

- 4.11.2 Revise the sewer use ordinance as necessary to reflect changes made to the Waco's ordinance or local limits;
- 4.11.3 Submit a revised inventory of all users within McGregor whose wastewater will be treated by WMARSS facilities;
- 4.11.4 Require a sewer user within McGregor whose wastewater is to be treated by WMARSS to execute an agreement with Waco regarding compliance with the WMARSS Pretreatment Program if the user is a Categorical Industrial User or a Significant Industrial User (SIU) as defined in the sewer use ordinance;
- 4.11.5 Provide Waco with access to all information McGregor obtains as part of its pretreatment activities;
- 4.11.6 Establish limits on the nature, quality, and volume of the municipality's wastewater at the point where it discharges to McGregor's collection system;
- 4.11.7 Allow Waco access to the facilities of users located within McGregor's jurisdictional boundaries for the purpose of inspection, sampling, and any other duties deemed necessary by Waco;
- 4.11.8 Monitor wastewater discharge; and
- 4.11.9 Execute a memorandum of agreement with Waco to implement pretreatment requirements and specify which activities, including individual wastewater discharge permit issuance, inspection and sampling, and enforcement, will be conducted by McGregor, which of these activities will be conducted by Waco, and which of these activities will be conducted jointly by McGregor and Waco.

Section 4.12. Violation of Discharge Limits. If McGregor fails to comply with the requirements of Section 4.10 or does not assist in enforcing the requirements of Section 4.10 with regard to a sewer customer, Waco will give written notice to McGregor of the failure and state a time frame within which to comply. If McGregor does not cure the failure with the specified time, Waco may terminate this agreement to provide sewer service to McGregor by giving notice and stating the effective date of the termination. McGregor may request additional time to comply, which will require McGregor and Waco entering into a Compliance Agreement setting out what McGregor is to do and a time frame for the actions.

Section 4.13. Term of Agreement for Sewer Service. The term of this Agreement for sewage treatment and disposal shall be for twenty (20) years. The Agreement may be extended for successive twenty (20) year periods by mutual agreement of the parties.

Article 5

Miscellaneous Provisions

Section 5.1. Prior Written Agreements. This Agreement is without regard to any and all prior written contracts or agreements between Waco and McGregor but to the extent this Agreement modifies, amends, or ratifies any such prior written contract or agreement

between Waco and McGregor pertaining to this subject matter, this Agreement shall govern and control.

Section 5.2. Other Services. Nothing in this Agreement shall be deemed to create, by implication or otherwise, any duty or responsibility of either of the Cities to undertake or not to undertake any other action, or to provide or to not provide any service, within the ETJ area taken or received by it, or released or transferred or otherwise ceded to it, pursuant to this Agreement, unless specifically set forth in this Agreement or in a separate written instrument executed by both Cities.

Section 5.3 Governmental Immunity. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or in equity to either of the Cities nor to create any legal rights or claim on behalf of any third party. Neither Waco nor McGregor waives, modifies, or alters to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas or laws of the United States.

Section 5.4. Quality of Service. This Agreement is not intended to and shall not be deemed to establish any requirement for, or any specific or implied standard or quality for, any level of planning or service to be provided by the Cities within the ETJ and land areas for which such City accepts jurisdiction pursuant to this Agreement. The level and quality of urban planning and services to be provided within the ETJ accepted by the Cities shall be established by their respective budgets, appropriations, resolutions, and ordinances adopted by each governing body in the exercise of its legislative discretion.

Section 5.5. Effective Date. This Agreement shall be in full force and effect as of the date of its execution by the Cities.

Section 5.6. Amendments and Modifications. This Agreement may not be amended or modified except in writing executed by both Waco and McGregor and authorized by their respective governing bodies.

Section 5.7. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, but rather this entire Agreement will be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced in accordance therewith. The Parties acknowledge that if any provision of this Agreement is determined to be invalid or unenforceable, it is their desire and intention that such provision be reformed and construed on such a manner that it will, to the maximum extent practicable, be deemed to be validated and enforceable.


Section 5.8. Exclusion. Notwithstanding any other term or provision hereof, this Agreement is not applicable to any lot, tract or parcel of land that was not, on the day immediately preceding the effective date hereof, within the corporate limits or extraterritorial jurisdiction of either Waco or McGregor.

Section 5.9. Recording of Agreement. Upon the performance of all conditions, terms, and provisions of this Agreement, thereby making the Agreement effective and enforceable, either or both Cities will have the Agreement filed in the official public records

of McLennan County, Texas, and will also file in said public records the ordinances required under the Agreement as attachments.

Section 5.10. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall be considered fully executed as of the date when all parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart.

THE CITY OF WACO, TEXAS

BY: 
Dale A. Fisseler, City Manager

Signed: 9/22/16

APPROVED AS TO FORM & LEGALITY:

 Asst City Atty For
Jennifer Richie, City Attorney

APPROVED


Wiley Stem, Deputy City Manager

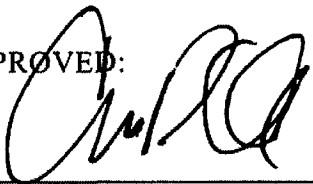
THE CITY OF MCGREGOR, TEXAS

BY: 
Kevin Evans, City Manager

Signed: 9/28/16

ATTEST: 
City Secretary

APPROVED:


Attorney for City of McGregor



600 Austin Ave., Suite 20
Waco, Texas 76701

**23.295 ACRE TRACT
LOCATED IN THE EDWIN S. NASH SURVEY, ABSTRACT 666
AND THE R. P. HAMMOCK SURVEY, ABSTRACT 1084
McLENNAN COUNTY, TEXAS**

FIELD NOTES FOR A 23.295 ACRE TRACT OF LAND LOCATED IN THE EDWIN S. NASH SURVEY, ABSTRACT 666, THE R. P. HAMMOCK SURVEY, ABSTRACT 1084, McLENNAN COUNTY, TEXAS, BEING A PORTION OF A CALLED 73.952 ACRE TRACT DESCRIBED IN A DEED TO CENTRAL PARK HOLDINGS, LLC RECORDED IN McLENNAN COUNTY CLERK'S DOCUMENT (M.C.C.D.) 2015024846 OF THE OFFICIAL PUBLIC RECORDS OF McLENNAN COUNTY, TEXAS (O.P.R.M.C.T.), BEING A PORTION OF A CALLED 30.472 ACRE TRACT DESCRIBED IN A DEED TO MCGREGOR ECONOMIC DEVELOPMENT CORPORATION RECORDED IN McLENNAN COUNTY CLERK'S DOCUMENT 2015024849 OF THE OFFICIAL PUBLIC RECORDS OF McLENNAN COUNTY, TEXAS AND BEING A PORTION OF THE RIGHT-OF-WAY OF FARM TO MARKET HIGHWAY 2188. SAID 23.295 ACRE TRACT BEING MORE PARTICULARLY SHOWN ON THE ATTACHED EXHIBIT DRAWING AND FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND IN THE WEST RIGHT-OF-WAY LINE OF F. M. HIGHWAY 2188, ALSO KNOWN AS COTTON BELT PARKWAY (100' WIDE RIGHT-OF-WAY) MARKING THE SOUTHEAST CORNER OF A CALLED 12.790 ACRE TRACT DESCRIBED IN A DEED TO TRINITY FELLOWSHIP OF CENTRAL TEXAS RECORDED IN M.C.C.D. 2015031600 OF THE O.P.R.M.C.T., SAME BEING THE MOST EASTERLY NORTHEAST CORNER OF SAID 73.952 ACRE TRACT;

THENCE N 57°28'51" E – 50.62' WITH THE EASTERLY EXTENSION OF THE NORTH LINE OF SAID 73.952 ACRE TRACT TO A POINT IN THE CENTERLINE OF SAID F. M. HIGHWAY 2188 FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 23°31'50" E – 829.30' WITH SAID CENTERLINE TO A POINT BEING AN ANGLE POINT IN THE INTERLOCAL COOPERATION AND RULE 11 AGREEMENT LINE BETWEEN THE CITY OF WACO, TEXAS AND THE CITY OF MCGREGOR, TEXAS RECORDED IN VOLUME 569, PAGE 264 OF THE O.P.R.M.C.T., SAME BEING THE NORTHEAST CORNER OF A CALLED 34.772 ACRE TRACT DESCRIBED IN THE CITY OF MCGREGOR ANNEXATION ORDINANCE RECORDED IN M.C.C.D. 2014038001 OF THE O.P.R.M.C.T.;

THENCE S 72°21'30" W – 50.27' WITH THE LINE OF SAID INTERLOCAL COOPERATION AND RULE 11 AGREEMENT LINE AND THE NORTH LINE OF SAID 34.772 ACRE TRACT TO A 1/2" IRON ROD WITH A CAP STAMPED "WALKER PARTNERS" FOUND IN THE WEST RIGHT-OF-WAY LINE OF SAID F. M. HIGHWAY 2188 MARKING THE SOUTHEAST CORNER OF SAID 30.472 ACRE TRACT;

THENCE S 72°21'30" W – 2198.16' WITH THE LINE OF SAID INTERLOCAL COOPERATION AND RULE 11 AGREEMENT, SAME BEING THE COMMON LINE OF SAID 30.472 ACRE TRACT AND SAID 34.772 ACRE TRACT TO A POINT FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT IN THE APPROXIMATE NORTH LINE OF THE R. P. HAMMOCK SURVEY, ABSTRACT 1084, AND THE APPROXIMATE SOUTH LINE OF THE ISAAC L. JACQUES SURVEY, ABSTRACT 480;

