

***Comprehensive Annual Financial Report***

of the



***City of Waco, Texas***

Prepared by the  
Finance Department  
Year Ended September 30, 2015



**City of Waco, Texas**  
Comprehensive Annual Financial Report  
Year Ended September 30, 2015

**MAYOR**

Malcolm Duncan, Jr.

**CITY COUNCIL**

Wilbert Austin, Mayor Pro Tem  
Alice Rodriguez  
John Kinnaird  
Dillon Meek  
Kyle Deaver

**CITY MANAGER**

Dale A. Fisseler, P.E.

**DEPUTY CITY MANAGER**

Wiley Stem, III

**ASSISTANT CITY MANAGERS**

Jack Harper, II  
Cynthia Garcia  
Deidra Emerson

**DIRECTOR OF FINANCE**

Janice Andrews, CPA



# City of Waco, Texas

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January 15, 2016

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, 2015, 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 OMB Circular A-133. Jaynes, Reitmeier, Boyd & Therrell, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Waco's financial statements for the year ended September 30, 2015. The independent auditor's report is presented in the financial section of this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and the *Uniform Grant Management Standards* of the State of Texas. As a part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state award programs, as well as to determine that the City has complied with applicable laws and regulations. The independent auditor's reports related specifically to the single audit are included in separate single audit reports.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A 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 23rd largest city in Texas and the county seat of McLennan County, which has an area of more than 1,000 square miles. Historically, the City has been a trade and agricultural center for the Central Texas region. Efforts by the community's leadership over the past several years have led to diversification in the regional economy, a major factor contributing to significant improvement in growth and development.

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

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

The City provides the following services as authorized by its charter: public safety, highways and streets, health and social services, cultural and recreational services, public improvements, planning and zoning, and general administrative services. In addition to general government activities, the City provides water, wastewater and solid waste services, a municipal airport, a public transit system and a convention center. The City also is financially accountable for 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, and an eye care products manufacturer. Additionally, there are a couple of retail shopping centers, an electric utility, a disposable diaper manufacturer and a couple of warehouses. Eight of the top ten employers are education, government, healthcare or manufacturing related.

The educational sector contributes significantly to the City’s economic stability. Waco is the home of Baylor University, a private university with a student enrollment of approximately 16,200. Baylor offers undergraduate degrees in 141 fields, 75 master’s degree programs and 37 doctoral programs. McLennan Community College (MCC) is a public, two-year college with an enrollment of over 8,300 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 4,100, Texas State Technical College offers nearly 100 associates degrees and certificates in a variety of engineering-related and emerging technology fields, preparing a workforce to meet the demands of industry and business.

The Waco Metropolitan Statistical Area (MSA) covers 1,800 square miles. The City encompasses 96 square miles, including 12 square miles of water, within the Waco corporate limits. The average Waco MSA civilian labor force grew 6.0% from 110,781 in 2008 to 117,418 by September 2015. Total employment at the beginning of fiscal year 2015 – 2016 was 111,560 while the unemployment rate was 4.1%.

### **Long-term Financial Planning**

Unassigned fund balance in the general fund (18.97 percent of fiscal year 2016 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, 2015, for the water, wastewater and solid waste funds were 56.8%, 71.6% and 87.4%, respectively. These working capital percentages were calculated after removing funds set aside for cash Capital Improvement Program funding.

### **Major Initiatives**

In 2007, voters approved a \$63 million bond election to provide for improvements to many City facilities. These projects, which include the Convention Center, police headquarters, libraries, fire stations, park improvements and renovations at the Texas Ranger Museum, among others, are all complete. Improvements to the East Library, which were initiated with the savings from the Central and West Library projects, are currently in progress and are expected to be completed in late 2016.

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

Several projects have been initiated to expand capacity improvements associated with the wastewater collection system and water distribution system. These improvements will compliment 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.

In an effort to revitalize the downtown area, community leaders and stakeholders have developed and completed the Greater Downtown Master Plan. As a result of this effort, the establishment of a downtown development corporation is complete. An update of the City's comprehensive plan is being reviewed by City Council and will be supported by new water, wastewater, storm water and solid waste master plans.

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. Both the water and wastewater master plans have identified new infrastructure required to support growth as

well as existing infrastructure rehabilitation/replacement projects. Additionally, numerous ongoing minor distribution system pipeline 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 its 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 late 2016.

Riverfront development has been greatly enhanced with the completion of the \$260 million McLane Stadium at Baylor University located on the banks of the Brazos River. Efforts will continue on the development of available property in the downtown and river corridor. Expected development is planned for mixed use, multi-phase development with focus on connections to the river, downtown and Baylor University.

### **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, 2014. This was the 33rd 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, 2014, and the Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2014. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

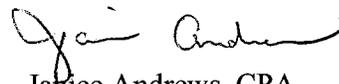
The preparation of this report would not have been possible without the skill, effort and dedication of the City staff. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report.

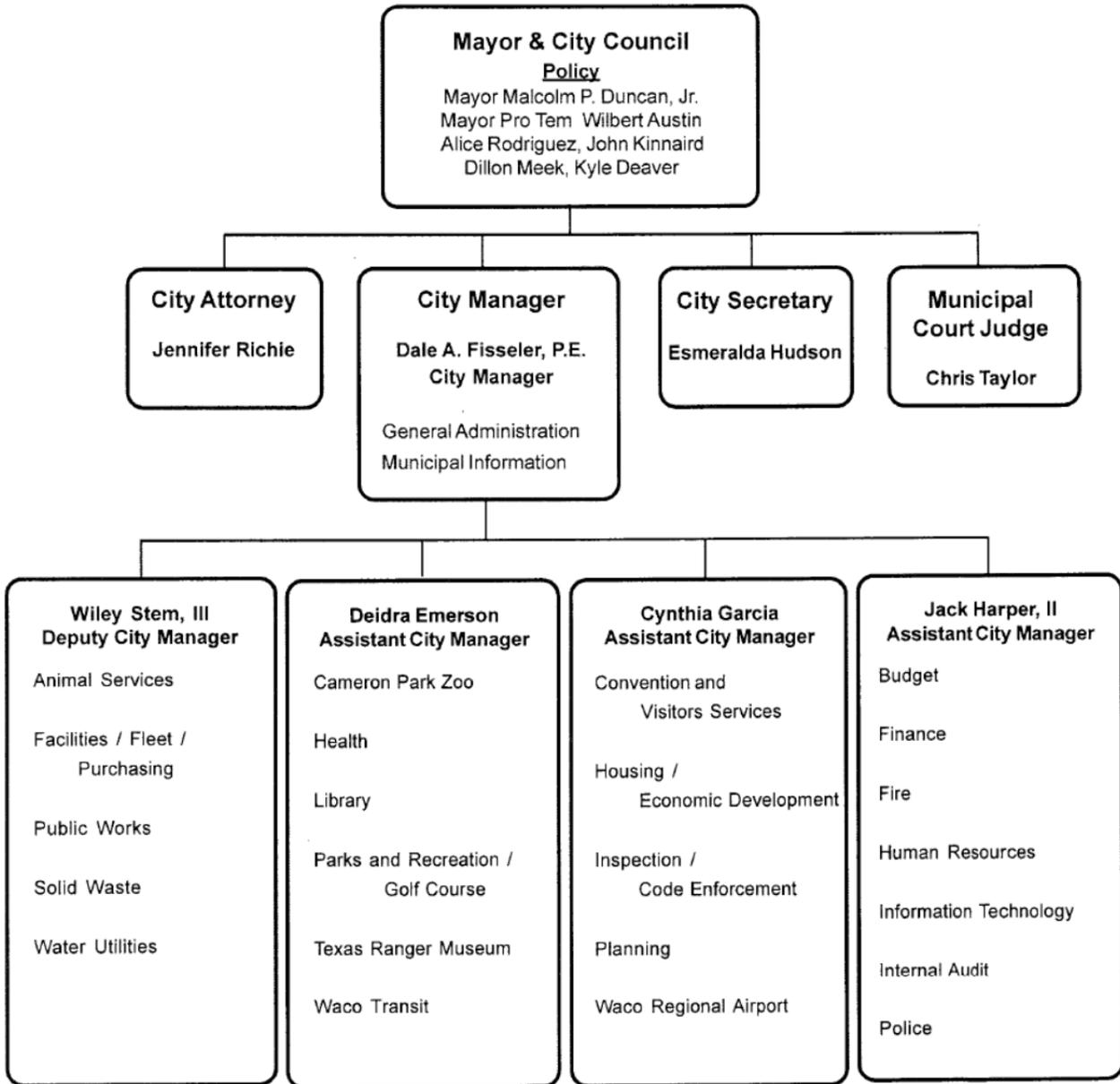
We also acknowledge the thorough, professional, and courteous manner in which our independent auditors, Jaynes, Reitmeier, Boyd & Therrell, P.C., conducted the audit.

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

Respectfully submitted,

  
Dale A. Fisseler, P.E.  
City Manager

  
Janice Andrews, CPA  
Director of Finance



As of September 2015



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Waco  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

## **Financial Section**





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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waco, Texas, as of and for the year ended September 30, 2015, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principles***

As discussed in Note IV.S. to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB No. 68*, effective October 1, 2014. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 21 and the other required supplementary information on pages 97 and 98 (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waco, Texas' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2016, on our consideration of the City of Waco, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waco, Texas' internal control over financial reporting and compliance.

January 15, 2016



## **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, 2015. 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 as of September 30, 2015 by \$513,810,993 (net position). Of this amount, \$94,365,866 (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 \$21,911,057.
- The City adopted provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB No. 68* (collectively, GASB 68). A cumulative effect of changes in accounting principles is reported to recognize net pension liability and related deferred outflows, which reduced unrestricted net position of the City at October 1, 2014 by \$32.1 million. \$27.6 million of this reduction was reported for governmental activities, \$4.5 million for business-type activities, \$1.9 million for water, \$1.3 million for wastewater, and \$1.3 million for solid waste. Additionally as a result of the adoption of GASB 68, the City eliminated the net pension obligation that had been reported in the government-wide and the proprietary fund financial statements due to phase-in pension contribution rates. This increased unrestricted net position by \$10.1 million for governmental activities, \$1.7 million for business-type activities, \$0.7 million for water, \$0.5 million for wastewater, and \$0.5 million for solid waste.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$97,370,744. The fund balance components are nonspendable - \$1,501,261, restricted - \$27,552,989, committed - \$26,208,669, assigned - \$18,715,206 and unassigned - \$23,392,619. The City Council approves the amounts reported as committed and assigned.
- As of September 30, 2015, unassigned fund balance for the General Fund was \$23,392,619 or 18.97% of the 2016 budgeted general fund revenues.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Beginning on page 28 of this report, information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, which is considered a major fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance. Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining and individual fund statements and schedules elsewhere in this report.

**Proprietary funds** – The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, wastewater, solid waste, airport, convention services, Ranger Hall of Fame, Cameron Park Zoo, transit services, and Cottonwood Creek Golf Course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions.

The City uses its internal service funds to account for its risk management, health insurance, engineering, and fleet services. These internal service functions have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements which begin on page 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 47 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49 through 93 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 97 and 98 of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information beginning on page 103 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Waco, assets and deferred outflows of resources exceeded liabilities by \$513,810,993 as of September 30, 2015.

The largest portion of the City's net position (\$397,419,911) 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 121,123,199	109,033,740	120,123,252	113,997,244	241,246,451	223,030,984
Capital assets	257,114,410	257,050,013	407,928,548	409,618,157	665,042,958	666,668,170
Total assets	378,237,609	366,083,753	528,051,800	523,615,401	906,289,409	889,699,154
Total deferred outflows of resources	13,331,139	463,791	5,546,556	2,487,815	18,877,695	2,951,606
Long-term liabilities	126,338,359	101,508,670	225,531,409	221,816,782	351,869,768	323,325,452
Other liabilities	30,938,591	31,571,433	28,547,752	25,522,843	59,486,343	57,094,276
Total liabilities	157,276,950	133,080,103	254,079,161	247,339,625	411,356,111	380,419,728
Net position:						
Net investment in capital assets	183,090,881	180,508,096	214,329,030	211,696,699	397,419,911	392,204,795
Restricted	20,655,062	18,895,396	1,370,154	1,274,319	22,025,216	20,169,715
Unrestricted	30,545,855	34,063,949	63,820,011	65,792,573	94,365,866	99,856,522
Total net position	\$ 234,291,798	233,467,441	279,519,195	278,763,591	513,810,993	512,231,032

A portion of the City's net position (\$22,025,216) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$94,365,866) 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, 2015, 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 \$21,911,057 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, 2015. Governmental activities increased the City's net position by \$18,358,739 and represented 83.8% of the total. Business-type activities increased the City's net position by \$3,552,318 and represented 16.2% of the total increase.

### City of Waco Changes in Net Position

	Year Ended September 30,					
	2015			2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 8,058,360	86,110,263	94,168,623	8,274,277	86,092,057	94,366,334
Operating grants and contributions	9,564,905	3,566,046	13,130,951	10,924,393	3,869,760	14,794,153
Capital grants and contributions	6,952,118	3,459,180	10,411,298	3,272,066	1,682,452	4,954,518
General revenues:						
Ad valorem taxes	61,324,981	-	61,324,981	57,159,819	-	57,159,819
Sales taxes	35,813,531	-	35,813,531	33,487,659	-	33,487,659
Franchise taxes	13,762,575	-	13,762,575	14,181,593	-	14,181,593
Hotel/motel taxes	-	2,707,056	2,707,056	-	2,403,171	2,403,171
Other taxes	871,076	-	871,076	785,905	-	785,905
Investment earnings	476,804	289,580	766,384	323,760	197,346	521,106
Miscellaneous	1,043,936	-	1,043,936	1,196,841	-	1,196,841
Gain on sale of capital assets	171,016	-	171,016	105,278	-	105,278
Total revenues	<u>138,039,302</u>	<u>96,132,125</u>	<u>234,171,427</u>	<u>129,711,591</u>	<u>94,244,786</u>	<u>223,956,377</u>
<b>Expenses:</b>						
General government	15,012,962	-	15,012,962	16,223,167	-	16,223,167
Public works	12,767,308	-	12,767,308	12,205,449	-	12,205,449
Public safety	64,796,679	-	64,796,679	66,630,254	-	66,630,254
Culture and recreation	16,510,993	-	16,510,993	16,922,912	-	16,922,912
Public health	7,269,988	-	7,269,988	7,314,101	-	7,314,101
Housing and community development	2,704,824	-	2,704,824	2,974,293	-	2,974,293
Interest on long-term debt	3,155,598	-	3,155,598	3,631,452	-	3,631,452
Water	-	32,457,155	32,457,155	-	32,998,874	32,998,874
Wastewater	-	18,964,527	18,964,527	-	19,263,583	19,263,583
Solid waste	-	15,223,615	15,223,615	-	15,794,559	15,794,559
Airport	-	3,496,581	3,496,581	-	3,284,396	3,284,396
Convention services	-	4,074,149	4,074,149	-	3,957,683	3,957,683
Ranger Hall of Fame	-	1,333,639	1,333,639	-	1,326,695	1,326,695
Cameron Park Zoo	-	4,595,845	4,595,845	-	4,494,173	4,494,173
Transit services	-	8,188,525	8,188,525	-	8,177,708	8,177,708
Cottonwood Creek Golf Course	-	1,707,982	1,707,982	-	1,810,707	1,810,707
Total expenses	<u>122,218,352</u>	<u>90,042,018</u>	<u>212,260,370</u>	<u>125,901,628</u>	<u>91,108,378</u>	<u>217,010,006</u>
Increase in net position before transfers	15,820,950	6,090,107	21,911,057	3,809,963	3,136,408	6,946,371
Transfers	2,537,789	(2,537,789)	-	902,991	(902,991)	-
Increase in net position	<u>18,358,739</u>	<u>3,552,318</u>	<u>21,911,057</u>	<u>4,712,954</u>	<u>2,233,417</u>	<u>6,946,371</u>
Net position, beginning of year, as previously reported	233,467,441	278,763,591	512,231,032	228,754,487	276,530,174	505,284,661
Cumulative effect of change in accounting principles	(17,534,382)	(2,796,714)	(20,331,096)	-	-	-
Net position, beginning of year as restated	<u>215,933,059</u>	<u>275,966,877</u>	<u>491,899,936</u>	<u>228,754,487</u>	<u>276,530,174</u>	<u>505,284,661</u>
Net position, end of year	<u>\$ 234,291,798</u>	<u>279,519,195</u>	<u>513,810,993</u>	<u>233,467,441</u>	<u>278,763,591</u>	<u>512,231,032</u>

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

- Overall, governmental revenues increased \$8,327,711 (6.42%). Ad valorem taxes reflected an increase of \$4,165,162 (7.29%), primarily as the result of net growth of 6.8% in the property tax base. Sales taxes reflected an increase of \$2,325,872 (6.95%). Capital grants and contributions reported an increase of \$3,680,052 (112.47%), primarily due to (a) grant revenue of \$1.1 million recognized for the Ritchie Road reconstruction project; (b) \$1.3 million economic development grant from the Waco McLennan County Economic Development Corporation for the Beverly Drive reconstruction project; and (c) \$1.1 million of contributions/grants received for renovations of the animal shelter. The decrease in operating grants and contributions of \$1,359,488 (12.44%) was primarily due to grant funding for the Brazos Park East trail extension project that was recorded in the previous year in Tax Increment Zone No. 1.
- Overall, governmental expenses decreased \$3,683,276 (2.93%). A 2% salary increase as well as job class step increases for some civil service employees based on rank and service time were approved in the budget. This salary increase was offset by the reduction of other expenses: (a) \$1.7 million for Tax Increment Zone No. 1 due to timing of project expenditures; (b) \$1.2 million for waste disposal related to the Peach Street property clean-up; (c) \$1.1 million for compensated absences primarily due to retirements of long-term employees; and (d) \$1.5 million for pension expense due to adoption of GASB 68.

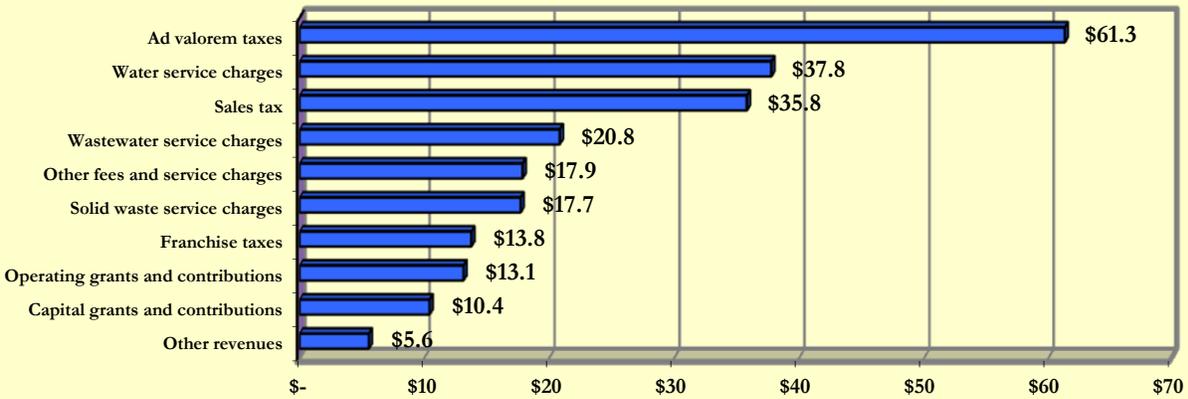
In anticipation of the adoption of GASB 68, the City reviewed the Texas Municipal Retirement System (TMRS) benefit provisions during the fiscal year 2012 budget process. The City Council approved a plan change to turn off annually repeating annuity increases for retirees. This plan change became effective January 1, 2012 and reduced the City's full contribution rate to 14.04% (as compared to an anticipated 2012 phase-in rate of 20.07% and full rate of 22.24%). The City's contribution rates have continued to decrease; calendar years 2013, 2014, and 2015 were 13.87%, 13.61%, and 13.15% respectively. As of the measurement date, the fiduciary net position of the plan is 90.03% of total pension liability.

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

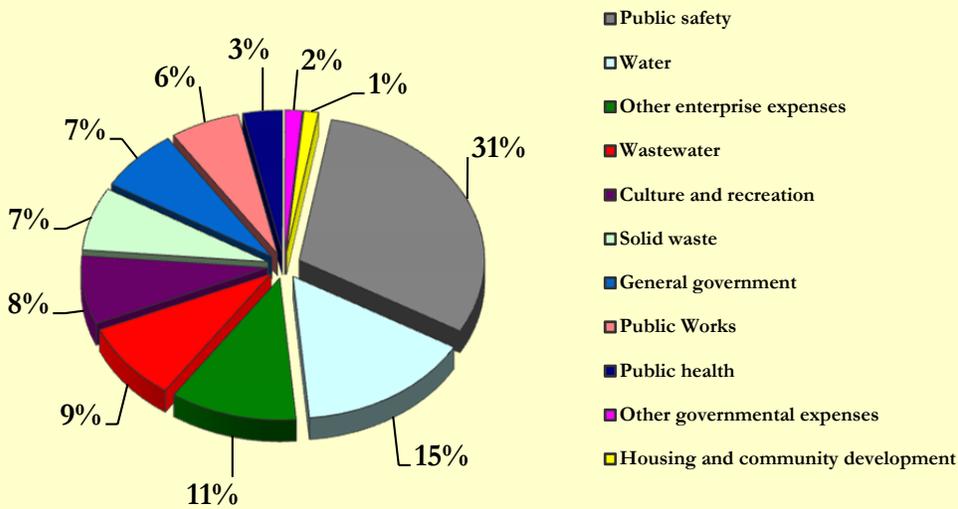
- Total revenues increased \$1,887,339 (2.0%). Overall, charges for services were flat compared to prior year. The \$826,369 decrease in water revenue is primarily due to more rainfall and was offset primarily by increases in solid waste landfill revenue. Capital grants and contributions increased \$1.8 million primarily due to an increase of almost \$1.2 million for airport capital projects and \$0.4 million for water capital contributions related to water refund contracts.
- Total expenses decreased by \$1.1 million (1.17%). Increases in salaries and benefits for the 2% salary increase were offset by decreases in other expenses. The master plans for water and wastewater systems were completed in FY2015 and expenses for work done in the current year were \$417,833 less than prior year. Depreciation

expense decreased \$582,208 primarily due to landfill improvements and equipment becoming fully depreciated within prior year, slightly offset by a partial year of expense for a new landfill cell and other equipment. Interest expense decreased \$854,454 due to bond refunding issues and increased cash funding being utilized for capital 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 \$97,370,744. Approximately 1.6% (\$1,501,261) 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 28.3% (\$27,552,989) 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 26.9% (\$26,208,669) 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 19.2% (\$18,715,206) 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 \$23,392,619 (24%) is reported as unassigned. Refer to pages 57 and 58 of this report for a more detailed presentation of governmental fund balances.

The City's Financial Management Policy Statements provide for general fund unassigned fund balance to be maintained at 18% of current year revenues. Unassigned general fund balance at the end of the current fiscal year is 18.97% of 2016 budgeted revenues. The fund balance of the general fund at the end of the current year reported an increase of \$2,515,425. Total revenues in the general fund increased \$6,242,970 as compared to the prior year and were \$5,307,283 more than the final budget. Key factors in general fund revenue are as follows:

- Increases of approximately \$3.5 million in property tax revenues resulted primarily from growth in net taxable assessed property valuation of approximately 6.8%. 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 almost 40% of total general fund revenues.
- Sales tax revenue reported an increase of approximately \$2.3 million as compared to prior year, with actual amounts exceeding the amount originally budgeted for the fiscal year by almost \$3.9 million. Increased economic activity, lower unemployment rates, and lower fuel prices all contributed to this revenue growth. This revenue source represents approximately 31% of total general fund revenues.
- Gross receipts fees, which had been budgeted very conservatively, decreased \$364,072 as compared to prior year, but actual amounts exceeded the amount originally budgeted for the fiscal year by approximately \$736,000. The decrease

was primarily due to reduction in gross receipts fees from natural gas as a result of decreases in prices. Approximately 12% 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 - \$33,740,987, Wastewater - \$18,974,178, and Solid Waste - \$9,966,597. These funds experienced increases in total net position during 2015 as follows: Water - \$2,317,094, Wastewater - \$787,080, and Solid Waste - \$1,943,945.

**General Fund budgetary highlights** – Differences between the original budget and the final amended budget for appropriations were \$10,523,187. The primary differences can be briefly summarized as follows:

- \$3,000,000 increase for the Dewey Community Center project
- \$2,354,253 increase for the enterprise resource planning (ERP) purchase and implementation project
- \$600,000 increase for the Barron's Branch Culvert project
- \$572,062 increase for expenses related to fire salaries and maintenance
- \$510,524 increase for the Lake Shore Drive project
- \$500,000 for the animal shelter renovation project
- \$340,244 increase for library renovations
- \$294,656 increase for pavement assessment services
- \$256,358 increase for the services related to the storm water master plan
- \$226,196 increase for funds allocated to the Texas Ranger Hall of Fame grounds and facilities projects
- \$220,138 increase for elevator modernization at the police headquarters
- \$219,284 increase for the City's municipal information cable channel equipment
- \$199,440 increase for the Anniversary Park improvements project
- \$150,000 increase for human resources consulting services
- \$150,000 increase for the replacement of signs at the Texas Ranger Hall of Fame and Museum
- \$135,843 increase for various expenses related to facilities
- \$122,500 increase for a technical assistance memorandum of understanding

- \$85,000 increase for mold remediation services at the West Waco Library and Genealogy Center
- \$80,000 increase for economic development website development and design services
- \$80,000 increase to fund various large demolition projects
- \$75,851 increase for police department traffic units
- \$66,646 increase for service provider contracts
- \$60,418 increase for library furniture purchase and installation
- \$45,000 increase for various capital improvements at the library branches
- \$35,655 increase for equipment leasing and equipment purchase for information technology
- \$30,750 increase for professional architectural services for the Tenth Court of Appeals needs assessment
- \$27,500 increase to fund a contract for targeting local college student retention with Prosper Waco
- \$25,000 increase for housing department projects
- \$23,750 increase for traffic capital equipment
- \$22,500 increase for an interlocal cooperation agreement with McLennan County to house inmates
- \$13,619 increase for the animal shelter project, library parking lot project, city secretary temporary labor services, and emergency management supplies.

Of this increase, \$7,435,848 was from fund balance assigned for capital improvements, \$556,358 from fund balance assigned for economic development, \$346,476 from fund balance assigned for other, \$199,440 from fund balance restricted for culture and recreation, \$117,544 from fund balance assigned for public safety, \$25,000 from fund balance assigned for housing and community development \$4,885 from fund balance assigned for culture and recreation, \$1,087,118 from increases in sales tax, \$500,000 from increases in miscellaneous revenues, \$219,284 from increases in franchise fees, and \$31,234 from increases in contribution revenues.

Refer to the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on pages 31 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 2015.

## CAPITAL ASSETS

The City of Waco's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounts to \$665,042,958 (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 \$10.9 million on various water and wastewater systems projects.
- Capitalized \$4.9 million in street and drainage expenditures and contributions.
- Capitalized approximately \$4.2 million for solid waste equipment and landfill cell.
- Capitalized \$3.0 million on Airport Improvement Program projects (airport perimeter road and taxiway realignment).
- Capitalized \$2.2 million on various park facility improvements expenditures.
- Capitalized \$1.3 million for ERP project.
- Capitalized \$1.0 million for fire truck.
- Capitalized \$0.4 million for police facilities and equipment.

### City of Waco Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 46,633,937	45,659,048	6,522,237	6,522,237	53,156,174	52,181,285
Buildings	69,773,893	69,353,478	81,227,473	81,092,966	151,001,366	150,446,444
Improvements other than buildings	62,015,317	59,345,775	491,348,606	478,730,432	553,363,923	538,076,207
Machinery and equipment	49,671,247	49,865,359	47,053,387	45,854,225	96,724,634	95,719,584
Museum collections	-	-	2,206,424	2,160,924	2,206,424	2,160,924
Infrastructure	270,033,626	264,356,972	-	-	270,033,626	264,356,972
Construction work in progress	8,705,453	4,341,139	18,151,956	14,411,036	26,857,409	18,752,175
Water rights	-	-	32,482,879	32,482,879	32,482,879	32,482,879
Less: accumulated depreciation	<u>(249,719,063)</u>	<u>(235,871,758)</u>	<u>(271,064,414)</u>	<u>(251,636,542)</u>	<u>(520,783,477)</u>	<u>(487,508,300)</u>
Total capital assets	\$ <u>257,114,410</u>	<u>257,050,013</u>	<u>407,928,548</u>	<u>409,618,157</u>	<u>665,042,958</u>	<u>666,668,170</u>

Additional information on the City's capital assets can be found in Note IV on pages 67 - 70 of this report.

## DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Waco had total bonded debt, loans and notes payable of \$312,536,401. Of this amount, \$309,741,987 represents bonded debt backed by the full faith and credit of the government. The \$2,794,414 notes payable are for highway improvement right of way contributions and for purchase of pump station and water transmission lines.

### City of Waco Bonds, Notes and Capitalized Obligations Payable

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation certificates	\$ 86,691,896	88,539,551	223,050,091	223,017,008	309,741,987	311,556,559
Capital lease obligations	-	12,443	-	-	-	12,443
Notes payable	968,532	-	1,825,882	1,898,437	2,794,414	1,898,437
	<u>\$ 87,660,428</u>	<u>88,551,994</u>	<u>224,875,973</u>	<u>224,915,445</u>	<u>312,536,401</u>	<u>313,467,439</u>

During the 2015 fiscal year, the City issued \$13,235,000 in general obligation certificates of obligation. The proceeds will be used for various general City improvements including expansion and improvements to existing city administration and services buildings, traffic control systems, streets, street lighting and drainage, sidewalks, vehicles, fire-fighting equipment, water, and wastewater improvements. The City also issued \$73,310,000 of general obligation refunding bonds which were used to refund general obligation bonds. This advance refunding was undertaken to reduce total debt service payments over the next twenty-one years by \$11,833,326 and resulted in an economic gain of \$9,589,347. The City's combination tax and revenue certificates of obligation bond ratings are listed below:

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

Subsequent to year-end, Standard and Poor's raised its rating on the City's general obligation bonds to AA+ from AA.

Additional information on the City of Waco's long-term debt can be found in Note IV on pages 72 to 77 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The general fund budget (including transfers in) for fiscal year 2016 is based on an increase in revenues of 11.2% over last year's adopted budget, due mainly to the increase from ad valorem taxes primarily from new construction and the increased allocation of the tax rate to operations as a result of the City's debt reduction initiative. No ad valorem tax rate adjustment is included

for 2016. The fiscal year 2016 budget includes a \$7.1 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, 2015.

Approximately 26% of general fund revenues come from sales taxes. The City ended 2015 with sales tax revenue considerably over the original adopted budget. Sales taxes for 2016 were budgeted with an 2% increase over the fiscal year 2015 adopted budget, but still less than actual receipts for 2015. 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 2016 budget includes a 2% salary increase for employees and increases for certain civil service employees who are eligible for step pay increases. The TMRS benefit provisions of the City's plan were reviewed during the fiscal year 2012 budget process and as a result, the City Council approved a plan change to turn off annually repeating annuity increases and significantly reduced pension expense. Effective January 1, 2016, the City's full contribution rate is 12.96%. The City's budget for fiscal year 2016 included approximately \$10.2 million for TMRS contributions.

Fiscal year 2016 includes rate increases to residential, commercial and industrial water and wastewater customers. Effective January 1, 2016, the water and wastewater base monthly service rates will increase \$1.08 and \$1.59, respectively, along with volumetric rate increases. 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. Solid waste residential, commercial, roll-off and landfill rates will remain the same for 2016.

## **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, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Central Waco Development Corporation	Waco Health Facilities Development Corporation
<b>Assets</b>						
Cash and investments	\$ 98,932,017	71,422,651	170,354,668	31,250	6,286	30,218
Receivables (net of allowances for uncollectibles):						
Accounts	3,871,161	11,015,337	14,886,498	55,375	-	-
Special assessments	6,642	-	6,642	-	-	-
Taxes	8,478,912	-	8,478,912	-	-	-
Intergovernmental receivable	2,723,642	2,859,806	5,583,448	-	-	-
Accrued interest receivable	-	3,076	3,076	-	-	-
Internal balances	3,647,005	(3,529,083)	117,922	-	-	-
Inventories	1,193,664	1,131,819	2,325,483	2,930	-	-
Restricted cash and investments	-	36,714,236	36,714,236	-	-	-
Notes receivable	2,217,291	505,410	2,722,701	-	-	-
Real estate held for resale	52,865	-	52,865	-	-	-
Capital assets not being depreciated:						
Land	46,633,937	6,522,237	53,156,174	-	-	-
Museum collections	-	2,206,424	2,206,424	-	-	-
Construction in progress	8,705,453	18,151,956	26,857,409	-	-	-
Capital assets, net of accumulated depreciation:						
Buildings	49,548,366	46,296,497	95,844,863	-	-	-
Machinery and equipment	15,107,182	13,659,079	28,766,261	-	-	-
Improvements other than buildings	33,066,485	298,372,823	331,439,308	-	-	-
Infrastructure	104,052,987	-	104,052,987	-	-	-
Water rights	-	22,719,532	22,719,532	-	-	-
Total assets	<u>378,237,609</u>	<u>528,051,800</u>	<u>906,289,409</u>	<u>89,555</u>	<u>6,286</u>	<u>30,218</u>
<b>Deferred Outflows of Resources</b>						
Deferred outflows of resources:						
Deferred losses on refundings of debt	2,671,585	3,811,280	6,482,865	-	-	-
Pension contributions subsequent to the measurement date	6,203,862	1,009,931	7,213,793	-	-	-
Differences between expected and actual experience	1,199,679	195,297	1,394,976	-	-	-
Differences in projected and actual earnings on pension plan investments	3,256,013	530,048	3,786,061	-	-	-
Total deferred outflows of resources	<u>13,331,139</u>	<u>5,546,556</u>	<u>18,877,695</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>						
Accounts payable	5,115,751	1,939,583	7,055,334	52,929	-	-
Accrued liabilities	5,008,210	2,701,081	7,709,291	29,526	-	-
Accrued interest payable	583,707	1,577,919	2,161,626	-	-	-
Unearned revenue	30,808	89,346	120,154	7,100	-	-
Escrow funds	246,485	-	246,485	-	-	-
Customer deposits	410,998	-	410,998	-	-	-
Liabilities payable from restricted assets	-	7,568,348	7,568,348	-	-	-
Noncurrent liabilities:						
Due within one year	19,542,632	14,671,475	34,214,107	-	-	-
Due in more than one year	126,338,359	225,531,409	351,869,768	-	-	-
Total liabilities	<u>157,276,950</u>	<u>254,079,161</u>	<u>411,356,111</u>	<u>89,555</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>						
Net investment in capital assets	183,090,881	214,329,030	397,419,911	-	-	-
Restricted for:						
Tax increment financing/public improvement district	14,383,513	-	14,383,513	-	-	-
Housing and community development	2,059,972	-	2,059,972	-	-	-
Culture and recreation	1,171,216	-	1,171,216	-	-	-
Public safety	1,562,378	-	1,562,378	-	-	-
Municipal information	751,247	-	751,247	-	-	-
Debt service	259,739	-	259,739	-	-	-
Parks and cemetery care - nonexpendable	466,997	-	466,997	-	-	-
Capital projects	-	1,370,154	1,370,154	-	-	-
Unrestricted	<u>30,545,855</u>	<u>63,820,011</u>	<u>94,365,866</u>	<u>-</u>	<u>6,286</u>	<u>30,218</u>
Total net position	<u>234,291,798</u>	<u>279,519,195</u>	<u>513,810,993</u>	<u>-</u>	<u>6,286</u>	<u>30,218</u>

See accompanying notes to financial statements.

**City of Waco, Texas**  
**Statement of Activities**  
Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
Governmental activities:			
General government	\$ (15,012,962)	243,883	765,152
Public works	(12,767,308)	3,188	-
Public safety	(64,796,679)	5,373,858	1,710,607
Culture and recreation	(16,510,993)	1,279,331	1,096,407
Public health	(7,269,988)	1,158,100	3,638,865
Housing and community development	(2,704,824)	-	2,353,874
Interest on long-term debt	(3,155,598)	-	-
Total governmental activities	(122,218,352)	8,058,360	9,564,905
Business-type activities:			
Water	(32,457,155)	37,773,754	-
Wastewater	(18,964,527)	20,827,643	-
Solid waste	(15,223,615)	17,704,519	-
Airport	(3,496,581)	1,093,157	87,600
Convention services	(4,074,149)	1,317,100	-
Ranger Hall of Fame	(1,333,639)	490,917	132,044
Cameron Park Zoo	(4,595,845)	1,615,849	-
Transit services	(8,188,525)	3,775,380	3,346,402
Cottonwood Creek Golf Course	(1,707,982)	1,511,944	-
Total business-type activities	(90,042,018)	86,110,263	3,566,046
Total primary government	\$ (212,260,370)	94,168,623	13,130,951
<b>Component Units:</b>			
Baylor Waco Stadium Authority	\$ (3,480,178)	760,716	2,719,462
Central Waco Development Corporation	(75)	-	-
Waco Health Facilities Development Corporation	(75)	-	-
Total component units	\$ (3,480,328)	760,716	2,719,462
General revenues:			
Taxes:			
Property			
Property tax increment financing			
Sales			
Franchise			
Hotel/motel			
Other			
Unrestricted investment earnings			
Gain on sale of capital assets			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position, beginning of year, as restated			
Net position, end of year			

See accompanying notes to financial statements.

