u>\$ 1,050,924</u>	<u>1,050,924</u>	<u>1,741,422</u>	<u>690,498</u>	<u>1,050,924</u>

See accompanying independent auditor's report.

Grant Fund

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Fund
September 30, 2017
(With Comparative Totals for September 30, 2016)

	HUD Home Program	HUD Community Development Block Grant	Fire LEOSE	Justice Assistance Grant 2015
Assets				
Cash and investments	\$ 102,992	143,363	836	-
Accounts receivable, net of allowances	26,074	75,356	-	-
Notes receivable	877,944	652,385	-	-
Intergovernmental receivable	60,699	192,231	-	-
Due from other funds	-	-	-	-
Real estate held for resale	-	44,867	-	-
Total assets	<u><u>\$ 1,067,709</u></u>	<u><u>1,108,202</u></u>	<u><u>836</u></u>	<u><u>-</u></u>
Liabilities				
Accounts payable	\$ 263,044	240,472	-	-
Accrued liabilities	2,440	19,803	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u><u>265,484</u></u>	<u><u>260,275</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund balances (deficits)				
Restricted for:				
Culture and recreation	-	-	-	-
Housing and Community Development	802,225	759,596	-	-
Public safety	-	88,331	836	-
Total fund balances (deficits)	<u><u>\$ 802,225</u></u>	<u><u>847,927</u></u>	<u><u>836</u></u>	<u><u>-</u></u>
Total liabilities and fund balances	<u><u>\$ 1,067,709</u></u>	<u><u>\$ 1,108,202</u></u>	<u><u>\$ 836</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

Police LEOSE	TWDB Wetland Grant	HUD EDI Grant	Grande Clear Source Cable Ordinance	TXDOT Riverwalk	HUD Continuum of Care
8,472	3,141	8,753	85,374	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,362,077	14,448
-	-	-	-	-	-
-	-	-	-	-	-
8,472	3,141	8,753	85,374	1,362,077	14,448
-	3,141	-	-	470,519	-
-	-	-	-	81,144	2,338
-	-	-	-	-	-
-	-	-	-	509,298	12,110
-	3,141	-	-	1,060,961	14,448
-	-	-	85,374	301,116	-
-	-	8,753	-	-	-
8,472	-	-	-	-	-
8,472	-	8,753	85,374	301,116	-
\$ 8,472	\$ 3,141	\$ 8,753	\$ 85,374	\$ 1,362,077	\$ 14,448

(Continued)

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Fund
September 30, 2017
(With Comparative Totals for September 30, 2016)

	Texas Parks and Wildlife Grant	Victim Services 2017	HUD HMIS Grant	SHSP 2015
Assets				
Cash and investments	\$ -	-	1,001	-
Accounts receivable, net of allowances	-	-	1,025	-
Notes receivable	-	-	-	-
Intergovernmental receivable	-	3,882	318	-
Due from other funds	-	-	-	-
Real estate held for resale	-	-	-	-
Total assets	<u>\$ -</u>	<u>3,882</u>	<u>2,344</u>	<u>-</u>
Liabilities				
Accounts payable	\$ -	-	-	-
Accrued liabilities	-	1,953	2,344	-
Unearned revenue	-	-	-	-
Due to other funds	-	1,929	-	-
Total liabilities	<u>-</u>	<u>3,882</u>	<u>2,344</u>	<u>-</u>
Fund balances (deficits)				
Restricted for:				
Culture and recreation	-	-	-	-
Housing and Community Development	-	-	-	-
Public safety	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,882</u>	<u>\$ 2,344</u>	<u>\$ -</u>

See accompanying independent auditor's report.

<u>SHSP 2016</u>	<u>STEP Comprehensive</u>	<u>TXDOT MPO FHWA</u>	<u>Victim Services 2016</u>	<u>CJD Family Violence 2016-2017</u>	<u>CJD Family Violence 2017-2018</u>
-	-	-	-	-	-
-	-	455	-	-	-
-	-	-	-	-	-
57,934	17,042	178,012	-	-	10,565
-	-	-	-	-	-
-	-	-	-	-	-
<u>57,934</u>	<u>17,042</u>	<u>178,467</u>	<u>-</u>	<u>-</u>	<u>10,565</u>
-	-	5,298	-	-	-
-	-	11,198	-	-	9,040
-	-	-	-	-	-
57,934	17,042	161,971	-	-	1,525
<u>57,934</u>	<u>17,042</u>	<u>178,467</u>	<u>-</u>	<u>-</u>	<u>10,565</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 57,934</u>	<u>\$ 17,042</u>	<u>\$ 178,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,565</u>

(Continued)

City of Waco, Texas
Sub-Combining Balance Sheet
Grant Fund
September 30, 2017
(With Comparative Totals for September 30, 2016)

	Brownfields	National Incident Based Reporting System	Justice Assistance Grant 2016	Justice Assistance Grant 2014
Assets				
Cash and investments	\$ 4,852	-	-	-
Accounts receivable, net of allowances	-	-	-	-
Notes receivable	-	-	-	-
Intergovernmental receivable	-	-	44,056	10,293
Due from other funds	-	-	-	-
Real estate held for resale	-	-	-	-
Total assets	<u>\$ 4,852</u>	<u>-</u>	<u>44,056</u>	<u>10,293</u>
Liabilities				
Accounts payable	\$ -	-	-	6,078
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	44,056	4,215
Total liabilities	<u>-</u>	<u>-</u>	<u>44,056</u>	<u>10,293</u>
Fund balances (deficits)				
Restricted for:				
Culture and recreation	-	-	-	-
Housing and Community Development	-	-	-	-
Public safety	4,852	-	-	-
Total fund balances (deficits)	<u>4,852</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,852</u>	<u>\$ -</u>	<u>\$ 44,056</u>	<u>\$ 10,293</u>

See accompanying independent auditor's report.

Library Memorial Fund	Shapley P Ross Memorial Fund	Vision 2020 Comprehensive Plan	Totals	
			2017	2016
103,769	58,486	1,219	522,258	360,694
-	-	-	102,910	100,236
-	-	-	1,530,329	2,113,325
-	-	-	1,951,557	776,570
-	-	-	-	65,079
-	-	-	44,867	44,867
103,769	58,486	1,219	4,151,921	3,460,771
120	-	-	988,672	439,248
-	-	-	130,260	247,432
-	-	1,210	1,210	1,210
-	-	-	810,080	384,710
120	-	1,210	1,930,222	1,072,600
103,649	58,486	9	548,634	312,984
-	-	-	1,570,574	2,037,017
-	-	-	102,491	38,170
103,649	58,486	9	2,221,699	2,388,171
\$ 103,769	\$ 58,486	\$ 1,219	\$ 4,151,921	\$ 3,460,771

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

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

Grant Funds

For the Year Ended September 30, 2017

(With Comparative Totals for the Year Ended September 30, 2016)

	HUD Home Program	HUD Community Development Block Grant	Fire LEOSE	Justice Assistance Grant 2015
Revenues:				
Intergovernmental	\$ 587,174	1,095,148	1,211	23,599
Program income	20,343	3,119	-	-
Other	-	14,192	-	-
Total revenues	607,517	1,112,459	1,211	23,599
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	102,886	375	23,599
Culture and recreation	-	-	-	-
Housing and community development	1,036,724	1,135,503	-	-
Total expenditures	1,036,724	1,238,389	375	23,599
Excess (deficiency) of revenues over (under) expenditures	(429,207)	(125,930)	836	-
Other financing sources (uses):				
Transfers in	-	175,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	175,000	-	-
Net change in fund balances	(429,207)	49,070	836	-
Fund balances, beginning of year	1,231,432	798,857	-	-
Fund balances, end of year	\$ 802,225	\$ 847,927	\$ 836	\$ -

See accompanying independent auditor's report.

<u>Police LEOSE</u>	<u>TWDB Wetland Grant</u>	<u>HUD EDI Grant</u>	<u>Grande Clear Source Cable Ordinance</u>	<u>TXDOT Riverwalk</u>	<u>HUD Continuum of Care</u>
15,137	-	-	-	2,704,800	33,852
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,704,800</u>	<u>33,852</u>
-	-	-	-	-	-
21,403	-	-	-	-	-
-	-	-	-	4,405,542	-
-	-	-	-	-	33,852
<u>21,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,405,542</u>	<u>33,852</u>
(6,266)	-	-	-	(1,700,742)	-
-	-	-	-	1,941,343	-
-	-	-	-	-	-
-	-	-	-	1,941,343	-
(6,266)	-	-	-	240,601	-
14,738	-	8,753	85,374	60,515	-
<u>\$ 8,472</u>	<u>\$ -</u>	<u>\$ 8,753</u>	<u>\$ 85,374</u>	<u>\$ 301,116</u>	<u>\$ -</u>

(Continued)

City of Waco, Texas
Sub-Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Grant Funds
For the Year Ended September 30, 2017
(With Comparative Totals for the Year Ended September 30, 2016)

	<u>Texas Parks and Wildlife Grant</u>	<u>Victim Services 2017</u>	<u>HUD HMIS Grant</u>	<u>SHSP 2015</u>
Revenues:				
Intergovernmental	\$ -	3,882	62,578	4,236
Program income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>3,882</u>	<u>62,578</u>	<u>4,236</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	3,882	-	4,236
Culture and recreation	2,560	-	-	-
Housing and community development	-	-	62,578	-
Total expenditures	<u>2,560</u>	<u>3,882</u>	<u>62,578</u>	<u>4,236</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(1,712)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,712)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,272)	-	-	-
Fund balances, beginning of year	<u>4,272</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

<u>SHSP 2016</u>	<u>STEP Comprehensive</u>	<u>TXDOT MPO FHWA</u>	<u>Victim Services 2016</u>	<u>CJD Family Violence 2016-2017</u>	<u>CJD Family Violence 2017-2018</u>
126,417	102,011	486,425	36,324	9,750	10,565
-	-	-	-	-	-
-	-	-	-	-	-
<u>126,417</u>	<u>102,011</u>	<u>486,425</u>	<u>36,324</u>	<u>9,750</u>	<u>10,565</u>
-	-	486,425	-	-	-
126,417	129,508	-	36,324	15,002	16,149
-	-	-	-	-	-
-	-	-	-	-	-
<u>126,417</u>	<u>129,508</u>	<u>486,425</u>	<u>36,324</u>	<u>15,002</u>	<u>16,149</u>
-	(27,497)	-	-	(5,252)	(5,584)
-	27,497	-	-	5,252	5,584
-	-	-	-	-	-
-	<u>27,497</u>	-	-	<u>5,252</u>	<u>5,584</u>
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
For the Year Ended September 30, 2017
(With Comparative Totals for the Year Ended September 30, 2016)

	Brownfields	National Incident Based Reporting System	Justice Assistance Grant 2016	Justice Assistance Grant 2014
Revenues:				
Intergovernmental	\$ -	42,000	50,566	25,071
Program income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>42,000</u>	<u>50,566</u>	<u>25,071</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	135,339	42,000	50,566	25,071
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Total expenditures	<u>135,339</u>	<u>42,000</u>	<u>50,566</u>	<u>25,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(135,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	118,784	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>118,784</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(16,555)	-	-	-
Fund balances, beginning of year	21,407	-	-	-
Fund balances, end of year	<u>\$ 4,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Library Memorial Fund	Shapley P Ross Memorial Fund	Vision 2020 Comprehensive Plan	Totals	
			2017	2016
-	-	-	5,420,746	2,505,405
-	-	-	23,462	95,073
12,239	352	-	26,783	55,933
<u>12,239</u>	<u>352</u>	<u>-</u>	<u>5,470,991</u>	<u>2,656,411</u>
-	-	-	486,425	430,457
-	-	-	732,757	1,023,774
13,270	-	-	4,421,372	199,501
-	-	-	2,268,657	1,885,472
<u>13,270</u>	<u>-</u>	<u>-</u>	<u>7,909,211</u>	<u>3,539,204</u>
(1,031)	352	-	(2,438,220)	(882,793)
-	-	-	2,273,460	687,890
-	-	-	(1,712)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,271,748</u>	<u>687,890</u>
(1,031)	352	-	(166,472)	(194,903)
104,680	58,134	9	2,388,171	2,583,074
<u>\$ 103,649</u>	<u>\$ 58,486</u>	<u>\$ 9</u>	<u>\$ 2,221,699</u>	<u>\$ 2,388,171</u>



Waco Public Improvement District No. 1 Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2017 and 2016

	Waco Public Improvement District No. 1 Fund	
	2017	2016
Assets		
Cash and investments	\$ 934,313	\$ 778,220
Special assessments	2,010	3,122
Total assets	\$ 936,323	\$ 781,342
Liabilities		
Accounts payable	\$ 45,990	\$ 22,928
Total liabilities	45,990	22,928
Deferred inflows of resources		
Unavailable revenue special assessments	2,010	3,122
Total deferred inflow of resources	2,010	3,122
Total liabilities and deferred inflows of resources	48,000	26,050
Fund balance (deficit)		
Restricted for:		
Waco Public Improvement District	888,323	755,292
Total fund balance (deficit)	\$ 888,323	\$ 755,292
Total liabilities, deferred inflows of resources, and fund balance	\$ 936,323	\$ 781,342

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, 2017 and 2016

	Waco Public Improvement District No. 1 Fund	
	2017	2016
Revenues:		
Property taxes	\$ 482,959	\$ 358,421
Investment earnings	5,719	2,344
Contributions	-	57,045
Other	52,011	79,319
Total revenues	540,689	497,129
Expenditures:		
Current:		
General government	407,658	458,672
Total expenditures	407,658	458,672
Excess (deficiency) of revenues over expenditures	133,031	38,457
Net change in fund balance	133,031	38,457
Fund balance, beginning of year	755,292	716,835
Fund balance, end of year	\$ 888,323	\$ 755,292

See accompanying independent auditor's report.



Abandoned Motor Vehicle Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2017 and 2016

	Abandoned Motor Vehicle Fund	
	2017	2016
Assets		
Cash and investments	\$ 442,308	\$ 457,239
Total assets	\$ 442,308	\$ 457,239
Liabilities		
Accounts payable	\$ 531	\$ -
Total liabilities	531	-
Fund balance (deficit)		
Restricted for:		
Public safety	441,777	457,239
Total fund balance (deficit)	\$ 441,777	\$ 457,239
Total liabilities and fund balance	\$ 442,308	\$ 457,239

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 Years Ended September 30, 2017 and 2016

	Abandoned Motor Vehicle Fund	
	2017	2016
Revenues:		
Fines	\$ 176,255	\$ 186,716
Total revenues	176,255	186,716
Expenditures:		
Current:		
Public safety	10,068	15,843
Total expenditures	10,068	15,843
Excess (deficiency) of revenues over expenditures	166,187	170,873
Other financing sources (uses):		
Transfers out	(181,649)	(68,084)
Total other financing sources (uses)	(181,649)	(68,084)
Net change in fund balance	(15,462)	102,789
Fund balance, beginning of year	457,239	354,450
Fund balance, end of year	\$ 441,777	\$ 457,239

See accompanying independent auditor's report.



Police Forfeitures Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2017 and 2016

	Police Forfeitures Fund	
	2017	2016
Assets		
Cash and investments	\$ 267,383	\$ 266,880
Total assets	\$ 267,383	\$ 266,880
Liabilities		
Accounts payable	\$ 2,280	\$ 2,351
Total liabilities	2,280	2,351
Fund balance (deficit)		
Nonspendable		
Restricted for:		
Public safety	265,103	264,529
Total fund balance (deficit)	\$ 265,103	\$ 264,529
Total liabilities and fund balance	\$ 267,383	\$ 266,880

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, 2017 and 2016

	Police Forfeitures Fund	
	2017	2016
Revenues:		
Investment earnings	\$ 1,546	\$ 706
Other	49,112	99,838
Total revenues	50,658	100,544
Expenditures:		
Current:		
Public safety	50,084	79,660
Total expenditures	50,084	79,660
Excess (deficiency) of revenues over expenditures	574	20,884
Net change in fund balance	574	20,884
Fund balance, beginning of year	264,529	243,645
Fund balance, end of year	\$ 265,103	\$ 264,529

See accompanying independent auditor's report.



Court Security Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2017 and 2016

	Court Security Fund	
	2017	2016
Assets		
Cash and investments	\$ 370,393	\$ 428,254
Total assets	\$ 370,393	\$ 428,254
Fund balance (deficit)		
Restricted for:		
Public safety	\$ 370,393	\$ 428,254
Total fund balance (deficit)	\$ 370,393	\$ 428,254

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, 2017 and 2016

	Court Security Fund	
	2017	2016
Revenues:		
Fines	\$ 39,175	\$ 53,728
Total revenues	39,175	53,728
Expenditures:		
Current:		
Public safety	3,778	7,765
Total expenditures	3,778	7,765
Excess (deficiency) of revenues over expenditures	35,397	45,963
Other financing sources (uses):		
Transfers out	(93,258)	(88,168)
Total other financing sources (uses)	(93,258)	(88,168)
Net change in fund balance	(57,861)	(42,205)
Fund balance, beginning of year	428,254	470,459
Fund balance, end of year	\$ 370,393	\$ 428,254

See accompanying independent auditor's report.



Court Technology Fund

City of Waco, Texas
Comparative Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2017 and 2016

	Court Technology Fund	
	2017	2016
Assets		
Cash and investments	\$ 30,625	\$ 85,906
Total assets	\$ 30,625	\$ 85,906
 Liabilities		
Accounts payable	\$ 2,100	\$ 49,836
Total liabilities	2,100	49,836
 Fund balance (deficit)		
Restricted for:		
Public safety	28,525	36,070
Total fund balance (deficit)	28,525	36,070
 Total liabilities and fund balance	\$ 30,625	\$ 85,906

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, 2017 and 2016

	Court Technology Fund	
	2017	2016
Revenues:		
Fines	\$ 52,223	\$ 71,628
Total revenues	52,223	71,628
Expenditures:		
Current:		
Public safety	59,768	348,645
Total expenditures	59,768	348,645
Excess (deficiency) of revenues over expenditures	(7,545)	(277,017)
Net change in fund balance	(7,545)	(277,017)
Fund balance, beginning of year	36,070	313,087
Fund balance, end of year	\$ 28,525	\$ 36,070

See accompanying independent auditor's report.



Hamilton Memorial Fund

City of Waco, Texas
 Comparative Balance Sheets
 Nonmajor Special Revenue Funds
 September 30, 2017 and 2016

	Hamilton Memorial Fund	
	2017	2016
Assets		
Cash and investments	\$ 9,123	\$ 9,009
Total assets	\$ 9,123	\$ 9,009
Fund balance (deficit)		
Restricted for:		
Culture and recreation	\$ 9,123	\$ 9,009
Total fund balance (deficit)	\$ 9,123	\$ 9,009

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, 2017 and 2016

	Hamilton Memorial Fund	
	2017	2016
Revenues:		
Investment earnings	\$ 114	\$ 53
Total revenues	114	53
Expenditures:		
Current:		
Culture and recreation	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	114	53
Net change in fund balance	114	53
Fund balance, beginning of year	9,009	8,956
Fund balance, end of year	\$ 9,123	\$ 9,009

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, 2017 and 2016

	Miss Nellie's Park Maintenance Fund	
	2017	2016
Assets		
Cash and investments	\$ 23,685	\$ 25,295
Total assets	\$ 23,685	\$ 25,295
 Fund balance (deficit)		
Restricted for:		
Culture and recreation	\$ 23,685	\$ 25,295
Total fund balance (deficit)	\$ 23,685	\$ 25,295

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Years Ended September 30, 2017 and 2016

	Miss Nellie's Park Maintenance Fund	
	2017	2016
Revenues:		
Investment earnings	\$ 759	\$ 348
Total revenues	759	348
Expenditures:		
Current:		
Culture and recreation	2,369	1,629
Total expenditures	2,369	1,629
Excess (deficiency) of revenues over expenditures	(1,610)	(1,281)
Net change in fund balance	(1,610)	(1,281)
Fund balance, beginning of year	25,295	26,576
Fund balance, end of year	\$ 23,685	\$ 25,295

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
 Comparative Balance Sheets
 Nonmajor Debt Service Funds
 September 30, 2017
 (with Comparative Totals for September 30, 2016)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2017	2016
Assets				
Cash and investments	\$ 4,204	\$ 512,315	\$ 516,519	\$ 576,190
Taxes	-	325,502	325,502	345,405
Total assets	<u>4,204</u>	<u>837,817</u>	<u>\$ 842,021</u>	<u>921,595</u>
Deferred inflows of resources				
Unavailable revenue-property taxes	-	313,314	\$ 313,314	323,450
Total deferred inflows of resources	<u>-</u>	<u>313,314</u>	<u>313,314</u>	<u>323,450</u>
Fund balances (deficits)				
Restricted for:				
Debt service	4,204	524,503	\$ 528,707	598,145
Total fund balances (deficits)	<u>\$ 4,204</u>	<u>\$ 524,503</u>	<u>\$ 528,707</u>	<u>\$ 598,145</u>
Total deferred inflows of resources and fund balances	<u>\$ 4,204</u>	<u>\$ 837,817</u>	<u>\$ 842,021</u>	<u>\$ 921,595</u>

See accompanying independent auditor's report.