THENCE N 58°37'57" E – 765.91' ACROSS THE INTERIOR OF SAID 30.472 ACRE TRACT AND SAID 73.952 ACRE TRACT, WITH THE LINE OF SAID INTERLOCAL COOPERATION AND RULE 11 AGREEMENT, GENERALLY ALONG THE COMMON LINE OF SAID R. P. HAMMOCK SURVEY AND SAID ISAAC L. JACQUES SURVEY TO A POINT FOR ANGLE;

THENCE N 32°30'00" W – 257.22' PARTWAY ACROSS THE INTERIOR OF SAID 73.952 ACRE TRACT, PARTWAY ALONG THE COMMON LINE OF SAID 73.952 ACRE TRACT AND A CALLED 20.658 ACRE TRACT DESCRIBED IN A DEED TO THE MCGREGOR INDEPENDENT SCHOOL DISTRICT, RECORDED IN M.C.C.D. 2015024851 OF THE O.P.R.M.C.T., WITH THE LINE OF SAID INTERLOCAL COOPERATION AND RULE 11 AGREEMENT, GENERALLY ALONG THE COMMON LINE OF SAID R. P. HAMMOCK SURVEY AND SAID ISAAC L. JACQUES SURVEY TO A 1/2" IRON ROD FOUND MARKING THE SOUTHWEST CORNER OF A CALLED 26.570 ACRE TRACT DESCRIBED IN A DEED TO ROBEL REALTY, A TEXAS LIMITED PARTNERSHIP RECORDED IN VOLUME 399, PAGE 810 OF THE O.P.R.M.C.T., SAME BEING AN INSIDE ELL CORNER OF SAID 73.952 ACRE TRACT, FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 57°28'51" E – 1486.16' WITH THE COMMON LINE OF SAID 73.952 ACRE TRACT, SAID 26.570 ACRE TRACT AND SAID 12.790 ACRE TRACT GENERALLY ALONG THE COMMON LINE OF SAID R. P. HAMMOCK SURVEY AND THE W. H. MUNROE SURVEY, ABSTRACT 621 RETURNING TO THE POINT OF BEGINNING AND CONTAINING 23.295 ACRES OF LAND.

BEARINGS CITED WITHIN THIS DESCRIPTION ARE BASED ON TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, TEXAS CENTRAL ZONE ACQUIRED FROM GLOBAL POSITIONING SYSTEM OBSERVATIONS.

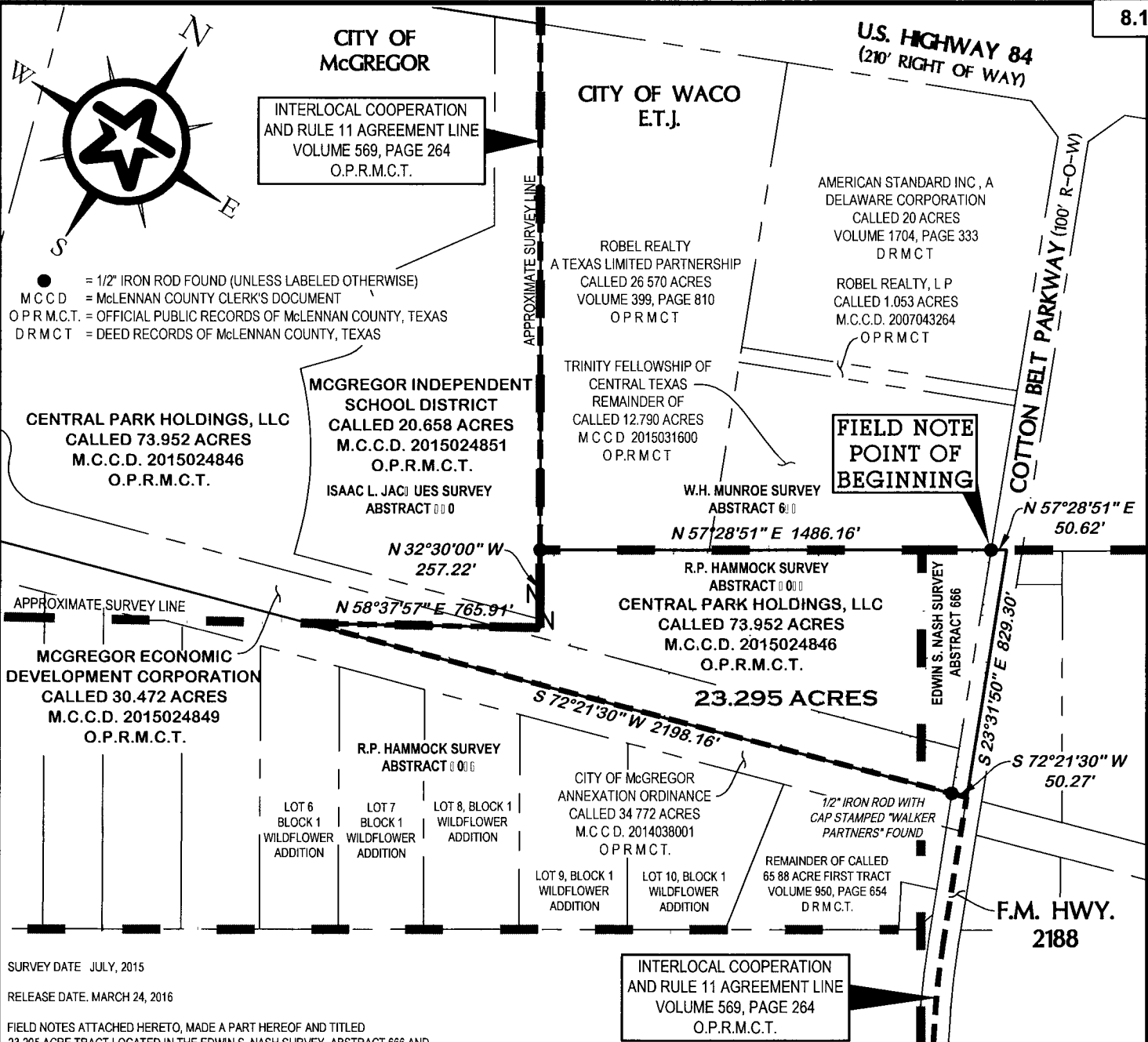
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SURVEYED: JULY, 2015
RELEASED: MARCH 24, 2016

Dana B. Spigener
DANA B. SPIGENER, F.L.S. 4809



PROJ NO. 1-02420
PLAT NO. A1-1056
FIELD NOTE NO. 21
MAP CHECKED 03-23-16



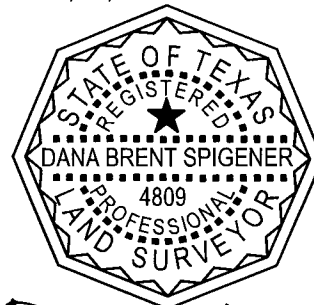
SURVEY DATE JULY, 2015
 RELEASE DATE MARCH 24, 2016

FIELD NOTES ATTACHED HERETO, MADE A PART HEREOF AND TITLED
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 THE R P HAMMOCK SURVEY, ABSTRACT 1084, McLENNAN COUNTY, TEXAS

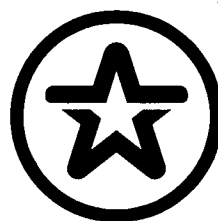
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 WAS PREPARED

EXHIBIT SHOWING
23.295 ACRES OF LAND
 LOCATED IN THE EDWIN S. NASH SURVEY, ABSTRACT 666
 AND THE R. P. HAMMOCK SURVEY, ABSTRACT 1084
 McLENNAN COUNTY, TEXAS

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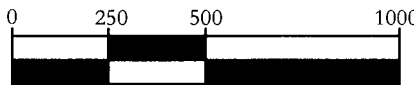


Dana B. Spigener



Walker Partners
ENGINEERS • SURVEYORS

600 AUSTIN AVENUE, SUITE 20 • WACO, TEXAS 76701
 PHONE 1-254-714-1402 • T.B.P.E. REGISTRATION NO 8053 A5-65
 T.B.P.L.S. REGISTRATION NO 10032500



GRAPHIC SCALE IN FEET

REVISIONS

NO.	DATE	DESCRIPTION

PLAT NO. A1-1056 DRAFT DATE 03/23/16 FB/PAGE NA
 PROJ. NO. 1-02420 TAB NO. EXH FIELD NOTE NO. 21
 DWG. NAME 1-02420INTERLOCAL DRAWN