Net Revenues (Expenses) and Changes in Net Position

Capital Grants and Contributions	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Baylor Waco Stadium Authority	Central Waco Development Corporation	Waco Health Facilities Development Corporation
-	(14,003,927)	-	(14,003,927)			
5,080,914	(7,683,206)	-	(7,683,206)			
1,073,887	(56,638,327)	-	(56,638,327)			
797,317	(13,337,938)	-	(13,337,938)			
-	(2,473,023)	-	(2,473,023)			
-	(350,950)	-	(350,950)			
-	(3,155,598)	-	(3,155,598)			
<u>6,952,118</u>	<u>(97,642,969)</u>	<u>-</u>	<u>(97,642,969)</u>			
692,265	-	6,008,864	6,008,864			
-	-	1,863,116	1,863,116			
-	-	2,480,904	2,480,904			
2,721,415	-	405,591	405,591			
-	-	(2,757,049)	(2,757,049)			
45,500	-	(665,178)	(665,178)			
-	-	(2,979,996)	(2,979,996)			
-	-	(1,066,743)	(1,066,743)			
-	-	(196,038)	(196,038)			
<u>3,459,180</u>	<u>-</u>	<u>3,093,471</u>	<u>3,093,471</u>			
<u>10,411,298</u>	<u>(97,642,969)</u>	<u>3,093,471</u>	<u>(94,549,498)</u>			
-				-	-	-
-				-	(75)	-
<u>-</u>				<u>-</u>	<u>-</u>	<u>(75)</u>
<u>-</u>				<u>-</u>	<u>(75)</u>	<u>(75)</u>
\$ 55,028,271	-	-	55,028,271	-	-	-
6,296,710	-	-	6,296,710	-	-	-
35,813,531	-	-	35,813,531	-	-	-
13,762,575	-	-	13,762,575	-	-	-
-	2,707,056	-	2,707,056	-	-	-
871,076	-	-	871,076	-	-	-
476,804	289,580	-	766,384	-	25	119
171,016	-	-	171,016	-	-	-
1,043,936	-	-	1,043,936	-	-	-
2,537,789	(2,537,789)	-	-	-	-	-
<u>116,001,708</u>	<u>458,847</u>	<u>-</u>	<u>116,460,555</u>	<u>-</u>	<u>25</u>	<u>119</u>
18,358,739	3,552,318	-	21,911,057	-	(50)	44
<u>215,933,059</u>	<u>275,966,877</u>	<u>-</u>	<u>491,899,936</u>	<u>-</u>	<u>6,336</u>	<u>30,174</u>
\$ <u>234,291,798</u>	<u>279,519,195</u>	<u>-</u>	<u>513,810,993</u>	<u>-</u>	<u>6,286</u>	<u>30,218</u>

**City of Waco, Texas**  
**Balance Sheet**  
**Governmental Funds**  
September 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Assets:			
Cash and investments	\$ 48,543,263	39,970,659	88,513,922
Receivables, net of allowances:			
Accounts	3,690,917	178,390	3,869,307
Special assessments	-	6,642	6,642
Taxes	8,027,400	451,512	8,478,912
Notes receivable	-	2,217,291	2,217,291
Due from other funds	2,616,310	4,824,037	7,440,347
Advances to other funds	-	168,368	168,368
Intergovernmental receivable	15,446	2,708,196	2,723,642
Inventories	849,594	131,805	981,399
Real estate held for resale	6,160	46,705	52,865
	<u>\$ 63,749,090</u>	<u>50,703,605</u>	<u>114,452,695</u>
<b>Liabilities</b>			
Liabilities:			
Accounts payable	\$ 1,551,335	3,301,346	4,852,681
Accrued liabilities	3,859,940	748,869	4,608,809
Unearned revenue	29,598	1,210	30,808
Due to other funds	1,161,845	3,120,893	4,282,738
Deposits	410,998	-	410,998
Escrow Funds	211,591	34,356	245,947
	<u>7,225,307</u>	<u>7,206,674</u>	<u>14,431,981</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources:			
Unavailable revenue:			
Property taxes	1,536,473	432,629	1,969,102
Court fines	674,226	-	674,226
Other	-	6,642	6,642
	<u>2,210,699</u>	<u>439,271</u>	<u>2,649,970</u>
<b>Fund Balances</b>			
Fund balances:			
Nonspendable	855,754	645,507	1,501,261
Restricted	1,626,803	25,926,186	27,552,989
Committed	9,722,702	16,485,967	26,208,669
Assigned	18,715,206	-	18,715,206
Unassigned	23,392,619	-	23,392,619
	<u>54,313,084</u>	<u>43,057,660</u>	<u>97,370,744</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 63,749,090</u>	<u>50,703,605</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			256,257,622
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.			2,649,970
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.			8,392,703
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			(130,379,241)
			<u>\$ 234,291,798</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, 2015

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 81,708,003	15,882,119	97,590,122
Business and occupation fees	13,762,575	-	13,762,575
Permits, licenses and fees	1,504,766	949,728	2,454,494
Fines	2,135,342	370,709	2,506,051
Charges for services	1,749,690	-	1,749,690
Investment earnings	238,410	197,607	436,017
Contributions	716,371	2,773,887	3,490,258
Intergovernmental	1,694,924	8,273,579	9,968,503
Program income	-	289,272	289,272
Other	<u>10,153,721</u>	<u>646,957</u>	<u>10,800,678</u>
Total revenues	<u>113,663,802</u>	<u>29,383,858</u>	<u>143,047,660</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	18,144,029	4,682,303	22,826,332
Public works	1,405,812	-	1,405,812
Public safety	61,362,994	1,194,863	62,557,857
Culture and recreation	12,280,138	1,263,687	13,543,825
Housing and community development	288,718	2,608,518	2,897,236
Public health	-	7,247,059	7,247,059
Capital outlay	-	14,758,838	14,758,838
<b>Debt service:</b>			
Principal	-	5,585,000	5,585,000
Interest and fiscal charges	-	3,437,349	3,437,349
Bond issuance costs	-	<u>250,679</u>	<u>250,679</u>
Total expenditures	<u>93,481,691</u>	<u>41,028,296</u>	<u>134,509,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,182,111</u>	<u>(11,644,438)</u>	<u>8,537,673</u>
<b>Other financing sources (uses):</b>			
Refunding bonds issued	-	34,125,000	34,125,000
Payment to refunded bond escrow agent	-	(40,676,302)	(40,676,302)
Premium on refunding bonds	-	6,804,247	6,804,247
Proceeds from sale of capital assets	171,016	-	171,016
General obligation bonds issued	-	1,695,000	1,695,000
Premium on general obligation bonds	-	57,044	57,044
Transfers in	4,404,188	21,892,704	26,296,892
Transfers out	<u>(22,241,890)</u>	<u>(1,453,183)</u>	<u>(23,695,073)</u>
Total other financing sources (uses)	<u>(17,666,686)</u>	<u>22,444,510</u>	<u>4,777,824</u>
Net change in fund balances	2,515,425	10,800,072	13,315,497
Fund balances, beginning of year	<u>51,797,659</u>	<u>32,257,588</u>	<u>84,055,247</u>
Fund balances, end of year	<u>\$ 54,313,084</u>	<u>43,057,660</u>	<u>97,370,744</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, 2015

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

Net change in fund balances - total governmental funds (page 29)	\$ 13,315,497
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.	(2,545,693)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is to increase net position.	2,701,190
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(990,302)
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.	2,623,922
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.	2,435,969
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>818,156</u>
Change in net position of governmental activities (pages 26 - 27)	<u>\$ 18,358,739</u>

See accompanying notes to financial statements.

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
<b>Revenues</b>					
Taxes:					
Sales tax income	\$ 31,918,686	33,005,804	35,813,531	2,807,727	33,487,659
Property taxes	44,994,089	44,994,089	45,454,311	460,222	41,914,698
Interest and penalty on taxes	450,000	450,000	440,161	(9,839)	464,511
Total taxes	<u>77,362,775</u>	<u>78,449,893</u>	<u>81,708,003</u>	<u>3,258,110</u>	<u>75,866,868</u>
Business and occupation fees:					
Occupation fees	35,000	35,000	45,745	10,745	100,691
Gross receipts fees	12,980,235	13,199,519	13,716,830	517,311	14,080,902
Total business and occupation fees	<u>13,015,235</u>	<u>13,234,519</u>	<u>13,762,575</u>	<u>528,056</u>	<u>14,181,593</u>
Permits, licenses and fees:					
Building permits	430,000	430,000	632,029	202,029	556,743
Plumbing permits	125,226	125,226	232,899	107,673	211,581
Electrical permits	200,219	200,219	383,446	183,227	346,976
Heating and air conditioning licenses	75,018	75,018	119,406	44,388	110,956
Fire inspection fees	35,379	35,379	57,023	21,644	46,772
House moving permits	-	-	560	560	224
Open air/street vending	4,700	4,700	6,400	1,700	5,230
Sign permits	18,923	18,923	39,531	20,608	31,425
Subdivision fees	20,000	20,000	33,472	13,472	38,508
Total permits, licenses and fees	<u>909,465</u>	<u>909,465</u>	<u>1,504,766</u>	<u>595,301</u>	<u>1,348,415</u>
Fines:					
Court fines	2,091,662	2,091,662	1,984,823	(106,839)	2,241,136
Auto impound fees	167,272	167,272	150,519	(16,753)	175,469
Total fines	<u>2,258,934</u>	<u>2,258,934</u>	<u>2,135,342</u>	<u>(123,592)</u>	<u>2,416,605</u>
Charges for services:					
Recreation	852,318	852,318	763,137	(89,181)	782,614
Weed mowing	51,974	51,974	76,433	24,459	73,376
Library fees	115,382	115,382	114,780	(602)	118,351
Animal pick up	11,706	11,706	15,155	3,449	12,740
Animal shelter fees	308,747	308,747	291,177	(17,570)	179,854
Grounds maintenance	52,571	52,571	52,571	-	51,540
Graphics	60,534	60,534	69,867	9,333	68,420
Police security services	30,226	30,226	22,770	(7,456)	33,014
Airport security services	346,604	346,604	343,800	(2,804)	319,145
Total charges for services	<u>1,830,062</u>	<u>1,830,062</u>	<u>1,749,690</u>	<u>(80,372)</u>	<u>1,639,054</u>

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
<b>Revenues (continued)</b>					
Investment earnings	\$ 75,000	75,000	238,410	163,410	145,363
Contributions	585,078	616,312	716,371	100,059	883,787
Intergovernmental	1,580,878	1,580,878	1,694,924	114,046	1,682,910
Other:					
Indirect expense reimbursements	6,948,945	6,948,945	6,930,145	(18,800)	6,848,631
False alarm fines	8,000	8,000	14,550	6,550	10,200
BSC civil penalties	-	-	1,500	1,500	-
Rents from real estate	134,724	134,724	154,420	19,696	153,061
Miscellaneous revenue	1,095,677	1,595,677	2,222,199	626,522	1,490,247
Sale of other scrap	10,100	10,100	15,988	5,888	12,224
Zoning applications	11,456	11,456	12,965	1,509	15,490
Commission from sale of mixed drinks	440,000	440,000	548,989	108,989	475,907
Commission on municipal court fines	115,016	115,016	84,656	(30,360)	103,341
Commission on concessions	113,508	113,508	143,141	29,633	120,469
Garage sale permits	24,030	24,030	21,980	(2,050)	24,410
Special assessments	-	-	3,188	3,188	2,257
Total other	8,901,456	9,401,456	10,153,721	752,265	9,256,237
Total revenues	106,518,883	108,356,519	113,663,802	5,307,283	107,420,832
<b>Expenditures</b>					
<b>General Government</b>					
Administrative services:					
Salaries and wages	1,583,800	1,544,800	1,476,970	67,830	1,379,213
Employee benefits	446,940	436,816	413,332	23,484	403,762
Purchased professional/technical services	41,814	92,639	191,558	(98,919)	239,716
Purchased property services	36,388	36,129	30,259	5,870	34,100
Maintenance	2,000	-	-	-	-
Other purchased service	296,060	296,060	137,344	158,716	93,120
Supplies	91,952	92,510	124,564	(32,054)	88,500
Other expenses	285,477	444,520	76,701	367,819	123,039
Total administrative services	2,784,431	2,943,474	2,450,728	492,746	2,361,450
City secretary:					
Salaries and wages	304,679	297,279	293,217	4,062	274,512
Employee benefits	104,534	100,634	97,438	3,196	97,069
Purchased professional/technical services	45,542	61,935	57,187	4,748	22,265
Maintenance	13,146	11,896	11,175	721	3,230
Other purchased service	19,485	25,845	25,949	(104)	25,010
Supplies	18,577	20,777	18,819	1,958	18,725
Capital expenditures	-	-	-	-	11,851
Total city secretary	505,963	518,366	503,785	14,581	452,662

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
<b>Expenditures (continued)</b>					
<b>General Government (continued)</b>					
Finance services:					
Salaries and wages	\$ 976,717	976,717	946,909	29,808	894,929
Employee benefits	307,583	307,583	299,422	8,161	287,924
Purchased professional/technical services	89,200	89,200	84,544	4,656	77,480
Maintenance	300	300	416	(116)	-
Other purchased service	26,296	26,296	19,112	7,184	19,881
Supplies	26,580	26,580	38,902	(12,322)	25,420
Other expenses	5,525	5,525	8,214	(2,689)	6,287
Total finance services	<u>1,432,201</u>	<u>1,432,201</u>	<u>1,397,519</u>	<u>34,682</u>	<u>1,311,921</u>
Legal services:					
Salaries and wages	860,406	860,406	808,669	51,737	801,240
Employee benefits	248,320	248,320	233,221	15,099	235,993
Purchased professional/technical services	6,850	6,850	3,611	3,239	1,907
Maintenance	300	300	-	300	-
Other purchased service	31,950	29,521	17,492	12,029	27,181
Supplies	33,578	36,007	32,314	3,693	30,525
Total legal services	<u>1,181,404</u>	<u>1,181,404</u>	<u>1,095,307</u>	<u>86,097</u>	<u>1,096,846</u>
Planning services:					
Salaries and wages	428,292	428,292	443,663	(15,371)	392,874
Employee benefits	148,729	148,729	142,230	6,499	133,710
Purchased professional/technical services	20,685	63,785	23,339	40,446	8,874
Purchased property services	65,976	65,976	64,325	1,651	66,037
Maintenance	310	310	854	(544)	1,254
Other purchased service	20,506	20,506	13,492	7,014	13,818
Supplies	20,788	27,188	33,363	(6,175)	32,539
Total planning services	<u>705,286</u>	<u>754,786</u>	<u>721,266</u>	<u>33,520</u>	<u>649,106</u>
Human resources:					
Salaries and wages	547,178	547,178	547,186	(8)	512,127
Employee benefits	182,238	182,238	179,209	3,029	168,473
Purchased professional/technical services	12,561	162,561	143,023	19,538	6,019
Purchased property services	-	-	1,385	(1,385)	-
Maintenance	2,090	2,090	1,588	502	1,624
Other purchased service	42,908	41,108	31,195	9,913	21,870
Supplies	11,034	12,834	12,684	150	11,685
Total human resources	<u>798,009</u>	<u>948,009</u>	<u>916,270</u>	<u>31,739</u>	<u>721,798</u>

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
<b>Expenditures</b> (continued)					
<b>General Government</b> (continued)					
Municipal information:					
Salaries and wages	\$ 448,330	448,330	449,951	(1,621)	434,408
Employee benefits	156,071	156,071	154,875	1,196	152,882
Purchased professional/technical services	10,910	106,698	82,794	23,904	32,805
Maintenance	9,152	25,261	15,026	10,235	14,411
Other purchased service	21,770	21,770	21,717	53	21,476
Supplies	22,168	86,218	78,725	7,493	44,414
Other expenses	32,040	32,040	20,561	11,479	27,233
Capital expenditures	-	123,337	123,337	-	96,813
Total municipal information	<u>700,441</u>	<u>999,725</u>	<u>946,986</u>	<u>52,739</u>	<u>824,442</u>
Information technology services:					
Salaries and wages	905,709	905,709	838,113	67,596	926,450
Employee benefits	296,827	296,827	276,771	20,056	302,415
Purchased professional/technical services	92,302	99,502	89,721	9,781	214,546
Maintenance	529,442	526,742	413,340	113,402	441,296
Other purchased service	467,340	494,402	312,368	182,034	425,757
Supplies	57,251	57,301	77,325	(20,024)	468,523
Capital expenditures	49,938	53,981	16,528	37,453	190,302
Total information technology services	<u>2,398,809</u>	<u>2,434,464</u>	<u>2,024,166</u>	<u>410,298</u>	<u>2,969,289</u>
Purchasing services:					
Salaries and wages	313,072	313,072	308,590	4,482	304,322
Employee benefits	107,353	107,353	103,274	4,079	103,646
Purchased professional/technical services	450	450	87	363	175
Maintenance	250	250	340	(90)	453
Other purchased service	13,507	11,697	12,653	(956)	11,655
Supplies	9,864	11,674	9,759	1,915	10,081
Total purchasing services	<u>444,496</u>	<u>444,496</u>	<u>434,703</u>	<u>9,793</u>	<u>430,332</u>
Facilities:					
Salaries and wages	1,009,430	1,048,876	1,048,876	-	1,040,574
Employee benefits	472,773	472,773	470,629	2,144	481,422
Purchased professional/technical services	266,075	387,327	387,327	-	288,682
Purchased property services	11,013	11,013	6,912	4,101	5,603
Maintenance	1,272,773	1,224,267	1,224,267	-	1,051,333
Other purchased service	59,944	55,444	60,805	(5,361)	89,089
Supplies	252,761	280,912	281,796	(884)	309,169
Capital expenditures	-	220,138	220,138	-	258,588
Total facilities	<u>3,344,769</u>	<u>3,700,750</u>	<u>3,700,750</u>	<u>-</u>	<u>3,524,460</u>

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
<b>Expenditures (continued)</b>					
<b>General Government (continued)</b>					
Economic development:					
Salaries and wages	\$ -	-	4,848	(4,848)	-
Employee benefits	-	-	1,488	(1,488)	-
Purchased professional/technical services	-	-	4,200	(4,200)	16,700
Total economic development	-	-	10,536	(10,536)	16,700
Economic development incentive:					
Purchased professional/technical services	-	1,250,000	1,099,919	150,081	462,375
Total economic development incentive	-	1,250,000	1,099,919	150,081	462,375
Contributions:					
McLennan County	132,919	132,919	129,890	3,029	125,395
Greenwood Cemetery	1,500	1,500	500	1,000	1,500
Rosemound Cemetery	40,000	40,000	30,000	10,000	40,000
H.O.T. Council of Governments	11,344	11,344	9,842	1,502	9,842
The Advocacy Center	91,645	91,645	91,645	-	83,314
Greater Waco Chamber	136,500	142,946	142,946	-	130,054
Cen-Tex African American Chamber of Commerce	68,000	68,000	68,000	-	68,000
Cen-Tex Hispanic Chamber of Commerce	68,000	68,000	68,000	-	68,000
BRC/WDDC	280,000	300,000	300,000	-	180,144
Economic Development Grants	440,200	440,200	368,988	71,212	264,103
NAFTA Impact Zone 2	-	-	-	-	(25,000)
McLennan County Appraisal District	739,056	739,056	731,150	7,906	590,438
YMCA Multi-Purpose Center	55,000	55,000	26,473	28,527	52,558
Senior Ministries	28,000	28,000	28,000	-	28,000
Greater Waco Impact Initiative	-	567,700	135,200	432,500	59,800
Arts-Historic Agencies	150,000	150,000	142,000	8,000	142,000
Total contributions	2,242,164	2,836,310	2,272,634	563,676	1,818,148
Miscellaneous:					
Employee benefits	80,000	80,000	22,120	57,880	45,240
Purchase professional/technical services	221,800	221,800	186,888	34,912	149,467
Maintenance	3,000	3,000	5,471	(2,471)	4,984
Other purchased service	300,000	300,000	-	300,000	-
Supplies	-	-	2,798	(2,798)	6,586
Capital expenditures	1,860,151	-	-	-	240,112
Budget contingency	630,044	130,044	-	130,044	-
Other expenses	329,995	329,995	352,183	(22,188)	144,351
Total miscellaneous	3,424,990	1,064,839	569,460	495,379	590,740
Total General Government	19,962,963	20,508,824	18,144,029	2,364,795	17,230,269

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
<b>Expenditures (continued)</b>					
<b>Public Works</b>					
Streets and drainage services:					
Salaries and wages	\$ 480,883	480,883	419,134	61,749	364,247
Employee benefits	300,157	300,157	271,280	28,877	263,787
Purchased professional/technical services	7,500	558,514	205,022	353,492	24,091
Purchased property services	40,908	40,908	19,244	21,664	36,117
Maintenance	691,605	691,605	519,160	172,445	641,430
Other purchased service	117,634	116,699	65,979	50,720	81,971
Supplies	278,651	253,377	140,800	112,577	240,436
Other expenses	(158,248)	(132,039)	(234,807)	102,768	540,116
Capital expenditures	500,000	-	-	-	391,295
Total streets and drainage services	<u>2,259,090</u>	<u>2,310,104</u>	<u>1,405,812</u>	<u>904,292</u>	<u>2,583,490</u>
Total Public Works	<u>2,259,090</u>	<u>2,310,104</u>	<u>1,405,812</u>	<u>904,292</u>	<u>2,583,490</u>
<b>Public Safety</b>					
Municipal court:					
Salaries and wages	797,338	797,338	743,746	53,592	758,533
Employee benefits	266,471	266,471	250,340	16,131	258,481
Purchased professional/technical services	22,300	44,800	25,894	18,906	13,613
Maintenance	1,000	1,000	576	424	457
Other purchased service	31,469	31,469	25,134	6,335	23,103
Supplies	89,995	89,995	81,423	8,572	88,547
Capital expenditures	-	-	-	-	6,521
Other expenses	13,994	13,994	13,240	754	13,995
Total municipal court	<u>1,222,567</u>	<u>1,245,067</u>	<u>1,140,353</u>	<u>104,714</u>	<u>1,163,250</u>
Inspection services:					
Salaries and wages	979,249	979,249	942,294	36,955	879,345
Employee benefits	369,242	369,242	351,106	18,136	337,320
Purchased professional/technical services	220,000	197,191	157,995	39,196	166,887
Purchased property services	70,984	70,984	69,614	1,370	66,467
Maintenance	47,447	47,447	46,673	774	47,176
Other purchased service	59,727	59,727	62,353	(2,626)	63,798
Supplies	68,419	91,228	66,690	24,538	62,450
Other expenses	17,881	17,881	25,067	(7,186)	19,259
Total inspection services	<u>1,832,949</u>	<u>1,832,949</u>	<u>1,721,792</u>	<u>111,157</u>	<u>1,642,702</u>

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
<b>Expenditures</b> (continued)					
<b>Public Safety</b> (continued)					
Emergency management services:					
Salaries and wages	271,615	271,615	265,647	5,968	229,366
Employee benefits	102,143	102,143	98,693	3,450	86,012
Purchased professional/technical services	13,212	14,962	14,974	(12)	13,422
Purchased property services	2,576	2,576	3,219	(643)	2,284
Maintenance	208,622	205,983	167,439	38,544	48,952
Other purchased service	29,926	29,926	22,087	7,839	20,265
Supplies	489,203	490,576	482,333	8,243	21,466
Capital expenditures	-	-	-	-	20,899
Other expenses	136,523	136,523	132,767	3,756	102,905
Total emergency management services	<u>1,253,820</u>	<u>1,254,304</u>	<u>1,187,159</u>	<u>67,145</u>	<u>545,571</u>
Fire services:					
Salaries and wages	14,567,148	14,997,886	15,075,817	(77,931)	14,595,578
Employee benefits	4,819,496	4,819,496	4,838,347	(18,851)	4,805,557
Purchased professional/technical services	71,029	87,529	88,705	(1,176)	71,694
Purchased property services	58,032	58,032	51,280	6,752	50,262
Maintenance	341,041	570,565	532,852	37,713	288,756
Other purchased service	385,762	385,879	427,586	(41,707)	370,373
Supplies	693,223	581,756	566,022	15,734	628,547
Capital expenditures	-	6,650	6,650	-	34,022
Total fire services	<u>20,935,731</u>	<u>21,507,793</u>	<u>21,587,259</u>	<u>(79,466)</u>	<u>20,844,789</u>
Police services:					
Salaries and wages	21,455,469	21,455,469	22,048,753	(593,284)	20,984,693
Employee benefits	7,401,813	7,401,813	7,382,414	19,399	7,181,057
Purchased professional/technical services	471,000	478,200	428,086	50,114	381,940
Purchased property services	45,738	45,738	40,350	5,388	38,233
Maintenance	936,017	932,342	772,444	159,898	1,150,838
Other purchased service	991,158	990,341	897,661	92,680	978,868
Supplies	1,773,357	1,808,295	1,311,894	496,401	2,104,525
Capital expenditures	-	38,205	42,750	(4,545)	433,845
Other expenses	934	934	842	92	798
Total police services	<u>33,075,486</u>	<u>33,151,337</u>	<u>32,925,194</u>	<u>226,143</u>	<u>33,254,797</u>

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015 Actual	Variance with Final Budget	2014 Actual
	Original	Final	Amounts		Amounts
<b>Expenditures (continued)</b>					
<b>Public Safety (continued)</b>					
Traffic services:					
Salaries and wages	\$ 744,068	734,068	529,495	204,573	573,791
Employee benefits	320,573	320,573	264,503	56,070	276,200
Purchased professional/technical services	2,875	60,440	33,308	27,132	16,316
Purchased property services	3,625	3,625	1,675	1,950	2,203
Maintenance	530,867	510,867	317,199	193,668	246,310
Other purchased service	38,578	39,378	44,501	(5,123)	33,040
Supplies	759,358	748,558	684,875	63,683	688,942
Capital expenditures	220,000	226,185	16,078	210,107	50,072
Total traffic services	<u>2,619,944</u>	<u>2,643,694</u>	<u>1,891,634</u>	<u>752,060</u>	<u>1,886,874</u>
Animal services:					
Salaries and wages	328,593	328,593	352,827	(24,234)	283,009
Employee benefits	170,307	170,307	163,157	7,150	150,820
Purchased professional/technical services	205,750	214,000	178,949	35,051	177,219
Purchased property services	9,000	9,000	7,753	1,247	7,169
Maintenance	19,600	19,600	25,115	(5,515)	10,118
Other purchased service	33,257	33,257	38,809	(5,552)	49,466
Supplies	131,837	131,837	135,776	(3,939)	123,760
Capital expenditures	-	-	5,965	(5,965)	21,970
Other expenses	970	970	965	5	933
Total animal services	<u>899,314</u>	<u>907,564</u>	<u>909,316</u>	<u>(1,752)</u>	<u>824,464</u>
Contributions:					
Animal shelter	287	287	287	-	287
Total contributions	<u>287</u>	<u>287</u>	<u>287</u>	<u>-</u>	<u>287</u>
Total Public Safety	<u>61,840,098</u>	<u>62,542,995</u>	<u>61,362,994</u>	<u>1,180,001</u>	<u>60,162,734</u>
<b>Culture and Recreation</b>					
Library services:					
Salaries and wages	1,767,325	1,755,754	1,651,752	104,002	1,686,362
Employee benefits	604,967	604,967	565,473	39,494	577,429
Purchased professional/technical services	147,387	257,672	135,277	122,395	197,313
Purchased property services	28,072	28,072	14,160	13,912	19,801
Maintenance	106,599	106,699	91,302	15,397	84,813
Other purchased service	167,970	188,770	156,639	32,131	155,673
Supplies	541,868	602,557	569,282	33,275	523,045
Capital expenditures	10,190	25,190	17,237	7,953	136,334
Other expenses	157,101	157,101	156,995	106	154,000
Total library services	<u>3,531,479</u>	<u>3,726,782</u>	<u>3,358,117</u>	<u>368,665</u>	<u>3,534,770</u>

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with Final Budget	2014
	Original	Final	Actual Amounts		Actual Amounts
<b>Expenditures (continued)</b>					
<b>Culture and Recreation (continued)</b>					
Parks:					
Salaries and wages	\$ 3,467,047	3,467,047	3,296,456	170,591	3,327,785
Employee benefits	1,529,303	1,529,303	1,456,505	72,798	1,452,441
Purchased professional/technical services	338,080	353,080	274,943	78,137	305,563
Purchased property services	708,848	708,848	605,793	103,055	562,727
Maintenance	573,447	562,447	523,599	38,848	518,466
Other purchased service	236,173	236,173	227,595	8,578	208,574
Supplies	737,960	726,515	561,616	164,899	700,093
Capital expenditures	250,000	7,445	6,165	1,280	359,432
Other expenses	25,339	25,339	37,770	(12,431)	31,439
Total parks	<u>7,866,197</u>	<u>7,616,197</u>	<u>6,990,442</u>	<u>625,755</u>	<u>7,466,520</u>
Recreation services:					
Salaries and wages	851,515	851,515	835,811	15,704	804,559
Employee benefits	257,339	257,339	249,268	8,071	244,932
Purchased professional/technical services	483,383	479,383	500,008	(20,625)	465,475
Purchased property services	-	-	-	-	400
Maintenance	9,852	9,852	7,325	2,527	12,680
Other purchased service	121,792	121,792	125,809	(4,017)	124,811
Supplies	282,393	282,393	197,030	85,363	255,282
Capital expenditures	-	-	-	-	-
Other expenses	15,501	19,501	16,328	3,173	17,033
Total recreation services	<u>2,021,775</u>	<u>2,021,775</u>	<u>1,931,579</u>	<u>90,196</u>	<u>1,925,172</u>
Total Culture and Recreation	<u>13,419,451</u>	<u>13,364,754</u>	<u>12,280,138</u>	<u>1,084,616</u>	<u>12,926,462</u>
<b>Housing and Community Development</b>					
Housing services:					
Salaries and wages	201,424	186,424	192,597	(6,173)	131,886
Employee benefits	58,873	58,873	57,899	974	43,104
Purchased professional/technical services	-	136,738	325	136,413	1,000
Other purchased services	13,460	13,420	14,258	(838)	13,561
Supplies	2,846	3,648	4,019	(371)	2,596
Other expenses	-	25,000	19,620	5,380	-
Total housing services	<u>276,603</u>	<u>424,103</u>	<u>288,718</u>	<u>135,385</u>	<u>192,147</u>
Total Housing and Community Development	<u>276,603</u>	<u>424,103</u>	<u>288,718</u>	<u>135,385</u>	<u>192,147</u>
Total expenditures	<u>97,758,205</u>	<u>99,150,780</u>	<u>93,481,691</u>	<u>5,669,089</u>	<u>93,095,102</u>
Excess of revenues over expenditures	<u>8,760,678</u>	<u>9,205,739</u>	<u>20,182,111</u>	<u>10,976,372</u>	<u>14,325,730</u>

(Continued)

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets:					
Sale of real estate	\$ -	-	171,016	171,016	105,278
Total proceeds from sale of capital assets	-	-	171,016	171,016	105,278
Transfers in:					
Abandoned motor vehicles	50,000	50,000	50,000	-	340,068
Court security	87,031	87,031	80,236	(6,795)	75,699
Revenue in lieu of property taxes	4,273,952	4,273,952	4,273,952	-	4,268,113
Total transfers in	4,410,983	4,410,983	4,404,188	(6,795)	4,683,880
Transfers out:					
Street Improvements:					
Street reconstruction	(3,885,972)	(3,885,972)	(3,885,972)	-	(3,957,472)
Street Cash CIP	(2,251,155)	(3,461,679)	(3,461,679)	-	(603,400)
Capital Improvements:					
Facilities Cash CIP	-	-	-	-	(555,366)
Animal Shelter Cash CIP	-	(500,000)	(500,000)	-	-
Emergency Management Cash CIP	-	-	-	-	(926,234)
Parks Cash CIP	-	(4,249,440)	(4,249,440)	-	-
Library Cash CIP	-	(340,244)	(340,244)	-	-
Information Technology Cash CIP	-	(2,354,253)	(2,354,253)	-	-
Bond Interest CIP	-	(600,000)	(600,000)	-	-
Cameron Park Zoo	(1,983,223)	(1,983,223)	(1,983,223)	-	(1,726,608)
Rolling stock	-	(660,151)	(660,151)	-	-
Equipment replacement	-	(200,000)	(200,000)	-	(100,000)
Brownfields	-	(36,000)	(36,000)	-	(940,932)
TxDOT Brazos Riverwalk	-	-	-	-	(405,310)
Cottonwood Creek Golf Course	-	-	-	-	(356,706)
Transit services	(153,216)	(153,216)	-	153,216	-
Airport services	(179,235)	(179,235)	(179,235)	-	(491,536)
Health services	(2,724,229)	(2,724,229)	(2,724,229)	-	(2,673,939)
Ranger Hall of Fame	(669,631)	(819,631)	(819,631)	-	(609,012)
Economic Development Incentive	(1,250,000)	-	-	-	-
Housing demo/lot clearing	(75,000)	(155,000)	(155,000)	-	(125,000)
Grant (fire)	-	-	(7,526)	(7,526)	(226,015)
Grant (police)	-	-	(85,307)	(85,307)	(88,952)
Total transfers out	(13,171,661)	(22,302,273)	(22,241,890)	60,383	(13,786,482)
Total other financing sources (uses)	(8,760,678)	(17,891,290)	(17,666,686)	224,604	(8,997,324)
Net change in fund balances	-	(8,685,551)	2,515,425	11,200,976	5,328,406
Fund balances, beginning of year	51,797,659	51,797,659	51,797,659	-	46,469,253
Fund balances, end of year	\$ 51,797,659	43,112,108	54,313,084	11,200,976	51,797,659

See accompanying notes to financial statements.



**City of Waco, Texas**  
**Statement of Net Position -**  
**Proprietary Funds**  
September 30, 2015

Assets	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Other Funds	Total	Funds
<b>Current assets:</b>						
Cash and investments	\$ 32,917,101	19,286,907	15,609,595	3,609,048	71,422,651	10,418,094
Accounts receivable, net of allowances	5,859,346	2,764,385	1,798,608	592,998	11,015,337	1,854
Due from other funds	-	-	-	-	-	321,028
Intergovernmental receivable	-	-	-	2,859,806	2,859,806	-
Current portion of notes receivable	-	47,727	-	-	47,727	-
Restricted cash and investments	4,752,985	2,815,363	-	-	7,568,348	-
Accrued interest on notes receivable	-	3,076	-	-	3,076	-
Inventories	300,045	13,308	-	818,466	1,131,819	212,265
Total current assets	<u>43,829,477</u>	<u>24,930,766</u>	<u>17,408,203</u>	<u>7,880,318</u>	<u>94,048,764</u>	<u>10,953,241</u>
<b>Noncurrent assets:</b>						
Restricted cash and investments	13,091,889	15,945,721	-	108,278	29,145,888	-
Noncurrent portion of notes receivable	-	457,683	-	-	457,683	-
Advances to other funds	525,336	-	-	-	525,336	-
<b>Capital assets:</b>						
Land	1,279,185	2,576,524	1,753,855	912,673	6,522,237	38,800
Buildings	9,520,815	10,851,569	1,370,137	59,484,952	81,227,473	920,153
Improvements other than buildings	281,319,710	122,711,257	26,167,880	61,149,759	491,348,606	118,289
Machinery and equipment	7,649,627	9,114,279	16,455,332	13,834,149	47,053,387	1,236,246
Museum collections	-	-	-	2,206,424	2,206,424	-
Construction work in progress	6,408,534	10,924,960	27,574	790,888	18,151,956	-
Intangible water rights	32,482,879	-	-	-	32,482,879	-
Less: accumulated depreciation and amortization	<u>(119,493,204)</u>	<u>(53,672,066)</u>	<u>(34,714,344)</u>	<u>(63,184,800)</u>	<u>(271,064,414)</u>	<u>(1,456,699)</u>
Total capital assets	<u>219,167,546</u>	<u>102,506,523</u>	<u>11,060,434</u>	<u>75,194,045</u>	<u>407,928,548</u>	<u>856,789</u>
Total noncurrent assets	<u>232,784,771</u>	<u>118,909,927</u>	<u>11,060,434</u>	<u>75,302,323</u>	<u>438,057,455</u>	<u>856,789</u>
Total assets	<u>276,614,248</u>	<u>143,840,693</u>	<u>28,468,637</u>	<u>83,182,641</u>	<u>532,106,219</u>	<u>11,810,030</u>
<b>Deferred Outflows of Resources</b>						
<b>Deferred outflows of resources:</b>						
Deferred losses on refundings of debt	2,512,180	1,278,356	20,744	-	3,811,280	-
Pension contributions subsequent to the measurement date	432,827	288,552	288,552	-	1,009,931	-
Differences between expected and actual experience	83,699	55,799	55,799	-	195,297	-
Differences in projected and actual earnings on pension plan investments	<u>227,164</u>	<u>-</u>	<u>151,442</u>	<u>-</u>	<u>378,606</u>	<u>-</u>
Total deferred outflows of resources	<u>3,255,870</u>	<u>1,622,707</u>	<u>516,537</u>	<u>-</u>	<u>5,395,114</u>	<u>-</u>

(Continued)

Liabilities	Business-type Activities - Enterprise Funds					Governmental
	Water	Wastewater	Solid Waste	Other	Total	Activities -
				Funds		Internal
						Service
						Funds
Liabilities:						
Current liabilities:						
Accounts payable	\$ 602,543	549,311	239,921	547,808	1,939,583	263,070
Accrued liabilities	818,610	253,638	384,869	1,243,964	2,701,081	399,401
Unearned revenue	-	-	-	89,346	89,346	-
Due to other funds	674,598	370,553	264,805	2,050,759	3,360,715	-
Compensated absences payable	715,480	458,271	408,912	488,334	2,070,997	246,797
Refundable contracts	449,701	50,000	-	-	499,701	-
Notes payable	75,777	-	-	-	75,777	-
Escrow funds	-	-	-	-	-	538
Bonds payable	7,695,000	3,860,000	470,000	-	12,025,000	-
Accrued interest payable	1,041,356	508,497	28,066	-	1,577,919	-
Estimated claims and judgments	-	-	-	-	-	2,476,558
	<u>12,073,065</u>	<u>6,050,270</u>	<u>1,796,573</u>	<u>4,420,211</u>	<u>24,340,119</u>	<u>3,386,364</u>
Current liabilities payable from restricted assets:						
Accounts payable	1,923,423	2,815,363	-	-	4,738,786	-
Customer deposits	2,829,562	-	-	-	2,829,562	-
	<u>4,752,985</u>	<u>2,815,363</u>	<u>-</u>	<u>-</u>	<u>7,568,348</u>	<u>-</u>
Total current liabilities	<u>16,826,050</u>	<u>8,865,633</u>	<u>1,796,573</u>	<u>4,420,211</u>	<u>31,908,467</u>	<u>3,386,364</u>
Noncurrent liabilities:						
Refundable contracts	930,192	142,542	-	-	1,072,734	-
Estimated landfill closure and post-closure care costs	-	-	4,757,870	-	4,757,870	-
Advances from other funds	-	-	-	693,704	693,704	-
Compensated absences payable	186,821	244,349	142,874	366,278	940,322	30,963
Net pension liability	2,565,123	1,710,082	1,710,082	-	5,985,287	-
Bonds payable	143,354,219	63,840,251	3,830,621	-	211,025,091	-
Notes payable	1,750,105	-	-	-	1,750,105	-
Total noncurrent liabilities	<u>148,786,460</u>	<u>65,937,224</u>	<u>10,441,447</u>	<u>1,059,982</u>	<u>226,225,113</u>	<u>30,963</u>
Total liabilities	<u>165,612,510</u>	<u>74,802,857</u>	<u>12,238,020</u>	<u>5,480,193</u>	<u>258,133,580</u>	<u>3,417,327</u>
<b>Net Position</b>						
Net position:						
Net investment in capital assets	80,516,621	51,837,807	6,780,557	75,194,045	214,329,030	856,789
Restricted for capital projects	-	-	-	1,370,154	1,370,154	-
Unrestricted	<u>33,740,987</u>	<u>18,974,178</u>	<u>9,966,597</u>	<u>1,138,249</u>	<u>63,820,011</u>	<u>7,535,914</u>
Total net position	<u>\$ 114,257,608</u>	<u>70,811,985</u>	<u>16,747,154</u>	<u>77,702,448</u>	<u>279,519,195</u>	<u>8,392,703</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, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Other Funds	Total	
Operating revenues:						
Charges for services	\$ 37,366,519	20,426,696	17,567,885	7,104,090	82,465,190	19,891,787
Net merchandise sales	-	-	-	941,690	941,690	-
Contributions	-	-	-	155,807	155,807	-
Other	402,025	400,947	136,634	1,302,739	2,242,345	10,943
Total operating revenues	<u>37,768,544</u>	<u>20,827,643</u>	<u>17,704,519</u>	<u>9,504,326</u>	<u>85,805,032</u>	<u>19,902,730</u>
Operating expenses:						
Salaries and wages	4,730,086	2,901,438	3,012,097	7,346,236	17,989,857	2,348,483
Employee benefits	1,864,515	1,041,207	1,401,937	2,430,790	6,738,449	898,049
Purchased professional/ technical services	1,616,037	1,282,580	1,790,675	1,952,125	6,641,417	1,760,718
Purchased property services	105,503	277,646	-	649,822	1,032,971	63,099
Maintenance	1,670,712	1,485,175	2,025,345	913,656	6,094,888	109,324
Other purchased services	812,222	315,758	153,939	1,249,842	2,531,761	982,904
Supplies	4,594,066	1,961,616	1,444,796	2,222,964	10,223,442	207,007
Other	3,698,866	3,130,739	2,431,652	1,150,069	10,411,326	12,634,945
Depreciation/amortization	8,872,286	4,633,544	2,852,081	5,481,217	21,839,128	119,928
Total operating expenses	<u>27,964,293</u>	<u>17,029,703</u>	<u>15,112,522</u>	<u>23,396,721</u>	<u>83,503,239</u>	<u>19,124,457</u>
Operating income (loss)	<u>9,804,251</u>	<u>3,797,940</u>	<u>2,591,997</u>	<u>(13,892,395)</u>	<u>2,301,793</u>	<u>778,273</u>
Nonoperating revenues (expenses):						
Investment earnings	125,375	95,858	57,910	10,437	289,580	39,883
Other income	5,210	-	-	300,021	305,231	-
Hotel/motel tax	-	-	-	2,707,056	2,707,056	-
Contributions	-	-	-	132,044	132,044	-
Intergovernmental revenue	-	-	-	3,434,002	3,434,002	-
Bond issuance costs	(150,735)	(144,607)	-	-	(295,342)	-
Interest expense and fiscal charges	(4,342,127)	(1,790,217)	(111,093)	-	(6,243,437)	-
Total nonoperating revenues (expenses)	<u>(4,362,277)</u>	<u>(1,838,966)</u>	<u>(53,183)</u>	<u>6,583,560</u>	<u>329,134</u>	<u>39,883</u>
Income (loss) before contributions and transfers	5,441,974	1,958,974	2,538,814	(7,308,835)	2,630,927	818,156
Capital contributions	692,265	-	-	2,830,945	3,523,210	-
Transfers in	-	-	-	3,132,089	3,132,089	-
Transfers out	(3,817,145)	(1,171,894)	(594,869)	(150,000)	(5,733,908)	-
Changes in net position	<u>2,317,094</u>	<u>787,080</u>	<u>1,943,945</u>	<u>(1,495,801)</u>	<u>3,552,318</u>	<u>818,156</u>
Total net position, beginning of year as previously stated	113,131,246	70,826,924	15,607,172	79,198,249	278,763,591	7,200,280
Cumulative effect of change in accounting method	(1,190,732)	(802,019)	(803,963)	-	(2,796,714)	374,267
Total net position, beginning of year as restated	<u>111,940,514</u>	<u>70,024,905</u>	<u>14,803,209</u>	<u>79,198,249</u>	<u>275,966,877</u>	<u>7,574,547</u>
Total net position, end of year	<u>\$ 114,257,608</u>	<u>70,811,985</u>	<u>16,747,154</u>	<u>77,702,448</u>	<u>279,519,195</u>	<u>8,392,703</u>

See accompanying notes to financial statements.