City of Waco, Texas
 Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Debt Service Funds
 Years Ended September 30, 2017 and 2016

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	Totals	
			2017	2016
Revenues:				
Taxes	\$ -	\$ 9,283,223	\$ 9,283,223	\$ 9,241,837
Investment earnings	-	38,003	\$ 38,003	6,136
Total revenues	<u>-</u>	<u>9,321,226</u>	<u>9,321,226</u>	<u>9,247,973</u>
Expenditures:				
Current:				
Debt service:				
Principal	-	6,685,000	6,685,000	5,895,000
Interest and fiscal charges	-	3,240,961	3,240,961	3,283,750
Bond issuance costs	-	84,655	84,655	99,402
Total expenditures	<u>-</u>	<u>10,010,616</u>	<u>10,010,616</u>	<u>9,278,152</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(689,390)</u>	<u>(689,390)</u>	<u>(30,179)</u>
Other financing sources (uses):				
Refunding bonds issued	-	-	-	1,945,000
Payment to refunded bond escrow agent	-	-	-	(2,055,353)
Premium on refunding bonds	-	-	-	136,375
General obligation bonds issued	-	79,955	79,955	62,906
Premium on general obligation bonds	-	3,148	3,148	5,526
Transfers in	-	536,849	536,849	42,613
Total other financing sources (uses)	<u>-</u>	<u>619,952</u>	<u>619,952</u>	<u>137,067</u>
Net change in fund balances	-	(69,438)	(69,438)	106,888
Fund balances, beginning of year	4,204	593,941	598,145	491,257
Fund balances, end of year	<u>\$ 4,204</u>	<u>\$ 524,503</u>	<u>\$ 528,707</u>	<u>\$ 598,145</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, 2017
(With Comparative Totals for the Year Ended September 30, 2016)

	Budgeted Amounts		2017	Variance with Final Budget	2016
	Original	Final	Actual Amounts		Actual Amounts
Revenues:					
Property taxes	\$ 9,210,985	9,210,985	9,283,223	72,238	9,241,837
Investment earnings	1,840	1,840	38,003	36,163	6,124
Total revenues	<u>9,212,825</u>	<u>9,212,825</u>	<u>9,321,226</u>	<u>108,401</u>	<u>9,247,961</u>
Expenditures:					
Debt service:					
Principal	6,085,000	6,685,000	6,685,000	-	5,895,000
Interest and fiscal charges	3,236,852	3,240,748	3,240,961	(213)	3,283,750
Bond issuance costs	-	86,403	84,655	1,748	99,402
Total expenditures	<u>9,321,852</u>	<u>10,012,151</u>	<u>10,010,616</u>	<u>1,535</u>	<u>9,278,152</u>
Deficiency of revenues under expenditures	<u>(109,027)</u>	<u>(799,326)</u>	<u>(689,390)</u>	<u>109,936</u>	<u>(30,191)</u>
Other financing sources (uses):					
Refunding bonds issued	-	-	-	-	1,945,000
Payment to refunded bond escrow agent	-	-	-	-	(2,055,353)
Premium on refunding bonds	-	-	-	-	136,375
General obligation bonds issued	-	83,103	79,955	(3,148)	62,906
Premium on general obligation bonds	-	-	3,148	3,148	5,526
Transfers in	74,165	536,844	536,849	5	42,613
Total other financing sources	<u>74,165</u>	<u>619,947</u>	<u>619,952</u>	<u>5</u>	<u>137,067</u>
Net change in fund balance	(34,862)	(179,379)	(69,438)	109,941	106,876
Fund balance, beginning of year	<u>593,941</u>	<u>593,941</u>	<u>593,941</u>	<u>-</u>	<u>487,065</u>
Fund balance, end of year	<u>\$ 559,079</u>	<u>414,562</u>	<u>524,503</u>	<u>109,941</u>	<u>593,941</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.

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

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

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.

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

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

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

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

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

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

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

City of Waco, Texas
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2017
(With Comparative Totals for September 30, 2016)

	Capital Improvement Fund	Equipment Replacement Fund	Mammoth Fund	Street Improvement Fund	2017 Bond Issue Fund	2016 Bond Issue Fund	2015 Bond Issue Fund
Assets							
Cash and investments	\$ 8,373,682	\$ 1,000,000	\$ 23,327	\$ 12,404,269	\$ 3,848,920	\$ 1,379,238	\$ 140,614
Accounts receivable, net of allowances	89,849	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Advances to other funds	168,368	-	-	-	-	-	-
Intergovernmental receivable	68,066	-	-	-	-	-	-
Inventory	-	-	-	85,685	-	-	-
Total assets	<u>\$ 8,699,965</u>	<u>\$ 1,000,000</u>	<u>\$ 23,327</u>	<u>\$ 12,489,954</u>	<u>\$ 3,848,920</u>	<u>\$ 1,379,238</u>	<u>\$ 140,614</u>
Liabilities							
Accounts payable and contracts payable	\$ 144,672	\$ -	\$ -	\$ 243,694	\$ -	\$ 3,633	\$ -
Accrued liabilities	135,467	-	-	117,176	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>280,139</u>	<u>-</u>	<u>-</u>	<u>360,870</u>	<u>-</u>	<u>3,633</u>	<u>-</u>
Fund balances (deficits)							
Nonspendable:							
Inventory	-	-	-	85,685	-	-	-
Restricted for:							
Capital projects	168,368	-	23,327	7,058,433	3,848,920	1,375,605	140,614
Committed to:							
Capital projects	8,251,458	1,000,000	-	4,984,966	-	-	-
Total fund balances (deficits)	<u>\$ 8,419,826</u>	<u>\$ 1,000,000</u>	<u>\$ 23,327</u>	<u>\$ 12,129,084</u>	<u>\$ 3,848,920</u>	<u>\$ 1,375,605</u>	<u>\$ 140,614</u>
Total liabilities and fund balances (deficits)	<u>\$ 8,699,965</u>	<u>\$ 1,000,000</u>	<u>\$ 23,327</u>	<u>\$ 12,489,954</u>	<u>\$ 3,848,920</u>	<u>\$ 1,379,238</u>	<u>\$ 140,614</u>

See accompanying independent auditor's report.

2014 Bond Issue Fund	2013 Bond Issue Fund	2012 Bond Issue Fund	2011 Bond Issue Fund	2010 Bond Issue Fund	2007 Bond Issue Fund	2007 General Obligation Bond Issue Fund	Totals	
							2017	2016
\$ 64,720	\$ 11,485	\$ -	\$ -	\$ 6,656	\$ 56,733	\$ -	\$ 27,309,644	\$ 11,638,210
-	-	-	-	-	-	-	89,849	293,290
-	-	-	-	-	-	-	-	9,612,069
-	-	-	-	-	-	-	168,368	168,368
-	-	-	-	-	-	-	68,066	138,360
-	-	-	-	-	-	-	85,685	40,899
\$ 64,720	\$ 11,485	\$ -	\$ -	\$ 6,656	\$ 56,733	\$ -	\$ 27,721,612	\$ 21,891,196
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,999	\$ 373,598
-	-	-	-	-	-	-	252,643	2,424,070
-	-	-	-	-	-	-	-	1,100,890
-	-	-	-	-	-	-	644,642	3,898,558
-	-	-	-	-	-	-	85,685	138,360
64,720	11,485	-	-	6,656	56,733	-	12,754,861	4,631,102
-	-	-	-	-	-	-	14,236,424	13,223,176
\$ 64,720	\$ 11,485	\$ -	\$ -	\$ 6,656	\$ 56,733	\$ -	\$ 27,076,970	\$ 17,992,638
\$ 64,720	\$ 11,485	\$ -	\$ -	\$ 6,656	\$ 56,733	\$ -	\$ 27,721,612	\$ 21,891,196

City of Waco, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2017
(With Comparative Totals for the Year Ended September 30, 2016)

	Capital Improvement Fund	Equipment Replacement Fund	Mammoth Fund	Street Improvement Fund	2017 Bond Issue Fund	2016 Bond Issue Fund	2015 Bond Issue Fund
Revenues:							
Investment earnings	\$ -	\$ -	\$ 45	\$ 17,588	\$ 150,083	\$ 604,428	\$ 60,972
Contributions	560,806	-	-	-	-	-	-
Intergovernmental	27,167	-	-	-	-	-	-
Total revenues	<u>587,973</u>	<u>-</u>	<u>45</u>	<u>17,588</u>	<u>150,083</u>	<u>604,428</u>	<u>60,972</u>
Expenditures:							
Capital outlay:							
Capital outlay	5,009,107	-	-	6,965,220	1,275,191	538,231	95,007
Total expenditures	<u>5,009,107</u>	<u>-</u>	<u>-</u>	<u>6,965,220</u>	<u>1,275,191</u>	<u>538,231</u>	<u>95,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,421,134)</u>	<u>-</u>	<u>45</u>	<u>(6,947,632)</u>	<u>(1,125,108)</u>	<u>66,197</u>	<u>(34,035)</u>
Other financing sources (uses):							
General obligation bonds issued	-	-	-	6,411,017	4,974,028	-	-
Premium on general obligation bonds	-	-	-	448,187	-	-	-
Transfers in	5,018,814	400,000	-	6,124,126	-	-	-
Transfers out	(13,055)	-	-	-	-	(1,311,190)	(22,829)
Total other financing sources (uses)	<u>5,005,759</u>	<u>400,000</u>	<u>-</u>	<u>12,983,330</u>	<u>4,974,028</u>	<u>(1,311,190)</u>	<u>(22,829)</u>
Net change in fund balances	584,625	400,000	45	6,035,698	3,848,920	(1,244,993)	(56,864)
Fund balances, beginning of year	7,835,201	600,000	23,282	6,093,386	-	2,620,598	197,478
Fund balances, end of year	<u>\$ 8,419,826</u>	<u>\$ 1,000,000</u>	<u>\$ 23,327</u>	<u>\$ 12,129,084</u>	<u>\$ 3,848,920</u>	<u>\$ 1,375,605</u>	<u>\$ 140,614</u>

See accompanying independent auditor's report.

2014 Bond Issue Fund	2013 Bond Issue Fund	2012 Bond Issue Fund	2011 Bond Issue Fund	2010 Bond Issue Fund	2007 Bond Issue Fund	2007 General Obligation Bond Issue Fund	Totals	
							2017	2016
\$ 21,247	\$ 3,267	\$ 22	\$ 2	\$ 2,300	\$ 6,877	\$ 968	\$ 867,799	554,246
-	-	-	-	-	-	-	560,806	578,587
-	-	-	-	-	-	-	27,167	876,937
<u>21,247</u>	<u>3,267</u>	<u>22</u>	<u>2</u>	<u>2,300</u>	<u>6,877</u>	<u>968</u>	<u>1,455,772</u>	<u>2,009,770</u>
-	1,712	-	-	-	-	-	13,884,468	26,453,338
-	1,712	-	-	-	-	-	13,884,468	26,453,338
<u>21,247</u>	<u>1,555</u>	<u>22</u>	<u>2</u>	<u>2,300</u>	<u>6,877</u>	<u>968</u>	<u>(12,428,696)</u>	<u>(24,443,568)</u>
-	-	-	-	-	-	-	11,385,045	3,742,094
-	-	-	-	-	-	-	448,187	328,693
-	1,712	-	-	-	-	-	11,544,652	15,485,116
-	-	(17,458)	(4,685)	(27,908)	(5,052)	(462,679)	(1,864,856)	(101,614)
-	1,712	(17,458)	(4,685)	(27,908)	(5,052)	(462,679)	21,513,028	19,454,289
21,247	3,267	(17,436)	(4,683)	(25,608)	1,825	(461,711)	9,084,332	(4,989,279)
43,473	8,218	17,436	4,683	32,264	54,908	461,711	17,992,638	22,981,917
<u>\$ 64,720</u>	<u>\$ 11,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,656</u>	<u>\$ 56,733</u>	<u>\$ -</u>	<u>\$ 27,076,970</u>	<u>\$ 17,992,638</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, 2017
 (With Comparative Totals for September 30, 2016)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2017	2016
Assets					
Cash and investments	\$ 258,115	\$ 10,000	\$ 100,000	\$ 368,115	\$ 366,560
Total assets	<u>\$ 258,115</u>	<u>\$ 10,000</u>	<u>\$ 100,000</u>	<u>\$ 368,115</u>	<u>\$ 366,560</u>
Fund balances (deficits)					
Nonspendable:					
Parks and cemetery care	\$ 258,115	\$ 10,000	\$ 100,000	\$ 368,115	\$ 366,560
Total fund balances (deficits)	<u>\$ 258,115</u>	<u>\$ 10,000</u>	<u>\$ 100,000</u>	<u>\$ 368,115</u>	<u>\$ 366,560</u>

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, 2017

(With Comparative Totals for Year Ended September 30, 2016)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2017	2016
Revenues:					
Investment earnings	\$ 1,555	\$ -	\$ -	\$ 1,555	\$ 890
Total revenues	<u>1,555</u>	<u>-</u>	<u>-</u>	<u>1,555</u>	<u>890</u>
Expenditures:					
Current:					
General government	-	-	-	-	101,327
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,555</u>	<u>-</u>	<u>-</u>	<u>1,555</u>	<u>(100,437)</u>
Net change in fund balances	1,555	-	-	1,555	(100,437)
Fund balances, beginning of year	256,560	10,000	100,000	366,560	466,997
Fund balances, end of year	<u><u>\$ 258,115</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 368,115</u></u>	<u><u>\$ 366,560</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
Enterprise Funds
September 30, 2017 and 2016

	Water Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 34,389,227	\$ 33,885,809
Accounts receivable, net of allowance	6,318,540	5,680,519
Intergovernmental receivable	233,385	755,479
Restricted cash and investments	4,822,161	3,895,259
Inventory	272,442	300,487
Total current assets	46,035,755	44,517,553
Noncurrent assets:		
Restricted cash and investments	46,259,571	32,373,271
Advances to other funds	525,336	525,336
Capital assests:		
Land	1,279,185	1,279,185
Buildings	10,024,595	9,520,815
Improvements other than buildings	287,064,213	283,853,337
Equipment	9,529,540	8,263,887
Construction work in progress	24,795,189	15,810,046
Intangible water rights	32,482,879	32,482,879
Less: accumulated depreciation and amortization	(137,655,042)	(128,285,525)
Total noncurrent assets	274,305,466	255,823,231
Total assets	320,341,221	300,340,784
Deferred outflows of resources		
Deferred losses on refundings of debt	2,643,627	2,953,149
Deferred outflows on pension liability	1,859,346	2,226,123
Total deferred outflows of resources	4,502,973	5,179,272
Total assets and deferred outflows of resources	\$ 324,844,194	\$ 305,520,056

See accompanying independent auditor's report.

	<u>2017</u>	<u>2016</u>
Liabilities		
Current liabilities:		
Accounts payable	470,459	618,194
Accrued liabilities	1,560,735	807,865
Compensated absences payable	634,776	681,167
Refundable contracts	347,523	750,433
Notes payable	82,657	79,142
Contracts payable	461,122	461,122
Revenue bonds payable	9,715,000	8,745,000
Accrued interest payable	1,220,647	1,503,958
Current liabilities payable from restricted assets:		
Accounts payable	1,663,033	880,879
Customer deposits	3,159,128	3,014,380
Total current liabilities	<u>19,315,080</u>	<u>17,542,140</u>
Noncurrent liabilities:		
Refundable contracts	1,075,763	570,776
Compensated absences payable	433,549	277,784
Contracts payable	384,268	845,390
Bonds payable	176,942,660	164,012,401
Notes payable	1,588,306	1,670,963
Net pension liability	4,401,244	4,349,687
Total noncurrent liabilities	<u>184,825,790</u>	<u>171,727,001</u>
Total liabilities	<u>204,140,870</u>	<u>189,269,141</u>
Deferred inflows of resources		
Deferred inflows on pension liability	81,992	52,973
Total deferred inflows of resources	<u>81,992</u>	<u>52,973</u>
Total liabilities and deferred inflows of resources	<u>204,222,862</u>	<u>189,322,114</u>
Net position		
Net investment in capital assets	86,671,848	82,422,329
Unrestricted	33,949,484	33,775,613
Total net position	<u>\$ 120,621,332</u>	<u>\$ 116,197,942</u>

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Water Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 43,104,256	\$ 39,072,872
Other	367,802	527,132
Total operating revenues	43,472,058	39,600,004
Operating expenses:		
Salaries and wages	4,819,154	4,582,607
Employee benefits	2,356,196	2,357,862
Purchased professional/technical services	1,767,851	1,521,831
Purchased property services	333,008	195,119
Maintenance	3,222,574	2,231,269
Other purchased services	856,065	794,223
Supplies	4,157,296	4,439,317
Other	4,156,917	4,020,498
Depreciation/amortization	9,509,849	9,046,036
Total operating expenses	31,178,910	29,188,762
Operating income (loss)	12,293,148	10,411,242
Nonoperating revenues (expenses):		
Investment earnings	182,967	143,079
Contributions	20,250	89,263
Intergovernmental revenue	164,532	37,456
Other income	2,360	4,410
Bond issuance costs	(174,800)	(761,120)
Interest expense and fiscal charges	(4,884,267)	(4,535,903)
Total nonoperating revenues (expenses)	(4,688,958)	(5,022,815)
Income (loss) before contributions and transfers	7,604,190	5,388,427
Capital contributions	65,203	1,048,273
Transfers out	(3,246,003)	(3,209,846)
Change in net position	4,423,390	3,226,854
Total net position, beginning of year	116,197,942	112,971,088
Total net position, end of year	\$ 120,621,332	\$ 116,197,942

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Water Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 42,834,037	\$ 39,778,831
Cash paid to suppliers for goods and services	(13,253,308)	(12,715,026)
Cash paid to employees for services	(7,081,098)	(6,826,664)
Net cash provided by (used for) operating activities	22,499,631	20,237,141
Cash flows from noncapital financing activities:		
Intergovernmental revenue	167,961	54,019
Intergovernmental expenses	(461,122)	-
Transfers from other funds	20,250	89,263
Transfers to other funds	(3,246,003)	(3,884,444)
Net cash provided by (used for) noncapital financing activities	(3,518,914)	(3,741,162)
Cash flows from capital and related financing activities:		
Aquisition and construction of capital assets	(12,676,862)	(12,837,047)
Proceeds from sale of debt	24,330,661	30,314,773
Capital contributions	518,665	100,000
Payments of refundable contracts	(347,523)	(750,433)
Principal paid on debt	(8,745,000)	(7,695,000)
Interest paid on debt	(6,780,915)	(5,622,277)
Payment of bond issuance costs	(148,450)	(761,120)
Net cash provided by (used for) capital and related financing activities	(3,849,424)	2,748,896
Cash flows from investing activities		
Rental revenue	2,360	4,410
Investment earnings	182,967	143,079
Net cash provided by (used for) investing activities	185,327	147,489
Net increase (decrease) in cash and cash equivalents	15,316,620	19,392,364
Cash and cash equivalents, beginning of year	70,154,339	50,761,975
Cash and cash equivalents, end of year	\$ 85,470,959	\$ 70,154,339
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 12,293,148	\$ 10,411,242
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	97,348	(32,569)
Depreciation/amortization	9,509,849	9,046,036
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(735,369)	211,396
Inventory	28,045	(442)
Increase (decrease) in liabilities:		
Accounts payable	(147,735)	15,651
Accrued liabilities	752,870	(10,745)
Compensated absences payable	109,374	56,650
Net pension liability	447,353	355,104
Customer deposits	144,748	184,818
Net cash provided by (used for) operating activities	\$ 22,499,631	\$ 20,237,141
Schedule of Noncash capital and related financing activities:		
Assets acquired through refundable contracts	\$ 65,230	\$ 887,972
Payment to refunded bond escrow agent	\$ -	\$ 17,552,360

See accompanying independent auditor's report.