PROJECTS\1-02420\DWG\1-02420INTERLOCAL.DWG, ECH, 3/24/2016 8:12:22 AM, d[...], 1:1



600 Austin Ave., Suite 20
Waco, Texas 76701

**APPROXIMATE 71.9 ACRE TRACT
IN McLENNAN COUNTY, TEXAS**

DESCRIPTION OF APPROXIMATELY 71.9 ACRES OF LAND LOCATED IN THE T.T. HEART SURVEY, ABSTRACT 433, IN McLENNAN COUNTY, TEXAS, BEING A PORTION OF THREE CALLED 52.85 ACRE TRACTS, DESCRIBED IN THE FIRST TRACT, SECOND TRACT AND THIRD TRACT, IN A DEED TO OTIS F. WALTER AND WIFE, FRIEDA AUGUSTA KOCH WALTER, RECORDED VOLUME 544, PAGE 546 IN THE DEED RECORDS OF McLENNAN COUNTY, TEXAS (D.R.M.C.T.) AND A PORTION OF THE RIGHT-OF-WAY OF FARM TO MARKET HIGHWAY 2416. SAID 71.9 ACRE TRACT BEING MORE PARTICULARLY SHOWN ON THE ATTACHED EXHIBIT DRAWING AND FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT POINT IN A LINE ESTABLISHING THE LIMITS OF THE EXTRATERRITORIAL JURISDICTIONS OF THE CITY OF WACO AND THE CITY OF MCGREGOR, DESCRIBED IN AN INTERLOCAL AGREEMENT RECORDED IN VOLUME 569, PAGE 264 IN THE OFFICIAL PUBLIC RECORDS OF McLENNAN COUNTY, TEXAS, BEING THE SOUTHWEST CORNER OF SAID FIRST TRACT DESCRIBED IN SAID DEED TO OTIS F. WALTER AND WIFE, FRIEDA AUGUSTA KOCH WALTER AND THE HEREIN DESCRIBED TRACT;

THENCE N 30°00'00" W – 1654.94' (CALCULATED DISTANCE) WITH THE WEST LINE OF SAID FIRST TRACT, TO A POINT FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 60°00'00" E – 1891.67' PARTWAY THROUGH THE INTERIOR OF SAID 52.85 ACRE TRACTS AND INTO RIGHT-OF-WAY OF F.M. HIGHWAY 2416, TO A POINT IN THE CENTERLINE OF F.M. HIGHWAY 2416 AND THE LINE DESCRIBED IN SAID INTERLOCAL AGREEMENT, FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 30°00'00" E – 1654.94' (CALCULATED DISTANCE) WITH THE CENTERLINE OF SAID F.M. HIGHWAY 2416, ALONG THE LINE DESCRIBED IN SAID INTERLOCAL AGREEMENT, TO A POINT FOR CORNER OF SAID INTERLOCAL AGREEMENT, BEING THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

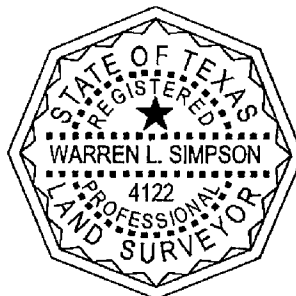
THENCE S 60°00'00" W – 1891.67' CROSSING F.M. HIGHWAY 2416, PARTWAY WITH THE EXTENSION OF THE SOUTH LINE OF SAID 52.85 ACRE TRACTS AND PARTWAY WITH SAID SOUTH LINE, RETURNING TO THE POINT OF BEGINNING AND CONTAINING APPROXIMATELY 71.9 ACRES OF LAND.

THE BEARINGS AND DISTANCES SHOWN HEREIN ARE APPROXIMATE AND ARE BASED ON DEEDS RECORDED IN VOLUME 544, PAGE 546 IN THE DEED RECORDS OF McLENNAN COUNTY, TEXAS AND VOLUME 569, PAGE 264 IN THE OFFICIAL PUBLIC RECORDS OF McLENNAN COUNTY, TEXAS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC 663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

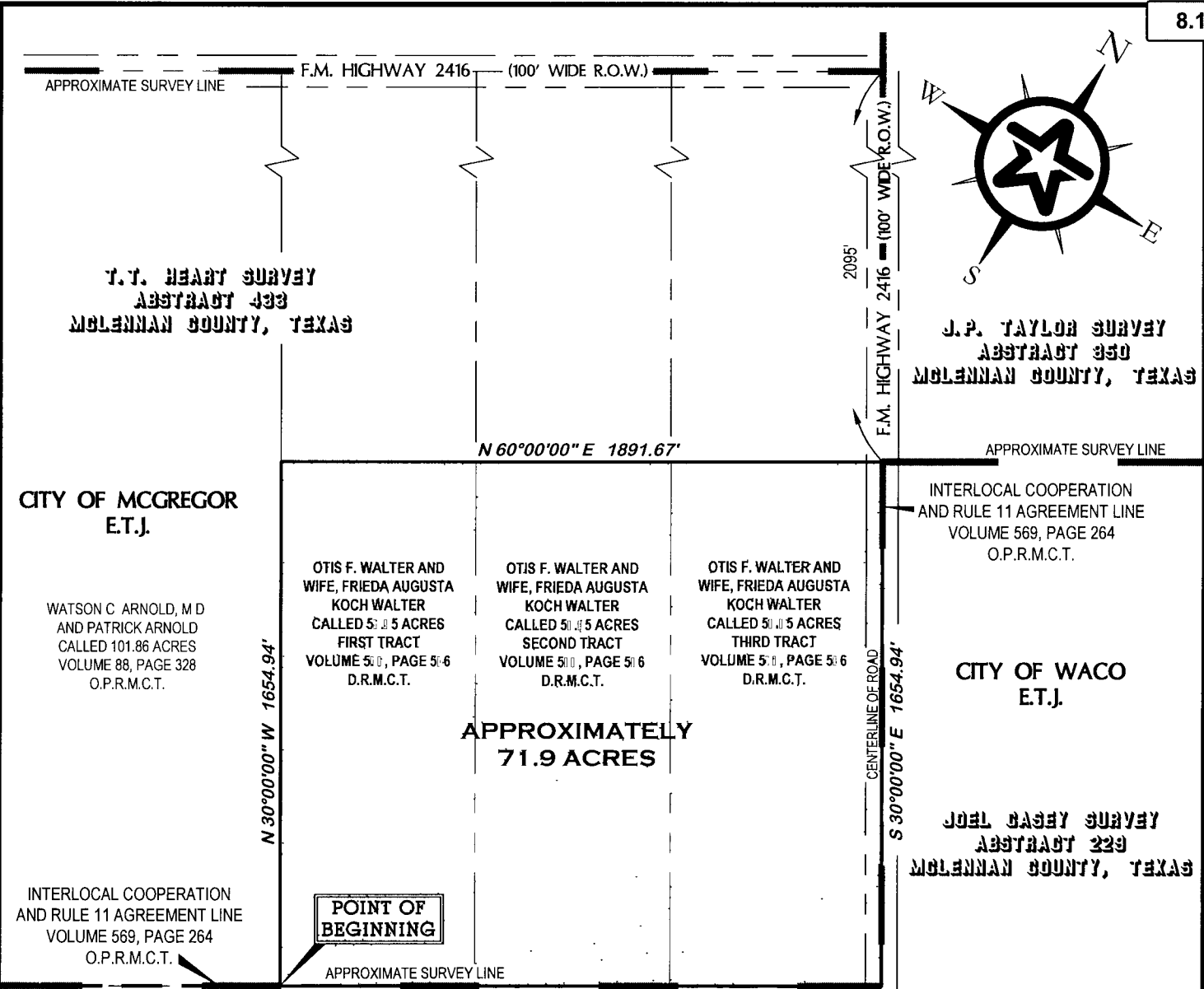
COMPILED FROM RECORD DATA MARCH 24, 2016


WARREN L. SIMPSON, R.P.L.S. 4122



PROJ NO. 1-02420
PLAT NO. A1-1057
FIELD NOTE NO. 22
MAP CHECKED: WLS

www.WalkerPartners.com



INTERLOCAL COOPERATION AND RULE 11 AGREEMENT LINE VOLUME 569, PAGE 264 O.P.R.M.C.T.

POINT OF BEGINNING

APPROXIMATELY 71.9 ACRES

INTERLOCAL COOPERATION AND RULE 11 AGREEMENT LINE VOLUME 569, PAGE 264 O.P.R.M.C.T.

CITY OF WACO E.T.J.

JOEL CASEY SURVEY ABSTRACT 229 McLENNAN COUNTY, TEXAS

CITY OF WACO E.T.J.

ARTHUR ROBY HADDEN, SR. CALLED 316.9 ACRES M.C.C.D. 2015007412 OPRMCT

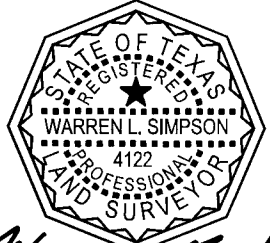
JOEL CASEY SURVEY ABSTRACT 229 McLENNAN COUNTY, TEXAS

DESCRIPTION ATTACHED HERETO, MADE A PART HEREOF AND TITLED APPROXIMATE 71.9 ACRE TRACT LOCATED IN THE T T HEART SURVEY, ABSTRACT 433, IN McLENNAN COUNTY, TEXAS.