**City of Waco, Texas**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Other Funds	Total	
Cash flows from operating activities:						
Cash received from customers	\$ 37,570,182	20,713,986	18,021,176	9,440,187	85,745,531	19,909,924
Cash paid to suppliers for goods and services	(12,551,721)	(9,090,414)	(7,417,315)	(8,249,185)	(37,308,635)	(16,635,865)
Cash paid to employees for services	(6,754,693)	(3,905,868)	(4,501,909)	(9,761,852)	(24,924,322)	(3,247,320)
Net cash provided by (used for) operating activities	<u>18,263,768</u>	<u>7,717,704</u>	<u>6,101,952</u>	<u>(8,570,850)</u>	<u>23,512,574</u>	<u>26,739</u>
Cash flows from noncapital financing activities:						
Hotel/motel tax	-	-	-	2,666,907	2,666,907	-
Intergovernmental revenue	-	-	-	1,939,745	1,939,745	-
Contributions	-	-	-	132,044	132,044	-
Passenger facility charges	-	-	-	290,008	290,008	-
Payments to other funds	-	-	-	1,359,993	1,359,993	-
Transfers from other funds	-	-	-	3,132,089	3,132,089	-
Transfer to other funds	(3,142,547)	(801,341)	(330,064)	(150,000)	(4,423,952)	(69,055)
Net cash provided by (used for) noncapital financing activities	<u>(3,142,547)</u>	<u>(801,341)</u>	<u>(330,064)</u>	<u>9,370,786</u>	<u>5,096,834</u>	<u>(69,055)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(3,542,736)	(5,321,298)	(4,238,708)	(402,943)	(13,505,685)	(28,829)
Proceeds from sale of debt	6,333,820	5,819,332	-	-	12,153,152	-
Proceeds from sale of equipment	-	-	-	10,013	10,013	-
Capital contributions	-	-	-	149,330	149,330	-
Principal paid on debt	(7,540,000)	(3,545,000)	(690,000)	-	(11,775,000)	-
Interest paid on debt	(5,818,125)	(2,545,062)	(179,807)	-	(8,542,994)	-
Payment of bond issuance costs	(150,735)	(144,607)	-	-	(295,342)	-
Net cash used for capital and related financing activities	<u>(10,717,776)</u>	<u>(5,736,635)</u>	<u>(5,108,515)</u>	<u>(243,600)</u>	<u>(21,806,526)</u>	<u>(28,829)</u>
Cash flows from investing activities:						
Rental revenue	5,210	-	-	-	5,210	-
Investment earnings	125,375	96,138	57,910	10,437	289,860	39,883
Note payments from other entities	-	46,065	-	-	46,065	-
Net cash provided by investing activities	<u>130,585</u>	<u>142,203</u>	<u>57,910</u>	<u>10,437</u>	<u>341,135</u>	<u>39,883</u>
Net increase (decrease) in cash and cash equivalents	4,534,030	1,321,931	721,283	566,773	7,144,017	(31,262)
Cash and cash equivalents, beginning of year	<u>46,227,945</u>	<u>36,726,060</u>	<u>14,888,312</u>	<u>3,150,553</u>	<u>100,992,870</u>	<u>10,449,356</u>
Cash and cash equivalents, end of year	<u>\$ 50,761,975</u>	<u>38,047,991</u>	<u>15,609,595</u>	<u>3,717,326</u>	<u>108,136,887</u>	<u>10,418,094</u>

(Continued)

**City of Waco, Texas**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
(Continued)  
Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Other Funds	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>						
Operating income (loss)	\$ 9,804,251	3,797,940	2,591,997	(13,892,395)	2,301,793	778,273
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Provision for uncollectible accounts receivable	34,621	28,641	20,733	-	83,995	-
Depreciation/amortization	8,872,286	4,633,544	2,852,081	5,481,217	21,839,128	119,928
Changes in assets and liabilities:						
Decrease (increase) in assets:						
Accounts receivable	(232,983)	(142,298)	295,924	(57,455)	(136,812)	7,194
Inventories	(4,662)	1,471	-	50,777	47,586	61,610
Increase (decrease) in liabilities:						
Accounts payable	(346,548)	(539,203)	40,125	(19,030)	(864,656)	(101,946)
Accrued liabilities	35,907	(76,146)	156,262	(148,957)	(32,934)	(83,103)
Unearned revenue	-	-	-	(6,684)	(6,684)	-
Estimated landfill closure and post-closure care costs	-	-	241,010	-	241,010	-
Compensated absences payable	(65,713)	83,269	(26,666)	21,677	12,567	(18,972)
Net pension liability	(104,272)	(69,514)	(69,514)	-	(243,300)	-
Customer deposits	270,881	-	-	-	270,881	-
Estimated claims and judgments	-	-	-	-	-	(736,245)
Net cash provided by (used for) operating activities	<u>\$ 18,263,768</u>	<u>7,717,704</u>	<u>6,101,952</u>	<u>(8,570,850)</u>	<u>23,512,574</u>	<u>26,739</u>
<b>Noncash investing, capital, and financing activities:</b>						
Contributions of capital assets	\$ 692,265	-	-	109,530	801,795	-
Payment to refunded bond escrow agent	<u>\$ 28,418,449</u>	<u>16,638,605</u>	<u>-</u>	<u>-</u>	<u>45,057,054</u>	<u>-</u>

See accompanying notes to financial statements.

**City of Waco, Texas**  
**Statement of Fiduciary Net Position -**  
**Agency Funds**  
September 30, 2015

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and investments	\$ 2,812,267
Accounts receivable	501
Note receivable	307,499
Due from other governments	<u>130,082</u>
Total assets	<u>\$ 3,250,349</u>
<b>Liabilities</b>	
Due to other agencies and individuals	\$ 3,132,427
Due to other funds	<u>117,922</u>
Total liabilities	<u>\$ 3,250,349</u>

See accompanying notes to financial statements.



## City of Waco, Texas

### Notes to Financial Statements

September 30, 2015

#### 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.

##### 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.

##### 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*.

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

###### Receivables and Payables

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

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

## City of Waco, Texas

### Notes to Financial Statements (Continued)

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

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

###### Receivables and Payables (continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days are estimated to be uncollectible and comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 7.42 percent of outstanding property taxes at September 30, 2015.

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

###### Inventories

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

###### Restricted Assets

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

###### Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

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

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

Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred during the current fiscal year was \$6,883,486 for business-type activities. Of this amount, \$640,049 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 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

## City of Waco, Texas

### Notes to Financial Statements (Continued)

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

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

###### Deferred Outflows/Inflows of Resources (continued)

(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 expected and actual experience; 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 government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from multiple sources: property taxes, court fines, special assessments, etc. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

###### Compensated Absences

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

## City of Waco, Texas

### Notes to Financial Statements (Continued)

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

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

###### Long-term Obligations

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

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

###### Fund Balance

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

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

The City Council has adopted Financial Management Policy Statements that include the policy to strive to maintain the general fund unassigned fund balance at 18% of budgeted revenues. General fund unassigned fund balance at September 30, 2015 was 18.97% of fiscal year 2016 budgeted revenues.

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

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

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

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

*Fund Balance* (continued)

	General Fund	Other Funds	Total
Fund balances:			
Nonspendable:			
Inventory	\$ 849,594	131,805	981,399
Real estate held for resale	6,160	46,705	52,865
Parks and cemetery care	-	466,997	466,997
Restricted for:			
Municipal information	751,247	-	751,247
Debt service	-	491,257	491,257
Capital projects	-	7,184,956	7,184,956
Tax increment zone activities	-	13,579,596	13,579,596
Housing and community development	-	2,059,972	2,059,972
Public safety	119,629	1,442,749	1,562,378
Culture and recreation	755,927	450,821	1,206,748
Waco Public Improvement District	-	716,835	716,835
Committed to:			
Economic development	9,722,702		9,722,702
Capital projects	-	15,665,156	15,665,156
Public health	-	820,811	820,811
Assigned to:			
Capital improvements	4,810,928	-	4,810,928
Economic development	5,740,957	-	5,740,957
Housing and community development	142,117	-	142,117
Public safety	189,501	-	189,501
Public works	352,180	-	352,180
Culture and recreation	150,601	-	150,601
Subsequent year's budget appropriation	7,108,799		7,108,799
Other	220,123		220,123
Unassigned	23,392,619	-	23,392,619
	\$ 54,313,084	43,057,660	97,370,744

City of Waco, Texas

Notes to Financial Statements  
(Continued)

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

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

***Net Position***

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

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$130,379,241 difference are as follows:

Serial bonds and certificates of obligation	\$ 79,755,000
Less: deferred charge on refunding (to be amortized as interest expense)	(2,671,585)
Plus: issuance premium (to be amortized as interest expense)	6,936,896
Accrued interest payable	583,707
Compensated absences	17,516,695
Net pension liability and pension related deferred outflows of \$10,659,554 (to be amortized as pension expense)	26,107,215
Refundable contracts	80,007
Contracts payable	830,000
Net other post-employment benefit obligation	272,774
Notes payable	<u>968,532</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ <u>130,379,241</u>

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

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

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(2,545,693) difference are as follows:

Capital outlay	\$ 14,061,796
Depreciation expense	<u>(16,607,489)</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>\$ (2,545,693)</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 \$2,701,190 difference are as follows:

Donations and transfers of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources	<u>\$ 2,701,190</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>\$ 2,701,190</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 \$(990,302) 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)

Court fines	\$ 61,441
Property taxes	(124,849)
Special assessments	(4,673)
Intergovernmental	<u>(922,221)</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><u>(990,302)</u></u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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 \$2,623,922 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation and refunding debt	\$ (35,820,000)
Plus: premium on issuance	(6,861,291)
Issuance of note payable	(968,532)
Principal repayments:	
General obligation debt	5,585,000
Capital lease	12,443
Payment to escrow agent for refunding	<u>40,676,302</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>2,623,922</u></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 \$2,435,969 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)

Net other post-employment benefit obligation	\$ (20,204)
Compensated absences	429,190
Net pension liability	1,494,553
Accrued interest	56,992
Amortization of deferred charge on refunding	(302,197)
Amortization of bond premiums	<u>777,635</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>\$ 2,435,969</u>

**III. Stewardship, Compliance and Accountability**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual, appropriated budgets are adopted for the general fund, health fund and general obligation debt fund. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds and the grant fund.

Prior to August 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.

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

**III. Stewardship, Compliance and Accountability** (continued)

**A. Budgetary Information** (continued)

Outstanding encumbrances for governmental funds as of September 30, 2015 are \$1,249,380 for the general fund and \$21,583,439 for other nonmajor funds.

**B. Deficit Fund Position**

Deficit net position in individual nonmajor funds at September 30, 2015 consist of the following:

	Net Investment in <u>Capital Assets</u>	<u>Unrestricted</u>	Total <u>Net Position</u>
Nonmajor Enterprise Fund:			
Cottonwood Creek Golf Course	\$ <u>1,016,614</u>	<u>(1,308,790)</u>	<u>(292,176)</u>

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 \$(196,027) for the fiscal year as compared with \$95,327 in the prior year.

**IV. Detail Notes on All Funds**

**A. Deposits and Investments**

As of September 30, 2015, the City had the following investments:

	<u>Fair Value</u>	Percent of <u>Portfolio</u>	Weighted Average Maturity (in Years)
Texas Local Government Investment Pool (Tex Pool)	\$ 5,601,657	5.26	0.11
Texas Short-Term Asset Reserve (TexSTAR)	<u>878,188</u>	<u>0.82</u>	0.11
Total local government investment pools	6,479,845	6.08	0.11
U.S. Treasury securities	3,015,794	2.83	1.20
U.S. Federal agency securities	<u>97,084,260</u>	<u>91.09</u>	1.06
Total investments	\$ <u>106,579,899</u>	<u>100.00</u>	1.00

## City of Waco, Texas

### Notes to Financial Statements (Continued)

#### IV. **Detail Notes on All Funds** (continued)

##### A. **Deposits and Investments** (continued)

###### *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the maturities of its investments as follows: maturities of U.S. Treasury obligations, U.S. Federal agency securities and repurchase agreements cannot exceed three years. Further, the weighted average maturity of the City's investment portfolio shall at no time exceed one year.

###### *Credit Risk*

For an investment, credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations. Texas Government Code Chapter 2256, Public Funds Investment Act, restricts the types of investments in which the City may invest. The City's investment policy addresses credit quality by further restricting authorized investments to the following:

- U.S. Treasury obligations
- Other obligations of the U.S. Government guaranteed by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States
- 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.

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

**IV. Detail Notes on All Funds** (continued)

**A. Deposits and Investments** (continued)

*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, 2015 were in securities of the following issuers:

U.S. Agency Issuer	Fair Value	Percent of Portfolio
Federal Farm Credit Bank	\$ 9,015,678	8.46%
Federal Home Loan Bank	50,035,469	46.95%
Federal Home Loan Mortgage Corporation	25,014,340	23.47%
Federal National Mortgage Association	13,018,773	12.22%

*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	\$ 104,629,923
Carrying amount of investments	<u>106,579,899</u>
Total	<u>\$ 211,209,822</u>

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

**IV. Detail Notes on All Funds** (continued)

**A. Deposits and Investments** (continued)

*Reconciliation of Cash and Investments* (continued)

Cash and investments - governmental activities	\$ 98,932,017
Cash and investments - business-type activities	71,422,651
Restricted cash and investments - business-type activities	36,714,236
Component units, excluding Baylor Waco Stadium Authority	36,504
Agency funds	2,812,267
Other participants' undivided interest in WMARSS cash and investments	<u>1,292,147</u>
Total	\$ <u>211,209,822</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.

*Local Government Investment Pools*

*TexPool.* The Comptroller of Public Accounts (the Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company) which is authorized to operate TexPool. Federated Investors, Inc. provides asset management services to TexPool. Additionally, the Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. TexPool uses amortized cost rather than fair value to report net assets to compute share prices.

*TexSTAR.* TexSTAR is a Texas public funds investment pool that is co-administered by J.P. Morgan Fleming Asset Management and First Southwest Asset Management, Inc. TexSTAR is managed by a five-member governing board comprised of three representatives of eligible governmental entities and one member designated by each of the co-administrators. The pool uses amortized cost rather than the fair value to report net assets to compute share prices.

**B. Receivables**

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

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

**IV. Detail Notes on All Funds** (continued)

**B. Receivables** (continued)

	<u>General</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 8,198,451	-	-	-	451,512	8,649,963
Accounts	14,314,265	7,564,035	3,876,637	3,005,369	1,599,383	30,359,689
Special assessments	-	-	-	-	6,642	6,642
Intergovernmental	15,446	-	-	-	5,568,002	5,583,448
Notes	-	-	505,410	-	7,228,720	7,734,130
Gross receivables	22,528,162	7,564,035	4,382,047	3,005,369	14,854,259	52,333,872
Less: allowance for uncollectibles	<u>10,794,399</u>	<u>1,704,689</u>	<u>1,112,252</u>	<u>1,206,761</u>	<u>5,837,570</u>	<u>20,655,671</u>
Net total receivables	\$ <u>11,733,763</u>	<u>5,859,346</u>	<u>3,269,795</u>	<u>1,798,608</u>	<u>9,016,689</u>	<u>31,678,201</u>

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

Uncollectibles related to water sales	\$ 34,621
Uncollectibles related to wastewater charges	28,641
Uncollectibles related to solid waste charges	<u>20,733</u>
Total uncollectibles of the current fiscal year	\$ <u>83,995</u>

**C. Capital Assets**

Capital asset activity for the year ended September 30, 2015 was as follows:

	<u>Primary Government</u>			
	<u>Balance October 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2015</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 45,659,048	974,889	-	46,633,937
Construction in progress	<u>4,341,139</u>	<u>7,634,289</u>	<u>(3,269,975)</u>	<u>8,705,453</u>
Total capital assets not being depreciated	<u>50,000,187</u>	<u>8,609,178</u>	<u>(3,269,975)</u>	<u>55,339,390</u>

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

**IV. Detail Notes on All Funds** (continued)

**C. Capital Assets** (continued)

	Primary Government			Balance September 30, 2015
	Balance October 1, 2014	Increases	Decreases	
<u>Governmental activities: (continued)</u>				
Capital assets, being depreciated:				
Buildings	69,353,478	458,086	(37,671)	69,773,893
Machinery and equipment	49,865,359	2,610,686	(2,804,798)	49,671,247
Improvements other than buildings	59,345,775	2,707,185	(37,643)	62,015,317
Infrastructure	264,356,972	5,676,654	-	270,033,626
Total capital assets being depreciated	442,921,584	11,452,611	(2,880,112)	451,494,083
Less accumulated depreciation:				
Buildings	17,826,773	2,436,425	(37,671)	20,225,527
Machinery and equipment	33,104,536	4,264,327	(2,804,798)	34,564,065
Improvements other than buildings	25,948,709	3,037,766	(37,643)	28,948,832
Infrastructure	158,991,740	6,988,899	-	165,980,639
Total accumulated depreciation	235,871,758	16,727,417	(2,880,112)	249,719,063
Total capital assets being depreciated, net	207,049,826	(5,274,806)	-	201,775,020
Total capital assets, net	\$ 257,050,013	3,334,372	(3,269,975)	257,114,410
<u>Business-type activities:</u>				
Capital assets, not being depreciated/amortized:				
Land	\$ 6,522,237	-	-	6,522,237
Construction in progress	14,411,036	11,205,561	(7,464,641)	18,151,956
Museum collections	2,160,924	45,500	-	2,206,424
Total capital assets not being depreciated/amortized	23,094,197	11,251,061	(7,464,641)	26,880,617
Capital assets, being depreciated/amortized:				
Buildings	81,092,966	139,876	(5,369)	81,227,473
Machinery and equipment	45,854,225	3,703,830	(2,504,668)	47,053,387
Improvements other than buildings	478,730,432	12,679,056	(60,882)	491,348,606
Water rights - impound fee	32,482,879	-	-	32,482,879
Total capital assets being depreciated/amortized	638,160,502	16,522,762	(2,570,919)	652,112,345

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

**IV. Detail Notes on All Funds** (continued)

**C. Capital Assets** (continued)

	Primary Government			
	Balance			Balance
	October 1, 2014	Increases	Decreases	September 30, 2015
<u>Business-type activities: (continued)</u>				
Less accumulated depreciation:				
Buildings	\$ 32,308,235	2,628,110	(5,369)	34,930,976
Machinery and equipment	32,063,030	3,676,283	(2,345,005)	33,394,308
Improvements other than buildings	178,428,750	14,607,915	(60,882)	192,975,783
Water rights - impound fee	8,836,527	926,820	-	9,763,347
Total accumulated depreciation/amortization	<u>251,636,542</u>	<u>21,839,128</u>	<u>(2,411,256)</u>	<u>271,064,414</u>
Total capital assets being depreciated/amortized, net	<u>386,523,960</u>	<u>(5,316,366)</u>	<u>(159,663)</u>	<u>381,047,931</u>
Total capital assets, net	<u>\$ 409,618,157</u>	<u>5,934,695</u>	<u>(7,624,304)</u>	<u>407,928,548</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 786,392
Public works	7,423,113
Public safety	4,004,118
Culture and recreation	4,468,208
Public health	<u>45,586</u>
Total depreciation expense - governmental activities	<u>\$ 16,727,417</u>

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

Business-type activities	
Water	\$ 8,872,286
Wastewater	4,633,544
Solid waste	2,852,081
Airport	2,190,738
Convention services	823,796
Ranger Hall of Fame	134,418
Cameron Park Zoo	1,093,201
Transit services	1,076,138
Cottonwood Creek Golf Course	<u>162,926</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 21,839,128</u>

**City of Waco, Texas**

Notes to Financial Statements  
(Continued)

**IV. Detail Notes on All Funds** (continued)

**C. Capital Assets** (continued)

*Construction commitments*

The City has active construction projects as of September 30, 2015. At year-end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street projects	\$ 5,147,571	8,348,171
Water projects	6,408,534	9,583,298
Wastewater projects	10,924,960	5,006,070
Airport projects	713,577	785,239
Parks projects	916,170	2,951,905
Other projects	2,746,597	957,850
Total	\$ 26,857,409	27,632,533

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of September 30, 2015 is as follows:

*Due to/from other funds*

Receivable Fund	Payable Fund	Amount
Nonmajor governmental	Water	\$ 674,598
Nonmajor governmental	Wastewater	370,553
Nonmajor governmental	Solid Waste	264,805
General	Nonmajor governmental	447,629
General	Nonmajor business-type	2,050,759
Nonmajor governmental	Nonmajor governmental	2,673,264
Internal service	General	321,028
Nonmajor governmental	General	840,817
General	Agency	117,922
		\$ 7,761,375

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

**IV. Detail Notes on All Funds** (continued)

***D. Interfund Receivables, Payables and Transfers*** (continued)

*Due to/from other funds* (continued)

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.

*Interfund transfers*

	Transfer in			Total
	General	Nonmajor Governmental	Nonmajor Enterprise	
Transfers out:				
General	\$ -	19,259,801	2,982,089	22,241,890
Water	3,142,547	674,598	-	3,817,145
Wastewater	801,341	370,553	-	1,171,894
Solid waste	330,064	264,805	-	594,869
Nonmajor governmental	130,236	1,322,947	-	1,453,183
Nonmajor enterprise	-	-	150,000	150,000
Total transfers	\$ 4,404,188	21,892,704	3,132,089	29,428,981

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.

**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 (continued)

In the year ended September 30, 2015, 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	\$ 3,142,547
Wastewater	801,341
Solid waste	330,064

**E. Leases**

Operating leases

The government leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$553,840 for the year ended September 30, 2015. The future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2016	\$ 487,831
2017	295,072
2018	170,001
2019	<u>5,875</u>
Total	<u>\$ 958,779</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:

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

**IV. Detail Notes on All Funds** (continued)

**F. Long-term Debt** (continued)

General obligation bonds (continued)

Purpose	Interest Rates	Amount
Governmental activities	2.00% - 5.00%	\$ 34,590,000
Governmental activities - refunding	2.00% - 5.00%	45,165,000
Business-type activities	2.00% - 5.00%	76,280,000
Business-type activities - refunding	2.00% - 5.00%	134,020,000
		\$ 290,055,000

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

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 5,895,000	3,294,857	12,025,000	8,457,468
2017	6,020,000	3,050,229	12,865,000	7,839,595
2018	6,255,000	2,812,457	12,680,000	7,352,420
2019	6,015,000	2,571,314	13,265,000	6,858,308
2020	5,905,000	2,318,817	13,600,000	6,296,869
2021 - 2025	30,405,000	7,504,017	59,560,000	23,362,399
2026 - 2030	16,880,000	1,537,856	44,760,000	12,643,524
2031 - 2035	2,380,000	124,621	35,715,000	4,392,858
2036 - 2040	-	-	5,830,000	213,431
Total	\$ 79,755,000	23,214,168	210,300,000	77,416,872

Advance refunding

The government issued \$73,310,000 of general obligation refunding bonds to provide resources to purchase U.S. state and local government services securities that are placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$80,900,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed for the governmental and business-type activities columns of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$4,261,206. This amount is amortized over the remaining life of the refunded debt.

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

**IV. Detail Notes on All Funds** (continued)

**F. Long-term Debt** (continued)

*Advance refunding* (continued)

The advance refunding was undertaken to reduce total debt service payments over the next twenty-one years by \$11,833,326 and resulted in an economic gain of \$9,589,347.

*Prior year defeasance of bonds*

In the current year and 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, 2015, \$55,600,000 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.

Year Ending September 30,	Note Payable	
	Principal	Interest
2016	\$ 75,777	77,986
2017	79,142	74,620
2018	82,657	71,105
2019	86,328	67,434
2020	90,162	63,600
2021 - 2025	353,090	261,179
2026 - 2030	186,711	211,199
2031 - 2035	232,021	165,889
2036 - 2040	288,328	109,582
2041 - 2045	351,666	39,612
Total	\$ 1,825,882	1,142,206

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 \$26,208 paid in current fiscal year. Six annual payments of \$161,422 will be required for fiscal years 2016 to 2021.

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

**IV. Detail Notes on All Funds** (continued)

**F. Long-term Debt** (continued)

*Other long-term debt information*

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, 2015.

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 \$1,572,435 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, 2015 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	\$ 87,120	35,820	43,185	79,755	5,895
Plus: premium on bonds	<u>1,420</u>	<u>6,861</u>	<u>1,344</u>	<u>6,937</u>	<u>-</u>
Total bonds payable	<u>88,540</u>	<u>42,681</u>	<u>44,529</u>	<u>86,692</u>	<u>5,895</u>
Capital leases	\$ 12	-	12	-	-
Contracts payable	830	-	-	830	-
Refundable contracts	80	-	-	80	-
Estimated claims and judgments	3,213	13,620	14,356	2,477	2,477
Note payable	-	994	26	968	161
Compensated absences	18,243	10,470	10,919	17,794	11,010
Net pension liability	34,188	34,373	31,794	36,767	-
Net OPEB obligation	<u>253</u>	<u>86</u>	<u>66</u>	<u>273</u>	<u>-</u>
Total other long-term liabilities	<u>56,819</u>	<u>59,543</u>	<u>57,173</u>	<u>59,189</u>	<u>13,648</u>
Governmental activity long-term liabilities	<u>\$ 145,359</u>	<u>102,224</u>	<u>101,702</u>	<u>145,881</u>	<u>19,543</u>
<u>Business-type activities:</u>					
Bonds payable:					
General obligation bonds	\$ 214,650	50,725	55,075	210,300	12,025
Plus: premium on bonds	<u>8,367</u>	<u>6,485</u>	<u>2,102</u>	<u>12,750</u>	<u>-</u>
Total bonds payable	<u>223,017</u>	<u>57,210</u>	<u>57,177</u>	<u>223,050</u>	<u>12,025</u>
Refundable contracts	1,952	672	1,052	1,572	500
Estimated landfill closure	4,517	241	-	4,758	-
Note payable	1,898	-	72	1,826	76
Compensated absences	2,999	1,944	1,931	3,012	2,071
Net pension liability	<u>5,565</u>	<u>5,596</u>	<u>5,176</u>	<u>5,985</u>	<u>-</u>
Total other long-term liabilities	<u>16,931</u>	<u>8,453</u>	<u>8,231</u>	<u>17,153</u>	<u>2,647</u>
Business-type activity long-term liabilities	<u>\$ 239,948</u>	<u>65,663</u>	<u>65,408</u>	<u>240,203</u>	<u>14,672</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, \$277,760 and \$2,476,558 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	\$ 2,829,562
Bond construction account	33,776,396
Capital grants and contributions	<u>108,278</u>
Total restricted assets	<u>\$ 36,714,236</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 \$6,900,000 at September 30, 2015.

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, \$413,995,849 aggregate for real and personal property, \$11,136,565 aggregate for mobile equipment and \$5,000,000 per accident for boiler and machinery.

Effective January 1, 2006, the City began to self-insure for health insurance claims. Starting in fiscal year 2014, the City has unlimited stop-loss protection for individual claims exceeding \$200,000, as well as unlimited aggregate protection for claims exceeding 125% of expected annual claims.

There have been no claim settlements in excess of the insurance coverages that have been procured in 2015, 2014, or 2013. Changes in the amounts of estimated unpaid liability claims during the past two years are as follows (shown in thousands of dollars):

	<u>2015</u>	<u>2014</u>
Unpaid claims, beginning of fiscal year	\$ 3,213	3,270
Incurred claims (including IBNRs)	13,620	13,673
Claim payments	<u>(14,356)</u>	<u>(13,730)</u>
Unpaid claims, end of fiscal year	<u>\$ 2,477</u>	<u>3,213</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 \$4,023,843 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 \$14,018,102 had been funded through 2015. This annual grant funding is limited to tax increment revenue collected each year from the reinvestment zone number one as follows:

Year	Amount
2016	\$ 3,006,034
2017	3,006,034
2018	3,006,034
2019	3,006,034
2020	3,006,034
2021	3,006,034
2022	3,006,034

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

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

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

***Actuarial Methods and Assumptions***

Type of benefit	Life insurance only
Inflation rate	3.0% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Payroll growth	3.00% 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 revisions as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

***Reconciliation of Net Other Post-employment Benefit Obligation***

	2015	2014	2013
Annual Required Contribution (ARC)	\$ 85,579	83,086	90,198
Interest on OPEB obligation	11,366	10,454	9,156
Adjustment to the ARC (amortization)	(10,530)	(9,686)	(8,483)
Annual OPEB cost	86,415	83,854	90,871
Contributions made	(66,211)	(63,600)	(62,028)
Increase in net OPEB obligation	20,204	20,254	28,843
Net OPEB obligation, beginning of year	252,570	232,316	203,473
Net OPEB obligation, end of year	272,774	252,570	232,316

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2015 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)

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2015	\$ 86,415	66,211	76.6%	\$ 272,774
September 30, 2014	83,854	63,600	75.8%	252,570
September 30, 2013	90,871	62,028	68.3%	232,316

*Funding status and funding progress*

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

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

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

**L. Defined Benefit Pension Plan**

*Plan Description*

The City participates as one of 860 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.tmrs.com](http://www.tmrs.com).

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

*Benefits Provided*

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

At retirement, the 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, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	867
Inactive employees entitled to but not yet receiving benefits	436
Active employees	1,513

*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 13.61% and 13.15% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$9,999,116 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, 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, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, 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 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 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuations were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purpose rates were updated based on a Mortality Experience Investigation Study covering 2009

**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)

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. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class 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%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	<u>5.0%</u>	8.50%
Totals	<u>100.0%</u>	

*Discount Rate:* The discount rate used to measure the Total Pension Liability was 7.0%. The projected cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute.

**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)

Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2013	\$ 409,572,816	369,818,963	39,753,853
Changes for the year:			
Service cost	9,662,721	-	9,662,721
Interest	28,296,862	-	28,296,862
Difference between expected and actual experience	1,770,413	-	1,770,413
Contributions - employer	-	10,444,097	(10,444,097)
Contributions - employee	-	5,371,982	(5,371,982)
Net investment income	-	21,154,751	(21,154,751)
Benefit payments, including refunds of employee contributions	(20,326,595)	(20,326,595)	-
Administrative expense	-	(220,877)	220,877
Other changes	-	(18,160)	18,160
Net changes	19,403,401	16,405,198	2,998,203
Balance at December 31, 2014	\$ 428,976,217	386,224,161	42,752,056

*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 7.0%, 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 (6.0%) or one percentage point higher (8.0%) 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)

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$ 96,522,634	42,752,056	(2,234,969)

*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](http://www.tmrs.com).

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

For the year ended September 30, 2015, the City recognized pension expense of \$8,261,263.

At September 30, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

Differences between expected and actual experience	\$ 1,394,976
Difference between projected and actual earnings on pension plan investments	3,786,061
Contributions subsequent to the measurement date	<u>7,213,793</u>
Total	<u>\$ 12,394,830</u>

\$7,213,793 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. 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:

2015	\$ 1,321,952
2016	1,321,952
2017	1,321,952
2018	<u>1,215,181</u>
	<u>\$ 5,181,037</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 \$95,478 at September 30, 2015.

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:

2015	\$ 33,237
2014	41,964
2013	46,382

**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 \$4,757,870 as of September 30, 2015, which is based on 72.2% usage (filled) of the landfill. It is estimated that an additional \$1,831,245 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 (\$6,589,115) 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, 2015. 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. Conduit Debt Obligations**

From time to time, Central Waco Development Corporation and Waco Health Facilities Development Corporation have issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial and health facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage debt. Upon repayment of the bonds, ownership of the facilities transfers to the private-sector entity served by the bond issue. Neither Central Waco Development Corporation, Waco Health Facilities Development Corporation, the City, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements of Central Waco Development Corporation, Waco Health Facilities Development Corporation, or the City.

As of September 30, 2015, there are two series of industrial revenue bonds outstanding. The aggregate principal amount payable for the one series issued after July 1, 1995 was \$4,100,000. The aggregate principal amount payable for the one series issued prior to July 1, 1995 could not be readily determined; however, the original issue amount totaled \$1,600,000.

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

**IV. Detail Notes on All Funds** (continued)

***P. 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, 2015, such special assessment debt outstanding totaled \$1,123,000.

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

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

The City’s initial purchase included an 84.47% undivided interest in the System; however, the City subsequently sold portions of its undivided interest to other cities leaving it with a 79.234% undivided interest in the System. The City’s undivided interest in the System as of September 30, 2015 was 75.272% as a result of certain capacity expansion improvements completed during 2012.

The City assisted four of the participating cities in financing their initial investments. During 2004, the City’s wastewater fund advanced \$1,849,058 to the four participating cities at an interest rate of 3.65% to be repaid in annual installments through February 2024. As of September 30, 2015, \$505,410 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:

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

**IV. Detail Notes on All Funds** (continued)

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

Current assets	\$ 9,313,984
Capital assets	32,490,964
Current liabilities	(1,721,375)
Noncurrent liabilities	<u>(237,051)</u>
Net position	<u>\$ 39,846,522</u>
Operating revenue	\$ 395,057
Operating expenses	(6,570,808)
Non-operating revenue	<u>11,874</u>
Change in net position	<u>\$ (6,163,877)</u>

**R. Related Organization**

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

**S. Change in Accounting Principles**

Effective October 1, 2014, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB No. 68*. GASB No. 68 provides new requirements for accounting for defined benefit pension plans, primarily focusing on the recognition of a net pension liability in the statement of net position. GASB No. 71 provides requirements on accounting and reporting for contributions made to defined benefit pension plans after the measurement date, primarily focusing on the recognition of a deferred outflow of resources in the statement of net position. The City reported a cumulative effect of changes in accounting principles to recognize its net pension liability and related deferred outflows, which reduced unrestricted net position by \$27,601,768 for governmental activities, \$4,493,311 for business-type activities, \$1,925,705 for the water fund, \$1,283,803 for the wastewater fund, and \$1,283,803 for the solid waste fund. It was not practical to determine the amounts of

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

**IV. Detail Notes on All Funds** (continued)

**S. Change in Accounting Principles** (continued)

all deferred inflows of resources and deferred outflows of resources related to pensions at October 1, 2014; consequently, beginning balances for deferred inflows of resources and deferred outflows of resources (except for pension contributions made subsequent to the measurement date of the beginning net pension liability) were not reported.

In connection with the adoption of GASB No. 68, the City eliminated the net pension obligation that had been reported in the government-wide and proprietary fund financial statements due to the phase-in contribution rates. This increased unrestricted net position by \$10,067,386 for governmental activities, \$1,696,597 for business-type activities, \$734,973 for the water fund, \$481,784 for the wastewater fund, and \$479,840 for the solid waste fund.

**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. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments (issued June 2015) – the objective of this statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (“GAAP”). This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015.

**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. 77, Tax Abatement Disclosures (issued August 2015) – the objective of this statement is to improve financial reporting by giving users of financial statements information about the nature and magnitude of tax abatements, including a better understanding of how tax abatements affect a government’s future ability to raise resources and meet its financial obligations and the impact those abatements have on a government’s financial position and economic condition. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2015.



## **Required Supplemental Information**



**City of Waco, Texas**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
Year Ended December 31, 2014

**Total Pension Liability**

Service cost	\$ 9,662,721
Interest (on the Total Pension Liability)	28,296,862
Changes of benefits terms	-
Difference between expected and actual experience	1,770,413
Change of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(20,326,595)</u>
<b>Net change in Total Pension Liability</b>	<b>19,403,401</b>
<b>Total Pension Liability - beginning</b>	<u><b>409,572,816</b></u>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ <u>428,976,217</u></b>

**Plan Fiduciary Net Position**

Contributions - employer	\$ 10,444,097
Contributions - employee	5,371,982
Net investment income	21,154,751
Benefit payments, including refunds of employee contributions	(20,326,595)
Administrative expense	(220,877)
Other	<u>(18,160)</u>
<b>Net change in Plan Fiduciary Net Position</b>	<b>16,405,198</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<u><b>369,818,963</b></u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<b>\$ <u>386,224,161</u></b>

**Net Pension Liability - ending (a) - (b)** \$ 42,752,056

**Plan Fiduciary Net Position as a percentage of Total Pension Liability** 90.03%

**Covered employee payroll** \$ 76,730,734

**Net Pension Liability as a percentage of covered employee payroll** 55.72%

Note: Effective October 1, 2014, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68. Information for years prior to 2014 is not available.

