

CITY OF
Wichita Falls
TEXAS

**Comprehensive
Annual
Financial Report**

Year Ended September 30, 2019



CITY OF WICHITA FALLS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

ISSUED BY:
DEPARTMENT OF FINANCE

CITY OF WICHITA FALLS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2019

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INTRODUCTORY SECTION



FINANCE DEPARTMENT

March 30, 2020

The Honorable Mayor,
Members of the City Council,
City Manager and Citizens of Wichita Falls, Texas

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Wichita Falls, Texas for the fiscal year ended September 30, 2019, together with the opinion of our independent certified public accountants, Edgin, Parkman, Fleming & Fleming, PC, whose report is included. The Finance Department prepared this report to present the financial position of the City. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles and meet the requirements of the State of Texas and the City Charter.

Management assumes full responsibility for the completeness, fairness and reliability of the information contained in this report, based on a comprehensive framework of internal controls established for this purpose. We believe the data presented here is accurate in all material aspects; it is presented to fairly set forth the financial position and results of operation of the City, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain understanding of the City's financial activities have been included.

Edgin, Parkman, Fleming & Fleming, PC, issued an unmodified opinion on the City's financial statements for the year ended September 30, 2019. The Independent Auditor's Report may be found on page 1 of this document.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report in this document. The MD&A provides additional detail and a narrative overview and analysis of the financial statements. It should be read in conjunction with the Basic Financial Statements and the Notes to the Basic Financial Statements.

CITY OF WICHITA FALLS PROFILE

The City of Wichita Falls is located in the south-central United States in north-central Texas. The City was incorporated in 1889, and now encompasses 70.1 square miles. The 2019 population for Wichita Falls, as estimated by the City, is 104,576, an increase of 0.02% from the 2010 Census estimates, and an increase of 0.36% over the 2000 population.

Wichita Falls is linked to major southwestern, western, and mid-western cities by Interstate 44, U.S. Highways 82, 281, 277, 287, and Texas State Route 79. The city is approximately 130 miles northwest of the Dallas/Fort Worth Metroplex, 15 miles from the Red River that marks the Texas/Oklahoma border, and 125 miles south of Oklahoma City. The city is located in the cross-timbers area of the gently rolling north-central plains and is dissected by the Wichita River. Due to the city's geographic location, Wichita Falls serves as a regional economic hub for north Texas and south central Oklahoma. Wichita Falls is the county seat of Wichita County and the major population center in North Texas.

The economy is based on mineral production, retail trade, manufacturing, agribusiness, and government installations. Principal sources of agricultural income include cattle, cotton and wheat. Wichita Falls is home to Sheppard Air Force Base (SAFB), which operates the Euro-NATO jet pilot training program. Through Sheppard's Euro-NATO Joint Jet Pilot Training program, Wichita Falls has a significant international flavor. The program is utilized by seventeen different NATO countries for the finest fighter pilot training in the world.



(Bike race)

The city's major university is Midwestern State University (MSU). The city is also home to a branch of Vernon College, a fully accredited community college. Principal manufacturers within the area include metal fabrication, industrial and commercial equipment, engine components, flexible packaging, and assorted plastic, glass and fiberglass. North Texas State Hospital-Wichita Falls Branch, Midwestern State University, James V. Allred Prison and Sheppard Air Force Base are also large employers located within the city. The City operates a Multi-Purpose Events Center (MPEC), which includes a coliseum, exhibit hall, and an agricultural arena/show barn.

CITY SERVICES AND ORGANIZATION OF THE GOVERNMENT

The City of Wichita Falls is a Council-Manager form of government, organized under the Constitution and Laws of the State of Texas. The City Council is comprised of five members elected from separate districts, one member at large and an elected Mayor. The City Council appoints the City Manager, City Attorney, Municipal Court Judge and City Clerk. All other staff members work under the direction of the City Manager.

The City provides a full range of municipal services to the community. These services include public safety, fire protection, public works, health and welfare, parks and recreation, cemeteries, library, public improvement, engineering, planning and zoning, and general administrative services. As part of public works services, the City provides water, sewer, and sanitation for its citizens. The City also provides a full range of transportation options, including bus service, a regional airport, and a trolley.

All funds included within the Financial Section of this report are considered to be financially accountable by the City and its elected and appointed officials. The financial statements of the City include all governmental activities, business-type activities, organizations, and functions as required by generally accepted accounting principles. The criteria considered in determining which activities are reported include: the organization's legal status, appointment of the organization's boards, the City's ability to impose its will on the organization, the ability to impose a financial benefit/burden on the City, and fiscal dependency by the organization on the City. The criteria used by the City for including activities in preparing its financial statements are in conformity with Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity," as amended by Statement 61.

ECONOMIC CONDITION AND ACTIVITY

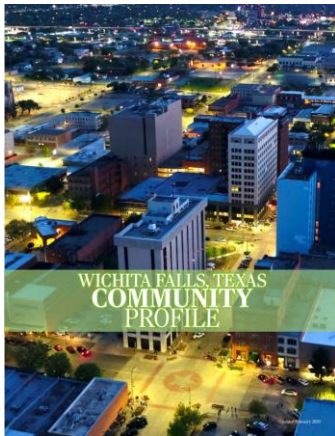
Over the past few decades, Wichita Falls has successfully diversified its economy to include new manufacturing, government, medical services, retail and service related commerce. This diversification is in addition to the more typical North Texas industries of agriculture, and oil and gas production. The Wichita Falls Metropolitan Statistical Area (MSA) houses a robust manufacturing sector, with many companies having employment in excess of 100 persons. The MSA is a metropolitan area in North Texas, which covers three counties, Archer, Clay and Wichita. The 2017-estimated population of the area is 151,230 according to the Texas Comptroller.

The Gross Domestic Product of the Wichita Falls, TX MSA expanded 4.6% in 2018 to a total of \$5,818,084,000. Of the sectors in the area, manufacturing contributed the largest portion of GDP in 2017 to total \$713,729,000. The next largest contributors to GDP were healthcare and social assistance at \$698,783,000, retail trade at \$541,523,000 and unclassified at \$491,077,000. The City of Wichita Falls acts as the economic hub for the MSA and an additional area covering 60 square miles. As such, the City's manufacturing, healthcare, and retail opportunities play a large role in this area of North Texas.



(United Healthcare Facility)

In 1998, voters in Wichita Falls approved a ½-cent economic development sales tax. Since that time, the Wichita Falls Economic Development Corporation (WFEDC) has approved \$69 million for 81 projects in the community. Some of these projects, which occurred in the current or prior year, are discussed in detail later in this letter. For more information about these projects, the reader is encouraged to visit the City of Wichita Falls Chamber of Commerce website at <https://fallsfuture.com/>, where you will also find the Wichita Falls, Texas, Community Profile.



(Chamber of Commerce, Community Profile)

The passage of the sales tax for economic development created two separate corporations, the WFEDC, referred to as a 4A Corporation and the 4B Sales Tax Corporation. The 4A Corporation was created to fund industrial development projects, manufacturing, research, and development. These funds may be used to fund military base realignment, job training classes and public transportation. The 4B Corporation may fund all projects the 4A Corporation may fund, in addition to parks, museums, sports facilities, conference facilities and affordable housing opportunities. Sales tax collected in accordance with the voter approved ½-cent economic development sales tax totaled \$8,303,958, and is divided evenly between the two separate sales and economic development corporations for a total of \$4,151,979 each. These corporations are discretely presented component units of the City. A further discussion of component units may be found in the Notes to the Basic Financial Statements, beginning on page 28 of this document.

Revenue for operations comes from many sources, the largest of which are property and sales taxes. The City's property tax rate during the 2018-19 fiscal year was 0.72998 cents per \$100 of assessed value. This property tax rate generated approximately \$37.9 million in revenues for the general operation of the City. The City receives 2.0% of the sales tax collected within City limits. During the 2018-19 fiscal year, the City collected \$24.9 million in sales taxes for general operations. As mentioned previously, these collections do not include the sales tax which is collected, and directed, to the City's discretely presented component units as those funds are voter approved for a specific and dedicated purpose, outside of general city use.

FINANCIAL INFORMATION & FINANCIAL POLICY

A further discussion of the City's Financial Policies may be found in the Notes to the Basic Financial Statements included in this document beginning on page 28. The City's primary financial direction begins with the City's Charter, which is then used as the basis for all financial policies the City implements. The City maintains financial policies for general operations which include policies for

financial management and fund balances, budget compliance, debt issuance and management, accounts payable, water service, and purchasing among others.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal control as deemed appropriate by the City Manager. Internal control is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by the City Manager.

All internal control evaluations occur within the above framework. The City believes that its internal control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The Annual Operating Budget is proposed by the City Manager and approved by the City Council following public discussion. Budgetary control is maintained at the department and fund level by the Finance Department through use of an integrated financial technology solution. Purchase orders which result in an overrun of class level balances are not released until additional appropriations are made available. In instances when budgetary transfers are necessary, management control of the operating budget is maintained at the fund and department level. Transfers within a department of the same fund must be approved by the City Manager. Transfers across departments or funds must be approved by the City Council.

Unencumbered appropriation balances lapse at year-end and are not carried forward to new budget periods. Open encumbrances are reported as reservations of fund balance at September 30, 2019, and related appropriations are carried forward to the new fiscal year through a supplemental budgetary allocation.

In September 2012, the City adopted a fund balance policy for the General Fund, Water/Sewer Fund, and the Sanitation Fund. The policy requires the City to maintain at least 20% of expenditures in unassigned fund balance in the General Fund, 17% of expenditures (less debt service expenses) in the Water/Sewer Fund, and 15% of expenditures in the Sanitation Fund. If funds fall below these percentages, plans are to be put into place to replenish fund balance. These financial statements reflect that the policy has been followed in the General Fund, Water/Sewer Fund, and the Sanitation Fund.

The City also maintains an informal policy to limit tax supported debt to no more than 5% of total assessed property value or \$1,500 per capita. As of September 30, 2019, the City's tax supported debt, funded with ad valorem taxes, was approximately \$53.5 million, which is 1.09% of the taxable value of property. As of August 2018, the City's tax supported debt was \$954 per capita, as reported by the Texas Bond Review Board.

The table below, provided by the Texas State Comptroller, compares the total per capita tax supported debt of the City of Wichita Falls to other similarly sized cities as of August, 2018 (the most recent reporting available).

City Name	Tax Supported Debt		Population
	Outstanding	Outstanding Per Capita	
College Station	322,495,000.00	2,775.00	116,218.00
League City	218,570,000.00	2,057.00	106,244.00
Beaumont	208,180,000.00	1,758.00	118,428.00
San Angelo	173,890,000.00	1,735.00	100,215.00
Wichita Falls	99,720,000.00	954.00	104,576.00
Allen	87,420,000.00	846.00	103,383.00
Lewisville	80,545,000.00	756.00	106,586.00
Edinburg	49,605,000.00	503.00	98,665.00
The Woodlands Township	34,440,000.00	294.00	117,305.00
Tyler	-	-	105,729.00

(Source: DAAG, Texas State Comptroller, City of Wichita Falls. <https://comptroller.texas.gov/transparency>)

GENERAL GOVERNMENTAL FUNCTIONS

All eligible property within the City is subject to assessment, levy and collections of a continuing, direct ad valorem tax. The City may levy taxes only in accordance with the budget. The tax rate consists of two components, the amount of taxes to pay maintenance and operation expenditures, and the amount of taxes to pay debt service.

During the 86th Texas State legislative session, Senate Bill 2 passed. It makes numerous changes to the process for adopting property tax rates and limits increases in the operations and maintenance property rates.

Senate Bill 2 also includes provisions, which require a local government, when adopting a tax rate over the “voter approval tax rate”, to give notice of, and to hold, a mandatory election. Notice must be given, at minimum, 78 days prior to the November election. These changes have affected local government budget creation and reporting in Texas.

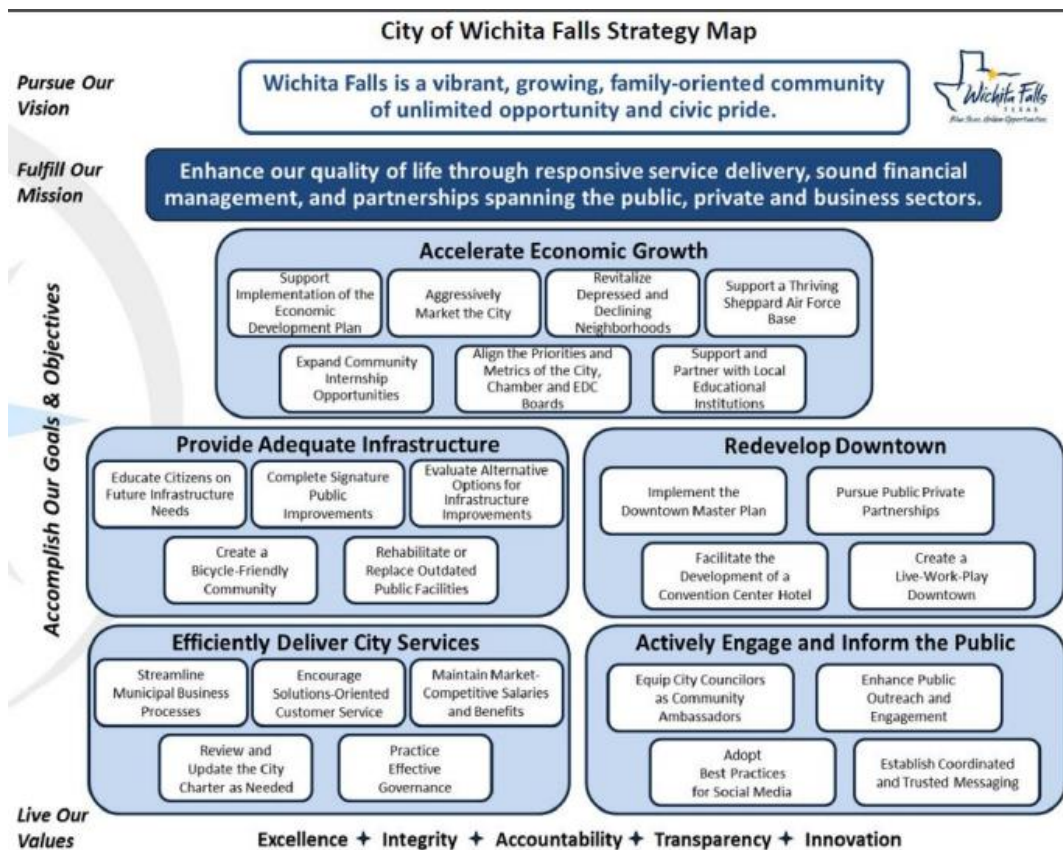
A comparison of property tax rates over the past five years follows:

Component	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Maintenance & Operations	0.72157	0.68710	0.68781	0.69077	0.69023
Debt Service	0.04175	0.04278	0.01817	0.01521	0.01575
Total Property Tax Rate Per \$100 of Assessed Value	0.76332	0.72988	0.70598	0.70598	0.70598

MAJOR INITIATIVES

PAST YEAR:

In October 2017, the City Council continued to address a strategic goal to “Redevelop Downtown” by hiring a professional services firm to evaluate the needs for revitalization of the area and to make recommendations for improvements. In January of 2019, the City Council updated the strategic plan and revised the strategy map. The five strategic goals identified are to Accelerate Economic Growth, Provide Adequate Infrastructure, Redevelop Downtown, Efficiently Deliver City Services, and Actively Engage and Inform the Public. Each of these goals have multiple objectives to assist city staff with the overall strategy to meet the vision, mission, and values of the City of Wichita Falls.



(City of Wichita Falls, Strategy Map. Available at wichitafallstx.gov)

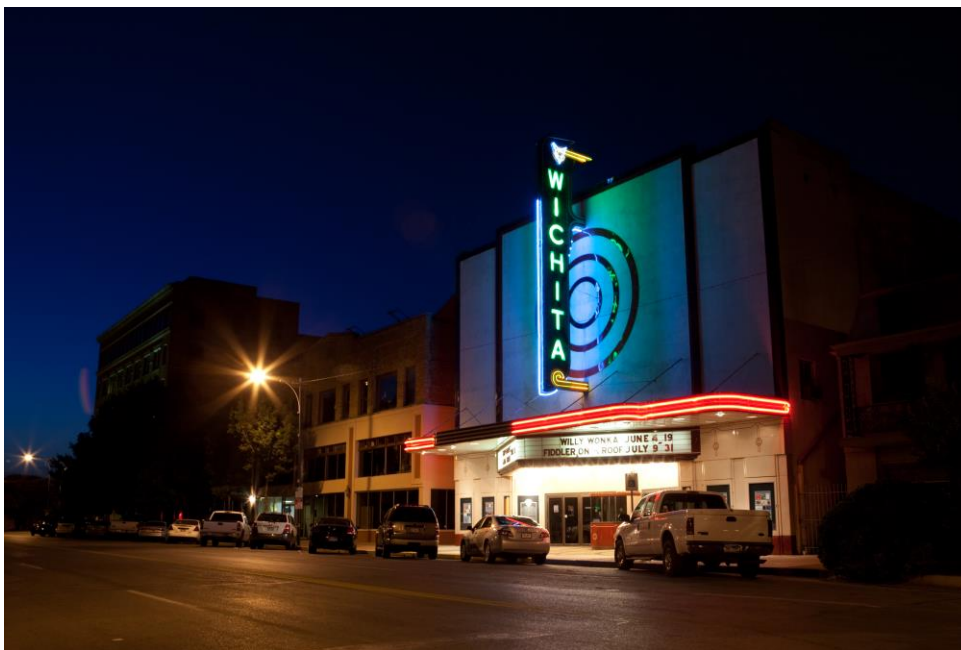
During the 2018-19 fiscal year, the City’s efforts toward these goals included the following.

In support of the goal, Accelerate Economic Growth, the City partnered with the Economic Development Corporation to work on a “Falls Future Strategy” which included implementation of a talent partnership, increased marketing of the City, and providing support to align the priorities of the City, Chamber of Commerce and Economic Development Corporation.

In support of the goal, “Provide Adequate Infrastructure”, the City issued \$17.3 million in voter approved General Obligation Bonds in 2018. This issue is designated for the extension of Maplewood Avenue from Lawrence Road to McNeil Avenue (estimated at \$1.6 million), the widening of Taft Boulevard from FM 369 to FM 2380 (estimated at \$4.7 million), and routine capital street repairs throughout the city limits (estimated at \$11 million).

During the 2018-19 fiscal year, the City Council awarded a contract for Phase II of the Kemp/Monroe Drainage Project. This project is a continuation from Phase I, and is generally described as the construction of an underground drainage system, inlets, street rehabilitation, utility relocations, and associated work improving the storm water drainage in the area. The overall project will eliminate the nuisance flooding of Kemp Street at Avenue M and will further protect 35 homes from a 100-year rain event. It will also reduce the flood water depth in Monroe Street from approximately 4 feet to 1.3 feet during a 100-year event, allowing for access of emergency vehicles. The total cost for this contract is \$4,112,000 and is also being financed from available cash in the Stormwater Drainage Improvement Fund.

In support of the goal, “Redevelop Downtown”, the City began working through implementation of the Downtown Master Plan, which was approved in September of 2018. The plan outlines the long-term vision of the City for the revitalization of the downtown area.



(Wichita Theatre Performing Arts Center)

In support of the goal, “Efficiently Deliver City Services”, in fiscal year 2017-18, the Information Technology Department, Finance Department, and Human Resources Department began implementation of new Finance and Human Resources software applications with technology that integrates with the Utility Billing and Collections and Municipal Court systems. This project was anticipated to continue actively over 18 months and has done so. While work is continuing, great strides have been made and the organization is adapting to these changes. The 2018-19 fiscal year was the first year this software was used for budget creation. When this project is complete, Finance, Budgeting, Payroll, Human Resources, Utility Billing and Collections, and the Municipal Court Systems will be provided through a fully-integrated product supplied by one vendor. The cost of the new systems was approximately \$840,000 for the Finance and HR applications and is being paid for with funds earmarked for the project in the Information Technology Fund. The major components of this project are complete. Staff will continue working to integrate smaller modules within the system and fine tune their knowledge of reporting options.

In support of the goal, “Actively Engage and Inform the Public”, the City actively engaged to adopt best practices for social media, hiring a director of Marketing and Communications to bring together the City’s media message, website and other improvements.

MOVING FORWARD:

During the budget process for the 2019-20 fiscal year, the City Council approved a major maintenance project for repairs at the Lake Kickapoo Dam. The total cost for this project will not exceed \$4,000,000 and it is being funded through available surplus fund balance in the Water & Sewer Fund. These surplus funds were saved over time, and were not the result of an increase in the City’s water rates. Water rates have not increased since the needed increases due to drought in 2014.

The City is also making investments in capital equipment with the purchase of a scraper machine for the landfill. This machine is needed to move dirt over the garbage in the landfill, keeping the proper and required cover on the materials. The total cost of this equipment is budgeted at \$890,000 and is being funded from available revenues in the Sanitation Fund. The purchase of this equipment was not the result of rate increases, rather it was the result of saving over time for the purchase.

The City staff also continues to work with the architectural firm of Bundy, Young, Sims and Potter on a Restoration and Feasibility Evaluation of the City Hall/Memorial Auditorium. This project was separated into two phases: 1) Feasibility Study; and 2) West Wing Stabilization. The Feasibility Study included a comprehensive evaluation of the facility conditions of the City Hall/Memorial Auditorium Building, a current and projected needs assessment of the existing City Hall offices, and conceptual design options for the renovations, restoration, and/or additions to the existing building. The West Wing Stabilization effort was an analysis of the structural stabilization of the West Wing of the building and basic architectural and engineering services for the design and construction contract administration for the project selected to stabilize that portion of the building. This study has been completed and it is anticipated that approximately \$500,000 will be needed to stabilize the West Wing and it identified two options for complete renovation of the facility and one option to build a new facility. All three of these options are in excess of \$30 million to complete. The funds for the stabilization work were moved into the City’s operating budget in the 2019-20 fiscal year. Work on the stabilization of the west wing will begin in fiscal year 2019-20.

The 2019-20 budget includes \$3.5 million for Phase I of the Quail Creek Drainage Project, \$150,000 to replace the Lincoln Street pump, and \$500,000 for the purchase of right-of-way needed for the expansion of the transfer station detention pond. The Quail Creek Project will be funded with transfers from fund balance, and the Lincoln Street pump, and required right-of-way will be funded with available revenues. The Quail Creek Drainage Project will be completed in phases, as funding is available. In total it is estimated to cost \$8 to \$10 million. These projects are needed to control flooding and improve system function.

Recently, the City in conjunction with Rolling Plains Management Corporation, applied for, and received nearly \$10 million in a grant award from the Federal Transit Administration (FTA) Section 5339 Buses and Bus Infrastructure Investment Grant Program to design and construct a bus maintenance and repair facility. The current facility was completed in 1984, and is located in the Central Services Complex. Given the expansion of route services over the years and an increase in the number of buses owned by the City, the Public Transportation Division has outgrown its current location. Additionally, Rolling Plains Management Corporation has a need for these services and

desires to enter into a joint venture agreement to construct this facility to accommodate both organizations. The location for this facility is 2004 Old Windthorst Road, which previously housed an old fire station used by the City's Radio staff, as well as 7 acres to the south and west of this building. To move the project forward, the old fire station was decommissioned and demolished. The project began construction in early 2020. The completed facility will include the following:

- Wichita Falls Transit System administrative offices
- Rolling Plains Management Corporation administrative offices (funding secured by their staff through TxDOT)
- Shared-use facilities to include dispatch, restrooms, locker room, break room, conference room, and wellness room to be built as part of this grant application
- Administrative space to accommodate social service organizations
- Repair/Maintenance facility with seven pull-through bays
- Bus Wash facility
- Fueling facilities to accommodate both diesel and unleaded
- Covered parking for buses
- Parking to accommodate 60 buses

The City's Lake Wichita Revitalization Committee and City staff have raised approximately \$400,000 of private funds for the professional design and construction oversight services for three shoreline improvement projects at Lake Wichita. The plan for revitalization of Lake Wichita includes the development of a Boardwalk/Pavilion and a Veteran's Memorial Plaza. Due to financial strains, the original plans, which included a boat ramp and sea wall have been changed to only include the boardwalk and Veteran's plaza. Construction is underway with plans to complete the project in the coming months. The City received a grant from the Texas Parks & Wildlife in the amount of \$499,536 which was designated for the Boardwalk/Pavilion Project, with a project cost estimate of \$1,890,000. In addition, Texas Parks & Wildlife approved another grant for \$499,680 for the Kemp Street Boat Ramp and Seawall. However, before acceptance of this grant, the project managers chose to remove the boat ramp and seawall components of the project due to budget constraints. Private pledges have been received for the Veteran's Memorial Plaza totaling \$725,000. The total project cost for the Veteran's Memorial Plaza is estimated to be \$2.4 million. Private funds are continuing to be actively sought out.

In October 2018, the City Council awarded a project to TriTech Software Systems in the amount of \$1,350,000 to provide installation services and software necessary to implement the City's Computer Aided Dispatch, Police Records Management, and Police/Fire Mobile System. This integrated system of applications are the primary applications used for public safety departments. The prior system was reaching its end of life and that vendor did not have a clear path forward for upgrading to their product. The cost of this project was planned for in the budget and will be paid for with funds available within the Information Technology Service Fund. Work on the project has begun with the majority of that work occurring in the 2019-20 fiscal year.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by Certified Public Accountants. The accounting firm of

Edgin, Parkman, Fleming & Fleming, PC was selected by the Mayor and City Council to satisfy this charter requirement. The auditors' report on the basic financial statements and combining fund statements and schedules is included in the financial section of this report. 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 Amendments of 1996 and related Uniform Guidance, and the State Single Audit Act. These reports are issued under separate cover.

Awards

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 Wichita Falls for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. This was the 24th consecutive year that the City of Wichita Falls has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

My appreciation and thanks are extended to the personnel of the Finance Department who made this report possible, with special thanks to Senior Accountant David Johnston and Assistant Finance Director Susan White. I would also extend my appreciation to the City Councilors, City Manager and City Department Directors for their contributions to the sound financial management of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jessica Williams", with a stylized flourish at the end.