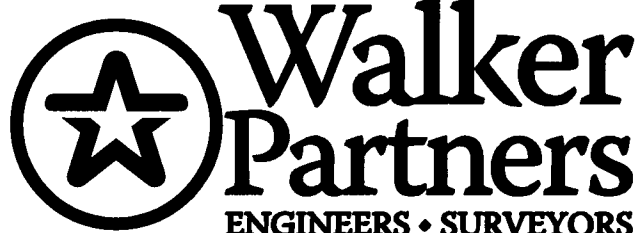
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EXHIBIT SHOWING APPROXIMATELY 71.9 ACRES OF LAND LOCATED IN THE T.T. HEART SURVEY, ABSTRACT 433, IN McLENNAN COUNTY, TEXAS

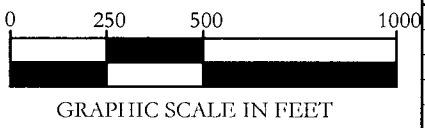
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Warren L. Simpson
WARREN L. SIMPSON, R.P.L.S.
COMPILED FROM RECORD DATA MARCH 24, 2016



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PHONE 1-254-714-1402 • T B P E REGISTRATION NO 8053
T B P L S REGISTRATION NO 10032500



REVISIONS

PLAT NO. A1-1057 DRAFT DATE 3-23-2016 FB/PAGE N/A
 PROJ. NO. 1-02420 TAB NO. EXH FIELD NOTE NO. 22
 DWG. NAME INTERLOCAL 71.9 AC DRAWN

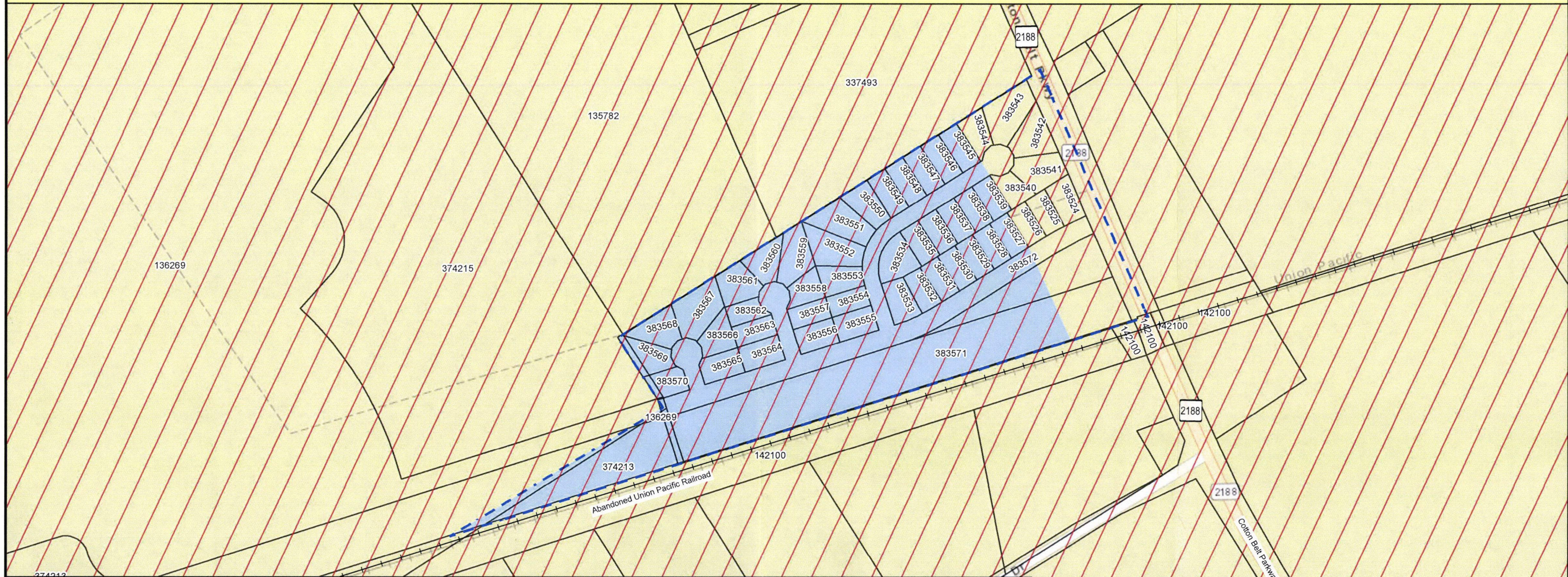
PROJECTS\1-02420\DWG\1-02420\INTERLOC\71 AC.DWG, ECH, 3/24/2016 11:24:31 AM, [Imp] 1:1



Attachment 6 – Property Owner
Information and Utility Facilities in
Requested CCN Area

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City of McGregor to Amend Water CCN No. 10033 in McLennan County, TX

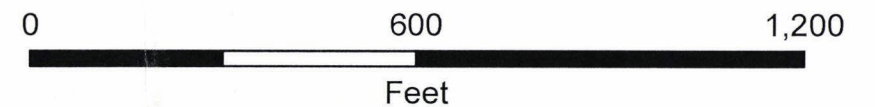


McLennan County CAD Roster for Selected/Labeled Parcels

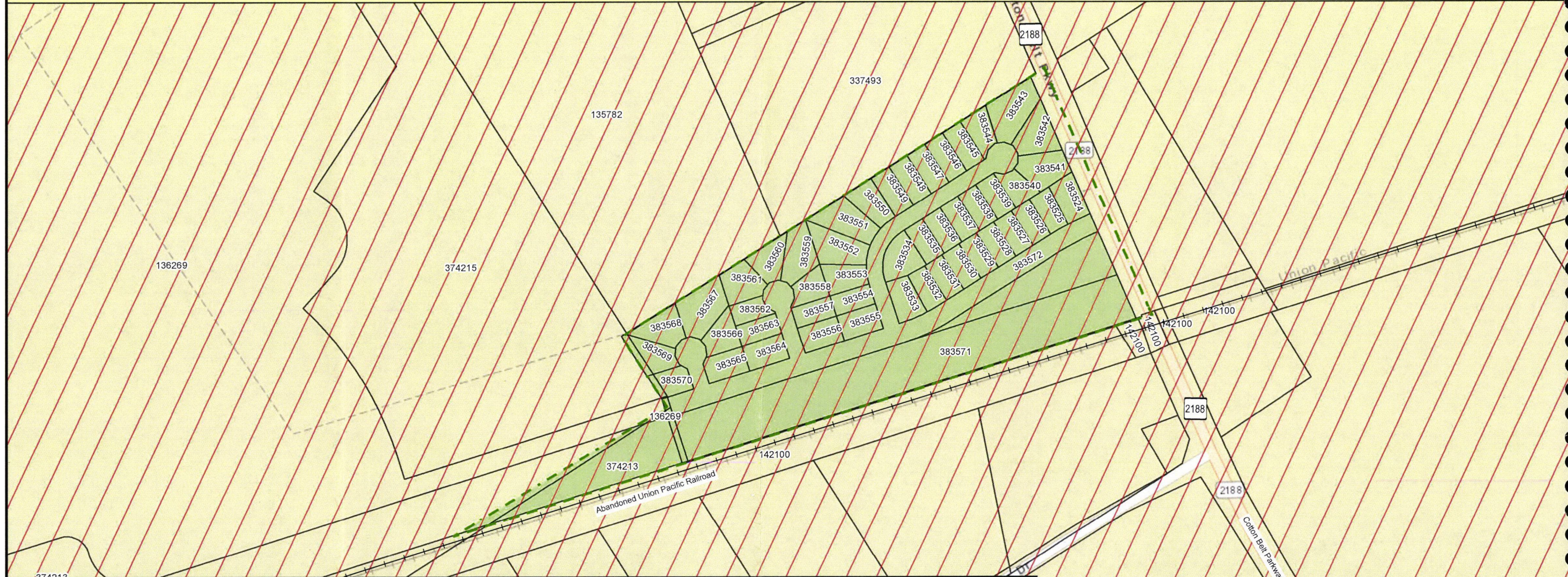
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135782			INDUSTRIAL 84 WEST LLC & 29841 W HWY 84 LLC	DL	2015040249	12/22/2015	383545	1	22	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
136269			CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383546	1	23	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
142100			CITY OF MCGREGOR	DE	2014030354	10/3/2014	383547	1	24	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
337493			TRINITY FELLOWSHIP OF CENTRAL TEXAS	DL	2015031600	10/7/2015	383548	1	25	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018
374213			MCGREGOR ECONOMIC DEVELOPMENT CORP	WD	2015024849	8/10/2015	383549	1	26	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018
374215			MCGREGOR ISD	WD	2015024851	8/10/2015	383550	1	27	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018
383524	1	1	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018	383551	1	28	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018
383525	1	2	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018	383552	1	29	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
383526	1	3	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018	383553	1	30	MAKOWSKY MILTON	DL	2018033710	9/21/2018
383527	1	4	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018035938	10/10/2018	383554	1	31	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383528	1	5	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383555	1	32	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018035001	10/2/2018
383529	1	6	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383556	1	33	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383530	1	7	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383557	1	34	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383531	1	8	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383558	1	35	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
383532	1	9	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383559	1	36	MAKOWSKY MILTON	WD	2018033719	9/21/2018
383533	1	10	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383560	1	37	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383534	1	11	AVILES ARMANDO	WD	2018043475	12/14/2018	383561	1	38	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383535	1	12	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018	383562	1	39	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018035015	10/2/2018
383536	1	13	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383563	1	40	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
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383539	1	16	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018	383566	1	43	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018
383540	1	17	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018	383567	1	44	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
383541	1	18	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018	383568	1	45	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383542	1	19	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383569	1	46	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
383543	1	20	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383571	2	1	MCGREGOR ECONOMIC DEVELOPMENT CORP & CENTRAL PARK HOLDINGS LLC	WD	2015024849	8/10/2015
383544	1	21	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383572	1	A	MCLENNAN COUNTY	PLAT	2018021865	6/29/2018