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Schedule of Contributions**  
Fiscal Year Ended September 30, 2015

Actuarially determined contribution	\$ 9,999,116
Contributions in relation to the actuarially determined contribution	<u>9,999,116</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	<u>\$ 75,315,307</u>
Contributions as a percentage of covered employee payroll	<u>13.28%</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	18 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00%, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 – 2009
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**  
**General Fund**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ 48,543,263	48,314,509
Accounts receivable, net of allowance	3,690,917	3,830,936
Taxes receivable, net of allowance	8,027,400	7,730,727
Due from other funds	2,616,310	1,155,082
Intergovernmental receivable	15,446	1,042,335
Inventory	849,594	734,557
Real estate held for resale	<u>6,160</u>	<u>6,160</u>
Total assets	<u>\$ 63,749,090</u>	<u>62,814,306</u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ 1,551,335	3,049,944
Accrued liabilities	3,859,940	3,644,319
Unearned revenue	29,598	28,645
Due to other funds	1,161,845	674,191
Deposits	410,998	274,839
Escrow funds	<u>211,591</u>	<u>221,555</u>
Total liabilities	<u>7,225,307</u>	<u>7,893,493</u>
<b>Deferred Inflow of Resources</b>		
Deferred inflow of resources:		
Unavailable revenue:		
Property taxes	1,536,473	1,588,148
Court fines	674,226	612,785
Other	<u>-</u>	<u>922,221</u>
Total deferred inflow of resources	<u>2,210,699</u>	<u>3,123,154</u>
<b>Fund Balance</b>		
Nonspendable:		
Inventory	849,594	734,557
Real estate held for resale	6,160	6,160
Restricted:		
Municipal information	751,247	703,924
Culture and recreation	755,927	918,377
Public safety	119,629	83,856
Committed:		
Economic development	9,722,702	9,532,164
Assigned:		
Capital improvements	4,810,928	15,050,171
Economic development	5,740,957	3,048,263
Housing and community development	142,117	25,000
Public safety	189,501	140,595
Culture and recreation	150,601	16,230
Public works	352,180	4,677
Subsequent year's budget appropriation of fund balances	7,108,799	-
Other	220,123	490,289
Unassigned	<u>23,392,619</u>	<u>21,043,396</u>
Total fund balance	<u>54,313,084</u>	<u>51,797,659</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 63,749,090</u>	<u>62,814,306</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**General Fund**

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>		
Taxes	\$ 81,708,003	75,866,868
Business and occupation fees	13,762,575	14,181,593
Permits, licenses and fees	1,504,766	1,348,415
Fines	2,135,342	2,416,605
Charges for services	1,749,690	1,639,054
Investment earnings	238,410	145,363
Contributions	716,371	883,787
Intergovernmental	1,694,924	1,682,910
Other	<u>10,153,721</u>	<u>9,256,237</u>
Total revenues	<u>113,663,802</u>	<u>107,420,832</u>
<b>Expenditures:</b>		
General government	18,144,029	17,230,269
Public works	1,405,812	2,583,490
Public safety	61,362,994	60,162,734
Culture and recreation	12,280,138	12,926,462
Housing and community development	<u>288,718</u>	<u>192,147</u>
Total expenditures	<u>93,481,691</u>	<u>93,095,102</u>
Excess of revenues over expenditures	<u>20,182,111</u>	<u>14,325,730</u>
<b>Other financing sources (uses):</b>		
Proceeds from sale of capital assets	171,016	105,278
Transfers in	4,404,188	4,683,880
Transfers out	<u>(22,241,890)</u>	<u>(13,786,482)</u>
Total other financing sources (uses)	<u>(17,666,686)</u>	<u>(8,997,324)</u>
Net change in fund balance	2,515,425	5,328,406
Fund balance, beginning of year	<u>51,797,659</u>	<u>46,469,253</u>
Fund balance, end of year	<u>\$ 54,313,084</u>	<u>51,797,659</u>

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**  
**Nonmajor Governmental Funds**  
**Comparative Balance Sheets**  
**September 30, 2015**  
(With Comparative Totals for September 30, 2014)

	Special	Debt	Capital	Permanent	Totals	
	Revenue	Service	Projects		2015	2014
<b>Assets</b>						
Cash and investments	\$ 17,108,582	472,374	21,922,706	466,997	39,970,659	31,148,891
Accounts receivable, net of allowances	93,222	-	85,168	-	178,390	83,603
Special assessments receivable	6,642	-	-	-	6,642	11,315
Taxes receivable	80,440	371,072	-	-	451,512	526,892
Notes receivable	2,217,291	-	-	-	2,217,291	2,497,322
Due from other funds	182,248	-	4,641,789	-	4,824,037	5,960,522
Advances to other funds	-	-	168,368	-	168,368	168,368
Inventory	-	-	131,805	-	131,805	-
Intergovernmental receivable	1,595,718	-	1,112,478	-	2,708,196	1,502,852
Real estate held for resale	46,705	-	-	-	46,705	40,061
<b>Total assets</b>	<b>\$ 21,330,848</b>	<b>843,446</b>	<b>28,062,314</b>	<b>466,997</b>	<b>50,703,605</b>	<b>41,939,826</b>
<b>Liabilities</b>						
Liabilities:						
Accounts payable	\$ 1,242,853	-	2,058,493	-	3,301,346	1,807,570
Accrued liabilities	400,229	-	348,640	-	748,869	1,286,347
Unearned revenue	1,210	-	-	-	1,210	13,194
Due to other funds	447,629	-	2,673,264	-	3,120,893	6,030,453
Escrow funds	34,356	-	-	-	34,356	27,556
<b>Total liabilities</b>	<b>2,126,277</b>	<b>-</b>	<b>5,080,397</b>	<b>-</b>	<b>7,206,674</b>	<b>9,165,120</b>
<b>Deferred Inflow of Resources</b>						
Deferred inflow of resources:						
Unavailable revenue-property taxes	80,440	352,189	-	-	432,629	505,803
Unavailable revenue-special assessments	6,642	-	-	-	6,642	11,315
<b>Total deferred inflows of resources</b>	<b>87,082</b>	<b>352,189</b>	<b>-</b>	<b>-</b>	<b>439,271</b>	<b>517,118</b>
<b>Fund Balances</b>						
Nonspendable:						
Inventory	-	-	131,805	-	131,805	-
Parks and cemetery care	-	-	-	466,997	466,997	478,848
Real estate held for resale	46,705	-	-	-	46,705	40,061
Restricted for:						
Debt service	-	491,257	-	-	491,257	185,902
Capital projects	-	-	7,184,956	-	7,184,956	11,828,967
Tax increment zone activities	13,579,596	-	-	-	13,579,596	10,891,785
Housing and community development	2,059,972	-	-	-	2,059,972	2,333,652
Public safety	1,442,749	-	-	-	1,442,749	1,406,274
Culture and recreation	450,821	-	-	-	450,821	1,302,930
Waco Public Improvement District	716,835	-	-	-	716,835	645,008
Committed to:						
Capital projects	-	-	15,665,156	-	15,665,156	2,582,281
Public health	820,811	-	-	-	820,811	561,880
<b>Total fund balances</b>	<b>19,117,489</b>	<b>491,257</b>	<b>22,981,917</b>	<b>466,997</b>	<b>43,057,660</b>	<b>32,257,588</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 21,330,848</b>	<b>843,446</b>	<b>28,062,314</b>	<b>466,997</b>	<b>50,703,605</b>	<b>41,939,826</b>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Nonmajor Governmental Funds**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2015	2014
<b>Revenues:</b>						
Taxes	\$ 6,662,457	9,219,662	-	-	15,882,119	14,812,868
Permits, licenses and fees	949,728	-	-	-	949,728	939,633
Fines	370,709	-	-	-	370,709	369,515
Investment earnings	59,167	4,110	132,870	1,460	197,607	151,007
Contributions	-	-	2,773,887	-	2,773,887	28
Intergovernmental	7,153,853	-	1,119,726	-	8,273,579	8,595,783
Program income	289,272	-	-	-	289,272	338,265
Other	646,957	-	-	-	646,957	772,376
Total revenues	<u>16,132,143</u>	<u>9,223,772</u>	<u>4,026,483</u>	<u>1,460</u>	<u>29,383,858</u>	<u>25,979,475</u>
<b>Expenditures:</b>						
Current:						
General government	4,682,303	-	-	-	4,682,303	7,707,355
Public safety	1,194,863	-	-	-	1,194,863	2,359,044
Culture and recreation	1,263,687	-	-	-	1,263,687	1,072,167
Housing and community development	2,608,518	-	-	-	2,608,518	2,967,944
Public health	7,247,059	-	-	-	7,247,059	7,267,366
Capital outlay	-	-	14,758,838	-	14,758,838	10,002,288
Debt service:						
Principal	-	5,585,000	-	-	5,585,000	5,340,143
Interest and fiscal charges	-	3,437,349	-	-	3,437,349	3,788,820
Bond issuance costs	-	250,679	-	-	250,679	26,107
Total expenditures	<u>16,996,430</u>	<u>9,273,028</u>	<u>14,758,838</u>	<u>-</u>	<u>41,028,296</u>	<u>40,531,234</u>
Excess deficiency of revenues over (under) expenditures	<u>(864,287)</u>	<u>(49,256)</u>	<u>(10,732,355)</u>	<u>1,460</u>	<u>(11,644,438)</u>	<u>(14,551,759)</u>
<b>Other financing sources (uses):</b>						
Refunding bonds issued	-	34,125,000	-	-	34,125,000	-
Payment to refunded bond escrow agent	-	(40,676,302)	-	-	(40,676,302)	-
Premium on refunding bonds	-	6,804,247	-	-	6,804,247	-
General obligation bonds issued	-	13,063	1,681,937	-	1,695,000	1,645,000
Premium on general obligation bonds	-	440	56,604	-	57,044	59,040
Transfers in	3,018,585	88,163	18,785,956	-	21,892,704	12,820,951
Transfers out	(218,399)	-	(1,221,473)	(13,311)	(1,453,183)	(2,634,098)
Total other financing sources (uses)	<u>2,800,186</u>	<u>354,611</u>	<u>19,303,024</u>	<u>(13,311)</u>	<u>22,444,510</u>	<u>11,890,893</u>
Net change in fund balances	1,935,899	305,355	8,570,669	(11,851)	10,800,072	(2,660,866)
Fund balances, beginning of year	<u>17,181,590</u>	<u>185,902</u>	<u>14,411,248</u>	<u>478,848</u>	<u>32,257,588</u>	<u>34,918,454</u>
Fund balances, end of year	<u>\$ 19,117,489</u>	<u>491,257</u>	<u>22,981,917</u>	<u>466,997</u>	<u>43,057,660</u>	<u>32,257,588</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 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 Forfeiture Fund* - This fund is used to account for the receipt and expenditure of revenues derived from crime seizures that are for police purposes.

*Court Security Fund* - This fund is used to account for the receipt and expenditure of revenues from court fines restricted for court security.

*Court Technology Fund* - This fund is used to account for the receipt and expenditure of revenues from court fines restricted for court technology.

*Hamilton Memorial Fund* - This fund is used to account for earnings from principal used for improvements to Cameron Park

*Miss Nellie's Park Maintenance Fund* - This fund is used to account for earnings from principal used to maintain Miss Nellie' Pretty Place.

**City of Waco, Texas**  
**Nonmajor Special Revenue Funds**  
Combining Balance Sheet  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	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
<b>Assets</b>						
Cash and investments	\$ 12,187,710	1,803,615	66,034	283,904	439,181	733,205
Accounts receivable, net of allowances	5,006	-	-	23,488	64,728	-
Special assessments receivable	-	-	-	-	-	6,642
Taxes receivable	80,440	-	-	-	-	-
Notes receivable	-	-	-	-	2,217,291	-
Intergovernmental receivable	-	-	-	748,786	846,932	-
Due from other funds	-	-	-	-	182,248	-
Real estate held for resale	-	-	-	-	46,705	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,705</u>	<u>-</u>
Total assets	<u>\$ 12,273,156</u>	<u>1,803,615</u>	<u>66,034</u>	<u>1,056,178</u>	<u>3,797,085</u>	<u>739,847</u>
<b>Liabilities</b>						
Liabilities:						
Accounts and contracts payable	\$ 482,769	-	-	57,791	508,163	16,370
Accrued liabilities	-	-	-	143,220	257,009	-
Unearned revenue	-	-	-	-	1,210	-
Due to other funds	-	-	-	-	447,629	-
Escrow funds	-	-	-	34,356	-	-
Total liabilities	<u>482,769</u>	<u>-</u>	<u>-</u>	<u>235,367</u>	<u>1,214,011</u>	<u>16,370</u>
<b>Deferred Inflow of Resources</b>						
Unavailable revenue-property taxes	80,440	-	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-	6,642
Total deferred inflows of resources	<u>80,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,642</u>
<b>Fund Balances</b>						
Nonspendable:						
Real estate held for resale	-	-	-	-	46,705	-
Restricted for:						
Tax increment zone activities	11,709,947	1,803,615	66,034	-	-	-
Housing and community development	-	-	-	-	2,059,972	-
Public safety	-	-	-	-	61,108	-
Culture and recreation	-	-	-	-	415,289	-
Waco Public Improvement District	-	-	-	-	-	716,835
Committed to:						
Public health	-	-	-	820,811	-	-
Total fund balances	<u>11,709,947</u>	<u>1,803,615</u>	<u>66,034</u>	<u>820,811</u>	<u>2,583,074</u>	<u>716,835</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,273,156</u>	<u>1,803,615</u>	<u>66,034</u>	<u>1,056,178</u>	<u>3,797,085</u>	<u>739,847</u>

See accompanying independent auditor's report.

Abandoned Motor Vehicle Fund	Police Forfeitures Fund	Court Security Fund	Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
						2015	2014
354,948	248,144	470,459	485,850	8,956	26,576	17,108,582	14,746,816
-	-	-	-	-	-	93,222	80,578
-	-	-	-	-	-	6,642	11,315
-	-	-	-	-	-	80,440	119,427
-	-	-	-	-	-	2,217,291	2,497,322
-	-	-	-	-	-	1,595,718	1,498,052
-	-	-	-	-	-	182,248	1,073,758
-	-	-	-	-	-	46,705	40,061
<u>354,948</u>	<u>248,144</u>	<u>470,459</u>	<u>485,850</u>	<u>8,956</u>	<u>26,576</u>	<u>21,330,848</u>	<u>20,067,329</u>
498	4,499	-	172,763	-	-	1,242,853	1,331,011
-	-	-	-	-	-	400,229	918,920
-	-	-	-	-	-	1,210	13,194
-	-	-	-	-	-	447,629	464,316
-	-	-	-	-	-	34,356	27,556
<u>498</u>	<u>4,499</u>	<u>-</u>	<u>172,763</u>	<u>-</u>	<u>-</u>	<u>2,126,277</u>	<u>2,754,997</u>
-	-	-	-	-	-	80,440	119,427
-	-	-	-	-	-	6,642	11,315
-	-	-	-	-	-	87,082	130,742
-	-	-	-	-	-	46,705	40,061
-	-	-	-	-	-	13,579,596	10,891,785
-	-	-	-	-	-	2,059,972	2,333,652
354,450	243,645	470,459	313,087	-	-	1,442,749	1,406,274
-	-	-	-	8,956	26,576	450,821	1,302,930
-	-	-	-	-	-	716,835	645,008
-	-	-	-	-	-	820,811	561,880
<u>354,450</u>	<u>243,645</u>	<u>470,459</u>	<u>313,087</u>	<u>8,956</u>	<u>26,576</u>	<u>19,117,489</u>	<u>17,181,590</u>
<u>354,948</u>	<u>248,144</u>	<u>470,459</u>	<u>485,850</u>	<u>8,956</u>	<u>26,576</u>	<u>21,330,848</u>	<u>20,067,329</u>

**City of Waco, Texas**  
**Nonmajor Special Revenue Funds**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	Tax Increment Fund No. 1	Tax Increment Fund No. 2	Tax Increment Fund No. 3	Health Programs Fund	Grant Fund
<b>Revenues:</b>					
Taxes	\$ 6,248,295	86,864	538	-	-
Permits, licenses and fees	-	-	-	949,728	-
Fines	-	-	-	-	-
Investment earnings	45,877	7,006	260	2,013	-
Intergovernmental	463,611	6,508	40	3,229,532	3,454,162
Program income	-	-	-	244,053	45,219
Contributions	-	-	-	-	-
Other	-	-	-	356,435	91,756
Total revenues	<u>6,757,783</u>	<u>100,378</u>	<u>838</u>	<u>4,781,761</u>	<u>3,591,137</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	4,063,042	19,983	-	-	237,113
Public safety	-	-	-	-	912,018
Culture and recreation	-	-	-	-	1,260,382
Housing and community development	-	-	-	-	2,608,518
Public health	-	-	-	7,247,059	-
Total expenditures	<u>4,063,042</u>	<u>19,983</u>	<u>-</u>	<u>7,247,059</u>	<u>5,018,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,694,741</u>	<u>80,395</u>	<u>838</u>	<u>(2,465,298)</u>	<u>(1,426,894)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	2,724,229	294,356
Transfers out	<u>(88,163)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(88,163)</u>	<u>-</u>	<u>-</u>	<u>2,724,229</u>	<u>294,356</u>
Net change in fund balances	2,606,578	80,395	838	258,931	(1,132,538)
Fund balances, beginning of year	<u>9,103,369</u>	<u>1,723,220</u>	<u>65,196</u>	<u>561,880</u>	<u>3,715,612</u>
Fund balances, end of year	<u>\$ 11,709,947</u>	<u>1,803,615</u>	<u>66,034</u>	<u>820,811</u>	<u>2,583,074</u>

See accompanying independent auditor's report.

Waco Public Improvement District No. 1 Fund	Abandoned Motor Vehicle Fund	Police Forfeitures Fund	Court Security Fund	Court Technology Fund	Hamilton Memorial Fund	Miss Nellie's Park Maintenance Fund	Totals	
							2015	2014
							326,760	-
-	-	-	-	-	-	-	949,728	939,633
-	253,595	-	50,208	66,906	-	-	370,709	369,515
2,992	-	442	-	-	74	503	59,167	34,172
-	-	-	-	-	-	-	7,153,853	8,490,477
-	-	-	-	-	-	-	289,272	338,265
-	-	-	-	-	-	-	-	28
104,240	-	94,526	-	-	-	-	646,957	772,364
<u>433,992</u>	<u>253,595</u>	<u>94,968</u>	<u>50,208</u>	<u>66,906</u>	<u>74</u>	<u>503</u>	<u>16,132,143</u>	<u>16,772,406</u>
362,165	-	-	-	-	-	-	4,682,303	7,707,355
-	14,405	28,347	7,538	232,555	-	-	1,194,863	2,359,044
-	-	-	-	-	-	3,305	1,263,687	1,072,167
-	-	-	-	-	-	-	2,608,518	2,967,944
-	-	-	-	-	-	-	7,247,059	7,267,366
<u>362,165</u>	<u>14,405</u>	<u>28,347</u>	<u>7,538</u>	<u>232,555</u>	<u>-</u>	<u>3,305</u>	<u>16,996,430</u>	<u>21,373,876</u>
<u>71,827</u>	<u>239,190</u>	<u>66,621</u>	<u>42,670</u>	<u>(165,649)</u>	<u>74</u>	<u>(2,802)</u>	<u>(864,287)</u>	<u>(4,601,470)</u>
-	-	-	-	-	-	-	3,018,585	5,060,148
-	(50,000)	-	(80,236)	-	-	-	(218,399)	(504,511)
-	(50,000)	-	(80,236)	-	-	-	2,800,186	4,555,637
71,827	189,190	66,621	(37,566)	(165,649)	74	(2,802)	1,935,899	(45,833)
<u>645,008</u>	<u>165,260</u>	<u>177,024</u>	<u>508,025</u>	<u>478,736</u>	<u>8,882</u>	<u>29,378</u>	<u>17,181,590</u>	<u>17,227,423</u>
<u>716,835</u>	<u>354,450</u>	<u>243,645</u>	<u>470,459</u>	<u>313,087</u>	<u>8,956</u>	<u>26,576</u>	<u>19,117,489</u>	<u>17,181,590</u>



**Tax Increment Fund No. 1**

**City of Waco, Texas**  
**Tax Increment Fund No. 1**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ 12,187,710	9,843,713
Accounts receivable, net of allowance	5,006	17,274
Intergovernmental receivable	-	50,358
Taxes receivable	<u>80,440</u>	<u>119,427</u>
 Total assets	 \$ <u><u>12,273,156</u></u>	 <u><u>10,030,772</u></u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ <u>482,769</u>	<u>807,976</u>
 Total liabilities	 <u>482,769</u>	 <u>807,976</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-property taxes	<u>80,440</u>	<u>119,427</u>
 Total deferred inflows of resources	 <u>80,440</u>	 <u>119,427</u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Tax increment zone activities	<u>11,709,947</u>	<u>9,103,369</u>
 Total fund balance	 <u>11,709,947</u>	 <u>9,103,369</u>
 Total liabilities, deferred inflows of resources, and fund balance	 \$ <u><u>12,273,156</u></u>	 <u><u>10,030,772</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Tax Increment Fund No. 1**  
Comparative Statements of Revenues, Expenditures,  
and Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Property taxes	\$ 6,188,344	5,394,925
Interest and penalty on taxes	59,951	43,111
Investment earnings	45,877	25,559
Other	-	100,000
Intergovernmental	<u>463,611</u>	<u>1,518,308</u>
Total revenues	<u>6,757,783</u>	<u>7,081,903</u>
Expenditures:		
General government:		
Purchased professional/technical services	3,562,831	5,235,112
Capital expenditures	211	1,426,800
Other expenditures	<u>500,000</u>	<u>500,000</u>
Total expenditures	<u>4,063,042</u>	<u>7,161,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,694,741</u>	<u>(80,009)</u>
Other financing uses:		
Transfers out	<u>(88,163)</u>	<u>(88,744)</u>
Total other financing uses	<u>(88,163)</u>	<u>(88,744)</u>
Net change in fund balance	2,606,578	(168,753)
Fund balance, beginning of year	<u>9,103,369</u>	<u>9,272,122</u>
Fund balance, end of year	\$ <u><u>11,709,947</u></u>	<u><u>9,103,369</u></u>

See accompanying independent auditor's report.



**Tax Increment Fund No. 2**

**City of Waco, Texas**  
**Tax Increment Fund No. 2**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ <u>1,803,615</u>	<u>1,723,220</u>
Total assets	\$ <u><u>1,803,615</u></u>	<u><u>1,723,220</u></u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Tax increment zone activities	\$ <u>1,803,615</u>	<u>1,723,220</u>
Total fund balance	\$ <u><u>1,803,615</u></u>	<u><u>1,723,220</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Tax Increment Fund No. 2**  
Comparative Statements of Revenues, Expenditures, and  
Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Property taxes	\$ 86,864	88,546
Investment earnings	7,006	4,321
Intergovernmental	<u>6,508</u>	<u>6,577</u>
Total revenues	<u>100,378</u>	<u>99,444</u>
Expenditures:		
General government:		
Purchased professional/technical services	<u>19,983</u>	<u>-</u>
Total expenditures	<u>19,983</u>	<u>-</u>
Net change in fund balance	80,395	99,444
Fund balance, beginning of year	<u>1,723,220</u>	<u>1,623,776</u>
Fund balance, end of year	\$ <u><u>1,803,615</u></u>	<u><u>1,723,220</u></u>

See accompanying independent auditor's report



**Tax Increment Fund No. 3**

**City of Waco, Texas**  
**Tax Increment Fund No. 3**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ <u>66,034</u>	<u>65,196</u>
Total assets	\$ <u><u>66,034</u></u>	<u><u>65,196</u></u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Tax increment zone activities	\$ <u>66,034</u>	<u>65,196</u>
Total fund balance	\$ <u><u>66,034</u></u>	<u><u>65,196</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Tax Increment Fund No. 3**  
Comparative Statements of Revenues, Expenditures, and  
Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Property taxes	\$ 538	430
Investment earnings	260	167
Intergovernmental	<u>40</u>	<u>32</u>
Total revenues	<u>838</u>	<u>629</u>
 Expenditures:		
General government	<u>-</u>	<u>-</u>
 Net change in fund balance	838	629
 Fund balance, beginning of year	<u>65,196</u>	<u>64,567</u>
 Fund balance, end of year	\$ <u>66,034</u>	<u>65,196</u>

See accompanying independent auditor's report.



**Health Programs Fund**

**City of Waco, Texas**  
**Health Programs Fund**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ 283,904	573,572
Accounts receivable, net of allowance	23,488	22,015
Intergovernmental receivable	<u>748,786</u>	<u>730,594</u>
 Total assets	 \$ <u>1,056,178</u>	 <u>1,326,181</u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ 57,791	117,386
Accrued liabilities	143,220	619,359
Escrow funds	<u>34,356</u>	<u>27,556</u>
 Total liabilities	 <u>235,367</u>	 <u>764,301</u>
<b>Fund Balance</b>		
Fund balance:		
Committed to:		
Public health	<u>820,811</u>	<u>561,880</u>
 Total fund balance	 <u>820,811</u>	 <u>561,880</u>
 Total liabilities and fund balance	 \$ <u>1,056,178</u>	 <u>1,326,181</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Health Programs Fund**  
Comparative Statements of Revenues, Expenditures,  
and Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Permits, licenses and fees	\$ 949,728	939,633
Intergovernmental	3,229,532	3,254,021
Program income	244,053	248,220
Investment earnings	2,013	1,788
Other	<u>356,435</u>	<u>360,233</u>
Total revenues	<u>4,781,761</u>	<u>4,803,895</u>
Expenditures:		
Public health:		
Health and administrative services	2,007,890	2,050,229
Environmental health services	465,650	397,538
Public health nursing services	818,952	836,139
Sexually transmitted disease	347,745	319,177
HIV/AIDS services	178,072	175,727
Public health services	<u>3,428,750</u>	<u>3,488,556</u>
Total expenditures	<u>7,247,059</u>	<u>7,267,366</u>
Deficiency of revenues under expenditures	(2,465,298)	(2,463,471)
Other financing uses:		
Transfers in	<u>2,724,229</u>	<u>2,673,939</u>
Net change in fund balance	258,931	210,468
Fund balance, beginning of year	<u>561,880</u>	<u>351,412</u>
Fund balance, end of year	<u>\$ 820,811</u>	<u>561,880</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Health Programs Fund**

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Revenues:					
Health Administrative Services:					
Death and birth certificates	\$ 248,511	248,511	269,892	21,381	258,396
Interest on investments	-	-	2,013	2,013	1,788
Revenue - other	353,247	353,247	355,464	2,217	358,311
Total	<u>601,758</u>	<u>601,758</u>	<u>627,369</u>	<u>25,611</u>	<u>618,495</u>
Environmental Health Services:					
Health and welfare fees	414,110	414,110	427,987	13,877	445,842
Intergovernmental	58,433	58,433	45,160	(13,273)	14,048
Revenue - other	975	975	592	(383)	811
Total	<u>473,518</u>	<u>473,518</u>	<u>473,739</u>	<u>221</u>	<u>460,701</u>
Public Health Nursing Services:					
Health and welfare fees	207,328	207,328	219,483	12,155	210,569
Total	<u>207,328</u>	<u>207,328</u>	<u>219,483</u>	<u>12,155</u>	<u>210,569</u>
Sexually Transmitted Diseases:					
Health and welfare fees	21,442	21,442	32,366	10,924	24,826
Total	<u>21,442</u>	<u>21,442</u>	<u>32,366</u>	<u>10,924</u>	<u>24,826</u>
HIV/AIDS Services:					
Revenue - other	-	-	54	54	748
Total	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>	<u>748</u>
Public Health Services:					
Program income	-	244,053	244,053	-	248,220
Intergovernmental	-	3,184,372	3,184,372	-	3,239,973
Revenue - other	-	325	325	-	363
Total	<u>-</u>	<u>3,428,750</u>	<u>3,428,750</u>	<u>-</u>	<u>3,488,556</u>
Total revenues	<u>1,304,046</u>	<u>4,732,796</u>	<u>4,781,761</u>	<u>48,965</u>	<u>4,803,895</u>
Expenditures:					
Health Administrative Services:					
Salaries and wages	427,076	415,740	396,734	19,006	425,744
Employee benefits	152,440	154,171	142,821	11,350	148,018
Purchased professional/technical services	35,230	35,230	32,797	2,433	26,702
Purchased property services	2,570	2,570	2,570	-	2,588
Maintenance	507	71	-	71	497
Other purchased services	23,156	26,406	22,497	3,909	24,193
Supplies	32,822	34,513	32,457	2,056	38,585
Contracts with others	990,100	990,100	989,151	949	990,100
Other	388,863	388,863	388,863	-	393,802
Total health administrative services	<u>2,052,764</u>	<u>2,047,664</u>	<u>2,007,890</u>	<u>39,774</u>	<u>2,050,229</u>

(Continued)

**City of Waco, Texas**  
**Health Programs Fund**

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

Year Ended September 30, 2015

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

	Budgeted Amounts		2015	Variance with	2014
	Original	Final	Actual Amounts	Final Budget	Actual Amounts
Expenditures (continued):					
Environmental Health Services:					
Salaries and wages	\$ 282,363	282,363	279,013	3,350	258,411
Employee benefits	105,748	105,748	101,489	4,259	87,731
Purchased professional/technical services	2,615	22,615	1,870	20,745	-
Maintenance	11,987	11,987	11,338	649	9,038
Other purchased services	12,628	12,628	12,166	462	14,144
Supplies	34,131	68,655	59,774	8,881	28,214
Total environmental health services	449,472	503,996	465,650	38,346	397,538
Health Nursing Services:					
Salaries and wages	516,084	461,560	412,601	48,959	441,402
Employee benefits	182,003	177,103	154,190	22,913	154,574
Purchased professional/technical services	2,900	2,900	8,006	(5,106)	5,390
Maintenance	3,307	3,307	6,003	(2,696)	2,482
Other purchased services	29,707	29,707	37,191	(7,484)	25,724
Supplies	244,951	254,951	200,961	53,990	206,567
Total health nursing services	978,952	929,528	818,952	110,576	836,139
Sexually Transmitted Disease:					
Salaries and wages	229,647	229,647	222,285	7,362	195,650
Employee benefits	82,255	82,255	79,521	2,734	70,697
Purchased professional/technical services	11,978	13,978	12,096	1,882	11,800
Maintenance	505	505	165	340	165
Other purchased services	13,023	14,023	13,176	847	13,967
Supplies	27,494	24,494	20,502	3,992	26,898
Total sexually transmitted disease	364,902	364,902	347,745	17,157	319,177
HIV/AIDS Services:					
Salaries and wages	122,586	122,586	122,937	(351)	119,901
Employee benefits	41,407	41,407	41,120	287	40,774
Purchased professional/technical services	2,500	2,500	1,380	1,120	1,760
Other purchased services	10,002	10,002	7,943	2,059	8,681
Supplies	5,690	5,690	4,692	998	4,611
Total public health nursing services	182,185	182,185	178,072	4,113	175,727
Public Health Services:					
Salaries and wages	-	1,803,648	1,803,648	-	1,741,308
Employee benefits	-	667,777	667,777	-	657,108
Purchased professional/technical services	-	187,311	187,311	-	182,140
Purchased property services	-	119,027	119,027	-	122,992
Maintenance	-	7,382	7,382	-	6,452
Other purchased services	-	242,983	242,983	-	194,243
Supplies	-	214,756	214,756	-	374,724
Other	-	185,866	185,866	-	174,697
Capital expenditures	-	-	-	-	34,892
Total public health services	-	3,428,750	3,428,750	-	3,488,556

(Continued)

**City of Waco, Texas**  
**Health Programs Fund**  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual  
(Continued)  
Year Ended September 30, 2015  
(With Comparative Actual Amounts for Year Ended September 30, 2014)

	Budgeted Amounts		2015	Variance with Final Budget	2014
	Original	Final	Actual Amounts		Actual Amounts
Total expenditures	\$ 4,028,275	7,457,025	7,247,059	209,966	7,267,366
Deficiency of revenues over expenditures	(2,724,229)	(2,724,229)	(2,465,298)	258,931	(2,463,471)
Other financing sources:					
Transfers in	2,724,229	2,724,229	2,724,229	-	2,673,939
Total other financing sources	2,724,229	2,724,229	2,724,229	-	2,673,939
Net change in fund balance	-	-	258,931	258,931	210,468
Fund balance, beginning of year	561,880	561,880	561,880	-	351,412
Fund balance, end of year	\$ 561,880	561,880	820,811	258,931	561,880

See accompanying independent auditor's report.

## **Grant Fund**

**City of Waco, Texas**  
**Grant Fund**  
Sub-Combining Balance Sheet  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	<u>HUD Community Development Block Grant</u>	<u>HUD Home Program</u>	<u>HUD Continuum of Care HMIS</u>	<u>HUD EDI</u>
<b>Assets</b>				
Assets:				
Cash and investments	\$ -	-	-	-
Accounts receivable, net of allowances	48,464	14,777	1,037	-
Notes receivable	673,268	1,539,646	-	4,377
Intergovernmental receivable	316,650	276,070	7,385	-
Real estate held for resale	46,705	-	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>1,085,087</u>	<u>1,830,493</u>	<u>8,422</u>	<u>4,377</u>
<b>Liabilities</b>				
Liabilities:				
Accounts payable	\$ 61,356	262,793	1,733	-
Accrued liabilities	188,219	50,983	2,424	-
Unearned revenues	-	-	-	-
Due to other funds	72,858	177,071	4,265	-
	<u>72,858</u>	<u>177,071</u>	<u>4,265</u>	<u>-</u>
Total liabilities	<u>322,433</u>	<u>490,847</u>	<u>8,422</u>	<u>-</u>
<b>Fund Balances</b>				
Fund balances:				
Nonspendable:				
Real estate held for resale	46,705	-	-	-
Restricted for:				
Housing and community development	715,949	1,339,646	-	4,377
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>762,654</u>	<u>1,339,646</u>	<u>-</u>	<u>4,377</u>
Total liabilities and fund balances	\$ <u>1,085,087</u>	<u>1,830,493</u>	<u>8,422</u>	<u>4,377</u>

<u>HUD Shelter Plus and Continuum of Care</u>	<u>TxDOT MPO FHWA</u>	<u>Brownfields</u>	<u>15 CJD Family Violence</u>	<u>SAFER 2008</u>	<u>2014 SHSP</u>	<u>2013 SHSP</u>
-	-	60,533	-	144	-	-
-	450	-	-	-	-	-
-	-	-	-	-	-	-
13,596	40,262	-	25,673	-	6,172	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>13,596</u>	<u>40,712</u>	<u>60,533</u>	<u>25,673</u>	<u>144</u>	<u>6,172</u>	<u>-</u>
6,543	569	10,545	-	-	-	-
7,053	4,991	3,195	-	144	-	-
-	-	-	-	-	-	-
-	35,152	-	25,673	-	6,172	-
<u>13,596</u>	<u>40,712</u>	<u>13,740</u>	<u>25,673</u>	<u>144</u>	<u>6,172</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	46,793	-	-	-	-
-	-	-	-	-	-	-
-	-	46,793	-	-	-	-
<u>13,596</u>	<u>40,712</u>	<u>60,533</u>	<u>25,673</u>	<u>144</u>	<u>6,172</u>	<u>-</u>

(Continued)

**City of Waco, Texas**  
**Grant Fund**  
Sub-Combining Balance Sheet  
(Continued)  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	<u>STEP</u> <u>Comprehensive</u>	<u>16 CJD</u> <u>Family</u> <u>Violence</u>	<u>Victim</u> <u>Services</u> <u>2015</u>	<u>Victim</u> <u>Services</u> <u>2016</u>
<b>Assets</b>				
Assets:				
Cash and investments	\$ -	-	-	-
Accounts receivable, net of allowances	-	-	-	-
Notes receivable	-	-	-	-
Intergovernmental receivable	37,124	6,444	3,023	2,433
Real estate held for resale	-	-	-	-
Due from other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ <u>37,124</u>	<u>6,444</u>	<u>3,023</u>	<u>2,433</u>
<b>Liabilities</b>				
Liabilities:				
Accounts payable	\$ -	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	37,124	6,444	3,023	2,433
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>37,124</u>	<u>6,444</u>	<u>3,023</u>	<u>2,433</u>
<b>Fund Balances</b>				
Fund balances:				
Nonspendable:				
Real estate held for resale	-	-	-	-
Restricted for:				
Housing and community development	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>37,124</u>	<u>6,444</u>	<u>3,023</u>	<u>2,433</u>

<u>Police LEOSE</u>	<u>Fire LEOSE</u>	<u>Library Memorial Fund</u>	<u>Shapley Ross Library</u>	<u>Vision 2020 Comprehensive Plan</u>	<u>TWDB Wetland Grant</u>	<u>JAG COMP</u>
14,315	-	123,936	99,171	1,215	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	25,916	-
-	-	-	-	-	-	-
<u>14,315</u>	<u>-</u>	<u>123,936</u>	<u>99,171</u>	<u>1,215</u>	<u>25,916</u>	<u>-</u>
-	-	275	-	-	14,213	-
-	-	-	-	-	-	-
-	-	-	-	1,210	-	-
-	-	-	-	-	11,703	-
<u>-</u>	<u>-</u>	<u>275</u>	<u>-</u>	<u>1,210</u>	<u>25,916</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,315	-	-	-	-	-	-
-	-	123,661	99,171	5	-	-
<u>14,315</u>	<u>-</u>	<u>123,661</u>	<u>99,171</u>	<u>5</u>	<u>-</u>	<u>-</u>
<u>14,315</u>	<u>-</u>	<u>123,936</u>	<u>99,171</u>	<u>1,215</u>	<u>25,916</u>	<u>-</u>

(Continued)

**City of Waco, Texas**  
**Grant Fund**  
Sub-Combining Balance Sheet  
(Continued)  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	JAG	JAG	JAG
<b>Assets</b>			
Assets:			
Cash and investments	\$ -	6,619	-
Accounts receivable, net of allowances	-	-	-
Notes receivable	-	-	-
Intergovernmental receivable	14,948	20,473	50,763
Real estate held for resale	-	-	-
Due from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>14,948</u>	<u>27,092</u>	<u>50,763</u>
<b>Liabilities</b>			
Liabilities:			
Accounts payable	\$ -	27,092	-
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Due to other funds	14,948	-	50,763
	<u>14,948</u>	<u>-</u>	<u>50,763</u>
Total liabilities	<u>14,948</u>	<u>27,092</u>	<u>50,763</u>
<b>Fund Balances</b>			
Fund balances:			
Nonspendable:			
Real estate held for resale	-	-	-
Restricted for:			
Housing and community development	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>14,948</u>	<u>27,092</u>	<u>50,763</u>

See accompanying independent auditor's report.

Grande Clear Source Cable Ordinance	TxDOT Riverwalk	TPW Sul Ross Park	NLC Champs	Totals	
				2015	2014
85,374	-	47,874	-	439,181	501,612
-	-	-	-	64,728	41,289
-	-	-	-	2,217,291	2,497,322
-	-	-	-	846,932	717,100
-	-	-	-	46,705	40,061
-	176,146	6,102	-	182,248	1,073,758
<u>85,374</u>	<u>176,146</u>	<u>53,976</u>	<u>-</u>	<u>3,797,085</u>	<u>4,871,142</u>
-	75,169	47,875	-	508,163	378,459
-	-	-	-	257,009	299,561
-	-	-	-	1,210	13,194
-	-	-	-	447,629	464,316
-	<u>75,169</u>	<u>47,875</u>	<u>-</u>	<u>1,214,011</u>	<u>1,155,530</u>
-	-	-	-	46,705	40,061
-	-	-	-	2,059,972	2,333,652
-	-	-	-	61,108	77,229
<u>85,374</u>	<u>100,977</u>	<u>6,101</u>	<u>-</u>	<u>415,289</u>	<u>1,264,670</u>
<u>85,374</u>	<u>100,977</u>	<u>6,101</u>	<u>-</u>	<u>2,583,074</u>	<u>3,715,612</u>
<u>85,374</u>	<u>176,146</u>	<u>53,976</u>	<u>-</u>	<u>3,797,085</u>	<u>4,871,142</u>

**City of Waco, Texas**  
**Grant Fund**  
Sub-Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended September 30, 2015  
(With Comparative Totals for the Year Ended September 30, 2014)

	HUD Community Development Block Grant	HUD Home Program	HUD Continuum of Care HMIS	HUD EDI
Revenues:				
Intergovernmental	\$ 1,193,681	863,424	62,653	-
Program income	26,320	18,899	-	-
Other	<u>36,869</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,256,870</u>	<u>882,323</u>	<u>62,653</u>	<u>-</u>
Expenditures:				
General government	-	-	-	-
Public works	-	-	-	-
Public safety	197,619	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	<u>1,351,186</u>	<u>1,008,981</u>	<u>62,653</u>	<u>3,443</u>
Total expenditures	<u>1,548,805</u>	<u>1,008,981</u>	<u>62,653</u>	<u>3,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(291,935)</u>	<u>(126,658)</u>	<u>-</u>	<u>(3,443)</u>
Other financing sources				
Transfers in	<u>155,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>155,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(136,935)	(126,658)	-	(3,443)
Fund balances, beginning of year	<u>899,589</u>	<u>1,466,304</u>	<u>-</u>	<u>7,820</u>
Fund balances, end of year	<u>\$ 762,654</u>	<u>1,339,646</u>	<u>-</u>	<u>4,377</u>

<u>HUD Shelter Plus and Continuum of Care</u>	<u>TxDOT MPO FHWA</u>	<u>Brownfields</u>	<u>15 CJD Family Violence</u>	<u>SAFER 2008</u>	<u>2014 SHSP</u>	<u>2013 SHSP</u>
170,531	190,753	-	111,129	-	81,995	24,714
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>170,531</u>	<u>190,753</u>	<u>-</u>	<u>111,129</u>	<u>-</u>	<u>81,995</u>	<u>24,714</u>
-	190,753	-	-	-	-	-
-	-	-	-	-	-	-
-	-	63,432	170,968	7,526	81,995	24,714
-	-	-	-	-	-	-
<u>170,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>170,531</u>	<u>190,753</u>	<u>63,432</u>	<u>170,968</u>	<u>7,526</u>	<u>81,995</u>	<u>24,714</u>
-	-	(63,432)	(59,839)	(7,526)	-	-
-	-	36,000	59,839	7,526	-	-
-	-	36,000	59,839	7,526	-	-
-	-	(27,432)	-	-	-	-
-	-	74,225	-	-	-	-
<u>-</u>	<u>-</u>	<u>46,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**City of Waco, Texas**  
**Grant Fund**  
Sub-Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
(Continued)  
Year Ended September 30, 2015  
(With Comparative Totals for the Year Ended September 30, 2014)

	<u>STEP</u> <u>Comprehensive</u>	<u>16 CJD</u> <u>Family</u> <u>Violence</u>	<u>Victim</u> <u>Services</u> <u>2015</u>	<u>Victim</u> <u>Services</u> <u>2016</u>
Revenues:				
Intergovernmental	\$ 85,521	6,444	38,085	2,433
Program income	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>85,521</u>	<u>6,444</u>	<u>38,085</u>	<u>2,433</u>
Expenditures:				
General government	-	-	-	-
Public works	-	-	-	-
Public safety	107,519	9,914	38,085	2,433
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>107,519</u>	<u>9,914</u>	<u>38,085</u>	<u>2,433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,998)</u>	<u>(3,470)</u>	<u>-</u>	<u>-</u>
Other financing sources				
Transfers in	<u>21,998</u>	<u>3,470</u>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	<u>21,998</u>	<u>3,470</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances,				
beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Fund balances,				
end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>Police LEOSE</u>	<u>Fire LEOSE</u>	<u>Library Memorial Fund</u>	<u>Shapley Ross Library</u>	<u>Vision 2020 Comprehensive Plan</u>	<u>TWDB Wetland Grant</u>	<u>JAG COMP</u>
16,060	1,227	-	-	-	46,360	27,000
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>42,770</u>	<u>391</u>	<u>5</u>	<u>-</u>	<u>-</u>
<u>16,060</u>	<u>1,227</u>	<u>42,770</u>	<u>391</u>	<u>5</u>	<u>46,360</u>	<u>27,000</u>
-	-	-	-	-	46,360	-
-	-	-	-	-	-	-
2,950	3,026	-	-	-	-	27,000
-	-	18,161	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,950</u>	<u>3,026</u>	<u>18,161</u>	<u>-</u>	<u>-</u>	<u>46,360</u>	<u>27,000</u>
<u>13,110</u>	<u>(1,799)</u>	<u>24,609</u>	<u>391</u>	<u>5</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,110	(1,799)	24,609	391	5	-	-
<u>1,205</u>	<u>1,799</u>	<u>99,052</u>	<u>98,780</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>14,315</u>	<u>-</u>	<u>123,661</u>	<u>99,171</u>	<u>5</u>	<u>-</u>	<u>-</u>

(Continued)

**City of Waco, Texas**  
**Grant Fund**  
Sub-Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
(Continued)  
Year Ended September 30, 2015  
(With Comparative Totals for the Year Ended September 30, 2014)

	2012	2013	2014
	<u>JAG</u>	<u>JAG</u>	<u>JAG</u>
Revenues:			
Intergovernmental	\$ 65,083	58,991	50,763
Program income	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>65,083</u>	<u>58,991</u>	<u>50,763</u>
Expenditures:			
General government	-	-	-
Public works	-	-	-
Public safety	65,083	58,991	50,763
Culture and recreation	-	-	-
Housing and community development	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>65,083</u>	<u>58,991</u>	<u>50,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

See accompanying independent auditor's report.