Wastewater Fund

City of Waco, Texas
Comparative Statement of Net Position
Enterprise Funds
September 30, 2017 and 2016

	Wastewater Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 22,804,703	\$ 20,593,977
Accounts receivable, net of allowance	3,216,631	2,850,792
Intergovernmental receivable	134,085	432,070
Notes receivable	52,245	50,687
Restricted cash and investments	1,312,188	393,447
Accrued interest on notes receivable	2,477	2,785
Inventory	9,485	9,145
Total current assets	27,531,814	24,332,903
Noncurrent assets:		
Restricted cash and investments	67,817,798	63,489,703
Noncurrent portion of notes receivable	354,751	406,996
Capital assets:		
Land	2,691,723	2,576,524
Buildings	11,089,302	10,851,569
Improvements other than buildings	131,662,680	129,702,963
Equipment	10,986,405	10,414,596
Construction work in progress	16,303,689	10,796,977
Less: accumulated depreciation and amortization	(63,044,148)	(58,117,932)
Total noncurrent assets	177,862,200	170,121,396
Total assets	205,394,014	194,454,299
Deferred outflows of resources		
Deferred losses on refundings of debt	1,135,902	1,331,381
Deferred outflows on pension liability	1,239,562	1,484,081
Total deferred outflows of resources	2,375,464	2,815,462
Total assets and deferred outflows of resources	\$ 207,769,478	\$ 197,269,761

See accompanying independent auditor's report.

	<u>2017</u>	<u>2016</u>
Liabilities		
Current liabilities:		
Accounts payable	882,191	397,353
Accrued liabilities	328,753	350,061
Compensated absences payable	569,514	536,522
Revenue bonds payable	6,240,000	4,970,000
Refundable contracts	-	50,000
Accrued interest payable	874,253	1,557,865
Current liabilities payable from restricted assets:		
Accounts payable	1,312,188	393,447
Total current liabilities	<u>10,206,899</u>	<u>8,255,248</u>
Noncurrent liabilities:		
Refundable contracts	192,542	142,542
Compensated absences payable	71,448	177,189
Bonds payable	117,916,675	113,818,748
Net pension liability	2,934,162	2,899,791
Total noncurrent liabilities	<u>121,114,827</u>	<u>117,038,270</u>
Total liabilities	<u>131,321,726</u>	<u>125,293,518</u>
Deferred inflows of resources		
Deferred inflows on pension liability	54,660	35,315
Total deferred inflows of resources	<u>54,660</u>	<u>35,315</u>
Total liabilities and deferred inflows of resources	<u>131,376,386</u>	<u>125,328,833</u>
Net position		
Net investment in capital assets	54,294,134	52,064,491
Unrestricted	22,098,958	19,876,437
Total net position	<u>\$ 76,393,092</u>	<u>\$ 71,940,928</u>

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Wastewater Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 27,361,802	\$ 22,972,686
Other	464,639	404,170
Total operating revenues	27,826,441	23,376,856
Operating expenses:		
Salaries and wages	3,003,314	3,016,052
Employee benefits	1,437,598	1,440,382
Purchased professional/technical services	2,088,838	1,512,265
Purchased property services	65,698	348,304
Maintenance	1,776,980	1,826,341
Other purchased services	357,182	333,754
Supplies	1,958,708	2,027,206
Other	3,316,057	3,305,270
Depreciation/amortization	5,008,464	4,769,543
Total operating expenses	19,012,839	18,579,117
Operating income (loss)	8,813,602	4,797,739
Nonoperating revenues (expenses):		
Investment earnings	129,804	177,351
Intergovernmental revenue	14,878	-
Bond issuance costs	(100,973)	(1,067,111)
Interest expense and fiscal charges	(3,114,763)	(2,378,299)
Gain (loss) on disposal of capital assets	(140,748)	-
Total nonoperating revenues (expenses)	(3,211,802)	(3,268,059)
Income (loss) before contributions and transfers	5,601,800	1,529,680
Capital contributions	488,790	432,070
Transfers out	(872,128)	(832,807)
Change in net position	5,218,462	1,128,943
Total net position, beginning of year, as previously stated	71,940,928	70,811,985
Prior period adjustment	(766,298)	-
Total net position, beginning of year, as restated	71,174,630	70,811,985
Total net position, end of year	\$ 76,393,092	\$ 71,940,928

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Wastewater Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 27,460,602	\$ 23,290,449
Cash paid to suppliers for goods and services	(8,720,766)	(9,205,285)
Cash paid to employees for services	(4,594,932)	(4,407,834)
Net cash provided by (used for) operating activities	14,144,904	9,677,330
Cash flows from noncapital financing activities:		
Intergovernmental revenue	14,878	-
Transfers to other funds	(872,128)	(1,203,360)
Net cash provided by (used for) noncapital financing activities	(857,250)	(1,203,360)
Cash flows from capital and related financing activities:		
Aquisition and construction of capital assets	(8,387,622)	(10,663,074)
Proceeds from sale of debt	11,624,467	55,840,562
Capital contributions	786,775	-
Principal paid on debt	(4,970,000)	(3,860,000)
Interest paid on debt	(5,046,715)	(2,520,580)
Payment of bond issuance costs	(17,795)	(1,067,111)
Net cash provided by (used for) capital and related financing activities	(6,010,890)	37,729,797
Cash flows from investing activities		
Investment earnings	130,112	177,642
Note payments from other entities	50,686	47,727
Net cash provided by (used for) investing activities	180,798	225,369
Net increase (decrease) in cash and cash equivalents	7,457,562	46,429,136
Cash and cash equivalents, beginning of year	84,477,127	38,047,991
Cash and cash equivalents, end of year	\$ 91,934,689	\$ 84,477,127
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 8,813,602	\$ 4,797,739
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	55,865	(21,238)
Depreciation/amortization	5,008,464	4,769,543
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(421,704)	(65,169)
Inventory	(340)	4,163
Increase (decrease) in liabilities:		
Accounts payable	484,838	(151,958)
Accrued liabilities	(21,307)	96,423
Compensated absences payable	(72,749)	11,091
Net pension liability	298,235	236,736
Net cash provided by (used for) operating activities	\$ 14,144,904	\$ 9,677,330
Schedule of Noncash capital and related financing activities:		
Payment to refunded bond escrow agent	\$ -	\$ 10,540,705

See accompanying independent auditor's report.



Solid Waste Fund

City of Waco, Texas
Comparative Statement of Net Position
Enterprise Funds
September 30, 2017 and 2016

	Solid Waste Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 20,602,691	\$ 19,232,909
Accounts receivable, net of allowance	2,099,144	1,941,947
Intergovernmental receivable	16,108	-
Total current assets	22,717,943	21,174,856
Noncurrent assets:		
Capital assets:		
Land	1,783,510	1,783,510
Buildings	1,370,137	1,370,137
Improvements other than buildings	26,167,880	26,167,880
Equipment	17,809,204	18,147,025
Construction work in progress	2,900,306	33,571
Less: accumulated depreciation and amortization	(38,149,242)	(36,278,866)
Total noncurrent assets	11,881,795	11,223,257
Total assets	34,599,738	32,398,113
Deferred outflows of resources		
Deferred losses on refundings of debt	17,313	22,796
Deferred outflows on pension liability	1,239,562	1,484,081
Total deferred outflows of resources	1,256,875	1,506,877
Total assets and deferred outflows of resources	\$ 35,856,613	\$ 33,904,990

See accompanying independent auditor's report.

	<u>2017</u>	<u>2016</u>
Liabilities		
Current liabilities:		
Accounts payable	709,052	1,285,952
Accrued liabilities	769,128	410,180
Compensated absences payable	406,956	321,616
Revenue bonds payable	510,000	490,000
Accrued interest payable	21,042	24,083
Total current liabilities	<u>2,416,178</u>	<u>2,531,831</u>
Noncurrent liabilities:		
Estimated landfill closure and post-closure care costs	5,294,898	5,021,423
Compensated absences payable	204,665	293,285
Bonds payable	2,722,372	3,289,875
Net pension liability	2,934,162	2,899,791
Total noncurrent liabilities	<u>11,156,097</u>	<u>11,504,374</u>
Total liabilities	<u>13,572,275</u>	<u>14,036,205</u>
Deferred inflows of resources		
Deferred inflows on pension liability	54,660	35,315
Total deferred inflows of resources	<u>54,660</u>	<u>35,315</u>
Total liabilities and deferred inflows of resources	<u>13,626,935</u>	<u>14,071,520</u>
Net position		
Net investment in capital assets	8,666,736	7,466,178
Unrestricted	13,562,942	12,367,292
Total net position	<u>\$ 22,229,678</u>	<u>\$ 19,833,470</u>

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Solid Waste Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 18,841,460	\$ 18,416,543
Other	211,404	444,423
Total operating revenues	<u>19,052,864</u>	<u>18,860,966</u>
Operating expenses:		
Salaries and wages	3,184,855	2,874,076
Employee benefits	1,768,314	1,707,021
Purchased professional/technical services	2,050,598	1,651,182
Purchased property services	17,064	13,054
Maintenance	2,075,152	2,227,081
Other purchased services	167,365	145,783
Supplies	1,263,362	1,252,572
Other	3,085,806	2,691,410
Depreciation/amortization	2,744,662	2,796,289
Total operating expenses	<u>16,357,178</u>	<u>15,358,468</u>
Operating income (loss)	<u>2,695,686</u>	<u>3,502,498</u>
Nonoperating revenues (expenses):		
Investment earnings	120,348	50,086
Intergovernmental revenue	16,108	25,000
Bond issuance costs	-	(4,941)
Interest expense and fiscal charges	(80,616)	(95,136)
Total nonoperating revenues (expenses)	<u>55,840</u>	<u>(24,991)</u>
Income (loss) before contributions and transfers	<u>2,751,526</u>	<u>3,477,507</u>
Transfers out	<u>(355,318)</u>	<u>(391,191)</u>
Change in net position	2,396,208	3,086,316
Total net position, beginning of year	19,833,470	16,747,154
Total net position, end of year	<u>\$ 22,229,678</u>	<u>\$ 19,833,470</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Solid Waste Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 18,879,559	\$ 18,717,627
Cash paid to suppliers for goods and services	(8,327,245)	(6,445,595)
Cash paid to employees for services	(4,934,793)	(4,481,838)
Net cash provided by (used for) operating activities	5,617,521	7,790,194
Cash flows from noncapital financing activities:		
Intergovernmental revenue	16,108	25,000
Transfers to other funds	(355,318)	(655,996)
Net cash provided by (used for) noncapital financing activities	(339,210)	(630,996)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(3,403,200)	(2,959,112)
Principal paid on debt	(490,000)	(470,000)
Interest paid on debt	(135,677)	(161,217)
Proceeds from sale of debt	-	4,359
Net cash provided by (used for) capital and related financing activities	(4,028,877)	(3,585,970)
Cash flows from investing activities		
Investment earnings	120,348	50,086
Net cash provided by (used for) investing activities	120,348	50,086
Net increase (decrease) in cash and cash equivalents	1,369,782	3,623,314
Cash and cash equivalents, beginning of year	19,232,909	15,609,595
Cash and cash equivalents, end of year	\$ 20,602,691	\$ 19,232,909
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 2,695,686	\$ 3,502,498
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Provision for uncollectible accounts receivable	36,988	(15,191)
Depreciation/amortization	2,744,662	2,796,289
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(210,293)	(128,148)
Increase (decrease) in liabilities:		
Accounts payable	(576,900)	1,046,031
Accrued liabilities	358,948	25,311
Estimated landfill closure and post-closure care costs	273,475	263,553
Compensated absences payable	(3,280)	63,115
Net pension liability	298,235	236,736
Net cash provided by (used for) operating activities	\$ 5,617,521	\$ 7,790,194
Schedule of Noncash capital and related financing activities:		
Payment to refunded bond escrow agent.	\$ -	\$ 327,865

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, 2017
(With Comparative Totals for September 30, 2016)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Assets			
Current assets:			
Cash and investments	\$ 1,194,884	\$ 2,549,787	\$ 1,120,219
Accounts receivable, net of allowances	61,143	366,787	251
Intergovernmental receivable	880,384	-	-
Inventories	3,371	36,693	85,878
Total current assets	2,139,782	2,953,267	1,206,348
Noncurrent assets:			
Restricted cash and investments	-	-	81,634
Capital assets:			
Land	489,389	-	-
Buildings	15,179,943	25,077,121	3,720,747
Improvements other than buildings	39,038,343	555,845	418,768
Equipment	1,509,992	916,529	328,821
Museum collections	-	-	2,224,424
Construction work in progress	6,957,453	19,506	74,152
Less: accumulated depreciation	(29,009,242)	(10,304,172)	(1,503,061)
Total noncurrent assets	34,165,878	16,264,829	5,345,485
Total assets	\$ 36,305,660	\$ 19,218,096	\$ 6,551,833
Liabilities			
Current liabilities:			
Accounts payable	21,319	122,185	2,112
Accrued liabilities	684,224	98,139	40,634
Unearned revenue	-	188,384	-
Due to other funds	-	-	-
Compensated absences payable	58,395	168,290	75,403
Total current liabilities	763,938	576,998	118,149
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences payable	6,975	24,038	81,939
Total noncurrent liabilities	6,975	24,038	81,939
Total liabilities	770,913	601,036	200,088
Net position			
Net investment in capital assets	34,165,878	16,264,829	5,263,851
Restricted for:			
Capital projects	112,988	-	221,063
Unrestricted	1,255,881	2,352,231	866,831
Total net position	\$ 35,534,747	\$ 18,617,060	\$ 6,351,745

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2017	2016
\$ 517,072	\$ -	\$ 149,136	\$ 5,531,098	\$ 3,302,409
4,334	238,417	-	670,932	565,672
-	2,664,417	-	3,544,801	6,870,292
15,578	603,004	208,130	952,654	888,476
<u>536,984</u>	<u>3,505,838</u>	<u>357,266</u>	<u>10,699,485</u>	<u>11,626,849</u>
-	-	-	81,634	70,566
-	423,284	-	912,673	912,673
8,954,539	6,919,608	713,389	60,565,347	60,452,102
19,050,351	244,951	2,017,246	61,325,504	61,149,759
411,859	11,965,948	1,194,570	16,327,719	14,322,203
-	-	-	2,224,424	2,224,424
23,238	-	-	7,074,349	6,513,129
<u>(18,026,726)</u>	<u>(12,044,225)</u>	<u>(2,963,399)</u>	<u>(73,850,825)</u>	<u>(68,632,271)</u>
10,413,261	7,509,566	961,806	74,660,825	77,012,585
<u>\$ 10,950,245</u>	<u>\$ 11,015,404</u>	<u>\$ 1,319,072</u>	<u>\$ 85,360,310</u>	<u>\$ 88,639,434</u>
91,013	95,548	47,359	379,536	425,676
101,306	217,103	692,008	1,833,414	2,002,246
-	27,500	-	215,884	162,315
-	2,315,724	-	2,315,724	4,515,407
160,410	-	135,431	597,929	531,198
<u>352,729</u>	<u>2,655,875</u>	<u>874,798</u>	<u>5,342,487</u>	<u>7,636,842</u>
-	-	693,704	693,704	693,704
153,280	-	33,701	299,933	286,992
153,280	-	727,405	993,637	980,696
<u>506,009</u>	<u>2,655,875</u>	<u>1,602,203</u>	<u>6,336,124</u>	<u>8,617,538</u>
10,413,261	7,509,566	961,806	74,579,191	76,942,019
-	533,874	-	867,925	700,480
30,975	316,089	(1,244,937)	3,577,070	2,379,397
<u>\$ 10,444,236</u>	<u>\$ 8,359,529</u>	<u>\$ (283,131)</u>	<u>\$ 79,024,186</u>	<u>\$ 80,021,896</u>

City of Waco, Texas
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2017
(With Comparative Totals for the Year Ended September 30, 2016)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Operating revenues:			
Charges for services	\$ 620,166	\$ 886,849	\$ 472,362
Net merchandise sales	18,290	484,457	173,018
Contributions	-	179,728	-
Other	258,703	17,368	9,360
Total operating revenues	<u>897,159</u>	<u>1,568,402</u>	<u>654,740</u>
Operating expenses:			
Salaries and wages	443,520	1,196,977	613,206
Employee benefits	181,932	471,210	224,425
Purchased professional/technical services	437,383	677,171	25,596
Purchased property services	18,515	31,545	7,276
Maintenance	125,986	108,006	13,385
Other purchased services	70,648	722,616	46,139
Supplies	121,435	385,590	75,845
Other	346,282	58,925	185,304
Depreciation expense	2,202,996	872,637	142,387
Total operating expenses	<u>3,948,697</u>	<u>4,524,677</u>	<u>1,333,563</u>
Operating income (loss)	<u>(3,051,538)</u>	<u>(2,956,275)</u>	<u>(678,823)</u>
Nonoperating revenues (expenses):			
Investment earnings	6,371	13,406	6,540
Other income	237,295	-	-
Hotel/motel tax	-	3,724,543	-
Contributions	-	-	37,397
Intergovernmental	102,960	-	-
Total nonoperating revenues (expenses)	<u>346,626</u>	<u>3,737,949</u>	<u>43,937</u>
Income (loss) before contributions and transfers	(2,704,912)	781,674	(634,886)
Capital contributions	963,914	126,651	-
Transfers in	354,363	-	759,619
Transfers out	-	(800,000)	-
Net change in net position	(1,386,635)	108,325	124,733
Total net position, beginning of year	36,921,382	18,508,735	6,227,012
Total net position, end of the year	<u>\$ 35,534,747</u>	<u>\$ 18,617,060</u>	<u>\$ 6,351,745</u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2017	2016
\$ 1,949,140	\$ 2,143,162	\$ 1,210,310	\$ 7,281,989	\$ 7,677,658
237,787	-	240,577	1,154,129	1,001,304
288	-	-	180,016	146,037
36,562	1,463,056	193,063	1,978,112	1,685,912
<u>2,223,777</u>	<u>3,606,218</u>	<u>1,643,950</u>	<u>10,594,246</u>	<u>10,510,911</u>
1,583,443	3,543,717	392,795	7,773,658	7,562,222
685,472	884,619	147,527	2,595,185	2,525,897
60,463	872,059	495,985	2,568,657	2,567,251
527,760	22,039	244,896	852,031	756,281
90,953	684,602	62,318	1,085,250	1,108,908
124,558	279,485	127,146	1,370,592	1,122,220
744,061	667,840	190,046	2,184,817	2,282,566
311,893	339,183	19,104	1,260,691	1,344,470
<u>1,103,757</u>	<u>1,066,946</u>	<u>172,369</u>	<u>5,561,092</u>	<u>5,536,455</u>
<u>5,232,360</u>	<u>8,360,490</u>	<u>1,852,186</u>	<u>25,251,973</u>	<u>24,806,270</u>
<u>(3,008,583)</u>	<u>(4,754,272)</u>	<u>(208,236)</u>	<u>(14,657,727)</u>	<u>(14,295,359)</u>
2,995	89	127	29,528	8,430
-	78,134	-	315,429	263,966
-	-	-	3,724,543	3,204,122
-	-	-	37,397	132,001
-	3,597,668	-	3,700,628	3,539,663
<u>2,995</u>	<u>3,675,891</u>	<u>127</u>	<u>7,807,525</u>	<u>7,148,182</u>
(3,005,588)	(1,078,381)	(208,109)	(6,850,202)	(7,147,177)
388	2,136,362	-	3,227,315	5,752,405
1,937,223	88,333	285,639	3,425,177	3,864,220
-	-	-	(800,000)	(150,000)
<u>(1,067,977)</u>	<u>1,146,314</u>	<u>77,530</u>	<u>(997,710)</u>	<u>2,319,448</u>
<u>11,512,213</u>	<u>7,213,215</u>	<u>(360,661)</u>	<u>80,021,896</u>	<u>77,702,448</u>
<u>\$ 10,444,236</u>	<u>\$ 8,359,529</u>	<u>\$ (283,131)</u>	<u>\$ 79,024,186</u>	<u>\$ 80,021,896</u>