Legend

- Existing Waco Water CCN per Public Utility Commission of Texas
- Waco Water CCN which McGregor may serve under 2016 Interlocal Agreement
- McLennan CAD Parcels w/ select parcel Prop ID labels
- Requested McGregor Water CCN in Application to Amend



City of McGregor to Amend Sewer CCN No. 20009 in McLennan County, TX

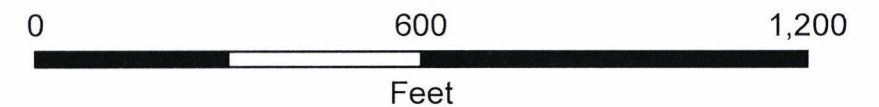


McLennan County CAD Roster for Selected/Labeled Parcels

PROPERTY ID	BLOCK NUMBER	LOT NUMBER	GRANTEE DOCUMENT	DEED TYPE	CURRENT DOCUMENT	DOCUMENT DATE	PROPERTY ID	BLOCK NUMBER	LOT NUMBER	GRANTEE DOCUMENT	DEED TYPE	CURRENT DOCUMENT	DOCUMENT DATE
135782			INDUSTRIAL 84 WEST LLC & 29841 W HWY 84 LLC	DL	2015040249	12/22/2015	383545	1	22	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
136269			CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383546	1	23	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
142100			CITY OF MCGREGOR	DE	2014030354	10/3/2014	383547	1	24	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
337493			TRINITY FELLOWSHIP OF CENTRAL TEXAS	DL	2015031600	10/7/2015	383548	1	25	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018
374213			MCGREGOR ECONOMIC DEVELOPMENT CORP	WD	2015024849	8/10/2015	383549	1	26	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018
374215			MCGREGOR ISD	WD	2015024851	8/10/2015	383550	1	27	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018
383524	1	1	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018	383551	1	28	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018
383525	1	2	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018	383552	1	29	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
383526	1	3	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018	383553	1	30	MAKOWSKY MILTON	DL	2018033710	9/21/2018
383527	1	4	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018035938	10/10/2018	383554	1	31	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383528	1	5	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383555	1	32	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018035001	10/2/2018
383529	1	6	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383556	1	33	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383530	1	7	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383557	1	34	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383531	1	8	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383558	1	35	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
383532	1	9	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383559	1	36	MAKOWSKY MILTON	WD	2018033719	9/21/2018
383533	1	10	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383560	1	37	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383534	1	11	AVILES ARMANDO	WD	2018043475	12/14/2018	383561	1	38	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383535	1	12	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018	383562	1	39	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018035015	10/2/2018
383536	1	13	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383563	1	40	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
383537	1	14	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018	383564	1	41	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383538	1	15	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383565	1	42	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015
383539	1	16	J HOUSTON HOMES LLC	DL	2018037268	10/11/2018	383566	1	43	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018
383540	1	17	JIM BLAND CONSTRUCTION CO LLC	DL	2018033717	9/21/2018	383567	1	44	J HOUSTON HOMES LIMITED LIABILITY COMPANY	DL	2018036445	10/15/2018
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383543	1	20	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383571	2	1	MCGREGOR ECONOMIC DEVELOPMENT CORP & CENTRAL PARK HOLDINGS LLC	WD	2015024849	8/10/2015
383544	1	21	CENTRAL PARK HOLDINGS LLC	WD	2015024846	8/10/2015	383572	1	A	MCLENNAN COUNTY	PLAT	2018021865	6/29/2018

Legend

- Existing Waco Sewer CCN per Public Utility Commission of Texas
- Waco Sewer CCN which McGregor may serve under 2016 Interlocal Agreement
- McLennan CAD Parcels w/ select parcel Prop ID labels
- Requested McGregor Sewer CCN in Application to Amend



City of McGregor to Amend Water CCN No. 10033 in McLennan County, TX



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Sources: Esri, HERE, DeLorme,
 OpenStreetMap contributors,
 A6-5

Legend

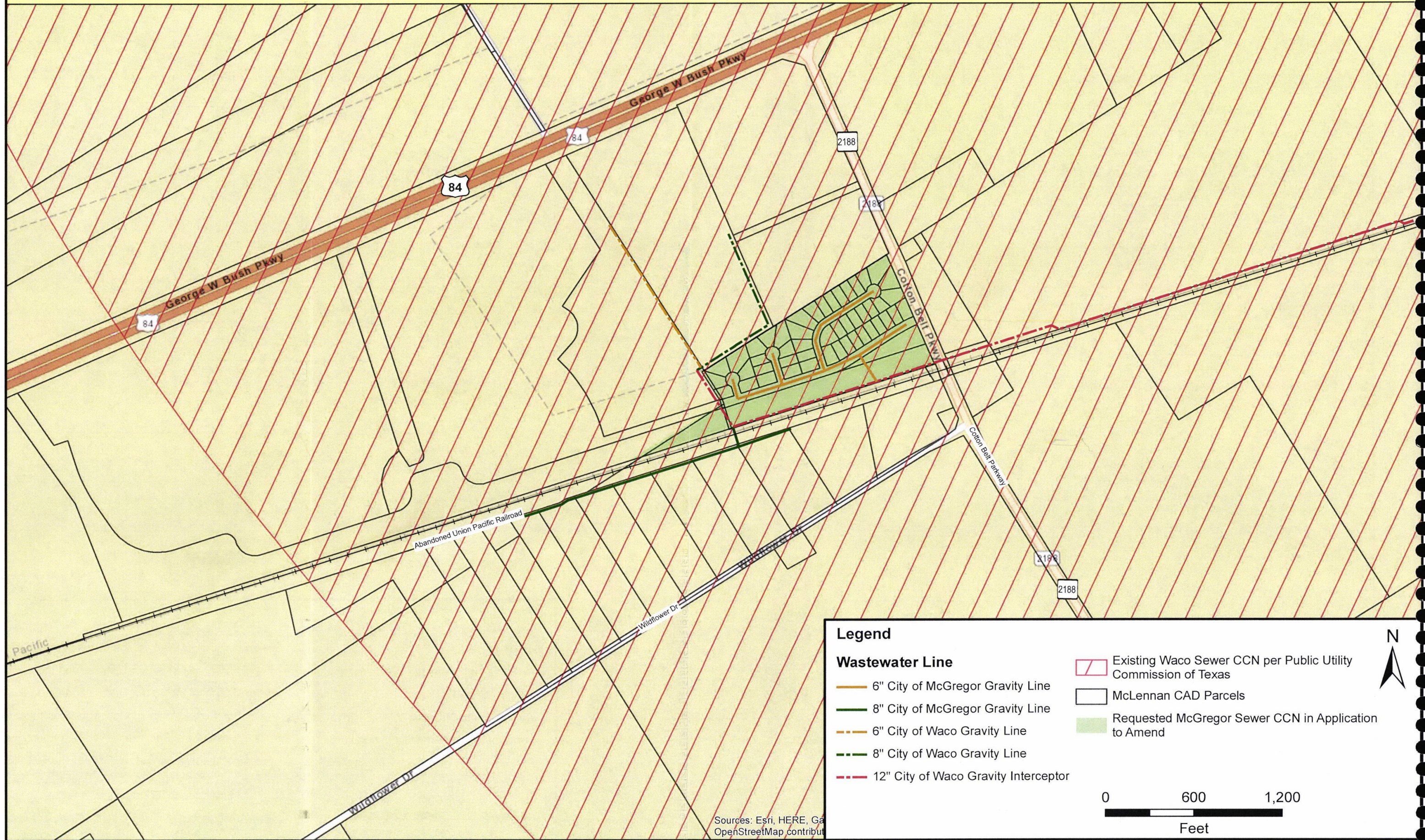
Water Line

- 3" Central Bosque WSC Distribution Line
- 4" Central Bosque WSC Distribution Line
- 6" Central Bosque WSC Distribution Line
- 8" City of Waco Distribution Line
- 16" City of Waco Transmission Line
- 6" City of McGregor Distribution Line
- 8" City of McGregor Distribution Line
- 16" Planned City of McGregor Distribution Line
- Existing Central Bosque WSC Distribution Line
- Existing Waco Water Commission of Texas
- Requested CAD Parcels
- Requested McGregor Water CCN in Application

0 1,000 2,000 Feet

N

City of McGregor to Amend Sewer CCN No. 20009 in McLennan County, TX



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Sources: Esri, HERE, Ga
OpenStreetMap contribut

Attachment 7 – Rating Report and Basic
Financial Statements (Application Part E)

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RatingsDirect®

Summary:

McGregor, Texas; General Obligation

Primary Credit Analyst:

Jim Tchou, New York (1) 212-438-3821; jim.tchou@spglobal.com

Secondary Contact:

Sarah L. Smaardyk, Dallas (1) 214-871-1428; sarah.smaardyk@spglobal.com

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Rationale

Outlook

Summary:

McGregor, Texas; General Obligation

Credit Profile

US\$2.01 mil comb tax and rev certs of oblig ser 2018 due 08/15/2038

Long Term Rating

AA-/Stable

New

Rationale

S&P Global Ratings assigned its 'AA-' long-term rating to McGregor, Texas' series 2018 combination tax and revenue certificates of obligation. The outlook is stable.