Jessica Williams, MPA, CPFO
Chief Financial Officer & Director of Finance



Government Finance Officers Association

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

Presented to

**City of Wichita Falls
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

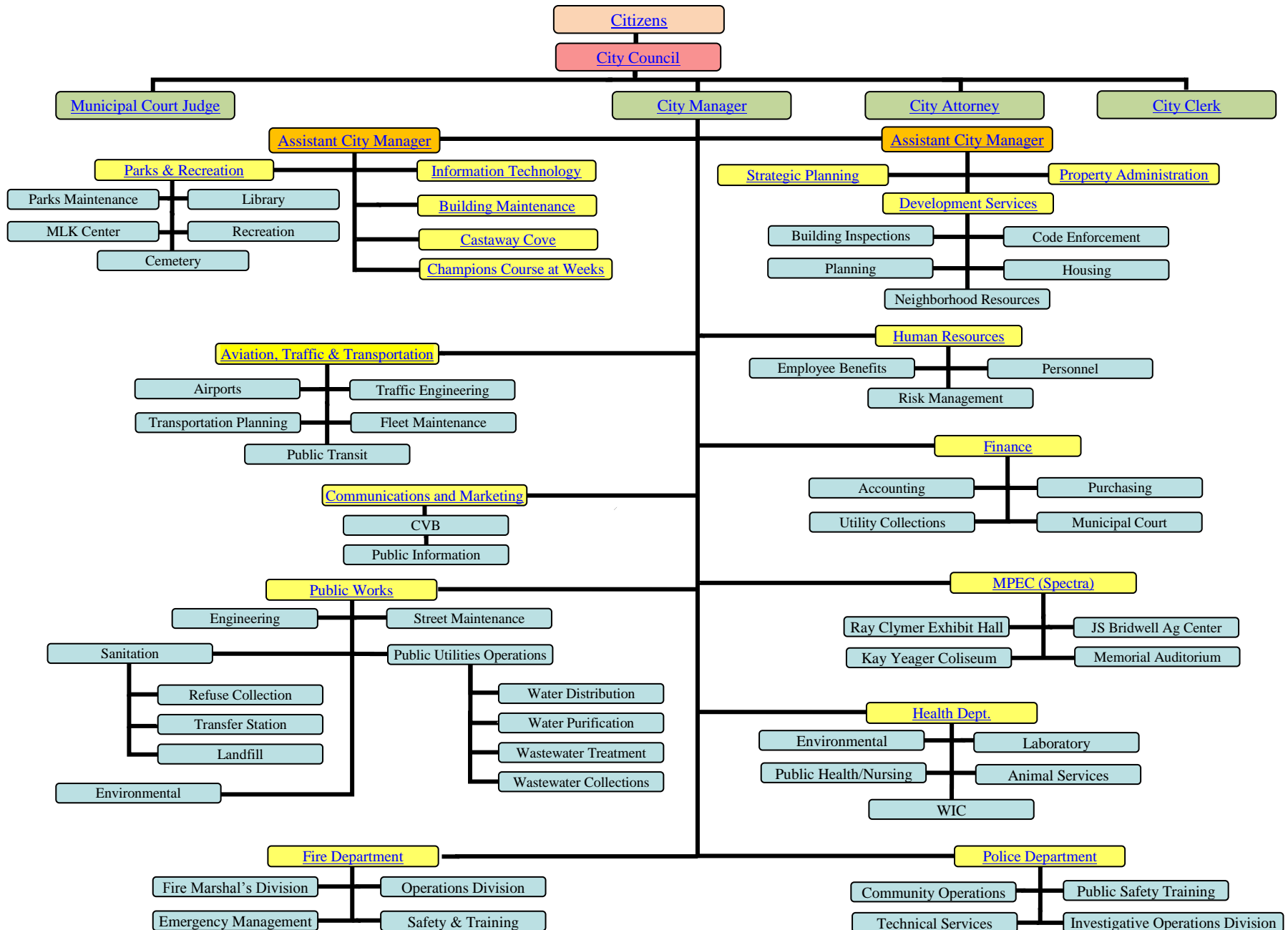
September 30, 2018

Christopher P. Morrell

Executive Director/CEO



City of Wichita Falls



CITY OF WICHITA FALLS, TEXAS

LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2019

Title	Name
Mayor	Stephen Santellana
Mayor Pro-Tem	Deandra Chenault
City Council Member	Eric West
City Council Member	Jeff Browning
City Council Member	Tim Brewer
City Council Member	Steve Jackson
City Council Member	Bobby Whiteley
City Manager	Darron Leiker
City Attorney	Kinley Heggland
Municipal Court Judge	Larry Gillen
City Clerk	Marie Balthrop
Assistant City Manager	Paul Menzies
Assistant City Manager	Blake Jurecek
Director of Aviation, Traffic and Transportation	John Burrus
Finance Director / CFO	Jessica Williams
Director of Public Health	Lou Kreidler
Police Chief	Manuel Borrego
Fire Chief	Ken Prillaman
Director of Public Works and Public Utilities	Russell Schreiber

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ P.O. BOX 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report on Financial Statements

The Honorable Mayor and Members of the City Council
City of Wichita Falls, Texas

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 Wichita Falls, Texas (the City) as of and for the year ended September 30, 2019, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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 as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule – General Fund, the schedules on the Texas Municipal Retirement System, the Wichita Falls Firemen's Relief and Retirement Fund, and the Wichita Falls Retiree Health Care Plan 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, supporting 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 nonmajor fund financial statements and supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 nonmajor fund financial statements and supporting 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 under separate cover our report dated March 27, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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's internal control over financial reporting and compliance.

Respectfully submitted,



Edgin, Parkman, Fleming & Fleming, PC

March 27, 2020

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2019

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Wichita Falls, Texas, for the fiscal year ended September 30, 2019. It is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report.

Financial Highlights

The assets and deferred outflows of the City of Wichita Falls exceeded its liabilities and deferred inflows at September 30, 2019, by \$387,740,425 (net position). The net position for the City increased by \$11,739,918 over the prior year. This increase is a result of an increase in net position of \$13,068,222 from the current fiscal year business-type activities offset by a decrease in net position of \$1,328,304 from the current fiscal year governmental activities.

The unrestricted net position for Governmental Activities was (\$85,423,347), while the Business-type Activities had an unrestricted net position of \$37,715,916, for an overall unrestricted net position of (\$47,707,431). Governmental Activities decreased by \$3,667,681 in unrestricted net position from the prior year, while Business-type Activities increased by \$2,478,498 in unrestricted net position from the prior year.

The reduction in unrestricted net position in the Governmental Activities is due to an increase in the City's total assets and deferred outflows of \$11.3 million offset by an increase in total liabilities of \$12.6 million. The City's total assets benefited from increases in fund balance in the City's General Fund of \$4,177,009. Other increases were seen in the CDBG and HOME funds. These changes were further offset by an increase in net investment in capital assets of \$1.9 million and an increase in restricted net position of \$348 thousand. This resulted in a total decrease in unrestricted net position of \$3.6 million. Increases in the City's total assets and deferred outflows of resources resulted primarily due to increased tax collections and increases in deferred outflows of resources for pension and other post-employment benefit (OPEB) increases. Liabilities increased by \$13.4 million due to pension and OPEB cost increases. Pension and OPEB increases were the result of decreased investment returns in the 2018 calendar year. Deferred Inflows of Resources decreased by \$2.5 million due to decreases in pension and OPEB related outflows. Restricted Net Position increased primarily due to an increase in net investment in capital assets.

Contributing to the positive change in the Business-type Activities were increases in Assets, primarily due to increased net position in the Water & Sewer Fund of \$8.2 million over the prior year. Additional increases were seen in the Kickapoo Airport fund which increased net position by \$1.5 million. These increases were due to increases in investment earnings and operating grants. The Stormwater Drainage Fund experienced an increase in net position of \$2.6 million due to a reduction in transfer out for capital assets.

At September 30, 2019, the City's governmental funds reported combined ending fund balances of \$42,445,918. Of this amount, \$17,316,040, or 40.80%, is available for spending at the government's discretion, (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,310,378 or 23.30% of total General Fund expenditures.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

During the 2018-19 fiscal year, the City's total debt decreased by \$16,052,177. This decrease is the result the City retiring \$2,215,000 in outstanding General Obligation Bonds, \$6,915,000 in Utility System Revenue Bonds, \$3,290,000 in Combination Tax and Revenue Bonds, \$1,322,534 in Capital Leases, \$40,234 in Notes Payable and \$2,269,409 in Bond Premiums.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a comprehensive view of the City's financial activities. The 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 contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements, which can be found on pages 15-16 of this report, include the *Statement of Net Position* (Exhibit A-1) and the *Statement of Activities* (Exhibit A-2). These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting; meaning that all current year's revenues and expenses are included regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but not used vacation leave).

The Statement of Net Position presents information on all of the City's assets and liabilities, including capital assets and long-term obligations. The difference between the City's assets and deferred outflows and liabilities and deferred inflows is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (e.g., roads, traffic signals, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government services. This statement includes all current year revenues and expenses.

The *Statement of Net Position* and the *Statement of Activities* divide the City's activities into three types:

Governmental activities – Most of the City's basic services are reported here, including police, fire, parks and recreation, public works, health, traffic and transportation, community development and planning, duplicating services, information technology, health insurance claims, and general administration and finance. The Multi-Purpose Events Center and Champions Golf Course are also reported as governmental activities. Property taxes, sales taxes, franchise fees, and various grant funds provide the majority of financing for these activities.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

Business-type activities – Activities for which the City charges fees to customers to pay most or all of the cost of a service it provides are reported as business-type activities. The City's business-type activities include water and wastewater treatment and distribution, solid waste collection and disposal, regional and municipal airports, transit system, storm water drainage improvements, fleet maintenance services and water park operations.

Component Units – Five legally separate organizations, for which the City is financially accountable, are included in these statements as discretely presented component units. These organizations include the Wichita Falls Economic Development Corporation, Wichita Falls 4B Sales Tax Corporation, Wichita Falls Reinvestment Zone #2, Wichita Falls Reinvestment Zone #3, and the Wichita Falls Reinvestment Zone #4.

Fund Financial Statements

The City of Wichita Falls, like other state and local governments, uses fund accounting to provide more detailed information about the City's most significant funds, not the City as a whole. 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. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – These funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental funds in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements focus on near-term inflows and outflows of expendable resources, as well as expendable resources available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's short term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison. The reconciliation explains the differences between the government's activities reported in the government-wide statements and the information presented in the governmental funds financial statements.

The City of Wichita Falls maintains 15 individual governmental funds. Information for the General Fund is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances because it is considered a major fund of the City. Data for the other governmental funds are combined into a single,

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

aggregated presentation. Individual fund data for each of the non-major governmental funds are provided in the Combining Financial Statement Section of this report.

The Basic Governmental Funds Financial Statements can be found on pages 17-21 of this report.

Proprietary Funds – When the City charges customers for services it provides, whether to outside customers or to other units within the City, the activities are generally reported in proprietary funds. The City of Wichita Falls maintains two different types of proprietary funds: enterprise funds and internal service 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 its water and sewer operations, sanitation collection and disposal services, regional and municipal airports, transit operations, storm water drainage improvements, and water park operations.
- Internal service funds are an accounting device used to report activities that provide supplies and services to other City programs, such as fleet maintenance, print shop services, information technology, and employee benefit trust. Because these services benefit both governmental and business-type functions, they have been allocated between governmental and business-type activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the business-type activities shown in the government-wide financial statements, only in more detail and include some of the internal service fund-type activities. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Sanitation Fund, and the Regional Airport Fund since they are considered major funds of the City. The non-major proprietary funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of the non-major proprietary funds are provided in the Combining Financial Statement Section of 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 statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds. Agency funds are a component of fiduciary funds and are used to account for situations where the City's role is purely custodial, such as receipt, temporary investment and remittance of fiduciary funds to individuals, private organizations or other governments. The City maintains one fiduciary fund. This fund is an agency fund used to account for property that has been abandoned or unclaimed pending escheatment to the State of Texas.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found on pages 28-67 of this report.

Government-Wide Financial Analysis

The City's combined net position was \$387,740,425 as of September 30, 2019, an increase of \$11,739,918 or 3.12% from the prior year. Using the Tables below, an analysis of the net position of the City can be made. The largest portion of the City's net position, \$417,693,193, or 107.72%, is reflected in capital assets (land and improvements, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, 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.

An additional portion of the City's net position, \$17,754,663, or 4.58%, represents resources that are subject to external restrictions on how they may be used.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 52,553	\$ 50,252	\$ 76,626	\$ 71,124	\$ 129,179	\$ 121,376
Capital Assets	<u>178,294</u>	<u>177,655</u>	<u>387,908</u>	<u>390,028</u>	<u>566,202</u>	<u>567,683</u>
Total Assets	<u>230,847</u>	<u>227,907</u>	<u>464,534</u>	<u>461,152</u>	<u>695,381</u>	<u>689,059</u>
Deferred Outflows of Resources	<u>56,574</u>	<u>48,153</u>	<u>10,856</u>	<u>7,016</u>	<u>67,430</u>	<u>55,169</u>
Long Term Liabilities	191,436	178,002	152,277	157,238	343,713	335,240
Other Liabilities	<u>11,438</u>	<u>9,631</u>	<u>5,971</u>	<u>5,968</u>	<u>17,409</u>	<u>15,599</u>
Total Liabilities	<u>202,874</u>	<u>187,633</u>	<u>158,248</u>	<u>163,206</u>	<u>361,122</u>	<u>350,839</u>
Deferred Inflows of Resources	<u>11,171</u>	<u>13,723</u>	<u>2,777</u>	<u>3,666</u>	<u>13,948</u>	<u>17,389</u>
Net Position:						
Net Investment in Capital Assets	152,825	150,834	264,869	254,488	417,694	405,322
Restricted	5,974	5,626	11,780	11,571	17,754	17,197
Unrestricted	<u>(85,423)</u>	<u>(81,756)</u>	<u>37,716</u>	<u>35,237</u>	<u>(47,707)</u>	<u>(46,519)</u>
Total Net Position	<u>\$ 73,376</u>	<u>\$ 74,704</u>	<u>\$ 314,365</u>	<u>\$ 301,296</u>	<u>\$ 387,741</u>	<u>\$ 376,000</u>

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

CHANGES IN NET POSITION (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges For Services	\$ 8,061	\$ 7,760	\$ 67,006	\$ 67,691	\$ 75,067	\$ 75,451
Operating Grants and Contributions	12,908	12,437	4,858	3,938	17,766	16,375
Capital Grants and Contributions	60	4,296	90	876	150	5,172
General Revenues:						
Property Taxes	37,898	35,842	-	-	37,898	35,842
Sales Taxes	24,895	23,861	-	-	24,895	23,861
Other Taxes/Fees	7,719	7,590	-	-	7,719	7,590
Investment Earnings	1,375	625	1,005	748	2,380	1,373
Miscellaneous	341	497	10	89	351	586
Total Revenue	<u>93,257</u>	<u>92,908</u>	<u>72,969</u>	<u>73,342</u>	<u>166,226</u>	<u>166,250</u>
Expenses:						
Administrative Services	15,853	16,029	-	-	15,853	16,029
Police	27,736	25,046	-	-	27,736	25,046
Fire	21,059	24,206	-	-	21,059	24,206
Parks and Recreation	5,995	5,485	-	-	5,995	5,485
Accounting/Finance	786	664	-	-	786	664
Community Development	7,253	6,580	-	-	7,253	6,580
Public Works	8,534	8,563	-	-	8,534	8,563
Health	5,964	5,799	-	-	5,964	5,799
Traffic and Transportation	2,951	2,384	-	-	2,951	2,384
MPEC	3,127	3,251	-	-	3,127	3,251
Interest and Fees on Long-term Debt	1,781	1,556	-	-	1,781	1,556
Regional Airport	-	-	2,014	1,908	2,014	1,908
Kickapoo Airport	-	-	1,452	1,259	1,452	1,259
Transit	-	-	2,623	2,377	2,623	2,377
Sanitation	-	-	11,408	10,301	11,408	10,301
Water and Sewer	-	-	33,564	33,427	33,564	33,427
Stormwater Drainage	-	-	786	797	786	797
Waterpark	-	-	1,600	1,591	1,600	1,591
Total Expenses	<u>101,039</u>	<u>99,563</u>	<u>53,447</u>	<u>51,660</u>	<u>154,486</u>	<u>151,223</u>
Increase (Decrease) in Net Position						
Before Transfers	(7,782)	(6,655)	19,522	21,682	11,740	15,027
Transfers	6,454	4,612	(6,454)	(4,612)	-	-
Increase (Decrease) in Net Position	<u>(1,328)</u>	<u>(2,043)</u>	<u>13,068</u>	<u>17,070</u>	<u>11,740</u>	<u>15,027</u>
Net Position – Beginning of Year	74,704	88,023	301,296	288,775	376,000	376,798
Prior Period Adjustment	-	(11,276)	-	(4,549)	-	(15,825)
Net Position – End of Year	<u>\$73,376</u>	<u>\$74,704</u>	<u>\$314,364</u>	<u>\$301,296</u>	<u>\$387,740</u>	<u>\$376,000</u>

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

Governmental Activities – Governmental Activities decreased the City's net position by \$1,328,304. The reduction in net position in the Governmental Activities is due to an increase in the City's Total Assets and Deferred Outflows of Resources of \$11.4 million, which resulted primarily due to increased tax collections and increases in Deferred Outflows of Resources for Pension and Other Post-Employment Benefits (OPEB). These increases were offset by increases in liabilities of \$12.7 million due to Pension and OPEB cost increases. Pension and OPEB increases were the result of decreased investment returns in the 2018 calendar year.

Business-Type Activities – Business-type Activities increased the City's net position by \$13,068,222. Contributing to the positive change in the Business-type Activities in net position is the Water/Sewer Fund as it reflected a net change of \$8,232,015. Much of this change in the Water/Sewer Fund is due to lower than anticipated expenditures and higher than anticipated investment returns.

Financial Analysis of the City's Funds

Governmental Funds – The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of expendable 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.

As of September 30, 2019, the City's governmental funds reported combined fund balances of \$42,445,918, which is a decrease of \$236,616 from the prior year. This decrease is a combination of the factors already discussed. In addition, the City expended almost \$3 million in capital lease proceeds that had been issued in the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$18,310,378, an increase of \$4,177,009 from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.30% of total General Fund expenditures, while the total fund balance represents 23.75% of total General Fund expenditures.

Proprietary Funds – The financial statements of the proprietary funds provide information for two types of funds: the business type (enterprise) funds and the internal service funds. The accounting principles applied to proprietary funds are similar to that of the private sector. Consequently, with the exception of the allocation of internal service fund net income or loss, the net position and changes in net position of the enterprise funds in these financial statements are identical with the net position and changes in net position reflected in the business type activities in the city-wide presentation.

The City's internal service funds include the Fleet Maintenance Fund, Employee Benefit Trust Fund, Duplicating Services Fund and the Information Technology Fund. At the close of September 30, 2019, the net position for the City's internal service funds was \$32,288,979, an increase of \$3,089,375. This change is due primarily to increased transfers in for the purchase of several large sanitation trucks and transit buses and decreased operating costs resulting in an increase in net

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

position of \$2,075,987. The Information Technology Fund increased net position by \$711,956 due to decreased cost resulting from completion of several capital projects in the prior year.

General Fund Budgetary Highlights

The final amended expenditure budget for the General Fund, including transfers out, was increased by \$4,007,898 from the original adopted budget. The reason for this increase in appropriations can be briefly summarized as follows:

- Approximately \$3,631,511 of prior year encumbrances were carried forward into the 2018-19 amended budget. These encumbrances were used for on-going projects, which included \$2,895,784 for the LED Street Light Project, \$108,845 for traffic signal infrastructure, \$414,436.70 for street maintenance and \$337,652 for City Hall stabilization work and structural engineering fees and repairs.
- Other amendments to the General Fund budget were needed for increases in worker's compensation insurance and fire equipment purchased during the year using funds transferred in from the special revenue fund, received as reimbursement for fire deployment.

Actual revenues in the General Fund for the 2018-19 fiscal year were \$76,118,174, which was \$1,750,614 over final budgeted revenues. Sales tax collections and municipal court fines performed better than budgeted levels. Interest earnings on the City's idle cash generated \$262,158 more than budgeted amounts due to financial market improvements and higher interest rates on investments.

Actual expenditures in the General Fund for the 2018-19 fiscal year were \$78,596,273, which was \$2,579,221 below budgeted expenditures. A large part of this variance was due to funds carried forward for construction projects in progress. These carried forward funds decreased the current year expenditures because the projects had existing encumbrances that were liquidated and then added in an adjustment to the new year. This allowed the City to make payments for work which crossed the fiscal year, in the proper fiscal year. These adjustments account for \$1.4 million of this amount. Additional savings in the General Fund are the result of vacant positions which incurred savings while they were unfilled and actively being recruited for.

Capital Asset and Debt Administration

Capital Assets – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019 amounts to \$566,202,765 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress.

Major capital asset events during this fiscal year included the following:

- Construction in progress of Phase II of the Kemp-Monroe Drainage Improvements Project
- Construction in progress of Lake Arrowhead Variable Frequency Drive Upgrade Project
- Completion of the Wastewater Collections Office and Equipment Storage Facility Project

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

- Construction in progress of the Denver Water Tower Rehabilitation Project
- Street Rehabilitation and Utility Improvement Projects

Capital Assets, net of Accumulated Depreciation (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 10,737	\$ 10,683	\$ 10,835	\$ 10,835	\$ 21,572	\$ 21,518
Land Betterments	15,206	15,698	38,079	36,965	53,285	52,663
Buildings, Systems and Improvements	45,966	47,666	310,051	318,589	356,017	366,255
Infrastructure	93,813	90,535	-	-	93,813	90,535
Machinery and Equip	7,780	9,251	2,147	2,175	9,927	11,426
Furniture and Fixtures	-	-	4	6	4	6
Motor Vehicles	-	-	18,180	16,588	18,180	16,588
Construction in Progress	<u>4,792</u>	<u>3,822</u>	<u>8,613</u>	<u>4,870</u>	<u>13,405</u>	<u>8,692</u>
Totals	<u>\$178,294</u>	<u>\$177,655</u>	<u>\$387,909</u>	<u>\$386,984</u>	<u>\$ 566,203</u>	<u>\$ 567,683</u>

Additional information on the City's capital assets can be found in Note 7 on pages 44-45 of this report.

Long Term Debt – At the end of the current fiscal year, the City had a total bonded debt, notes and capital leases outstanding of \$184,815,901. During the 2018-19 fiscal year, the City's total debt decreased by \$16,052,177.

As of September 30, 2019, Moody's Investor's Service had assigned a credit rating of Aa2 for the City's General Obligation Bonds and a rating of A3 for the City's Water and Sewer System Revenue Bonds. Standard & Poor's had assigned a credit rating of AA for the City's General Obligation Bonds and a rating of A+ for its Water and Sewer System Revenue Bonds. The rating for the Water and Sewer System Revenue Bonds was increased in November of 2019 due to the system's strengthened finances.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

Outstanding Debt at Year-End (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 31,785	\$ 34,000	\$ -	\$ -	\$ 31,785	\$ 34,000
Combination Tax and Revenue Bonds	19,370	21,155	39,665	41,170	59,035	62,325
Utility System Revenue Bonds	-	-	61,570	68,485	61,570	68,485
Premiums on Bonds	2,102	2,393	7,687	9,666	9,789	12,059
Capital Lease Payable	5,069	5,468	17,288	18,210	22,357	23,678
Notes Payable	-	-	280	321	280	321
Total	<u>\$ 58,326</u>	<u>\$ 63,016</u>	<u>\$ 126,490</u>	<u>\$ 137,852</u>	<u>\$ 184,816</u>	<u>\$ 200,868</u>

The City is permitted by its Home Rule Charter to levy taxes up to \$2.25 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services for the year ended September 30, 2019, was \$.72988 per \$100, which means that the City has a tax margin of \$1.52012 per \$100, and could generate up to \$77,139,687 additional tax revenue a year from the present assessed valuation of \$5,074,578,796 before the limit is reached. The current ratio of general bonded debt outstanding to the assessed value of all taxable property is 1.05%.

Additional information about the City's long-term debt can be found in Note 14 on pages 60-64 of this report.

Economic Factors and Next Year's Budget and Rates

Total revenues for the 2019-20 budget are projected at \$194,090,313, which is an increase of \$14,556,071, or 8.11% from the 2018-19 adopted budget. Taxes make up the largest portion of this increase because of growth in the property tax base, increased property tax rate, and increasing sales tax receipts. The property tax rate was increased to \$0.76332, which is an increase of \$.033 per \$100 of taxable property value and the revenue generated from this tax increase is used to address employee pay raises, and to create consistency and parity among all city staff who participate in the Texas Municipal Retirement System. Sales tax revenues for the 2019-20 budget are projected to be \$24,643,675, which is \$1,122,920, or 4.77% above the prior year budget. This revenue forecasting methodology does not apply future growth because the average annual increase in sales tax receipts for the City of Wichita Falls over the last five years has approximately been 2%.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2019

The total expenditure budget for the 2019-20 fiscal year is \$194,090,313, including a one-time increase of \$8,720,500, which is an increase of \$15,647,364, or 8.77% from the 2018-19 adopted budget. The primary cause for this change is due principally to address employee pay raises, and to create consistency and parity among all city staff who participate in the Texas Municipal Retirement System. The one-time cost includes projects being funded using existing fund balance. This is the stabilization work at Memorial Auditorium, the Kickapoo Dam Repair, the Quail Creek Drainage Project, and needed equipment purchases at the Landfill.

The City maintains reserves in the General Fund to be used for major emergencies such as a widespread tornado, large legal liabilities or important one-time expenditures. The Government Finance Officers Association recommends maintaining a fund balance in the General Fund between 15 to 25% of the annual operational cost of the fund. The City's fund balance policy established a goal of maintaining 20% of expenditures in General Fund Reserves. The Unassigned General Fund Balance at the end of the 2019 fiscal year meets this policy.

It is anticipated that the fund balances may fall below this level in the coming year due to market uncertainty and lost revenues caused by the outbreak of the COVID-19 virus. The outbreak of the virus has impacted all municipalities and the City of Wichita Falls will be monitoring and adjusting to this ongoing pandemic in the current and subsequent year. It is anticipated that all revenue sources will be impacted by this pandemic including the Water and Sewer Fund, which is temporarily waiving fees and cut-off charges to assist with the City's response.

Requests for Information

This financial report is designed to provide a general overview of the finances of the City of Wichita Falls for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or request for additional financial information, should be addressed to the City Finance Department, 1300 Seventh Street, Wichita Falls, Texas 76301.