Clear Source Cable Ordinance	TxDOT Riverwalk	TPW Sul Ross Park	NLC Champs	Totals	
				2015	2014
-	-	357,315	-	3,454,162	3,711,539
-	-	-	-	45,219	90,045
-	-	-	11,721	91,756	115,059
-	-	357,315	11,721	3,591,137	3,916,643
-	-	-	-	237,113	223,261
-	-	-	-	-	-
-	-	-	-	912,018	2,179,461
-	304,333	937,888	-	1,260,382	1,065,542
-	-	-	11,724	2,608,518	2,967,944
-	304,333	937,888	11,724	5,018,031	6,436,208
-	(304,333)	(580,573)	(3)	(1,426,894)	(2,519,565)
-	-	10,523	-	294,356	2,386,209
-	-	10,523	-	294,356	2,386,209
-	(304,333)	(570,050)	(3)	(1,132,538)	(133,356)
85,374	405,310	576,151	3	3,715,612	3,848,968
85,374	100,977	6,101	-	2,583,074	3,715,612



**Waco Public Improvement District No. 1 Fund**

**City of Waco, Texas**  
**Waco Public Improvement District No. 1 Fund**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ 733,205	668,254
Special assessments receivable	<u>6,642</u>	<u>11,315</u>
Total assets	<u>\$ 739,847</u>	<u>679,569</u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ <u>16,370</u>	<u>23,246</u>
Total liabilities	<u>16,370</u>	<u>23,246</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - special assessments	<u>6,642</u>	<u>11,315</u>
Total deferred inflows of resources	<u>6,642</u>	<u>11,315</u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Waco Public Improvement District	<u>716,835</u>	<u>645,008</u>
Total fund balance	<u>716,835</u>	<u>645,008</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 739,847</u>	<u>679,569</u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Waco Public Improvement District No. 1 Fund**  
Comparative Statements of Revenues, Expenditures, and  
Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Special assessments taxes	\$ 326,760	300,940
Contributions	-	28
Investment earnings	2,992	1,746
Other	<u>104,240</u>	<u>52,899</u>
Total revenues	<u>433,992</u>	<u>355,613</u>
Expenditures:		
General government:		
Salaries and wages	-	20,926
Employee benefits	-	1,683
Purchased professional/technical services	284,361	267,098
Other purchased services	37,370	16,018
Supplies	4,927	15,557
Contracts with others	34,477	-
Other	<u>1,030</u>	<u>900</u>
Total expenditures	<u>362,165</u>	<u>322,182</u>
Net change in fund balance	71,827	33,431
Fund balance, beginning of year	<u>645,008</u>	<u>611,577</u>
Fund balance, end of year	<u>\$ 716,835</u>	<u>645,008</u>

See accompanying independent auditor's report



**Abandoned Motor Vehicle Fund**

**City of Waco, Texas**  
**Abandoned Motor Vehicle Fund**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ <u>354,948</u>	<u>166,372</u>
Total assets	\$ <u>354,948</u>	<u>166,372</u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ <u>498</u>	<u>1,112</u>
Total liabilities	<u>498</u>	<u>1,112</u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Public safety	<u>354,450</u>	<u>165,260</u>
Total fund balance	<u>354,450</u>	<u>165,260</u>
Total liabilities and fund balance	\$ <u>354,948</u>	<u>166,372</u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Abandoned Motor Vehicle Fund**  
Comparative Statements of Revenues, Expenditures, and  
Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Auto impound fees	\$ <u>253,595</u>	<u>230,971</u>
Total revenues	<u>253,595</u>	<u>230,971</u>
Expenditures:		
Public safety:		
Other purchased services	7,134	6,589
Supplies	7,271	8,379
Capital expenditures	<u>-</u>	<u>11,560</u>
Total expenditures	<u>14,405</u>	<u>26,528</u>
Excess of revenues over expenditures	<u>239,190</u>	<u>204,443</u>
Other financing uses:		
Transfers out	<u>(50,000)</u>	<u>(340,068)</u>
Other financing uses	<u>(50,000)</u>	<u>(340,068)</u>
Net change in fund balance	189,190	(135,625)
Fund balance, beginning of year	<u>165,260</u>	<u>300,885</u>
Fund balance, end of year	\$ <u>354,450</u>	<u>165,260</u>

See accompanying independent auditor's report



## **Police Forfeitures Fund**

**City of Waco, Texas**  
**Police Forfeitures Fund**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ <u>248,144</u>	<u>179,304</u>
Total assets	\$ <u><u>248,144</u></u>	<u><u>179,304</u></u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ <u>4,499</u>	<u>2,280</u>
Total liabilities	<u>4,499</u>	<u>2,280</u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Public safety	<u>243,645</u>	<u>177,024</u>
Total fund balance	<u>243,645</u>	<u>177,024</u>
Total liabilities and fund balance	\$ <u><u>248,144</u></u>	<u><u>179,304</u></u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Police Forfeitures Fund**  
Comparative Statements of Revenues, Expenditures and  
Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Investment earnings	\$ 442	200
Other	<u>94,526</u>	<u>144,173</u>
Total revenues	<u>94,968</u>	<u>144,373</u>
Expenditures:		
Public safety:		
Purchased professional/technical services	-	19,069
Maintenance	3,912	22,499
Other purchased services	4,440	22,775
Supplies	-	26,557
Capital expenditures	-	11,651
Other expenses	<u>19,995</u>	<u>-</u>
Total expenditures	<u>28,347</u>	<u>102,551</u>
Net change in fund balance	66,621	41,822
Fund balance, beginning of year	<u>177,024</u>	<u>135,202</u>
Fund balance, end of year	<u>\$ 243,645</u>	<u>177,024</u>

See accompanying independent auditor's report



## **Court Security Fund**

**City of Waco, Texas**  
**Court Security Fund**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ <u>470,459</u>	<u>508,025</u>
Total assets	\$ <u><u>470,459</u></u>	<u><u>508,025</u></u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ <u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Public safety	<u>470,459</u>	<u>508,025</u>
Total fund balance	<u>470,459</u>	<u>508,025</u>
Total liabilities and fund balance	\$ <u><u>470,459</u></u>	<u><u>508,025</u></u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Court Security Fund**  
Comparative Statements of Revenues, Expenditures,  
and Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Fines	\$ <u>50,208</u>	<u>59,374</u>
Total revenues	<u>50,208</u>	<u>59,374</u>
Expenditures:		
Public safety:		
Purchased professional/technical services	<u>7,538</u>	<u>6,500</u>
Total expenditures	<u>7,538</u>	<u>6,500</u>
Excess of revenues over expenditures	<u>42,670</u>	<u>52,874</u>
Other financing uses:		
Transfers out	<u>(80,236)</u>	<u>(75,699)</u>
Other financing uses	<u>(80,236)</u>	<u>(75,699)</u>
Net change in fund balance	(37,566)	(22,825)
Fund balance, beginning of year	<u>508,025</u>	<u>530,850</u>
Fund balance, end of year	\$ <u><u>470,459</u></u>	<u><u>508,025</u></u>

See accompanying independent auditor's report



## **Court Technology Fund**

**City of Waco, Texas**  
**Court Technology Fund**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ <u>485,850</u>	<u>479,288</u>
Total assets	\$ <u><u>485,850</u></u>	<u><u>479,288</u></u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ <u>172,763</u>	<u>552</u>
Total liabilities	<u>172,763</u>	<u>552</u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Public safety	<u>313,087</u>	<u>478,736</u>
Total fund balance	<u>313,087</u>	<u>478,736</u>
Total liabilities and fund balance	\$ <u><u>485,850</u></u>	<u><u>479,288</u></u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Court Technology Fund**  
Comparative Statements of Revenues, Expenditures,  
and Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Fines	\$ <u>66,906</u>	<u>79,170</u>
Total revenues	<u>66,906</u>	<u>79,170</u>
Expenditures:		
Public safety:		
Purchased professional/technical services	58,555	28,368
Maintenance	-	885
Other purchased services	-	670
Supplies	7,485	14,081
Capital expenditures	<u>166,515</u>	<u>-</u>
Total expenditures	<u>232,555</u>	<u>44,004</u>
Net change in fund balance	(165,649)	35,166
Fund balance, beginning of year	<u>478,736</u>	<u>443,570</u>
Fund balance, end of year	\$ <u><u>313,087</u></u>	<u><u>478,736</u></u>

See accompanying independent auditor's report



## **Hamilton Memorial Fund**

**City of Waco, Texas**  
**Hamilton Memorial Fund**  
Comparative Balance Sheets  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ <u>8,956</u>	<u>8,882</u>
Total assets	\$ <u><u>8,956</u></u>	<u><u>8,882</u></u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Culture and recreation	\$ <u>8,956</u>	<u>8,882</u>
Total fund balance	\$ <u><u>8,956</u></u>	<u><u>8,882</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Hamilton Memorial Fund**  
Comparative Statements of Revenue, Expenditures,  
and Changes in Fund Balance  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Investment earnings	\$ <u>74</u>	<u>49</u>
Total revenues	<u>74</u>	<u>49</u>
Expenditures:		
Public safety:		
Culture and Recreation	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
Net change in fund balance	74	49
Fund balance, beginning of year	<u>8,882</u>	<u>8,833</u>
Fund balance, end of year	\$ <u><u>8,956</u></u>	<u><u>8,882</u></u>

See accompanying independent auditor's report.



**Miss Nellie's Park Maintenance Fund**

**City of Waco, Texas**  
**Miss Nellie's Park Maintenance Fund**  
 Comparative Balance Sheets  
 September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and investments	\$ <u>26,576</u>	<u>29,378</u>
Total assets	\$ <u><u>26,576</u></u>	<u><u>29,378</u></u>
<b>Fund Balance</b>		
Fund balance:		
Restricted for:		
Culture and recreation	\$ <u>26,576</u>	<u>29,378</u>
Total fund balance	\$ <u><u>26,576</u></u>	<u><u>29,378</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Miss Nellie's Park Maintenance Fund**  
Comparative Statements of Revenues, Expenditures,  
and Changes in Fund Balance  
Years September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Investment earnings	\$ <u>503</u>	<u>342</u>
Total revenues	<u>503</u>	<u>342</u>
Expenditures:		
Culture and recreation:		
Maintenance	1,457	6,000
Supplies	<u>1,848</u>	<u>625</u>
Total expenditures	<u>3,305</u>	<u>6,625</u>
Net change in fund balance	(2,802)	(6,283)
Fund balance, beginning of year	<u>29,378</u>	<u>35,661</u>
Fund balance, end of year	\$ <u><u>26,576</u></u>	<u><u>29,378</u></u>

See accompanying independent auditor's report.



## **Nonmajor Debt Service Funds**

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

*Street and Drainage Refundable Contracts Fund* - This fund is used to account for the accumulation of resources and payment of street and drainage refundable contracts.

*General Obligation Debt Fund* - This fund is used to account for the accumulation of resources and payment of general obligation principal and interest from governmental resources.

**City of Waco, Texas**  
**Nonmajor Debt Service Funds**  
Combining Balance Sheet  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	<u>Totals</u>	
			<u>2015</u>	<u>2014</u>
<b>Assets</b>				
Cash and investments	\$ 4,192	468,182	472,374	164,813
Taxes receivable	<u>-</u>	<u>371,072</u>	<u>371,072</u>	<u>407,465</u>
Total assets	<u>\$ 4,192</u>	<u>839,254</u>	<u>843,446</u>	<u>572,278</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources:				
Unavailable revenue - property taxes	\$ <u>-</u>	<u>352,189</u>	<u>352,189</u>	<u>386,376</u>
Total deferred inflows of resources	<u>-</u>	<u>352,189</u>	<u>352,189</u>	<u>386,376</u>
<b>Fund Balances</b>				
Fund balances:				
Restricted for debt service	<u>4,192</u>	<u>487,065</u>	<u>491,257</u>	<u>185,902</u>
Total fund balances	<u>4,192</u>	<u>487,065</u>	<u>491,257</u>	<u>185,902</u>
Total deferred inflows of resources and fund balances	<u>\$ 4,192</u>	<u>839,254</u>	<u>843,446</u>	<u>572,278</u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Nonmajor Debt Service Funds**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	Street and Drainage Refundable Contracts Fund	General Obligation Debt Fund	<u>Totals</u>	
			2015	2014
Revenues:				
Property taxes	\$ -	9,219,662	9,219,662	8,984,916
Investment earnings	<u>17</u>	<u>4,093</u>	<u>4,110</u>	<u>3,152</u>
Total revenues	<u>17</u>	<u>9,223,755</u>	<u>9,223,772</u>	<u>8,988,068</u>
Expenditures:				
Debt service:				
Principal	-	5,585,000	5,585,000	5,340,143
Interest and fiscal charges	-	3,437,349	3,437,349	3,788,820
Bond issuance costs	-	<u>250,679</u>	<u>250,679</u>	<u>26,107</u>
Total expenditures	<u>-</u>	<u>9,273,028</u>	<u>9,273,028</u>	<u>9,155,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17</u>	<u>(49,273)</u>	<u>(49,256)</u>	<u>(167,002)</u>
Other financing sources (uses):				
Refunding bonds issued	-	34,125,000	34,125,000	-
Payment to refunded bond escrow agent	-	(40,676,302)	(40,676,302)	-
Premium on refunding bonds	-	6,804,247	6,804,247	-
General obligation bonds issued	-	13,063	13,063	25,203
Premium on general obligation bonds	-	440	440	904
Transfers in	-	<u>88,163</u>	<u>88,163</u>	<u>88,744</u>
Total other financing sources	<u>-</u>	<u>354,611</u>	<u>354,611</u>	<u>114,851</u>
Net change in fund balances	17	305,338	305,355	(52,151)
Fund balances, beginning of year	<u>4,175</u>	<u>181,727</u>	<u>185,902</u>	<u>238,053</u>
Fund balances, end of year	\$ <u>4,192</u>	<u>487,065</u>	<u>491,257</u>	<u>185,902</u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**General Obligation Debt Fund**  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance – Budget and Actual  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	Budgeted Amounts		2015	Variance with Final Budget	2014
	Original	Final	Actual Amounts		Actual Amounts
<b>Revenues:</b>					
Property taxes	\$ 9,101,205	9,101,205	9,219,662	118,457	8,984,916
Investment earnings	1,460	1,460	4,093	2,633	3,141
Total revenues	<u>9,102,665</u>	<u>9,102,665</u>	<u>9,223,755</u>	<u>121,090</u>	<u>8,988,057</u>
<b>Expenditures:</b>					
Debt service:					
Principal	5,585,000	5,585,000	5,585,000	-	5,340,143
Interest and fiscal charges	3,626,938	3,626,938	3,437,349	189,589	3,788,820
Bond issuance costs	-	260,991	250,679	10,312	26,107
Total expenditures	<u>9,211,938</u>	<u>9,472,929</u>	<u>9,273,028</u>	<u>199,901</u>	<u>9,155,070</u>
Deficiency of revenues under expenditures	<u>(109,273)</u>	<u>(370,264)</u>	<u>(49,273)</u>	<u>320,991</u>	<u>(167,013)</u>
<b>Other financing sources (uses):</b>					
Refunding bonds issued	-	40,929,247	34,125,000	(6,804,247)	-
Payment to refunded bond escrow agent	-	(40,676,302)	(40,676,302)	-	-
Premium on refunding bonds	-	-	6,804,247	6,804,247	-
General obligation bonds issued	-	8,046	13,063	5,017	25,203
Premium on general obligation bonds	-	-	440	440	904
Transfers in	91,063	91,063	88,163	(2,900)	88,744
Total other financing sources	<u>91,063</u>	<u>352,054</u>	<u>354,611</u>	<u>2,557</u>	<u>114,851</u>
Net change in fund balance	(18,210)	(18,210)	305,338	323,548	(52,162)
Fund balance, beginning of year	<u>233,889</u>	<u>233,889</u>	<u>181,727</u>	<u>(52,162)</u>	<u>233,889</u>
Fund balance, end of year	<u>\$ 215,679</u>	<u>215,679</u>	<u>487,065</u>	<u>271,386</u>	<u>181,727</u>

See accompanying independent auditor's report.

## Nonmajor Capital Projects Funds

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

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

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

*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.

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

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

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

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

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

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

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

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

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

*2015 Bond Issue Fund* - This fund is used to account for the acquisition of materials and equipment for City buildings and other City purposes.

**City of Waco, Texas**  
**Nonmajor Capital Projects Funds**  
Combining Balance Sheet  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	<u>Capital</u>	<u>Equipment</u>		<u>Street</u>	<u>2015</u>	<u>2014</u>
	Improvement	Replacement	Mammoth	Improvement	Bond	Bond
	Fund	Fund	Fund	Fund	Issue	Issue
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>Assets</b>						
Cash and investments	\$ 8,603,146	300,000	23,257	9,193,695	391,111	45,226
Accounts receivable	81,843	-	-	3,325	-	-
Due from other funds	4,637,269	-	-	1,616	-	-
Advances to other funds	168,368	-	-	-	-	-
Inventory	-	-	-	131,805	-	-
Intergovernmental receivable	-	-	-	1,112,478	-	-
	<u>                    </u>					
Total assets	\$ <u>13,490,626</u>	<u>300,000</u>	<u>23,257</u>	<u>10,442,919</u>	<u>391,111</u>	<u>45,226</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 1,063,905	-	-	991,315	-	-
Accrued liabilities	161,487	-	-	117,751	-	-
Due to other funds	-	-	-	-	-	11,000
	<u>                    </u>					
Total liabilities	<u>1,225,392</u>	<u>                    </u>	<u>                    </u>	<u>1,109,066</u>	<u>                    </u>	<u>11,000</u>
Fund balances:						
Nonspendable:						
Inventory	-	-	-	131,805	-	-
Restricted for:						
Capital projects	4,008,344	-	23,257	2,093,782	391,111	34,226
Committed to:						
Capital projects	8,256,890	300,000	-	7,108,266	-	-
	<u>                    </u>					
Total fund balances	<u>12,265,234</u>	<u>300,000</u>	<u>23,257</u>	<u>9,333,853</u>	<u>391,111</u>	<u>34,226</u>
Total liabilities and fund balances	\$ <u>13,490,626</u>	<u>300,000</u>	<u>23,257</u>	<u>10,442,919</u>	<u>391,111</u>	<u>45,226</u>

See accompanying independent auditor's report.

2013 Bond Issue Fund	2012 Bond Issue Fund	2011 Bond Issue Fund	2010 Bond Issue Fund	2008 Bond Issue Fund	2007 Bond Issue Fund	2007 General Obligation Bond Issue Fund	2006 Bond Issue Fund	Totals	
								2015	2014
79,385	34,716	55,696	208,731	2,332	1,923,859	1,061,552	-	21,922,706	15,758,414
-	-	-	-	-	-	-	-	85,168	3,025
-	-	-	-	-	-	2,904	-	4,641,789	4,886,764
-	-	-	-	-	-	-	-	168,368	168,368
-	-	-	-	-	-	-	-	131,805	-
-	-	-	-	-	-	-	-	1,112,478	4,800
<u>79,385</u>	<u>34,716</u>	<u>55,696</u>	<u>208,731</u>	<u>2,332</u>	<u>1,923,859</u>	<u>1,064,456</u>	<u>-</u>	<u>28,062,314</u>	<u>20,821,371</u>
360	-	-	-	-	-	2,913	-	2,058,493	476,559
-	-	-	-	-	69,402	-	-	348,640	367,427
<u>55,102</u>	<u>18,000</u>	<u>52,000</u>	<u>130,055</u>	<u>-</u>	<u>1,817,315</u>	<u>589,792</u>	<u>-</u>	<u>2,673,264</u>	<u>5,566,137</u>
<u>55,462</u>	<u>18,000</u>	<u>52,000</u>	<u>130,055</u>	<u>-</u>	<u>1,886,717</u>	<u>592,705</u>	<u>-</u>	<u>5,080,397</u>	<u>6,410,123</u>
-	-	-	-	-	-	-	-	131,805	-
23,923	16,716	3,696	78,676	2,332	37,142	471,751	-	7,184,956	11,828,967
-	-	-	-	-	-	-	-	15,665,156	2,582,281
<u>23,923</u>	<u>16,716</u>	<u>3,696</u>	<u>78,676</u>	<u>2,332</u>	<u>37,142</u>	<u>471,751</u>	<u>-</u>	<u>22,981,917</u>	<u>14,411,248</u>
<u>79,385</u>	<u>34,716</u>	<u>55,696</u>	<u>208,731</u>	<u>2,332</u>	<u>1,923,859</u>	<u>1,064,456</u>	<u>-</u>	<u>28,062,314</u>	<u>20,821,371</u>

**City of Waco, Texas**  
**Nonmajor Capital Projects Funds**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	Capital Improvement Fund	Equipment Replacement Fund	Mammoth Fund	Street Improvement Fund	2015 Bond Issue Fund	2014 Bond Issue Fund	2013 Bond Issue Fund
<b>Revenues:</b>							
Investment earnings	\$ -	-	52	7,193	36,111	35,821	23,511
Contributions	1,473,887	-	-	1,300,000	-	-	-
Intergovernmental	-	-	-	1,119,726	-	-	-
Total revenues	<u>1,473,887</u>	<u>-</u>	<u>52</u>	<u>2,426,919</u>	<u>36,111</u>	<u>35,821</u>	<u>23,511</u>
<b>Expenditures:</b>							
Capital outlay	<u>5,485,191</u>	<u>-</u>	<u>-</u>	<u>8,113,068</u>	<u>998,864</u>	<u>-</u>	<u>47,643</u>
Total expenditures	<u>5,485,191</u>	<u>-</u>	<u>-</u>	<u>8,113,068</u>	<u>998,864</u>	<u>-</u>	<u>47,643</u>
Excess (deficiency of revenues over (under) expenditures	<u>(4,011,304)</u>	<u>-</u>	<u>52</u>	<u>(5,686,149)</u>	<u>(962,753)</u>	<u>35,821</u>	<u>(24,132)</u>
<b>Other financing sources (uses):</b>							
General obligation bonds issued	-	-	-	326,937	1,355,000	-	-
Premium on general obligation bonds	-	-	-	56,604	-	-	-
Transfers in	10,953,836	200,000	-	7,632,120	-	-	-
Transfers out	<u>(1,248)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,136)</u>	<u>(11,000)</u>	<u>(58,275)</u>
Total other financing sources (uses)	<u>10,952,588</u>	<u>200,000</u>	<u>-</u>	<u>8,015,661</u>	<u>1,353,864</u>	<u>(11,000)</u>	<u>(58,275)</u>
Net change in fund balances	6,941,284	200,000	52	2,329,512	391,111	24,821	(82,407)
Fund balances, beginning of year	<u>5,323,950</u>	<u>100,000</u>	<u>23,205</u>	<u>7,004,341</u>	<u>-</u>	<u>9,405</u>	<u>106,330</u>
Fund balances, end of year	<u>\$ 12,265,234</u>	<u>300,000</u>	<u>23,257</u>	<u>9,333,853</u>	<u>391,111</u>	<u>34,226</u>	<u>23,923</u>

See accompanying independent auditor's report.

2012 Bond Issue Fund	2011 Bond Issue Fund	2010 Bond Issue Fund	2008 Bond Issue Fund	2007 Bond Issue Fund	2007 General Obligation Bond Issue Fund	2006 Bond Issue Fund	Totals	
							2015	2014
1,798	3,612	10,716	1,667	9,267	2,516	606	132,870	112,738
-	-	-	-	-	-	-	2,773,887	-
-	-	-	-	-	-	-	1,119,726	105,306
<u>1,798</u>	<u>3,612</u>	<u>10,716</u>	<u>1,667</u>	<u>9,267</u>	<u>2,516</u>	<u>606</u>	<u>4,026,483</u>	<u>218,044</u>
14,214	-	-	-	18,988	80,870	-	14,758,838	10,002,288
<u>14,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,988</u>	<u>80,870</u>	<u>-</u>	<u>14,758,838</u>	<u>10,002,288</u>
(12,416)	3,612	10,716	1,667	(9,721)	(78,354)	606	(10,732,355)	(9,784,244)
-	-	-	-	-	-	-	1,681,937	1,619,797
-	-	-	-	-	-	-	56,604	58,136
-	-	-	-	-	-	-	18,785,956	7,672,059
<u>(288,022)</u>	<u>(52,000)</u>	<u>(140,655)</u>	<u>(19,000)</u>	<u>(55,904)</u>	<u>(589,792)</u>	<u>(4,441)</u>	<u>(1,221,473)</u>	<u>(2,129,587)</u>
<u>(288,022)</u>	<u>(52,000)</u>	<u>(140,655)</u>	<u>(19,000)</u>	<u>(55,904)</u>	<u>(589,792)</u>	<u>(4,441)</u>	<u>19,303,024</u>	<u>7,220,405</u>
(300,438)	(48,388)	(129,939)	(17,333)	(65,625)	(668,146)	(3,835)	8,570,669	(2,563,839)
<u>317,154</u>	<u>52,084</u>	<u>208,615</u>	<u>19,665</u>	<u>102,767</u>	<u>1,139,897</u>	<u>3,835</u>	<u>14,411,248</u>	<u>16,975,087</u>
<u>16,716</u>	<u>3,696</u>	<u>78,676</u>	<u>2,332</u>	<u>37,142</u>	<u>471,751</u>	<u>-</u>	<u>22,981,917</u>	<u>14,411,248</u>



## **Nonmajor Permanent Funds**

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

*Rosemound Cemetery Perpetual Fund* - This fund is used to account for funds previously provided by the sale of cemetery lots.

*Hamilton Memorial Fund* - This fund is used to account for funds provided by a private donor. Income from this fund is to be used for improvements to Cameron Park.

*Miss Nellie's Park Endowment Fund* - This fund is used to account for funds provided by a private donor. Income from this fund is to be used to maintain Miss Nellie's Pretty Place.

**City of Waco, Texas**  
**Nonmajor Permanent Funds**  
Combining Balance Sheet  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	Totals	
				2015	2014
<b>Assets</b>					
Cash and investments	\$ <u>356,997</u>	<u>10,000</u>	<u>100,000</u>	<u>466,997</u>	<u>478,848</u>
Total assets	\$ <u><u>356,997</u></u>	<u><u>10,000</u></u>	<u><u>100,000</u></u>	<u><u>466,997</u></u>	<u><u>478,848</u></u>
<b>Fund Balances</b>					
Fund balances:					
Nonspendable:					
Parks and cemetery care	\$ <u>356,997</u>	<u>10,000</u>	<u>100,000</u>	<u>466,997</u>	<u>478,848</u>
Total fund balances	\$ <u><u>356,997</u></u>	<u><u>10,000</u></u>	<u><u>100,000</u></u>	<u><u>466,997</u></u>	<u><u>478,848</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Nonmajor Permanent Funds**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	Rosemound Cemetery Perpetual Fund	Hamilton Memorial Fund	Miss Nellie's Park Endowment Fund	<u>Totals</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>2015</u>	<u>2014</u>
Revenues:					
Investment earnings	\$ 1,460	-	-	1,460	945
Other	-	-	-	-	12
Total revenues	<u>1,460</u>	<u>-</u>	<u>-</u>	<u>1,460</u>	<u>957</u>
Expenditures:					
General government	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,460</u>	<u>-</u>	<u>-</u>	<u>1,460</u>	<u>957</u>
Other financing uses:					
Transfers out	(13,311)	-	-	(13,311)	-
Total other financing uses	<u>(13,311)</u>	<u>-</u>	<u>-</u>	<u>(13,311)</u>	<u>-</u>
Net change in fund balances	<u>(11,851)</u>	<u>-</u>	<u>-</u>	<u>(11,851)</u>	<u>957</u>
Fund balances, beginning of year	<u>368,848</u>	<u>10,000</u>	<u>100,000</u>	<u>478,848</u>	<u>477,891</u>
Fund balances, end of year	<u>\$ 356,997</u>	<u>10,000</u>	<u>100,000</u>	<u>466,997</u>	<u>478,848</u>

See accompanying independent auditor's report.



## **Major Enterprise Funds**

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

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

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

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



## **Water Fund**

**City of Waco, Texas**  
**Water Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 32,917,101	33,116,582
Accounts receivable, net of allowance	5,859,346	5,660,984
Restricted cash and investments	4,752,985	3,296,507
Inventory	300,045	295,383
Total current assets	43,829,477	42,369,456
Noncurrent assets:		
Restricted cash and investments	13,091,889	9,814,856
Advances to other funds	525,336	525,336
Capital assets:		
Land	1,279,185	1,279,185
Buildings	9,520,815	9,526,184
Improvements other than buildings	281,319,710	274,473,725
Equipment	7,649,627	7,312,521
Construction work in progress	6,408,534	8,799,440
Intangible water rights	32,482,879	32,482,879
Less: accumulated depreciation and amortization	(119,493,204)	(111,147,997)
Total capital assets	219,167,546	222,725,937
Total noncurrent assets	232,784,771	233,066,129
Total assets	276,614,248	275,435,585
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources:		
Deferred losses on refundings of debt	2,512,180	2,031,352
Pension contributions subsequent to the measurement date	432,827	-
Differences between expected and actual experience	83,699	-
Differences in projected and actual earnings on pension plan investments	227,164	-
Total deferred inflow of resources	3,255,870	2,031,352

See accompanying independent auditor's report.

<b>Liabilities</b>	<u>2015</u>	<u>2014</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 602,543	949,091
Accrued liabilities	818,610	782,703
Due to other funds	674,598	-
Compensated absences payable	715,480	697,369
Refundable contracts	449,701	434,295
Notes payable	75,777	72,555
Bonds payable	7,695,000	7,540,000
Accrued interest payable	<u>1,041,356</u>	<u>1,024,237</u>
	<u>12,073,065</u>	<u>11,500,250</u>
Current liabilities payable from restricted assets:		
Accounts payable	1,923,423	737,826
Customer deposits	<u>2,829,562</u>	<u>2,558,681</u>
	<u>4,752,985</u>	<u>3,296,507</u>
Total current liabilities	<u>16,826,050</u>	<u>14,796,757</u>
Noncurrent liabilities:		
Refundable contracts	930,192	1,325,406
Compensated absences payable	186,821	270,645
Net pension obligation	-	734,973
Bonds payable	143,354,219	145,382,028
Notes payable	1,750,105	1,825,882
Net pension liability	<u>2,565,123</u>	<u>-</u>
Total noncurrent liabilities	<u>148,786,460</u>	<u>149,538,934</u>
Total liabilities	<u>165,612,510</u>	<u>164,335,691</u>
<b>Net Position</b>		
Net position:		
Net investment in capital assets	80,516,621	77,991,979
Unrestricted	<u>33,740,987</u>	<u>35,139,267</u>
Total net position	<u>\$ 114,257,608</u>	<u>113,131,246</u>

**City of Waco, Texas**  
**Water Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 37,366,519	38,094,499
Other	<u>402,025</u>	<u>500,414</u>
Total operating revenues	<u>37,768,544</u>	<u>38,594,913</u>
 Operating expenses:		
Salaries and wages	4,730,086	4,921,571
Employee benefits	1,864,515	2,055,459
Purchased professional/technical services	1,616,037	1,299,056
Purchased property services	105,503	152,391
Maintenance	1,670,712	1,861,631
Other purchased services	812,222	784,053
Supplies	4,594,066	4,350,721
Other	3,698,866	3,730,948
Depreciation/amortization	<u>8,872,286</u>	<u>8,996,493</u>
Total operating expenses	<u>27,964,293</u>	<u>28,152,323</u>
 Operating income	<u>9,804,251</u>	<u>10,442,590</u>
 Nonoperating revenues (expenses):		
Investment earnings	125,375	94,682
Rental income	5,210	5,160
Bond issuance costs	(150,735)	(34,042)
Interest expense and fiscal charges	<u>(4,342,127)</u>	<u>(4,812,509)</u>
Total nonoperating revenues (expenses)	<u>(4,362,277)</u>	<u>(4,746,709)</u>
 Income before contributions and transfers	5,441,974	5,695,881
 Capital contributions	692,265	244,608
Transfers out	<u>(3,817,145)</u>	<u>(3,138,280)</u>
 Change in net position	<u>2,317,094</u>	<u>2,802,209</u>
 Total net position,		
beginning of year, as previously stated	113,131,246	110,329,037
Cumulative effect of change in accounting principles	<u>(1,190,732)</u>	<u>-</u>
Total net position,		
beginning of year, as restated	<u>111,940,514</u>	<u>110,329,037</u>
 Total net position,		
end of year	<u>\$ 114,257,608</u>	<u>113,131,246</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Water Fund**  
**Comparative Statements of Cash Flows**  
**Years Ended September 30, 2015 and 2014**

	2015	2014
Cash flows from operating activities:		
Cash received from customers	\$ 37,570,182	39,177,594
Cash paid to suppliers for goods and services	(12,551,721)	(12,061,870)
Cash paid to employees for services	(6,754,693)	(6,969,375)
Net cash provided by operating activities	18,263,768	20,146,349
Cash flows from noncapital financing activities:		
Transfer to other funds	(3,142,547)	(3,138,280)
Net cash used for noncapital financing activities	(3,142,547)	(3,138,280)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(3,542,736)	(7,745,064)
Proceeds from the sale of debt	6,333,820	2,149,474
Principal paid on debt	(7,540,000)	(6,650,286)
Interest paid on debt	(5,818,125)	(6,154,249)
Payment of bond issuance costs	(150,735)	(34,042)
Net cash used for capital and related financing activities	(10,717,776)	(18,434,167)
Cash flows from investing activities:		
Rental revenue	5,210	5,160
Investment earnings	125,375	94,682
Net cash provided by investing activities	130,585	99,842
Net increase (decrease) in cash and cash equivalents	4,534,030	(1,326,256)
Cash and cash equivalents, beginning of year	46,227,945	47,554,201
Cash and cash equivalents, end of year	\$ 50,761,975	46,227,945
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 9,804,251	10,442,590
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	34,621	25,729
Depreciation/amortization	8,872,286	8,996,493
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(232,983)	556,952
Inventory	(4,662)	(17,651)
Increase (decrease) in liabilities:		
Accounts payable	(346,548)	250,150
Accrued liabilities	35,907	(139,343)
Compensated absences payable	(65,713)	(23,801)
Net pension liability	(104,272)	-
Net pension obligation	-	5,429
Customer deposits	270,881	49,801
Net cash provided by operating activities	\$ 18,263,768	20,146,349
<b>Schedule of noncash capital and related financing activities:</b>		
Contributions of capital assets	\$ 692,265	244,608
Payment to refunded bond escrow agent	\$ 28,418,449	-

See accompanying independent auditor's report.



## **Wastewater Fund**

**City of Waco, Texas**  
**Wastewater Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 19,286,907	19,017,672
Accounts receivable, net of allowance	2,764,385	2,650,728
Current portion of notes receivable	47,727	46,065
Restricted cash and investments	2,815,363	1,064,829
Accrued interest on notes receivable	3,076	3,356
Inventory	13,308	14,779
Total current assets	24,930,766	22,797,429
Noncurrent assets:		
Restricted cash and investments	15,945,721	16,643,559
Noncurrent portion of notes receivable	457,683	505,410
Capital assets:		
Land	2,576,524	2,576,524
Buildings	10,851,569	10,851,569
Improvements other than buildings	122,711,257	122,061,853
Equipment	9,114,279	9,093,012
Construction work in progress	10,924,960	4,517,634
Less: accumulated depreciation and amortization	(53,672,066)	(49,326,746)
Total capital assets	102,506,523	99,773,846
Total noncurrent assets	118,909,927	116,922,815
Total assets	143,840,693	139,720,244
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources:		
Deferred losses on refundings of debt	1,278,356	431,742
Pension contributions subsequent to measurement date	288,552	-
Differences between expected and actual experience	55,799	-
Differences in projected and actual earnings on pension plan investments	151,442	-
Total deferred outflows of resources	1,774,149	431,742

See accompanying independent auditor's report.

	<u>2015</u>	<u>2014</u>
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 549,311	1,088,514
Accrued liabilities	253,638	329,784
Due to other funds	370,553	-
Compensated absences payable	458,271	379,968
Revenue bonds payable	3,860,000	3,545,000
Refundable contracts	50,000	50,000
Accrued interest payable	508,497	512,880
	<u>6,050,270</u>	<u>5,906,146</u>
Current liabilities payable from restricted assets:		
Accounts payable	<u>2,815,363</u>	<u>1,064,829</u>
	<u>2,815,363</u>	<u>1,064,829</u>
Total current liabilities	<u>8,865,633</u>	<u>6,970,975</u>
Noncurrent liabilities:		
Refundable contracts	142,542	142,542
Compensated absences payable	244,349	239,383
Net pension obligation	-	481,784
Net pension liability	1,710,082	-
Revenue bonds payable	<u>63,840,251</u>	<u>61,490,378</u>
Total noncurrent liabilities	<u>65,937,224</u>	<u>62,354,087</u>
Total liabilities	<u>74,802,857</u>	<u>69,325,062</u>
<b>Net Position</b>		
Net position:		
Net investment in capital assets	51,837,807	51,621,227
Unrestricted	<u>18,974,178</u>	<u>19,205,697</u>
Total net position	<u>\$ 70,811,985</u>	<u>70,826,924</u>

**City of Waco, Texas**  
**Wastewater Fund**  
Comparative Statements of Revenues, Expenses, and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 20,426,696	20,932,833
Other	<u>400,947</u>	<u>410,723</u>
Total operating revenues	<u>20,827,643</u>	<u>21,343,556</u>
Operating expenses:		
Salaries and wages	2,901,438	2,781,839
Employee benefits	1,041,207	1,091,922
Purchased professional/technical services	1,282,580	1,682,076
Purchased property services	277,646	146,164
Maintenance	1,485,175	1,328,486
Other purchased services	315,758	299,554
Supplies	1,961,616	2,054,334
Other	3,130,739	3,028,465
Depreciation/amortization	<u>4,633,544</u>	<u>4,594,225</u>
Total operating expenses	<u>17,029,703</u>	<u>17,007,065</u>
Operating income	<u>3,797,940</u>	<u>4,336,491</u>
Nonoperating revenues (expenses):		
Investment earnings	95,858	63,859
Bond issuance costs	(144,607)	(101,070)
Interest expense and fiscal charges	<u>(1,790,217)</u>	<u>(2,155,448)</u>
Total nonoperating expenses	<u>(1,838,966)</u>	<u>(2,192,659)</u>
Income before transfers	1,958,974	2,143,832
Transfers out	<u>(1,171,894)</u>	<u>(790,696)</u>
Change in net position	<u>787,080</u>	<u>1,353,136</u>
Total net position, beginning of year, as previously stated	70,826,924	69,473,788
Cumulative effect of change in accounting principles	<u>(802,019)</u>	<u>-</u>
Total net position, beginning of year as restated	<u>70,024,905</u>	<u>69,473,788</u>
Total net position, end of year	<u>\$ 70,811,985</u>	<u>70,826,924</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Wastewater Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash received from customers	\$ 20,713,986	21,593,356
Cash paid to suppliers for goods and services	(9,090,414)	(7,937,962)
Cash paid to employees for services	<u>(3,905,868)</u>	<u>(3,823,003)</u>
Net cash provided by operating activities	<u>7,717,704</u>	<u>9,832,391</u>
Cash flows from noncapital financing activities:		
Transfer to other funds	<u>(801,341)</u>	<u>(790,696)</u>
Net cash used for noncapital financing activities	<u>(801,341)</u>	<u>(790,696)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(5,321,298)	(4,343,555)
Proceeds from the sale of debt	5,819,332	6,142,834
Capital contributions	-	112,054
Principal paid on debt	(3,545,000)	(4,049,571)
Interest paid on debt	(2,545,062)	(2,544,087)
Payment of bond issuance costs	<u>(144,607)</u>	<u>(101,070)</u>
Net cash used for capital and related financing activities	<u>(5,736,635)</u>	<u>(4,783,395)</u>
Cash flows from investing activities:		
Investment earnings	96,138	64,133
Note payments from other entities	<u>46,065</u>	<u>45,042</u>
Net cash provided by investing activities	<u>142,203</u>	<u>109,175</u>
Net increase in cash and cash equivalents	1,321,931	4,367,475
Cash and cash equivalents, beginning of year	<u>36,726,060</u>	<u>32,358,585</u>
Cash and cash equivalents, end of year	<u>\$ 38,047,991</u>	<u>36,726,060</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 3,797,940	4,336,491
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	28,641	8,288
Depreciation/amortization	4,633,544	4,594,225
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(142,298)	241,512
Inventory	1,471	(4,400)
Increase (decrease) in liabilities:		
Accounts payable	(539,203)	661,792
Accrued liabilities	(76,146)	(37,049)
Compensated absences payable	83,269	28,229
Net pension obligation	-	3,303
Net pension liability	<u>(69,514)</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 7,717,704</u>	<u>9,832,391</u>
<b>Schedule of noncash capital and related financing activities:</b>		
Payment to refunded bond escrow agent	<u>\$ 16,638,605</u>	<u>-</u>

See accompanying independent auditor's report.