The certificates of obligation are payable from an annual ad valorem tax levied against all taxable property in the city within the limits prescribed by law. The certificates are also payable through a limited \$1,000 pledge of surplus revenue from the city's waterworks and sewer system. However, we rate the certificates based on the city's ad valorem pledge.

We understand certificate proceeds will be used to pay contractual obligations of the city to pay its portion of a water line connecting McGregor, Woodway and Waco and for waterworks and sewer system improvements.

State statutes provide for a maximum ad valorem tax rate of \$2.50 per \$100 of taxable assessed valuation (AV) for all city purposes, including a maximum \$1.50 for all general obligation (GO) debt service calculated at the time of issuance based on 90% tax collections. For fiscal 2018, the total tax rate is 59.4 cents per \$100 of AV, which includes 18.3296 cents for debt service. Due to the city's current tax rate flexibility and very strong liquidity, we do not differentiate between limited- and unlimited-tax pledges.

The rating reflects our opinion of the city's:

- Adequate economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Adequate management, with "standard" financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total-governmental-fund level in fiscal 2016;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2016 of 54% of operating expenditures;
- Very strong liquidity, with total government available cash at 51.6% of total governmental fund expenditures and 2.1x governmental debt service, and access to external liquidity we consider strong;
- Very weak debt and contingent liability position, with debt service carrying charges at 25% of expenditures and net direct debt that is 177.9% of total governmental fund revenue; and
- Strong institutional framework score.

Adequate economy

We consider McGregor's economy adequate. The city, with an estimated population of 5,200, is in McLennan County, 100 miles south of the Dallas-Fort Worth Metroplex and 80 miles north of Austin on state highway 84, about 18 miles

west of Waco. It is in the Waco MSA, which we consider broad and diverse. The city has a projected per capita effective buying income of 85.7% of the national level and per capita market value of \$70,647. Overall, market value grew by 9% over the past year to \$367.4 million in fiscal 2018. The county unemployment rate was 4% in 2016.

McGregor's economy centers on health care, paper products, construction, and public administration. The city is also home to Space Exploration (Space X) Technologies Corp., an aerospace design and manufacturing company with more than 500 employees. Officials report other leading city employers continue to expand their operations, such as C3 Customer Contact (a call center) and Derksen Portable Buildings. Despite property tax base growth, the 10 leading taxpayers account for about 34% of AV.

Adequate management

We view the city's management as adequate, with "standard" financial policies and practices under our FMA methodology, indicating the finance department maintains adequate policies in some, but not all, key areas.

Key practices include management's monthly reporting of revenue, expenditures, and investment holdings to the city council. Revenue and expenditure assumptions reflect historical trends and discussions with external sources, and we believe management accounts for increasing fixed costs when budgeting annually. McGregor lacks long-term capital and financial plans and it does not have a formal debt-management policy. Management informally targets the maintenance of at least two-to-three months of operating expenditures in reserve for cash flow.

Management recently incorporated language into its financial policies to ensure the correct calculation of additional debt-service payments. The city now requires the financial advisor and the paying agent and registrar to submit a copy of final bond cash flows, including the final amortization schedule, to the city finance director and city manager, attached to the corresponding bond ordinance adopted by the council. The city finance director will then provide written acknowledgement that debt amortization schedules provided independently by the financial advisor and paying agent and registrar match, prior to the delivery of any bonds.

Strong budgetary performance

McGregor's budgetary performance is strong, in our opinion. The city had operating surpluses of 6.6% of expenditures in the general fund and 13.9% of expenditures across all governmental funds in fiscal 2016. Our assessment accounts for the fact that we expect budgetary results could deteriorate somewhat from fiscal 2016 results in the near term.

We adjusted for recurring revenue into the general fund and total governmental funds, along with capital spending from debt proceeds. Management attributes fiscal 2016's strong performance largely to revenue exceeding budgeted expectations and expenditures underperforming. We expect fiscal 2017 to end with near break-even operations and in line with the adopted balanced budget.

For fiscal 2018, officials balanced the budget, but during the year amended it by \$247,600 for the purchase of a building. In fiscal 2016, property taxes and land leases accounted for 28% and 26% of general revenue, respectively, while sales taxes generated 18%. All revenue streams have been stable during the past three fiscal years.

Very strong budgetary flexibility

McGregor's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2016 of 54% of operating expenditures, or \$2.2 million. We expect available fund balance to remain above 30% of expenditures for the

current and next fiscal years, which we view as a positive credit factor.

We expect budgetary flexibility to remain what we consider very strong over the next two fiscal years, supported by McGregor's good history of posting operating surpluses. For fiscal year-end 2017, we expect available fund balance to remain relatively stable at roughly 47% of budgeted expenditures. Despite conservatively adopting a balanced budget for fiscal 2018, officials expect to end the fiscal year with a small surplus; therefore, we expect available fund balance to remain near its current level by fiscal year-end 2018.

Very strong liquidity

In our opinion, McGregor's liquidity is very strong, with total government available cash at 51.6% of total governmental fund expenditures and 2.1x governmental debt service in fiscal 2016. In our view, the city has strong access to external liquidity if necessary.

McGregor's access to the market over the past decade, primarily issuing tax-backed bonds over the past 20 years, demonstrates its strong access to external liquidity. The city has historically had what we consider very strong cash balances; therefore, we do not believe its cash position will likely worsen over the next two years because there are no significant plans to reduce reserves. Currently, the city holds cash in banks or invests it in state investment pools. We do not consider these holdings aggressive. We understand it does not currently have any contingent liabilities we believe would cause immediate or future liquidity pressure.

Very weak debt and contingent liability profile

In our view, McGregor's debt and contingent liability profile is very weak. Total governmental-fund debt service is 25% of total governmental fund expenditures, and net direct debt is 177.9% of total-governmental-fund revenue.

We have adjusted our calculation of debt supported through the city's enterprise fund. Overall net debt was 6.9% of market value, and about 56% of the city's debt will be retired within the next 10 years. We understand officials do not have plans to issue additional debt at this time.

McGregor's pension contributions totaled 4.6% of total-governmental fund expenditures in fiscal 2016. The city made its full annual required pension contribution in fiscal 2016.

McGregor participates in the Texas Municipal Retirement System to provide pension benefits for all employees except firefighters. Contribution rates are actuarially determined, and the city has historically contributed 100% of the annual required contribution. The pension plan's fiduciary net position as a percentage of the total pension liability was well funded at 83.7% at Dec. 31, 2015. McGregor does not offer other postemployment benefits to retirees.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

Outlook

The stable outlook reflects S&P Global Ratings' opinion that it will likely not change the rating within the next two years. We expect McGregor will likely maintain its very strong budgetary flexibility and liquidity. We also expect the city's economic indicators will continue to improve gradually as the economy expands.

Upside scenario

We could raise the rating if economic indicators were to improve to levels we consider strong, coupled with McGregor strengthening financial practices or improving debt.

Downside scenario

We could lower the rating if a weak budgetary performance were to develop without any plans in place to correct the structural imbalance, resulting in available fund balance falling below levels we consider very strong.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

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BASIC FINANCIAL STATEMENTS

From the Comprehensive Annual Financial Report

City of McGregor

Year ended September 30, 2017

by

M. Vail & Associates, P.C.

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McGregor, TX
Statement of Net Position
September 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	McGregor Economic Development Corporation
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,887,415	\$ 1,034,996	\$ 3,922,411	\$ 555,210
Cash held for capital projects	6,241,341	-	6,241,341	-
Receivables (net of allowance for uncollectibles)	832,190	521,442	1,353,632	88,638
Other current asset	1,276	-	1,276	-
Total current assets	<u>9,962,222</u>	<u>1,556,438</u>	<u>11,518,660</u>	<u>643,848</u>
Noncurrent assets:				
Land	3,491,011	793,565	4,284,576	-
Airport	-	4,968,110	4,968,110	-
Construction in progress	2,156,363	1,262,299	3,418,662	-
Water and sewer system	-	13,857,187	13,857,187	-
Other capital assets	17,561,469	3,516,035	21,077,504	-
Accumulated depreciaiton	(9,170,796)	(7,856,705)	(17,027,501)	-
Total noncurrent assets	<u>14,038,047</u>	<u>16,540,491</u>	<u>30,578,538</u>	<u>-</u>
Total assets	<u>24,000,269</u>	<u>18,096,929</u>	<u>42,097,198</u>	<u>643,848</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	154,813	67,798	222,611	-
Total deferred outflows of resources	<u>154,813</u>	<u>67,798</u>	<u>222,611</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>24,155,082</u>	<u>18,164,727</u>	<u>42,319,809</u>	<u>643,848</u>
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	449,877	202,960	652,837	16,222
Customer deposits	-	179,689	179,689	-
Internal Balances	(1,394,215)	1,394,215	-	-
Accrued interest payable	85,695	-	85,695	-
Due within one year	991,195	61,082	1,052,277	-
Total current liabilities	<u>132,552</u>	<u>1,837,946</u>	<u>1,970,498</u>	<u>16,222</u>
Noncurrent liabilities:				
Due in more than one year	16,319,371	165,131	16,484,502	-
Net pension liability	597,309	226,307	823,616	-
Total noncurrent liabilities	<u>16,916,680</u>	<u>391,438</u>	<u>17,308,118</u>	<u>-</u>
Total liabilities	<u>17,049,232</u>	<u>2,229,384</u>	<u>19,278,616</u>	<u>16,222</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	103,007	-	103,007	-
Total deferred inflows of resources	<u>103,007</u>	<u>-</u>	<u>103,007</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>17,152,239</u>	<u>2,229,384</u>	<u>19,381,623</u>	<u>16,222</u>
NET POSITION				
Net investment in capital assets	4,105,894	16,189,001	20,294,895	-
Restricted for:				
Debt Service	126,736	-	126,736	-
Special Purpose	791,260	-	791,260	-
Unrestricted	1,978,952	(253,657)	1,725,295	627,626
Total net position	<u>\$ 7,002,842</u>	<u>\$ 15,935,344</u>	<u>\$ 22,938,186</u>	<u>\$ 627,626</u>

The accompanying notes are an integral part of this statement.