BASIC FINANCIAL STATEMENTS

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
Assets				
Cash and cash equivalents	\$ 42,459,542	\$ 37,206,219	\$ 79,665,761	\$ 19,736,644
Receivables (net):				
Taxes and assessments	1,008,473	-	1,008,473	-
Customer and trade	-	7,661,382	7,661,382	-
Government agencies	8,572,008	1,358,120	9,930,128	2,628,191
Other	1,176,177	132,959	1,309,136	100,000
Internal balances	(10,548,271)	10,548,271	-	-
Inventory	155,534	1,880,381	2,035,915	-
Prepaid items	207,675	505,673	713,348	5,725
Other assets	720,241	-	720,241	-
Restricted assets:				
Cash and cash equivalents	8,801,232	17,332,524	26,133,756	-
Capital assets not being depreciated	15,528,231	19,447,792	34,976,023	1,469,797
Capital assets net of accumulated depreciation	162,766,049	368,460,693	531,226,742	663,021
Total assets	<u>230,846,891</u>	<u>464,534,014</u>	<u>695,380,905</u>	<u>24,603,378</u>
Deferred Outflows of Resources				
Pension-related	54,336,017	7,353,165	61,689,182	-
OPEB-related	1,881,078	766,465	2,647,543	-
Deferred losses on bond refundings	356,369	2,736,365	3,092,734	-
Total deferred outflows of resources	<u>56,573,464</u>	<u>10,855,995</u>	<u>67,429,459</u>	<u>-</u>
Liabilities				
Accounts payable - trade	3,062,743	1,343,063	4,405,806	604,084
Accrued payroll	2,566,816	670,524	3,237,340	-
Accrued interest payable	262,351	638,600	900,951	-
Payable to government agencies	393,036	84,272	477,308	-
Estimated health claims payable	491,647	-	491,647	-
Other liabilities	4,623,980	55,108	4,679,088	936
Unearned revenue	37,236	-	37,236	-
Customer deposits	-	3,179,505	3,179,505	-
Long-term liabilities:				
Portion due or payable within one year	7,027,948	10,491,469	17,519,417	-
Portion due or payable after one year	61,545,670	122,012,486	183,558,156	-
Net pension liability	111,051,702	14,961,341	126,013,043	-
Net OPEB liability	11,810,401	4,812,261	16,622,662	-
Total liabilities	<u>202,873,530</u>	<u>158,248,629</u>	<u>361,122,159</u>	<u>605,020</u>
Deferred Inflows of Resources				
Pension-related	10,759,313	2,608,945	13,368,258	-
OPEB-related	411,751	167,771	579,522	-
Total deferred inflows of resources	<u>11,171,064</u>	<u>2,776,716</u>	<u>13,947,780</u>	<u>-</u>
Net Position				
Net investment in capital assets	152,824,700	264,868,493	417,693,193	2,132,818
Restricted for:				
Perpetual care (nonexpendable)	1,223,577	-	1,223,577	-
Debt service (expendable)	1,905,594	11,780,255	13,685,849	-
Federal grant programs (expendable)	2,845,227	-	2,845,227	-
Tourism (expendable)	10	-	10	-
Unrestricted	(85,423,347)	37,715,916	(47,707,431)	21,865,540
Total net position	<u>\$ 73,375,761</u>	<u>\$ 314,364,664</u>	<u>\$ 387,740,425</u>	<u>\$ 23,998,358</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Administrative services	\$ 15,853,414	\$ 4,657,529	\$ 277,770	\$ -	\$ (10,918,115)	\$ -	\$ (10,918,115)	\$ -
Police	27,736,316	288,280	424,270	-	(27,023,766)	-	(27,023,766)	-
Fire	21,059,239	85,627	526,410	-	(20,447,202)	-	(20,447,202)	-
Parks and recreation	5,995,353	355,005	449,209	-	(5,191,139)	-	(5,191,139)	-
Accounting/finance	785,465	-	-	-	(785,465)	-	(785,465)	-
Community development	7,253,122	1,419,097	5,228,183	-	(605,842)	-	(605,842)	-
Public works	8,533,518	7,511	1,155,384	60,000	(7,310,623)	-	(7,310,623)	-
Health	5,964,161	1,126,273	1,990,179	-	(2,847,709)	-	(2,847,709)	-
Traffic and transportation	2,951,269	121,251	975,290	-	(1,854,728)	-	(1,854,728)	-
Multi-Purpose Events Center	3,126,421	-	-	-	(3,126,421)	-	(3,126,421)	-
Interest and fees on long-term debt	1,780,418	-	1,881,331	-	100,913	-	100,913	-
Total governmental activities	101,038,696	8,060,573	12,908,026	60,000	(80,010,097)	-	(80,010,097)	-
Business-type activities:								
Regional Airport	2,014,903	1,165,060	-	-	-	(849,843)	(849,843)	-
Kickapoo Airport	1,451,976	944,394	2,138,738	-	-	1,631,156	1,631,156	-
Transit	2,622,657	498,808	2,719,179	-	-	595,330	595,330	-
Sanitation	11,407,943	14,776,821	-	-	-	3,368,878	3,368,878	-
Water and sewer	33,564,147	44,464,193	-	89,890	-	10,989,936	10,989,936	-
Stormwater drainage	785,974	3,730,485	-	-	-	2,944,511	2,944,511	-
Waterpark	1,599,828	1,425,913	-	-	-	(173,915)	(173,915)	-
Total business-type activities	53,447,428	67,005,674	4,857,917	89,890	-	18,506,053	18,506,053	-
Total primary government	<u>\$ 154,486,124</u>	<u>\$ 75,066,247</u>	<u>\$ 17,765,943</u>	<u>\$ 149,890</u>	<u>(80,010,097)</u>	<u>18,506,053</u>	<u>(61,504,044)</u>	<u>-</u>
Component units:								
Community development	<u>\$ 8,958,594</u>	<u>\$ -</u>	<u>\$ 1,858,832</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,099,762)</u>
General revenues and transfers:								
Taxes:								
Property tax					37,898,136	-	37,898,136	1,287,943
Sales tax					24,894,930	-	24,894,930	8,303,958
Franchise fees					5,314,591	-	5,314,591	-
Hotel occupancy tax					2,075,905	-	2,075,905	-
Beverage tax					328,163	-	328,163	-
Investment earnings					1,375,504	1,005,000	2,380,504	537,979
Miscellaneous					341,079	10,654	351,733	47,061
Transfers					6,453,485	(6,453,485)	-	-
Total general revenues and transfers					<u>78,681,793</u>	<u>(5,437,831)</u>	<u>73,243,962</u>	<u>10,176,941</u>
Change in net position					(1,328,304)	13,068,222	11,739,918	3,077,179
Net position - beginning					74,704,065	301,296,442	376,000,507	20,921,179
Net position - ending					<u>\$ 73,375,761</u>	<u>\$ 314,364,664</u>	<u>\$ 387,740,425</u>	<u>\$ 23,998,358</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General	Nonmajor Governmental	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 15,740,445	\$ 23,041,791	\$ 38,782,236
Receivables (net):			
Taxes and assessments	817,726	190,747	1,008,473
Other City funds	5,814,255	-	5,814,255
Government agencies	4,683,642	3,888,366	8,572,008
Other	1,056,075	109,834	1,165,909
Inventory	155,326	-	155,326
Prepaid items	204,220	2,142	206,362
Other assets	1,000	719,241	720,241
Total assets	<u>\$ 28,472,689</u>	<u>\$ 27,952,121</u>	<u>\$ 56,424,810</u>
Liabilities			
Accounts payable	\$ 2,041,105	\$ 955,162	\$ 2,996,267
Accrued payroll	2,420,794	105,753	2,526,547
Payable to other City funds	-	2,125,349	2,125,349
Payable to government agencies	298,274	94,762	393,036
Other liabilities	3,804,117	809,144	4,613,261
Claims and judgments payable	11,922	-	11,922
Unearned revenue	-	37,236	37,236
Total liabilities	<u>8,576,212</u>	<u>4,127,406</u>	<u>12,703,618</u>
Deferred inflows of resources			
Unavailable revenues	<u>1,226,653</u>	<u>48,621</u>	<u>1,275,274</u>
Fund balances			
Nonspendable:			
Inventory and prepaid items	359,446	1,822	361,268
Restricted for:			
Perpetual care	-	1,223,577	1,223,577
Debt service	-	1,856,973	1,856,973
Capital projects	-	15,977,534	15,977,534
Federal and state grant programs	-	2,845,227	2,845,227
Tourism	-	10	10
Committed for:			
Golf course	-	40,583	40,583
Local projects	-	2,824,706	2,824,706
Unassigned	18,310,378	(994,338)	17,316,040
Total fund balances	<u>18,669,824</u>	<u>23,776,094</u>	<u>42,445,918</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,472,689</u>	<u>\$ 27,952,121</u>	<u>\$ 56,424,810</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Total fund balances - governmental funds (Exhibit A-3) \$ 42,445,918

Amounts reported for *governmental activities* in the Statement of Net Position (Exhibit A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:

Gross capital assets	\$ 329,511,604	
Related accumulated depreciation	<u>154,807,130</u>	174,704,474

Property taxes receivable and municipal court fines are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds. 1,275,276

Long-term liabilities are not due and payable in the current period and therefore not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	51,155,000	
Premiums on bonds payable	2,102,269	
Capital lease payable	5,068,472	
Accrued vacation and sick leave	9,423,378	
Claims and judgments payable	775,231	
Accrued interest	<u>262,351</u>	(68,786,701)

In the governmental funds financial statements, refunding losses are expensed when incurred, whereas in the government-wide financial statements the losses are capitalized and amortized. 356,369

The City's net pension liability and related deferred outflows and inflows related to its participation in the Texas Municipal Retirement System and the Wichita Falls Firemen's Relief and Retirement Fund do not meet criteria to be reported in the governmental funds financial statements. These items consist of:

Net pension liabilities	109,998,467	
Deferred outflows - pension related items	(53,818,376)	
Deferred inflows - pension related items	<u>10,575,653</u>	(66,755,744)

The City's net OPEB liability and related deferred outflows and inflows related to the City of Wichita Falls Retiree Health Care Plan do not meet the criteria to be reported in the governmental funds financial statements. These items consist of:

Net OPEB liabilities	11,529,477	
Deferred outflows - OPEB related items	(1,836,071)	
Deferred inflows - OPEB related items	<u>401,899</u>	(10,095,305)

Internal service funds are used by management to charge the costs of duplicating services, information technology and health insurance claims to the individual funds. The assets and liabilities of these internal service funds are included with the governmental activities. 13,226,160

Internal service funds are used by management to charge the costs of central garage services to the individual funds. The assets and liabilities of this fund are included with the business-type activities. This amount represents the governmental activity portion of the central garage activity. (12,994,686)

Total net position - governmental activities (Exhibit A-1) \$ 73,375,761

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General	Nonmajor Governmental	Total Governmental Funds
Revenues			
Taxes	\$ 66,269,245	\$ 4,120,047	\$ 70,389,292
Charges for services	2,921,429	504,793	3,426,222
Licenses and permits	2,080,203	-	2,080,203
Fines and forfeitures	2,694,497	139,288	2,833,785
Intergovernmental revenue	-	8,738,383	8,738,383
Contributions	182,294	3,987,349	4,169,643
Miscellaneous revenue	1,970,506	1,304,410	3,274,916
Total revenues	<u>76,118,174</u>	<u>18,794,270</u>	<u>94,912,444</u>
Expenditures			
Administrative services	13,870,220	1,365,519	15,235,739
Police	24,843,626	221,324	25,064,950
Fire	16,613,849	277,970	16,891,819
Parks and recreation	5,395,478	27,670	5,423,148
Accounting/finance	753,748	-	753,748
Community development	2,181,446	4,938,104	7,119,550
Public works	5,232,422	70,270	5,302,692
Health	3,415,416	2,230,185	5,645,601
Traffic and transportation	1,749,298	612,791	2,362,089
Multi-Purpose Events Center	-	2,286,621	2,286,621
Capital outlay	4,540,770	3,348,194	7,888,964
Debt service - principal	-	4,000,000	4,000,000
Debt service - interest and paying agent fees	-	1,912,443	1,912,443
Total expenditures	<u>78,596,273</u>	<u>21,291,091</u>	<u>99,887,364</u>
Excess of revenues over (under) expenditures	<u>(2,478,099)</u>	<u>(2,496,821)</u>	<u>(4,974,920)</u>
Other Financing Sources (Uses)			
Transfers in	3,689,770	4,344,116	8,033,886
Transfers out	(844,151)	(2,451,443)	(3,295,594)
Total other financing sources (uses)	<u>2,845,619</u>	<u>1,892,673</u>	<u>4,738,292</u>
Net change in fund balance	367,520	(604,148)	(236,628)
Fund balances - beginning	18,302,304	24,380,242	42,682,546
Fund balances - ending	<u>\$ 18,669,824</u>	<u>\$ 23,776,094</u>	<u>\$ 42,445,918</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net change in fund balances - total governmental funds (Exhibit A-5) \$ (236,628)

Amounts reported for *governmental activities* in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:

Capital outlay during the year	\$ 7,684,269	
Depreciation expense for the year	<u>6,834,483</u>	849,786

Donated capital assets are not recorded as revenues in the governmental funds. In the Statement of Activities, the value of the assets are added to capital assets and the contribution is recorded as a capital contribution. 60,000

Proceeds from the sale of capital assets are recorded as revenues when received in the governmental funds. In the Statement of Activities, the difference between the proceeds and the book value of the capital asset is reported as a gain (loss) from sale. (16,255)

The transfer of capital assets from enterprise funds are not reflected in the governmental funds as they do not represent current financial resources. Current year transfers from enterprise funds were: 77,137

Because property tax receivables and municipal court receivables will not be collected for several months after the City's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. Deferred inflows decreased by this amount this year. (3,199)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Bond and capital lease principal payments in 2018-19 were: 4,690,759

Included in long-term debt are obligations for accrued vacation and sick leave, and claims and judgments payable. The changes in these obligations are not included in the governmental fund financial statements, but are included in the government-wide financial statements. The changes in these long-term obligations were:

Accrued vacation and sick leave	(493,814)	
Claims and judgments payable	<u>1,609</u>	(492,205)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The decrease in accrued interest is as follows:

Accrued interest at September 30, 2018	346,706	
Accrued interest at September 30, 2019	<u>262,351</u>	84,355

Amortization of deferred losses on refundings is only reported in the government-wide financial statements. Current year amortization was: (53,728)

The City participates in two defined benefit pension plans. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were less than the actuarial expense in the current year. (7,141,722)

The City sponsors an OPEB plan for retiree health care. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were more than the actuarial expense in the current year. 545,706

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Internal service funds are used by management to charge the costs of duplicating services, information technology and health insurance claims to the individual funds. The net revenues of these internal service funds are included with the governmental activities.	846,159
Internal service funds are used by management to charge the costs of central garage services to the individual funds. The net revenue of this fund is included with the business-type activities. This amount represents the governmental activity portion of the central garage activity.	<u>(538,469)</u>
Change in net position of governmental activities (Exhibit A-2)	<u><u>\$ (1,328,304)</u></u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 22,449,530	\$ 7,409,641	\$ 1,000	\$ 6,561,415	\$ 36,421,586	\$ 4,461,939
Restricted cash and cash equivalents	16,848,594	-	483,930	-	17,332,524	8,801,232
Receivables (net):						
Customer and trade	5,666,897	1,588,750	-	405,735	7,661,382	-
Government agencies	71,859	-	-	1,286,261	1,358,120	-
Other	59,714	19,445	32,927	(3,312)	108,774	34,452
Inventory	1,126,056	-	-	47,502	1,173,558	706,823
Prepaid items	-	-	30,852	6	30,858	476,336
Total current assets	<u>46,222,650</u>	<u>9,017,836</u>	<u>548,709</u>	<u>8,297,607</u>	<u>64,086,802</u>	<u>14,480,782</u>
Long-term assets:						
Capital assets, net of accumulated depreciation	<u>261,057,234</u>	<u>8,946,081</u>	<u>46,727,964</u>	<u>50,446,106</u>	<u>367,177,385</u>	<u>24,320,906</u>
Total long-term assets	<u>261,057,234</u>	<u>8,946,081</u>	<u>46,727,964</u>	<u>50,446,106</u>	<u>367,177,385</u>	<u>24,320,906</u>
Total assets	<u>307,279,884</u>	<u>17,963,917</u>	<u>47,276,673</u>	<u>58,743,713</u>	<u>431,264,187</u>	<u>38,801,688</u>
Deferred Outflows of Resources						
Pension-related	3,994,893	1,737,872	45,483	716,675	6,494,923	1,377,890
OPEB-related	423,077	192,212	3,707	66,189	685,185	126,023
Deferred losses on bond refundings	<u>2,736,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,736,365</u>	<u>-</u>
Total deferred outflows of resources	<u>7,154,335</u>	<u>1,930,084</u>	<u>49,190</u>	<u>782,864</u>	<u>9,916,473</u>	<u>1,503,913</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable - trade	458,449	96,130	5,984	573,510	1,134,073	275,466
Accrued payroll	361,070	148,919	5,826	77,248	593,063	117,730
Accrued vacation and sick leave	418,382	177,238	6,012	41,302	642,934	139,367
Payable to other City funds	-	-	411,447	2,202,198	2,613,645	1,075,261
Payable to government agencies	-	79,669	4,543	60	84,272	-
Estimated health claims payable	-	-	-	-	-	491,647
Other liabilities	(292,759)	49,363	20,000	277,275	53,879	(220)
Payable to U.S. Government - current maturity	42,892	-	-	-	42,892	-
Capital leases - current maturities	544,577	-	-	-	544,577	439,000
Revenue bonds - current maturities	8,790,000	-	-	-	8,790,000	-
Accrued interest - revenue bonds	638,600	-	-	-	638,600	-
Total current liabilities	10,961,211	551,319	453,812	3,171,593	15,137,935	2,538,251
Long-term liabilities:						
Payable to U.S. Government, less current maturities	237,594	-	-	-	237,594	-
Capital leases, less current maturities	14,934,161	-	-	-	14,934,161	1,369,846
Revenue bonds, less current maturities	100,132,090	-	-	-	100,132,090	-
Estimated liability for landfill closure and post-closure care costs	-	5,280,762	-	-	5,280,762	-
Customer deposits	3,179,505	-	-	-	3,179,505	-
Net pension liability	8,128,330	3,536,015	92,544	1,458,205	13,215,094	2,799,482
Net OPEB liability	2,656,301	1,206,805	23,272	415,567	4,301,945	791,240
Total long-term liabilities	129,267,981	10,023,582	115,816	1,873,772	141,281,151	4,960,568
Total liabilities	140,229,192	10,574,901	569,628	5,045,365	156,419,086	7,498,819
Deferred Inflows of Resources						
Pension-related	1,417,410	616,607	16,138	254,281	2,304,436	490,218
OPEB-related	92,608	42,073	811	14,488	149,980	27,585
Total deferred inflows of resources	1,510,018	658,680	16,949	268,769	2,454,416	517,803
Net Position						
Net investment in capital assets	139,826,088	8,946,081	46,727,964	50,446,106	245,946,239	22,512,060
Restricted for debt service	11,780,255	-	-	-	11,780,255	-
Unrestricted	21,088,666	(285,661)	11,322	3,766,337	24,580,664	9,776,919
Total net position	\$ 172,695,009	\$ 8,660,420	\$ 46,739,286	\$ 54,212,443	282,307,158	\$ 32,288,979
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					32,057,506	
Net position of business type activities					\$ 314,364,664	

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Enterprise Funds				Internal Service Funds
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total
Operating revenues:					
Charges for services	\$ 44,295,271	\$ 14,760,161	\$ -	\$ 5,178,510	\$ 64,233,942
Rents, concessions and other	168,922	16,660	1,165,060	1,421,090	2,771,732
Contributions	-	-	-	-	-
Total operating revenues	<u>44,464,193</u>	<u>14,776,821</u>	<u>1,165,060</u>	<u>6,599,600</u>	<u>67,005,674</u>
Operating expenses:					
Personnel services	10,548,416	4,586,173	146,539	2,526,797	17,807,925
Supplies and materials	2,557,785	288,617	3,868	1,159,446	4,009,716
Maintenance and repairs	1,519,023	129,911	35,504	318,886	2,003,324
Utilities and other services	3,970,930	5,429,245	157,482	908,522	10,466,179
Insurance and contract support	780,712	16,123	40,707	94,040	931,582
Other expenses	2,378,488	463,917	267,932	236,010	3,346,347
Depreciation and amortization	10,206,284	300,393	1,510,217	1,263,349	13,280,243
Total operating expenses	<u>31,961,638</u>	<u>11,214,379</u>	<u>2,162,249</u>	<u>6,507,050</u>	<u>51,845,316</u>
Operating income (loss)	<u>12,502,555</u>	<u>3,562,442</u>	<u>(997,189)</u>	<u>92,550</u>	<u>15,160,358</u>
Nonoperating revenues (expenses):					
Interest income	681,866	166,840	10,613	145,681	1,005,000
Gain/(loss) on sale/abandonment of capital assets	(66,483)	-	-	-	(66,483)
Interest expense and paying agent fees	(2,600,143)	-	-	-	(2,600,143)
Intergovernmental operating grants	-	-	-	4,857,917	4,857,917
Total nonoperating revenues (expenses)	<u>(1,984,760)</u>	<u>166,840</u>	<u>10,613</u>	<u>5,003,598</u>	<u>3,196,291</u>
Income (loss) before contributions and transfers	<u>10,517,795</u>	<u>3,729,282</u>	<u>(986,576)</u>	<u>5,096,148</u>	<u>18,356,649</u>
Capital contributions	89,890	-	-	-	89,890
Transfers in	-	-	-	422,109	422,109
Transfers out	<u>(2,375,670)</u>	<u>(3,791,372)</u>	<u>(668,829)</u>	<u>(1,746,240)</u>	<u>(8,582,111)</u>
Change in net position	<u>8,232,015</u>	<u>(62,090)</u>	<u>(1,655,405)</u>	<u>3,772,017</u>	<u>10,286,537</u>
Net position - beginning	<u>164,462,994</u>	<u>8,722,510</u>	<u>48,394,691</u>	<u>50,440,426</u>	<u>29,199,604</u>
Net position - ending	<u>\$ 172,695,009</u>	<u>\$ 8,660,420</u>	<u>\$ 46,739,286</u>	<u>\$ 54,212,443</u>	<u>\$ 32,288,979</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					<u>2,781,685</u>
Change in net position of business type activities					<u>\$ 13,068,222</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Received from customers and users	\$ 44,437,351	\$ 14,738,913	\$ 1,166,330	\$ 6,612,811	\$ 66,955,405	\$ 4,901,028
Received from interfund charges	-	-	-	-	-	24,152,013
Other operating receipts	-	-	-	-	-	939,217
Payments to suppliers	(11,248,190)	(2,269,419)	(345,160)	(2,148,685)	(16,011,454)	(22,737,170)
Payments for interfund charges	(3,721,394)	(5,013,292)	(151,626)	(1,196,750)	(10,083,062)	(623,554)
Payments to employees	(6,780,355)	(3,001,213)	(150,170)	(1,711,563)	(11,643,301)	(2,498,939)
Net cash provided by operating activities	<u>22,687,412</u>	<u>4,454,989</u>	<u>519,374</u>	<u>1,555,813</u>	<u>29,217,588</u>	<u>4,132,595</u>
Cash flows from noncapital financing activities:						
Intergovernmental operating grants	-	-	-	5,194,952	5,194,952	1,075,261
Interfund loans received (repaid)	(76,603)	-	277,083	(361,681)	(161,201)	(124,601)
Transfers in from other funds	-	-	-	422,109	422,109	3,733,712
Transfers out to other funds	(2,375,670)	(3,791,372)	(668,829)	(1,746,240)	(8,582,111)	(312,000)
Net cash provided (used) by noncapital financing activities	<u>(2,452,273)</u>	<u>(3,791,372)</u>	<u>(391,746)</u>	<u>3,509,140</u>	<u>(3,126,251)</u>	<u>4,372,372</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(3,195,886)	(447,228)	-	(4,885,862)	(8,528,976)	(5,955,564)
Proceeds from sale of capital assets	28,560	-	-	-	28,560	159,026
Principal paid on long-term debt	(8,953,403)	-	-	-	(8,953,403)	(430,477)
Interest and fees paid on long-term debt	(4,819,232)	-	-	-	(4,819,232)	(44,339)
Net cash provided for capital and related financing activities	<u>(16,939,961)</u>	<u>(447,228)</u>	<u>-</u>	<u>(4,885,862)</u>	<u>(22,273,051)</u>	<u>(6,271,354)</u>
Cash flows from investing activities:						
Interest on investments	681,866	166,840	10,613	145,681	1,005,000	179,375
Net cash provided by investing activities	<u>681,866</u>	<u>166,840</u>	<u>10,613</u>	<u>145,681</u>	<u>1,005,000</u>	<u>179,375</u>
Net Increase in Cash and Cash Equivalents	3,977,044	383,229	138,241	324,772	4,823,286	2,412,988
Cash and Cash Equivalents - Beginning	<u>35,321,080</u>	<u>7,026,412</u>	<u>346,689</u>	<u>6,236,643</u>	<u>48,930,824</u>	<u>10,850,183</u>
Cash and Cash Equivalents - Ending	<u>\$ 39,298,124</u>	<u>\$ 7,409,641</u>	<u>\$ 484,930</u>	<u>\$ 6,561,415</u>	<u>\$ 53,754,110</u>	<u>\$ 13,263,171</u>
Reconciliation of cash and cash equivalents on the balance sheet to the statement of cash flows:						
Cash and cash equivalents	\$ 22,449,530	\$ 7,409,641	\$ 1,000	\$ 6,561,415	\$ 36,421,586	\$ 4,461,939
Restricted assets - cash and cash equivalents	16,848,594	-	483,930	-	17,332,524	8,801,232
Total cash and cash equivalents at end of year	<u>\$ 39,298,124</u>	<u>\$ 7,409,641</u>	<u>\$ 484,930</u>	<u>\$ 6,561,415</u>	<u>\$ 53,754,110</u>	<u>\$ 13,263,171</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Operating income (loss)	\$ 12,502,555	\$ 3,562,442	\$ (997,189)	\$ 92,550	\$ 15,160,358	\$ (336,453)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	10,206,284	300,393	1,510,217	1,263,349	13,280,243	4,539,537
Customer deposits received (refunded)	(14,530)	-	-	-	(14,530)	-
(Increase) decrease in assets and deferred outflows:						
Receivables:						
Customer and trade	(1,759)	(37,908)	-	7,847	(31,820)	-
Other	(10,553)	-	1,270	5,364	(3,919)	58,530
Inventory	(26,079)	-	-	11,352	(14,727)	7,696
Prepaid items	211	-	3,810	6,720	10,741	(942)
Deferred outflows - pension-related	(2,084,667)	(909,954)	(22,604)	(406,294)	(3,423,519)	(691,907)
Deferred outflows - OPEB-related	(185,933)	(83,141)	(1,612)	(29,832)	(300,518)	(54,206)
Increase (decrease) in liabilities and deferred inflows:						
Accounts payable - trade	(28,339)	7,448	425	(90,422)	(110,888)	(165,159)
Accrued payroll	36,340	7,737	(1,458)	13,881	56,500	6,434
Accrued vacation and sick leave	24,095	(14,844)	(3,785)	(1,072)	4,394	(34,215)
Estimated health claims payable	-	-	-	-	-	(33,279)
Payable to government agencies	-	5,090	3,252	(2,706)	5,636	-
Other liabilities	(498,751)	42,747	-	65,944	(390,060)	(958)
Estimated liability for landfill closure	-	372,891	-	-	372,891	-
Net pension liability	3,214,495	1,406,292	33,691	659,783	5,314,261	1,034,871
Net OPEB liability	49,292	7,745	245	15,880	73,162	1,735
Deferred inflows - pension-related	(530,610)	(227,692)	(7,193)	(62,243)	(827,738)	(209,337)
Deferred inflows - OPEB-related	35,361	15,743	305	5,712	57,121	10,248
Total adjustments	10,184,857	892,547	1,516,563	1,463,263	14,057,230	4,469,048
Net cash provided by operating activities	\$ 22,687,412	\$ 4,454,989	\$ 519,374	\$ 1,555,813	\$ 29,217,588	\$ 4,132,595
Noncash capital and financing activities:						
Capital assets received from developers	\$ 89,890	\$ -	\$ -	\$ -	\$ 89,890	\$ -

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2019

	Agency Fund
Assets	
Cash and cash equivalents	\$ 182,046
Liabilities	
Other liabilities	\$ 182,046

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the **City of Wichita Falls, Texas** (City) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments includes those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting (NCGA) unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The following is a summary of the more significant policies and practices used by the City.

A. Reporting Entity

The City is a municipal corporation governed by an elected Mayor and six-member City Council. As required by Governmental Accounting Standards Board (GASB) Statement No. 61, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations and data from these units are combined with data presented by the City. A discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the City. Each blended and discretely presented component unit has a September 30th year end.

Blended Component Unit

Employee Benefit Trust Fund. On October 1, 1983, an "Agreement and Declaration of Trust" was made and entered into between the City and the Employee Benefit Trust Committee, acting as Trustee to administer the Employee Benefit Trust (Trust). The Trust Committee consists of four Trustees selected by the City, who may, but need not be, beneficiaries of the health and welfare program funded by the Trust, and/or officers or employees of the City. The purpose of the Trust is to provide health and welfare benefits, which may include life, accidental death and dismemberment, disability, medical and dental insurance, and any other benefits as determined by the Trustee Committee. The Trust is funded through contributions by the City and employees who choose to participate. It may be terminated in writing, at any time, by either party. The Employee Benefit Trust Fund is presented in the accompanying financial statements as an internal service fund.

Discretely Presented Component Units

The Wichita Falls Economic Development Corporation. The Wichita Falls Economic Development Corporation is a non-profit corporation formed in May 1997 for the purpose of increasing employment opportunities, primarily through assisting qualifying enterprises with funds provided by a portion of the local sales tax. Assistance may be in the form of incentive grants, loans or leases which call for discounted rates or rebates for job development. The Corporation operates under the authority of Vernon's Civil Statutes, Article 5190.6, Section 4A. Since the City Council appoints its Board of Directors, approves its budgets, and exercises final authority over its operations, the Wichita Falls Economic Development Corporation is considered to be part of the City's reporting entity and presented in the accompanying basic financial statements as a discretely presented component unit. The Wichita Falls Economic Development Corporation utilizes full accrual accounting.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

The Wichita Falls 4B Sales Tax Corporation. The Wichita Falls 4B Sales Tax Corporation is a non-profit corporation formed in May 1997 for the purpose of increasing employment opportunities and for public improvement projects such as parks, auditoriums, learning centers, open space improvements, athletic and exhibition facilities, and the related maintenance and operating costs of such projects. The Corporation operates under the authority of Vernon's Civil Statutes, Article 5190.6, Section 4B. Since the City Council appoints its Board of Directors, approves its budgets, and exercises final authority over its operations, the Wichita Falls 4B Sales Tax Corporation is considered to be part of the City's reporting entity and presented in the accompanying basic financial statements as a discretely presented component unit. The Wichita Falls 4B Sales Tax Corporation utilizes full accrual accounting.