City of Waco, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2017
(With Comparative Totals for September 30, 2016)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Cash flows from operating activities:			
Cash received from customers	\$ 886,881	\$ 1,589,305	\$ 655,089
Cash paid to suppliers for goods and services	(1,147,912)	(1,957,343)	(377,062)
Cash paid to employees for services	(619,881)	(1,640,283)	(828,788)
Net cash provided by (used for) operating activities	(880,912)	(2,008,321)	(550,761)
Cash flows from noncapital financing activities:			
Intergovernmental revenue	105,255	-	-
Contributions	-	-	37,397
Hotel/motel tax	-	3,728,707	-
Passenger facility charges	237,295	-	-
Other income	-	-	-
Transfers from other funds	354,363	-	759,619
Transfers to other funds	-	(800,000)	-
Net cash provided by (used for) noncapital financing activities	696,913	2,928,707	797,016
Cash flows from capital and related financing activities:			
Aquisition of capital assets	(530,579)	(15,996)	(232,201)
Capital contributions	1,724,376	-	-
Net cash provided by (used for) capital and related financing activities	1,193,797	(15,996)	(232,201)
Cash flows from investing activities:			
Investment earnings	6,371	13,406	6,540
Net cash provided by (used for) investing activities	6,371	13,406	6,540
Net increase (decrease) in cash and cash equivalents	1,016,169	917,796	20,594
Cash and cash equivalents, beginning of year	178,715	1,631,991	1,181,259
Cash and cash equivalents, end of year	\$ 1,194,884	\$ 2,549,787	\$ 1,201,853
Reconciliation of operating income (loss) to net cash used for operating activities:			
Operating income (loss)	\$ (3,051,538)	\$ (2,956,275)	\$ (678,823)
Adjustment to reconcile operating income (loss) to net cash used for operating activities:			
Depreciation	2,202,996	872,637	142,387
Loss on disposal on capital assets	-	-	-
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	(10,278)	(5,167)	349
Inventory	1,504	18,045	(10,963)
Increase (decrease) in liabilities:			
Accounts payable	(22,372)	8,910	(7,832)
Accrued liabilities	(6,598)	11,085	(3,285)
Unearned revenue	-	26,069	-
Due to other funds	-	-	-
Compensated absences payable	5,374	16,375	7,406
Net cash provided by (used for) operating activities	\$ (880,912)	\$ (2,008,321)	\$ (550,761)
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ 126,651	\$ -

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	
			2017	2016
\$ 2,226,460	\$ 3,536,473	\$ 1,644,186	\$ 10,538,394	\$ 10,672,938
(1,806,328)	(3,015,718)	(1,093,142)	(9,397,505)	(9,336,881)
(2,213,705)	(4,396,092)	(542,166)	(10,240,915)	(9,934,046)
<u>(1,793,573)</u>	<u>(3,875,337)</u>	<u>8,878</u>	<u>(9,100,026)</u>	<u>(8,597,989)</u>
-	3,722,886	-	3,828,141	1,219,484
-	-	-	37,397	132,001
-	-	-	3,728,707	3,142,390
-	-	-	237,295	263,966
-	78,134	-	78,134	-
1,937,223	88,333	285,639	3,425,177	6,279,652
-	(2,150,467)	-	(2,950,467)	(150,000)
<u>1,937,223</u>	<u>1,738,886</u>	<u>285,639</u>	<u>8,384,384</u>	<u>10,887,493</u>
(10,583)	-	(145,508)	(934,867)	(7,080,325)
-	2,136,362	-	3,860,738	4,438,040
<u>(10,583)</u>	<u>2,136,362</u>	<u>(145,508)</u>	<u>2,925,871</u>	<u>(2,642,285)</u>
2,995	89	127	29,528	8,430
<u>2,995</u>	<u>89</u>	<u>127</u>	<u>29,528</u>	<u>8,430</u>
136,062	-	149,136	2,239,757	(344,351)
381,010	-	-	3,372,975	3,717,326
<u>\$ 517,072</u>	<u>\$ -</u>	<u>\$ 149,136</u>	<u>\$ 5,612,732</u>	<u>\$ 3,372,975</u>
\$ (3,008,583)	\$ (4,754,272)	\$ (208,236)	\$ (14,657,727)	(14,295,359)
1,103,757	1,066,946	172,369	5,561,092	5,536,455
-	-	-	-	48,288
2,682	(97,246)	236	(109,424)	89,058
(4,566)	(87,718)	19,520	(64,178)	(70,010)
55,849	(25,237)	24,081	33,399	(132,452)
6,330	(5,310)	50,565	52,787	140,268
-	27,500	-	53,569	72,969
-	-	(49,216)	(49,216)	49,216
50,958	-	(441)	79,672	(36,422)
<u>\$ (1,793,573)</u>	<u>\$ (3,875,337)</u>	<u>\$ 8,878</u>	<u>\$ (9,100,026)</u>	<u>\$ (8,597,989)</u>
<u>\$ 388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,039</u>	<u>\$ 252,392</u>



Airport Fund

City of Waco, Texas
Comparative Statement of Net Position
Enterprise Funds
September 30, 2017 and 2016

	Airport Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 1,194,884	\$ 178,715
Accounts receivable, net of allowance	61,143	50,865
Intergovernmental receivable	880,384	1,944,295
Inventory	3,371	4,876
Total current assets	2,139,782	2,178,751
Noncurrent assets:		
Capital assets:		
Land	489,389	489,389
Buildings	15,179,943	15,179,943
Improvements other than buildings	39,038,343	39,038,343
Equipment	1,509,992	1,509,992
Construction work in progress	6,957,453	6,426,875
Less: accumulated depreciation and amortization	(29,009,242)	(26,806,247)
Total noncurrent assets	34,165,878	35,838,295
Total assets	36,305,660	38,017,046
Liabilities		
Current liabilities:		
Accounts payable	21,319	123,228
Accrued liabilities	684,224	912,440
Compensated absences payable	58,395	55,730
Total current liabilities	763,938	1,091,398
Noncurrent liabilities:		
Compensated absences payable	6,975	4,266
Total noncurrent liabilities	6,975	4,266
Total liabilities	770,913	1,095,664
Net position		
Net investment in capital assets	34,165,878	35,838,295
Restricted for:		
Capital projects	112,988	24,955
Unrestricted	1,255,881	1,058,132
Total net position	\$ 35,534,747	\$ 36,921,382

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Airport Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 620,166	\$ 583,752
Net merchandise sales	18,290	21,444
Other income	258,703	249,325
Total operating revenues	<u>897,159</u>	<u>854,521</u>
Operating expenses:		
Salaries and wages	443,520	440,711
Employee benefits	181,932	182,835
Purchased professional/technical services	437,383	273,492
Purchased property services	18,515	19,216
Maintenance	125,986	72,363
Other purchased services	70,648	79,345
Supplies	121,435	114,521
Other	346,282	379,962
Depreciation/amortization	2,202,996	2,258,860
Total operating expenses	<u>3,948,697</u>	<u>3,821,305</u>
Operating income (loss)	<u>(3,051,538)</u>	<u>(2,966,784)</u>
Nonoperating revenues (expenses):		
Investment earnings	6,371	1,749
Other income	237,295	263,966
Intergovernmental revenue	102,960	93,725
Total nonoperating revenues (expenses)	<u>346,626</u>	<u>359,440</u>
Income (loss) before contributions and transfers	<u>(2,704,912)</u>	<u>(2,607,344)</u>
Capital contributions	963,914	5,499,785
Transfers in	354,363	736,059
Change in net position	<u>(1,386,635)</u>	<u>3,628,500</u>
Total net position, beginning of year	<u>36,921,382</u>	<u>33,292,882</u>
Total net position, end of year	<u>\$ 35,534,747</u>	<u>\$ 36,921,382</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Airport Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 886,881	\$ 881,496
Cash paid to suppliers for goods and services	(1,147,912)	(928,046)
Cash paid to employees for services	(619,881)	(609,531)
Net cash provided by (used for) operating activities	(880,912)	(656,081)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	105,255	89,805
Passenger facility charges	237,295	263,966
Transfers from other funds	354,363	736,059
Net cash provided by (used for) noncapital financing activities	696,913	1,089,830
Cash flows from capital and related financing activities:		
Aquisition of capital assets	(530,579)	(6,553,174)
Capital contributions	1,724,376	4,437,812
Net cash provided by (used for) capital and related financing activities	1,193,797	(2,115,362)
Cash flows from investing activities		
Investment earnings	6,371	1,749
Net cash provided by investing activities	6,371	1,749
Net increase (decrease) in cash and cash equivalents	1,016,169	(1,679,864)
Cash and cash equivalents, beginning of year	178,715	1,858,579
Cash and cash equivalents, end of year	\$ 1,194,884	\$ 178,715
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (3,051,538)	\$ (2,966,784)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	2,202,996	2,258,860
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(10,278)	26,975
Inventory	1,504	2,474
Increase (decrease) in liabilities:		
Accounts payable	(22,372)	9,755
Accrued liabilities	(6,598)	3,544
Compensated absences payable	5,374	9,095
Net cash provided by (used for) operating activities	\$ (880,912)	\$ (656,081)

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
Enterprise Funds
September 30, 2017 and 2016

	<u>Convention Services Fund</u>	
	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Cash and investments	\$ 2,549,787	\$ 1,631,991
Accounts receivable, net of allowance	366,787	365,784
Inventory	36,693	54,738
Total current assets	<u>2,953,267</u>	<u>2,052,513</u>
Noncurrent assets:		
Capital assets:		
Buildings	25,077,121	24,963,876
Improvements other than buildings	555,845	555,845
Equipment	916,529	900,533
Construction work in progress	19,506	6,100
Less: accumulated depreciation and amortization	(10,304,172)	(9,431,534)
Total noncurrent assets	<u>16,264,829</u>	<u>16,994,820</u>
Total assets	<u>19,218,096</u>	<u>19,047,333</u>
Liabilities		
Current liabilities:		
Accounts payable	122,185	113,276
Accrued liabilities	98,139	87,054
Unearned revenue	188,384	162,315
Compensated absences payable	168,290	175,953
Total current liabilities	<u>576,998</u>	<u>538,598</u>
Noncurrent liabilities:		
Compensated absences payable	<u>24,038</u>	-
Total noncurrent liabilities	<u>24,038</u>	-
Total liabilities	<u>601,036</u>	<u>538,598</u>
Net position		
Net investment in capital assets	16,264,829	16,994,820
Restricted for:		
Unrestricted	2,352,231	1,513,915
Total net position	<u>\$ 18,617,060</u>	<u>\$ 18,508,735</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Convention Services Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 886,849	\$ 858,080
Net merchandise sales	484,457	373,837
Contributions	179,728	146,037
Other	17,368	24,958
Total operating revenues	1,568,402	1,402,912
Operating expenses:		
Salaries and wages	1,196,977	1,120,983
Employee benefits	471,210	450,318
Purchased professional/technical services	677,171	706,738
Purchased property services	31,545	29,082
Maintenance	108,006	115,676
Other purchased services	722,616	507,765
Supplies	385,590	497,257
Other	58,925	17,936
Depreciation/amortization	872,637	855,341
Total operating expenses	4,524,677	4,301,096
Operating income (loss)	(2,956,275)	(2,898,184)
Nonoperating revenues (expenses):		
Investment earnings	13,406	3,386
Hotel/motel tax	3,724,543	3,204,122
Total nonoperating revenues (expenses)	3,737,949	3,207,508
Income (loss) before contributions and transfers	781,674	309,324
Capital contributions	126,651	6,100
Transfers in	-	96,000
Transfers out	(800,000)	(150,000)
Change in net position	108,325	261,424
Total net position, beginning of year	18,508,735	18,247,311
Total net position, end of year	\$ 18,617,060	\$ 18,508,735

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Convention Services Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 1,589,305	\$ 1,575,357
Cash paid to suppliers for goods and services	(1,957,343)	(1,861,178)
Cash paid to employees for services	(1,640,283)	(1,607,589)
Net cash provided by (used for) operating activities	(2,008,321)	(1,893,410)
Cash flows from noncapital financing activities:		
Hotel/motel tax	3,728,707	3,142,390
Transfers from other funds	-	96,000
Transfers to other funds	(800,000)	(150,000)
Net cash provided by (used for) noncapital financing activities	2,928,707	3,088,390
Cash flows from capital and related financing activities:		
Aquisition of capital assets	(15,996)	(348,208)
Net cash provided by (used for) capital and related financing activities	(15,996)	(348,208)
Cash flows from investing activities		
Investment earnings	13,406	3,386
Net cash provided by investing activities	13,406	3,386
Net increase (decrease) in cash and cash equivalents	917,796	850,158
Cash and cash equivalents, beginning of year	1,631,991	781,833
Cash and cash equivalents, end of year	\$ 2,549,787	\$ 1,631,991
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (2,956,275)	\$ (2,898,184)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	872,637	855,341
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(5,167)	99,476
Inventory	18,045	(798)
Increase (decrease) in liabilities:		
Accounts payable	8,910	10,966
Accrued liabilities	11,085	9,961
Unearned revenue	26,069	72,969
Compensated absences payable	16,375	(43,141)
Net cash provided by (used for) operating activities	\$ (2,008,321)	\$ (1,893,410)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ 126,651	\$ 6,100

See accompanying independent auditor's report.

Ranger Hall of Fame Fund

City of Waco, Texas
Comparative Statement of Net Position
Enterprise Funds
September 30, 2017 and 2016

	Ranger Hall of Fame Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 1,120,219	\$ 1,110,693
Accounts receivable, net of allowance	251	600
Inventory	85,878	74,915
Total current assets	1,206,348	1,186,208
Noncurrent assets:		
Restricted cash and investments	81,634	70,566
Capital assests:		
Buildings	3,720,747	3,720,747
Improvements other than buildings	418,768	243,023
Equipment	328,821	308,391
Museum collections	2,224,424	2,224,424
Construction work in progress	74,152	38,126
Less: accumulated depreciation and amortization	(1,503,061)	(1,360,674)
Total noncurrent assets	5,345,485	5,244,603
Total assets	6,551,833	6,430,811
Liabilities		
Current liabilities:		
Accounts payable	2,112	9,944
Accrued liabilities	40,634	43,919
Compensated absences payable	75,403	66,123
Total current liabilities	118,149	119,986
Noncurrent liabilities:		
Compensated absences payable	81,939	83,813
Total noncurrent liabilities	81,939	83,813
Total liabilities	200,088	203,799
Net position		
Net investment in capital assets	5,263,851	5,174,037
Restricted for:		
Capital projects	221,063	218,547
Unrestricted	866,831	834,428
Total net position	\$ 6,351,745	\$ 6,227,012

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	<u>Ranger Hall of Fame Fund</u>	
	<u>2017</u>	<u>2016</u>
Operating revenues:		
Charges for services	\$ 472,362	\$ 388,377
Net merchandise sales	173,018	150,109
Other income	9,360	20,776
Total operating revenues	<u>654,740</u>	<u>559,262</u>
Operating expenses:		
Salaries and wages	613,206	603,787
Employee benefits	224,425	218,752
Purchased professional/technical services	25,596	85,527
Purchased property services	7,276	7,224
Maintenance	13,385	8,734
Other purchased services	46,139	44,999
Supplies	75,845	101,883
Other	185,304	237,312
Depreciation/amortization	142,387	136,605
Total operating expenses	<u>1,333,563</u>	<u>1,444,823</u>
Operating income (loss)	<u>(678,823)</u>	<u>(885,561)</u>
Nonoperating revenues (expenses):		
Investment earnings	6,540	2,844
Contributions	37,397	132,001
Total nonoperating revenues (expenses)	<u>43,937</u>	<u>134,845</u>
Income (loss) before contributions and transfers	<u>(634,886)</u>	<u>(750,716)</u>
Capital contributions	-	18,000
Transfers in	759,619	887,456
Change in net position	<u>124,733</u>	<u>154,740</u>
Total net position, beginning of year	6,227,012	6,072,272
Total net position, end of year	<u>\$ 6,351,745</u>	<u>\$ 6,227,012</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Ranger Hall of Fame Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 655,089	\$ 559,653
Cash paid to suppliers for goods and services	(377,062)	(492,553)
Cash paid to employees for services	(828,788)	(801,228)
Net cash provided by (used for) operating activities	(550,761)	(734,128)
Cash flows from noncapital financing activities:		
Contributions	37,397	132,001
Transfers from other funds	759,619	887,456
Net cash provided by (used for) noncapital financing activities	797,016	1,019,457
Cash flows from capital and related financing activities:		
Aquisition of capital assets	(232,201)	(49,651)
Net cash provided by (used for) capital and related financing activities	(232,201)	(49,651)
Cash flows from investing activities		
Investment earnings	6,540	2,844
Net cash provided by investing activities	6,540	2,844
Net increase (decrease) in cash and cash equivalents	20,594	238,522
Cash and cash equivalents, beginning of year	1,181,259	942,737
Cash and cash equivalents, end of year	\$ 1,201,853	\$ 1,181,259
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (678,823)	\$ (885,561)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	142,387	136,605
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	349	391
Inventory	(10,963)	(6,972)
Increase (decrease) in liabilities:		
Accounts payable	(7,832)	(5,301)
Accrued liabilities	(3,285)	12,050
Compensated absences payable	7,406	14,660
Net cash provided by (used for) operating activities	\$ (550,761)	\$ (734,128)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ -	\$ 18,000

See accompanying independent auditor's report.