McGregor, TX
Statement of Activities
For the Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Administrative services	\$ 1,157,753	\$ 324,532	\$ -	\$ -
Community services	538,399	101,102	-	-
Development services	187,700	7,364	-	-
Emergency services	1,429,388	120,773	-	-
Financial services	195,514	-	-	-
Municipal services	1,358,182	109,542	-	-
Interest on long-term debt	693,699	-	-	-
Total governmental activities	<u>5,560,635</u>	<u>663,313</u>	-	-
Business-type activities:				
Municipal Airport Funds	277,360	249,239	-	50,000
Rachael Arms Apartments Fund	126,124	102,041	-	-
Waste Water Fund	721,928	1,396,294	-	-
Water Fund	2,532,137	2,813,013	-	-
Total business-type activities	<u>3,657,549</u>	<u>4,560,587</u>	-	<u>50,000</u>
Total primary government	<u>\$ 9,218,184</u>	<u>\$ 5,223,900</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Component units:				
Economic Development Corp	\$ 558,038	\$ -	\$ -	\$ -
Total component units	<u>\$ 558,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Hotel-Motel Tax				
Franchise taxes				
Interest				
Sale of Assets				
Land lease				
Miscellaneous				
Transfers				
Total general revenues, special items, and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

The accompanying notes are an integral part of this statement.

McGregor, TX
Statement of Activities
For the Year Ended September, 2017

Net (Expense) Revenue and Changes in Net Position			Component Units
Primary Government			
Governmental Activities	Business-type Activities	Total	McGregor Economic Development Corporation
\$ (833,221)	\$ -	\$ (833,221)	\$ -
(437,297)	-	(437,297)	-
(180,336)	-	(180,336)	-
(1,308,615)	-	(1,308,615)	-
(195,514)	-	(195,514)	-
(1,248,640)	-	(1,248,640)	-
(693,699)	-	(693,699)	-
<u>(4,897,322)</u>	<u>-</u>	<u>(4,897,322)</u>	<u>-</u>
-	21,879	21,879	-
-	(24,083)	(24,083)	-
-	674,366	674,366	-
-	280,876	280,876	-
<u>-</u>	<u>953,038</u>	<u>953,038</u>	<u>-</u>
<u>(4,897,322)</u>	<u>953,038</u>	<u>(3,944,284)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (558,038)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(558,038)</u>
2,012,269	-	2,012,269	-
794,137	-	794,137	395,953
32,989	-	32,989	-
349,614	-	349,614	-
116,256	3,013	119,269	2,257
1,512	752,699	754,211	-
1,175,469	-	1,175,469	-
124,958	7,300	132,258	4,270
506,894	(506,894)	-	-
<u>5,114,098</u>	<u>256,118</u>	<u>5,370,216</u>	<u>402,480</u>
216,776	1,209,156	1,425,932	(155,558)
6,786,067	14,726,188	21,512,255	783,185
<u>\$ 7,002,843</u>	<u>\$ 15,935,344</u>	<u>\$ 22,938,187</u>	<u>\$ 627,627</u>

The accompanying notes are an integral part of this statement.

McGregor, TX
Balance Sheet
Governmental Funds
September 30, 2017

	General Fund	Debt Service Funds	Capital Project Funds	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,975,621	\$ 126,736	\$ 6,241,341	\$ 785,058	\$ 9,128,756
Property taxes receivable	64,255	28,868	-	-	93,123
Sales taxes receivable	151,276	-	-	-	151,276
Receivables (net of allowance for uncollectibles)	9,792	-	-	8,264	18,056
Due from other funds	1,394,215	-	-	-	1,394,215
Franchise taxes receivable	9,305	-	-	-	9,305
Municipal court receivable	560,428	-	-	-	560,428
Other assets	1,276	-	-	-	1,276
Total assets	<u>\$ 4,166,168</u>	<u>\$ 155,604</u>	<u>\$ 6,241,341</u>	<u>\$ 793,322</u>	<u>\$ 11,356,435</u>
LIABILITIES					
Accounts payable and other current liabilities	165,815	-	282,000	2,062	449,877
Unearned revenues	587,583	28,868	-	-	616,451
Total liabilities	<u>753,398</u>	<u>28,868</u>	<u>282,000</u>	<u>2,062</u>	<u>1,066,328</u>
FUND BALANCES					
Restricted	-	126,736	5,959,341	791,260	6,877,337
Unassigned	3,412,771	-	-	-	3,412,771
Total fund balances	<u>\$ 3,412,771</u>	<u>\$ 126,736</u>	<u>\$ 5,959,341</u>	<u>\$ 791,260</u>	<u>\$ 10,290,108</u>
Total liabilities and fund balances	<u>\$ 4,166,169</u>	<u>\$ 155,604</u>	<u>\$ 6,241,341</u>	<u>\$ 793,322</u>	<u>\$ 11,356,436</u>

The accompanying notes are an integral part of this statement.

McGregor, TX
Reconciliation of Balance Sheet
To the Statement of Net Position
September 30, 2017

Fund balances of governmental funds	\$10,290,108
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.	14,038,047
Long-term liabilities, including bonds payable, leases payable, net pension liability, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(17,907,875)
Revenues earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements	513,444
Accrued interest payable are not due in the current period and therefore are not reported in the funds	(85,695)
Deferred outflows of resources in governmental activities are not financial resources and, therefore, are not reported in the funds.	154,813
	<hr/>
Net position of governmental activities	<u>\$7,002,842</u>

The accompanying notes are an integral part of this statement.

McGregor, TX
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2017

	General Fund	Debt Service Funds	Capital Project Funds	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 1,341,426	\$ 670,843	\$ -	\$ -	\$ 2,012,269
Sales taxes	794,137	-	-	-	794,137
Franchise taxes	349,614	-	-	-	349,614
Permits and fees	48,912	-	-	-	48,912
Fines/forfeitures	306,607	-	-	8,646	315,253
Service fees	180,382	-	-	-	180,382
Administrative fees	26,516	-	-	-	26,516
Recreation fees	45,098	-	-	-	45,098
Donations	304	-	-	-	304
Interest earnings	7,135	941	76,576	31,605	116,257
Land leases	1,175,469	-	-	-	1,175,469
Miscellaneous income	93,492	-	-	29,600	123,092
Sale of Assets	1,512	-	-	-	1,512
Hotel-Motel Tax	-	-	-	32,989	32,989
Total revenues	<u>4,370,604</u>	<u>671,784</u>	<u>76,576</u>	<u>102,840</u>	<u>5,221,804</u>
EXPENDITURES					
Current:					
Administrative services	881,387	1,150	-	21,000	903,537
Community services	477,548	-	-	33,504	511,052
Development services	137,662	-	6,914	43,124	187,700
Emergency services	1,307,839	-	-	-	1,307,839
Financial services	195,514	-	-	-	195,514
Municipal services	951,885	-	60,030	-	1,011,915
Debt service:					
Administrative charges	-	-	97,433	-	97,433
Interest	-	673,075	-	-	673,075
Principal retirement	40,000	713,858	-	-	753,858
Capital outlay:					
Administrative services	338,919	-	-	-	338,919
Community services	80,445	-	-	4,977	85,422
Emergency services	108,433	-	-	-	108,433
Municipal services	47,955	-	1,846,320	-	1,894,275
Total expenditures	<u>4,567,587</u>	<u>1,388,083</u>	<u>2,010,697</u>	<u>102,605</u>	<u>8,068,972</u>
Excess (deficiency) of revenues over expenditures	<u>(196,983)</u>	<u>(716,299)</u>	<u>(1,934,121)</u>	<u>235</u>	<u>(2,847,168)</u>
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	2,635,000	-	2,635,000
Premium on bond issuance	-	-	162,433	-	162,433
Transfers out	(173,540)	-	(1,768,481)	-	(1,942,021)
Transfers in	1,568,574	706,801	-	173,540	2,448,915
Total other financing sources (uses)	<u>1,395,034</u>	<u>706,801</u>	<u>1,028,952</u>	<u>173,540</u>	<u>3,304,327</u>
Net change in fund balances	1,198,051	(9,498)	(905,169)	173,775	457,159
Fund balances - beginning	2,214,719	136,235	6,864,511	617,484	9,832,949
Fund balances - ending	<u>\$ 3,412,770</u>	<u>\$ 126,737</u>	<u>\$ 5,959,342</u>	<u>\$ 791,259</u>	<u>\$ 10,290,108</u>

The accompanying notes are an integral part of this statement.