Wichita Falls Reinvestment Zone #2. On August 16, 2005, the City of Wichita Falls, Texas, with the advice and consent of the Wichita Falls Independent School District and Wichita County, approved the creation of the Wichita Falls Reinvestment Zone #2 (Zone). This Zone is permitted by Article 1066e of the State of Texas Tax Increment Financing Act passed in 1981. The area of the Zone is approximately 236 acres and includes the Lawrence Road area of the City. The purpose of the Zone is to capture increments of growth in real property values in the Zone from base values established on January 1, 2004, and use the ad valorem taxes derived from these increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the Zone or for the payment of debt service on bonds issued to provide funds for public improvements. The Zone terminates on December 31, 2025, or when all debt has been paid if later. After all costs have been paid at the end of the tax increment financing period, any money remaining is to be remitted to the taxing entities. Since the City Council appoints a majority of its Board, approves its budget, and exercises final authority over its operations, the Wichita Falls Reinvestment Zone #2 is considered to be part of the City's reporting entity and presented in the accompanying basic financial statements as a discretely presented component unit. The Zone utilizes full accrual accounting.

Wichita Falls Reinvestment Zone #3. On September 1, 2009, the City of Wichita Falls, Texas, with the advice and consent of the Wichita Falls Independent School District and Wichita County, approved the creation of the Wichita Falls Reinvestment Zone #3 (Zone). This Zone is permitted by Article 1066e of the State of Texas Tax Increment Financing Act passed in 1981. The area of the Zone is approximately 630 acres and includes a significant portion of the Eastside Neighborhood. The purpose of the Zone is to capture increments of growth in real property values in the Zone from base values established on January 1, 2009, and use the ad valorem taxes derived from these increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the Zone or for the payment of debt service on bonds issued to provide funds for public improvements. The Zone terminates on December 31, 2029. After all costs have been paid at the end of the tax increment financing period, any money remaining is to be remitted to the taxing entities. Since the City Council appoints a majority of its Board, approves its budget, and exercises final authority over its operations, the Wichita Falls Reinvestment Zone #3 is considered to be part of the City's reporting entity and presented in the accompanying basic financial statements as a discretely presented component unit. The Zone utilizes full accrual accounting.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Wichita Falls Reinvestment Zone #4. On March 17, 2015, the City of Wichita Falls, Texas, with the advice and consent of the Wichita Falls Independent School District and Wichita County, approved the creation of the Wichita Falls Reinvestment Zone #4 (Zone). This Zone is permitted by Article 1066e of the State of Texas Tax Increment Financing Act passed in 1981. The area of the Zone is approximately 246 acres and includes a significant portion of the downtown area. The purpose of the Zone is to capture increments of growth in real property values in the Zone from base values established on January 1, 2015, and use the ad valorem taxes derived from these increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the Zone or for the payment of debt service on bonds issued to provide funds for public improvements. The Zone terminates on December 31, 2035. After all costs have been paid at the end of the tax increment financing period, any money remaining is to be remitted to the taxing entities. Since the City Council appoints a majority of its Board, approves its budget, and exercises final authority over its operations, the Wichita Falls Reinvestment Zone #4 is considered to be part of the City's reporting entity and presented in the accompanying basic financial statements as a discretely presented component unit. The Zone utilizes full accrual accounting.

No separate audited financial statements are available for the City's blended and discretely presented component units. Complete financial statements for the individual component units may be obtained from the City's Director of Finance/CFO at 1300 7th Street, Wichita Falls, Texas.

Excluded From the Reporting Entity

Wichita Falls Firemen's Relief and Retirement Fund. The Wichita Falls Firemen's Relief and Retirement Fund was established and is controlled through various State of Texas legislative enactments. This Fund is administered locally by a seven-member board, independent of the City Council. City management and the City Council do not influence or control the administrative and financial affairs of the Fund, and the assets of the Fund are not the property of the City. The seven-member Board of Trustees, composed of the Mayor, the Director of Finance from the City's Finance Department, three firefighters elected by a majority vote of the firefighters and two citizens, who are not employees or officers of the City and are chosen by the unanimous vote of the first five Trustees, are subject to the administrative supervision of and report to the State Firemen's Pension Board. The activities of the Firemen's Relief and Retirement Fund, in the City's judgment, are not a part of the City and thus are excluded from the accompanying financial statements.

B. Basis of Presentation

Government-wide financial statements

The basic financial statements include both government-wide (based on the City as a whole) 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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (police, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements

Separate fund-based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets (combined with deferred outflows of resources), liabilities (combined with deferred inflows of resources), revenues or expenditures/expenses of either fund category for governmental and enterprise) for the determination of major funds. The major governmental fund is the General Fund. The major enterprise funds are the Water and Sewer Fund, the Sanitation Fund and the Regional Airport Fund. Non-major funds are combined in a column in the fund financial statements. Non-major funds are detailed in the combining section of the statements.

Internal service funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of internal services are the City's governmental and business-type activities, financial statements of internal service funds are allocated (based on the percentage of goods or services provided) between the governmental and business-type activities when presented at the government-wide level.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement focus, basis of accounting and financial statement presentation

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Government fund-level 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 they are 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.

Property tax, franchise fees, and sales tax associated with the current fiscal period are all susceptible to accrual and have been recognized as revenues of the current fiscal period. All of the revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid general operating costs, fixed charges, and capital improvement costs that are not paid through other funds.

Other governmental funds are a summarization of all the non-major governmental funds.

The City reports the following major proprietary funds:

The Water and Sewer Fund accounts for the water and sewer utility services provided to residents of the City. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance and related debt service.

The Sanitation Fund accounts for refuse collection services to the residents of the City as well as the operations of the City's landfill. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations and maintenance.

The Regional Airport Fund accounts for the operations of the Wichita Falls Regional Airport. Operational activities, including administration, operations and maintenance, of the airport are accounted for in this fund.

Other enterprise funds are a summarization of all of the non-major proprietary funds.

The City additionally reports the following fund types:

Internal service funds are used to account for the financing of materials and services provided by one department of the City to other departments of the City on a cost-reimbursement basis. The City uses internal service funds to report the activities of fleet maintenance, duplicating services, employee health and life insurance, and information technology.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

An agency fund is used to account for any unclaimed vendor or payroll checks that will be escheated to the State if they remain unclaimed. These funds are held on a purely custodial basis.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, sanitation, transit, and airport funds are charges to customers for services. Operating expenses for the 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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Capital improvement assessments are recorded as revenues in the fiscal period when the assessment becomes both measurable and available to finance expenditures of the fiscal period. Assessment revenues are considered measurable and available when collected by the City and recognized as revenue at that time. Payments for capital improvement assessments received in advance of the levy are reflected as deferred revenue.

D. Nonexchange Transactions

In a nonexchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. The statement defines when the City should recognize revenue or expense for nonexchange transactions involving financial or capital resources and how to account for timing and purpose restrictions. The timing of recognition depends on whether a nonexchange transaction is (a) a derived tax revenue (b) an imposed nonexchange revenue transaction or (c) a government-mandated or voluntary nonexchange transaction. Under this standard, revenue transactions with purpose restrictions are recorded as restricted resources until the purpose restrictions are met.

Nonexchange transactions include the following classifications:

- Derived tax revenues result from assessments imposed by governments on exchange transactions.
- Imposed nonexchange revenues result from assessments by governments on nongovernmental entities, other than assessments on exchange transactions.
- Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and require that government to use them for a specific purpose or purposes established in the provider's enabling legislation.
- Voluntary nonexchange transactions result from legislative or contractual agreements, other than exchanges, entered into willingly by two or more parties. Examples of the City's voluntary nonexchange transactions include capital grants, state shared revenue and private donations.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Providers of government-mandated nonexchange transactions and voluntary nonexchange transactions should recognize liabilities and expenses/expenditures and recipients should recognize receivables (or decrease in liabilities) and revenue when all applicable eligibility requirements, including time requirements are met.

All nonexchange transactions occurring in governmental fund types are also subject to the modified accrual revenue recognition criteria. Accordingly, assets and revenue should not be recognized unless measurable and available.

E. Assets, liabilities and net position or fund balances

1. Cash, cash equivalents and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are carried at fair value. Fair value is determined as the price at which two willing parties would complete an exchange. Interest earned on investments is recorded in the funds in which the investments are recorded.

2. Inventory and Prepaid Items

Inventories of the general and proprietary funds consist of supplies and various materials used for the maintenance of capital assets. The consumption method is used to account for these inventories. Under this method, inventory acquisitions are recorded in inventory accounts initially and charged as expenditures when used. Inventories are stated at average cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements via the purchases method.

3. Capital Assets

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

Capital assets are depreciated using the straight line method over the following useful lives:

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

<u>Assets</u>	<u>Years</u>
Buildings, systems and improvements	20-59 years
Infrastructure	8-100 years
Machinery, vehicles and other equipment	3 - 25 years
Furniture and equipment	3 - 10 years

Contributions of funds from federal, state, or local grants restricted for the purpose of purchasing plant and equipment are recorded as revenue when received. The cost of water and sewer lines installed by developers is valued by the contractor and recorded as nonoperating revenue in the Water and Sewer Fund.

4. 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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Certain amounts related to the City's participation in pension plans (See Note 8) and OPEB plan (Note 9) are reported in this category, along with deferred losses on bond refunding.

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items that qualify for reporting in this category. Property taxes receivable (\$905,131) and municipal court fines receivable (\$370,143) are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received. There are also certain items related to the City's participation in pension plans (See Note 8) and OPEB plan (See Note 9) that are reported in this category.

5. Long-Term Obligations

Long-term debt and other obligations for general government purposes are recorded in the government-wide statement of net position. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For the government-wide financial statements and proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred bond issue costs and amortized over the term of the related debt. In addition, gains or losses on proprietary fund bond refunding are amortized over the term of the lesser of the new bonds or the refunded bonds' life using the effective interest method. In the governmental fund financials, bond proceeds are reported as another financing source. Bond premiums and discounts in governmental funds are also recognized currently as other financing sources or uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

6. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose by adoption of an ordinance by the City Council. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints through the adoption of another ordinance. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation, but rather from inside the City.

Assigned Fund Balance – represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. The City Council has by resolution authorized the Director of Finance/CFO to assign fund balance. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself. Unlike commitments, assignments only exist temporarily. Therefore additional action does not normally have to be taken for the removal of an assignment.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

7. Federal and State Grants

Grants and shared revenues are generally accounted for within the appropriate fund of the City to be financed by such grants or shared revenues. Federal grants include Community Development Block Grant, Section 8 Housing Assistance, Home Investment Partnership Agreement Program, and numerous health-related grants.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Each Federal grant is accounted for in a separate special revenue fund. State grant revenues received for purposes normally financed through the general government are accounted for within the General Fund.

8. Transactions Between Funds

Outstanding balances between funds are reported as "due to/from other City funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances." Nonrecurring or non-routine transfers of equity between funds are accounted for as transfers.

9. Vacation and Sick Leave

All full-time employees accumulate vacation benefits based on length of service up to 20 days per year. The maximum allowable accumulation is 35 days. Upon leaving the employment of the City, employees will be paid for unused vacation days which they have accrued.

Sick leave is earned at the rate of 4.62 hours per pay period up to a maximum of ninety days. Additionally, police officers and firefighters may accumulate an unlimited number of sick leave days while employed with the City. Upon termination, police officers and firefighters are compensated for up to 720 hours and 1,080 hours, respectively.

10. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The City maintains a group health insurance plan for employees and dependents which is partially self-insured by the City. A group life insurance plan is maintained through an insurance company. Contributions to the plans are provided for by both the City and participating employees. These contributions are recognized as revenues in the internal service fund used to account for these plans. The contributions made by the City are recorded as expenditures or expenses of the various funds as appropriate.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$500,000. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

The City is also self-insured up to \$250,000 for workers' compensation claims. Such claims are processed by a third party administrator. The City's estimated liability for workers' compensation claims payable at September 30, 2019 is based on management's estimate of probable losses in the amount of \$775,231. The payment dates of such claims cannot be precisely determined, but are expected to be paid on a periodic basis over the next few years. Accordingly, the long-term liability has been recorded in the government-wide financial statements.

The following represents changes in the amount of claims liabilities for the City from October 1, 2017 to September 30, 2019:

	<u>Health Care</u>	<u>Workers' Compensation</u>
Liability balance, October 1, 2017	\$ 468,000	\$ 24,298
Incurred claims/adjustments	10,497,456	1,389,632
Claim payments	<u>(10,440,530)</u>	<u>(637,090)</u>
Liability balance, September 30, 2018	524,926	776,840
Incurred claims/adjustments	12,671,940	1,068,701
Claim payments	<u>(12,705,219)</u>	<u>(1,070,310)</u>
Liability balance, September 30, 2019	<u>\$ 491,647</u>	<u>\$ 775,231</u>

F. Pension Plan

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 the Wichita Falls Firemen's Relief and Retirement Fund (WFFRRF) and additions to/deductions from Fiduciary Net Position have been determined on the same basis as they are reported to TMRS and WFFRRF. 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.

G. Other Post-Employment Benefits

The fiduciary net position of the City of Wichita Falls Retiree Health Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the Plan's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 2 - COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provisions

The City had no violations of finance-related legal and contractual provisions for the year ended September 30, 2019.

Deficit Fund Balances – Individual Funds

The Airport Improvement Grant Fund, a special revenue fund, had a deficit fund balance of \$994,338 as of September 30, 2019. The City plans for this deficit to be alleviated within a year.

Note 3 - DEPOSITS AND INVESTMENTS

Deposits

All of the City's demand and time depository accounts are held in local banking institutions under the terms of written depository contracts. At September 30, 2019, the total amount of the City's demand and time deposits per the general ledger was \$5,579,605, and the total amount per the City's September 30, 2019 bank statements was \$6,535,131. The entire amount of the year-end bank statement balances was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

Investments

The investment policies of the City and its discretely presented component units are governed by The Public Funds Investment Act. Authorized investments include obligations of the U.S. Treasury, agencies and instrumentalities, obligations of the State of Texas and related agencies, obligations of states, agencies, counties, cities and political subdivisions of any state rated A or above by a nationally recognized investment rating firm, repurchase agreements, public funds investment pools, and commercial paper.

The investments of the City and its discretely presented component units at September 30, 2019 are as follows:

<u>Types of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Average Credit Quality/ Ratings</u>	<u>Weighted Average Months to Maturity</u>
Primary Government:				
TexPool	\$ 31,124,604	\$ 31,124,604	Not rated	1.00
LOGIC	42,998,970	42,998,970	Not rated	1.00
Money market accounts	<u>19,285,833</u>	<u>19,285,833</u>	Not rated	1.00
Total primary government investments	<u>93,409,407</u>	<u>93,409,407</u>		
Component Units:				
TexPool	<u>26,547,149</u>	<u>26,547,149</u>	Not rated	1.00
Total component unit investments	<u>26,547,149</u>	<u>26,547,149</u>		
Total investments	<u>\$119,956,556</u>	<u>\$119,956,556</u>		

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 3 - DEPOSITS AND INVESTMENTS (CONT'D.)

TexPool is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc., under an agreement with the Comptroller, acting on behalf of the Trust Company. As required by the Public Funds Investment Act, the Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. TexPool is comprised of two investment alternatives: TexPool (which the City is invested in) and TexPool Prime. Both funds seek to maintain a net asset value of \$1.00 per unit and are rated AAAm by Standard and Poor's.

Local Government Investment Cooperative (LOGIC) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, and operates as a public funds investment pool under the Public Funds Investment Act. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all Participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the Participants. The Board of Trustees is LOGIC's governing body and is comprised of employees, officers or elected officials of Participant Government Entities or individuals who do not have a business relationship with the Pool and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Pool. LOGIC seeks to maintain a net asset value of \$1.00 per unit and are rated AAAm by Standard and Poor's.

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The City values its money market accounts using Level 2 inputs, which are values provided by the City's depositories. TexPool and LOGIC are valued at net asset value per unit/share.

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not exposed to credit risk.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 3 - DEPOSITS AND INVESTMENTS (CONT'D.)

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to interest rate risk by allowing no more than 20% of the City's portfolio to be invested for a period greater than one year.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

Note 4 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of the prior January 1. Taxes are levied on October 1, and become delinquent after January 31, unless the half-payment option is elected, in which case one-half of the tax is due November 30, and the balance the following June 30.

The City is permitted by its Home Rule Charter to levy taxes up to \$2.25 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services for the year ended September 30, 2019 was \$.72988 per \$100 which means that the City has a tax margin of \$1.52012 per \$100, and could raise up to \$77,139,687 additional tax revenue a year from the present assessed valuation of \$5,074,578,796 before the limit is reached.

CITY OF WICHITA FALLS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

Note 5 - RECEIVABLES

Receivables at September 30, 2019 consist of the following:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Regional Airport</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service</u>	<u>Totals Primary Government</u>	<u>Component Units</u>	<u>Totals Reporting Entity</u>
Receivables:										
Taxes and assessments	\$ 1,539,648	\$ 222,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,762,411	\$ -	\$ 1,762,411
Customer and trade	-	-	8,679,428	2,555,173	-	607,283	-	11,841,884	-	11,841,884
Other City funds	5,814,255	-	-	-	-	-	-	5,814,254	-	5,814,254
Government agencies	4,683,642	3,888,366	71,859	-	-	1,286,261	-	9,930,128	2,528,191	12,458,319
Other	<u>1,056,075</u>	<u>109,834</u>	<u>59,714</u>	<u>19,445</u>	<u>32,927</u>	<u>(3,312)</u>	<u>34,452</u>	<u>1,309,136</u>	<u>200,000</u>	<u>1,509,136</u>
Gross receivables	13,093,620	4,220,963	8,811,001	2,574,618	32,927	1,890,232	34,452	30,657,813	2,728,191	33,386,004
Less: Allowance for uncollectible accounts	<u>(721,922)</u>	<u>(32,016)</u>	<u>(3,012,531)</u>	<u>(966,423)</u>	<u>-</u>	<u>(201,548)</u>	<u>-</u>	<u>(4,934,440)</u>	<u>-</u>	<u>(4,934,440)</u>
Net total receivables	<u>\$12,371,698</u>	<u>\$4,188,947</u>	<u>\$5,798,470</u>	<u>\$1,608,195</u>	<u>\$32,927</u>	<u>\$1,688,684</u>	<u>\$34,452</u>	<u>\$25,723,373</u>	<u>\$2,728,191</u>	<u>\$28,451,564</u>

There are no net receivables, other than delinquent property taxes, that the City does not expect to collect within a year. The City expects to collect approximately \$400,000 of the \$1,597,148 total delinquent property taxes within a year. This amount is similar to the amounts collected in previous years.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 6 - RESTRICTED ASSETS

Restricted assets in the Water and Sewer Fund, Regional Airport Fund, and Internal Service Funds, are held for specific purposes in accordance with bond ordinances or other legal restrictions.

Water and Sewer restricted assets are comprised of the following:

For Debt Service:	
Cash and cash equivalents	\$11,870,066
For Capital Improvements:	
Cash and cash equivalents	<u>4,978,528</u>
Total	<u>\$16,848,594</u>

Regional Airport restricted assets are comprised of the following:

For Passenger Facility Charges:	
Cash and cash equivalents	\$ 26,494
For Customer Facility Charges:	
Cash and cash equivalents	<u>457,436</u>
Total	<u>\$483,930</u>

Internal Service Fund restricted assets are comprised of the following:

For Employee Insurance:	
Cash and cash equivalents	<u>\$8,801,232</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

Governmental activities:	Balance October 1, 2018	Increases	Decreases	Balance September 30, 2019
Capital assets not being depreciated:				
Land	\$ 10,682,820	\$ 53,451	\$ -	\$ 10,736,271
Construction in progress	<u>3,822,292</u>	<u>4,162,085</u>	<u>3,192,417</u>	<u>4,791,960</u>
Total capital assets not being depreciated	<u>14,505,112</u>	<u>4,215,536</u>	<u>3,192,417</u>	<u>15,528,231</u>
Capital assets being depreciated:				
Land betterments	23,425,044	-	-	23,425,044
Buildings, systems and improvements	75,541,874	25,383	15,616	75,551,641
Infrastructure	188,461,128	6,751,615	807,897	194,404,846
Machinery and equipment	27,012,539	436,694	127,160	27,322,073
Furniture and fixtures	<u>145,421</u>	<u>-</u>	<u>2,339</u>	<u>143,082</u>
Total capital assets being depreciated	<u>314,586,006</u>	<u>7,213,692</u>	<u>953,012</u>	<u>320,846,686</u>
Less accumulated depreciation for:				
Land betterments	7,726,609	492,899	-	8,219,509
Buildings, systems and improvements	27,876,451	1,724,951	15,616	29,585,786
Infrastructure	97,926,761	3,458,665	793,309	100,592,117
Machinery and equipment	17,761,225	1,905,598	124,815	19,542,008
Furniture and fixtures	<u>145,421</u>	<u>466</u>	<u>4,670</u>	<u>141,217</u>
Total accumulated depreciation	<u>151,436,467</u>	<u>7,582,579</u>	<u>938,410</u>	<u>158,080,637</u>
Total capital assets being depreciated, net	<u>163,149,539</u>	<u>(368,887)</u>	<u>14,602</u>	<u>162,766,049</u>
Governmental activities capital assets, net	<u>\$177,654,651</u>	<u>\$ 3,846,649</u>	<u>\$3,207,019</u>	<u>\$178,294,280</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Administrative services	\$ 1,318,122
Police	1,096,121
Fire	203,134
Parks and recreation	222,589
Accounting/finance	4,075
Community development	6,918
Public works	2,927,453
Health	167,378
Traffic and transportation	605,200
Multi-Purpose Events Center	<u>1,031,589</u>
Total governmental depreciation	<u>\$ 7,582,579</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 7 - CAPITAL ASSETS (CONT'D.)

Business-type activities:	Balance October 1, 2018	Increases	Decreases	Balance September 30, 2019
Capital assets not being depreciated:				
Land	\$ 10,835,178	\$ -	\$ -	\$ 10,835,178
Construction in progress	<u>4,870,437</u>	<u>5,034,727</u>	<u>1,292,550</u>	<u>8,612,614</u>
Total capital assets not being depreciated	<u>15,705,615</u>	<u>5,034,727</u>	<u>1,292,550</u>	<u>19,447,792</u>
Capital assets being depreciated:				
Land betterments	56,399,711	2,714,149	19,616	59,094,244
Buildings, systems and improvements	459,421,678	2,933,977	220,520	462,135,135
Machinery and equipment	9,432,303	440,505	155,598	9,717,210
Furniture and fixtures	16,943	-	-	16,943
Motor vehicles	<u>60,713,903</u>	<u>5,465,885</u>	<u>3,226,236</u>	<u>62,953,552</u>
Total capital assets being depreciated	<u>585,984,538</u>	<u>11,554,516</u>	<u>3,621,970</u>	<u>593,917,084</u>
Less accumulated depreciation for:				
Land betterments	19,434,518	1,591,527	10,815	21,015,230
Buildings, systems and improvements	140,833,144	11,436,479	185,000	152,084,623
Machinery and equipment	7,257,703	458,831	146,495	7,570,039
Furniture and fixtures	10,529	2,566	-	13,095
Motor vehicles	<u>44,125,758</u>	<u>3,584,615</u>	<u>2,936,969</u>	<u>44,773,404</u>
Total accumulated depreciation	<u>211,661,652</u>	<u>17,074,018</u>	<u>3,279,279</u>	<u>225,456,391</u>
Total capital assets being depreciated, net	<u>374,322,886</u>	<u>(5,519,502)</u>	<u>342,691</u>	<u>368,460,693</u>
Business-type activities capital assets, net	<u>\$390,028,501</u>	<u>(\$ 484,775)</u>	<u>\$ 1,635,241</u>	<u>\$387,908,485</u>

Depreciation expense was charged to programs as follows:

Business-type activities:	
Regional Airport	\$ 1,512,732
Kickapoo Airport	523,737
Transit	342,425
Sanitation	3,165,777
Water and sewer	10,829,427
Stormwater drainage	444,180
Waterpark	<u>255,740</u>
Total business-type depreciation	<u>\$17,074,018</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS

Eligible City employees participate in one of two pension plans. Eligible firefighters participate in the Wichita Falls Firemen's Relief and Retirement Fund (WFFRRF). All other eligible employees participate in the Texas Municipal Retirement System (TMRS).

The table below summarizes the amounts reported by the City for each plan as of September 30, 2019. Detailed information for each plan follows.

	<u>TMRS</u>	<u>WFFRRF</u>	<u>Total</u>
Net pension liability	\$53,623,965	\$72,389,078	\$126,013,043
Deferred outflows of resources	26,354,981	35,334,201	61,689,182
Deferred inflows of resources	9,350,892	4,017,366	13,368,258
Pension expense	10,241,375	5,429,092	15,670,467

Texas Municipal Retirement System

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the 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 employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits Provided

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS (CONT'D.)

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	661
Inactive employees entitled to but not yet receiving benefits	486
Active employees	968

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the participating city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the participating 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 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 of the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.83% and 12.77% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$5,877,907, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 100.0%. 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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS (CONT'D.)

Actuarial assumptions used in the December 31, 2016, valuation were developed primarily from an actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 through December 31, 2014, first used in the December 31, 2015 valuation. The post-retirement mortality assumption for healthy annuitants and annuity purchase rates are based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were 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.

The long-term expected rate of return on pension plan investments is 6.75%. 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 weighing 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%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	<u>5.0%</u>	7.75%
Total	<u>100.0%</u>	

Discount Rate

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS (CONT'D.)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances as of December 31, 2017	\$261,956,513	\$229,946,313	\$32,010,200
Changes for the year:			
Service cost	4,990,566	-	4,990,566
Interest on total pension liability	17,400,438	-	17,400,438
Change of benefit terms	-	-	-
Difference between expected and actual experience	540,881	-	540,881
Change of assumptions	-	-	-
Contributions – employer	-	5,783,625	(5,783,625)
Contributions – employee	-	2,558,451	(2,558,451)
Net investment income	-	(6,883,878)	6,883,878
Benefit payments, including refunds of employee contributions	(13,335,060)	(13,335,060)	-
Administrative expense	-	(133,122)	133,122
Other changes	-	(6,956)	6,956
Balances as of December 31, 2018	<u>\$271,553,338</u>	<u>\$217,929,373</u>	<u>\$53,623,965</u>

Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability	\$89,336,035	\$53,623,965	\$24,157,162

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2019, the City recognized pension expense of \$10,241,375 related to its participation in TMRS.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS (CONT'D.)

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to TMRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,425,348	\$ 565,424
Net difference in assumptions	16,545	-
Net difference between projected and actual earnings	20,680,990	8,785,468
Contributions made subsequent to measurement date	<u>4,232,098</u>	<u>-</u>
Total	<u>\$26,354,981</u>	<u>\$9,350,892</u>

\$4,232,098 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 plan year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2019	\$ 5,064,811
2020	1,564,159
2021	1,661,970
2022	<u>4,481,050</u>
Total	<u>\$12,771,990</u>

Wichita Falls Firemen's Relief and Retirement Fund

Plan Description

The City provides pension benefits for all of its firefighters through a single-employer defined benefit pension plan. The Wichita Falls Firemen's Relief and Retirement Fund (Fund) operates under an act passed in 1937 by the Texas State Legislature and adopted by the City's firefighters.

The stand-alone financial report for the Firemen's Relief and Retirement Fund can be obtained from the City's Director of Finance/CFO at 1300 7th Street, Wichita Falls, Texas.

Benefits Provided

Benefits are determined on a "formula" or a "final salary" plan. A firefighter who qualifies for a retirement benefit will receive monthly retirement equal to 2.55% (2.50% for those hired after April 20, 2016) of the firefighter's average salary, multiplied by the member's years of credited service. Benefits are calculated based upon a member's average salary for the 78 consecutive biweekly pay periods which produce the highest average.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS (CONT'D.)

Members hired prior to April 21, 2016 can receive a service retirement at ages 50 and above with 20 or more years of service. Members hired after April 20, 2016 can receive a service retirement at ages 55 and above with 20 or more years of service. Members are eligible for actuarially reduced early retirement benefits before the applicable retirement age, provided the employee has accrued at least 20 years of service. The plan also provides death and disability benefits. Members who terminate their service and are nonvested are entitled to the excess of the member's contributions over any benefits previously received.

The valuations used for this plan are based on a valuation performed as of January 1, 2018.