Cameron Park Zoo Fund

City of Waco, Texas
Comparative Statement of Net Position
Enterprise Funds
September 30, 2017 and 2016

	Cameron Park Zoo Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 517,072	\$ 381,010
Accounts receivable, net of allowance	4,334	7,016
Inventory	15,578	11,011
Total current assets	536,984	399,037
Noncurrent assets:		
Capital assets:		
Buildings	8,954,539	8,954,539
Improvements other than buildings	19,050,351	19,050,351
Equipment	411,859	417,781
Construction work in progress	23,238	22,850
Less: accumulated depreciation and amortization	(18,026,726)	(16,939,473)
Total noncurrent assets	10,413,261	11,506,048
Total assets	10,950,245	11,905,085
Liabilities		
Current liabilities:		
Accounts payable	91,013	35,164
Accrued liabilities	101,306	94,976
Compensated absences payable	160,410	162,146
Total current liabilities	352,729	292,286
Noncurrent liabilities:		
Compensated absences payable	153,280	100,586
Total noncurrent liabilities	153,280	100,586
Total liabilities	506,009	392,872
Net position		
Net investment in capital assets	10,413,261	11,506,048
Unrestricted	30,975	6,165
Total net position	\$ 10,444,236	\$ 11,512,213

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	<u>Cameron Park Zoo Fund</u>	
	<u>2017</u>	<u>2016</u>
Operating revenues:		
Charges for services	\$ 1,949,140	\$ 1,760,630
Net merchandise sales	237,787	202,600
Contributions	288	-
Other income	36,562	380
Total operating revenues	<u>2,223,777</u>	<u>1,963,610</u>
Operating expenses:		
Salaries and wages	1,583,443	1,491,134
Employee benefits	685,472	690,457
Purchased professional/technical services	60,463	29,616
Purchased property services	527,760	463,952
Maintenance	90,953	83,639
Other purchased services	124,558	89,415
Supplies	744,061	704,105
Other	311,893	149,206
Depreciation/amortization	1,103,757	1,075,657
Total operating expenses	<u>5,232,360</u>	<u>4,777,181</u>
Operating income (loss)	<u>(3,008,583)</u>	<u>(2,813,571)</u>
Nonoperating revenues (expenses):		
Investment earnings	2,995	445
Total nonoperating revenues (expenses)	<u>2,995</u>	<u>445</u>
Income (loss) before contributions and transfers	<u>(3,005,588)</u>	<u>(2,813,126)</u>
Capital contributions	388	181,297
Transfers in	1,937,223	2,010,257
Change in net position	<u>(1,067,977)</u>	<u>(621,572)</u>
Total net position, beginning of year	11,512,213	12,133,785
Total net position, end of year	<u>\$ 10,444,236</u>	<u>\$ 11,512,213</u>

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Cameron Park Zoo Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 2,226,460	\$ 1,959,011
Cash paid to suppliers for goods and services	(1,806,328)	(1,526,425)
Cash paid to employees for services	(2,213,705)	(2,165,659)
Net cash provided by (used for) operating activities	(1,793,573)	(1,733,073)
Cash flows from noncapital financing activities:		
Transfers from other funds	1,937,223	2,010,257
Net cash provided by (used for) noncapital financing activities	1,937,223	2,010,257
Cash flows from capital and related financing activities:		
Aquisition of capital assets	(10,583)	(5,981)
Net cash provided by (used for) capital and related financing activities	(10,583)	(5,981)
Cash flows from investing activities		
Investment earnings	2,995	445
Net cash provided by investing activities	2,995	445
Net increase (decrease) in cash and cash equivalents	136,062	271,648
Cash and cash equivalents, beginning of year	381,010	109,362
Cash and cash equivalents, end of year	\$ 517,072	\$ 381,010
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (3,008,583)	\$ (2,813,571)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	1,103,757	1,075,657
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	2,682	(4,599)
Inventory	(4,566)	(2,463)
Increase (decrease) in liabilities:		
Accounts payable	55,849	(3,632)
Accrued liabilities	6,330	17,171
Compensated absences payable	50,958	(1,636)
Net cash provided by (used for) operating activities	\$ (1,793,573)	\$ (1,733,073)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ 388	\$ 181,297

See accompanying independent auditor's report.

Transit Services Fund

City of Waco, Texas
Comparative Statement of Net Position
Enterprise Funds
September 30, 2017 and 2016

	Transit Services Fund	
	2017	2016
Assets		
Current assets:		
Accounts receivable, net of allowance	\$ 238,417	\$ 141,171
Intergovernmental receivable	2,664,417	4,925,997
Inventory	603,004	515,286
Total current assets	3,505,838	5,582,454
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	11,965,948	10,094,230
Less: accumulated depreciation and amortization	(12,044,225)	(11,241,922)
Total noncurrent assets	7,509,566	6,440,151
Total assets	11,015,404	12,022,605
Liabilities		
Current liabilities:		
Accounts payable	95,548	120,786
Accrued liabilities	217,103	222,413
Unearned revenue	27,500	-
Due to other funds	2,315,724	4,466,191
Total current liabilities	2,655,875	4,809,390
Total liabilities	2,655,875	4,809,390
Net position		
Net investment in capital assets	7,509,566	6,440,151
Restricted for:		
Capital projects	533,874	456,978
Unrestricted	316,089	316,086
Total net position	\$ 8,359,529	\$ 7,213,215

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Transit Services Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 2,143,162	\$ 2,896,706
Other	1,463,056	1,215,304
Total operating revenues	3,606,218	4,112,010
Operating expenses:		
Salaries and wages	3,543,717	3,468,023
Employee benefits	884,619	811,596
Purchased professional/technical services	872,059	1,011,353
Purchased property services	22,039	20,264
Maintenance	684,602	759,159
Other purchased services	279,485	272,351
Supplies	667,840	681,773
Other	339,183	557,082
Depreciation/amortization	1,066,946	1,058,735
Total operating expenses	8,360,490	8,640,336
Operating income (loss)	(4,754,272)	(4,528,326)
Nonoperating revenues (expenses):		
Investment earnings	89	6
Other income	78,134	-
Intergovernmental revenue	3,597,668	3,445,938
Total nonoperating revenues (expenses)	3,675,891	3,445,944
Income (loss) before contributions and transfers	(1,078,381)	(1,082,382)
Capital contributions	2,136,362	47,223
Transfers in	88,333	-
Change in net position	1,146,314	(1,035,159)
Total net position, beginning of year	7,213,215	8,248,374
Total net position, end of year	\$ 8,359,529	\$ 7,213,215

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Transit Services Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 3,536,473	\$ 4,079,061
Cash paid to suppliers for goods and services	(3,015,718)	(3,495,624)
Cash paid to employees for services	(4,396,092)	(4,128,782)
Net cash provided by (used for) operating activities	(3,875,337)	(3,545,345)
Cash flows from noncapital financing activities:		
Intergovernmental revenue	3,722,886	1,129,679
Other income	78,134	-
Transfers from other funds	88,333	-
Transfers to other funds	(2,150,467)	2,415,432
Net cash provided by (used for) noncapital financing activities	1,738,886	3,545,111
Cash flows from capital and related financing activities:		
Capital contributions	2,136,362	228
Net cash provided by (used for) capital and related financing activities	2,136,362	228
Cash flows from investing activities		
Investment earnings	89	6
Net cash provided by investing activities	89	6
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)	\$ (4,754,272)	\$ (4,528,326)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	1,066,946	1,058,735
Loss on disposal on capital assets	-	48,288
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(97,246)	(32,949)
Inventory	(87,718)	(74,103)
Increase (decrease) in liabilities:		
Accounts payable	(25,237)	(68,035)
Accrued liabilities	(5,310)	51,045
Unearned revenue	27,500	
Net cash provided by (used for) operating activities	\$ (3,875,337)	\$ (3,545,345)
Noncash capital and related financing activities:		
Contributions of capital assets	\$ -	\$ 46,995

See accompanying independent auditor's report.

Cottonwood Creek Golf Course Fund

City of Waco, Texas
Comparative Statement of Net Position
Enterprise Funds
September 30, 2017 and 2016

	Cottonwood Creek Golf Course Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 149,136	\$ -
Accounts receivable, net of allowance	-	236
Inventory	208,130	227,650
Total current assets	357,266	227,886
Noncurrent assets:		
Capital assests:		
Buildings	713,389	713,389
Improvements other than buildings	2,017,246	2,017,246
Equipment	1,194,570	1,091,276
Construction work in progress	-	19,178
Less: accumulated depreciation and amortization	(2,963,399)	(2,852,421)
Total noncurrent assets	961,806	988,668
Total assets	1,319,072	1,216,554
Liabilities		
Current liabilities:		
Accounts payable	47,359	23,278
Accrued liabilities	692,008	641,444
Due to other funds	-	49,216
Compensated absences payable	135,431	71,246
Total current liabilities	874,798	785,184
Noncurrent liabilities:		
Advances to other funds	693,704	693,704
Compensated absences payable	33,701	98,327
Total noncurrent liabilities	727,405	792,031
Total liabilities	1,602,203	1,577,215
Net position		
Net investment in capital assets	961,806	988,668
Unrestricted	(1,244,937)	(1,349,329)
Total net position	\$ (283,131)	\$ (360,661)

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Cottonwood Creek Golf Course Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 1,210,310	\$ 1,190,113
Net merchandise sales	240,577	253,314
Other	193,063	175,169
Total operating revenues	1,643,950	1,618,596
Operating expenses:		
Salaries and wages	392,795	437,584
Employee benefits	147,527	171,939
Purchased professional/technical services	495,985	460,525
Purchased property services	244,896	216,543
Maintenance	62,318	69,337
Other purchased services	127,146	128,345
Supplies	190,046	183,027
Other	19,104	2,972
Depreciation/amortization	172,369	151,257
Total operating expenses	1,852,186	1,821,529
Operating income (loss)	(208,236)	(202,933)
Nonoperating revenues (expenses):		
Investment earnings	127	-
Total nonoperating revenues (expenses)	127	-
Income (loss) before contributions and transfers	(208,109)	(202,933)
Transfers in	285,639	134,448
Change in net position	77,530	(68,485)
Total net position, beginning of year	(360,661)	(292,176)
Total net position, end of year	\$ (283,131)	\$ (360,661)

See accompanying independent auditor's report.

City of Waco, Texas
Comparative Statement of Cash Flows
Enterprise Funds
Years Ended September 30, 2017 and 2016

	Cottonwood Creek Golf Course Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 1,644,186	\$ 1,618,360
Cash paid to suppliers for goods and services	(1,093,142)	(1,033,055)
Cash paid to employees for services	(542,166)	(621,257)
Net cash provided by (used for) operating activities	8,878	(35,952)
Cash flows from noncapital financing activities:		
Transfers from other funds	285,639	134,448
Net cash provided by (used for) noncapital financing activities	285,639	134,448
Cash flows from capital and related financing activities:		
Aquisition of capital assets	(145,508)	(123,311)
Net cash provided by (used for) capital and related financing activities	(145,508)	(123,311)
Cash flows from investing activities		
Investment earnings	127	-
Net cash provided by investing activities	127	-
Net increase (decrease) in cash and cash equivalents	149,136	(24,815)
Cash and cash equivalents, beginning of year	-	24,815
Cash and cash equivalents, end of year	\$ 149,136	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (208,236)	\$ (202,933)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation/amortization	172,369	151,257
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	236	(236)
Inventory	19,520	11,852
Increase (decrease) in liabilities:		
Accounts payable	24,081	(76,205)
Accrued liabilities	50,565	46,497
Due to other funds	(49,216)	49,216
Compensated absences payable	(441)	(15,400)
Net cash provided by (used for) operating activities	\$ 8,878	\$ (35,952)

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, 2017
(With Comparative Totals for September 30, 2016)

	Insurance	Health	Engineering	Fleet Services	Totals	
	Fund	Insurance Fund	Fund	Fund	2017	2016
Assets						
Current assets:						
Cash and investments	\$ 7,587,444	\$ 3,430,932	\$ 1,125,377	\$ 365,366	\$ 12,509,119	\$ 11,430,532
Accounts receivable, net of allowances	48	-	-	-	48	2,624
Inventories	-	-	-	224,311	224,311	401,129
Due from other funds	-	397,560	-	-	397,560	207,061
Total current assets	<u>7,587,492</u>	<u>3,828,492</u>	<u>1,125,377</u>	<u>589,677</u>	<u>13,131,038</u>	<u>12,041,346</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	-	422,900	978,967	1,428,526	1,398,010
Less: accumulated depreciation	(17,264)	-	(190,967)	(1,431,805)	(1,640,036)	(1,547,794)
Total capital assets	<u>9,395</u>	<u>-</u>	<u>256,333</u>	<u>600,004</u>	<u>865,732</u>	<u>927,458</u>
Total noncurrent assets	<u>9,395</u>	<u>-</u>	<u>256,333</u>	<u>600,004</u>	<u>865,732</u>	<u>927,458</u>
Total assets	<u>7,596,887</u>	<u>3,828,492</u>	<u>1,381,710</u>	<u>1,189,681</u>	<u>13,996,770</u>	<u>12,968,804</u>
Liabilities						
Current liabilities:						
Accounts payable	87,720	2,764	12,589	126,006	229,079	98,225
Accrued liabilities	110,763	301,703	86,222	51,391	550,079	436,639
Compensated absences payable	25,058	-	159,622	71,728	256,408	237,873
Escrow funds	-	-	538	-	538	538
Claims and judgments payable	1,337,887	984,000	-	-	2,321,887	2,378,780
Total current liabilities	<u>1,561,428</u>	<u>1,288,467</u>	<u>258,971</u>	<u>249,125</u>	<u>3,357,991</u>	<u>3,152,055</u>
Noncurrent liabilities:						
Compensated absences payable	-	-	55,594	-	55,594	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>55,594</u>	<u>-</u>	<u>55,594</u>	<u>-</u>
Total liabilities	<u>1,561,428</u>	<u>1,288,467</u>	<u>314,565</u>	<u>249,125</u>	<u>3,413,585</u>	<u>3,152,055</u>
Net position						
Net investment in capital assets	9,395	-	256,333	600,004	865,732	927,458
Unrestricted	6,026,064	2,540,025	810,812	340,552	9,717,453	8,889,291
Total net position	<u>\$ 6,035,459</u>	<u>\$ 2,540,025</u>	<u>\$ 1,067,145</u>	<u>\$ 940,556</u>	<u>\$ 10,583,185</u>	<u>\$ 9,816,749</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, 2017
(With Comparative Totals for Year Ended September 30, 2016)

	Insurance	Health	Engineering	Fleet Services	Totals	
	Fund	Insurance Fund	Fund	Fund	2017	2016
Operating revenues:						
Charges for services	\$ 3,736,187	\$ 13,600,086	\$ 2,641,251	\$ 1,801,566	\$ 21,779,090	\$ 22,055,475
Other	-	90,725	4,594	10,897	106,216	18,647
Total operating revenues	<u>3,736,187</u>	<u>13,690,811</u>	<u>2,645,845</u>	<u>1,812,463</u>	<u>21,885,306</u>	<u>22,074,122</u>
Operating expenses:						
Salaries and wages	269,413	60,644	1,215,934	936,019	2,482,010	2,327,936
Employee benefits	93,200	19,801	445,817	412,076	970,894	937,235
Purchased professional/technical services	275,270	1,200,919	107,636	16,681	1,600,506	1,816,951
Purchased property services	-	2,624	52,611	5,461	60,696	60,654
Maintenance	2,639	-	68,907	58,875	130,421	78,642
Other purchased services	989,152	2,892	34,399	29,566	1,056,009	973,674
Supplies	51,269	15,469	60,634	92,547	219,919	190,733
Other	1,143,159	12,645,360	393,131	236,735	14,418,385	13,247,217
Depreciation expense	2,684	-	42,636	84,696	130,016	124,854
Total operating expenses	<u>2,826,786</u>	<u>13,947,709</u>	<u>2,421,705</u>	<u>1,872,656</u>	<u>21,068,856</u>	<u>19,757,896</u>
Operating income (loss)	<u>909,401</u>	<u>(256,898)</u>	<u>224,140</u>	<u>(60,193)</u>	<u>816,450</u>	<u>2,316,226</u>
Nonoperating revenues (expenses):						
Investment earnings	46,317	16,504	5,028	921	68,770	28,935
Total nonoperating revenues (expenses)	<u>46,317</u>	<u>16,504</u>	<u>5,028</u>	<u>921</u>	<u>68,770</u>	<u>28,935</u>
Income (loss) before contributions and transfers	955,718	(240,394)	229,168	(59,272)	885,220	2,345,161
Transfers out	(118,784)	-	-	-	(118,784)	(921,115)
Net change in net position	836,934	(240,394)	229,168	(59,272)	766,436	1,424,046
Total net position, beginning of year	5,198,525	2,780,419	837,977	999,828	9,816,749	8,392,703
Total net position, end of year	<u>\$ 6,035,459</u>	<u>\$ 2,540,025</u>	<u>\$ 1,067,145</u>	<u>\$ 940,556</u>	<u>\$ 10,583,185</u>	<u>\$ 9,816,749</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, 2017
(With Comparative Totals for Year Ended September 30, 2016)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2017	2016
Cash flows from operating activities:						
Cash received from customers	\$ 3,737,422	\$ 13,690,811	\$ 2,646,575	\$ 1,813,074	\$ 21,887,882	\$ 22,073,352
Cash paid to suppliers for goods and services	(2,402,602)	(13,886,574)	(689,000)	(350,092)	(17,328,268)	(16,601,513)
Cash paid to employees for services	(364,438)	(80,174)	(1,574,504)	(1,347,176)	(3,366,292)	3,291,597
Net cash provided by (used for) operating activities	<u>970,382</u>	<u>(275,937)</u>	<u>383,071</u>	<u>115,806</u>	<u>1,193,322</u>	<u>2,180,242</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	3,569	-	-	3,569	-
Transfers to other funds	(118,784)	-	-	-	(118,784)	(1,001,216)
Net cash provided by (used for) noncapital financing activities	<u>(118,784)</u>	<u>3,569</u>	<u>-</u>	<u>-</u>	<u>(115,215)</u>	<u>(1,001,216)</u>
Cash flows from capital and related financing activities:						
Aquisition of capital assets	-	-	(53,050)	(15,240)	(68,290)	(195,523)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(53,050)</u>	<u>(15,240)</u>	<u>(68,290)</u>	<u>(195,523)</u>
Cash flows from investing activities:						
Investment earnings	46,317	16,504	5,028	921	68,770	28,935
Net cash provided by (used for) investing activities	<u>46,317</u>	<u>16,504</u>	<u>5,028</u>	<u>921</u>	<u>68,770</u>	<u>28,935</u>
Net increase (decrease) in cash and cash equivalents	897,915	(255,864)	335,049	101,487	1,078,587	1,012,438
Cash and cash equivalents, beginning of year	6,689,529	3,686,796	790,328	263,879	11,430,532	10,418,094
Cash and cash equivalents, end of year	<u>\$ 7,587,444</u>	<u>\$ 3,430,932</u>	<u>\$ 1,125,377</u>	<u>\$ 365,366</u>	<u>\$ 12,509,119</u>	<u>\$ 11,430,532</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 909,401	\$ (256,898)	\$ 224,140	\$ (60,193)	\$ 816,450	\$ 2,316,226
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	2,684	-	42,636	84,696	130,016	124,854
Changes in assets and liabilities:						
(Increase) decrease in assets:						
Accounts receivable	1,235	-	731	610	2,576	(770)
Inventories	-	-	-	(17,251)	(17,251)	5,204
Increase (decrease) in liabilities:						
Accounts payable	21,718	(977)	3,754	107,025	131,520	(164,845)
Accrued liabilities	56,678	17,938	35,762	2,397	112,775	37,238
Compensated absences payable	(441)	-	76,048	(1,478)	74,129	(39,887)
Estimated claims and judgements	(20,893)	(36,000)	-	-	(56,893)	(97,778)
Net cash provided by (used for) operating activities	<u>\$ 970,382</u>	<u>\$ (275,937)</u>	<u>\$ 383,071</u>	<u>\$ 115,806</u>	<u>\$ 1,193,322</u>	<u>\$ 2,180,242</u>

See accompanying independent auditor's report.