McGregor, TX
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances to the Statement of Activities
 For the Year Ended September 30, 2017

Net change in fund balances - total governmental funds	\$457,159
Amounts reported for governmental activities in the statement of net position are different because:	
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 the depreciation (\$635,868) was less than the increase in capital assets (\$2,427,050) in the current period.	1,791,182
The issuance of long-term debt 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, as expenditures, 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,018,843)
Pension related 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.	(11,183)
Certain revenues and expenditures in the government-wide statement of activities that do not use or provide current financial resources are not reported as revenues and expenditures in the governmental funds.	(1,538)
Change in net position of governmental activities	\$216,777

The accompanying notes are an integral part of this statement.

McGregor, TX
Statement of Net Position
Proprietary Funds
September 30, 2017

	Business-type Activities				Total Enterprise Funds
	Water Fund	Waste Water Fund	Municipal Airport Funds	Rachael Arms Apartments Fund	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 426,577	\$ -	\$ 608,419	\$ -	\$ 1,034,996
Receivables (net of allowance for uncollectibles)	322,168	194,398	4,875	-	521,441
Total current assets	748,745	194,398	613,294	-	1,556,437
Noncurrent assets:					
Land	46,170	187,867	559,527	-	793,564
Construction in progress	734,171	528,128	-	-	1,262,299
Water and sewer system	7,581,276	6,275,912	-	-	13,857,188
Airport	-	-	6,574,095	-	6,574,095
Other capital assets	324,796	667,732	917,522	-	1,910,050
Less: accumulated depreciation	(3,813,489)	(1,400,907)	(2,642,310)	-	(7,856,706)
Total noncurrent assets	4,872,924	6,258,732	5,408,834	-	16,540,490
Total assets	5,621,669	6,453,130	6,022,128	-	18,096,927
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources	36,188	26,325	5,284	-	67,797
Total deferred outflows of resources	36,188	26,325	5,284	-	67,797
Total assets and deferred outflows of resources	5,657,857	6,479,455	6,027,412	-	18,164,724
LIABILITIES					
Current liabilities:					
Accounts payable and other current liabilities	175,340	23,207	4,413	-	202,960
Customer and tenant deposits	170,189	-	9,500	-	179,689
Compensated absences - current	9,619	2,590	2,152	-	14,361
Notes payable - current	-	-	30,022	-	30,022
Capital lease-current	8,350	8,350	-	-	16,700
Due to other funds	696,515	697,700	-	-	1,394,215
Total current liabilities	1,060,013	731,847	46,087	-	1,837,947
Noncurrent liabilities:					
Net pension liability	127,891	78,717	19,699	-	226,307
Notes payable	-	-	128,618	-	128,618
Compensated absences	16,934	1,718	352	-	19,004
Capital lease-long term	8,755	8,755	-	-	17,510
Total noncurrent liabilities	153,580	89,190	148,669	-	391,439
Total liabilities	1,213,593	821,037	194,756	-	2,229,386
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	1,213,593	821,037	194,756	-	2,229,386
NET POSITION					
Net investment in capital assets	4,697,180	6,241,627	5,250,194	-	16,189,001
Unrestricted	(252,913)	(583,208)	582,464	-	(253,657)
Total net position	\$4,444,267	\$ 5,658,419	\$ 5,832,658	\$ -	\$15,935,344

The accompanying notes are an integral part of this statement.

McGregor, TX
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2017

	Business-type Activities				
	Water Fund	Waste Water Fund	Municipal Airport Funds	Rachael Arms Apartments Fund	Total Enterprise Funds
OPERATING REVENUES					
Service fees	\$ 1,245	\$ -	\$ -	\$ -	\$ 1,245
Leases/rentals	-	-	33,652	-	33,652
Water sales	2,307,666	-	-	-	2,307,666
Sewer charges	-	1,365,339	-	-	1,365,339
Solid waste	361,379	-	-	-	361,379
Hangar rent	-	-	175,420	-	175,420
Flowage fees	-	-	18,447	-	18,447
Apartment rent	-	-	-	88,775	88,775
Penalties and late charges	56,424	24,025	-	122	80,571
Tap fees	3,300	1,200	-	-	4,500
Miscellaneous income	90,299	5,730	21,721	13,144	130,894
Total operating revenues	<u>2,820,313</u>	<u>1,396,294</u>	<u>249,240</u>	<u>102,041</u>	<u>4,567,888</u>
OPERATING EXPENSES					
Salaries and benefits	463,841	175,183	68,061	37,979	745,064
Supplies and maintenance	138,835	129,810	7,772	16,042	292,459
Contractual services	1,571,549	152,380	21,450	11,025	1,756,404
Utilities	115,867	82,779	7,754	61,078	267,478
Miscellaneous expenses	1,399	234	-	-	1,633
Depreciation	239,247	180,142	167,226	-	586,615
Total operating expenses	<u>2,530,738</u>	<u>720,528</u>	<u>272,263</u>	<u>126,124</u>	<u>3,649,653</u>
Operating income (loss)	<u>289,575</u>	<u>675,766</u>	<u>(23,023)</u>	<u>(24,083)</u>	<u>918,235</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	2,984	-	28	-	3,012
Interest expense	(1,400)	(1,400)	(5,097)	-	(7,897)
Sale of Assets	-	-	-	752,699	752,699
Total nonoperating revenues (expenses)	<u>1,584</u>	<u>(1,400)</u>	<u>(5,069)</u>	<u>752,699</u>	<u>747,814</u>
Income (loss) before contributions and transfers	<u>291,159</u>	<u>674,366</u>	<u>(28,092)</u>	<u>728,616</u>	<u>1,666,049</u>
Capital contributions	-	-	50,000	-	50,000
Transfers in	734,171	1,034,310	-	-	1,768,481
Transfers out	(275,074)	(555,727)	-	(1,444,574)	(2,275,375)
Change in net position	<u>750,256</u>	<u>1,152,949</u>	<u>21,908</u>	<u>(715,958)</u>	<u>1,209,155</u>
Total net position - beginning	<u>3,694,011</u>	<u>4,505,470</u>	<u>5,810,750</u>	<u>715,958</u>	<u>14,726,189</u>
Total net position - ending	<u>\$4,444,267</u>	<u>\$ 5,658,419</u>	<u>\$ 5,832,658</u>	<u>\$ -</u>	<u>\$15,935,344</u>

The accompanying notes are an integral part of this statement.

McGregor, TX
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds				Total Enterprise Funds
	Water	Wastewater	Municipal Airport	Rachael Arms Apartments	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customer	\$2,793,758	\$ 1,352,189	\$ 244,365	\$ 143,133	\$4,533,445
Payments to employees	(448,836)	(173,469)	(67,949)	(47,724)	(737,978)
Payments from (to) interfund	(235,483)	(210,465)	-	-	(445,948)
Payments to suppliers	(1,705,596)	(349,019)	(48,195)	(111,651)	(2,214,461)
Net cash provided by operating activities	<u>403,843</u>	<u>619,236</u>	<u>128,221</u>	<u>(16,242)</u>	<u>1,135,058</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	734,171	1,034,310	-	-	1,768,481
Transfer to other funds	(275,074)	(555,727)	-	(1,444,574)	(2,275,375)
Net cash (used) by Noncapital financing	<u>459,097</u>	<u>478,583</u>	<u>-</u>	<u>(1,444,574)</u>	<u>(506,894)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital grants	-	-	50,000	-	50,000
Acquisition of capital assets	(853,758)	(1,088,639)	(83,937)	-	(2,026,334)
Principal and interest paid on capital debt	(9,182)	(9,180)	(34,204)	-	(52,566)
Net cash (used) by capital and related financing activities	<u>(862,940)</u>	<u>(1,097,819)</u>	<u>(68,141)</u>	<u>-</u>	<u>(2,028,900)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of asset	-	-	-	829,081	829,081
Investment income	2,984	-	28	-	3,012
Net cash provided by investing activities	<u>2,984</u>	<u>-</u>	<u>28</u>	<u>829,081</u>	<u>832,093</u>
Net Increase (decrease) in cash and cash equivalents	2,984	-	60,108	(631,735)	(568,643)
Cash and cash equivalents - beginning	423,593	-	548,311	631,735	1,603,639
Cash and cash equivalents - ending	<u>\$ 426,577</u>	<u>\$ -</u>	<u>\$ 608,419</u>	<u>\$ -</u>	<u>\$1,034,996</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	289,575	675,766	(23,023)	(24,083)	918,235
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	239,247	180,142	167,226	-	586,615
Changes in assets and Liabilities:					
Increase (decrease) in accounts payable	109,642	16,184	(11,619)	(6,706)	107,501
Increase (decrease) in net pension liability	(22,631)	(9,172)	(4,123)	(16,002)	(51,928)
Increase (decrease) in compensated absences	10,069	(287)	(788)	(611)	8,383
(Increase) decrease in customer receivables	(26,555)	(44,105)	(4,875)	41,092	(34,443)
(Increase) decrease in deferred outflows of resources	27,567	11,173	5,023	6,868	50,631
Increase (decrease) in other operating payables	(223,071)	(210,465)	400	(16,800)	(449,936)
Net cash provided by operating activities	<u>\$ 403,843</u>	<u>\$ 619,236</u>	<u>\$ 128,221</u>	<u>\$ (16,242)</u>	<u>\$1,135,058</u>

The accompanying notes are an integral part of this statement.