Employees Covered by Benefit Terms

At the January 1, 2018 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	135
Inactive employees entitled to but not yet receiving benefits	1
Active employees	155

Contributions

The contribution rate for the firefighters is 13% and the City contributes 12.77%. Both the firefighters and City make contributions bi-weekly. Contribution requirements are not actuarially determined, however, state law requires that each plan of benefits adopted by the Fund must be approved by a qualified actuary. The actuary certifies that the contribution commitments by the firefighters and the City provide an adequate financing arrangement. Using the individual entry age normal cost method, the plan's normal cost is determined as a percentage of payroll.

The City's contributions to the Plan for the year ended September 30, 2019, were \$1,455,950, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of January 1, 2018, and the Total Pension Liability 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 January 1, 2018, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Salary increases	Service-based
Discount Rate	5.03% per year
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates for employee and healthy annuitant combined rates were taken from RP2000 Mortality Table, projected to 2024 using Scale AA – Sex Distinct.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS (CONT'D.)

Actuarial assumptions used in the valuation were based on the results of actuarial experience studies. The experience study was last performed October 6, 2017.

The long-term expected rate of return on pension plan investments was determined using a 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. For 2018 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major class included in the Plan's target asset allocation as of December 31, 2018 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	40.00%	7.50%
International Equity	15.00%	8.50%
Domestic Fixed Income	20.00%	2.50%
Global Fixed Income	5.00%	3.50%
Real Estate	10.00%	4.50%
GTAA	10.00%	3.50%
Total	<u>100.00%</u>	

Discount Rate

The projection of cash flows used to determine the discount rate assumed that current plan member and sponsor contributions will be made at the current contribution rate. Future member's contributions in excess of their normal cost were also included. Based on these assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for 30 years. Future benefit payments beyond 30 years were discounted using a high quality municipal bond rate of 3.44%. The high quality municipal bond rate was based on the week closest to, but not later than, the measurement date of the Bond Buyer 20-Bond Index as published by the Bond Buyer. The single equivalent discount rate was 5.03%.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS (CONT'D.)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances as of December 31, 2017	\$121,865,514	\$51,378,997	\$70,486,517
Changes for the year:			
Service cost	3,073,858	-	3,073,858
Interest on total pension liability	5,899,445	-	5,899,445
Change of benefit terms	(5,007,726)	-	(5,007,726)
Difference between expected and actual experience	-	-	-
Change of assumptions	(1,453,521)	-	(1,453,521)
Contributions – employer	-	1,455,950	(1,455,950)
Contributions – employee	-	1,475,242	(1,475,242)
Net investment income	-	(2,225,595)	2,225,595
Benefit payments, including refunds of employee contributions	(5,292,918)	(5,292,918)	-
Administrative expense	-	(96,102)	96,102
Balances as of December 31, 2018	<u>\$119,084,652</u>	<u>\$46,695,574</u>	<u>\$72,389,078</u>

Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 5.13%, as well as what the City's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.13%) or 1 percentage point higher (6.13%) than the current rate.

	1% Decrease 4.13%	Current Discount Rate 5.13%	1% Increase 6.13%
Net pension liability	\$84,246,365	\$72,389,078	\$55,847,224

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2019, the City recognized pension expense of \$5,429,092 related to the Wichita Falls Firemen's Relief and Retirement Fund.

Pension Plan Fiduciary Net Position

Detailed information about the pension Plan's Fiduciary Net Position is available in the separately issued Plan financial report.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 8 - PENSION PLANS (CONT'D.)

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the WFFRRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,125,877	\$2,438,142
Difference due to changes in actuarial assumptions	27,631,778	1,579,224
Net difference between projected and actual earnings	2,527,817	-
Contributions made subsequent to measurement date	<u>1,048,729</u>	<u>-</u>
Total	<u>\$35,334,201</u>	<u>\$4,017,366</u>

\$1,048,729 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 plan year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2019	\$ 5,303,718
2020	4,640,023
2021	4,429,384
2022	5,214,608
2023	4,457,732
Thereafter	<u>6,222,641</u>
Total	<u>\$30,268,106</u>

Note 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The City administers the City of Wichita Falls Retiree Health Care Plan for all permanent employees who retire after satisfying eligibility retirement requirements through a single-employer defined benefit plan. All employees who retire and are actively in one of the City's health plans can continue to receive health care benefits under the City's plan for themselves and any dependents for as long as the retiree and/or dependents live. The plan does not issue a stand-alone financial report.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D.)

Retiree Premiums

Pre-Medicare: Retirees share in the cost of the Plan by paying premiums according to the following schedule:

	PPO	PPO	PPO
<u>Under 65</u>	<u>Core</u>	<u>CAT</u>	<u>HSA</u>
Retiree Only	\$ 406	\$ 304	\$ 288
Retiree/Spouse	\$1,630	\$1,285	\$1,229
Retiree/Child	\$1,273	\$ 999	\$ 954
Retiree/Family	\$2,344	\$1,856	\$1,778

Rates for pre-Medicare retirees over the age of 65 are \$514 for retiree only and \$1,028 for retiree/spouse.

Post-Medicare: Eligible retirees and spouses on Medicare are eligible to participate in a Medicare supplement health care plan. Effective January 1, 2009, the following changes will be implemented to Medicare eligible retirees:

For retirees and spouses who were on Medicare as of January 1, 2009, the City will provide \$250 in premium assistance towards the full premium for a Medicare subsidy program. The \$250 is expected to be a fixed amount.

For retirees and spouses retired as of January 1, 2009 but not yet Medicare-eligible, the City will provide \$100 in premium assistance towards the full premium for a Medicare subsidy program. The \$100 is expected to be a fixed amount.

For members who retire on or after January 1, 2009, the City will provide no premium assistance once Medicare-eligible.

Benefits for Spouses of Retired Employees

Spouses of retirees are eligible to participate in the retiree health care program. Spouses are eligible to continue with same coverage after the death of the retiree.

Vision Coverage

Vision coverage is offered through a separate, fully-insured plan. Retirees may participate but are 100% responsible for payment of the vision premiums.

Dental Coverage

Retirees and spouses, prior to qualifying for Medicare, are eligible to participate in the same dental care program as active employees. There is no dental coverage for retirees or spouses on the Medicare supplement.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D.)

Life Insurance Coverage

General employees and Firefighters receive \$7,500 of employer-paid life insurance which is included in the liabilities of the Plan. No life insurance coverage is provided for spouses of retirees.

Employees Covered by Benefit Terms

At the December 31, 2018 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	693
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	1,158

Actuarial Assumptions

The demographic assumptions are based on the assumptions that were developed for the defined benefit plans in which the City participates (TMRS and the Firemen's Pension Plan). The TMRS assumptions are based on the experience study covering the four-year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS). The firefighter assumptions are based on the January 1, 2017 Valuation for the Wichita Falls Firemen's Relief and Retirement Fund.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	6.75% as of December 31, 2018
Inflation	2.50%
Salary Increases	3.50% to 10.50% for TMRS and 3.50% to 12.00% for firemen, including inflation
Demographic Assumptions	TMRS: Based on the experience study covering the four-year period ending December 31, 2014 as conducted for TMRS. Based on the January 1, 2018 valuation for the Wichita Falls Firemen's Relief and Retirement Fund.
Mortality	TMRS: For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used 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. WFRRF: The firefighters' mortality table was the RP-2000 Combined Healthy Mortality Table for males and females, projected to year 2024 using Scale AA.
Participation Rates	TMRS: 45% of employees retiring after the age of 49 or with disability at any age were assumed to elect retiree health care benefits through the City. 0% of TMRS employees retiring before the age of 49 were assumed to elect coverage. Fire: 70% of employees retiring at any age were assumed to elect retiree health care benefits through the City.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D.)

Healthcare Cost Trend Rates Initial rate of 7.10% declining to ultimate rates of 4.25% after 14 years.

Discount Rate

A single discount rate of 6.75% was used to measure the total OPEB liability. The asset portfolio of the OPEB trust largely consists of long-term growth stocks and can therefore support a 6.75% long-term rate of return. The City's current funding policy is to pay the recommended actuarially determined contribution, which is based on a closed amortization period. As a result, the OPEB plan's fiduciary net position is expected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances as of December 31, 2017	\$21,429,843	\$4,981,836	\$16,448,007
Changes for the year:			
Service cost	518,007	-	518,007
Interest on total OPEB liability	1,480,271	-	1,480,271
Change of benefit terms	-	-	-
Difference between expected and actual experience	(705,047)	-	(705,047)
Change of assumptions	765,976	-	765,976
Contributions – employer	-	2,260,421	(2,260,421)
Contributions – employee	-	-	-
Net investment income	-	(374,667)	374,667
Benefit payments, including refunds of employee contributions	(1,679,932)	(1,679,932)	-
Administrative expense	-	(1,202)	1,202
Other changes	-	-	-
Balances as of December 31, 2018	<u>\$21,809,118</u>	<u>\$5,186,456</u>	<u>\$16,622,662</u>

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.75%) in measuring the net OPEB liability.

1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
<u>\$18,526,594</u>	<u>\$16,622,662</u>	<u>\$14,943,907</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D.)

The following schedule presents the net OPEB liability of the plan using the assumed healthcare cost trend rate as well as what the net OPEB liability would be if it were calculated using a trend ratio that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
<u>\$15,334,138</u>	<u>\$16,622,662</u>	<u>\$18,115,019</u>

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2019, the City recognized OPEB expense of \$1,695,544 related to the City of Wichita Falls Retiree Health Care Plan.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the City of Wichita Falls Retiree Health Care Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience, liability	\$ -	\$579,522
Difference due to changes in actuarial assumptions	629,604	-
Differences between expected and actual experience, assets	328,268	-
Contributions made subsequent to measurement date	<u>1,689,671</u>	<u>-</u>
Total	<u>\$2,647,543</u>	<u>\$579,522</u>

\$1,689,671 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the plan year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2020	\$ 70,339
2021	70,339
2022	70,341
2023	160,637
2024	<u>6,694</u>
Total	<u>\$378,350</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 10 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseen emergency.

Note 11 - AIRPORT LEASE

The Regional Airport facilities are located on land at Sheppard Air Force Base. The land is leased from the Department of the Air Force for a period of fifty years, beginning May 15, 2009 and expiring May 14, 2059. The City's expense for the year ended September 30, 2019 was \$48,928. The lease payment increases by 3% per year with a final lease payment of \$157,805 in 2059.

Note 12 - DESCRIPTION OF LEASING ARRANGEMENTS

The majority of the City's operating leases contain an option for annual renewal at the end of the initial lease term. In most cases, these leases will be canceled or replaced by other leases. The City leases certain equipment under operating leases expiring at various times through the year ending September 30, 2019.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of September 30, 2019:

Year ending September 30:	
2020	\$ 139,735
2021	139,374
2022	124,473
2023	87,999
2024	60,776
2025-2029	316,010
2030-2034	366,186
2035-2039	424,510
2040-2044	492,123
2045-2049	570,505
2050-2054	661,372
2055-2059	<u>604,173</u>
Total minimum payments required	<u>\$3,987,236</u>

The total rental expenses for all operating leases for the year ended September 30, 2019 was \$138,248. There were no contingent rentals during the year ended September 30, 2019.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 13 - LANDFILL AND TRANSFER STATION CLOSURE AND POSTCLOSURE CARE COSTS

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 accordance with the Texas Administrative Code, Title 30, Part 1, Chapter 7, the City annually submits a financial assurance letter to the Texas Commission on Environmental Quality (TCEQ). 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 postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$5,209,540 as of September 30, 2019, which is based on 22% usage of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$18,022,191 as the remaining estimated capacity is filled. The landfill is expected to be filled to capacity in 2153. Additionally, the City has recorded a liability of \$71,722 for closure and postclosure care costs related to the City's transfer station. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

Note 14 - LONG-TERM LIABILITIES

Long-term liabilities transactions for the year ended September 30, 2019 are summarized as follows:

	Balance at October 1, 2018	Issued	Retired and Transferred	Balance at September 30, 2019	Due Within One Year
<u>Governmental Activities:</u>					
General obligation bonds	\$ 34,000,000	\$ -	\$ 2,215,000	\$ 31,785,000	\$ 2,715,000
Combination tax and revenue bonds	21,155,000	-	1,785,000	19,370,000	1,330,000
Premiums on bonds	2,392,826	-	290,557	2,102,269	-
Accrued vacation and sick leave payable	8,986,701	2,846,690	2,360,745	9,472,646	2,400,000
Capital lease payable	5,468,665	-	400,193	5,068,472	512,795
Claims and judgments payable	776,840	1,068,701	1,070,310	775,231	70,153
Total governmental activities	<u>72,780,032</u>	<u>3,915,391</u>	<u>8,121,805</u>	<u>68,573,618</u>	<u>7,027,948</u>
<u>Business-type Activities:</u>					
Utility system revenue bonds, net of premium (discount)	68,485,000	-	6,915,000	61,570,000	7,265,000
Combination tax and revenue bonds	41,170,000	-	1,505,000	39,665,000	1,525,000
Premiums on bonds	9,665,943	-	1,978,852	7,687,091	-
Accrued vacation and sick leave payable	754,985	710,374	732,326	733,033	675,000
Note payable	320,719	-	40,234	280,485	42,892
Capital leases payable	18,209,925	-	922,341	17,287,584	983,577
Landfill closure, post-closure costs	4,907,871	372,891	-	5,280,762	-
Total business-type activities	<u>143,514,443</u>	<u>1,083,265</u>	<u>12,093,753</u>	<u>132,503,955</u>	<u>10,491,469</u>
Total long-term liabilities	<u>\$216,294,475</u>	<u>\$ 4,998,656</u>	<u>\$20,215,558</u>	<u>\$201,077,573</u>	<u>\$17,519,417</u>

For governmental activities, claims and judgments payable and compensated absences are generally liquidated by the General Fund.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 14 - LONG-TERM LIABILITIES (CONT'D.)

Bonds Payable

Bonds payable at September 30, 2019 are comprised of the following individual issues:

	<u>Range of Interest Rates</u>	<u>Final Maturity Date</u>	<u>Annual Serial Payments</u>	<u>Bonds Authorized</u>	<u>Bonds Outstanding at 9/30/19</u>
General Obligation Bonds:					
General Obligation Refunding Bonds, Series 2011	1.50% - 3.00%	9/01/21	\$405,000 to \$485,000	\$ 4,365,000	\$ 955,000
General Obligation Refunding Bonds, Series 2015A	2.00% - 5.00%	9/01/26	\$200,000 to \$1,105,000	9,650,000	6,940,000
General Obligation Refunding Bonds, Series 2015B	0.73% - 3.48%	9/01/26	\$110,000 to \$310,000	2,885,000	2,005,000
General Obligation Bonds, Series 2018A	2.00% - 5.00%	9/01/38	\$550,000 to \$1,155,000	16,345,000	15,795,000
General Obligation Refunding Bonds, Series 2018B	2.00% - 4.00%	10/01/28	\$80,000 to \$725,000	6,170,000	<u>6,090,000</u>
Total General Obligation Bonds					<u>31,785,000</u>
Combination Tax and Revenue Bonds:					
Combination Tax and Revenue Certificates of Obligation, Series 2010	5.60%	2/01/25	\$165,000 to \$375,000	3,930,000	1,970,000
Combination Tax and Revenue Certificates of Obligation, Series 2011	2.00% - 4.00%	9/01/31	\$135,000 to \$220,000	3,200,000	2,200,000
Combination Tax and Revenue Certificates of Obligation, Series 2013	2.00% - 3.375%	9/01/33	\$530,000 to \$1,315,000	19,875,000	15,200,000
Combination Tax and Revenue Certificates of Obligation, Series 2013A	2.00% - 4.625%	9/01/33	\$505,000 to \$905,000	13,000,000	9,890,000
Combination Tax and Revenue Certificates of Obligation, Series 2015	0.00% - 2.12%	3/01/45	\$890,000 to \$1,425,000	33,545,000	29,775,000
Total Combination Tax and Revenue Bonds					<u>59,035,000</u>
Revenue Bonds:					
Water & Sewer System Revenue Refunding Bonds, Series 2016	2.00% - 5.00%	8/01/27	\$2,635,000 to \$9,705,000	74,005,000	61,570,000
Total All Bonds					<u>\$152,390,000</u>

CITY OF WICHITA FALLS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

Note 14 - LONG-TERM LIABILITIES (CONT'D.)

Aggregate maturities of the long-term debt (principal and interest) for the years subsequent to September 30, 2019 are as follows:

Year Ending September 30,	General Obligation Bonds		Combination Tax and Revenue Bonds		Revenue Bonds		Notes Payable		Capital Lease Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,715,000	\$ 1,221,029	\$ 2,855,000	\$ 1,537,020	\$ 7,265,000	\$ 3,045,250	\$ 42,892	\$ 9,082	\$1,496,371	\$ 687,628	\$ 14,374,263	\$ 6,500,009
2021	2,795,000	1,134,911	2,925,000	1,468,812	7,635,000	2,682,000	44,287	7,686	1,637,738	645,765	15,037,025	5,939,174
2022	2,390,000	1,041,300	2,995,000	1,394,165	8,010,000	2,300,250	45,728	6,246	1,734,574	600,305	15,175,302	5,342,266
2023	2,480,000	948,517	3,065,000	1,315,342	8,410,000	1,899,750	47,216	4,758	1,834,600	551,933	15,836,816	4,720,300
2024	2,585,000	856,924	3,145,000	1,231,866	8,835,000	1,479,250	48,752	3,222	1,379,038	500,536	15,992,790	4,071,798
2025-2029	9,875,000	2,850,049	15,460,000	4,893,707	21,415,000	1,766,250	51,610	1,636	4,981,425	1,955,332	51,783,035	11,466,974
2030-2034	4,580,000	1,494,750	14,400,000	2,540,486	-	-	-	-	6,925,551	1,059,811	25,905,551	5,095,047
2035-2039	4,365,000	491,000	6,065,000	1,157,557	-	-	-	-	2,366,759	77,215	12,796,759	1,725,772
2040-2044	-	-	6,700,000	509,701	-	-	-	-	-	-	6,700,000	509,701
2045	-	-	<u>1,425,000</u>	<u>15,105</u>	-	-	-	-	-	-	<u>1,425,000</u>	<u>15,105</u>
Totals	<u>\$31,785,000</u>	<u>\$10,038,480</u>	<u>\$59,035,000</u>	<u>\$16,063,761</u>	<u>\$61,570,000</u>	<u>\$13,172,750</u>	<u>\$280,485</u>	<u>\$ 32,630</u>	<u>\$22,356,056</u>	<u>\$6,078,525</u>	<u>\$175,026,541</u>	<u>\$45,386,146</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 14 - LONG-TERM LIABILITIES (CONT'D.)

All of the General Obligation Bonds were issued on the full faith and credit of the City and are secured by ad valorem taxes levied against all taxable property. These bonds are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. At September 30, 2019, this fund had a fund balance of \$1,421,427.

The Combination Tax and Revenue Bonds are secured by ad valorem taxes levied against all taxable property as well as a pledge of surplus net revenues of the City's combined waterworks and sewer system. The Series 2010 and 2011 Certificates will be serviced by the Debt Service Fund by contributions from the Wichita Falls 4B Economic Development Corporation. The Series 2016 Certificates will be serviced by the net revenues of the Water and Sewer Fund, as well as the Series 2010 Combination Tax and Revenue Refunding Certificates. A portion of the Series 2013 General Obligation Refunding Bonds will also be serviced by these net revenues.

All of the Water and Sewer Revenue Bonds were issued for purposes of improving the City's water and sewer systems and are serviced by the net revenues of the Water and Sewer Fund.

Notes Payable

The City of Wichita Falls and Wichita County Water Improvement District Number 2, upon the completion of the Lake Kemp reconstruction project in January 1976 by the U.S. Government, are required to reimburse the U.S. Government 22.7% of its reported total cost of \$8,774,705, or \$1,991,858. The City's share of this amount is 66.11%, or \$1,316,817, payable in forty-nine annual installments through January 2025 of \$51,974, which includes interest at the rate of 3.253%.

The City's share of the total costs (\$5,800,957) as well as the U.S. Government funded portion (\$4,484,140) is reflected as capital assets in the Water and Sewer Enterprise Fund.

This contractual arrangement is strictly a cost-sharing agreement and is not considered a joint venture as defined in Section J50 of the Codification of Governmental Accounting and Financial Reporting Standards. The remaining debt payable to the U.S. Government at September 30, 2019 is classified as follows:

Long-term	\$ 237,594
Current portion	<u>42,892</u>
Total	<u>\$ 280,486</u>

Capital Leases Payable

The City entered into a capital lease agreement in 2012 to finance a portion of an energy efficiency project that includes several City facilities. The capital lease financed \$4,419,310 of the total project. The assets are listed under "Buildings, systems and improvements" in both Governmental Activities and Business-type Activities. The lease carries an interest rate of 2.54% and is for a period of 12 years, with final payment due in fiscal year 2024.

The City also entered into a capital lease agreement in 2015 to finance equipment purchased for the golf course. This capital lease totaled \$48,990. The assets are listed under "Machinery and equipment" in Governmental Activities. The lease carries an interest rate of 5.89% and is for a period of 4 years, with final payment due in fiscal year 2019.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 14 - LONG-TERM LIABILITIES (CONT'D.)

The City entered into a capital lease agreement in 2016 to finance the replacement of all of the City's water meters. The total amount of the capital lease was \$16,506,103. These assets are listed under "Buildings, systems and improvements" in Business-type Activities. The lease carries an interest rate of 3.23% and is for a period of 20 years, with final payment due in fiscal year 2036.

The City issued a capital lease in 2017 for the purchase of fire department equipment in the amount of \$2,682,710. These assets are listed under "Motor vehicles" in Business-type Activities. This capital lease carries an interest rate of 1.98% and is for a period of 6 years with final payment due in fiscal year 2023.

The City entered into a capital lease agreement in 2018 to finance the conversion of the City's street lights to more energy-efficient LED lights. These assets are listed under "Infrastructure" in Governmental Activities. This lease carries an interest rate of 3.45% and is for a period of 15 years, with final payment due in fiscal year 2034.

The City also issued a capital lease in 2018 for the purchase of new traffic signal communication equipment in the amount of \$414,225. These assets are listed under "Infrastructure" under Governmental Activities. This lease carries an interest rate of 3.03% for a period of 5 years with final payment due in fiscal year 2023.

Note 15 - INTERFUND BALANCES

Transfers to and from other funds during the year ended September 30, 2019 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Nonmajor Governmental Funds	\$ 94,729	Supplement operating grants
General Fund	Nonmajor Governmental Funds	413,200	Supplement operating deficits
General Fund	Nonmajor Enterprise Funds	322,108	Supplement operating deficits
General Fund	Internal Service Funds	14,115	Supplement operating deficits
Nonmajor Governmental Funds	General Fund	33,000	Fund capital projects
Nonmajor Governmental Funds	Nonmajor Governmental Funds	346,163	Fund debt service payment
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,941,232	Fund operating deficits
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	100,000	Fund capital projects
Nonmajor Governmental Funds	Internal Service Funds	31,048	Fund capital projects
Water and Sewer Fund	General Fund	1,741,119	Administrative overhead
Water and Sewer Fund	Nonmajor Governmental Funds	474,777	Fund debt service payment
Water and Sewer Fund	Internal Service Funds	159,774	Purchase capital assets
Sanitation Fund	General Fund	1,603,651	Administrative overhead
Sanitation Fund	Internal Service Funds	2,187,721	Purchase capital assets
Regional Airport Fund	Nonmajor Governmental Funds	668,829	Fund debt service payment
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	405,186	Fund debt service payment
Nonmajor Enterprise Funds	Internal Service Funds	1,341,054	Purchase capital assets
Internal Service Funds	General Fund	312,000	Administrative overhead
	Total	<u>\$12,189,706</u>	

Additionally, Water and Sewer Fund transferred \$77,137 in capital assets to Governmental Activities. These transfers are not reported on the Governmental Funds financial statements as the capital assets do not represent current financial resources.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 15 - INTERFUND BALANCES (CONT'D.)

Balances due to and from other funds as of September 30, 2019 were as follows:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 2,125,349	Short-term loan
General Fund	Regional Airport Fund	411,447	Short-term loan
General Fund	Nonmajor Enterprise Funds	2,202,198	Short-term loan
General Fund	Internal Service Funds	1,075,261	Short-term loan
	Total	<u>\$ 5,814,255</u>	

All amounts due are scheduled to be repaid within one year.

Note 16 - COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in numerous lawsuits. In the opinion of the City's management, any unrecorded liabilities resulting from such suits will not materially affect the financial position of the City.

Contract Commitment With West Texas Utilities Company

In 1977, the City and Wichita County Water Improvement District Number 2 entered into a sixty-year contract with the West Texas Utilities Company (the Company) and agreed to provide an adequate water supply for the Company's use in generating power upon completion of the Company's construction of a power plant adjacent to the Lake Kemp-Lake Diversion System.

The significant terms of the contract provide for standby charges to be paid to the City and the Wichita County Water Improvement District Number 2 in equal amounts. Minimum charges for the calendar year 1997 and all years thereafter until the end of contract will be \$500,000 per year.

For water actually consumed, the Company shall pay the City and Wichita County Water Improvement District Number 2 equally, at the base rate of \$0.23 per one thousand gallons, which is adjusted annually. The rate for the year ended September 30, 2019 was \$.404046 per one thousand gallons.

This contract can be terminated at any time by the Company. If the contract is terminated, the Company is required to make a maximum termination payment equal to the minimum charges which would have become due and payable during the following twenty-four month period.

Contract Commitments

At September 30, 2019, the City was committed to various contracts. The amounts for which the various funds are committed to complete these contracts are as follows:

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 16 - COMMITMENTS AND CONTINGENCIES (CONT'D.)

General Fund	\$2,566,774
Nonmajor Governmental Funds	357,500
Water and Sewer Fund	1,826,293
Sanitation Fund	56,113
Nonmajor Enterprise Funds	590,990
Internal Service Funds	<u>1,115,976</u>
Total contract commitments - City	<u>\$6,513,646</u>

Federal and State Grants - Compliance Audits

The City participates in numerous Federal and State grants, on both a direct and state pass-through basis, as well as on a service-provider basis. Principal among these are Community Development Block Grants, Section 8 Housing Assistance, Home Investment Partnership Agreement Program, and numerous health-related grants.

In connection with these grants, the City is required to comply with specific terms and agreements as well as applicable Federal and State laws and regulations. Such compliance is subject to review and audit by the grantors and their representatives.

In the opinion of management, the City has complied with all requirements. However, since such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of any disallowance of claimed expenditures, the City expects the resulting liability to be immaterial.

Note 17 - TAX ABATEMENT AGREEMENTS

The City has approved value limitation agreements with companies for a limitation on the appraised value of properties within the City pursuant to Chapter 312 of the Texas Tax Code, as amended, i.e., the Property Tax Abatement Act. Under these agreements, the City has agreed to abate varying amounts of property taxes levied on qualified improvements during the abatement period. These abatements may be granted to businesses that construct improvements within certain areas designated by the Mayor and City Council.