Insurance Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2017 and 2016

	Insurance Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 7,587,444	\$ 6,689,529
Accounts receivable, net of allowance	48	1,283
Total current assets	7,587,492	6,690,812
Noncurrent assets:		
Capital assets:		
Equipment	26,659	26,659
Less: accumulated depreciation and amortization	(17,264)	(14,580)
	9,395	12,079
Total noncurrent assets	9,395	12,079
Total assets	7,596,887	6,702,891
Liabilities		
Current liabilities:		
Accounts payable	87,720	66,002
Accrued liabilities	110,763	54,085
Compensated absences payable	25,058	25,499
Claims and judgments payable	1,337,887	1,358,780
Total current liabilities	1,561,428	1,504,366
Total liabilities	1,561,428	1,504,366
Net position		
Net investment in capital assets	9,395	12,079
Unrestricted	6,026,064	5,186,446
Total net position	\$ 6,035,459	\$ 5,198,525

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, 2017 and 2016

	Insurance Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 3,736,187	\$ 4,140,069
Total operating revenues	3,736,187	4,140,069
Operating expenses:		
Salaries and wages	269,413	277,824
Employee benefits	93,200	102,363
Purchased professional/technical services	275,270	200,175
Maintenance	2,639	1,396
Other purchased services	989,152	897,310
Supplies	51,269	47,130
Other	1,143,159	887,341
Depreciation/amortization	2,684	3,203
Total operating expenses	2,826,786	2,416,742
Operating income (loss)	909,401	1,723,327
Nonoperating revenues (expenses):		
Investment earnings	46,317	18,079
Total nonoperating revenues (expenses)	46,317	18,079
Income (loss) before contributions and transfers	955,718	1,741,406
Transfers out	(118,784)	(921,115)
Change in net position	836,934	820,291
Total net position, beginning of year	5,198,525	4,378,234
Total net position, end of year	\$ 6,035,459	\$ 5,198,525

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2017 and 2016

	Insurance Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 3,737,422	\$ 4,140,334
Cash paid to suppliers for goods and services	(2,402,602)	(2,116,641)
Cash paid to employees for services	(364,438)	(369,063)
Net cash provided by (used for) operating activities	970,382	1,654,630
Cash flows from noncapital financing activities:		
Transfers to other funds activities	(118,784)	(921,115)
Cash flows from investing activities:		
Investment earnings	46,317	18,079
Net cash provided by (used for) investing activities	46,317	18,079
Net increase (decrease) in cash and cash equivalents	897,915	751,594
Cash and cash equivalents, beginning of year	6,689,529	5,937,935
Cash and cash equivalents, end of year	\$ 7,587,444	\$ 6,689,529
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 909,401	\$ 1,723,327
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	2,684	3,203
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	1,235	265
Increase (decrease) in liabilities:		
Accounts payable	21,718	(43,282)
Accrued liabilities	56,678	17,997
Compensated absences payable	(441)	7,898
Estimated claims and judgements	(20,893)	(54,778)
Net cash provided by (used for) operating activities	\$ 970,382	\$ 1,654,630

See accompanying independent auditor's report.

Health Insurance Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2017 and 2016

	Health Insurance Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 3,430,932	\$ 3,686,796
Due from other funds	397,560	401,129
Total current assets	3,828,492	4,087,925
 Total assets	3,828,492	4,087,925
 Liabilities		
Current liabilities:		
Accounts payable	2,764	3,740
Accrued liabilities	301,703	283,766
Claims and judgments payable	984,000	1,020,000
Total current liabilities	1,288,467	1,307,506
 Total liabilities	1,288,467	1,307,506
 Net position		
Unrestricted	2,540,025	2,780,419
Total net position	\$ 2,540,025	\$ 2,780,419

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, 2017 and 2016

	Health Insurance Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 13,600,086	\$ 13,680,870
Other	90,725	-
Total operating revenues	<u>13,690,811</u>	<u>13,680,870</u>
Operating expenses:		
Salaries and wages	60,644	60,729
Employee benefits	19,801	20,166
Purchased professional/technical services	1,200,919	1,491,041
Purchased property services	2,624	3,157
Other purchased services	2,892	1,041
Supplies	15,469	15,355
Other	12,645,360	11,915,921
Total operating expenses	<u>13,947,709</u>	<u>13,507,410</u>
Operating income (loss)	<u>(256,898)</u>	<u>173,460</u>
Nonoperating revenues (expenses):		
Investment earnings	16,504	9,044
Total nonoperating revenues (expenses)	<u>16,504</u>	<u>9,044</u>
Change in net position	(240,394)	182,504
Total net position, beginning of year	2,780,419	2,597,915
Total net position, end of year	<u>\$ 2,540,025</u>	<u>\$ 2,780,419</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, 2017 and 2016

	Health Insurance Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 13,690,811	\$ 13,680,870
Cash paid to suppliers for goods and services	(13,886,574)	(13,458,815)
Cash paid to employees for services	(80,174)	(80,284)
Net cash provided by (used for) operating activities	(275,937)	141,771
Cash flows from noncapital financing activities:		
Transfers from other funds	3,569	-
Transfers to other funds	-	(80,101)
Net cash provided by (used for) noncapital financing	3,569	(80,101)
Cash flows from investing activities:		
Investment earnings	16,504	9,044
Net cash provided by (used for) investing activities	16,504	9,044
Net increase (decrease) in cash and cash equivalents	(255,864)	70,714
Cash and cash equivalents, beginning of year	3,686,796	3,616,082
Cash and cash equivalents, end of year	\$ 3,430,932	\$ 3,686,796
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (256,898)	\$ 173,460
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Increase (decrease) in liabilities:		
Accounts payable	(977)	1,619
Accrued liabilities	17,938	9,692
Estimated claims and judgements	(36,000)	(43,000)
Net cash provided by (used for) operating activities	\$ (275,937)	\$ 141,771

See accompanying independent auditor's report.

Engineering Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2017 and 2016

	Engineering Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 1,125,377	\$ 790,328
Accounts receivable, net of allowance	-	731
Total current assets	1,125,377	791,059
Noncurrent assets:		
Capital assets:		
Land	24,400	24,400
Equipment	422,900	390,349
Less: accumulated depreciation and amortization	(190,967)	(168,830)
Total noncurrent assets	256,333	245,919
Total assets	1,381,710	1,036,978
Liabilities		
Current liabilities:		
Accounts payable	12,589	9,501
Accrued liabilities	86,222	49,794
Compensated absences payable	159,622	139,168
Escrow funds	538	538
Total current liabilities	258,971	199,001
Noncurrent liabilities:		
Compensated absences payable	55,594	-
Total noncurrent liabilities	55,594	-
Total liabilities	314,565	199,001
Net position		
Net investment in capital assets	256,333	245,919
Unrestricted	810,812	592,058
Total net position	\$ 1,067,145	\$ 837,977

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, 2017 and 2016

	Engineering Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 2,641,251	\$ 2,367,821
Other	4,594	7,021
Total operating revenues	2,645,845	2,374,842
Operating expenses:		
Salaries and wages	1,215,934	1,073,054
Employee benefits	445,817	403,969
Purchased professional/technical services	107,636	107,654
Purchased property services	52,611	52,611
Maintenance	68,907	40,256
Other purchased services	34,399	43,702
Supplies	60,634	44,782
Other	393,131	158,220
Depreciation/amortization	42,636	29,211
Total operating expenses	2,421,705	1,953,459
Operating income (loss)	224,140	421,383
Nonoperating revenues (expenses):		
Investment earnings	5,028	1,280
Total nonoperating revenues (expenses)	5,028	1,280
Change in net position	229,168	422,663
Total net position, beginning of year	837,977	415,314
Total net position, end of year	\$ 1,067,145	\$ 837,977

See accompanying independent auditor's report.

City of Waco, Texas
Internal Service Funds
Comparative Statement of Cash Flows
For the Years Ended September 30, 2017 and 2016

	Engineering Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 2,646,575	\$ 2,374,111
Cash paid to suppliers for goods and services	(689,000)	(444,534)
Cash paid to employees for services	(1,574,504)	(1,513,571)
Net cash provided by (used for) operating activities	383,071	416,006
Cash flows from capital and related financing activities:		
Aquisition of capital assets	(53,050)	(180,105)
Net cash provided by (used for) capital and related	(53,050)	(180,105)
Cash flows from investing activities:		
Investment earnings	5,028	1,280
Net cash provided by (used for) investing activities	5,028	1,280
Net increase (decrease) in cash and cash equivalents	335,049	237,181
Cash and cash equivalents, beginning of year	790,328	553,147
Cash and cash equivalents, end of year	\$ 1,125,377	\$ 790,328
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 224,140	\$ 421,383
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	42,636	29,211
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	731	(731)
Increase (decrease) in liabilities:		
Accounts payable	3,754	2,691
Accrued liabilities	35,762	1,977
Compensated absences payable	76,048	(38,525)
Net cash provided by (used for) operating activities	\$ 383,071	\$ 416,006

See accompanying independent auditor's report.

Fleet Services Fund

City of Waco, Texas
Internal Service Funds
Comparative Statement of Net Position
September 30, 2017 and 2016

	Fleet Services Fund	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 365,366	\$ 263,879
Accounts receivable, net of allowance	-	610
Inventory	224,311	207,061
Total current assets	589,677	471,550
Noncurrent assets:		
Capital assests:		
Land	14,400	14,400
Buildings	920,153	920,153
Improvements other than buildings	118,289	118,289
Equipment	978,967	981,002
Less: accumulated depreciation and amortization	(1,431,805)	(1,364,384)
	600,004	669,460
Total noncurrent assets	600,004	669,460
Total assets	1,189,681	1,141,010
Liabilities		
Current liabilities:		
Accounts payable	126,006	18,982
Accrued liabilities	51,391	48,994
Compensated absences payable	71,728	73,206
Total current liabilities	249,125	141,182
Total liabilities	249,125	141,182
Net position		
Net investment in capital assets	600,004	669,460
Unrestricted	340,552	330,368
Total net position	\$ 940,556	\$ 999,828

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, 2017 and 2016

	Fleet Services Fund	
	2017	2016
Operating revenues:		
Charges for services	\$ 1,801,566	\$ 1,866,715
Other	10,897	11,626
Total operating revenues	<u>1,812,463</u>	<u>1,878,341</u>
Operating expenses:		
Salaries and wages	936,019	916,329
Employee benefits	412,076	410,737
Purchased professional/technical services	16,681	18,081
Purchased property services	5,461	4,886
Maintenance	58,875	36,990
Other purchased services	29,566	31,621
Supplies	92,547	83,466
Other	236,735	285,735
Depreciation/amortization	84,696	92,440
Total operating expenses	<u>1,872,656</u>	<u>1,880,285</u>
Operating income (loss)	<u>(60,193)</u>	<u>(1,944)</u>
Nonoperating revenues (expenses):		
Investment earnings	921	532
Total nonoperating revenues (expenses)	<u>921</u>	<u>532</u>
Change in net position	(59,272)	(1,412)
Total net position, beginning of year	999,828	1,001,240
Total net position, end of year	<u>\$ 940,556</u>	<u>\$ 999,828</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, 2017 and 2016

	Fleet Service Fund	
	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 1,813,074	\$ 1,878,037
Cash paid to suppliers for goods and services	(350,092)	(581,523)
Cash paid to employees for services	(1,347,176)	(1,328,679)
Net cash provided by (used for) operating activities	115,806	(32,165)
 Cash flows from capital and related financing activities:		
Aquisition of capital assets	(15,240)	(15,418)
Net cash provided by (used for) capital and related	(15,240)	(15,418)
 Cash flows from investing activities:		
Investment earnings	921	532
Net cash provided by (used for) investing activities	921	532
Net increase (decrease) in cash and cash equivalents	101,487	(47,051)
Cash and cash equivalents, beginning of year	263,879	310,930
Cash and cash equivalents, end of year	\$ 365,366	\$ 263,879
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (60,193)	\$ (1,944)
Adjustment to reconcile operating income (loss) to net cash used provided by (used for) operating activities:		
Depreciation	84,696	92,440
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	610	(304)
Inventory	(17,251)	5,204
Increase (decrease) in liabilities:		
Accounts payable	107,025	(125,873)
Accrued liabilities	2,397	7,572
Compensated absences payable	(1,478)	(9,260)
Net cash provided by (used for) operating activities	\$ 115,806	\$ (32,165)

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 Fiduciary Net Position
Agency Funds
September 30, 2017

	Urban Renewal Agency Fund	Heart of Texas Housing Finance Corporation Fund	Waco Public Improvement District No. 2 Fund	Rural Transit Services Fund	Total Agency funds
Assets					
Cash and investments	\$ 58,869	\$ 1,781,410	\$ 20,711	\$ -	\$ 1,860,990
Accounts receivable	-	-	-	41	41
Intergovernmental receivable	-	-	-	383,039	383,039
Total assets	<u>58,869</u>	<u>1,781,410</u>	<u>20,711</u>	<u>383,080</u>	<u>2,244,070</u>
Liabilities					
Accrued liabilities	\$ 58,869	\$ 1,781,410	\$ 20,711	\$ 296,383	\$ 2,157,373
Due to other funds	-	-	-	86,697	86,697
Total liabilities	<u>58,869</u>	<u>1,781,410</u>	<u>20,711</u>	<u>383,080</u>	<u>2,244,070</u>
Net Position					
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Statistical Section

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

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

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

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

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

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

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

	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 180,681,310	\$ 187,739,263	\$ 179,653,424	\$ 174,645,915
Restricted	15,103,909	15,597,905	16,281,560	19,687,245
Unrestricted	<u>28,407,225</u>	<u>29,148,224</u>	<u>25,717,190</u>	<u>22,550,132</u>
Total governmental activities net position	<u>\$ 224,192,444</u>	<u>\$ 232,485,392</u>	<u>\$ 221,652,174</u>	<u>\$ 216,883,292</u>
Business-type activities				
Net investment in capital assets	\$ 166,834,594	\$ 177,087,342	\$ 206,111,214	\$ 213,553,436
Restricted	1,679,769	541,912	546,027	388,651
Unrestricted	<u>41,875,465</u>	<u>42,808,482</u>	<u>36,844,321</u>	<u>45,769,895</u>
Total business-type activities net position	<u>\$ 210,389,828</u>	<u>\$ 220,437,736</u>	<u>\$ 243,501,562</u>	<u>\$ 259,711,982</u>
Primary government				
Net investment in capital assets	\$ 347,515,904	\$ 364,826,605	\$ 385,764,638	\$ 388,199,351
Restricted	16,783,678	16,139,817	16,827,587	20,075,896
Unrestricted	<u>70,282,690</u>	<u>71,956,706</u>	<u>62,561,511</u>	<u>68,320,027</u>
Total primary government net position	<u>\$ 434,582,272</u>	<u>\$ 452,923,128</u>	<u>\$ 465,153,736</u>	<u>\$ 476,595,274</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											
2012	2013	2014	2015	2016	2017						
\$ 178,295,347	\$ 180,902,677	\$ 180,508,096	\$ 183,090,881	\$ 195,340,533	\$ 206,699,045						
22,291,256	19,391,804	18,895,396	20,655,062	23,224,157	28,463,123						
<u>24,430,892</u>	<u>28,460,006</u>	<u>34,063,949</u>	<u>30,545,855</u>	<u>29,764,431</u>	<u>30,980,557</u>						
<u>\$ 225,017,495</u>	<u>\$ 228,754,487</u>	<u>\$ 233,467,441</u>	<u>\$ 234,291,798</u>	<u>\$ 248,329,121</u>	<u>\$ 266,142,725</u>						
\$ 219,663,969	\$ 215,231,053	\$ 211,696,699	214,329,030	218,895,017	224,211,909						
6,834	1,180,611	1,274,319	1,370,154	700,480	867,925						
<u>48,873,949</u>	<u>60,118,510</u>	<u>65,792,573</u>	<u>63,820,011</u>	<u>68,398,739</u>	<u>73,188,454</u>						
<u>\$ 268,544,752</u>	<u>\$ 276,530,174</u>	<u>\$ 278,763,591</u>	<u>\$ 279,519,195</u>	<u>\$ 287,994,236</u>	<u>\$ 298,268,288</u>						
\$ 397,959,316	\$ 396,133,730	\$ 392,204,795	\$ 397,419,911	\$ 414,235,550	\$ 430,910,954						
22,298,090	20,572,415	20,169,715	22,025,216	23,924,637	29,331,048						
<u>73,304,841</u>	<u>88,578,516</u>	<u>99,856,522</u>	<u>94,365,866</u>	<u>98,163,170</u>	<u>104,169,011</u>						
<u>\$ 493,562,247</u>	<u>\$ 505,284,661</u>	<u>\$ 512,231,032</u>	<u>\$ 513,810,993</u>	<u>\$ 536,323,357</u>	<u>\$ 564,411,013</u>						

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

	2008	2009	2010	2011
Expenses				
Governmental activities:				
General government	\$ 12,108,481	\$ 12,551,827	\$ 14,073,197	\$ 12,378,019
Public works	11,695,922	12,790,151	12,142,355	13,227,404
Public safety	53,186,019	57,560,461	60,429,663	61,291,317
Culture and recreation	13,853,365	14,919,136	15,484,146	15,636,875
Public health	6,456,840	6,901,123	7,364,755	7,417,771
Housing and community development	2,890,693	2,808,221	3,503,811	3,339,613
Interest on long-term debt	4,863,843	4,547,034	4,342,023	4,313,467
Total governmental activities expenses	<u>105,055,163</u>	<u>112,077,953</u>	<u>117,339,950</u>	<u>117,604,466</u>
Business-type activities:				
Water	28,972,544	30,491,638	30,875,837	34,186,629
Wastewater	15,675,737	17,437,188	18,134,874	17,522,331
Solid waste	13,181,427	13,267,207	14,160,048	16,201,178
Airport	2,230,237	2,402,041	2,360,727	2,503,823
Convention services	2,779,599	3,218,934	2,830,956	2,861,523
Ranger Hall of Fame	1,363,820	1,141,497	1,280,085	1,193,004
Cameron Park Zoo	3,545,604	3,968,217	4,357,007	4,315,032
Transit services	5,980,396	6,325,930	7,259,552	7,904,160
Cottonwood Creek Golf Course	1,812,962	1,919,438	1,674,252	1,691,790
Total business-type activities expenses	<u>75,542,326</u>	<u>80,172,090</u>	<u>82,933,338</u>	<u>88,379,470</u>
Total primary government expenses	<u>180,597,489</u>	<u>192,250,043</u>	<u>200,273,288</u>	<u>205,983,936</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	267,127	239,046	285,471	342,830
Public works	13,152	-	1,366	2,550
Public safety	4,764,442	3,672,327	3,600,084	3,478,363
Culture and recreation	995,455	1,132,472	1,314,693	1,415,791
Public health	1,024,400	986,945	872,388	1,184,937
Operating grants and contributions	9,497,125	9,079,411	10,337,726	9,720,348
Capital grants and contributions	7,276,849	5,626,382	6,110,736	6,061,358
Total governmental activities program revenues	<u>23,838,550</u>	<u>20,736,583</u>	<u>22,522,464</u>	<u>22,206,177</u>

Table II

Fiscal Year									
2012	2013	2014	2015	2016	2017				
\$ 14,177,640	\$ 20,039,649	\$ 16,223,167	\$ 15,012,962	\$ 17,591,625	\$ 21,961,388				
11,844,356	13,699,976	12,205,449	12,767,308	12,385,381	13,531,718				
57,664,131	62,592,351	66,630,254	64,796,679	71,900,506	77,631,982				
15,694,840	16,544,389	16,922,912	16,510,993	17,575,724	18,409,985				
7,184,384	7,388,363	7,314,101	7,269,988	7,853,838	7,974,445				
3,664,525	2,255,720	2,974,293	2,704,824	2,421,277	2,499,865				
4,098,714	3,798,174	3,631,452	3,155,598	2,784,644	2,724,381				
<u>114,328,590</u>	<u>126,318,622</u>	<u>125,901,628</u>	<u>122,218,352</u>	<u>132,512,995</u>	<u>144,733,764</u>				
33,311,059	33,038,145	32,998,874	32,457,155	34,485,785	36,237,977				
17,634,339	18,432,230	19,263,583	18,964,527	22,024,527	22,369,323				
15,854,254	16,033,246	15,794,559	15,223,615	15,458,545	16,437,794				
2,937,967	3,083,925	3,284,396	3,496,581	3,821,305	3,948,697				
3,372,280	3,941,005	3,957,683	4,074,149	4,301,096	4,524,677				
1,209,145	1,343,575	1,326,695	1,333,639	1,444,823	1,333,563				
4,396,640	4,318,267	4,494,173	4,595,845	4,777,181	5,232,360				
7,970,314	8,046,015	8,177,708	8,188,525	8,640,336	8,360,490				
1,864,426	1,782,963	1,810,707	1,707,982	1,821,529	1,852,186				
<u>88,550,424</u>	<u>90,019,371</u>	<u>91,108,378</u>	<u>90,042,018</u>	<u>96,775,127</u>	<u>100,297,067</u>				
<u>202,879,014</u>	<u>216,337,993</u>	<u>217,010,006</u>	<u>212,260,370</u>	<u>229,288,122</u>	<u>245,030,831</u>				
243,137	277,810	192,402	243,883	271,051	282,226				
385	1,537	2,257	3,188	2,057	972				
3,050,804	3,703,991	5,520,650	5,373,858	5,995,911	5,211,330				
1,078,390	1,054,216	1,404,877	1,279,331	1,294,784	1,574,384				
1,252,049	1,260,587	1,154,091	1,158,100	1,181,667	1,248,994				
11,640,290	11,500,355	10,924,393	9,564,905	9,550,112	9,365,279				
6,883,729	7,256,153	3,272,066	6,952,118	7,269,459	9,608,784				
<u>24,148,784</u>	<u>25,054,649</u>	<u>22,470,736</u>	<u>24,575,383</u>	<u>25,565,041</u>	<u>27,291,969</u>				