## **Solid Waste Fund**

# City of Waco, Texas

## Solid Waste Fund

Comparative Statements of Net Position  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 15,609,595	14,888,312
Accounts receivable, net of allowance	<u>1,798,608</u>	<u>2,115,265</u>
Total current assets	<u>17,408,203</u>	<u>17,003,577</u>
Noncurrent assets:		
Capital assets:		
Land	1,753,855	1,753,855
Buildings	1,370,137	1,370,137
Improvements other than buildings	26,167,880	23,936,392
Equipment	16,455,332	15,238,660
Construction work in progress	27,574	27,574
Less: accumulated depreciation and amortization	<u>(34,714,344)</u>	<u>(32,652,811)</u>
Total capital assets	<u>11,060,434</u>	<u>9,673,807</u>
Total noncurrent assets	<u>11,060,434</u>	<u>9,673,807</u>
Total assets	<u>28,468,637</u>	<u>26,677,384</u>

### Deferred Outflows of Resources

Deferred outflows of resources:		
Deferred losses on refundings of debt	20,744	24,721
Pension contributions subsequent to the measurement date	288,552	-
Differences between expected and actual experience	55,799	-
Differences in projected and actual earnings on pension plan investments	<u>151,442</u>	<u>-</u>
Total deferred outflows of resources	<u>516,537</u>	<u>24,721</u>

See accompanying independent auditor's report.

	<u>2015</u>	<u>2014</u>
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 239,921	199,796
Accrued liabilities	384,869	228,607
Due to other funds	264,805	-
Compensated absences payable	408,912	386,419
Revenue bonds payable	470,000	690,000
Accrued interest payable	28,066	31,776
Total current liabilities	<u>1,796,573</u>	<u>1,536,598</u>
Noncurrent liabilities:		
Estimated landfill closure and post-closure care costs	4,757,870	4,516,860
Compensated absences payable	142,874	192,033
Net pension obligation	-	479,840
Net pension liability	1,710,082	-
Bonds payable	<u>3,830,621</u>	<u>4,369,602</u>
Total noncurrent liabilities	<u>10,441,447</u>	<u>9,558,335</u>
Total liabilities	<u>12,238,020</u>	<u>11,094,933</u>
<b>Net Position</b>		
Net position:		
Net investment in capital assets	6,780,557	4,638,926
Unrestricted	<u>9,966,597</u>	<u>10,968,246</u>
Total net position	<u>\$ 16,747,154</u>	<u>15,607,172</u>

**City of Waco, Texas**  
**Solid Waste Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 17,567,885	16,601,316
Other	<u>136,634</u>	<u>265,271</u>
Total operating revenues	<u>17,704,519</u>	<u>16,866,587</u>
Operating expenses:		
Salaries and wages	3,012,097	3,004,789
Employee benefits	1,401,937	1,467,586
Purchased professional/technical services	1,790,675	1,465,881
Maintenance	2,025,345	1,832,001
Other purchased services	153,939	149,428
Supplies	1,444,796	1,838,997
Other	2,431,652	2,485,218
Depreciation	<u>2,852,081</u>	<u>3,420,725</u>
Total operating expenses	<u>15,112,522</u>	<u>15,664,625</u>
Operating income	<u>2,591,997</u>	<u>1,201,962</u>
Nonoperating revenues (expenses):		
Investment earnings	57,910	33,540
Interest expense and fiscal charges	<u>(111,093)</u>	<u>(129,934)</u>
Total nonoperating revenues (expenses)	<u>(53,183)</u>	<u>(96,394)</u>
Income before contributions and transfers	2,538,814	1,105,568
Transfers out	<u>(594,869)</u>	<u>(339,137)</u>
Change in net position	<u>1,943,945</u>	<u>766,431</u>
Total net position, beginning of year, as previously stated	15,607,172	14,840,741
Cumulative effect of change in accounting principles	<u>(803,963)</u>	<u>-</u>
Total net position, beginning of year, as restated	<u>14,803,209</u>	<u>14,840,741</u>
Total net position, end of year	<u>\$ 16,747,154</u>	<u>15,607,172</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Solid Waste Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 18,021,176	16,897,964
Cash paid to suppliers for goods and services	(7,417,315)	(7,586,389)
Cash paid to employees for services	<u>(4,501,909)</u>	<u>(4,436,326)</u>
Net cash provided by operating activities	<u>6,101,952</u>	<u>4,875,249</u>
Cash flows from noncapital financing activities:		
Transfer to other funds	<u>(330,064)</u>	<u>(339,137)</u>
Net cash used for noncapital financing activities	<u>(330,064)</u>	<u>(339,137)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(4,238,708)	(17,211)
Principal paid on debt	(690,000)	(945,000)
Interest paid on debt	<u>(179,807)</u>	<u>(211,158)</u>
Net cash used for capital and related financing activities	<u>(5,108,515)</u>	<u>(1,173,369)</u>
Cash flows from investing activities:		
Investment earnings	<u>57,910</u>	<u>33,540</u>
Net cash provided by investing activities	<u>57,910</u>	<u>33,540</u>
Net increase in cash and cash equivalents	721,283	3,396,283
Cash and cash equivalents, beginning of year	<u>14,888,312</u>	<u>11,492,029</u>
Cash and cash equivalents, end of year	<u>\$ 15,609,595</u>	<u>14,888,312</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 2,591,997	1,201,962
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for uncollectible accounts receivable	20,733	(9)
Depreciation/amortization	2,852,081	3,420,725
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	295,924	31,386
Increase (decrease) in liabilities:		
Accounts payable	40,125	(21,970)
Accrued liabilities	156,262	2,864
Estimated landfill closure and post-closure care costs	241,010	226,686
Compensated absences payable	(26,666)	10,261
Net pension obligation	-	3,344
Net pension liability	<u>(69,514)</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 6,101,952</u>	<u>4,875,249</u>

See accompanying independent auditor's report.



## **Nonmajor Enterprise Funds**

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

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

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

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

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

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

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

**City of Waco, Texas**  
**Nonmajor Enterprise Funds**  
Combining Balance Sheet  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	<u>Airport Fund</u>	<u>Convention Services Fund</u>	<u>Ranger Hall of Fame Fund</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 1,858,579	781,833	834,459
Accounts receivable, net of allowances	77,840	403,528	991
Due from other funds	-	-	-
Intergovernmental receivable	250,068	-	-
Inventories	7,350	53,940	67,943
Total current assets	<u>2,193,837</u>	<u>1,239,301</u>	<u>903,393</u>
Noncurrent assets:			
Restricted cash and investments	-	-	108,278
Capital assets:			
Land	489,389	-	-
Buildings	14,340,067	24,963,876	3,720,747
Improvements other than buildings	39,038,343	555,845	243,023
Equipment	1,509,992	552,325	296,866
Museum collections	-	-	2,206,424
Construction in progress	713,577	-	-
Less: accumulated depreciation	<u>(24,547,387)</u>	<u>(8,576,193)</u>	<u>(1,224,069)</u>
Total capital assets	<u>31,543,981</u>	<u>17,495,853</u>	<u>5,242,991</u>
Total noncurrent assets	<u>31,543,981</u>	<u>17,495,853</u>	<u>5,351,269</u>
Total assets	<u>33,737,818</u>	<u>18,735,154</u>	<u>6,254,662</u>
<b>Liabilities</b>			
Liabilities:			
Current liabilities:			
Accounts payable	103,153	102,310	15,245
Accrued liabilities	290,882	77,093	31,869
Unearned revenue	-	89,346	-
Due to other funds	-	-	-
Compensated absences payable	50,901	142,083	70,945
Total current liabilities	<u>444,936</u>	<u>410,832</u>	<u>118,059</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences payable	-	77,011	64,331
Total noncurrent liabilities	<u>-</u>	<u>77,011</u>	<u>64,331</u>
Total liabilities	<u>444,936</u>	<u>487,843</u>	<u>182,390</u>
<b>Net Position</b>			
Net position:			
Net investment in capital assets	31,543,981	17,495,853	5,242,991
Restricted	675,828	-	237,348
Unrestricted	<u>1,073,073</u>	<u>751,458</u>	<u>591,933</u>
Total net position	<u>\$ 33,292,882</u>	<u>18,247,311</u>	<u>6,072,272</u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2015	2014
109,362	-	24,815	3,609,048	3,045,552
2,417	108,222	-	592,998	495,394
-	-	-	-	27,833
-	2,609,738	-	2,859,806	1,179,068
8,548	441,183	239,502	818,466	869,243
<u>120,327</u>	<u>3,159,143</u>	<u>264,317</u>	<u>7,880,318</u>	<u>5,617,090</u>
-	-	-	108,278	105,001
-	423,284	-	912,673	912,673
8,827,265	6,919,608	713,389	59,484,952	59,345,076
19,050,351	244,951	2,017,246	61,149,759	58,258,462
413,994	10,093,007	967,965	13,834,149	14,210,032
-	-	-	2,206,424	2,160,924
5,400	52,733	19,178	790,888	1,066,388
<u>(15,902,583)</u>	<u>(10,233,404)</u>	<u>(2,701,164)</u>	<u>(63,184,800)</u>	<u>(58,508,988)</u>
<u>12,394,427</u>	<u>7,500,179</u>	<u>1,016,614</u>	<u>75,194,045</u>	<u>77,444,567</u>
<u>12,394,427</u>	<u>7,500,179</u>	<u>1,016,614</u>	<u>75,302,323</u>	<u>77,549,568</u>
<u>12,514,754</u>	<u>10,659,322</u>	<u>1,280,931</u>	<u>83,182,641</u>	<u>83,166,658</u>
38,796	188,821	99,483	547,808	519,155
77,805	171,368	594,947	1,243,964	1,135,819
-	-	-	89,346	96,030
-	2,050,759	-	2,050,759	690,766
163,097	-	61,308	488,334	467,509
<u>279,698</u>	<u>2,410,948</u>	<u>755,738</u>	<u>4,420,211</u>	<u>2,909,279</u>
-	-	693,704	693,704	693,704
101,271	-	123,665	366,278	365,426
101,271	-	817,369	1,059,982	1,059,130
380,969	2,410,948	1,573,107	5,480,193	3,968,409
12,394,427	7,500,179	1,016,614	75,194,045	77,444,567
-	456,978	-	1,370,154	1,274,319
<u>(260,642)</u>	<u>291,217</u>	<u>(1,308,790)</u>	<u>1,138,249</u>	<u>479,363</u>
<u>12,133,785</u>	<u>8,248,374</u>	<u>(292,176)</u>	<u>77,702,448</u>	<u>79,198,249</u>

**City of Waco, Texas**  
**Nonmajor Enterprise Funds**

Combining Statement of Revenues, Expenditures and Changes in Net Position  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	Airport Fund	Convention Services Fund	Ranger Hall of Fame Fund
Operating revenues:			
Charges for services	\$ 556,525	826,184	348,592
Net merchandise sales	30,063	307,943	134,005
Contributions	-	155,807	-
Other	<u>216,561</u>	<u>27,166</u>	<u>8,320</u>
Total operating revenues	<u>803,149</u>	<u>1,317,100</u>	<u>490,917</u>
Operating expenses:			
Salaries and wages	443,022	1,229,480	579,360
Employee benefits	175,165	488,314	199,855
Purchased professional/technical services	42,780	300,225	24,986
Purchased property services	18,256	29,187	7,186
Maintenance	78,723	91,111	4,089
Other purchased services	70,095	691,714	48,393
Supplies	143,485	395,154	88,234
Other	334,317	25,168	247,118
Depreciation	<u>2,190,738</u>	<u>823,796</u>	<u>134,418</u>
Total operating expenses	<u>3,496,581</u>	<u>4,074,149</u>	<u>1,333,639</u>
Operating loss	<u>(2,693,432)</u>	<u>(2,757,049)</u>	<u>(842,722)</u>
Nonoperating revenues:			
Investment earnings	5,619	2,117	2,646
Other income	290,008	-	-
Hotel/motel tax	-	2,707,056	-
Contributions	-	-	132,044
Intergovernmental revenue	<u>87,600</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues	<u>383,227</u>	<u>2,709,173</u>	<u>134,690</u>
Loss before contributions and transfers	(2,310,205)	(47,876)	(708,032)
Capital contributions	2,721,415	-	45,500
Transfers in	179,235	-	969,631
Transfers out	<u>-</u>	<u>(150,000)</u>	<u>-</u>
Net change in net position	590,445	(197,876)	307,099
Total net position, beginning of year	<u>32,702,437</u>	<u>18,445,187</u>	<u>5,765,173</u>
Total net position, end of year	<u>\$ 33,292,882</u>	<u>18,247,311</u>	<u>6,072,272</u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2015	2014
1,399,446	2,810,331	1,163,012	7,104,090	6,551,889
206,691	-	262,988	941,690	930,485
-	-	-	155,807	135,140
9,712	955,036	85,944	1,302,739	1,399,147
<u>1,615,849</u>	<u>3,765,367</u>	<u>1,511,944</u>	<u>9,504,326</u>	<u>9,016,661</u>
1,428,952	3,256,210	409,212	7,346,236	7,055,945
622,584	789,431	155,441	2,430,790	2,375,502
27,678	1,093,221	463,235	1,952,125	1,702,971
504,102	21,013	70,078	649,822	656,961
46,004	607,196	86,533	913,656	924,362
81,305	220,092	138,243	1,249,842	1,190,054
626,329	772,458	197,304	2,222,964	2,679,216
165,690	352,766	25,010	1,150,069	1,056,458
1,093,201	1,076,138	162,926	5,481,217	5,409,893
<u>4,595,845</u>	<u>8,188,525</u>	<u>1,707,982</u>	<u>23,396,721</u>	<u>23,051,362</u>
<u>(2,979,996)</u>	<u>(4,423,158)</u>	<u>(196,038)</u>	<u>(13,892,395)</u>	<u>(14,034,701)</u>
36	8	11	10,437	5,265
-	10,013	-	300,021	265,180
-	-	-	2,707,056	2,403,171
-	-	-	132,044	129,707
-	3,346,402	-	3,434,002	3,740,053
<u>36</u>	<u>3,356,423</u>	<u>11</u>	<u>6,583,560</u>	<u>6,543,376</u>
<u>(2,979,960)</u>	<u>(1,066,735)</u>	<u>(196,027)</u>	<u>(7,308,835)</u>	<u>(7,491,325)</u>
45,042	18,988	-	2,830,945	1,619,104
1,983,223	-	-	3,132,089	3,333,862
-	-	-	(150,000)	(150,000)
<u>(951,695)</u>	<u>(1,047,747)</u>	<u>(196,027)</u>	<u>(1,495,801)</u>	<u>(2,688,359)</u>
<u>13,085,480</u>	<u>9,296,121</u>	<u>(96,149)</u>	<u>79,198,249</u>	<u>81,886,608</u>
<u>12,133,785</u>	<u>8,248,374</u>	<u>(292,176)</u>	<u>77,702,448</u>	<u>79,198,249</u>

**City of Waco, Texas**  
**Nonmajor Enterprise Funds**  
Combining Statement of Cash Flows  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	<u>Airport Fund</u>	<u>Convention Services Fund</u>	<u>Ranger Hall of Fame Fund</u>
Cash flows from operating activities:			
Cash received from customers	\$ 811,740	1,240,478	490,526
Cash paid to suppliers for goods and services	(682,091)	(1,576,137)	(443,790)
Cash paid to employees for services	<u>(626,149)</u>	<u>(1,708,744)</u>	<u>(773,437)</u>
Net cash used for operating activities	<u>(496,500)</u>	<u>(2,044,403)</u>	<u>(726,701)</u>
Cash flows from noncapital financing activities:			
Intergovernmental revenues	75,935	-	-
Contributions	-	-	132,044
Hotel/motel tax	-	2,666,907	-
Passenger facility charges	290,008	-	-
Payments to other funds	-	-	-
Transfer from other funds	179,235	-	969,631
Transfer to other funds	<u>-</u>	<u>(150,000)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>545,178</u>	<u>2,516,907</u>	<u>1,101,675</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(297,840)	(32,646)	(39,008)
Insurance recoveries	-	-	-
Capital contributions	148,719	-	-
Proceeds from sale of equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>(149,121)</u>	<u>(32,646)</u>	<u>(39,008)</u>
Cash flows from investing activities:			
Investment earnings	<u>5,619</u>	<u>2,117</u>	<u>2,646</u>
Net cash provided by investing activities	<u>5,619</u>	<u>2,117</u>	<u>2,646</u>
Net increase (decrease) in cash and cash equivalents	(94,824)	441,975	338,612
Cash and cash equivalents, beginning of year	<u>1,953,403</u>	<u>339,858</u>	<u>604,125</u>
Cash and cash equivalents, end of year	<u>\$ 1,858,579</u>	<u>781,833</u>	<u>942,737</u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2015	2014
1,614,568	3,770,931	1,511,944	9,440,187	9,004,232
(1,506,678)	(2,928,434)	(1,112,055)	(8,249,185)	(8,400,068)
<u>(2,021,591)</u>	<u>(4,076,932)</u>	<u>(554,999)</u>	<u>(9,761,852)</u>	<u>(9,388,643)</u>
<u>(1,913,701)</u>	<u>(3,234,435)</u>	<u>(155,110)</u>	<u>(8,570,850)</u>	<u>(8,784,479)</u>
-	1,863,810	-	1,939,745	5,396,252
-	-	-	132,044	129,707
-	-	-	2,666,907	2,392,102
-	-	-	290,008	265,180
-	1,359,993	-	1,359,993	(1,640,868)
1,983,223	-	-	3,132,089	3,333,862
<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
<u>1,983,223</u>	<u>3,223,803</u>	<u>-</u>	<u>9,370,786</u>	<u>9,726,235</u>
-	-	(33,449)	(402,943)	(2,031,407)
-	-	-	-	33,546
-	611	-	149,330	2,505,302
<u>-</u>	<u>10,013</u>	<u>-</u>	<u>10,013</u>	<u>-</u>
<u>-</u>	<u>10,624</u>	<u>(33,449)</u>	<u>(243,600)</u>	<u>507,441</u>
<u>36</u>	<u>8</u>	<u>11</u>	<u>10,437</u>	<u>5,265</u>
<u>36</u>	<u>8</u>	<u>11</u>	<u>10,437</u>	<u>5,265</u>
69,558	-	(188,548)	566,773	1,454,462
<u>39,804</u>	<u>-</u>	<u>213,363</u>	<u>3,150,553</u>	<u>1,696,091</u>
<u>109,362</u>	<u>-</u>	<u>24,815</u>	<u>3,717,326</u>	<u>3,150,553</u>

(Continued)

**City of Waco, Texas**  
**Nonmajor Enterprise Funds**  
Combining Statement of Cash Flows  
(Continued)  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	<u>Airport Fund</u>	<u>Convention Services Fund</u>	<u>Ranger Hall of Fame Fund</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>			
Operating loss	\$ (2,693,432)	(2,757,049)	(842,722)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation	2,190,738	823,796	134,418
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	8,591	(69,938)	(391)
Inventories	2,075	(9,563)	5,927
Increase (decrease) in liabilities:			
Accounts payable	(226)	(23,800)	(27,456)
Accrued liabilities	6,501	(9,640)	1,206
Unearned revenue	-	(6,684)	-
Compensated absences payable	<u>(10,747)</u>	<u>8,475</u>	<u>2,317</u>
Net cash used for operating activities	<u>\$ (496,500)</u>	<u>(2,044,403)</u>	<u>(726,701)</u>
<b>Schedule of noncash capital and related financing activities:</b>			
Contributions of capital assets	<u>\$ -</u>	<u>-</u>	<u>45,500</u>

See accompanying independent auditor's report.

Cameron Park Zoo Fund	Transit Services Fund	Cottonwood Creek Golf Course Fund	Totals	
			2015	2014
(2,979,996)	(4,423,158)	(196,038)	(13,892,395)	(14,034,701)
1,093,201	1,076,138	162,926	5,481,217	5,409,893
(1,281)	5,564	-	(57,455)	(19,732)
1,871	19,580	30,887	50,777	(61,606)
(56,489)	49,075	39,866	(19,030)	(122,717)
13,910	38,366	(199,300)	(148,957)	(12,824)
-	-	-	(6,684)	7,303
<u>15,083</u>	<u>-</u>	<u>6,549</u>	<u>21,677</u>	<u>49,905</u>
<u>(1,913,701)</u>	<u>(3,234,435)</u>	<u>(155,110)</u>	<u>(8,570,850)</u>	<u>(8,784,479)</u>
<u>45,042</u>	<u>18,988</u>	<u>-</u>	<u>109,530</u>	<u>114,389</u>



## **Airport Fund**

**City of Waco, Texas**  
**Airport Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 1,858,579	1,953,403
Accounts receivable, net of allowance	77,840	86,431
Due from other funds	-	27,833
Intergovernmental receivable	250,068	51,922
Inventory	7,350	9,425
Total current assets	2,193,837	2,129,014
Noncurrent assets:		
Capital assets:		
Land	489,389	489,389
Buildings	14,340,067	14,340,067
Improvements other than buildings	39,038,343	36,147,046
Equipment	1,509,992	1,509,992
Construction in progress	713,577	598,798
Less: accumulated depreciation	(24,547,387)	(22,367,245)
Total capital assets	31,543,981	30,718,047
Total noncurrent assets	31,543,981	30,718,047
Total assets	33,737,818	32,847,061
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	103,153	55,697
Accrued liabilities	290,882	27,279
Compensated absences payable	50,901	61,648
Total current liabilities	444,936	144,624
Total liabilities	444,936	144,624
<b>Net Position</b>		
Net position:		
Net investment in capital assets	31,543,981	30,718,047
Restricted	675,828	590,991
Unrestricted	1,073,073	1,393,399
Total net position	\$ 33,292,882	32,702,437

See accompanying independent auditor's report

**City of Waco, Texas**  
**Airport Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 556,525	559,061
Net merchandise sales	30,063	35,901
Other	<u>216,561</u>	<u>282,098</u>
Total operating revenues	<u>803,149</u>	<u>877,060</u>
Operating expenses:		
Salaries and wages	443,022	426,671
Employee benefits	175,165	177,742
Purchased professional/technical services	42,780	27,274
Purchased property services	18,256	16,233
Maintenance	78,723	74,731
Other purchased services	70,095	70,921
Supplies	143,485	145,473
Other	334,317	329,039
Depreciation	<u>2,190,738</u>	<u>2,016,312</u>
Total operating expenses	<u>3,496,581</u>	<u>3,284,396</u>
Operating loss	<u>(2,693,432)</u>	<u>(2,407,336)</u>
Nonoperating revenues:		
Investment earnings	5,619	3,755
Intergovernmental revenue	87,600	87,600
Other income	<u>290,008</u>	<u>265,180</u>
Total nonoperating revenue	<u>383,227</u>	<u>356,535</u>
Loss before contributions and transfers	(2,310,205)	(2,050,801)
Capital contributions	2,721,415	1,528,877
Transfers in	<u>179,235</u>	<u>491,536</u>
Change in net position	590,445	(30,388)
Total net position, beginning of year	<u>32,702,437</u>	<u>32,732,825</u>
Total net position, end of year	\$ <u>33,292,882</u>	<u>32,702,437</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Airport Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 811,740	865,488
Cash paid to suppliers for goods and services	(682,091)	(944,558)
Cash paid to employees for services	<u>(626,149)</u>	<u>(592,328)</u>
Net cash used for operating activities	<u>(496,500)</u>	<u>(671,398)</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenue	75,935	89,565
Passenger facility charges	290,008	265,180
Transfer from other funds	<u>179,235</u>	<u>491,536</u>
Net cash provided by noncapital financing activities	<u>545,178</u>	<u>846,281</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(297,840)	(1,616,692)
Capital contributions	<u>148,719</u>	<u>2,455,931</u>
Net cash provided by (used for) capital and related financing activities	<u>(149,121)</u>	<u>839,239</u>
Cash flows from investing activities:		
Investment earnings	<u>5,619</u>	<u>3,755</u>
Net cash provided by investing activities	<u>5,619</u>	<u>3,755</u>
Net increase (decrease) in cash and cash equivalents	(94,824)	1,017,877
Cash and cash equivalents, beginning of year	<u>1,953,403</u>	<u>935,526</u>
Cash and cash equivalents, end of year	\$ <u>1,858,579</u>	<u>1,953,403</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>		
Operating loss	\$ (2,693,432)	(2,407,336)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	2,190,738	2,016,312
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	8,591	(11,572)
Inventory	2,075	(337)
Increase (decrease) in liabilities:		
Accounts payable	(226)	(48,745)
Accrued liabilities	6,501	(228,423)
Compensated absences payable	<u>(10,747)</u>	<u>8,703</u>
Net cash used for operating activities	<u>(496,500)</u>	<u>(671,398)</u>
<b>Noncash investing, capital, and financing activities:</b>		
Contributions of capital assets	\$ <u>-</u>	<u>73,533</u>

See accompanying independent auditor's report

## **Convention Services Fund**

**City of Waco, Texas**  
**Convention Services Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 781,833	339,858
Accounts receivable, net of allowance	403,528	293,441
Inventory	53,940	44,377
Total current assets	1,239,301	677,676
Noncurrent assets:		
Capital assets:		
Buildings	24,963,876	24,824,000
Improvements other than buildings	555,845	555,845
Equipment	552,325	538,544
Construction in progress	-	139,875
Less: accumulated depreciation	(8,576,193)	(7,771,261)
Total capital assets	17,495,853	18,287,003
Total noncurrent assets	17,495,853	18,287,003
Total assets	18,735,154	18,964,679
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	102,310	126,110
Accrued liabilities	77,093	86,733
Unearned revenue	89,346	96,030
Compensated absences payable	142,083	147,777
Total current liabilities	410,832	456,650
Noncurrent liabilities:		
Compensated absences payable	77,011	62,842
Total noncurrent liabilities	77,011	62,842
Total liabilities	487,843	519,492
<b>Net Position</b>		
Net position:		
Net investment in capital assets	17,495,853	18,287,003
Unrestricted	751,458	158,184
Total net position	\$ 18,247,311	18,445,187

See accompanying independent auditor's report

**City of Waco, Texas**  
**Convention Services Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 826,184	748,025
Net merchandise sales	307,943	298,957
Contributions	155,807	133,940
Other	<u>27,166</u>	<u>32,876</u>
Total operating revenues	<u>1,317,100</u>	<u>1,213,798</u>
Operating expenses:		
Salaries and wages	1,229,480	1,195,307
Employee benefits	488,314	484,081
Purchased professional/technical services	300,225	202,750
Purchased property services	29,187	25,114
Maintenance	91,111	78,899
Other purchased services	691,714	652,640
Supplies	395,154	474,625
Other	25,168	20,050
Depreciation	<u>823,796</u>	<u>824,217</u>
Total operating expenses	<u>4,074,149</u>	<u>3,957,683</u>
Operating loss	<u>(2,757,049)</u>	<u>(2,743,885)</u>
Nonoperating revenues:		
Hotel/motel tax	2,707,056	2,403,171
Investment earnings	<u>2,117</u>	<u>300</u>
Total nonoperating revenues	<u>2,709,173</u>	<u>2,403,471</u>
Loss before contributions and transfers	(47,876)	(340,414)
Capital contributions	-	13,356
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>
Change in net position	(197,876)	(477,058)
Total net position, beginning of year	<u>18,445,187</u>	<u>18,922,245</u>
Total net position, end of year	\$ <u>18,247,311</u>	<u>18,445,187</u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Convention Services Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,240,478	1,233,356
Cash paid to suppliers for goods and services	(1,576,137)	(1,554,647)
Cash paid to employees for services	<u>(1,708,744)</u>	<u>(1,666,321)</u>
Net cash used for operating activities	<u>(2,044,403)</u>	<u>(1,987,612)</u>
Cash flows from noncapital financing activities:		
Hotel/motel tax	2,666,907	2,392,102
Transfer to other funds	<u>(150,000)</u>	<u>(150,000)</u>
Net cash provided by noncapital financing activities	<u>2,516,907</u>	<u>2,242,102</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(32,646)</u>	<u>-</u>
Net cash used for noncapital financing activities	<u>(32,646)</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings	<u>2,117</u>	<u>300</u>
Net cash provided by investing activities	<u>2,117</u>	<u>300</u>
Net increase in cash and cash equivalents	441,975	254,790
Cash and cash equivalents, beginning of year	<u>339,858</u>	<u>85,068</u>
Cash and cash equivalents, end of year	<u>\$ 781,833</u>	<u>339,858</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>		
Operating loss	\$ (2,757,049)	(2,743,885)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	823,796	824,217
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(69,938)	12,255
Inventory	(9,563)	(3,574)
Increase (decrease) in liabilities:		
Accounts payable	(23,800)	(90,241)
Accrued liabilities	(9,640)	5,739
Unearned revenue	(6,684)	7,303
Compensated absences payable	<u>8,475</u>	<u>574</u>
Net cash used for operating activities	<u>(2,044,403)</u>	<u>(1,987,612)</u>
<b>Schedule of noncash capital and related financing activities:</b>		
Contributions of capital assets	<u>\$ -</u>	<u>13,356</u>

See accompanying independent auditor's report.

## **Ranger Hall of Fame Fund**

**City of Waco, Texas**  
**Ranger Hall of Fame Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 834,459	499,124
Accounts receivable, net of allowance	991	600
Inventory	67,943	73,870
Total current assets	903,393	573,594
Noncurrent assets:		
Restricted cash and investments	108,278	105,001
Capital assets:		
Buildings	3,720,747	3,720,747
Improvements other than buildings	243,023	243,023
Equipment	296,866	233,857
Museum collections	2,206,424	2,160,924
Construction in progress	-	24,000
Less: accumulated depreciation	(1,224,069)	(1,089,650)
Total capital assets	5,242,991	5,292,901
Total noncurrent assets	5,351,269	5,397,902
Total assets	6,254,662	5,971,496
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	15,245	42,701
Accrued liabilities	31,869	30,663
Compensated absences payable	70,945	58,274
Total current liabilities	118,059	131,638
Noncurrent liabilities:		
Compensated absences payable	64,331	74,685
Total noncurrent liabilities	64,331	74,685
Total liabilities	182,390	206,323
<b>Net Position</b>		
Net position:		
Net investment in capital assets	5,242,991	5,292,901
Restricted	237,348	236,363
Unrestricted	591,933	235,909
Total net position	\$ 6,072,272	5,765,173

See accompanying independent auditor's report

**City of Waco, Texas**  
**Ranger Hall of Fame Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 348,592	294,198
Net merchandise sales	134,005	112,008
Other	<u>8,320</u>	<u>14,208</u>
Total operating revenues	<u>490,917</u>	<u>420,414</u>
Operating expenses:		
Salaries and wages	579,360	591,422
Employee benefits	199,855	208,879
Purchased professional/technical services	24,986	13,345
Purchased property services	7,186	6,740
Maintenance	4,089	7,251
Other purchased services	48,393	49,121
Supplies	88,234	114,593
Other	247,118	209,043
Depreciation	<u>134,418</u>	<u>126,301</u>
Total operating expenses	<u>1,333,639</u>	<u>1,326,695</u>
Operating loss	<u>(842,722)</u>	<u>(906,281)</u>
Nonoperating revenues:		
Investment earnings	2,646	1,191
Contributions	<u>132,044</u>	<u>129,707</u>
Total nonoperating revenues	<u>134,690</u>	<u>130,898</u>
Loss before contributions and transfers	(708,032)	(775,383)
Capital contributions	45,500	27,500
Transfers in	<u>969,631</u>	<u>759,012</u>
Change in net position	307,099	11,129
Total net position, beginning of year	<u>5,765,173</u>	<u>5,754,044</u>
Total net position, end of year	\$ <u>6,072,272</u>	<u>5,765,173</u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Ranger Hall of Fame Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 490,526	420,382
Cash paid to suppliers for goods and services	(443,790)	(367,418)
Cash paid to employees for services	<u>(773,437)</u>	<u>(779,633)</u>
Net cash used for operating activities	<u>(726,701)</u>	<u>(726,669)</u>
Cash flows from noncapital financing activities:		
Contributions	132,044	129,707
Transfer from other funds	<u>969,631</u>	<u>759,012</u>
Net cash provided by noncapital financing activities	<u>1,101,675</u>	<u>888,719</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(39,008)</u>	<u>(29,149)</u>
Net cash used for capital and related financing activities	<u>(39,008)</u>	<u>(29,149)</u>
Cash flows from investing activities:		
Investment earnings	<u>2,646</u>	<u>1,191</u>
Net cash provided by investing activities	<u>2,646</u>	<u>1,191</u>
Net increase in cash and cash equivalents	338,612	134,092
Cash and cash equivalents, beginning of year	<u>604,125</u>	<u>470,033</u>
Cash and cash equivalents, end of year	\$ <u>942,737</u>	<u>604,125</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>		
Operating loss	\$ (842,722)	(906,281)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	134,418	126,301
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(391)	(32)
Inventory	5,927	13,654
Increase (decrease) in liabilities:		
Accounts payable	(27,456)	19,321
Accrued liabilities	1,206	3,358
Compensated absences payable	<u>2,317</u>	<u>17,010</u>
Net cash used for operating activities	<u>(726,701)</u>	<u>(726,669)</u>
<b>Schedule of noncash capital and related financing activities:</b>		
Contributions of capital assets	\$ <u>45,500</u>	<u>27,500</u>

See accompanying independent auditor's report

**Cameron Park Zoo Fund**

**City of Waco, Texas**  
**Cameron Park Zoo Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 109,362	39,804
Accounts receivable, net of allowance	2,417	1,136
Inventory	<u>8,548</u>	<u>10,419</u>
Total current assets	<u>120,327</u>	<u>51,359</u>
Noncurrent assets:		
Capital assets:		
Buildings	8,827,265	8,827,265
Improvements other than buildings	19,050,351	19,050,351
Equipment	413,994	411,147
Construction in progress	5,400	-
Less: accumulated depreciation	<u>(15,902,583)</u>	<u>(14,846,178)</u>
Total capital assets	<u>12,394,427</u>	<u>13,442,585</u>
Total noncurrent assets	<u>12,394,427</u>	<u>13,442,585</u>
Total assets	<u>12,514,754</u>	<u>13,493,944</u>
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	38,796	95,284
Accrued liabilities	77,805	63,895
Compensated absences payable	<u>163,097</u>	<u>140,657</u>
Total current liabilities	<u>279,698</u>	<u>299,836</u>
Noncurrent liabilities:		
Compensated absences payable	<u>101,271</u>	<u>108,628</u>
Total noncurrent liabilities	<u>101,271</u>	<u>108,628</u>
Total liabilities	<u>380,969</u>	<u>408,464</u>
<b>Net Position</b>		
Net position:		
Net investment in capital assets	12,394,427	13,442,585
Unrestricted	<u>(260,642)</u>	<u>(357,105)</u>
Total net position	<u>\$ 12,133,785</u>	<u>13,085,480</u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Cameron Park Zoo Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	2015	2014
Operating revenues:		
Charges for services	\$ 1,399,446	1,353,916
Net merchandise sales	206,691	226,500
Contributions	-	1,200
Other	9,712	663
Total operating revenues	1,615,849	1,582,279
Operating expenses:		
Salaries and wages	1,428,952	1,359,225
Employee benefits	622,584	609,721
Purchased professional/technical services	27,678	13,327
Purchased property services	504,102	440,060
Maintenance	46,004	54,476
Other purchased services	81,305	84,755
Supplies	626,329	648,396
Other	165,690	166,225
Depreciation	1,093,201	1,117,988
Total operating expenses	4,595,845	4,494,173
Operating loss	(2,979,996)	(2,911,894)
Nonoperating revenues:		
Investment earnings	36	14
Total nonoperating revenues	36	14
Loss before contributions and transfers	(2,979,960)	(2,911,880)
Capital contributions	45,042	-
Transfers in	1,983,223	1,726,608
Change in net position	(951,695)	(1,185,272)
Total net position, beginning of year	13,085,480	14,270,752
Total net position, end of year	\$ 12,133,785	13,085,480

See accompanying independent auditor's report

**City of Waco, Texas**  
**Cameron Park Zoo Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,614,568	1,582,785
Cash paid to suppliers for goods and services	(1,506,678)	(1,444,828)
Cash paid to employees for services	<u>(2,021,591)</u>	<u>(1,950,756)</u>
Net cash used for operating activities	<u>(1,913,701)</u>	<u>(1,812,799)</u>
Cash flows from noncapital financing activities:		
Transfer from other funds	<u>1,983,223</u>	<u>1,726,608</u>
Net cash provided by noncapital financing activities	<u>1,983,223</u>	<u>1,726,608</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>-</u>	<u>(64,558)</u>
Net cash used for capital and related financing activities	<u>-</u>	<u>(64,558)</u>
Cash flows from investing activities:		
Investment earnings	<u>36</u>	<u>14</u>
Net cash provided by investing activities	<u>36</u>	<u>14</u>
Net increase (decrease) in cash and cash equivalents	69,558	(150,735)
Cash and cash equivalents, beginning of year	<u>39,804</u>	<u>190,539</u>
Cash and cash equivalents, end of year	\$ <u>109,362</u>	<u>39,804</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>		
Operating loss	\$ (2,979,996)	(2,911,894)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	1,093,201	1,117,988
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(1,281)	506
Inventory	1,871	4,865
Increase (decrease) in liabilities:		
Accounts payable	(56,489)	(40,831)
Accrued liabilities	13,910	(3,571)
Compensated absences payable	<u>15,083</u>	<u>20,138</u>
Net cash used for operating activities	<u>(1,913,701)</u>	<u>(1,812,799)</u>
<b>Schedule of noncash capital and related financing activities:</b>		
Contributions of capital assets	\$ <u>45,042</u>	<u>-</u>

See accompanying independent auditor's report

## **Transit Services Fund**

**City of Waco, Texas**  
**Transit Services Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Accounts receivable	\$ 108,222	113,786
Intergovernmental receivable	2,609,738	1,127,146
Inventory	441,183	460,763
Total current assets	3,159,143	1,701,695
Noncurrent assets:		
Capital assets:		
Land	423,284	423,284
Buildings	6,919,608	6,919,608
Improvements other than buildings	244,951	244,951
Equipment	10,093,007	10,691,431
Construction work in progress	52,733	94,537
Less: accumulated depreciation	(10,233,404)	(9,815,871)
Total capital assets	7,500,179	8,557,940
Total noncurrent assets	7,500,179	8,557,940
Total assets	10,659,322	10,259,635
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	188,821	139,746
Accrued liabilities	171,368	133,002
Due to other funds	2,050,759	690,766
Total current liabilities	2,410,948	963,514
<b>Net Position</b>		
Net position:		
Net investment in capital assets	7,500,179	8,557,940
Restricted	456,978	446,965
Unrestricted	291,217	291,216
Total net position	\$ 8,248,374	9,296,121

See accompanying independent auditor's report

**City of Waco, Texas**  
**Transit Service Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 2,810,331	2,422,412
Other	<u>955,036</u>	<u>951,370</u>
Total operating revenues	<u>3,765,367</u>	<u>3,373,782</u>
 Operating expenses:		
Salaries and wages	3,256,210	3,054,463
Employee benefits	789,431	728,598
Purchased professional/technical services	1,093,221	1,032,574
Purchased property services	21,013	23,988
Maintenance	607,196	612,853
Other purchased services	220,092	190,514
Supplies	772,458	1,074,247
Other	352,766	309,947
Depreciation	<u>1,076,138</u>	<u>1,150,524</u>
Total operating expenses	<u>8,188,525</u>	<u>8,177,708</u>
 Operating loss	<u>(4,423,158)</u>	<u>(4,803,926)</u>
 Nonoperating revenues:		
Investment earnings	8	5
Other income	10,013	-
Intergovernmental revenue	<u>3,346,402</u>	<u>3,652,453</u>
Total nonoperating revenues	<u>3,356,423</u>	<u>3,652,458</u>
 Loss before capital contributions	(1,066,735)	(1,151,468)
 Capital contributions	<u>18,988</u>	<u>49,371</u>
 Change in net position	(1,047,747)	(1,102,097)
 Total net position, beginning of year	<u>9,296,121</u>	<u>10,398,218</u>
 Total net position, end of year	\$ <u>8,248,374</u>	<u>9,296,121</u>

See accompanying independent auditor's report

**City of Waco, Texas**  
**Transit Service Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 3,770,931	3,352,893
Cash paid to suppliers for goods and services	(2,928,434)	(3,245,668)
Cash paid to employees for services	<u>(4,076,932)</u>	<u>(3,808,317)</u>
Net cash used for operating activities	<u>(3,234,435)</u>	<u>(3,701,092)</u>
Cash flows from noncapital financing activities:		
Intergovernmental revenue	1,863,810	5,306,687
Payments to other funds	<u>1,359,993</u>	<u>(1,640,868)</u>
Net cash provided by noncapital financing activities	<u>3,223,803</u>	<u>3,665,819</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(47,649)
Insurance recoveries	-	33,546
Capital contributions	611	49,371
Proceeds from sale of equipment	<u>10,013</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>10,624</u>	<u>35,268</u>
Cash flows from investing activities:		
Investment earnings	<u>8</u>	<u>5</u>
Net cash provided by investing activities	<u>8</u>	<u>5</u>
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>-</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>		
Operating loss	\$ (4,423,158)	(4,803,926)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	1,076,138	1,150,524
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	5,564	(20,889)
Inventory	19,580	(64,903)
Increase (decrease) in liabilities:		
Accounts payable	49,075	45,627
Accrued liabilities	<u>38,366</u>	<u>(7,525)</u>
Net cash used for operating activities	<u>\$ (3,234,435)</u>	<u>(3,701,092)</u>
<b>Schedule of noncash capital and related financing activities:</b>		
Contributions of capital assets	<u>\$ 18,988</u>	<u>-</u>

See accompanying independent auditor's report.