For the fiscal year ended September 30, 2019, the City abated property taxes totaling \$1,439,264 under this program and received payments in lieu of taxes totaling \$1,283,672.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2019

Note 18 - CONDENSED FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

The City has five component units that are discretely presented in the City's basic financial statements. Condensed financial information for the year ended September 30, 2019 is as follows:

	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment			Totals
			Zone #2	Zone #3	Zone #4	
Condensed statement of net position:						
Cash, investments and other current assets	\$ 13,170,317	\$ 6,778,414	\$1,617,492	\$665,637	\$238,700	\$ 22,470,560
Capital assets, net of accumulated depreciation	<u>2,132,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,132,818</u>
Total assets	<u>15,303,135</u>	<u>6,778,414</u>	<u>1,617,492</u>	<u>665,637</u>	<u>238,700</u>	<u>24,603,378</u>
Accounts payable and other current liabilities	<u>212,441</u>	<u>392,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,020</u>
Total liabilities	<u>212,441</u>	<u>392,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,020</u>
Net position	<u>\$15,090,694</u>	<u>\$6,385,835</u>	<u>\$1,617,492</u>	<u>\$665,637</u>	<u>\$238,700</u>	<u>\$23,998,358</u>
Condensed statement of activities:						
Expenses:						
Community development	<u>\$ 5,463,303</u>	<u>\$3,102,301</u>	<u>\$358,832</u>	<u>\$ -</u>	<u>\$ 34,158</u>	<u>\$8,958,594</u>
Program revenues:						
Operating grants and contributions	<u>1,500,000</u>	<u>358,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,858,832</u>
Net program expense	<u>(3,963,303)</u>	<u>(2,743,469)</u>	<u>(358,832)</u>	<u>-</u>	<u>(34,158)</u>	<u>(7,099,762)</u>
General revenues:						
Tax revenues	4,151,979	4,151,979	1,096,562	89,811	101,570	9,591,901
Non-tax general revenues	<u>413,278</u>	<u>144,796</u>	<u>12,682</u>	<u>11,492</u>	<u>2,792</u>	<u>585,040</u>
Total general revenues	<u>4,565,257</u>	<u>4,296,775</u>	<u>1,109,244</u>	<u>101,303</u>	<u>104,362</u>	<u>10,176,941</u>
Change in net position	601,954	1,553,306	750,412	101,303	70,204	3,077,179
Beginning net position	<u>14,488,740</u>	<u>4,832,529</u>	<u>867,080</u>	<u>564,334</u>	<u>168,496</u>	<u>20,921,179</u>
Ending net position	<u>\$ 15,090,694</u>	<u>\$6,385,835</u>	<u>\$1,617,492</u>	<u>\$665,637</u>	<u>\$238,700</u>	<u>\$23,998,358</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 65,232,446	\$ 65,232,446	\$ 66,269,245	\$ 1,036,799
Charges for services	2,946,300	2,946,300	2,921,429	(24,871)
Licenses and permits	1,950,613	1,950,613	2,080,203	129,590
Fines and forfeitures	2,700,000	2,700,000	2,694,497	(5,503)
Intergovernmental revenue	1,200	1,200	-	(1,200)
Contributions	180,937	180,937	182,294	1,357
Miscellaneous revenue	1,356,064	1,356,064	1,970,506	614,442
Total revenues	<u>74,367,560</u>	<u>74,367,560</u>	<u>76,118,174</u>	<u>1,750,614</u>
Expenditures:				
Current:				
Administrative services	13,431,446	13,926,524	13,870,220	56,304
Police	25,279,872	25,279,872	24,843,626	436,246
Fire	16,325,026	16,362,871	16,613,849	(250,978)
Parks and recreation	5,856,810	5,863,344	5,395,478	467,866
Accounting/finance	754,183	754,183	753,748	435
Community development	2,302,200	2,307,709	2,181,446	126,263
Public works	5,311,018	5,310,778	5,232,422	78,356
Health	3,485,624	3,467,054	3,415,416	51,638
Traffic and transportation	1,640,223	1,650,652	1,749,298	(98,646)
Capital outlay	2,781,194	6,252,507	4,540,770	1,711,737
Total expenditures	<u>77,167,596</u>	<u>81,175,494</u>	<u>78,596,273</u>	<u>2,579,221</u>
Excess of revenues over (under) expenditures	<u>(2,800,036)</u>	<u>(6,807,934)</u>	<u>(2,478,099)</u>	<u>4,329,835</u>
Other financing sources (uses):				
Transfers in	3,656,770	3,656,770	3,689,770	33,000
Transfers out	<u>(856,740)</u>	<u>(856,740)</u>	<u>(844,151)</u>	<u>12,589</u>
Total other financing sources (uses)	<u>2,800,030</u>	<u>2,800,030</u>	<u>2,845,619</u>	<u>45,589</u>
Excess of revenues and other sources over (under) expenditures and other uses	(6)	(4,007,904)	367,520	4,375,424
Fund balance - beginning	<u>18,302,304</u>	<u>18,302,304</u>	<u>18,302,304</u>	<u>-</u>
Fund balance - ending	<u>\$ 18,302,298</u>	<u>\$ 14,294,400</u>	<u>\$ 18,669,824</u>	<u>\$ 4,375,424</u>

CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 4,990,566	\$ 4,917,413	\$ 2,466,531	\$ 4,697,339	\$ 4,098,031
Interest on total pension liability	17,400,438	16,873,140	16,126,720	16,093,246	15,665,423
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	540,881	(1,117,057)	3,641,511	203,406	(2,042,671)
Changes of assumptions	-	-	-	1,340,184	-
Benefit payments/refunds of contributions	(13,335,060)	(12,461,447)	(12,342,806)	(12,073,025)	(11,744,340)
Net change in total pension liability	9,596,825	8,212,049	9,891,956	10,261,150	5,976,443
Total pension liability, beginning	261,956,513	253,744,464	243,852,508	233,591,358	227,614,915
Total pension liability, ending (a)	<u>\$ 271,553,338</u>	<u>\$261,956,513</u>	<u>\$253,744,464</u>	<u>\$243,852,508</u>	<u>\$233,591,358</u>
Fiduciary Net Position					
Contributions - employer	\$ 5,783,625	\$ 5,565,648	\$ 5,339,437	\$ 5,639,053	\$ 5,379,333
Contributions - employee	2,558,451	2,470,741	2,494,525	2,497,984	2,303,770
Net investment income	(6,883,878)	28,538,620	13,331,438	296,795	11,109,980
Benefit payments/refunds of contributions	(13,335,060)	(12,461,447)	(12,342,806)	(12,073,025)	(11,744,340)
Administrative expenses	(133,122)	(147,954)	(150,608)	(180,789)	(116,005)
Other	(6,955)	(7,498)	(8,114)	(8,931)	(9,538)
Net change in fiduciary net position	(12,016,939)	23,958,110	8,663,872	(3,828,913)	6,923,200
Fiduciary net position, beginning	229,946,313	205,988,203	197,324,331	201,153,244	194,230,044
Fiduciary net position, ending (b)	<u>\$ 217,929,374</u>	<u>\$229,946,313</u>	<u>\$205,988,203</u>	<u>\$197,324,331</u>	<u>\$201,153,244</u>
Net pension liability, ending = (a) - (b)	<u>\$ 53,623,964</u>	<u>\$ 32,010,200</u>	<u>\$ 47,756,261</u>	<u>\$ 46,528,177</u>	<u>\$ 32,438,114</u>
Fiduciary net position as a % of total pension liability	<u>80.25%</u>	<u>87.78%</u>	<u>81.18%</u>	<u>80.92%</u>	<u>86.11%</u>
Covered payroll	<u>\$ 45,081,895</u>	<u>\$ 44,380,980</u>	<u>\$ 44,793,885</u>	<u>\$ 45,036,746</u>	<u>\$ 41,538,672</u>
Net pension liability as a % of covered payroll	<u>118.95%</u>	<u>72.13%</u>	<u>106.61%</u>	<u>103.31%</u>	<u>78.09%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been prepared.

CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial determined contribution	\$ 5,877,907	\$ 5,675,065	\$ 5,521,772	\$ 5,427,145	\$ 5,422,031
Contributions in relation to the actuarially determined contribution	<u>(5,877,907)</u>	<u>(5,675,065)</u>	<u>(5,521,772)</u>	<u>(5,427,145)</u>	<u>(5,422,031)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 45,968,759	\$ 44,522,000	\$ 44,687,123	\$ 44,674,967	\$ 42,951,296
Contributions as a percentage of covered payroll	<u>12.79%</u>	<u>12.75%</u>	<u>12.36%</u>	<u>12.15%</u>	<u>12.62%</u>

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective 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	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

There were no benefit changes during the year.

CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
WICHITA FALLS FIREMEN'S RELIEF AND RETIREMENT FUND

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 3,073,858	\$ 2,859,969	\$ 1,560,472	\$ 1,493,672	\$ 1,447,068
Interest on total pension liability	5,899,445	5,728,347	5,827,804	5,298,361	5,537,931
Changes of benefit terms	(5,007,726)	-	-	7,781	-
Difference between expected and actual experience	-	5,304,698	(2,151,748)	(1,542,023)	(320,862)
Changes of assumptions	(1,453,521)	14,862,872	24,107,651	-	(423,984)
Benefit payments/refunds of contributions	(5,292,918)	(5,250,040)	(4,543,166)	(3,950,906)	(3,616,549)
Net change in total pension liability	(2,780,862)	23,505,846	24,801,013	1,306,885	2,623,604
Total pension liability, beginning	121,865,514	98,359,668	73,558,655	72,251,770	69,628,166
Total pension liability, ending (a)	<u>\$ 119,084,652</u>	<u>\$ 121,865,514</u>	<u>\$ 98,359,668</u>	<u>\$ 73,558,655</u>	<u>\$ 72,251,770</u>
Fiduciary Net Position					
Contributions - employer	\$ 1,455,950	\$ 1,411,351	\$ 1,283,410	\$ 1,273,913	\$ 1,232,957
Contributions - employee	1,475,242	1,463,122	1,350,904	1,221,926	1,144,644
Net investment income	(2,225,595)	6,581,299	2,577,572	421,270	3,284,243
Benefit payments/refunds of contributions	(5,292,918)	(5,250,040)	(4,543,166)	(3,950,906)	(3,616,549)
Administrative expenses	(96,102)	(124,267)	(115,843)	(87,245)	(85,636)
Other	-	347,490	250	-	-
Net change in fiduciary net position	(4,683,423)	4,428,955	553,127	(1,121,042)	1,959,659
Fiduciary net position, beginning	51,378,997	46,950,042	46,396,915	47,517,957	45,558,298
Fiduciary net position, ending (b)	<u>\$ 46,695,574</u>	<u>\$ 51,378,997</u>	<u>\$ 46,950,042</u>	<u>\$ 46,396,915</u>	<u>\$ 47,517,957</u>
Net pension liability, ending = (a)-(b)	<u>\$ 72,389,078</u>	<u>\$ 70,486,517</u>	<u>\$ 51,409,626</u>	<u>\$ 27,161,740</u>	<u>\$ 24,733,813</u>
Fiduciary net position as a % of total pension liability	<u>39.21%</u>	<u>42.16%</u>	<u>47.73%</u>	<u>63.07%</u>	<u>65.77%</u>
Covered payroll	<u>\$ 11,348,015</u>	<u>\$ 11,254,785</u>	<u>\$ 10,391,569</u>	<u>\$ 10,182,717</u>	<u>\$ 9,520,903</u>
Net pension liability (asset) as a % of covered payroll	<u>637.90%</u>	<u>626.28%</u>	<u>494.72%</u>	<u>266.74%</u>	<u>259.78%</u>

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CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS WICHITA FALLS FIREMEN'S RELIEF AND RETIREMENT FUND

	2019	2018	2017	2016	2015
Actuarial determined contribution	\$ 1,455,581	\$ 1,411,351	\$ 1,283,410	\$ 1,273,913	\$ 1,232,957
Contributions in relation to the actuarially determined contribution	<u>(1,455,581)</u>	<u>(1,411,351)</u>	<u>(1,283,410)</u>	<u>(1,273,913)</u>	<u>(1,232,957)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,500,098	\$ 11,214,407	\$ 10,929,570	\$ 11,088,538	\$ 10,179,831
Contributions as a percentage of covered payroll	<u>12.66%</u>	<u>12.59%</u>	<u>11.74%</u>	<u>11.49%</u>	<u>12.11%</u>

Valuation Date: 1/1/2018

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Compensation
Remaining Amortization Period	Infinite (as of 1/1/2018 valuation)
Mortality	RP-2000 Mortality Table, projected to 2024 using Scale AA - Sex Distinct.
Retirement Age	Based upon tables dependent upon hire date, in conjunction with an actuarial study dated October 2017.
Retirement Election	Members eligible for the DROP are assumed to elect either straight service retirement benefits or the DROP, whichever is more valuable. Other members are assumed to receive straight service retirement benefits.
Termination Rates	Based upon service table, in conjunction with an actuarial experience study dated October 2017.
Disability Rates	Based upon member age, in conjunction with an actuarial experience study dated October 2017.
Interest Rate:	7.75% per year, compounded annually, net of expenses. This is supported by the asset allocation of the trust and the long-term expected return by asset class.
Salary Increases	Based upon service table, in conjunction with an actuarial experience study dated October 2017.

CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS WICHITA FALLS FIREMEN'S RELIEF AND RETIREMENT FUND

Payroll Growth	4.00% per year for amortization of the Unfunded Actuarial Accrued Liability. The assumed payroll growth was approved in conjunction with an actuarial study dated October 2017.
Marital Status:	100% of actives are assumed to be married at time of benefit commencement. Males are assumed to be two years older than their spouses.
Dependent Children:	Each member is assumed to have two children. The first child is assumed to have been born when the member was 25. The second child is assumed to be two years younger. It is also assumed that benefits will be paid until each child reaches the age of 20.
Contribution Rates:	Members - 13.00% City - 12.00% (12.83% in 2018, 12.77% in 2019)
Actuarial Asset Method:	Fair Market Value

CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
CITY OF WICHITA FALLS RETIREE HEALTH CARE PLAN

	2018	2017
Total OPEB Liability		
Service cost	\$ 518,007	\$ 505,385
Interest on total pension liability	1,480,271	1,456,410
Changes of benefit terms	-	-
Difference between expected and actual experience	(705,047)	-
Changes of assumptions	765,976	-
Benefit payments/refunds of contributions	(1,679,932)	(1,584,144)
Net change in total OPEB liability	379,275	377,651
Total OPEB liability, beginning	21,429,843	21,052,192
Total OPEB liability, ending (a)	<u>\$ 21,809,118</u>	<u>\$ 21,429,843</u>
Fiduciary Net Position		
Contributions - employer	\$ 2,260,421	\$ 2,029,653
Contributions - employee	-	-
Net investment income	(374,667)	737,181
Benefit payments/refunds of contributions	(1,679,932)	(1,584,144)
Administrative expenses	(1,202)	(4,171)
Other	-	-
Net change in fiduciary net position	204,620	1,178,519
Fiduciary net position, beginning	4,981,836	3,803,317
Fiduciary net position, ending (b)	<u>\$ 5,186,456</u>	<u>\$ 4,981,836</u>
Net OPEB liability / (asset), ending = (a) - (b)	<u>\$ 16,622,662</u>	<u>\$ 16,448,007</u>
Fiduciary net position as a % of total OPEB liability	<u>23.78%</u>	<u>23.25%</u>
Covered payroll	<u>\$ 57,044,011</u>	<u>\$ 55,647,372</u>
Net OPEB liability (asset) as a % of covered payroll	<u>29.14%</u>	<u>29.56%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been prepared.

CITY OF WICHITA FALLS, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CITY OF WICHITA FALLS RETIREE HEALTH CARE PLAN**

	2019	2018
Actuarial determined contribution	\$ 2,134,381	\$ 2,072,215
Contributions in relation to the actuarially determined contribution	(2,453,913)	(2,072,215)
Contribution deficiency (excess)	<u>\$ (319,532)</u>	<u>\$ -</u>
Covered payroll	\$ 58,359,009	\$ 55,042,215
Contributions as a percentage of covered payroll	<u>4.20%</u>	<u>3.76%</u>

Valuation Date: December 31, 2018

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	14 years; closed
Asset Valuation	Market Value
Investment Rate of Return	7.10%, net of investment expenses, including inflation
Inflation	2.50%
Salary Increases	3.50% to 10.50% for TMRS and 0.40% to 4.30% for Fire, including inflation
Payroll Growth	3.00%
Demographic Assumptions	TMRS: Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the TMRS. Fire: Based on the January 1, 2017 valuation for the Wichita Falls Firemen's Relief and Retirement Fund.
Mortality	TMRS: For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used 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. Fire: The firefighters' mortality table was the RP-2000 Combined Healthy Mortality Table for males and females, projected to year 2024 using Scale AA.
Participation Rates	TMRS: 50% of employees retiring after the age of 49 or with disability at any age were assumed to elect retiree health care benefits through the City. 0% of TMRS employees retiring before the age of 49 were assumed to elect coverage. Fire: 100% of employees retiring at any age were assumed to elect retiree health care benefits through the City.
Healthcare Cost Trend Rates	Initial rate of 7.30% declining to ultimate rates of 4.25% after 14 years.

Other Information:

There were no benefit changes during the year.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2019

Budgetary Information

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The City and many other governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results.

The City adheres to the following procedures in establishing the operating budget reflected in the basic financial statements:

On or before August 15 of each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted. The budget is legally enacted by the City Council through passage of appropriation and tax levying ordinances prior to September 30 and is published under a separate cover.

An annual budget, including debt service requirements, is legally adopted for the General Fund, the Community Development Block Grant Fund, the Section 8 Housing Fund, the HOME Investment Partnership Agreement Fund, the Hotel/Motel Tax Fund, the Golf Fund, the MPEC Fund and the Debt Service Fund, on a basis which is consistent with generally accepted accounting principles.

The City Council must approve any transfer of appropriation balances or portions thereof from one department to another. The City Manager has the authority, without City Council approval, to transfer appropriation balances from one expenditure account to another within a single department of the City. Supplemental appropriations of \$4,007,898 were approved by the City Council. The reported budgetary data includes amendments made during the year.

At the close of each fiscal year, any unencumbered appropriated balance lapses to the unreserved fund balance. The unencumbered appropriation balances in the Capital Projects Funds do not lapse at year end.

Wichita Falls Firemen's Relief and Retirement Fund

Changes of benefit terms:

For measurement date 12/31/2018, amounts reported as changes of benefit terms resulted from the following benefit amendments that were implemented into the Fund for all active participants:

- A maximum accrued benefit cap of \$100,000 per year
- The average final compensation period was increased from 3 years to 5 years
- The normal form of annuity payments was amended from a 66 2/3% Joint & Survivor Annuity to a Life Annuity

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONT'D.) SEPTEMBER 30, 2019

Effective April 20, 2016, there have been multiple changes in benefits, as

- The member contribution rate was increased from 12% to 13% of salary for all members.
- All future new entrants will accrue benefits under a "Tier 2" benefit structure.

Changes of assumptions:

For purposes of determining the GASB discount rate at the 12/31/18 measurement date, a depletion date projection as of that date was performed. The results of this projection showed a single discount rate of 5.13%. The discount rate was increased from 5.03% to 5.13%.

For purposes of determining the GASB discount rate at the 12/31/17 measurement date, a depletion date projection as of that date was performed. The results of this projection showed a single discount rate of 5.03%. The discount rate was decreased from 5.81% to 5.03%.

As a result of an actuarial experience study dated October 6, 2017, the following assumption changes were approved by the Board of Trustees:

- The investment return assumption was lowered from 8.00% to 7.75% per year, net of all expenses.
- The assumed rates of salary increases were amended.
- The assumed rates of retirement were amended.
- The assumed rates of withdrawal were amended.
- The assumed rates of disablement were amended.

For purposes of determining the GASB discount rate at the 12/31/2016 measurement date, a depletion date projection as of that date was performed. The results of this projection showed a single discount rate of 5.81%. The discount rate was decreased from 8.00% to 5.81%.

COMBINING FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special Revenue Funds

The special revenue funds are used to account for the proceeds from specific revenue sources (other than for major capital projects or proprietary funds) that are either legally restricted to be expended for specified purposes or have revenue sources committed for specific purposes.

Community Development Block Grant Fund

The Community Development Block Grant Fund accounts for federal block grant revenues and related expenditures.

Section 8 Housing Fund

The Section 8 Housing Fund accounts for federal funds received to subsidize rents and housing payments for lower income families within the City.

Home Investment Partnership Agreement Fund

The Home Investment Partnership Agreement Fund accounts for federal funds received to provide home ownership opportunities to low income, first-time homebuyers through the acquisition, rehabilitation and resale of single-family dwellings that are currently owned by governmental agencies.

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund accounts for revenues derived from an occupancy tax which is expended on programs promoting the growth of the City of Wichita Falls.

Airport Improvement Grant Fund

The Airport Improvement Grant Fund is used to account for improvements made to the City's Regional Airport that are funded by state and federal grants.

Golf Fund

The Golf Fund accounts for the activities at the Weeks Park Golf Course.

MPEC Fund

The MPEC Fund is used to account for the operations of the City's Multi-Purpose Events Center.

Miscellaneous Special Revenue Fund

The Miscellaneous Special Revenue Fund accounts for various revenues generated in the form of contributions, fees, concessions, rents and other charges and their related expenditures. This fund also includes revenues derived from various grants for health and police programs. The revenues in this fund are expended to support the activity generating the revenue or as designated by the contributor. This fund is not required to have a legally adopted budget; therefore no budgetary comparison schedule is presented.

Debt Service Funds

Debt Service Fund

The Debt Service Fund is established by ordinances authorizing the issuance of general obligation bonds to provide for the payment of bond principal and interest. An ad valorem tax rate and tax levy are required to be computed and levied which will be sufficient to produce the funds required to pay principal and interest as they come due. This fund is also used to provide for the payment of paying agent fees.

Excess Sales Tax Fund

The Excess Sales Tax Fund is used to account for and administer the excess sales tax collected related to the property reduction tax. This fund is not required to have a legally adopted budget; therefore no budgetary comparison schedule is presented.

Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by federal grants or proprietary funds.

4B Sales Tax Projects

This fund was established to account for projects financed by the Wichita Falls 4B Sales Tax Corporation. Significant projects accounted for in this fund included the construction of three fire stations and the renovation of the second floor of the Wichita Falls Public Library building for recreational purposes.

2018-A Bond Projects

This fund was established to account for the proceeds of the Series 2018-A General Obligation Bonds that were issued for the purpose of street improvements within the City.

Miscellaneous Capital Projects Funds

This fund is an accumulation of several projects that have been undertaken over the years including library renovations, street improvements and drainage improvements.

Permanent Fund

The permanent fund is used to account for principal trust amounts received and related interest income. The interest earnings of this fund may be used for maintenance of the City's cemeteries.

CITY OF WICHITA FALLS, TEXAS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Special Revenue								Debt Service		Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
	Community Development Block Grant	Section 8 Housing	Home Investment Partnership Agreement	Hotel/Motel Tax	Airport Improvement Grant	Golf Fund	MPEC Fund	Miscellaneous Special Revenue	Debt Service	Excess Sales Tax	4B Sales Tax Projects	2018-A Bond Projects	Miscellaneous Capital Projects	Perpetual Care	
<u>ASSETS</u>															
Cash and cash equivalents	\$ 50	\$ 1,476,317	\$ 73,410	\$ -	\$ -	\$ -	\$ 91,684	\$ 1,927,093	\$ 1,417,767	\$ 435,546	\$ 488,655	\$ 15,771,845	\$ 143,647	\$ 1,215,777	\$ 23,041,791
Receivables:															
Taxes and assessments	-	-	-	154,663	-	-	-	-	36,084	-	-	-	-	-	190,747
Government agencies	1,091,009	-	733,514	-	629,890	-	-	1,202,705	16,197	-	-	-	215,051	-	3,888,366
Other	35,455	-	-	-	-	-	26,797	39,782	-	-	-	-	-	7,800	109,834
Prepaid items	-	-	-	-	-	-	320	1,822	-	-	-	-	-	-	2,142
Other assets	-	-	-	-	-	197,400	518,841	3,000	-	-	-	-	-	-	719,241
Total assets	<u>\$ 1,126,514</u>	<u>\$ 1,476,317</u>	<u>\$ 806,924</u>	<u>\$ 154,663</u>	<u>\$ 629,890</u>	<u>\$ 197,400</u>	<u>\$ 637,642</u>	<u>\$ 3,174,402</u>	<u>\$ 1,470,048</u>	<u>\$ 435,546</u>	<u>\$ 488,655</u>	<u>\$ 15,771,845</u>	<u>\$ 358,698</u>	<u>\$ 1,223,577</u>	<u>\$ 27,952,121</u>
<u>LIABILITIES AND FUND BALANCE</u>															
Liabilities															
Accounts payable - trade	\$ 93,262	\$ 518	\$ 7,551	\$ -	\$ -	\$ 59,161	\$ 69,057	\$ 209,306	\$ -	\$ -	\$ -	\$ 502,007	\$ 14,300	\$ -	\$ 955,162
Accrued payroll	4,939	16,015	343	-	-	-	9,874	74,582	-	-	-	-	-	-	105,753
Payable to other City funds	257,733	-	-	154,653	1,618,614	96,974	-	-	-	-	-	-	(2,625)	-	2,125,349
Payable to government agencies	-	72,460	20,000	-	-	-	-	2,302	-	-	-	-	-	-	94,762
Other liabilities	2,725	64,238	24,744	-	5,614	682	558,711	24,448	-	-	18,794	69,319	39,869	-	809,144
Unearned revenue	-	-	-	-	-	-	-	37,236	-	-	-	-	-	-	37,236
Total liabilities	<u>358,659</u>	<u>153,231</u>	<u>52,638</u>	<u>154,653</u>	<u>1,624,228</u>	<u>156,817</u>	<u>637,642</u>	<u>347,874</u>	<u>-</u>	<u>-</u>	<u>18,794</u>	<u>571,326</u>	<u>51,544</u>	<u>-</u>	<u>4,127,406</u>
Deferred inflows of resources															
Unavailable revenues	-	-	-	-	-	-	-	-	48,621	-	-	-	-	-	48,621
Fund balance:															
Nonspendable:															
Inventory and prepaid items	-	-	-	-	-	-	-	1,822	-	-	-	-	-	-	1,822
Restricted for:															
Perpetual care	-	-	-	-	-	-	-	-	-	-	-	-	-	1,223,577	1,223,577
Debt service	-	-	-	-	-	-	-	-	1,421,427	435,546	-	-	-	-	1,856,973
Capital projects	-	-	-	-	-	-	-	-	-	-	469,861	15,200,519	307,154	-	15,977,534
Federal and state grant programs	767,855	1,323,086	754,286	-	-	-	-	-	-	-	-	-	-	-	2,845,227
Tourism	-	-	-	10	-	-	-	-	-	-	-	-	-	-	10
Committed for:															
Golf course	-	-	-	-	-	40,583	-	-	-	-	-	-	-	-	40,583
Multi-Purpose Events Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local projects	-	-	-	-	-	-	-	2,824,706	-	-	-	-	-	-	2,824,706
Unassigned	-	-	-	-	(994,338)	-	-	-	-	-	-	-	-	-	(994,338)
Total fund balance	<u>767,855</u>	<u>1,323,086</u>	<u>754,286</u>	<u>10</u>	<u>(994,338)</u>	<u>40,583</u>	<u>-</u>	<u>2,826,528</u>	<u>1,421,427</u>	<u>435,546</u>	<u>469,861</u>	<u>15,200,519</u>	<u>307,154</u>	<u>1,223,577</u>	<u>23,776,094</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,126,514</u>	<u>\$ 1,476,317</u>	<u>\$ 806,924</u>	<u>\$ 154,663</u>	<u>\$ 629,890</u>	<u>\$ 197,400</u>	<u>\$ 637,642</u>	<u>\$ 3,174,402</u>	<u>\$ 1,470,048</u>	<u>\$ 435,546</u>	<u>\$ 488,655</u>	<u>\$ 15,771,845</u>	<u>\$ 358,698</u>	<u>\$ 1,223,577</u>	<u>\$ 27,952,121</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue							Debt Service		Capital Projects			Permanent Fund	Total	
	Community Development Block Grant	Section 8 Housing	Home Investment Partnership Agreement	Hotel/ Motel Tax	Airport Improvement Grant	Golf Fund	MPEC Fund	Miscellaneous Special Revenue	Debt Service	Excess Sales Tax	4B Sales Tax Projects	2018-A Bond Projects	Miscellaneous Capital Projects	Perpetual Care	Nonmajor Governmental Funds
Revenues:															
Taxes	\$ -	\$ -	\$ -	\$ 2,038,732	\$ -	\$ -	\$ -	\$ -	\$ 2,081,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,120,047
Charges for services	1,831	-	-	-	-	427,312	-	75,650	-	-	-	-	-	-	504,793
Fines and forfeitures	-	-	-	-	-	-	-	139,288	-	-	-	-	-	-	139,288
Intergovernmental revenue	1,233,898	3,817,705	398,264	-	270,065	-	-	3,018,451	-	-	-	-	-	-	8,738,383
Contributions	-	-	-	-	-	-	-	1,016,733	1,881,331	-	683,236	-	406,049	-	3,987,349
Miscellaneous revenue	586	36,981	2,700	-	(90,000)	390,955	2,405	403,439	31,873	2	-	409,271	11,966	104,232	1,304,410
Total revenues	1,236,315	3,854,686	400,964	2,038,732	180,065	818,267	2,405	4,653,561	3,994,519	2	683,236	409,271	418,015	104,232	18,794,270
Expenditures:															
Current:															
Administrative services	155,839	-	-	97,500	-	891,684	-	220,496	-	-	-	-	-	-	1,365,519
Police	-	-	-	-	-	-	-	221,324	-	-	-	-	-	-	221,324
Fire	-	-	-	-	-	-	-	277,970	-	-	-	-	-	-	277,970
Parks and recreation	7,500	-	-	-	-	-	-	4,322	-	-	15,848	-	-	-	27,670
Community development	834,314	3,849,739	254,051	-	-	-	-	-	-	-	-	-	-	-	4,938,104
Public works	58,346	-	-	-	-	-	-	10,324	-	-	-	-	1,600	-	70,270
Health	-	-	-	-	-	-	-	2,226,607	-	-	-	-	3,578	-	2,230,185
Traffic and transportation	-	-	-	-	-	-	-	612,791	-	-	-	-	-	-	612,791
Multi-Purpose Events Center	-	-	-	-	-	-	2,286,621	-	-	-	-	-	-	-	2,286,621
Capital outlay	-	-	-	-	-	-	-	349,090	-	-	150,398	2,544,623	304,083	-	3,348,194
Debt service:															
Principal retirement	-	-	-	-	-	-	-	-	4,000,000	-	-	-	-	-	4,000,000
Interest and paying agent fees	-	-	-	-	-	-	-	-	1,912,443	-	-	-	-	-	1,912,443
Total expenditures	1,055,999	3,849,739	254,051	97,500	-	891,684	2,286,621	3,922,924	5,912,443	-	166,246	2,544,623	309,261	-	21,291,091
Excess of revenues over (under) expenditures	180,316	4,947	146,913	1,941,232	180,065	(73,417)	(2,284,216)	730,637	(1,917,924)	2	516,990	(2,135,352)	108,754	104,232	(2,496,821)
Other financing sources (uses):															
Transfers in	-	-	-	-	-	70,216	2,284,216	94,729	1,894,955	-	-	-	-	-	4,344,116
Transfers out	-	-	-	(1,941,232)	(270,065)	-	-	(164,048)	-	(76,098)	-	-	-	-	(2,451,443)
Total other financing sources (uses)	-	-	-	(1,941,232)	(270,065)	70,216	2,284,216	(69,319)	1,894,955	(76,098)	-	-	-	-	1,892,673
Net change in fund balance	180,316	4,947	146,913	-	(90,000)	(3,201)	-	661,318	(22,969)	(76,096)	516,990	(2,135,352)	108,754	104,232	(604,148)
Fund balance - beginning	587,539	1,318,139	607,373	10	(904,338)	43,784	-	2,165,210	1,444,396	511,642	(47,129)	17,335,871	198,400	1,119,345	24,380,242
Fund balance - ending	\$ 767,855	\$ 1,323,086	\$ 754,286	\$ 10	\$ (994,338)	\$ 40,583	\$ -	\$ 2,826,528	\$ 1,421,427	\$ 435,546	\$ 469,861	\$ 15,200,519	\$ 307,154	\$ 1,223,577	\$ 23,776,094