(Continued)

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

	2008	2009	2010	2011
Business-type activities:				
Charges for services:				
Water	\$ 35,261,343	\$ 36,167,550	\$ 34,472,657	\$ 43,094,944
Wastewater	20,235,392	20,041,341	19,543,166	21,619,018
Solid waste	16,577,658	16,259,578	16,135,566	15,948,286
Airport	1,097,882	1,086,601	1,058,480	1,054,550
Convention services	804,295	573,967	391,758	523,983
Ranger Hall of Fame	438,610	425,434	403,946	465,324
Cameron Park Zoo	1,294,486	1,354,164	1,599,467	1,575,223
Transit services	2,462,089	2,805,887	3,221,167	3,414,289
Cottonwood Creek Golf Course	1,339,450	1,333,230	1,404,891	1,578,174
Operating grants and contributions	3,226,837	2,798,677	3,085,574	3,514,732
Capital grants and contributions	8,716,987	4,879,547	12,332,766	4,014,798
Total business-type activities program revenues	<u>91,455,029</u>	<u>87,725,976</u>	<u>93,649,438</u>	<u>96,803,321</u>
Total primary government program revenues	<u>115,293,579</u>	<u>108,462,559</u>	<u>116,171,902</u>	<u>119,009,498</u>
Net (Expense)/Revenue				
Governmental activities	(81,216,613)	(91,341,370)	(94,817,486)	(95,398,289)
Business-type activities	<u>15,912,703</u>	<u>7,553,886</u>	<u>10,716,100</u>	<u>8,423,851</u>
Total primary government net expense	<u>(65,303,910)</u>	<u>(83,787,484)</u>	<u>(84,101,386)</u>	<u>(86,974,438)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	43,222,439	46,366,310	47,489,598	48,387,467
Tax increment financing tax	3,060,732	3,741,836	4,491,616	4,660,231
Sales taxes	28,077,887	27,714,013	27,318,396	28,003,416
Franchise taxes	13,997,454	13,663,140	13,338,717	13,587,114
Other taxes	587,971	622,254	655,031	679,232
Unrestricted investment earnings	10,319,788	6,294,110	842,824	481,791
Miscellaneous	415,851	406,229	639,263	678,741
Gain on capital transaction	-	-	-	-
Transfers	443,337	826,426	(10,791,177)	(5,848,585)
Total governmental activities	<u>100,125,459</u>	<u>99,634,318</u>	<u>83,984,268</u>	<u>90,629,407</u>
Business-type activities:				
Hotel/motel taxes	1,688,943	1,703,650	1,662,308	1,754,730
Unrestricted investment earnings	1,528,629	997,329	253,637	183,254
Gain on disposal of capital assets	-	260,073	-	-
Transfers	(443,337)	(826,426)	10,791,177	5,848,585
Total business-type activities	<u>2,774,235</u>	<u>2,134,626</u>	<u>12,707,122</u>	<u>7,786,569</u>
Total primary government	<u>102,899,694</u>	<u>101,768,944</u>	<u>96,691,390</u>	<u>98,415,976</u>
Change in Net Position				
Governmental activities	18,908,846	8,292,948	(10,833,218)	(4,768,882)
Business-type activities	<u>18,686,938</u>	<u>9,688,512</u>	<u>23,423,222</u>	<u>16,210,420</u>
Total primary government	<u>\$ 37,595,784</u>	<u>\$ 17,981,460</u>	<u>\$ 12,590,004</u>	<u>\$ 11,441,538</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									
		2012	2013	2014	2015	2016	2017				
\$	38,759,662	\$	40,713,824	\$	38,600,073	\$	37,773,754	\$	39,693,677	\$	43,474,418
	21,542,770		21,718,912		21,343,556		20,827,643		23,376,856		27,826,441
	16,531,734		16,489,195		16,866,587		17,704,519		18,860,966		19,052,864
	1,065,157		1,079,297		1,142,240		1,093,157		1,118,487		1,134,454
	771,773		1,018,086		1,213,798		1,317,100		1,402,912		1,568,402
	448,449		410,728		420,414		490,917		559,262		654,740
	1,602,554		1,618,495		1,582,279		1,615,849		1,963,610		2,223,777
	3,582,781		3,540,047		3,373,782		3,775,380		4,112,010		3,606,218
	1,226,374		1,615,885		1,549,328		1,511,944		1,618,596		1,643,950
	3,415,770		3,419,959		3,869,760		3,566,046		3,734,120		4,031,927
	3,786,143		4,836,705		1,682,452		3,459,180		6,998,128		3,654,269
	<u>92,733,167</u>		<u>96,461,133</u>		<u>91,644,269</u>		<u>93,135,489</u>		<u>103,438,624</u>		<u>108,871,460</u>
	<u>116,881,951</u>		<u>121,515,782</u>		<u>114,115,005</u>		<u>117,710,872</u>		<u>129,003,665</u>		<u>136,163,429</u>
	(90,179,806)		(101,263,973)		(103,430,892)		(97,642,969)		(106,947,954)		(117,441,795)
	4,182,743		6,441,762		535,891		3,093,471		6,663,497		8,574,393
	<u>(85,997,063)</u>		<u>(94,822,211)</u>		<u>(102,895,001)</u>		<u>(94,549,498)</u>		<u>(100,284,457)</u>		<u>(108,867,402)</u>
	49,373,010		51,184,254		51,585,835		55,028,271		58,427,545		63,095,312
	5,004,192		5,916,309		5,573,984		6,296,710		7,750,330		10,234,498
	29,186,254		31,075,760		33,487,659		35,813,531		37,371,461		38,135,659
	13,682,123		13,405,186		14,181,593		13,762,575		13,734,655		14,238,292
	650,815		676,254		785,905		871,076		910,456		1,063,684
	360,561		308,603		323,760		476,804		855,366		1,644,507
	882,450		2,153,305		1,196,841		1,214,952		1,450,460		1,702,214
	1,730,200		290,376		105,278		-		-		3,420,000
	(2,555,596)		81,051		902,991		2,537,789		485,004		1,721,233
	<u>98,314,009</u>		<u>105,091,098</u>		<u>108,143,846</u>		<u>116,001,708</u>		<u>120,985,277</u>		<u>135,255,399</u>
	1,897,865		2,095,987		2,403,171		2,707,056		3,204,122		3,724,543
	196,566		159,463		197,346		289,580		378,946		462,647
	-		-		-		-		-		-
	2,555,596		(81,051)		(902,991)		(2,537,789)		(485,004)		(1,721,233)
	<u>4,650,027</u>		<u>2,174,399</u>		<u>1,697,526</u>		<u>458,847</u>		<u>3,098,064</u>		<u>2,465,957</u>
	<u>102,964,036</u>		<u>107,265,497</u>		<u>109,841,372</u>		<u>116,460,555</u>		<u>124,083,341</u>		<u>137,721,356</u>
	8,134,203		3,827,125		4,712,954		18,358,739		14,037,323		17,813,604
	<u>8,832,770</u>		<u>8,616,161</u>		<u>2,233,417</u>		<u>3,552,318</u>		<u>9,761,561</u>		<u>11,040,350</u>
\$	<u>16,966,973</u>	\$	<u>12,443,286</u>	\$	<u>6,946,371</u>	\$	<u>21,911,057</u>	\$	<u>23,798,884</u>	\$	<u>28,853,954</u>

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

	2008	2009	2010	2011
General Fund				
Reserved:				
Encumbrances	\$ 1,050,106	\$ 802,620	\$ -	\$ -
Real estate held for sale	12,465	12,465	-	-
Advances to other funds	735,178	684,848	-	-
Nonspendable:				
Advances to other funds	-	-	625,559	683,391
Inventory	-	-	548,182	529,830
Real estate held for resale	-	-	6,160	6,160
Restricted for:				
Municipal information equipment	-	-	11,956	-
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Committed to:				
Economic development	-	-	8,072,729	8,394,212
Culture and recreation	-	-	-	2,500,000
Assigned to:				
Capital improvements	-	-	1,439,202	2,061,231
Economic development	-	-	1,549,117	1,137,659
Housing and community development	-	-	77,241	1,040,666
Public works	-	-	31,773	-
Public safety	-	-	119,502	297,238
Culture and recreation	-	-	476,209	151,913
Subsequent year's budget appropriation of fund balances	-	-	-	-
Other	-	-	69,031	67,868
Unreserved/Unassigned	<u>22,838,054</u>	<u>22,039,924</u>	<u>18,215,089</u>	<u>17,850,409</u>
Total General Fund	<u>\$ 24,635,803</u>	<u>\$ 23,539,857</u>	<u>\$ 31,241,750</u>	<u>\$ 34,720,577</u>

Table III

		Fiscal Year					
		2012	2013	2014	2015	2016	2017
\$	-	\$	-	\$	-	\$	-
	-		-		-		-
	-		-		-		-
	48,388		-		-		-
	504,736		536,785		734,557		849,594
	6,160		6,160		6,160		6,160
	1,350		636,993		703,924		751,247
	365,900		689,343		918,377		755,927
	-		377,841		83,856		119,629
	-		100,996		-		-
	7,597,032		8,719,518		9,532,164		9,722,702
	-		-		-		-
	3,838,635		9,073,859		15,050,171		4,810,928
	2,810,428		6,078,636		3,048,263		5,740,957
	45,000		25,000		25,000		142,117
	14,942		470,084		4,677		352,180
	262,804		10,173		140,595		189,501
	47,622		15,305		16,230		150,601
	-		-		-		7,108,799
	120,684		124,312		490,289		220,123
	21,984,507		19,604,248		21,043,396		23,392,619
\$	<u>37,648,188</u>	\$	<u>46,469,253</u>	\$	<u>51,797,659</u>	\$	<u>54,313,084</u>
						\$	<u>56,071,930</u>
						\$	<u>60,822,672</u>

(Continued)

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

	2008	2009	2010	2011
All Other Governmental Funds:				
Reserved:				
Encumbrances	\$ 12,140,585	\$ 14,951,750	\$ -	\$ -
Real estate held for sale	40,709	40,709	-	-
Advances to other funds	168,368	168,368	-	-
Debt service	781,972	677,027	-	-
Purpose of trust	465,585	472,768	-	-
Unreserved, reported in:				
Special revenue funds	15,176,240	18,236,909	-	-
Capital projects funds	73,414,437	64,550,113	-	-
Nonspendable:				
Parks and cemetery care	-	-	473,362	474,415
Inventory	-	-	-	-
Restricted for:				
Debt service	-	-	460,001	373,263
Capital projects	-	-	47,889,104	38,873,017
Tax increment zone activities	-	-	9,856,300	12,411,165
Housing and community development	-	-	201,803	215,175
Public safety	-	-	1,565,589	1,439,842
Culture and recreation	-	-	524,529	1,186,432
Waco Public Improvement District	-	-	347,093	413,153
Committed to:				
Capital projects	-	-	978,893	1,029,132
Public health	-	-	232,377	-
Unassigned	-	-	-	(97,276)
Total all other governmental funds	\$ 102,187,896	\$ 99,097,644	\$ 62,529,051	\$ 56,318,318

Source: Comprehensive Annual Financial Reports

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

Table III

		Fiscal Year					
		2012	2013	2014	2015	2016	2017
\$	-	\$	-	\$	-	\$	-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	475,431		477,891		478,848		466,997
	-		-		-		131,805
	230,130		238,053		185,902		491,257
	23,348,990		15,531,634		11,828,967		7,184,956
	14,565,233		10,960,465		10,891,785		13,579,596
	233,556		2,717,040		2,373,713		2,106,677
	2,314,311		1,831,495		1,406,274		1,442,749
	1,194,942		755,434		1,302,930		450,821
	520,765		611,577		645,008		716,835
	1,308,537		1,443,453		2,582,281		15,665,156
	157,585		351,412		561,880		820,811
	-		-		-		-
\$	<u>44,349,480</u>	\$	<u>34,918,454</u>	\$	<u>32,257,588</u>	\$	<u>43,057,660</u>
						\$	<u>41,194,312</u>
						\$	<u>56,695,874</u>

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

	2008	2009	2010	2011
Revenues:				
Taxes:				
Sales	\$ 28,077,887	\$ 27,714,013	\$ 27,318,396	\$ 28,003,416
Property	45,855,023	49,627,810	51,354,302	52,587,053
Interest and penalty	476,176	468,021	539,666	545,059
Business and occupation fees	13,997,454	13,663,140	13,338,717	13,587,115
Permits, licenses and fees	2,365,457	2,023,919	1,901,686	1,682,153
Fines	2,326,020	2,188,574	2,054,487	1,815,418
Charges for services	1,372,169	1,545,120	1,751,702	1,779,213
Investment earnings	10,019,870	6,066,254	773,739	440,229
Contributions	1,313,646	2,147,972	627,197	350,827
Intergovernmental	9,627,740	9,795,311	12,812,272	11,001,361
Program income	540,969	244,575	1,991,904	521,371
Other	7,731,057	7,781,494	8,387,706	8,832,941
Total revenues	<u>123,703,468</u>	<u>123,266,203</u>	<u>122,851,774</u>	<u>121,146,156</u>
Expenditures:				
General government	20,398,112	20,828,176	19,695,545	18,067,565
Public works	3,294,892	1,969,524	2,235,645	2,753,649
Public safety	51,914,828	54,260,356	58,519,975	56,363,026
Culture and recreation	12,240,672	13,173,083	13,149,983	12,932,267
Housing and community development	3,808,125	3,600,810	4,143,724	3,321,373
Public health	6,494,336	6,799,722	7,240,481	7,155,606
Capital outlay	14,726,146	17,592,890	40,944,884	20,198,033
Debt service:				
Principal	6,963,545	7,144,536	7,270,310	6,967,663
Interest and fiscal charges	4,725,942	4,604,103	4,211,528	4,192,140
Bond issuance costs	27,237	58,014	70,242	500
Total expenditures	<u>124,593,835</u>	<u>130,031,214</u>	<u>157,482,317</u>	<u>131,951,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(890,367)</u>	<u>(6,765,011)</u>	<u>(34,630,543)</u>	<u>(10,805,666)</u>
Other financing sources (uses):				
General obligation bonds issued	3,775,000	-	4,925,000	7,285,000
Refunding bonds issued	-	5,802,122	2,900,000	-
Capital leases	189,395	-	-	-
Premiums on general obligation bonds	27,104	115,070	29,024	54,583
Premiums on refunding bonds	-	-	202,379	-
Payments to refunded bond escrow agent	-	(5,950,970)	(3,093,588)	-
Transfers in	20,307,345	16,106,280	13,394,260	12,781,678
Transfer out	(18,921,570)	(13,768,171)	(12,593,232)	(12,047,501)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources	<u>5,377,274</u>	<u>2,304,331</u>	<u>5,763,843</u>	<u>8,073,760</u>
Net change in fund balances	<u>\$ 4,486,907</u>	<u>\$ (4,460,680)</u>	<u>\$ (28,866,700)</u>	<u>\$ (2,731,906)</u>
Debt service as a percentage of noncapital expenditures	10.65%	10.24%	8.87%	9.28%

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									
		2012	2013	2014	2015	2016	2017				
\$	29,186,254	\$	31,075,760	\$	33,487,659	\$	35,813,531	\$	37,371,461	\$	38,135,659
	53,995,242		57,093,126		56,684,455		61,177,819		65,988,509		73,161,668
	558,497		864,693		507,622		598,772		620,805		620,791
	13,682,123		13,405,186		14,181,593		13,762,575		13,734,655		14,238,292
	2,069,365		2,361,710		2,519,019		2,454,494		2,739,022		2,618,623
	1,647,361		1,915,904		2,555,149		2,506,051		2,569,317		2,054,255
	1,501,983		1,643,861		1,639,054		1,749,690		1,834,544		1,939,164
	325,873		285,712		296,370		436,017		825,795		1,574,399
	269,577		504,130		883,815		3,490,258		1,419,645		1,244,774
	9,625,197		10,888,461		10,278,693		9,968,503		9,175,975		11,344,302
	608,810		297,998		338,265		289,272		298,107		222,053
	9,166,618		10,327,351		10,028,613		10,971,694		11,238,248		11,080,269
	<u>122,636,900</u>		<u>130,663,892</u>		<u>133,400,307</u>		<u>143,218,676</u>		<u>147,816,083</u>		<u>158,234,249</u>
	19,881,170		27,395,172		24,937,624		22,826,332		25,611,309		28,421,391
	2,051,156		3,214,854		2,583,490		1,405,812		1,879,964		1,643,939
	55,143,283		60,765,347		62,521,778		62,557,857		67,172,300		70,051,351
	14,773,781		12,792,566		13,998,629		13,543,825		13,427,467		17,688,310
	3,469,303		3,088,943		3,160,091		2,897,236		2,370,097		2,576,675
	6,993,107		7,271,899		7,267,366		7,247,059		7,533,938		7,588,586
	23,954,367		14,814,436		10,002,288		14,758,838		26,453,338		13,884,468
	7,090,342		5,912,954		5,340,143		5,585,000		5,895,000		6,685,000
	4,194,170		3,946,312		3,788,820		3,437,349		3,283,750		3,240,961
	68,981		35,891		26,107		250,679		99,402		84,655
	<u>137,619,660</u>		<u>139,238,374</u>		<u>133,626,336</u>		<u>134,509,987</u>		<u>153,726,565</u>		<u>151,865,336</u>
	<u>(14,982,760)</u>		<u>(8,574,482)</u>		<u>(226,029)</u>		<u>8,708,689</u>		<u>(5,910,482)</u>		<u>6,368,913</u>
	3,480,000		2,175,000		1,645,000		1,695,000		3,805,000		11,465,000
	6,465,000		1,700,000		-		34,125,000		1,945,000		-
	145,351		-		-		-		-		-
	10,594		168,544		59,040		57,044		334,219		451,335
	792,695		316,832		-		6,804,247		136,375		-
	(7,243,886)		(1,999,938)		-		(40,676,302)		(2,055,353)		-
	15,015,607		14,935,710		17,504,831		26,296,892		23,677,980		22,351,642
	(14,513,914)		(13,145,858)		(16,420,580)		(23,695,073)		(22,037,241)		(20,384,586)
	1,790,086		290,376		105,278		-		-		-
	<u>5,941,533</u>		<u>4,440,666</u>		<u>2,893,569</u>		<u>4,606,808</u>		<u>5,805,980</u>		<u>13,883,391</u>
\$	<u>(9,041,227)</u>	\$	<u>(4,133,816)</u>	\$	<u>2,667,540</u>	\$	<u>13,315,497</u>	\$	<u>(104,502)</u>	\$	<u>20,252,304</u>
	9.85%		7.94%		7.49%		7.49%		7.24%		7.31%

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

Category	2017	2016	2015	2014
Real - residential single family	\$ 3,666,787,394	\$ 3,442,331,305	\$ 3,330,608,637	\$ 3,193,078,012
Real - residential multi-family	854,447,458	710,274,847	600,033,734	552,903,404
Real - platted lots & residential inventory	216,913,884	179,995,100	192,366,941	185,737,380
Real - acreage, land only	77,014,810	69,022,094	74,636,662	66,466,703
Real - improved farm & ranch	34,974,967	29,242,020	32,499,555	28,871,288
Real - commercial & industrial	2,444,560,582	2,221,110,921	2,051,472,009	1,885,152,286
Real and tangible personal - utilities	192,815,272	202,959,032	177,491,413	147,349,253
Tangible personal - business	1,926,700,880	1,844,415,017	1,724,904,133	1,674,043,041
Tangible personal - other	2,325,700	2,406,350	2,424,330	2,328,520
Total market value	9,416,540,947	8,701,756,686	8,186,437,414	7,735,929,887
Less total exemptions	943,172,583	939,650,349	916,313,922	927,340,793
Taxable assessed value	\$ 8,473,368,364	\$ 7,762,106,337	\$ 7,270,123,492	\$ 6,808,589,094
Total direct tax rate per \$100 of taxable assessed value	\$ 0.776232	\$ 0.776232	\$ 0.776232	\$ 0.776232
Estimated actual taxable value	\$ 9,416,540,947	\$ 8,701,756,686	\$ 8,186,437,414	\$ 7,735,929,887
Taxable assessed value as a percentage of actual taxable value	90.0%	89.2%	88.8%	88.0%