**Cottonwood Creek Golf Course Fund**

**City of Waco, Texas**  
**Cottonwood Creek Golf Course Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 24,815	213,363
Inventory	239,502	270,389
Total current assets	264,317	483,752
Noncurrent assets:		
Capital assets:		
Buildings	713,389	713,389
Improvements other than buildings	2,017,246	2,017,246
Equipment	967,965	825,061
Construction work in progress	19,178	209,178
Less: accumulated depreciation	(2,701,164)	(2,618,783)
Total capital assets	1,016,614	1,146,091
Total noncurrent assets	1,016,614	1,146,091
Total assets	1,280,931	1,629,843
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	99,483	59,617
Accrued liabilities	594,947	794,247
Compensated absences payable	61,308	59,153
Total current liabilities	755,738	913,017
Noncurrent liabilities:		
Advances from other funds	693,704	693,704
Compensated absences payable	123,665	119,271
Total noncurrent liabilities	817,369	812,975
Total liabilities	1,573,107	1,725,992
<b>Net Position</b>		
Net position:		
Net investment in capital assets	1,016,614	1,146,091
Unrestricted	(1,308,790)	(1,242,240)
Total net position	\$ (292,176)	(96,149)

See accompanying independent auditor's report

**City of Waco, Texas**  
**Cottonwood Creek Golf Course Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 1,163,012	1,174,277
Net merchandise sales	262,988	257,119
Other	<u>85,944</u>	<u>117,932</u>
Total operating revenues	<u>1,511,944</u>	<u>1,549,328</u>
 Operating expenses:		
Salaries and wages	409,212	428,857
Employee benefits	155,441	166,481
Purchased professional/technical services	463,235	413,701
Purchased property services	70,078	144,826
Maintenance	86,533	96,152
Other purchased services	138,243	142,103
Supplies	197,304	221,882
Other	25,010	22,154
Depreciation	<u>162,926</u>	<u>174,551</u>
Total operating expenses	<u>1,707,982</u>	<u>1,810,707</u>
 Operating loss	<u>(196,038)</u>	<u>(261,379)</u>
 Nonoperating revenues:		
Investment earnings	<u>11</u>	<u>-</u>
Total nonoperating revenues	<u>11</u>	<u>-</u>
 Loss before transfers	(196,027)	(261,379)
 Transfers in	<u>-</u>	<u>356,706</u>
 Change in net position	(196,027)	95,327
 Total net position, beginning of year	<u>(96,149)</u>	<u>(191,476)</u>
 Total net position, end of year	\$ <u><u>(292,176)</u></u>	<u><u>(96,149)</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Cottonwood Creek Golf Course Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,511,944	1,549,328
Cash paid to suppliers for goods and services	(1,112,055)	(842,949)
Cash paid to employees for services	<u>(554,999)</u>	<u>(591,288)</u>
Net cash provided by (used for) operating activities	<u>(155,110)</u>	<u>115,091</u>
Cash flows from noncapital financing activities:		
Transfer from other funds	<u>-</u>	<u>356,706</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>356,706</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(33,449)</u>	<u>(273,359)</u>
Net cash used for capital and related financing activities	<u>(33,449)</u>	<u>(273,359)</u>
Cash flows from investing activities:		
Investment earnings	<u>11</u>	<u>-</u>
Net cash provided by investing activities	<u>11</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(188,548)	198,438
Cash and cash equivalents, beginning of year	<u>213,363</u>	<u>14,925</u>
Cash and cash equivalents, end of year	\$ <u>24,815</u>	<u>213,363</u>
<b>Reconciliation of operating loss to net cash provided by (used for) operating activities:</b>		
Operating loss	\$ (196,038)	(261,379)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	162,926	174,551
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Inventory	30,887	(11,311)
Increase (decrease) in liabilities:		
Accounts payable	39,866	(7,848)
Accrued liabilities	(199,300)	217,598
Compensated absences payable	<u>6,549</u>	<u>3,480</u>
Net cash provided by (used for) operating activities	\$ <u>(155,110)</u>	<u>115,091</u>

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**  
**Internal Service Funds**  
Combining Statement of Net Position  
September 30, 2015  
(With Comparative Totals for September 30, 2014)

	Insurance	Health	Engineering	Fleet	Totals	
	Fund	Insurance Fund	Fund	Services Fund	2015	2014
<b>Assets</b>						
Current assets:						
Cash and investments	\$ 5,937,935	3,616,082	553,147	310,930	10,418,094	10,449,356
Accounts receivable, net of allowances	1,548	-	-	306	1,854	9,048
Due from other funds	-	321,028	-	-	321,028	251,973
Inventories	-	-	-	212,265	212,265	273,875
Total current assets	<u>5,939,483</u>	<u>3,937,110</u>	<u>553,147</u>	<u>523,501</u>	<u>10,953,241</u>	<u>10,984,252</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	-	224,185	985,402	1,236,246	1,263,463
Less: accumulated depreciation	<u>(11,377)</u>	<u>-</u>	<u>(153,560)</u>	<u>(1,291,762)</u>	<u>(1,456,699)</u>	<u>(1,392,817)</u>
Total capital assets	<u>15,282</u>	<u>-</u>	<u>95,025</u>	<u>746,482</u>	<u>856,789</u>	<u>947,888</u>
Total noncurrent assets	<u>15,282</u>	<u>-</u>	<u>95,025</u>	<u>746,482</u>	<u>856,789</u>	<u>947,888</u>
Total assets	<u>5,954,765</u>	<u>3,937,110</u>	<u>648,172</u>	<u>1,269,983</u>	<u>11,810,030</u>	<u>11,932,140</u>
<b>Liabilities</b>						
Liabilities:						
Current liabilities:						
Accounts payable	109,284	2,121	6,810	144,855	263,070	365,016
Accrued liabilities	36,088	274,074	47,817	41,422	399,401	482,504
Compensated absences payable	17,601	-	146,730	82,466	246,797	296,732
Escrow funds	-	-	538	-	538	538
Estimated claims and judgments	<u>1,413,558</u>	<u>1,063,000</u>	<u>-</u>	<u>-</u>	<u>2,476,558</u>	<u>3,212,803</u>
Total current liabilities	<u>1,576,531</u>	<u>1,339,195</u>	<u>201,895</u>	<u>268,743</u>	<u>3,386,364</u>	<u>4,357,593</u>
Noncurrent liabilities:						
Compensated absences payable	-	-	30,963	-	30,963	-
Net pension obligation	-	-	-	-	-	374,267
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>30,963</u>	<u>-</u>	<u>30,963</u>	<u>374,267</u>
Total liabilities	<u>1,576,531</u>	<u>1,339,195</u>	<u>232,858</u>	<u>268,743</u>	<u>3,417,327</u>	<u>4,731,860</u>
<b>Net Position</b>						
Net investment in capital assets	15,282	-	95,025	746,482	856,789	947,888
Unrestricted	<u>4,362,952</u>	<u>2,597,915</u>	<u>320,289</u>	<u>254,758</u>	<u>7,535,914</u>	<u>6,252,392</u>
Total net position	<u>\$ 4,378,234</u>	<u>2,597,915</u>	<u>415,314</u>	<u>1,001,240</u>	<u>8,392,703</u>	<u>7,200,280</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Internal Service Funds**  
Combining Statement of Revenues, Expenditures and  
Changes in Net Position  
Year Ended September 30, 2015  
(With Comparative Totals for Year Ended September 30, 2014)

	Insurance Fund	Health Insurance Fund	Engineering Fund	Fleet Services Fund	Totals	
					2015	2014
Operating revenues:						
Charges for services	\$ 3,720,427	12,295,826	2,044,115	1,831,419	19,891,787	19,447,445
Other	-	-	4,726	6,217	10,943	48,428
Total operating revenues	<u>3,720,427</u>	<u>12,295,826</u>	<u>2,048,841</u>	<u>1,837,636</u>	<u>19,902,730</u>	<u>19,495,873</u>
Operating expenses:						
Salaries and wages	334,408	59,347	1,064,488	890,240	2,348,483	2,354,198
Employee benefits	116,012	19,377	387,418	375,242	898,049	873,808
Purchased professional/ technical services	223,003	1,488,498	27,510	21,707	1,760,718	1,684,985
Purchased property services	-	3,296	52,611	7,192	63,099	65,277
Maintenance	2,440	-	43,232	63,652	109,324	74,369
Other purchased services	893,420	1,914	54,456	33,114	982,904	935,252
Supplies	72,157	12,408	39,214	83,228	207,007	201,619
Other	845,085	11,351,240	217,270	221,350	12,634,945	12,846,596
Depreciation	3,721	-	19,720	96,487	119,928	119,603
Total operating expenses	<u>2,490,246</u>	<u>12,936,080</u>	<u>1,905,919</u>	<u>1,792,212</u>	<u>19,124,457</u>	<u>19,155,707</u>
Operating income (loss)	<u>1,230,181</u>	<u>(640,254)</u>	<u>142,922</u>	<u>45,424</u>	<u>778,273</u>	<u>340,166</u>
Nonoperating revenues:						
Investment earnings	23,457	14,440	1,608	378	39,883	26,872
Total nonoperating revenues	<u>23,457</u>	<u>14,440</u>	<u>1,608</u>	<u>378</u>	<u>39,883</u>	<u>26,872</u>
Change in net position	<u>1,253,638</u>	<u>(625,814)</u>	<u>144,530</u>	<u>45,802</u>	<u>818,156</u>	<u>367,038</u>
Total net position, beginning of year	3,067,086	3,220,983	89,956	822,255	7,200,280	6,833,242
Cumulative effect of a change in accounting principles	<u>57,510</u>	<u>2,746</u>	<u>180,828</u>	<u>133,183</u>	<u>374,267</u>	<u>-</u>
Total net position, beginning of year, as restated	<u>3,124,596</u>	<u>3,223,729</u>	<u>270,784</u>	<u>955,438</u>	<u>7,574,547</u>	<u>6,833,242</u>
Total net position, end of year	<u>\$ 4,378,234</u>	<u>2,597,915</u>	<u>415,314</u>	<u>1,001,240</u>	<u>8,392,703</u>	<u>7,200,280</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended September 30, 2015**  
(With Comparative Totals for Year Ended September 30, 2014)

	Insurance	Health	Engineering	Fleet	Totals	
	Fund	Insurance Fund	Fund	Services Fund	2015	2014
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 3,720,123	12,295,826	2,049,718	1,844,257	19,909,924	19,487,722
Cash paid to suppliers for goods and services	(2,759,776)	(12,924,601)	(448,940)	(502,548)	(16,635,865)	(15,716,694)
Cash paid to employees for services	(477,166)	(78,358)	(1,433,874)	(1,257,922)	(3,247,320)	(3,309,988)
Net cash provided by (used for) operating activities	<u>483,181</u>	<u>(707,133)</u>	<u>166,904</u>	<u>83,787</u>	<u>26,739</u>	<u>461,040</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfer to other funds	-	(69,055)	-	-	(69,055)	(722,046)
Net cash used for noncapital financing activities	<u>-</u>	<u>(69,055)</u>	<u>-</u>	<u>-</u>	<u>(69,055)</u>	<u>(722,046)</u>
<b>Cash flows from capital and related financing activities:</b>						
Acquisition of capital assets	-	-	(12,149)	(16,680)	(28,829)	(236,805)
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>(12,149)</u>	<u>(16,680)</u>	<u>(28,829)</u>	<u>(236,805)</u>
<b>Cash flows from investing activities:</b>						
Investment earnings	<u>23,457</u>	<u>14,440</u>	<u>1,608</u>	<u>378</u>	<u>39,883</u>	<u>26,872</u>
Net cash provided by investing activities	<u>23,457</u>	<u>14,440</u>	<u>1,608</u>	<u>378</u>	<u>39,883</u>	<u>26,872</u>
Net increase (decrease) in cash and cash equivalents	506,638	(761,748)	156,363	67,485	(31,262)	(470,939)
Cash and cash equivalents, beginning of year	<u>5,431,297</u>	<u>4,377,830</u>	<u>396,784</u>	<u>243,445</u>	<u>10,449,356</u>	<u>10,920,295</u>
Cash and cash equivalents, end of year	<u>\$ 5,937,935</u>	<u>3,616,082</u>	<u>553,147</u>	<u>310,930</u>	<u>10,418,094</u>	<u>10,449,356</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>						
Operating income (loss)	\$ 1,230,181	(640,254)	142,922	45,424	778,273	340,166
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	3,721	-	19,720	96,487	119,928	119,603
Changes in assets and liabilities:						
(Increase) decrease in assets:						
Accounts receivable	(304)	-	877	6,621	7,194	(8,151)
Inventories	-	-	-	61,610	61,610	(74,631)
Increase (decrease) in liabilities:						
Accounts payable	50,103	(3,412)	(14,647)	(133,990)	(101,946)	27,630
Accrued liabilities	(40,781)	(64,467)	13,687	8,458	(83,103)	205,469
Compensated absences payable	(22,494)	-	4,345	(823)	(18,972)	(94,423)
Net pension obligation	-	-	-	-	-	2,593
Estimated claims and judgments	(737,245)	1,000	-	-	(736,245)	(57,216)
Net cash provided by (used for) operating activities	<u>\$ 483,181</u>	<u>(707,133)</u>	<u>166,904</u>	<u>83,787</u>	<u>26,739</u>	<u>461,040</u>
<b>Schedule of noncash capital and related financing activities:</b>						
Contributions of capital assets	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying independent auditor's report.

## **Insurance Fund**

**City of Waco, Texas**  
**Insurance Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 5,937,935	5,431,297
Accounts receivable	1,548	1,244
Total current assets	5,939,483	5,432,541
Noncurrent assets:		
Capital assets:		
Equipment	26,659	26,659
Less: accumulated depreciation	(11,377)	(7,656)
Total capital assets	15,282	19,003
Total noncurrent assets	15,282	19,003
Total assets	5,954,765	5,451,544
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	109,284	59,181
Accrued liabilities	36,088	76,869
Compensated absences payable	17,601	40,095
Estimated claims and judgments	1,413,558	2,150,803
Total current liabilities	1,576,531	2,326,948
Noncurrent liabilities:		
Net pension obligation	-	57,510
Total noncurrent liabilities	-	57,510
Total liabilities	1,576,531	2,384,458
<b>Net Position</b>		
Net position:		
Net investment in capital assets	15,282	19,003
Unrestricted	4,362,952	3,048,083
Total net position	\$ 4,378,234	3,067,086

See accompanying independent auditor's report

**City of Waco, Texas**  
**Insurance Fund**  
Comparative Statements of Revenues, Expenditures, and  
Changes in Net Position  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ <u>3,720,427</u>	<u>3,663,439</u>
Total operating revenues	<u>3,720,427</u>	<u>3,663,439</u>
Operating expenses:		
Salaries and wages	334,408	400,006
Employee benefits	116,012	126,741
Purchased professional/technical services	223,003	190,160
Maintenance	2,440	204
Other purchased services	893,420	848,395
Supplies	72,157	53,220
Other	845,085	1,272,702
Depreciation	<u>3,721</u>	<u>3,721</u>
Total operating expenses	<u>2,490,246</u>	<u>2,895,149</u>
Operating income	<u>1,230,181</u>	<u>768,290</u>
Nonoperating revenues:		
Investment earnings	<u>23,457</u>	<u>13,881</u>
Total nonoperating revenues	<u>23,457</u>	<u>13,881</u>
Change in net position	<u>1,253,638</u>	<u>782,171</u>
Total net position, beginning of year	3,067,086	2,284,915
Cumulative effect of a change in accounting principles	<u>57,510</u>	<u>-</u>
Total net position, beginning of year, as restated	<u>3,124,596</u>	<u>2,284,915</u>
Total net position, end of year	\$ <u><u>4,378,234</u></u>	<u><u>3,067,086</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Insurance Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 3,720,123	3,663,092
Cash paid to suppliers for goods and services	(2,759,776)	(2,503,764)
Cash paid to employees for services	<u>(477,166)</u>	<u>(571,725)</u>
Net cash provided by operating activities	<u>483,181</u>	<u>587,603</u>
Cash flows from noncapital financing activities:		
Transfer to other funds	<u>-</u>	<u>(470,073)</u>
Net cash used for noncapital financing activities	<u>-</u>	<u>(470,073)</u>
Cash flows from investing activities:		
Investment earnings	<u>23,457</u>	<u>13,881</u>
Net cash provided by investing activities	<u>23,457</u>	<u>13,881</u>
Net increase in cash and cash equivalents	506,638	131,411
Cash and cash equivalents, beginning of year	<u>5,431,297</u>	<u>5,299,886</u>
Cash and cash equivalents, end of year	<u>\$ 5,937,935</u>	<u>5,431,297</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 1,230,181	768,290
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,721	3,721
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(304)	(347)
Increase (decrease) in liabilities:		
Accounts payable	50,103	(79,693)
Accrued liabilities	(40,781)	10,390
Compensated absences payable	(22,494)	(48,955)
Net pension obligation	-	413
Estimated claims and judgments	<u>(737,245)</u>	<u>(66,216)</u>
Net cash provided by operating activities	<u>\$ 483,181</u>	<u>587,603</u>

See accompanying independent auditor's report

## **Health Insurance Fund**

**City of Waco, Texas**  
**Health Insurance Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Assets:		
Current assets:		
Cash and investments	\$ 3,616,082	4,377,830
Due from other funds	<u>321,028</u>	<u>251,973</u>
Total current assets	<u>3,937,110</u>	<u>4,629,803</u>
Total assets	<u>3,937,110</u>	<u>4,629,803</u>
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	2,121	5,533
Accrued liabilities	274,074	338,541
Estimated claims	<u>1,063,000</u>	<u>1,062,000</u>
Total current liabilities	<u>1,339,195</u>	<u>1,406,074</u>
Noncurrent liabilities:		
Net pension obligation	<u>-</u>	<u>2,746</u>
Total noncurrent liabilities	<u>-</u>	<u>2,746</u>
Total liabilities	<u>1,339,195</u>	<u>1,408,820</u>
<b>Net Position</b>		
Net position:		
Unrestricted	<u>2,597,915</u>	<u>3,220,983</u>
Total net position	<u>\$ 2,597,915</u>	<u>3,220,983</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Health Insurance Fund**  
Comparative Statements of Revenues, Expenses and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ <u>12,295,826</u>	<u>12,153,776</u>
Total operating revenues	<u>12,295,826</u>	<u>12,153,776</u>
Operating expenses:		
Salaries and wages	59,347	58,330
Employee benefits	19,377	19,200
Purchased professional/technical services	1,488,498	1,457,466
Purchased property services	3,296	5,319
Other purchased services	1,914	1,970
Supplies	12,408	9,555
Other	<u>11,351,240</u>	<u>11,176,757</u>
Total operating expenses	<u>12,936,080</u>	<u>12,728,597</u>
Operating loss	<u>(640,254)</u>	<u>(574,821)</u>
Nonoperating revenues:		
Investment earnings	<u>14,440</u>	<u>12,171</u>
Total nonoperating revenues	<u>14,440</u>	<u>12,171</u>
Change in net position	<u>(625,814)</u>	<u>(562,650)</u>
Total net position, beginning of year	3,220,983	3,783,633
Cumulative effect of a change in accounting principles	<u>2,746</u>	<u>-</u>
Total net position, beginning of year, as restated	<u>3,223,729</u>	<u>3,783,633</u>
Total net position, end of year	\$ <u><u>2,597,915</u></u>	<u><u>3,220,983</u></u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Health Insurance Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 12,295,826	12,153,776
Cash paid to suppliers for goods and services	(12,924,601)	(12,448,669)
Cash paid to employees for services	<u>(78,358)</u>	<u>(77,160)</u>
Net cash used for operating activities	<u>(707,133)</u>	<u>(372,053)</u>
Cash flows from noncapital financing activities:		
Payments to other funds	<u>(69,055)</u>	<u>(251,973)</u>
Net cash used for noncapital financing activities	<u>(69,055)</u>	<u>(251,973)</u>
Cash flows from investing activities:		
Investment earnings	<u>14,440</u>	<u>12,171</u>
Net cash provided by investing activities	<u>14,440</u>	<u>12,171</u>
Net decrease in cash and cash equivalents	(761,748)	(611,855)
Cash and cash equivalents, beginning of year	<u>4,377,830</u>	<u>4,989,685</u>
Cash and cash equivalents, end of year	<u>\$ 3,616,082</u>	<u>4,377,830</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>		
Operating loss	\$ (640,254)	(574,821)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Changes in liabilities:		
Increase (decrease) in liabilities:		
Accounts payable	(3,412)	4,603
Accrued liabilities	(64,467)	189,100
Estimated claims and judgments	1,000	9,000
Net pension obligation	<u>-</u>	<u>65</u>
Net cash used for operating activities	<u>\$ (707,133)</u>	<u>(372,053)</u>

See accompanying independent auditor's report.

## **Engineering Fund**

**City of Waco, Texas**  
**Engineering Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 553,147	396,784
Due from other funds	-	877
Total current assets	553,147	397,661
Noncurrent assets:		
Capital assets:		
Land	24,400	24,400
Equipment	224,185	225,690
Less: accumulated depreciation	(153,560)	(147,494)
Total capital assets	95,025	102,596
Total assets	648,172	500,257
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	6,810	21,457
Accrued liabilities	47,817	34,130
Compensated absences payable	146,730	173,348
Escrow funds	538	538
Total current liabilities	201,895	229,473
Noncurrent liabilities:		
Compensated absences payable	30,963	-
Net pension obligation	-	180,828
Total noncurrent liabilities	30,963	180,828
Total liabilities	232,858	410,301
<b>Net Position</b>		
Net investment in capital assets	95,025	102,596
Unrestricted	320,289	(12,640)
Total net position	\$ 415,314	89,956

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Engineering Fund**  
Comparative Statements of Revenues, Expenditures,  
and Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 2,044,115	1,969,865
Other	<u>4,726</u>	<u>10,989</u>
Total operating revenues	<u>2,048,841</u>	<u>1,980,854</u>
Operating expenses:		
Salaries and wages	1,064,488	1,098,849
Employee benefits	387,418	387,987
Purchased professional/technical services	27,510	25,637
Purchased property services	52,611	52,611
Maintenance	43,232	43,878
Other purchased services	54,456	52,408
Supplies	39,214	37,099
Other	217,270	158,725
Depreciation	<u>19,720</u>	<u>24,618</u>
Total operating expenses	<u>1,905,919</u>	<u>1,881,812</u>
Operating income	<u>142,922</u>	<u>99,042</u>
Nonoperating revenues:		
Investment earnings	<u>1,608</u>	<u>712</u>
Total nonoperating revenues	<u>1,608</u>	<u>712</u>
Change in net position	<u>144,530</u>	<u>99,754</u>
Total net position, beginning of year	89,956	(9,798)
Cumulative effect of a change in accounting principles	<u>180,828</u>	<u>-</u>
Total net position, beginning of year, as restated	<u>270,784</u>	<u>(9,798)</u>
Total net position, end of year	<u>\$ 415,314</u>	<u>89,956</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Engineering Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 2,049,718	1,979,977
Cash paid to suppliers for goods and services	(448,940)	(353,268)
Cash paid to employees for services	<u>(1,433,874)</u>	<u>(1,543,578)</u>
Net cash provided by operating activities	<u>166,904</u>	<u>83,131</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(12,149)</u>	<u>(29,815)</u>
Net cash used for capital and related financing activities	<u>(12,149)</u>	<u>(29,815)</u>
Cash flows from investing activities:		
Investment earnings	<u>1,608</u>	<u>712</u>
Net cash provided by investing activities	<u>1,608</u>	<u>712</u>
Net increase in cash and cash equivalents	156,363	54,028
Cash and cash equivalents, beginning of year	<u>396,784</u>	<u>342,756</u>
Cash and cash equivalents, end of year	<u>\$ 553,147</u>	<u>396,784</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 142,922	99,042
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	19,720	24,618
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	877	(877)
Increase (decrease) in liabilities:		
Accounts payable	(14,647)	17,090
Accrued liabilities	13,687	(688)
Compensated absences payable	4,345	(57,281)
Net pension obligation	<u>-</u>	<u>1,227</u>
Net cash provided by operating activities	<u>\$ 166,904</u>	<u>83,131</u>

See accompanying independent auditor's report.

## **Fleet Services Fund**

**City of Waco, Texas**  
**Fleet Services Fund**  
Comparative Statements of Net Position  
September 30, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 310,930	243,445
Accounts receivable, net of allowance	306	6,927
Inventory	212,265	273,875
Total current assets	523,501	524,247
Noncurrent assets:		
Capital assets:		
Land	14,400	14,400
Buildings	920,153	920,153
Improvements other than buildings	118,289	118,289
Equipment	985,402	1,011,114
Less: accumulated depreciation	(1,291,762)	(1,237,667)
Total capital assets	746,482	826,289
Total assets	1,269,983	1,350,536
<b>Liabilities</b>		
Liabilities:		
Current liabilities:		
Accounts payable	144,855	278,845
Accrued liabilities	41,422	32,964
Compensated absences payable	82,466	83,289
Total current liabilities	268,743	395,098
Noncurrent liabilities:		
Net pension obligation	-	133,183
Total noncurrent liabilities	-	133,183
Total liabilities	268,743	528,281
<b>Net Position</b>		
Net investment in capital assets	746,482	826,289
Unrestricted	254,758	(4,034)
Total net position	\$ 1,001,240	822,255

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Fleet Services Fund**  
Comparative Statements of Revenues, Expenditures, and  
Changes in Net Position  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 1,831,419	1,660,365
Other	<u>6,217</u>	<u>37,439</u>
Total operating revenues	<u>1,837,636</u>	<u>1,697,804</u>
Operating expenses:		
Salaries and wages	890,240	797,013
Employee benefits	375,242	339,880
Purchased professional/technical services	21,707	11,722
Purchased property services	7,192	7,347
Maintenance	63,652	30,287
Other purchased services	33,114	32,479
Supplies	83,228	101,745
Other	221,350	238,412
Depreciation	<u>96,487</u>	<u>91,264</u>
Total operating expenses	<u>1,792,212</u>	<u>1,650,149</u>
Operating income	<u>45,424</u>	<u>47,655</u>
Nonoperating revenues:		
Investment earnings	<u>378</u>	<u>108</u>
Total nonoperating revenues	<u>378</u>	<u>108</u>
Change in net position	<u>45,802</u>	<u>47,763</u>
Total net position, beginning of year	822,255	774,492
Cumulative effect of a change in accounting principles	<u>133,183</u>	<u>-</u>
Total net position, beginning of year, as restated	<u>955,438</u>	<u>774,492</u>
Total net position, end of year	<u>\$ 1,001,240</u>	<u>822,255</u>

See accompanying independent auditor's report.

**City of Waco, Texas**  
**Fleet Services Fund**  
Comparative Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,844,257	1,690,877
Cash paid to suppliers for goods and services	(502,548)	(410,993)
Cash paid to employees for services	<u>(1,257,922)</u>	<u>(1,117,525)</u>
Net cash provided by operating activities	<u>83,787</u>	<u>162,359</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(16,680)</u>	<u>(206,990)</u>
Net cash used for capital and related financing activities	<u>(16,680)</u>	<u>(206,990)</u>
Cash flows from investing activities:		
Investment earnings	<u>378</u>	<u>108</u>
Net cash provided by investing activities	<u>378</u>	<u>108</u>
Net increase (decrease) in cash and cash equivalents	67,485	(44,523)
Cash and cash equivalents, beginning of year	<u>243,445</u>	<u>287,968</u>
Cash and cash equivalents, end of year	\$ <u>310,930</u>	<u>243,445</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 45,424	47,655
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	96,487	91,264
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	6,621	(6,927)
Inventory	61,610	(74,631)
Increase (decrease) in liabilities:		
Accounts payable	(133,990)	85,630
Accrued liabilities	8,458	6,667
Compensated absences payable	(823)	11,813
Net pension obligation	<u>-</u>	<u>888</u>
Net cash provided by operating activities	\$ <u>83,787</u>	<u>162,359</u>

See accompanying independent auditor's report.

## **Agency Funds**

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

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

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

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

**City of Waco, Texas**  
**Agency Funds**  
Combining Statement of Changes in Assets and Liabilities  
Year Ended September 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b><u>Urban Renewal Agency Fund</u></b>				
Assets:				
Cash and investments	\$ 58,134	230	-	58,364
Liabilities:				
Due to other agencies and individuals	\$ 58,134	230	-	58,364
<b><u>Heart of Texas Housing Finance Corporation Fund</u></b>				
Assets:				
Cash and investments	\$ 2,678,389	281,053	222,012	2,737,430
Accounts receivable	538	501	538	501
Notes receivable	229,547	207,952	130,000	307,499
Total assets	\$ 2,908,474	489,506	352,550	3,045,430
Liabilities:				
Due to other agencies and individuals	\$ 2,908,474	489,506	352,550	3,045,430
<b><u>Waco Public Improvement District No. 2 Fund</u></b>				
Assets:				
Cash and investments	\$ 16,978	367,980	368,485	16,473
Liabilities:				
Due to other agencies and individuals	\$ 16,978	367,980	368,485	16,473
<b><u>Rural Transit Services Fund</u></b>				
Assets:				
Due from other governments	\$ -	130,082	-	130,082
Liabilities:				
Due to other agencies and individuals	-	28,498	16,338	12,160
Due to other funds	-	139,761	21,839	117,922
Total liabilities	\$ -	168,259	38,177	130,082
<b><u>All Agency Funds</u></b>				
Assets:				
Cash and investments	\$ 2,753,501	649,263	590,497	2,812,267
Due from other governments	-	130,082	-	130,082
Accounts receivable	538	501	538	501
Note receivable	229,547	207,952	130,000	307,499
Total assets	\$ 2,983,586	987,798	721,035	3,250,349
Liabilities:				
Due to other agencies and individuals	\$ 2,983,586	886,214	737,373	3,132,427
Due to other funds	-	139,761	21,839	117,922
Total liabilities	\$ 2,983,586	1,025,975	759,212	3,250,349

See accompanying independent auditor's report.

## Statistical Section

The *Statistical Section* presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City's overall financial health.

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

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

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

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

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 160,613,844	\$ 165,814,854	\$ 180,681,310	\$ 187,739,263
Restricted	11,081,477	12,662,092	15,103,909	15,597,905
Unrestricted	<u>22,716,286</u>	<u>26,806,652</u>	<u>28,407,225</u>	<u>29,148,224</u>
Total governmental activities net position	<u>\$ 194,411,607</u>	<u>\$ 205,283,598</u>	<u>\$ 224,192,444</u>	<u>\$ 232,485,392</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 144,070,096	\$ 155,044,650	\$ 166,834,594	\$ 177,087,342
Restricted	51,468	339,184	1,679,769	541,912
Unrestricted	<u>32,932,124</u>	<u>36,319,056</u>	<u>41,875,465</u>	<u>42,808,482</u>
Total business-type activities net position	<u>\$ 177,053,688</u>	<u>\$ 191,702,890</u>	<u>\$ 210,389,828</u>	<u>\$ 220,437,736</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 304,683,940	\$ 320,859,504	\$ 347,515,904	\$ 364,826,605
Restricted	11,132,945	13,001,276	16,783,678	16,139,817
Unrestricted	<u>55,648,410</u>	<u>63,125,708</u>	<u>70,282,690</u>	<u>71,956,706</u>
Total primary government net position	<u>\$ 371,465,295</u>	<u>\$ 396,986,488</u>	<u>\$ 434,582,272</u>	<u>\$ 452,923,128</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					
2010	2011	2012	2013	2014	2015
\$ 179,653,424	\$ 174,645,915	\$ 178,295,347	\$ 180,902,677	\$ 180,508,096	\$ 183,090,881
16,281,560	19,687,245	22,291,256	19,391,804	18,895,396	20,655,062
<u>25,717,190</u>	<u>22,550,132</u>	<u>24,430,892</u>	<u>28,460,006</u>	<u>34,063,949</u>	<u>30,545,855</u>
<u>\$ 221,652,174</u>	<u>\$ 216,883,292</u>	<u>\$ 225,017,495</u>	<u>\$ 228,754,487</u>	<u>\$ 233,467,441</u>	<u>\$ 234,291,798</u>
\$ 206,111,214	\$ 213,553,436	\$ 219,663,969	\$ 215,231,053	211,696,699	214,329,030
546,027	388,651	6,834	1,180,611	1,274,319	1,370,154
<u>36,844,321</u>	<u>45,769,895</u>	<u>48,873,949</u>	<u>60,118,510</u>	<u>65,792,573</u>	<u>63,820,011</u>
<u>\$ 243,501,562</u>	<u>\$ 259,711,982</u>	<u>\$ 268,544,752</u>	<u>\$ 276,530,174</u>	<u>\$ 278,763,591</u>	<u>\$ 279,519,195</u>
\$ 385,764,638	\$ 388,199,351	\$ 397,959,316	\$ 396,133,730	\$ 392,204,795	\$ 397,419,911
16,827,587	20,075,896	22,298,090	20,572,415	20,169,715	22,025,216
<u>62,561,511</u>	<u>68,320,027</u>	<u>73,304,841</u>	<u>88,578,516</u>	<u>99,856,522</u>	<u>94,365,866</u>
<u>\$ 465,153,736</u>	<u>\$ 476,595,274</u>	<u>\$ 493,562,247</u>	<u>\$ 505,284,661</u>	<u>\$ 512,231,032</u>	<u>\$ 513,810,993</u>

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

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities:				
General government	\$ 8,785,895	\$ 9,494,996	\$ 12,108,481	\$ 12,551,827
Public works	11,627,179	13,483,166	11,695,922	12,790,151
Public safety	48,361,556	50,802,719	53,186,019	57,560,461
Culture and recreation	12,652,376	12,885,108	13,853,365	14,919,136
Public health	6,403,273	6,845,611	6,456,840	6,901,123
Housing and community development	1,798,456	2,784,529	2,890,693	2,808,221
Interest on long-term debt	2,177,508	2,625,964	4,863,843	4,547,034
Total governmental activities expenses	<u>91,806,243</u>	<u>98,922,093</u>	<u>105,055,163</u>	<u>112,077,953</u>
Business-type activities:				
Water	25,474,612	26,666,701	28,972,544	30,491,638
Wastewater	12,442,358	14,404,044	15,675,737	17,437,188
Solid waste	12,703,814	12,119,111	13,181,427	13,267,207
Airport	2,045,628	2,139,042	2,230,237	2,402,041
Convention services	2,640,037	2,837,948	2,779,599	3,218,934
Ranger Hall of Fame	1,068,297	1,120,949	1,363,820	1,141,497
Cameron Park Zoo	2,977,741	3,386,403	3,545,604	3,968,217
Transit services	4,176,869	5,309,125	5,980,396	6,325,930
Cottonwood Creek Golf Course	1,510,761	1,553,125	1,812,962	1,919,438
Total business-type activities expenses	<u>65,040,117</u>	<u>69,536,448</u>	<u>75,542,326</u>	<u>80,172,090</u>
Total primary government expenses	<u>156,846,360</u>	<u>168,458,541</u>	<u>180,597,489</u>	<u>192,250,043</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	317,824	271,852	267,127	239,046
Public works	4,613	4,884	13,152	-
Public safety	3,739,677	3,456,532	4,764,442	3,672,327
Culture and recreation	916,453	811,698	995,455	1,132,472
Public health	1,303,186	1,350,709	1,024,400	986,945
Operating grants and contributions	8,330,987	9,388,780	9,497,125	9,079,411
Capital grants and contributions	18,612,315	5,795,816	7,276,849	5,626,382
Total governmental activities program revenues	<u>33,225,055</u>	<u>21,080,271</u>	<u>23,838,550</u>	<u>20,736,583</u>

Table II

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 14,073,197	\$ 12,378,019	\$ 14,177,640	\$ 20,039,649	\$ 16,223,167	\$ 15,012,962
12,142,355	13,227,404	11,844,356	13,699,976	12,205,449	12,767,308
60,429,663	61,291,317	57,664,131	62,592,351	66,630,254	64,796,679
15,484,146	15,636,875	15,694,840	16,544,389	16,922,912	16,510,993
7,364,755	7,417,771	7,184,384	7,388,363	7,314,101	7,269,988
3,503,811	3,339,613	3,664,525	2,255,720	2,974,293	2,704,824
4,342,023	4,313,467	4,098,714	3,798,174	3,631,452	3,155,598
<u>117,339,950</u>	<u>117,604,466</u>	<u>114,328,590</u>	<u>126,318,622</u>	<u>125,901,628</u>	<u>122,218,352</u>
30,875,837	34,186,629	33,311,059	33,038,145	32,998,874	32,457,155
18,134,874	17,522,331	17,634,339	18,432,230	19,263,583	18,964,527
14,160,048	16,201,178	15,854,254	16,033,246	15,794,559	15,223,615
2,360,727	2,503,823	2,937,967	3,083,925	3,284,396	3,496,581
2,830,956	2,861,523	3,372,280	3,941,005	3,957,683	4,074,149
1,280,085	1,193,004	1,209,145	1,343,575	1,326,695	1,333,639
4,357,007	4,315,032	4,396,640	4,318,267	4,494,173	4,595,845
7,259,552	7,904,160	7,970,314	8,046,015	8,177,708	8,188,525
1,674,252	1,691,790	1,864,426	1,782,963	1,810,707	1,707,982
<u>82,933,338</u>	<u>88,379,470</u>	<u>88,550,424</u>	<u>90,019,371</u>	<u>91,108,378</u>	<u>90,042,018</u>
<u>200,273,288</u>	<u>205,983,936</u>	<u>202,879,014</u>	<u>216,337,993</u>	<u>217,010,006</u>	<u>212,260,370</u>
285,471	342,830	243,137	277,810	192,402	243,883
1,366	2,550	385	1,537	2,257	3,188
3,600,084	3,478,363	3,050,804	3,703,991	5,520,650	5,373,858
1,314,693	1,415,791	1,078,390	1,054,216	1,404,877	1,279,331
872,388	1,184,937	1,252,049	1,260,587	1,154,091	1,158,100
10,337,726	9,720,348	11,640,290	11,500,355	10,924,393	9,564,905
6,110,736	6,061,358	6,883,729	7,256,153	3,272,066	6,952,118
<u>22,522,464</u>	<u>22,206,177</u>	<u>24,148,784</u>	<u>25,054,649</u>	<u>22,470,736</u>	<u>24,575,383</u>

(Continued)