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT BLOCK GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,831	\$ 1,831
Intergovernmental revenue	1,233,898	1,233,898	1,233,898	-
Miscellaneous revenue	-	-	586	586
Total revenues	<u>1,233,898</u>	<u>1,233,898</u>	<u>1,236,315</u>	<u>2,417</u>
Expenditures:				
Administrative services	155,839	155,839	155,839	-
Parks and recreation	214,916	214,916	7,500	207,416
Community development	1,003,142	1,020,430	834,314	186,116
Public works	100,000	100,000	58,346	41,654
Total expenditures	<u>1,473,897</u>	<u>1,491,185</u>	<u>1,055,999</u>	<u>435,186</u>
Excess of revenues over (under) expenditures	(239,999)	(257,287)	180,316	437,603
Fund balance - beginning	<u>587,539</u>	<u>587,539</u>	<u>587,539</u>	<u>-</u>
Fund balance - ending	<u>\$ 347,540</u>	<u>\$ 330,252</u>	<u>\$ 767,855</u>	<u>\$ 437,603</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - SECTION 8 HOUSING FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 3,801,060	\$ 3,801,060	\$ 3,817,705	\$ 16,645
Miscellaneous revenue	-	-	36,981	36,981
Total revenues	<u>3,801,060</u>	<u>3,801,060</u>	<u>3,854,686</u>	<u>53,626</u>
Expenditures:				
Community development	<u>3,814,649</u>	<u>3,814,649</u>	<u>3,849,739</u>	<u>(35,090)</u>
Total expenditures	<u>3,814,649</u>	<u>3,814,649</u>	<u>3,849,739</u>	<u>(35,090)</u>
Excess of revenues over (under) expenditures	(13,589)	(13,589)	4,947	18,536
Fund balance - beginning	<u>1,318,139</u>	<u>1,318,139</u>	<u>1,318,139</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,304,550</u>	<u>\$ 1,304,550</u>	<u>\$ 1,323,086</u>	<u>\$ 18,536</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - HOME INVESTMENT PARTNERSHIP AGREEMENT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 398,264	\$ 398,264	\$ 398,264	\$ -
Miscellaneous revenue	-	-	2,700	2,700
Total revenues	<u>398,264</u>	<u>398,264</u>	<u>400,964</u>	<u>2,700</u>
Expenditures:				
Community development	<u>398,264</u>	<u>795,121</u>	<u>254,051</u>	<u>541,070</u>
Total expenditures	<u>398,264</u>	<u>795,121</u>	<u>254,051</u>	<u>541,070</u>
Excess of revenues over (under) expenditures	-	(396,857)	146,913	543,770
Fund balance - beginning	<u>607,373</u>	<u>607,373</u>	<u>607,373</u>	<u>-</u>
Fund balance - ending	<u>\$ 607,373</u>	<u>\$ 210,516</u>	<u>\$ 754,286</u>	<u>\$ 543,770</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - HOTEL/MOTEL TAX FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,880,000	\$ 1,880,000	\$ 2,038,732	\$ 158,732
Total revenues	<u>1,880,000</u>	<u>1,880,000</u>	<u>2,038,732</u>	<u>158,732</u>
Expenditures:				
Administrative services	<u>97,500</u>	<u>97,500</u>	<u>97,500</u>	<u>-</u>
Total expenditures	<u>97,500</u>	<u>97,500</u>	<u>97,500</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>1,782,500</u>	<u>1,782,500</u>	<u>1,941,232</u>	<u>158,732</u>
Other financing sources (uses):				
Transfers out	<u>(1,782,510)</u>	<u>(1,782,510)</u>	<u>(1,941,232)</u>	<u>(158,722)</u>
Total other financing sources (uses)	<u>(1,782,510)</u>	<u>(1,782,510)</u>	<u>(1,941,232)</u>	<u>(158,722)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(10)	(10)	-	10
Fund balance - beginning	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - GOLF FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 800,000	\$ 800,000	\$ 427,312	\$ (372,688)
Miscellaneous revenue	-	-	390,955	390,955
Total revenues	<u>800,000</u>	<u>800,000</u>	<u>818,267</u>	<u>18,267</u>
Expenditures:				
Administrative services	<u>910,000</u>	<u>910,000</u>	<u>891,684</u>	<u>18,316</u>
Total expenditures	<u>910,000</u>	<u>910,000</u>	<u>891,684</u>	<u>18,316</u>
Excess of revenues over (under) expenditures	<u>(110,000)</u>	<u>(110,000)</u>	<u>(73,417)</u>	<u>36,583</u>
Other financing sources (uses):				
Transfers in	<u>110,000</u>	<u>110,000</u>	<u>70,216</u>	<u>(39,784)</u>
Total other financing sources (uses)	<u>110,000</u>	<u>110,000</u>	<u>70,216</u>	<u>(39,784)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(3,201)</u>	<u>(3,201)</u>
Fund balance - beginning	<u>43,784</u>	<u>43,784</u>	<u>43,784</u>	<u>-</u>
Fund balance - ending	<u>\$ 43,784</u>	<u>\$ 43,784</u>	<u>\$ 40,583</u>	<u>\$ (3,201)</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - MPEC FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Contributions	\$ 85,000	\$ 85,000	\$ -	\$ (85,000)
Miscellaneous revenue	1,197,577	1,197,577	2,405	(1,195,172)
Total revenues	<u>1,503,577</u>	<u>1,282,577</u>	<u>2,405</u>	<u>(1,280,172)</u>
Expenditures:				
MPEC	3,437,434	3,437,434	2,286,621	1,150,813
Total expenditures	<u>3,437,434</u>	<u>3,437,434</u>	<u>2,286,621</u>	<u>1,150,813</u>
Excess of revenues over (under) expenditures	<u>(1,933,857)</u>	<u>(2,154,857)</u>	<u>(2,284,216)</u>	<u>(129,359)</u>
Other financing sources (uses):				
Transfers in	2,154,857	2,154,857	2,284,216	129,359
Total other financing sources (uses)	<u>2,154,857</u>	<u>2,154,857</u>	<u>2,284,216</u>	<u>129,359</u>
Excess of revenues and other sources over (under) expenditures and other uses	221,000	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ 221,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 2,137,408	\$ 2,137,408	\$ 2,081,315	\$ (56,093)
Contributions	1,881,331	1,881,331	1,881,331	-
Miscellaneous revenue	-	-	31,873	31,873
Total revenues	<u>4,018,739</u>	<u>4,018,739</u>	<u>3,994,519</u>	<u>(24,220)</u>
Expenditures:				
Debt service - principal	3,961,660	3,961,660	4,000,000	(38,340)
Debt service - interest and paying agent fees	<u>1,952,034</u>	<u>1,952,034</u>	<u>1,912,443</u>	<u>39,591</u>
Total expenditures	<u>5,913,694</u>	<u>5,913,694</u>	<u>5,912,443</u>	<u>1,251</u>
Excess of revenues over (under) expenditures	<u>(1,894,955)</u>	<u>(1,894,955)</u>	<u>(1,917,924)</u>	<u>(22,969)</u>
Other financing sources (uses):				
Transfers in	<u>1,894,955</u>	<u>1,894,955</u>	<u>1,894,955</u>	<u>-</u>
Total other financing sources (uses)	<u>1,894,955</u>	<u>1,894,955</u>	<u>1,894,955</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(22,969)	(22,969)
Fund balance - beginning	<u>1,444,396</u>	<u>1,444,396</u>	<u>1,444,396</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,444,396</u>	<u>\$ 1,444,396</u>	<u>\$ 1,421,427</u>	<u>\$ (22,969)</u>

Nonmajor Enterprise Funds

Nonmajor enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the cost of providing the service to the general public on a continuing basis be recovered primarily through user charges.

Kickapoo Airport Fund

During the year ended September 30, 2000, the City acquired Kickapoo Downtown Airport, a private airport. The Kickapoo Airport Fund was established to account for the operating revenues and expenses of the airport.

Transit Fund

The Transit Fund accounts for the operation of the Wichita Falls transit system. This system is supported from passenger fees, subsidies from the General Fund and subsidies from the Federal Transit Administration.

Stormwater Drainage Fund

The Stormwater Drainage Fund was established to account for operating revenues and expenses associated with the Storm Water Drainage Utility System (System). The System was established effective May 1, 2001 and provides a funding mechanism for drainage improvements in the City.

Waterpark Fund

The Waterpark Fund was established to account for the operating revenues and expenses of the Castaway Cove Waterpark. The waterpark was purchased on February 4, 2010.

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2019

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 38,719	\$ 3,000	\$ 5,951,365	\$ 568,331	\$ 6,561,415
Receivables (net of allowance for uncollectible accounts):					
Customer and trade	-	-	405,735	-	405,735
Government agencies	-	1,286,261	-	-	1,286,261
Other	47,149	(2,433)	-	(48,028)	(3,312)
Inventory	47,502	-	-	-	47,502
Prepaid items	6	-	-	-	6
Total current assets	<u>133,376</u>	<u>1,286,828</u>	<u>6,357,100</u>	<u>520,303</u>	<u>8,297,607</u>
Capital assets, net of accumulated depreciation	<u>12,605,083</u>	<u>7,431,637</u>	<u>27,295,396</u>	<u>3,113,990</u>	<u>50,446,106</u>
Total assets	<u>12,738,459</u>	<u>8,718,465</u>	<u>33,652,496</u>	<u>3,634,293</u>	<u>58,743,713</u>
Deferred outflows of resources					
Pension-related	92,475	519,636	74,322	30,242	716,675
OPEB-related	<u>10,061</u>	<u>38,389</u>	<u>10,855</u>	<u>6,884</u>	<u>66,189</u>
Total deferred outflows of resources	<u>102,536</u>	<u>558,025</u>	<u>85,177</u>	<u>37,126</u>	<u>782,864</u>
Liabilities					
Current liabilities payable from current assets:					
Accounts payable - trade	2,240	40,680	529,991	599	573,510
Accrued payroll	8,583	60,009	6,027	2,629	77,248
Accrued vacation and sick leave	11,232	16,878	11,444	1,748	41,302
Payable to other City funds	-	2,202,198	-	-	2,202,198
Payable to government agencies	109	-	-	(49)	60
Other liabilities	<u>20,057</u>	<u>40,060</u>	<u>163,127</u>	<u>54,031</u>	<u>277,275</u>
Total current liabilities payable from current assets	<u>42,221</u>	<u>2,359,825</u>	<u>710,589</u>	<u>58,958</u>	<u>3,171,593</u>
Long-term liabilities:					
Net pension liability	188,157	1,057,294	151,221	61,533	1,458,205
Net OPEB liability	<u>63,166</u>	<u>241,029</u>	<u>68,153</u>	<u>43,219</u>	<u>415,567</u>
Total long-term liabilities	<u>251,323</u>	<u>1,298,323</u>	<u>219,374</u>	<u>104,752</u>	<u>1,873,772</u>
Total liabilities	<u>293,544</u>	<u>3,658,148</u>	<u>929,963</u>	<u>163,710</u>	<u>5,045,365</u>
Deferred inflows of resources					
Pension-related	32,811	184,370	26,370	10,730	254,281
OPEB-related	<u>2,202</u>	<u>8,403</u>	<u>2,376</u>	<u>1,507</u>	<u>14,488</u>
Total deferred inflows of resources	<u>35,013</u>	<u>192,773</u>	<u>28,746</u>	<u>12,237</u>	<u>268,769</u>
Net position					
Net investment in capital assets	12,605,083	7,431,637	27,295,396	3,113,990	50,446,106
Unrestricted	<u>(92,645)</u>	<u>(2,006,068)</u>	<u>5,483,568</u>	<u>381,482</u>	<u>3,766,337</u>
Total net position	<u>\$ 12,512,438</u>	<u>\$ 5,425,569</u>	<u>\$ 32,778,964</u>	<u>\$ 3,495,472</u>	<u>\$ 54,212,443</u>

CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ -	\$ 444,164	\$ 3,730,485	\$ 1,003,861	\$ 5,178,510
Rents, concessions and other	944,394	54,644	-	422,052	1,421,090
Total operating revenues	<u>944,394</u>	<u>498,808</u>	<u>3,730,485</u>	<u>1,425,913</u>	<u>6,599,600</u>
Operating expenses:					
Personnel services	286,054	1,552,033	189,008	499,702	2,526,797
Supplies and materials	477,357	424,341	11,191	246,557	1,159,446
Maintenance and repairs	4,081	244,536	23,500	46,769	318,886
Utilities and other services	103,649	174,478	166,897	463,498	908,522
Insurance and contract support	24,037	15,143	400	54,460	94,040
Other expenses	95,731	82,613	23,924	33,742	236,010
Depreciation and amortization	491,987	163,026	352,596	255,740	1,263,349
Total operating expenses	<u>1,482,896</u>	<u>2,656,170</u>	<u>767,516</u>	<u>1,600,468</u>	<u>6,507,050</u>
Operating income (loss)	<u>(538,502)</u>	<u>(2,157,362)</u>	<u>2,962,969</u>	<u>(174,555)</u>	<u>92,550</u>
Nonoperating revenues (expenses):					
Interest income	493	-	139,030	6,158	145,681
Intergovernmental operating grants	2,138,738	2,719,179	-	-	4,857,917
Total nonoperating revenues (expenses)	<u>2,139,231</u>	<u>2,719,179</u>	<u>139,030</u>	<u>6,158</u>	<u>5,003,598</u>
Income (loss) before contributions and transfers	<u>1,600,729</u>	<u>561,817</u>	<u>3,101,999</u>	<u>(168,397)</u>	<u>5,096,148</u>
Transfers in	-	422,109	-	-	422,109
Transfers out	<u>(15,754)</u>	<u>(1,262,313)</u>	<u>(468,173)</u>	<u>-</u>	<u>(1,746,240)</u>
Change in net position	1,584,975	(278,387)	2,633,826	(168,397)	3,772,017
Net position - beginning	10,927,463	5,703,956	30,145,138	3,663,869	50,440,426
Net position - ending	<u>\$ 12,512,438</u>	<u>\$ 5,425,569</u>	<u>\$ 32,778,964</u>	<u>\$ 3,495,472</u>	<u>\$ 54,212,443</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ 949,248	\$ 499,318	\$ 3,738,332	\$ 1,425,913	\$ 6,612,811
Payments to suppliers	(637,801)	(503,239)	(178,698)	(828,947)	(2,148,685)
Payments for interfund services	(129,457)	(834,791)	(183,422)	(49,080)	(1,196,750)
Payments to employees	(190,859)	(908,267)	(155,956)	(456,481)	(1,711,563)
Net cash provided (used) by operating activities	<u>(8,869)</u>	<u>(1,746,979)</u>	<u>3,220,256</u>	<u>91,405</u>	<u>1,555,813</u>
Cash flows from noncapital financing activities:					
Intergovernmental operating grants	2,138,738	3,056,214	-	-	5,194,952
Interfund loan received (repaid)	(11,041)	(350,640)	-	-	(361,681)
Transfers out to other funds	(15,754)	(1,262,313)	(468,173)	-	(1,746,240)
Transfers from other funds	-	422,109	-	-	422,109
Net cash provided (used) by noncapital financing activities	<u>2,111,943</u>	<u>1,865,370</u>	<u>(468,173)</u>	<u>-</u>	<u>3,509,140</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	<u>(2,093,995)</u>	<u>(118,391)</u>	<u>(2,624,713)</u>	<u>(48,763)</u>	<u>(4,885,862)</u>
Cash flows from investing activities:					
Interest on investments	<u>493</u>	<u>-</u>	<u>139,030</u>	<u>6,158</u>	<u>145,681</u>
Net cash provided by investing activities	<u>493</u>	<u>-</u>	<u>139,030</u>	<u>6,158</u>	<u>145,681</u>
Net Increase in Cash and Cash Equivalents	9,572	-	266,400	48,800	324,772
Cash and Cash Equivalents - Beginning	<u>29,147</u>	<u>3,000</u>	<u>5,684,965</u>	<u>519,531</u>	<u>6,236,643</u>
Cash and Cash Equivalents - Ending	<u>\$ 38,719</u>	<u>\$ 3,000</u>	<u>\$ 5,951,365</u>	<u>\$ 568,331</u>	<u>\$ 6,561,415</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS (CONT'D.) NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Totals
Cash flows from operating activities:					
Operating income (loss)	<u>\$ (538,502)</u>	<u>\$ (2,157,362)</u>	<u>\$ 2,962,969</u>	<u>\$ (174,555)</u>	<u>\$ 92,550</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	491,987	163,026	352,596	255,740	1,263,349
(Increase) decrease in assets and deferred outflows of resources:					
Receivables:					
Customer and trade	-	-	7,847	-	7,847
Other	4,854	510	-	-	5,364
Inventory	11,352	-	-	-	11,352
Prepaid items	6,720	-	-	-	6,720
Deferred outflows - pension-related	(52,934)	(314,897)	(32,609)	(5,854)	(406,294)
Deferred outflows - OPEB-related	(4,376)	(17,891)	(4,571)	(2,994)	(29,832)
Increase (decrease) in liabilities and deferred inflows of resources:					
Accounts payable - trade	(7,591)	9,091	(92,521)	599	(90,422)
Accrued payroll	(433)	15,117	(1,104)	301	13,881
Accrued vacation and sick leave	(398)	-	(30)	(644)	(1,072)
Payable to government agencies	30	-	-	(2,736)	(2,706)
Other liabilities	-	30,075	-	35,869	65,944
Net pension liability	86,441	530,626	43,918	(1,202)	659,783
Net OPEB liability	664	15,691	(929)	454	15,880
Deferred inflows - pension-related	(7,513)	(24,420)	(16,169)	(14,141)	(62,243)
Deferred inflows - OPEB-related	830	3,455	859	568	5,712
Total adjustments	<u>529,633</u>	<u>410,383</u>	<u>257,287</u>	<u>265,960</u>	<u>1,463,263</u>
Net cash provided by (used in) operating activities	<u><u>\$ (8,869)</u></u>	<u><u>\$ (1,746,979)</u></u>	<u><u>\$ 3,220,256</u></u>	<u><u>\$ 91,405</u></u>	<u><u>\$ 1,555,813</u></u>

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fleet Maintenance Fund

The Fleet Maintenance Fund accounts for the costs associated with the operation, maintenance and replacement of the City's vehicle and equipment fleet. City departments which use the vehicles and equipment are charged a monthly rental fee based upon actual operating costs associated with each class of vehicle or equipment.

Duplicating Services Fund

The Duplicating Services Fund accounts for the costs associated with the operation and maintenance of the City's duplicating equipment. City departments which use the duplicating services are charged a fee based upon actual usage.

Employee Benefit Trust Fund

The Employee Benefit Trust Fund is used to account for and administer group health insurance, which is self-insured by the City, and life insurance for employees and covered dependents.

Information Technology Fund

The Information Technology Fund accounts for the costs associated with the operation and maintenance of the City's Information Technology assets. City departments which use information technology are charged a fee based on usage.

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
Assets					
Current assets:					
Cash and cash equivalents	\$ 784,633	\$ 46,926	\$ 100	\$ 3,630,280	\$ 4,461,939
Restricted cash and cash equivalents	-	-	8,801,232	-	8,801,232
Receivables:					
Other	24,185	-	10,267	-	34,452
Inventory	706,823	-	-	-	706,823
Prepaid items	474,815	208	-	1,313	476,336
Total current assets	<u>1,990,456</u>	<u>47,134</u>	<u>8,811,599</u>	<u>3,631,593</u>	<u>14,480,782</u>
Capital assets, net of accumulated depreciation	<u>20,731,100</u>	<u>-</u>	<u>-</u>	<u>3,589,806</u>	<u>24,320,906</u>
Total assets	<u>22,721,556</u>	<u>47,134</u>	<u>8,811,599</u>	<u>7,221,399</u>	<u>38,801,688</u>
Deferred outflows of resources					
Pension-related	858,242	9,385	40,493	469,770	1,377,890
OPEB-related	<u>81,280</u>	<u>1,853</u>	<u>4,501</u>	<u>38,389</u>	<u>126,023</u>
Total deferred outflows of resources	<u>939,522</u>	<u>11,238</u>	<u>44,994</u>	<u>508,159</u>	<u>1,503,913</u>
Liabilities					
Current liabilities:					
Accounts payable - trade	208,990	3,862	15,101	47,513	275,466
Accrued payroll	77,461	754	4,024	35,491	117,730
Accrued vacation and sick leave	90,099	-	-	49,268	139,367
Payable to other City funds	-	-	1,075,261	-	1,075,261
Estimated health claims payable	-	-	491,647	-	491,647
Other liabilities	1,229	-	(1,449)	-	(220)
Capital leases - current maturities	<u>439,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>439,000</u>
Total current liabilities	<u>816,779</u>	<u>4,616</u>	<u>1,584,584</u>	<u>132,272</u>	<u>2,538,251</u>
Long-term liabilities:					
Capital leases, less current maturities	1,369,846	-	-	-	1,369,846
Net pension liability	1,746,247	15,011	82,391	955,833	2,799,482
Net OPEB liability	<u>510,316</u>	<u>11,636</u>	<u>28,259</u>	<u>241,029</u>	<u>791,240</u>
Total long-term liabilities	<u>3,626,409</u>	<u>26,647</u>	<u>110,650</u>	<u>1,196,862</u>	<u>4,960,568</u>
Total liabilities	<u>4,443,188</u>	<u>31,263</u>	<u>1,695,234</u>	<u>1,329,134</u>	<u>7,498,819</u>
Deferred inflows of resources					
Pension-related	304,509	4,665	14,367	166,677	490,218
OPEB-related	<u>17,791</u>	<u>406</u>	<u>985</u>	<u>8,403</u>	<u>27,585</u>
Total deferred inflows of resources	<u>322,300</u>	<u>5,071</u>	<u>15,352</u>	<u>175,080</u>	<u>517,803</u>
Net position					
Net investment in capital assets	18,922,254	-	-	3,589,806	22,512,060
Unrestricted	<u>(26,664)</u>	<u>22,038</u>	<u>7,146,007</u>	<u>2,635,538</u>	<u>9,776,919</u>
Total net position	<u>\$ 18,895,590</u>	<u>\$ 22,038</u>	<u>\$ 7,146,007</u>	<u>\$ 6,225,344</u>	<u>\$ 32,288,979</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
Operating revenues:					
Charges for services	\$ 10,194,007	\$ 156,579	\$ -	\$ 3,671,148	\$ 14,021,734
Rents, concessions and other	25,548	-	1,365,197	-	1,390,745
Contributions	-	-	14,522,207	-	14,522,207
Total operating revenues	<u>10,219,555</u>	<u>156,579</u>	<u>15,887,404</u>	<u>3,671,148</u>	<u>29,934,686</u>
Operating expenses:					
Personnel services	2,163,511	17,909	110,330	1,149,400	3,441,150
Supplies and materials	3,003,791	2,494	159	219,843	3,226,287
Maintenance and repairs	2,105,807	-	153	863,556	2,969,516
Utilities and other services	68,101	741	66,818	168,103	303,763
Insurance and contract support	50,984	20	13,295,963	15	13,346,982
Other expenses	204,734	83,327	2,344,012	(188,169)	2,443,904
Depreciation and amortization	3,793,772	-	-	745,765	4,539,537
Total operating expenses	<u>11,390,700</u>	<u>104,491</u>	<u>15,817,435</u>	<u>2,958,513</u>	<u>30,271,139</u>
Operating income (loss)	<u>(1,171,145)</u>	<u>52,088</u>	<u>69,969</u>	<u>712,635</u>	<u>(336,453)</u>
Nonoperating revenues (expenses):					
Interest income	-	-	179,375	-	179,375
Gain (loss) on sale of capital assets	(130,241)	-	-	(679)	(130,920)
Interest expense	(44,339)	-	-	-	(44,339)
Total nonoperating revenues (expenses)	<u>(174,580)</u>	<u>-</u>	<u>179,375</u>	<u>(679)</u>	<u>4,116</u>
Income (loss) before transfers	<u>(1,345,725)</u>	<u>52,088</u>	<u>249,344</u>	<u>711,956</u>	<u>(332,337)</u>
Transfers in	3,733,712	-	-	-	3,733,712
Transfers out	<u>(312,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(312,000)</u>
Change in net position	2,075,987	52,088	249,344	711,956	3,089,375
Net position - beginning	16,819,603	(30,050)	6,896,663	5,513,388	29,199,604
Net position - ending	<u>\$ 18,895,590</u>	<u>\$ 22,038</u>	<u>\$ 7,146,007</u>	<u>\$ 6,225,344</u>	<u>\$ 32,288,979</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
Cash flows from operating activities:					
Received from customers and users	\$ 318,237	\$ -	\$ 4,582,791	\$ -	\$ 4,901,028
Received from interfund charges	9,959,974	156,579	10,364,312	3,671,148	24,152,013
Other operating receipts	-	-	939,217	-	939,217
Payments to suppliers	(5,685,040)	(76,941)	(15,769,573)	(1,205,616)	(22,737,170)
Payments for interfund services	(454,421)	(14,302)	(16,680)	(138,151)	(623,554)
Payments to employees	(1,530,756)	(19,272)	(61,799)	(887,112)	(2,498,939)
Net cash provided by operating activities	2,607,994	46,064	38,268	1,440,269	4,132,595
Cash flows from noncapital financing activities:					
Interfund loans received	-	-	1,075,261	-	1,075,261
Interfund loans repaid	-	-	(124,601)	-	(124,601)
Transfers in from other funds	3,733,712	-	-	-	3,733,712
Transfers out to other funds	(312,000)	-	-	-	(312,000)
Net cash provided by noncapital financing activities	3,421,712	-	950,660	-	4,372,372
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(5,540,159)	-	-	(415,405)	(5,955,564)
Proceeds from sale of capital assets	159,026	-	-	-	159,026
Principal paid on long-term debt	(430,477)	-	-	-	(430,477)
Interest and fees paid on long-term debt	(44,339)	-	-	-	(44,339)
Net cash used for capital and related financing activities	(5,855,949)	-	-	(415,405)	(6,271,354)
Cash flows from investing activities:					
Interest on investments	-	-	179,375	-	179,375
Net cash provided by investing activities	-	-	179,375	-	179,375
Net Increase in Cash and Cash Equivalents	173,757	46,064	1,168,303	1,024,864	2,412,988
Cash and Cash Equivalents - Beginning	610,876	862	7,633,029	2,605,416	10,850,183
Cash and Cash Equivalents - Ending	\$ 784,633	\$ 46,926	\$ 8,801,332	\$ 3,630,280	\$ 13,263,171
Cash flows from operating activities:					
Operating income (loss)	\$ (1,171,145)	\$ 52,088	\$ 69,969	\$ 712,635	\$ (336,453)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	3,793,772	-	-	745,765	4,539,537
(Increase) decrease in assets and deferred outflows:					
Receivables:					
Other	57,427	-	1,103	-	58,530
Inventory	7,696	-	-	-	7,696
Prepaid items	-	371	-	(1,313)	(942)
Deferred outflows - pension-related	(436,412)	(3,894)	(22,266)	(229,335)	(691,907)
Deferred outflows - OPEB-related	(35,048)	(806)	(1,957)	(16,395)	(54,206)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable - trade	(135,734)	(2,061)	(7,193)	(20,171)	(165,159)
Accrued payroll	8,381	138	2,125	(4,210)	6,434
Accrued vacation and sick leave	(26,346)	-	-	(7,869)	(34,215)
Estimated health claims payable	-	-	(33,279)	-	(33,279)
Other liabilities	1,229	-	(2,187)	-	(958)
Net pension liability	661,138	887	35,505	337,341	1,034,871
Net OPEB liability	2,073	122	297	(757)	1,735
Deferred inflows - pension-related	(125,667)	(934)	(4,220)	(78,516)	(209,337)
Deferred inflows - OPEB-related	6,630	153	371	3,094	10,248
Total adjustments	3,779,139	(6,024)	(31,701)	727,634	4,469,048
Net cash provided by operating activities	\$ 2,607,994	\$ 46,064	\$ 38,268	\$ 1,440,269	\$ 4,132,595

Agency Fund

Escheatment Fund - The agency fund is used to account for assets held by the City of Wichita Falls in a custodial capacity. The assets in this fund have been abandoned or remain unclaimed pending escheatment to the State of Texas.