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

Table V

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 3,145,755,030	\$ 2,964,790,976	\$ 2,899,061,978	\$ 2,831,728,139	\$ 2,786,526,338	\$ 2,525,731,582
540,947,926	530,246,728	527,542,939	506,927,890	481,461,020	450,937,111
161,765,042	159,734,533	158,194,756	166,731,693	159,010,177	140,742,891
73,968,631	73,351,221	72,134,192	61,537,818	52,701,391	47,734,843
18,486,406	19,298,600	19,050,487	18,251,255	16,724,697	16,424,746
1,839,811,136	1,820,432,553	1,769,330,218	1,712,740,259	1,590,177,832	1,465,906,212
140,452,424	138,700,708	142,912,428	147,985,807	138,718,155	157,931,476
1,667,295,558	1,566,759,638	1,473,384,230	1,458,577,289	1,393,542,226	1,318,022,800
<u>2,236,139</u>	<u>2,442,607</u>	<u>2,054,003</u>	<u>2,329,066</u>	<u>2,488,121</u>	<u>2,423,748</u>
7,590,718,292	7,275,757,564	7,063,665,231	6,906,809,216	6,621,349,957	6,125,855,409
<u>938,850,655</u>	<u>829,201,392</u>	<u>783,127,564</u>	<u>732,167,475</u>	<u>611,165,570</u>	<u>519,979,729</u>
<u>\$ 6,651,867,637</u>	<u>6,446,556,172</u>	<u>\$ 6,280,537,667</u>	<u>\$ 6,174,641,741</u>	<u>\$ 6,010,184,387</u>	<u>\$ 5,605,875,680</u>
<u>\$ 0.786232</u>	<u>\$ 0.786232</u>	<u>0.786232</u>	<u>\$ 0.786232</u>	<u>\$ 0.786232</u>	<u>\$ 0.786232</u>
<u>\$ 7,590,718,292</u>	<u>7,275,757,564</u>	<u>\$ 7,063,665,231</u>	<u>\$ 6,906,809,216</u>	<u>\$ 6,621,349,957</u>	<u>\$ 6,125,855,409</u>
87.6%	88.6%	88.9%	89.4%	90.8%	91.5%

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
2008	0.580229	0.206003	0.786232	1.162050	1.450000	1.205920	0.153002
2009	0.592848	0.193384	0.786232	1.359149	1.429637	1.182827	0.151134
2010	0.603720	0.182512	0.786232	1.366350	1.437240	1.238915	0.156332
2011	0.611239	0.174993	0.786232	1.364750	1.407000	1.365000	0.156306
2012	0.613251	0.172981	0.786232	1.360998	1.411400	1.365000	0.152823
2013	0.637434	0.148798	0.786232	1.355180	1.374402	1.420000	0.151530
2014	0.639191	0.137041	0.776232	1.354800	1.540000	1.420000	0.151530
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

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

Source: McLennan County Appraisal District

Table VI

Overlapping Rates						
McLennan County	Connally Independent School District	Midway Independent School District	Bosqueville Independent School District	Lorena Independent School District	Robinson Independent School District	McGregor Independent School District
0.452900	1.280000	1.290000	1.274290	1.248406	1.175132	1.190000
0.450500	1.230000	1.320000	1.561346	1.247370	1.180000	1.210000
0.443100	1.270000	1.320000	1.555070	1.247450	1.316000	1.190000
0.442710	1.288824	1.320000	1.545259	1.270000	1.315000	1.190000
0.442710	1.281105	1.320000	1.537596	1.290000	1.315000	1.190000
0.460573	1.269091	1.320000	1.478460	1.310000	1.315000	1.185000
0.535293	1.265653	1.320000	1.487914	1.620000	1.315000	1.355000
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

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

Fiscal year 2017

<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Valuation</u>
Allergan, Inc.	\$ 83,958,099	0.99 %
Sanderson Farms Inc.	75,402,871	0.89 %
Mars Snackfood US L.L.C.	71,898,740	0.85 %
L-3 Communications Integrated Systems L.P.	70,646,150	0.83 %
Owens-Brockway Glass Container Inc.	68,095,958	0.80 %
Coca Cola Company	65,486,615	0.77 %
A H P LLC.	60,427,652	0.71 %
Inland Western Waco Central, L.P.	57,858,700	0.68 %
Oncor Electric Delivery Co.	56,007,547	0.66 %
Caterpillar Logistics Inc.	<u>47,742,657</u>	<u>0.56 %</u>
Total	\$ <u><u>657,524,989</u></u>	<u><u>7.74 %</u></u>

Source: McLennan County Appraisal District

Table VII

Fiscal Year 2008

Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
MasterFoods USA (M & M Mars)	\$ 81,740,561	1.46 %
Coca Cola Company	56,516,289	1.01 %
TXU Electric Delivery Co.	52,339,570	0.93 %
Inland Western Waco Central, L.P.	51,125,409	0.91 %
CBL/Richland Mall, L.P.	37,870,429	0.68 %
Pilgrim's Pride Corp.	37,130,402	0.66 %
Southwestern Bell Telephone Co.	34,780,412	0.62 %
L-3 Communications Corp.	32,498,471	0.58 %
Allergan, Inc.	31,984,676	0.57 %
Owens-Illinois Glass Container, Inc.	<u>27,539,007</u>	<u>0.49 %</u>
Total	\$ <u><u>443,525,226</u></u>	<u><u>7.91 %</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>
2008	\$ 43,188,911	886,276	44,075,187	(144,524)
2009	46,270,500	1,268,052	47,538,552	(476,036)
2010	47,639,260	1,261,899	48,901,159	(672,031)
2011	48,078,029	1,247,577	49,325,606	(139,292)
2012	49,428,253	1,516,082	50,944,335	(530,991)
2013	50,896,824	1,541,926	52,438,750	(267,930)
2014	51,208,846	1,582,983	52,791,829	(33,164)
2015	54,676,069	1,792,277	56,468,346	(162,675)
2016	58,055,153	2,224,388	60,279,541	(316,074)
2017	62,891,323	3,094,279	65,985,602	(401,417)

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
43,930,663	43,320,216	98.61	512,213	43,832,429	99.78
47,062,516	46,373,974	98.54	579,476	46,953,450	99.77
48,229,128	47,367,935	98.21	723,458	48,091,393	99.71
49,186,314	48,312,012	98.22	785,656	49,097,668	99.82
50,413,344	49,634,551	98.46	689,405	50,323,956	99.82
52,170,820	51,511,537	98.74	513,963	52,025,500	99.72
52,758,665	52,019,615	98.60	567,356	52,586,971	99.67
56,305,671	55,622,582	98.79	352,101	55,974,683	99.41
59,963,467	59,465,589	99.17	209,280	59,674,869	99.52
65,584,184	64,907,474	98.97	-	64,907,474	98.97

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		
2008	\$ 106,052,032	469,757	2,405,819	830,000	80,007	-	248,087,985	
2009	99,232,249	128,270	2,022,392	830,000	80,007	-	235,015,348	
2010	97,278,450	65,154	1,631,012	830,000	80,007	-	232,934,268	
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	

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>			Total Primary Government	Percentage of Actual Taxable Value Population of Property (3)	Population of City	Per Capita
<u>Notes Payable</u>	<u>Refundable Contracts</u>	<u>Contracts Payable</u>				
17,273,375	2,317,119	-	377,516,094	6.73%	122,506	3,082
17,217,472	3,185,854	-	357,711,592	5.95%	123,650	2,893
17,159,087	2,466,492	-	352,444,470	5.71%	124,805	2,824
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

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
2008	356,545,836	355,119	356,190,717	6.35%	122,506	2,908
2009	336,269,989	403,845	335,866,144	5.59%	123,650	2,716
2010	331,843,730	183,371	331,660,359	5.37%	124,805	2,657
2011	319,965,302	49,695	319,915,607	5.09%	125,971	2,540
2012	302,676,189	33,913	302,642,276	4.69%	127,018	2,383
2013	319,851,384	-	319,851,384	4.76%	128,125	2,496
2014	311,556,559	-	311,556,559	4.58%	129,241	2,411
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

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)
Last Ten Fiscal Years

Taxing Authority	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Debt Overlapping Debt
Debt repaid with property taxes:			
Waco Independent School District	\$ 159,795,000	95.64%	\$ 152,827,938
Bosqueville Independent School District	8,564,999	79.34%	6,795,470
McLennan Community College	61,495,000	57.06%	35,089,047
McLennan County	26,285,000	57.06%	14,998,221
Midway Independent School District	98,396,965	54.00%	53,134,361
LaVega Independent School District	40,064,834	40.29%	16,142,122
China Spring Independent School District	38,090,000	41.79%	15,917,811
Connally Independent School District	14,530,000	18.78%	2,728,734
Lorena Independent School District	29,356,910	2.23%	654,659
McGregor Independent School District	<u>25,015,866</u>	0.12%	<u>30,019</u>
Subtotal, overlapping debt	<u>\$ 501,594,574</u>		<u>\$ 298,318,382</u>
City direct debt:			
City of Waco direct debt	\$ 88,004,702	100.00%	\$ 88,004,702
Tax increment financing	285,000	100.00%	285,000
Other	<u>1,555,695</u>	100.00%	<u>1,555,695</u>
Subtotal, direct debt	<u>\$ 89,845,397</u>		<u>\$ 89,845,397</u>
Total direct and overlapping debt	<u>\$ 591,439,971</u>		<u>\$ 388,163,779</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, 2017.

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

Fiscal Year		Gross Revenue (1)	Less: Operating Expenses (2)	Water and Net Revenue Available for Debt Service
2008	(4)	56,859,579	29,823,743	27,035,836
2009	(4)	57,350,687	33,138,169	24,212,518
2010	(4)	54,797,775	34,602,793	20,194,982
2011	(4)	65,111,936	34,030,334	31,081,602
2012	(4)	60,733,168	32,836,116	27,897,052
2013	(4)	62,795,257	34,036,064	28,759,193
2014	(4)	60,346,778	35,497,646	24,849,132
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

(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)			
Principal	Interest	Total	Coverage
9,779,139	11,912,439	21,691,578	1.25 %
11,180,464	10,895,340	22,075,804	1.10 %
11,444,691	10,469,188	21,913,879	0.92 %
10,997,337	10,431,335	21,428,672	1.45 %
11,614,658	10,078,055	21,692,713	1.29 %
11,067,045	9,203,092	20,270,137	1.42 %
10,699,857	8,698,336	19,398,193	1.28 %
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 %



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
2008	246,735	7,472,025	30,284	27.6	4.6%
2009	249,441	7,519,261	30,144	25.3	6.7%
2010	253,819	7,887,821	31,077	28.2	7.2%
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	N/A	N/A	N/A	N/A	3.3%

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 2015 American Community Surveys. Unemployment rates provided by the Bureau of Labor Statistics. 2017 rate is as of October.

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

2017		
Employer	Employees	Percentage of Total City Employment
Baylor University	2,901	2.49 %
Waco Independent School District	2,471	2.12 %
Providence Healthcare Network	2,401	2.06 %
Baylor Scott & White Medical Center-Hillcrest	1,725	1.48 %
H.E.B. Stores	1,600	1.37 %
City of Waco	1,456	1.25 %
L-3 Communications	1,349	1.16 %
Midway Independent School District	1,282	1.10 %
Sanderson Farms, Inc.	1,215	1.04 %
Wal-Mart Stores	1,026	0.88 %
	17,426	14.95 %
Total	17,426	14.95 %

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

Table XIV

2008		
Employer	Employees	Percentage of Total City Employment
Providence Health Center	2,434	2.11 %
Baylor University	2,360	2.05 %
Waco Independent School District	2,350	2.04 %
City of Waco	1,729	1.50 %
Hillcrest Health System	1,700	1.47 %
L3 Communications Integrated Systems	1,619	1.40 %
H.E.B. Stores	1,350	1.17 %
Wal-Mart Stores	1,290	1.12 %
Sanderson Farms, Inc	1,170	1.01 %
Midway Independent School District	955	0.83 %
	<hr/>	<hr/>
Total	<u>16,957</u>	<u>14.71 %</u>

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

Function:	2008	2009	2010	2011
General Government	132.36	132.46	132.23	128.73
Public Works	59.00	60.00	60.00	58.00
Public Safety	602.13	601.98	608.01	605.93
Culture and Recreation	186.65	184.11	197.73	196.31
Housing and Community Development	18.75	18.90	19.50	22.45
Public Health	82.93	83.93	83.60	86.75
Water	117.00	120.25	124.25	122.75
Wastewater/WMARSS	68.75	68.75	68.75	69.25
Solid Waste	98.00	101.50	101.50	103.00
Airport	16.40	16.40	15.02	13.77
Convention Services	36.13	34.88	35.88	34.38
Ranger Hall of Fame	14.50	15.50	15.50	15.50
Cameron Park Zoo	51.29	52.28	51.41	51.16
Cottonwood Creek Golf Course	15.96	15.96	15.96	15.96
Insurance/Risk Management	7.00	7.00	7.00	8.00
Engineering	26.00	26.00	25.00	24.00
Fleet Services	25.00	25.00	25.00	25.00
Total	<u>1,557.85</u>	<u>1,564.90</u>	<u>1,586.34</u>	<u>1,580.94</u>

General Government:

City Manager's Office, Budget/Audit, 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, Animal Shelter

Culture and Recreation

Library, Parks and Recreation

Housing

Housing, Community Development

Source: City of Waco Budget Office

Table XV

Fiscal Year					
2012	2013	2014	2015	2016	2017
129.26	142.78	144.80	147.80	160.48	163.43
56.00	59.00	59.00	57.00	53.00	46.00
603.43	604.75	610.25	622.95	620.12	618.23
189.18	185.45	185.45	185.41	188.22	189.90
20.18	19.48	19.48	20.19	19.62	19.04
86.55	82.55	83.00	81.50	80.50	81.50
122.25	126.25	125.25	123.25	123.68	123.31
68.75	71.75	72.75	72.75	73.32	74.83
101.00	99.00	96.00	93.50	90.00	91.39
13.77	13.77	13.77	13.52	13.52	13.40
33.63	33.20	35.71	35.70	34.95	34.96
15.50	15.50	15.50	15.50	15.50	15.14
51.16	51.11	51.10	51.36	51.36	50.82
15.96	15.96	13.00	13.00	13.00	13.00
8.00	8.00	8.00	6.00	6.00	5.00
24.00	24.00	24.00	24.00	23.00	25.90
25.00	25.00	27.00	27.00	27.00	29.00
<u>1,563.62</u>	<u>1,577.55</u>	<u>1,584.06</u>	<u>1,590.43</u>	<u>1,593.27</u>	<u>1,594.85</u>

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

Function:	2008	2009	2010	2011
Public Safety				
Police				
Number of Sworn Employees - Budgeted	245	245	245	245
Number of Traffic Citations	23,212	17,804	16,556	9,676
Number of Class "C" Citations	3,404	3,790	2,805	2,413
Calls Dispatched	116,442	111,717	107,825	106,233
Fire				
Number of Sworn Employees - Budgeted	192	192	195	195
Number of Fire Responses	10,089	9,537	9,383	9,257
Public Works				
Street Resurfacing (miles)	7.25	9.82	7.98	9.60
Culture and Recreation				
Parks and Recreation				
Number of Teams in Athletic Leagues	440	383	365	353
Number of Participants in Track/Field Events	247	258	262	292
Number of Participants in After School	2,671	3,560	3,478	3,586
Library				
Volumes in Collection	319,754	331,791	338,316	309,439
E-books Available to Public	30,899	31,245	30,962	28,321
Water				
Number of Water Connections	41,752	42,391	42,722	43,078
Average Daily Water Consumption (gallons)	28,009,000	28,671,000	26,221,000	32,351,000
Maximum Storage Capacity (gallons)	42,143,000	42,143,000	42,143,000	42,143,000
Solid Waste (Residential)				
Refuse Collected (tons)	45,572	45,138	47,658	47,512
Bulky/Brush Pickups (tons)	5,162	5,614	6,452	6,956
Recyclables Collected (tons)	2,415	2,898	2,859	2,580
Golf Course				
Number of Paid Rounds Played	45,581	44,306	36,838	42,824

Source: City of Waco Departments

Table XVI

Fiscal Year					
2012	2013	2014	2015	2016	2017
245	246	247	247	247	247
9,632	14,439	21,995	13,626	10,903	10,682
2,793	3,203	3,042	2,432	2,642	2,005
109,216	113,593	109,718	114,494	109,785	102,693
195	195	201	204	204	204
9,657	9,565	8,893	9,424	9,208	13,336
11.50	25.20	18.33	9.96	23.32	37.70
359	330	322	283	254	352
210	305	340	311	324	288
3,758	4,060	4,391	4,941	4,532	4,779
313,596	318,633	331,674	345,903	326,883	336,667
36,609	36,664	38,994	38,936	39,837	11,541
43,297	44,336	44,912	45,042	45,914	46,543
28,107,000	28,920,000	24,035,699	27,645,000	26,502,074	26,374,910
42,143,000	42,143,000	42,143,000	42,143,000	42,143,000	42,143,000
51,257	52,890	54,477	59,596	58,732	60,494
7,940	5,847	7,381	14,397	13,599	13,931
2,619	3,011	3,302	3,422	3,104	3,164
34,760	39,894	38,232	38,571	37,881	39,878

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

	2008	2009	2010	2011
Function:				
Public safety				
Police:				
Stations	1	1	1	1
Staffed substations	3	4	4	4
Patrol units - equipped for arrest use	71	71	71	71
Fire stations	14	14	14	14
Highways and streets				
Streets - paved (miles)	588	593	595	600
Streetlights - City-owned	2,194	2,197	2,282	2,295
Streetlights - Leased	6,849	6,910	6,059	6,084
Traffic control signals	198	198	198	194
Traffic beacons and flashers	101	100	102	102
Culture and recreation				
Parks acreage	1,235	1,235	1,235	1,235
Parks	44	44	46	46
Swimming pools	2	2	1	1
Tennis courts	36	36	36	36
Community centers	3	3	5	5
Water				
Water mains (miles)	927	954	864	885
Fire hydrants	4,739	4,935	5,032	5,165
Maximum daily capacity (thousands of gallons)	66,000	66,000	75,000	75,000
Wastewater				
Sanitary sewers (miles)	818	831	737	747
Storm sewers (miles)	353	350	343	345
Maximum daily capacity (thousands of gallons)	37,800	37,800	37,800	37,800

N/A Not available

Source: City of Waco Departments

Table XVII

Fiscal Year					
2012	2013	2014	2015	2016	2017
1	1	1	1	1	1
4	3	3	2	2	2
71	71	71	74	80	90
14	14	14	14	14	13
599	603	604	605	609	612
2,295	2,310	2,310	2,316	2,320	2,412
6,127	6,228	6,228	6,248	6,039	6,039
195	198	198	198	182	182
105	108	110	116	100	106
1,235	1,271	1,271	1,266	1,266	1,655
46	46	56	56	56	56
-	-	1	1	1	3
36	34	29	29	29	29
5	5	5	5	5	6
1,021	1,035	1,043	1,042	1,051	1,076
5,229	5,362	5,398	5,457	5,522	5,663
75,000	75,000	75,000	75,000	75,000	75,000
843	846	850	852	866	874
347	351	355	358	362	367
46,500	46,500	46,500	46,500	46,500	46,500