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

	2006	2007	2008	2009
<b>Business-type activities:</b>				
Charges for services:				
Water	\$ 33,230,464	\$ 30,258,196	\$ 35,261,343	\$ 36,167,550
Wastewater	16,766,635	18,441,480	20,235,392	20,041,341
Solid waste	15,781,304	15,768,035	16,577,658	16,259,578
Airport	1,006,662	1,107,084	1,097,882	1,086,601
Convention services	706,938	805,276	804,295	573,967
Ranger Hall of Fame	557,580	440,742	438,610	425,434
Cameron Park Zoo	884,139	977,546	1,294,486	1,354,164
Transit services	1,080,322	1,971,924	2,462,089	2,805,887
Cottonwood Creek Golf Course	1,348,046	1,428,783	1,339,450	1,333,230
Operating grants and contributions	2,700,564	3,175,897	3,226,837	2,798,677
Capital grants and contributions	2,094,356	4,927,582	8,716,987	4,879,547
Total business-type activities program revenues	<u>76,157,010</u>	<u>79,302,545</u>	<u>91,455,029</u>	<u>87,725,976</u>
Total primary government program revenues	<u>109,382,065</u>	<u>100,382,816</u>	<u>115,293,579</u>	<u>108,462,559</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(58,581,188)	(77,841,822)	(81,216,613)	(91,341,370)
Business-type activities	<u>11,116,893</u>	<u>9,766,097</u>	<u>15,912,703</u>	<u>7,553,886</u>
Total primary government net expense	<u>(47,464,295)</u>	<u>(68,075,725)</u>	<u>(65,303,910)</u>	<u>(83,787,484)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	34,187,973	36,583,688	43,222,439	46,366,310
Tax increment financing tax	2,260,075	2,657,747	3,060,732	3,741,836
Sales taxes	26,694,323	27,328,996	28,077,887	27,714,013
Franchise taxes	13,484,568	12,985,974	13,997,454	13,663,140
Other taxes	426,180	501,702	587,971	622,254
Unrestricted investment earnings	6,141,959	8,964,710	10,319,788	6,294,110
Miscellaneous	714,862	981,818	415,851	406,229
Gain on disposal of capital assets	-	-	-	-
Transfers	<u>(850,440)</u>	<u>(1,290,822)</u>	<u>443,337</u>	<u>826,426</u>
Total governmental activities	<u>83,059,500</u>	<u>88,713,813</u>	<u>100,125,459</u>	<u>99,634,318</u>
Business-type activities:				
Hotel/motel taxes	1,650,054	1,620,022	1,688,943	1,703,650
Unrestricted investment earnings	1,412,038	1,972,261	1,528,629	997,329
Gain on disposal of capital assets	-	-	-	260,073
Transfers	<u>850,440</u>	<u>1,290,822</u>	<u>(443,337)</u>	<u>(826,426)</u>
Total business-type activities	<u>3,912,532</u>	<u>4,883,105</u>	<u>2,774,235</u>	<u>2,134,626</u>
Total primary government	<u>86,972,032</u>	<u>93,596,918</u>	<u>102,899,694</u>	<u>101,768,944</u>
<b>Change in Net Position</b>				
Governmental activities	24,478,312	10,871,991	18,908,846	8,292,948
Business-type activities	<u>15,029,425</u>	<u>14,649,202</u>	<u>18,686,938</u>	<u>9,688,512</u>
Total primary government	<u>\$ 39,507,737</u>	<u>\$ 25,521,193</u>	<u>\$ 37,595,784</u>	<u>\$ 17,981,460</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											
2010		2011		2012		2013		2014		2015	
\$	34,472,657	\$	43,094,944	\$	38,759,662	\$	40,713,824	\$	38,600,073	\$	37,773,754
	19,543,166		21,619,018		21,542,770		21,718,912		21,343,556		20,827,643
	16,135,566		15,948,286		16,531,734		16,489,195		16,866,587		17,704,519
	1,058,480		1,054,550		1,065,157		1,079,297		1,142,240		1,093,157
	391,758		523,983		771,773		1,018,086		1,213,798		1,317,100
	403,946		465,324		448,449		410,728		420,414		490,917
	1,599,467		1,575,223		1,602,554		1,618,495		1,582,279		1,615,849
	3,221,167		3,414,289		3,582,781		3,540,047		3,373,782		3,775,380
	1,404,891		1,578,174		1,226,374		1,615,885		1,549,328		1,511,944
	3,085,574		3,514,732		3,415,770		3,419,959		3,869,760		3,566,046
	12,332,766		4,014,798		3,786,143		4,836,705		1,682,452		3,459,180
	<u>93,649,438</u>		<u>96,803,321</u>		<u>92,733,167</u>		<u>96,461,133</u>		<u>91,644,269</u>		<u>93,135,489</u>
	116,171,902		119,009,498		116,881,951		121,515,782		114,115,005		117,710,872
	(94,817,486)		(95,398,289)		(90,179,806)		(101,263,973)		(103,430,892)		(97,642,969)
	10,716,100		8,423,851		4,182,743		6,441,762		535,891		3,093,471
	<u>(84,101,386)</u>		<u>(86,974,438)</u>		<u>(85,997,063)</u>		<u>(94,822,211)</u>		<u>(102,895,001)</u>		<u>(94,549,498)</u>
	47,489,598		48,387,467		49,373,010		51,184,254		51,585,835		55,028,271
	4,491,616		4,660,231		5,004,192		5,916,309		5,573,984		6,296,710
	27,318,396		28,003,416		29,186,254		31,075,760		33,487,659		35,813,531
	13,338,717		13,587,114		13,682,123		13,405,186		14,181,593		13,762,575
	655,031		679,232		650,815		676,254		785,905		871,076
	842,824		481,791		360,561		308,603		323,760		476,804
	639,263		678,741		882,450		2,153,305		1,196,841		1,043,936
	-		-		1,730,200		290,376		105,278		171,016
	<u>(10,791,177)</u>		<u>(5,848,585)</u>		<u>(2,555,596)</u>		<u>81,051</u>		<u>902,991</u>		<u>2,537,789</u>
	<u>83,984,268</u>		<u>90,629,407</u>		<u>98,314,009</u>		<u>105,091,098</u>		<u>108,143,846</u>		<u>116,001,708</u>
	1,662,308		1,754,730		1,897,865		2,095,987		2,403,171		2,707,056
	253,637		183,254		196,566		159,463		197,346		289,580
	-		-		-		-		-		-
	10,791,177		5,848,585		2,555,596		(81,051)		(902,991)		(2,537,789)
	<u>12,707,122</u>		<u>7,786,569</u>		<u>4,650,027</u>		<u>2,174,399</u>		<u>1,697,526</u>		<u>458,847</u>
	<u>96,691,390</u>		<u>98,415,976</u>		<u>102,964,036</u>		<u>107,265,497</u>		<u>109,841,372</u>		<u>116,460,555</u>
	(10,833,218)		(4,768,882)		8,134,203		3,827,125		4,712,954		18,358,739
	<u>23,423,222</u>		<u>16,210,420</u>		<u>8,832,770</u>		<u>8,616,161</u>		<u>2,233,417</u>		<u>3,552,318</u>
\$	<u>12,590,004</u>	\$	<u>11,441,538</u>	\$	<u>16,966,973</u>	\$	<u>12,443,286</u>	\$	<u>6,946,371</u>	\$	<u>21,911,057</u>

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

	2006	2007	2008
General Fund			
Reserved:			
Encumbrances	\$ 1,279,527	\$ 2,097,704	\$ 1,050,106
Real estate held for sale	13,385	13,385	12,465
Advances to other funds	448,695	738,726	735,178
Nonspendable:			
Advances to other funds	-	-	-
Inventory	-	-	-
Real estate held for resale	-	-	-
Restricted for:			
Municipal information equipment	-	-	-
Culture and recreation	-	-	-
Public safety	-	-	-
Economic development	-	-	-
Committed to:			
Economic development	-	-	-
Culture and recreation	-	-	-
Assigned to:			
Capital improvements	-	-	-
Economic development	-	-	-
Housing and community development	-	-	-
Public works	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
Subsequent year's budget appropriation of fund balances	-	-	-
Other	-	-	-
Unreserved/Unassigned	22,676,613	22,768,296	22,838,054
 Total general fund	 \$ 24,418,220	 \$ 25,618,111	 \$ 24,635,803

Table III

		Fiscal Year							
		2009	2010	2011	2012	2013	2014	2015	
\$	802,620	\$	-	\$	-	\$	-	\$	-
	12,465		-		-		-		-
	684,848		-		-		-		-
	-		625,559		683,391		48,388		-
	-		548,182		529,830		504,736		536,785
	-		6,160		6,160		6,160		734,557
	-		11,956		-		1,350		636,993
	-		-		-		365,900		689,343
	-		-		-		377,841		703,924
	-		-		-		100,996		83,856
	-		8,072,729		8,394,212		7,597,032		8,719,518
	-		-		2,500,000		-		9,532,164
	-		1,439,202		2,061,231		3,838,635		8,722,702
	-		1,549,117		1,137,659		2,810,428		-
	-		77,241		1,040,666		45,000		9,073,859
	-		31,773		-		14,942		15,050,171
	-		119,502		297,238		262,804		3,048,263
	-		476,209		151,913		47,622		25,000
	-		-		-		-		25,000
	-		69,031		67,868		120,684		4,677
	22,039,924		18,215,089		17,850,409		21,984,507		10,173
									140,595
									15,305
									16,230
									-
									7,108,799
									220,123
									23,392,619
\$	<u>23,539,857</u>	\$	<u>31,241,750</u>	\$	<u>34,720,577</u>	\$	<u>37,648,188</u>	\$	<u>46,469,253</u>
									<u>51,797,659</u>
									<u>54,313,084</u>

(Continued)

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
All Other Governmental Funds:				
Reserved:				
Encumbrances	\$ 7,982,460	\$ 7,363,374	\$ 12,140,585	\$ 14,951,750
Real estate held for sale	45,854	40,709	40,709	40,709
Advances to other funds	168,368	168,368	168,368	168,368
Debt service	603,424	708,377	781,972	677,027
Purpose of trust	474,054	469,481	465,585	472,768
Unreserved, reported in:				
Special revenue funds	10,774,251	14,609,945	15,176,240	18,236,909
Capital projects funds	8,833,830	73,358,427	73,414,437	64,550,113
Nonspendable:				
Parks and cemetery care	-	-	-	-
Real estate held for sale	-	-	-	-
Inventory	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Tax increment zone activities	-	-	-	-
Housing and community development	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Waco Public Improvement District	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Public health	-	-	-	-
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total all other governmental funds	<u>\$ 28,882,241</u>	<u>\$ 96,718,681</u>	<u>\$ 102,187,896</u>	<u>\$ 99,097,644</u>

**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. Also, in fiscal year 2015, the City implemented the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27," and the changes are reported prospectively.

Table III  
(Continued)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
473,362	474,415	475,431	477,891	478,848	466,997
40,709	40,061	40,061	40,061	40,061	46,705
-	-	-	-	-	131,805
460,001	373,263	230,130	238,053	185,902	491,257
47,889,104	38,873,017	23,348,990	15,531,634	11,828,967	7,184,956
9,856,300	12,411,165	14,565,233	10,960,465	10,891,785	13,579,596
161,094	175,114	193,495	2,676,979	2,333,652	2,059,972
1,565,589	1,439,842	2,314,311	1,831,495	1,406,274	1,442,749
524,529	1,186,432	1,194,942	755,434	1,302,930	450,821
347,093	413,153	520,765	611,577	645,008	716,835
978,893	1,029,132	1,308,537	1,443,453	2,582,281	15,665,156
232,377	-	157,585	351,412	561,880	820,811
-	(97,276)	-	-	-	-
<u>\$ 62,529,051</u>	<u>\$ 56,318,318</u>	<u>\$ 44,349,480</u>	<u>\$ 34,918,454</u>	<u>\$ 32,257,588</u>	<u>\$ 43,057,660</u>

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

	2006	2007	2008	2009
<b>Revenues:</b>				
<b>Taxes:</b>				
Sales	\$ 26,694,323	\$ 27,328,996	\$ 28,077,887	\$ 27,714,013
Property	36,020,999	39,012,926	45,855,023	49,627,810
Interest and penalty	395,788	454,735	476,176	468,021
Business and occupation fees	13,484,567	12,985,974	13,997,454	13,663,140
Permits, licenses and fees	2,405,632	2,610,593	2,365,457	2,023,919
Fines	1,923,506	1,748,882	2,326,020	2,188,574
Charges for services	1,217,784	1,105,518	1,372,169	1,545,120
Investment earnings	5,862,173	8,581,097	10,019,870	6,066,254
Contributions	315,636	1,221,670	1,313,646	2,147,972
Intergovernmental	8,088,056	8,829,853	9,627,740	9,795,311
Program income	203,156	574,447	540,969	244,575
Other	6,961,060	7,370,079	7,731,057	7,781,494
Total revenues	<u>103,572,680</u>	<u>111,824,770</u>	<u>123,703,468</u>	<u>123,266,203</u>
<b>Expenditures:</b>				
General government	16,093,920	15,460,289	20,398,112	20,828,176
Public works	2,172,354	2,027,118	3,294,892	1,969,524
Public safety	45,855,051	49,271,195	51,914,828	54,260,356
Culture and recreation	10,765,662	11,358,378	12,240,672	13,173,083
Housing and community development	2,722,490	3,910,039	3,808,125	3,600,810
Public health	6,169,752	6,826,015	6,494,336	6,799,722
Capital outlay	9,007,008	13,283,208	14,726,146	17,592,890
<b>Debt service:</b>				
Principal	4,840,973	5,101,924	6,963,545	7,144,536
Interest and fiscal charges	2,127,921	2,139,412	4,725,942	4,604,103
Bond issuance costs	50,768	595,706	27,237	58,014
Total expenditures	<u>99,805,899</u>	<u>109,973,284</u>	<u>124,593,835</u>	<u>130,031,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,766,781</u>	<u>1,851,486</u>	<u>(890,367)</u>	<u>(6,765,011)</u>
<b>Other financing sources (uses):</b>				
General obligation bonds issued	4,705,000	66,380,000	3,775,000	-
Refunding bonds issued	-	5,220,000	-	5,802,122
Capital leases	-	-	189,395	-
Premiums on general obligation bonds	46,452	756,120	27,104	115,070
Premiums on refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	(5,207,616)	-	(5,950,970)
Transfers in	12,326,533	16,522,025	20,307,345	16,106,280
Transfer out	(12,099,446)	(16,485,684)	(18,921,570)	(13,768,171)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources	<u>4,978,539</u>	<u>67,184,845</u>	<u>5,377,274</u>	<u>2,304,331</u>
Net change in fund balances	<u>\$ 8,745,320</u>	<u>\$ 69,036,331</u>	<u>\$ 4,486,907</u>	<u>\$ (4,460,680)</u>
Debt service as a percentage of noncapital expenditures	7.51%	7.17%	10.65%	10.24%

**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						
	2010	2011	2012	2013	2014	2015
\$	27,318,396	\$ 28,003,416	\$ 29,186,254	\$ 31,075,760	\$ 33,487,659	\$ 35,813,531
	51,354,302	52,587,053	53,995,242	57,093,126	56,684,455	61,177,819
	539,666	545,059	558,497	864,693	507,622	598,772
	13,338,717	13,587,115	13,682,123	13,405,186	14,181,593	13,762,575
	1,901,686	1,682,153	2,069,365	2,361,710	2,519,019	2,454,494
	2,054,487	1,815,418	1,647,361	1,915,904	2,555,149	2,506,051
	1,751,702	1,779,213	1,501,983	1,643,861	1,639,054	1,749,690
	773,739	440,229	325,873	285,712	296,370	436,017
	627,197	350,827	269,577	504,130	883,815	3,490,258
	12,812,272	11,001,361	9,625,197	10,888,461	10,278,693	9,968,503
	1,991,904	521,371	608,810	297,998	338,265	289,272
	8,387,706	8,832,941	9,166,618	10,327,351	10,028,613	10,800,678
	<u>122,851,774</u>	<u>121,146,156</u>	<u>122,636,900</u>	<u>130,663,892</u>	<u>133,400,307</u>	<u>143,047,660</u>
	19,695,545	18,067,565	19,881,170	27,395,172	24,937,624	22,826,332
	2,235,645	2,753,649	2,051,156	3,214,854	2,583,490	1,405,812
	58,519,975	56,363,026	55,143,283	60,765,347	62,521,778	62,557,857
	13,149,983	12,932,267	14,773,781	12,792,566	13,998,629	13,543,825
	4,143,724	3,321,373	3,469,303	3,088,943	3,160,091	2,897,236
	7,240,481	7,155,606	6,993,107	7,271,899	7,267,366	7,247,059
	40,944,884	20,198,033	23,954,367	14,814,436	10,002,288	14,758,838
	7,270,310	6,967,663	7,090,342	5,912,954	5,340,143	5,585,000
	4,211,528	4,192,140	4,194,170	3,946,312	3,788,820	3,437,349
	70,242	500	68,981	35,891	26,107	250,679
	<u>157,482,317</u>	<u>131,951,822</u>	<u>137,619,660</u>	<u>139,238,374</u>	<u>133,626,336</u>	<u>134,509,987</u>
	(34,630,543)	(10,805,666)	(14,982,760)	(8,574,482)	(226,029)	8,537,673
	4,925,000	7,285,000	3,480,000	2,175,000	1,645,000	1,695,000
	2,900,000	-	6,465,000	1,700,000	-	34,125,000
	-	-	145,351	-	-	-
	29,024	54,583	10,594	168,544	59,040	57,044
	202,379	-	792,695	316,832	-	6,804,247
	(3,093,588)	-	(7,243,886)	(1,999,938)	-	(40,676,302)
	13,394,260	12,781,678	15,015,607	14,935,710	17,504,831	26,296,892
	(12,593,232)	(12,047,501)	(14,513,914)	(13,145,858)	(16,420,580)	(23,695,073)
	-	-	1,790,086	290,376	105,278	171,016
	<u>5,763,843</u>	<u>8,073,760</u>	<u>5,941,533</u>	<u>4,440,666</u>	<u>2,893,569</u>	<u>4,777,824</u>
\$	<u>(28,866,700)</u>	<u>(2,731,906)</u>	<u>(9,041,227)</u>	<u>(4,133,816)</u>	<u>2,667,540</u>	<u>13,315,497</u>
	8.87%	9.28%	9.85%	7.94%	7.49%	7.49%

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

Category	Fiscal Year			
	2015	2014	2013	2012
Real - residential single family	\$ 3,330,608,637	\$ 3,193,078,012	\$ 3,145,755,030	\$ 2,964,790,976
Real - residential multi-family	600,033,734	552,903,404	540,947,926	530,246,728
Real - platted lots & residential inventory	192,366,941	185,737,380	161,765,042	159,734,533
Real - acreage, land only	74,636,662	66,466,703	73,968,631	73,351,221
Real - improved farm & ranch	32,499,555	28,871,288	18,486,406	19,298,600
Real - commercial & industrial	2,051,472,009	1,885,152,286	1,839,811,136	1,820,432,553
Real and tangible personal - utilities	177,491,413	147,349,253	140,452,424	138,700,708
Tangible personal - business	1,724,904,133	1,674,043,041	1,667,295,558	1,566,759,638
Tangible personal - other	<u>2,424,330</u>	<u>2,328,520</u>	<u>2,236,139</u>	<u>2,442,607</u>
Total market value	8,186,437,414	7,735,929,887	7,590,718,292	7,275,757,564
Less total exemptions	<u>916,313,922</u>	<u>927,340,793</u>	<u>938,850,655</u>	<u>829,201,392</u>
Taxable assessed value	<u>\$ 7,270,123,492</u>	<u>\$ 6,808,589,094</u>	<u>\$ 6,651,867,637</u>	<u>\$ 6,446,556,172</u>
Total direct tax rate per \$100 of taxable assessed value	<u>\$ 0.776232</u>	<u>\$ 0.776232</u>	<u>\$ 0.786232</u>	<u>\$ 0.786232</u>
Estimated actual taxable value	<u>\$ 8,186,437,414</u>	<u>\$ 7,735,929,887</u>	<u>\$ 7,590,718,292</u>	<u>\$ 7,275,757,564</u>
Taxable assessed value as a percentage of actual taxable value	88.8%	88.0%	87.6%	88.6%

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

Table V

Fiscal Year						
	2011	2010	2009	2008	2007	2006
\$	2,899,061,978	\$ 2,831,728,139	\$ 2,786,526,338	\$ 2,525,731,582	\$ 2,371,733,450	\$ 2,186,456,501
	527,542,939	506,927,890	481,461,020	450,937,111	414,909,141	369,875,756
	158,194,756	166,731,693	159,010,177	140,742,891	121,598,228	125,387,077
	72,134,192	61,537,818	52,701,391	47,734,843	46,911,329	44,640,849
	19,050,487	18,251,255	16,724,697	16,424,746	15,467,787	14,578,466
	1,769,330,218	1,712,740,259	1,590,177,832	1,465,906,212	1,352,880,299	1,281,485,269
	142,912,428	147,985,807	138,718,155	157,931,476	159,458,452	172,733,873
	1,473,384,230	1,458,577,289	1,393,542,226	1,318,022,800	1,339,092,276	1,250,564,002
	<u>2,054,003</u>	<u>2,329,066</u>	<u>2,488,121</u>	<u>2,423,748</u>	<u>2,353,642</u>	<u>2,404,672</u>
	7,063,665,231	6,906,809,216	6,621,349,957	6,125,855,409	5,824,404,604	5,448,126,465
	<u>783,127,564</u>	<u>732,167,475</u>	<u>611,165,570</u>	<u>519,979,729</u>	<u>519,150,265</u>	<u>500,998,434</u>
\$	<u>6,280,537,667</u>	<u>6,174,641,741</u>	<u>6,010,184,387</u>	<u>5,605,875,680</u>	<u>5,305,254,339</u>	<u>4,947,128,031</u>
\$	<u>0.786232</u>	<u>0.786232</u>	<u>0.786232</u>	<u>0.786232</u>	<u>0.699700</u>	<u>0.699700</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>	<u>5,824,404,604</u>	<u>5,448,126,465</u>
	88.9%	89.4%	90.8%	91.5%	91.1%	90.8%

**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 Community College
	Operating/General	Debt Service	Total Direct	Independent School District	Independent School District	Independent School District	
2006	0.566294	0.133406	0.699700	1.564000	1.590000	1.692500	0.121076
2007	0.570007	0.129693	0.699700	1.443810	1.459534	1.536607	0.120362
2008	0.580229	0.206003	0.786232	1.162050	1.450000	1.205920	0.153002
2009	0.592848	0.193384	0.786232	1.359149	1.429637	1.182827	0.151134
2010	0.603720	0.182512	0.786232	1.366350	1.437240	1.238915	0.156332
2011	0.611239	0.174993	0.786232	1.364750	1.407000	1.365000	0.156306
2012	0.613251	0.172981	0.786232	1.360998	1.411400	1.365000	0.152823
2013	0.637434	0.148798	0.786232	1.355180	1.374402	1.420000	0.151530
2014	0.639191	0.137041	0.776232	1.354800	1.540000	1.420000	0.151530
2015	0.646744	0.129488	0.776232	1.353240	1.538834	1.465000	0.149530

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
0.459900	1.652470	1.622000	1.530088	1.700000	1.627499	1.650000
0.440000	1.511801	1.506500	1.419765	1.581534	1.510902	1.521100
0.452900	1.280000	1.290000	1.274290	1.248406	1.175132	1.190000
0.450500	1.230000	1.320000	1.561346	1.247370	1.180000	1.210000
0.443100	1.270000	1.320000	1.555070	1.247450	1.316000	1.190000
0.442710	1.288824	1.320000	1.545259	1.270000	1.315000	1.190000
0.442710	1.281105	1.320000	1.537596	1.290000	1.315000	1.190000
0.460573	1.269091	1.320000	1.478460	1.310000	1.315000	1.185000
0.535293	1.265653	1.320000	1.487914	1.620000	1.315000	1.355000
0.535293	1.274394	1.320000	1.478175	1.640000	1.510000	1.355000

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

Fiscal year 2015

Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
Mars Snackfood US L.L.C.	\$ 106,799,646	1.47 %
Coca Cola Company	98,357,980	1.35 %
L-3 Communications Integrated Systems L.P.	76,263,750	1.05 %
Allergan, Inc.	62,045,624	0.85 %
Oncor Electric Delivery Co.	57,638,637	0.79 %
Inland Western Waco Central, L.P.	53,760,400	0.74 %
Caterpillar Logistics Services, Inc.	46,083,695	0.63 %
Associated Hygienic Products, L.L.C.	45,990,038	0.63 %
CBL/Richland Mall, L.P.	42,291,560	0.58 %
Tractor Supply Company of Texas, L.L.P.	<u>41,891,099</u>	<u>0.58 %</u>
Total	\$ <u><u>631,122,429</u></u>	<u><u>8.68 %</u></u>

**Source:** McLennan County Appraisal District

## Fiscal Year 2006

Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
MasterFoods USA (M & M Mars)	\$ 75,149,868	1.52 %
Coca Cola Company	49,526,616	1.00 %
TXU Electric Delivery Co.	48,701,790	0.99 %
AIG Baker Waco, L.L.C.	43,792,699	0.89 %
CBL/Richland Mall, L.P.	35,842,184	0.72 %
Southwestern Bell Telephone Co.	35,399,280	0.72 %
Pilgrim's Pride Corp.	31,280,364	0.63 %
L3 Communications	30,405,613	0.62 %
Allergan, Inc.	30,390,634	0.61 %
Owens-Brockway Glass	29,892,115	0.60 %
Total	\$ 410,381,163	8.30 %

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

<u>Fiscal Year</u>	<u>Tax Levy for City Operations and Debt</u>	<u>City Tax Levy for Tax Increment Financing</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Adjustments to Levy in Subsequent Years</u>
2006	34,093,010	522,047	34,615,057	(201,312)
2007	36,481,122	640,192	37,121,314	(244,297)
2008	43,188,911	886,276	44,075,187	(135,406)
2009	46,270,500	1,268,052	47,538,552	(466,576)
2010	47,639,260	1,261,899	48,901,159	(661,743)
2011	48,078,029	1,247,577	49,325,606	(130,520)
2012	49,428,253	1,516,082	50,944,335	(523,949)
2013	50,896,824	1,541,926	52,438,750	(260,793)
2014	51,208,846	1,582,983	52,791,829	(28,541)
2015	54,676,069	1,792,277	56,468,346	(151,138)

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
34,413,745	33,876,118	98.44	468,901	34,345,019	99.80
36,877,017	36,345,526	98.56	443,259	36,788,785	99.76
43,939,781	43,320,216	98.59	504,094	43,824,310	99.74
47,071,976	46,373,974	98.52	569,354	46,943,328	99.73
48,239,416	47,367,935	98.19	706,402	48,074,337	99.66
49,195,086	48,312,012	98.20	761,491	49,073,503	99.75
50,420,386	49,634,551	98.44	647,436	50,281,987	99.73
52,177,957	51,511,537	98.72	439,646	51,951,183	99.57
52,763,288	52,019,615	98.59	421,361	52,440,976	99.39
56,317,208	55,622,582	98.77	-	55,622,582	98.77

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

Fiscal Year	Governmental Activities			Business-
	General Obligation Bonds (1)	Capital Leases	General Obligation Bonds (2)	General Obligation Bonds
2006	46,399,578	877,926	3,105,010	197,058,619
2007	108,842,854	547,669	2,773,546	249,410,055
2008	106,052,032	469,757	2,405,819	248,087,985
2009	99,232,249	128,270	2,022,392	235,015,348
2010	97,278,450	65,154	1,631,012	232,934,268
2011	98,019,198	-	1,224,455	220,721,649
2012	94,657,316	109,814	813,366	207,205,507
2013	91,155,603	61,608	615,000	228,080,781
2014	87,989,551	12,443	550,000	223,017,008
2015	86,321,896	-	370,000	223,050,091

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>Type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Actual Taxable Value of Property (3)</u>	<u>Population of City</u>	<u>Per Capita</u>
Notes Payable				
17,378,150	264,819,283	5.33%	120,249	2,202
17,326,901	378,901,025	7.14%	121,372	3,122
17,273,375	374,288,968	6.68%	122,506	3,055
17,217,472	353,615,731	5.88%	123,650	2,860
17,159,087	349,067,971	5.65%	124,805	2,797
17,098,108	337,063,410	5.37%	125,971	2,676
17,034,421	319,820,424	4.96%	127,018	2,518
1,967,906	321,880,898	4.84%	128,125	2,512
1,898,437	313,467,439	4.60%	129,241	2,425
1,825,882	311,567,869	4.29%	130,533	2,387

**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
2006	246,563,207	532,768	246,030,439	4.97%	120,249	2,046
2007	361,026,455	58,321	360,968,134	6.80%	121,372	2,974
2008	356,545,836	355,119	356,190,717	6.35%	122,506	2,908
2009	336,269,989	403,845	335,866,144	5.59%	123,650	2,716
2010	331,843,730	183,371	331,660,359	5.37%	124,805	2,657
2011	319,965,302	49,695	319,915,607	5.09%	125,971	2,540
2012	302,676,189	33,913	302,642,276	4.69%	127,018	2,383
2013	319,851,384	-	319,851,384	4.76%	128,125	2,496
2014	311,556,559	-	311,556,559	4.58%	129,241	2,411
2015	309,741,987	259,739	309,482,248	4.26%	130,533	2,371

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	\$ 173,129,880	94.71%	\$ 163,971,309
Bosqueville Independent School District	7,511,667	76.98%	5,782,481
McLennan Community College	38,870,800	52.81%	20,527,669
McLennan County	10,659,825	58.41%	6,226,404
Midway Independent School District	60,243,134	53.16%	32,025,250
LaVega Independent School District	16,910,678	37.94%	6,415,911
China Spring Independent School District	18,229,303	40.06%	7,302,659
Connally Independent School District	3,481,066	18.14%	631,465
Lorena Independent School District	698,533	2.16%	15,088
McGregor Independent School District	<u>33,451</u>	0.14%	<u>47</u>
Subtotal, overlapping debt	<u>\$ 329,768,337</u>		<u>\$ 242,898,283</u>
City direct debt:			
City of Waco direct debt	\$ 86,321,896	100.00%	\$ 86,321,896
Tax increment financing	<u>370,000</u>	100.00%	<u>370,000</u>
Subtotal, direct debt	<u>\$ 86,691,896</u>		<u>\$ 86,691,896</u>
Total direct and overlapping debt	<u>\$ 416,460,233</u>		<u>\$ 329,590,179</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, 2015.

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

<u>Fiscal Year</u>		<u>Gross Revenue (1)</u>	<u>Less: Operating Expenses (2)</u>	<u>Water and Net Revenue Available for Debt Service</u>
2006	(4)	51,317,327	26,451,840	24,865,487
2007	(4)	50,713,887	28,314,942	22,398,945
2008	(4)	56,859,579	29,823,743	27,035,836
2009	(4)	57,350,687	33,138,169	24,212,518
2010	(4)	54,797,775	34,602,793	20,194,982
2011	(4)	65,111,936	34,030,334	31,081,602
2012	(4)	60,733,168	32,836,116	27,897,052
2013	(4)	62,795,257	34,036,064	28,759,193
2014	(4)	60,346,778	35,497,646	24,849,132
2015	(4)	59,514,895	36,477,205	23,037,690

(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)			
<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
8,677,542	8,270,663	16,948,205	1.47 %
8,679,361	9,399,337	18,078,698	1.24 %
9,779,139	11,912,439	21,691,578	1.25 %
11,180,464	10,895,340	22,075,804	1.10 %
11,444,691	10,469,188	21,913,879	0.92 %
10,997,337	10,431,335	21,428,672	1.45 %
11,614,658	10,078,055	21,692,713	1.29 %
11,067,045	9,203,092	20,270,137	1.42 %
10,699,857	8,698,336	19,398,193	1.28 %
11,085,000	8,363,187	19,448,187	1.18 %



**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
2006	242,397	6,731,083	27,769	26.8	4.8%
2007	244,453	7,070,657	28,924	28.0	4.3%
2008	246,735	7,398,415	29,985	27.6	4.6%
2009	249,441	7,561,888	30,315	25.3	6.7%
2010	253,837	8,014,845	31,575	28.2	7.2%
2011	255,729	8,293,469	32,431	28.4	7.4%
2012	257,111	8,665,026	33,701	29.3	6.5%
2013	259,099	8,784,419	33,904	27.7	6.1%
2014	260,430	9,203,555	35,340	27.9	5.1%
2015	N/A	N/A	N/A	N/A	4.1%

N/A Not available

**Sources:** Estimated population and personal income information provided by the Bureau of Economic Analysis' Interactive Data application. Personal income information not available at the City level. Median age provided by the 2010 U.S. Census and the 2005 through 2009 and 2011 through 2014 American Community Surveys. Unemployment rates provided by the Bureau of Labor Statistics. 2015 rate is as of October.

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

2015		
Employer	Employees	Percentage of Total City Employment
Baylor University	2,675	2.29 %
Waco Independent School District	2,500	2.14 %
Providence Healthcare Network	2,397	2.05 %
L-3 Communications	2,300	1.97 %
Hillcrest Baptist Medical Center	1,800	1.54 %
Wal-Mart Stores	1,656	1.42 %
City of Waco	1,506	1.29 %
H-E-B Stores	1,500	1.28 %
Midway Independent School District	1,067	0.91 %
Sanderson Farms, Inc.	1,041	0.89 %
	18,442	15.78 %
Total	18,442	15.78 %

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

Table XIV

2006		
Employer	Employees	Percentage of Total City Employment
Veterans Administration Medical Center - Central Texas Region	3,000	2.60 %
Baylor University	2,300	1.99 %
Waco Independent School District	2,300	1.99 %
Hillcrest Health System	1,836	1.59 %
L3 Communications Integrated Systems	1,706	1.48 %
Providence Health Systems	1,565	1.36 %
City of Waco	1,460	1.27 %
Midway Independent School District	885	0.77 %
McLennan County	880	0.76 %
Masterfoods USA (M&M Mars)	750	0.65 %
	<hr/>	<hr/>
Total	<u>16,682</u>	<u>14.46 %</u>

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

Function:	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government	128.58	129.68	132.36	132.46
Public Works	59.00	59.00	59.00	60.00
Public Safety	580.40	603.48	602.13	601.98
Culture and Recreation	183.12	187.38	186.65	184.11
Housing and Community Development	23.04	18.60	18.75	18.90
Public Health	86.54	90.60	82.93	83.93
Water	114.00	114.00	117.00	120.25
Wastewater/WMARSS	67.50	68.50	68.75	68.75
Solid Waste	97.00	99.00	98.00	101.50
Airport	11.90	12.52	16.40	16.40
Convention Services	35.45	36.13	36.13	34.88
Ranger Hall of Fame	12.88	13.50	14.50	15.50
Cameron Park Zoo	45.85	45.85	51.29	52.28
Cottonwood Creek Golf Course	22.34	15.96	15.96	15.96
Insurance/Risk Management	6.75	7.00	7.00	7.00
Engineering	27.38	26.38	26.00	26.00
Fleet Services	24.00	24.00	25.00	25.00
Total	<u>1,525.73</u>	<u>1,551.58</u>	<u>1,557.85</u>	<u>1,564.90</u>

General Government:

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

Public Works

Streets and Street Reconstruction

Public Safety

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

Culture and Recreation

Library, Parks and Recreation

Housing

Housing, Neighborhoods, Community Development

**Source:** City of Waco Budget Office

Table XV

Fiscal Year					
2010	2011	2012	2013	2014	2015
132.23	128.73	129.26	142.78	144.80	147.80
60.00	58.00	56.00	59.00	59.00	57.00
608.01	605.93	603.43	604.75	610.25	622.95
197.73	196.31	189.18	185.45	185.45	185.41
19.50	22.45	20.18	19.48	19.48	20.19
83.60	86.75	86.55	82.55	83.00	81.50
124.25	122.75	122.25	126.25	125.25	123.25
68.75	69.25	68.75	71.75	72.75	72.75
101.50	103.00	101.00	99.00	96.00	93.50
15.02	13.77	13.77	13.77	13.77	13.52
35.88	34.38	33.63	33.20	35.71	35.70
15.50	15.50	15.50	15.50	15.50	15.50
51.41	51.16	51.16	51.11	51.10	51.36
15.96	15.96	15.96	15.96	13.00	13.00
7.00	8.00	8.00	8.00	8.00	6.00
25.00	24.00	24.00	24.00	24.00	24.00
25.00	25.00	25.00	25.00	27.00	27.00
<u>1,586.34</u>	<u>1,580.94</u>	<u>1,563.62</u>	<u>1,577.55</u>	<u>1,584.06</u>	<u>1,590.43</u>

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

Function:	2006	2007	2008	2009
Public Safety				
Police				
Number of Sworn Employees - Budgeted	239	245	245	245
Number of Traffic Citations	9,712	13,289	23,212	17,804
Number of Class "C" Citations	2,195	2,558	3,404	3,790
Calls Dispatched	122,450	121,633	116,442	111,717
Fire				
Number of Sworn Employees - Budgeted	186	192	192	192
Number of Fire Responses	9,452	10,140	10,089	9,537
Public Works				
Street Resurfacing (miles)	40.30	33.61	7.25	9.82
Culture and Recreation				
Parks and Recreation				
Number of Teams in Athletic Leagues	479	424	440	383
Number of Participants in Track/Field Events	309	350	247	258
Number of Participants in After School	2,348	2,292	2,671	3,560
Library				
Volumes in Collection	300,252	305,652	319,754	331,791
E-books Available to Public	28,290	30,319	30,899	31,245
Water				
Number of Water Connections	44,928	41,623	41,752	42,391
Average Daily Water Consumption (gallons)	26,590,842	22,681,919	28,009,000	28,671,000
Maximum Storage Capacity (gallons)	42,143,000	42,143,000	42,143,000	42,143,000
Solid Waste (Residential)				
Refuse Collected (tons)	23,799	25,812	45,572	45,138
Bulky/Brush Pickups (tons)	5,703	6,496	5,162	5,614
Recyclables Collected (tons)	1,599	1,685	2,415	2,898
Golf Course				
Number of Paid Rounds Played	50,025	46,949	45,581	44,306

**Source:** City of Waco Departments

Table XVI

Fiscal Year					
2010	2011	2012	2013	2014	2015
245	245	245	246	247	247
16,556	9,676	9,632	14,439	21,995	13,626
2,805	2,413	2,793	3,203	3,042	2,432
107,825	106,233	109,216	113,593	109,718	114,494
195	195	195	195	201	204
9,383	9,257	9,657	9,565	8,893	9,424
7.98	9.60	11.50	25.20	18.33	9.96
365	353	359	330	320	283
262	292	210	305	340	311
3,478	3,586	3,758	4,060	4,391	4,941
338,316	309,439	313,596	318,633	331,674	345,903
30,962	28,321	36,609	36,664	38,994	38,936
42,722	43,078	43,297	44,336	44,912	45,042
26,221,000	32,351,000	28,107,000	28,920,000	24,035,699	27,645,000
42,143,000	42,143,000	42,143,000	42,143,000	42,143,000	42,143,000
47,658	47,512	51,257	52,890	54,477	59,596
6,452	6,956	7,940	5,847	7,381	14,397
2,859	2,580	2,619	3,011	3,302	3,422
36,838	42,824	34,760	39,894	38,232	38,571

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

Function:	2006	2007	2008
Public safety			
Police:			
Stations	1	1	1
Staffed substations	3	3	3
Patrol units - equipped for arrest use	65	65	71
Fire stations	14	14	14
Highways and streets			
Streets - paved (miles)	569	587	588
Streetlights - City-owned	2,350	2,198	2,194
Streetlights - Leased	6,236	6,743	6,849
Traffic control signals	196	195	198
Traffic beacons and flashers	98	101	101
Culture and recreation			
Parks acreage	1,234.99	1,234.99	1,234.99
Parks	44	44	44
Swimming pools	2	2	2
Tennis courts	44	44	36
Community centers	3	3	3
Water			
Water mains (miles)	847	775	927
Fire hydrants	3,486	4,650	4,739
Maximum daily capacity (thousands of gallons)	66,000	66,000	66,000
Wastewater			
Sanitary sewers (miles)	766	728	818
Storm sewers (miles)	348	357	353
Maximum daily capacity (thousands of gallons)	37,800	37,800	37,800

**Source:** City of Waco Departments

Table XVII

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
1	1	1	1	1	1	1
4	4	4	4	3	3	2
71	71	71	71	71	71	74
14	14	14	14	14	14	14
593	595	600	599	603	604	605
2,197	2,282	2,295	2,295	2,310	2,310	2,316
6,910	6,059	6,084	6,127	6,228	6,228	6,248
198	198	194	195	198	198	198
100	102	102	105	108	110	116
1,234.99	1,234.99	1,234.99	1,234.99	1,271.00	1,626.70	1,266.00
44	46	46	46	46	56	56
2	1	1	1	1	1	1
36	36	36	36	34	29	29
3	5	5	5	5	5	5
954	864	885	1,021	1,035	1,043	1,042
4,935	5,032	5,165	5,229	5,362	5,398	5,457
66,000	75,000	75,000	75,000	75,000	75,000	75,000
831	737	747	843	846	850	852
350	343	345	347	351	355	358
37,800	37,800	37,800	46,500	46,500	46,500	46,500