CITY OF WICHITA FALLS, TEXAS

AGENCY FUND STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deductions	Balance 9/30/2019
<u>ESCHEATMENT FUND</u>				
Assets				
Cash and cash equivalents	\$ 177,550	\$ 9,753	\$ 5,257	\$ 182,046
Liabilities				
Other liabilities	\$ 177,550	\$ 9,753	\$ 5,257	\$ 182,046

Component Units

Discretely Presented Component Units of the City of Wichita Falls are legally separate entities; however, the City is considered to be financially accountable for their operations. The five discretely presented component units are as follows:

Wichita Falls Economic Development Corporation

The Wichita Falls Economic Development Corporation is a nonprofit corporation formed in May 1997 for the purpose of increasing employment opportunities, primarily through assisting qualified enterprises with funds provided by a portion of the local sales tax. The Corporation operates under the authority of Vernon's Civil Statutes, Article 5190.6, Section 4A.

Wichita Falls 4B Sales Tax Corporation

The Wichita Falls 4B Sales Tax Corporation is a nonprofit corporation formed in May 1997 for the purpose of increasing employment opportunities and for public improvement projects such as parks, auditoriums, learning centers, open space improvements, athletic and exhibition facilities and the related maintenance and operating costs of such projects. These projects are funded by a portion of the local sales tax. The Corporation operates under the authority of Vernon's Civil Statutes, Article 5190.6, Section 4B.

Wichita Falls Reinvestment Zone #2

The Wichita Falls Reinvestment Zone #2 was created in August 2005 by the City, with the advice and consent of the Wichita Falls Independent School District and Wichita County. The purpose of the Wichita Falls Reinvestment Zone #2 is to capture increments of growth in real property values in the designated zone area from base values established in January 2004 and use the ad valorem taxes derived from the increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the zoned area or for payment of debt service on bonds issued to provide funds for public improvements.

Wichita Falls Reinvestment Zone #3

The Wichita Falls Reinvestment Zone #3 was created in September 2009 by the City, with the advice and consent of the Wichita Falls Independent School District and Wichita County. The purpose of the Wichita Falls Reinvestment Zone #3 is to capture increments of growth in real property values in the designated zone area from base values established in January 2009 and use the ad valorem taxes derived from the increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the zoned area or for payment of debt service on bonds issued to provide funds for public improvements.

Wichita Falls Reinvestment Zone #4

The Wichita Falls Reinvestment Zone #4 was created in March 2015 by the City, with the advice and consent of the Wichita Falls Independent School District and Wichita County. The purpose of the Wichita Falls Reinvestment Zone #4 is to capture increments of growth in real property values in the designated zone area from base values established in January 2015 and use the ad valorem taxes derived from the increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the zoned area or for payment of debt service on bonds issued to provide funds for public improvements.

CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
SEPTEMBER 30, 2019**

	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #2	Wichita Falls Reinvestment Zone #3	Wichita Falls Reinvestment Zone #4	Totals
Assets						
Cash and cash equivalents	\$ 11,677,525	\$ 6,061,326	\$ 1,228,841	\$ 578,374	\$ 190,578	\$ 19,736,644
Receivables:						
Government agencies	1,387,067	717,088	388,651	87,263	48,122	2,628,191
Other	100,000	-	-	-	-	100,000
Prepaid items	5,725	-	-	-	-	5,725
Capital assets, net of accumulated depreciation	2,132,818	-	-	-	-	2,132,818
Total assets	15,303,135	6,778,414	1,617,492	665,637	238,700	24,603,378
Liabilities						
Accounts payable - trade	211,505	392,579	-	-	-	604,084
Other liabilities	936	-	-	-	-	936
Total liabilities	212,441	392,579	-	-	-	605,020
Net position						
Net investment in capital assets	2,132,818	-	-	-	-	2,132,818
Unrestricted	12,957,876	6,385,835	1,617,492	665,637	238,700	21,865,540
Total net position	\$ 15,090,694	\$ 6,385,835	\$ 1,617,492	\$ 665,637	\$ 238,700	\$ 23,998,358

CITY OF WICHITA FALLS, TEXAS
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Revenue			Net (Expense) Revenue and Changes in Net Position					Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #2	Wichita Falls Reinvestment Zone #3	Wichita Falls Reinvestment Zone #4	
Community development									
Wichita Falls Economic Development Corporation	\$ 5,463,303	\$ -	\$ 1,500,000	\$ (3,963,303)	\$ -	\$ -	\$ -	\$ -	\$ (3,963,303)
Wichita Falls 4B Sales Tax Corporation	3,102,301	-	358,832	-	(2,743,469)	-	-	-	(2,743,469)
Wichita Falls Reinvestment Zone #2	358,832	-	-	-	-	(358,832)	-	-	(358,832)
Wichita Falls Reinvestment Zone #3	-	-	-	-	-	-	-	-	-
Wichita Falls Reinvestment Zone #4	34,158	-	-	-	-	-	-	(34,158)	(34,158)
Total component units	<u>\$ 8,958,594</u>	<u>\$ -</u>	<u>\$ 1,858,832</u>	<u>(3,963,303)</u>	<u>(2,743,469)</u>	<u>(358,832)</u>	<u>-</u>	<u>(34,158)</u>	<u>(7,099,762)</u>
General revenues:									
Taxes:									
Property tax				-	-	1,096,562	89,811	101,570	1,287,943
Sales tax				4,151,979	4,151,979	-	-	-	8,303,958
Investment earnings				366,217	144,796	12,682	11,492	2,792	537,979
Miscellaneous				47,061	-	-	-	-	47,061
Total general revenues				<u>4,565,257</u>	<u>4,296,775</u>	<u>1,109,244</u>	<u>101,303</u>	<u>104,362</u>	<u>10,176,941</u>
Change in net position				601,954	1,553,306	750,412	101,303	70,204	3,077,179
Net position - beginning				14,488,740	4,832,529	867,080	564,334	168,496	20,921,179
Net position - ending				<u>\$ 15,090,694</u>	<u>\$ 6,385,835</u>	<u>\$ 1,617,492</u>	<u>\$ 665,637</u>	<u>\$ 238,700</u>	<u>\$ 23,998,358</u>

SUPPORTING SCHEDULES

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDED DEBT AND INTEREST MATURITIES
SEPTEMBER 30, 2019

Fiscal Year Ending September 30,	General Obligation Bonds			Combination Tax and Revenue Bonds			Water and Sewer Priority Lien Revenue Bonds			Totals - All Bonded Debt		
	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities (3)	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest
2020	\$ 2,715,000	\$ 1,221,029	\$ 3,936,029	\$ 2,855,000	\$ 1,537,020	\$ 4,392,020	\$ 7,265,000	\$ 3,045,250	\$ 10,310,250	\$ 12,835,000	\$ 5,803,299	\$ 18,638,299
2021	2,795,000	1,134,911	3,929,911	2,925,000	1,468,812	4,393,812	7,635,000	2,682,000	10,317,000	13,355,000	5,285,723	18,640,723
2022	2,390,000	1,041,300	3,431,300	2,995,000	1,394,165	4,389,165	8,010,000	2,300,250	10,310,250	13,395,000	4,735,715	18,130,715
2023	2,480,000	948,517	3,428,517	3,065,000	1,315,342	4,380,342	8,410,000	1,899,750	10,309,750	13,955,000	4,163,609	18,118,609
2024	2,585,000	856,923	3,441,923	3,145,000	1,231,866	4,376,866	8,835,000	1,479,250	10,314,250	14,565,000	3,568,039	18,133,039
2025	2,665,000	769,912	3,434,912	3,240,000	1,143,627	4,383,627	9,275,000	1,037,500	10,312,500	15,180,000	2,951,039	18,131,039
2026	2,770,000	654,488	3,424,488	2,935,000	1,059,677	3,994,677	9,705,000	607,000	10,312,000	15,410,000	2,321,165	17,731,165
2027	1,425,000	533,450	1,958,450	3,010,000	982,339	3,992,339	2,435,000	121,750	2,556,750	6,870,000	1,637,539	8,507,539
2028	1,480,000	475,950	1,955,950	3,090,000	898,512	3,988,512	-	-	-	4,570,000	1,374,462	5,944,462
2029	1,535,000	416,250	1,951,250	3,185,000	809,554	3,994,554	-	-	-	4,720,000	1,225,804	5,945,804
2030	845,000	369,350	1,214,350	3,280,000	713,121	3,993,121	-	-	-	4,125,000	1,082,471	5,207,471
2031	880,000	335,550	1,215,550	3,375,000	613,035	3,988,035	-	-	-	4,255,000	948,585	5,203,585
2032	915,000	300,350	1,215,350	3,250,000	507,881	3,757,881	-	-	-	4,165,000	808,231	4,973,231
2033	950,000	263,750	1,213,750	3,350,000	406,666	3,756,666	-	-	-	4,300,000	670,416	4,970,416
2034	990,000	225,750	1,215,750	1,145,000	299,781	1,444,781	-	-	-	2,135,000	525,531	2,660,531
2035	1,030,000	186,150	1,216,150	1,170,000	278,191	1,448,191	-	-	-	2,200,000	464,341	2,664,341
2036	1,070,000	144,950	1,214,950	1,185,000	255,699	1,440,699	-	-	-	2,255,000	400,649	2,655,649
2037	1,110,000	102,150	1,212,150	1,215,000	232,357	1,447,357	-	-	-	2,325,000	334,507	2,659,507
2038	1,155,000	57,750	1,212,750	1,235,000	208,162	1,443,162	-	-	-	2,390,000	265,912	2,655,912
2039	-	-	-	1,260,000	183,148	1,443,148	-	-	-	1,260,000	183,148	1,443,148
2040	-	-	-	1,285,000	157,250	1,442,250	-	-	-	1,285,000	157,250	1,442,250
2041	-	-	-	1,310,000	130,455	1,440,455	-	-	-	1,310,000	130,455	1,440,455
2042	-	-	-	1,340,000	102,761	1,442,761	-	-	-	1,340,000	102,761	1,442,761
2043	-	-	-	1,370,000	74,237	1,444,237	-	-	-	1,370,000	74,237	1,444,237
2044	-	-	-	1,395,000	44,997	1,439,997	-	-	-	1,395,000	44,997	1,439,997
2045	-	-	-	1,425,000	15,105	1,440,105	-	-	-	1,425,000	15,105	1,440,105
	<u>\$ 31,785,000</u>	<u>\$ 10,038,480</u>	<u>\$ 41,823,480</u>	<u>\$ 59,035,000</u>	<u>\$ 16,063,760</u>	<u>\$ 75,098,760</u>	<u>\$ 61,570,000</u>	<u>\$ 13,172,750</u>	<u>\$ 74,742,750</u>	<u>\$ 152,390,000</u>	<u>\$ 39,274,990</u>	<u>\$ 191,664,990</u>

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE
SEPTEMBER 30, 2019

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
General Obligation Bonds:								
General Obligation Refunding Bonds, Series 2011	1.50, 2.00, 3.00 (3/1, 9/1)	10/15/11	09/01/21	415,000 (2012) 405,000 (2013) 410,000 (2014) 420,000 (2015) 425,000 (2016) 435,000 (2017) 445,000 (2018) 455,000 (2019) 470,000 (2020) 485,000 (2021)	\$ 4,365,000	\$ 4,365,000	\$ 3,410,000	\$ 955,000
General Obligation Refunding Bonds, Series 2015A	2.00, 2.25, 2.625, 2.75, 3.00, 4.00, 5.00 (3/1, 9/1)	11/15/15	09/01/26	200,000 (2016) 810,000 (2017) 830,000 (2018) 870,000 (2019) 890,000 (2020) 915,000 (2021) 955,000 (2022) 990,000 (2023) 1,030,000 (2024) 1,055,000 (2025) 1,105,000 (2026)	9,650,000	9,650,000	2,710,000	6,940,000
General Obligation Refunding Bonds, Series 2015B	0.73, 1.19, 1.62, 1.99, 2.29, 2.62, 2.83, 2.91, 3.11, 3.27, 3.48 (3/1, 9/1)	11/15/15	09/01/26	110,000 (2016) 255,000 (2017) 255,000 (2018) 260,000 (2019) 265,000 (2020) 270,000 (2021) 275,000 (2022) 285,000 (2023) 295,000 (2024) 305,000 (2025) 310,000 (2026)	2,885,000	2,885,000	880,000	2,005,000

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2019

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds							
					Authorized	Issued	Retired or Refunded	Outstanding				
General Obligation Bonds, Series 2018A	2.00, 3.00, 4.00, 5.00	08/01/18	09/01/38	550,000 (2019)	16,345,000	16,345,000	550,000	15,795,000				
				575,000 (2020)								
				595,000 (2021)								
				615,000 (2022)								
				640,000 (2023)								
				670,000 (2024)								
				695,000 (2025)								
				720,000 (2026)								
				750,000 (2027)								
				780,000 (2028)								
				810,000 (2029)								
				845,000 (2030)								
				880,000 (2031)								
				915,000 (2032)								
				950,000 (2033)								
				990,000 (2034)								
				1,030,000 (2035)								
				1,070,000 (2036)								
				1,110,000 (2037)								
				1,155,000 (2038)								
General Obligation Refunding Bonds, Series 2018B	2.00, 3.00, 4.00 (4/1, 10/1)	08/01/18	10/01/28	80,000 (2019)	6,170,000	6,170,000	80,000	6,090,000				
				515,000 (2020)								
				530,000 (2021)								
				545,000 (2022)								
				565,000 (2023)								
				590,000 (2024)								
				610,000 (2025)								
				635,000 (2026)								
				675,000 (2027)								
				700,000 (2028)								
				725,000 (2029)								
Total General Obligation Bonds					39,415,000	39,415,000	7,630,000	31,785,000				

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2019

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
Combination Tax and Revenue Bonds:								
Combination Tax and Revenue	5.60 (2/1, 8/1)	01/01/10	02/01/25	165,000 (2011)	3,930,000	3,930,000	1,960,000	1,970,000
Certificates of Obligation,				185,000 (2012)				
Series 2010				195,000 (2013)				
				205,000 (2014)				
				215,000 (2015)				
				230,000 (2016)				
				240,000 (2017)				
				255,000 (2018)				
				270,000 (2019)				
				285,000 (2020)				
				300,000 (2021)				
				320,000 (2022)				
				335,000 (2023)				
				355,000 (2024)				
				375,000 (2025)				
Combination Tax and Revenue	2.00, 3.00, 4.00	10/15/11	09/01/31	135,000 (2013)	3,200,000	3,200,000	1,000,000	2,200,000
Certificates of Obligation,	(3/1, 9/1)			135,000 (2014)				
Series 2011				140,000 (2015)				
				145,000 (2016)				
				145,000 (2017)				
				150,000 (2018)				
				150,000 (2019)				
				155,000 (2020)				
				160,000 (2021)				
				165,000 (2022)				
				165,000 (2023)				
				170,000 (2024)				
				180,000 (2025)				
				185,000 (2026)				
				190,000 (2027)				
				195,000 (2028)				
				205,000 (2029)				
				210,000 (2030)				
				220,000 (2031)				

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2019

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
Combination Tax and Revenue Certificates of Obligation, Series 2013	2.00, 3.00, 3.25, 3.375 (3/1, 9/1)	03/01/13	09/01/33	530,000 (2014)	19,875,000	19,875,000	4,675,000	15,200,000
				795,000 (2015)				
				815,000 (2016)				
				830,000 (2017)				
				845,000 (2018)				
				860,000 (2019)				
				890,000 (2020)				
				915,000 (2021)				
				940,000 (2022)				
				970,000 (2023)				
				1,000,000 (2024)				
				1,030,000 (2025)				
				1,060,000 (2026)				
				1,090,000 (2027)				
				1,125,000 (2028)				
				1,160,000 (2029)				
				1,195,000 (2030)				
				1,235,000 (2031)				
				1,275,000 (2032)				
				1,315,000 (2033)				
Combination Tax and Revenue Certificates of Obligation, Series 2013A	2.00, 3.00, 3.125, 3.25, 3.625, 3.75, 4.00, 4.25, 4.375, 4.50, 4.625 (3/1, 9/1)	08/15/13	09/01/33	505,000 (2014)	13,000,000	13,000,000	3,110,000	9,890,000
				500,000 (2015)				
				510,000 (2016)				
				520,000 (2017)				
				530,000 (2018)				
				545,000 (2019)				
				560,000 (2020)				
				580,000 (2021)				
				595,000 (2022)				
				615,000 (2023)				
				630,000 (2024)				
				650,000 (2025)				
				675,000 (2026)				
				700,000 (2027)				
				730,000 (2028)				
				760,000 (2029)				
				795,000 (2030)				
				830,000 (2031)				
				865,000 (2032)				
				905,000 (2033)				

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2019

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
Combination Tax and Revenue Certificates of Obligation, Series 2015	0.00, 0.09, 0.40, 0.68, 0.89, 1.05, 1.16, 1.29, 1.40, 1.47, 1.53, 1.59 1.64, 1.69, 1.74, 1.79 1.84, 1.89, 1.93, 1.96 1.99, 2.02, 2.05, 2.08 2.10, 2.11, 2.12 (3/1, 9/1)	01/02/15	03/01/45	890,000 (2016) 960,000 (2017) 960,000 (2018) 960,000 (2019) 965,000 (2020) 970,000 (2021) 975,000 (2022) 980,000 (2023) 990,000 (2024) 1,005,000 (2025) 1,015,000 (2026) 1,030,000 (2027) 1,040,000 (2028) 1,060,000 (2029) 1,080,000 (2030) 1,090,000 (2031) 1,110,000 (2032) 1,130,000 (2033) 1,145,000 (2034) 1,170,000 (2035) 1,185,000 (2036) 1,215,000 (2037) 1,235,000 (2038) 1,260,000 (2039) 1,285,000 (2040) 1,310,000 (2041) 1,340,000 (2042) 1,370,000 (2043) 1,395,000 (2044) 1,425,000 (2045)	33,545,000	33,545,000	3,770,000	29,775,000
Total Combination Tax and Revenue Bonds					73,550,000	73,550,000	14,515,000	59,035,000
Priority Lien Revenue Bonds:								
Water and Sewer System	2.00, 4.00, 5.00	06/01/16	08/01/27	2,635,000 (2017)	74,005,000	74,005,000	12,435,000	61,570,000
Revenue Refunding Bonds, Series 2016	(2/1, 8/1)			2,885,000 (2018) 6,915,000 (2019) 7,265,000 (2020) 7,635,000 (2021) 8,010,000 (2022) 8,410,000 (2023) 8,835,000 (2024) 9,275,000 (2025) 9,705,000 (2026) 2,435,000 (2027)				
Total Priority Lien Revenue Bonds					74,005,000	74,005,000	12,435,000	61,570,000
Total All Bonds					\$ 186,970,000	\$ 186,970,000	\$ 34,580,000	\$ 152,390,000

CITY OF WICHITA FALLS, TEXAS

DEBT SERVICE COVERAGE - REVENUE BONDS SEPTEMBER 30, 2019

Water and Sewer Revenue Bonds:

Change in net position (Exhibit A-8)			\$ 8,232,015
Add:			
Depreciation and amortization	\$ 10,206,284		
Interest expense and paying agent fees	2,600,143		
Transfers out	2,375,670	15,182,097	
Subtract:			
West Texas Utilities water revenues	474,777		
Gain (loss) on sale/abandonment of capital assets	(66,483)		
Capital contributions from developers	89,890		
Transfers in	-	(498,184)	
Net earnings for determining debt service coverage			<u>\$ 22,915,928</u>

	Priority Lien Bonds	Subordinate Lien Bonds	
Net earnings for determining debt service coverage			\$ 22,915,928
Principal and interest requirements to maturity	\$ 74,742,750	\$ -	
Number of years remaining to pay bonds	8	N/A	
Average annual principal and interest requirement	9,342,844	N/A	
Minimum bond covenant debt service coverage	1.25	1.10	
Minimum debt service coverage requirement	<u>\$ 11,678,555</u>	<u>\$ -</u>	<u>11,678,555</u>
Excess over debt service coverage requirements			<u>\$ 11,237,373</u>

CITY OF WICHITA FALLS, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2019

	Land and Betterments	Buildings and Improvements	Machinery and Equipment	Furniture and Fixtures	Infrastructure	Construction in Progress	Totals
Administrative services:							
Mayor and City Council	\$ -	\$ -	\$ -	\$ 5,218	\$ -	\$ -	\$ 5,218
City Manager	-	265,898	2,020	13,644	-	-	281,562
Personnel/Risk Management	-	-	2,963	4,660	-	-	7,623
Martin Luther King Center	-	749,447	-	-	-	-	749,447
Library	477,942	4,495,425	602,240	73,266	-	-	5,648,873
General Public Information	-	510,676	261,392	3,184	-	-	775,252
Building Maintenance	-	2,770,246	136,877	-	-	-	2,907,123
Nondepartmental	46,347	380,754	85,497	-	-	-	512,598
Municipal Court	230,000	310,819	67,014	-	-	-	607,833
Legal	-	-	1,518	-	-	-	1,518
City Clerk	-	-	-	-	-	-	-
Homeland security	-	-	604,824	-	-	-	604,824
Training Center	-	-	2,271	-	-	-	2,271
Golf course	3,808,375	786,801	122,339	-	-	-	4,717,515
Total administrative services	4,562,664	10,270,066	1,888,955	99,972	-	-	16,821,657
Police	1,131,749	10,231,506	14,961,098	8,760	-	205,700	26,538,813
Fire	190,565	7,051,522	786,659	-	-	-	8,028,746
Parks and recreation:							
Recreation	754,606	1,687,927	235,444	-	-	-	2,677,977
Park maintenance	4,588,967	589,802	60,444	-	-	-	5,239,213
Cemetery	141,685	-	6,448	-	-	-	148,133
Total parks and recreation	5,485,258	2,277,729	302,336	-	-	-	8,065,323
Accounting/finance:							
Information Systems	-	-	8,032,462	-	-	136,274	8,168,736
Total accounting/finance	-	-	8,032,462	-	-	136,274	8,168,736
Community development:							
Planning	-	-	31,458	-	-	-	31,458
Inspection	-	-	3,610	-	-	-	3,610
Property management	10,334,824	420,892	11,384	-	-	-	10,767,100
Weed and Seed program	-	-	7,504	-	-	-	7,504
Hazard Mitigation grant	170,800	-	-	-	-	-	170,800
Total community development	10,505,624	420,892	53,956	-	-	-	10,980,472
Public works:							
Engineering	-	13,744	161,894	-	-	-	175,638
Street maintenance	10,147	100,108	30,606	-	-	-	140,861
Lake Wichita Revitalization	-	-	-	-	-	702,875	702,875
Infrastructure	1,353,623	-	-	-	178,915,109	3,747,111	184,015,843
Total public works	1,363,770	113,852	192,500	-	178,915,109	4,449,986	185,035,217
Health:							
Administration	34,820	2,892,755	311,183	12,233	-	-	3,250,991
General City nursing	76,411	1,123	10,108	-	-	-	87,642
Environmental health	-	-	66,389	-	-	-	66,389
Lab water pollution	-	-	42,623	-	-	-	42,623
Animal reclaim center	150,737	4,114,850	26,772	-	-	-	4,292,359
Total health	261,968	7,008,728	457,075	12,233	-	-	7,740,004
Traffic and transportation	-	31,045	136,325	-	15,489,737	-	15,657,107
Multi-Purpose Events Center	9,560,210	38,146,300	510,708	22,117	-	-	48,239,335
Wichita Falls Business Park	1,099,507	-	-	-	-	-	1,099,507
Total capital assets used in the operation of governmental funds	\$ 34,161,315	\$ 75,551,640	\$ 27,322,074	\$ 143,082	\$ 194,404,846	\$ 4,791,960	\$ 336,374,917

CITY OF WICHITA FALLS, TEXAS

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Beginning Balance 10/1/2018	Additions	Deletions	Ending Balance 9/30/2019
Administrative services:				
Mayor and City Council	\$ 5,218	\$ -	\$ -	\$ 5,218
City Manager	281,562	-	-	281,562
Personnel/Risk Management	9,318	-	1,695	7,623
Martin Luther King Center	749,447	-	-	749,447
Library	5,688,441	-	39,568	5,648,873
General Public Information	770,165	5,087	-	775,252
Building Maintenance	2,907,123	-	-	2,907,123
Nondepartmental	512,598	-	-	512,598
Municipal Court	607,833	-	-	607,833
Legal	3,005	-	1,487	1,518
City Clerk	1,411	-	1,411	-
Homeland security	648,406	-	43,582	604,824
Training center	2,271	-	-	2,271
Golf course	4,717,515	-	-	4,717,515
Total administrative services	16,904,313	5,087	87,743	16,821,657
Police	26,430,463	113,745	5,395	26,538,813
Fire	8,028,746	-	-	8,028,746
Parks and recreation:				
Recreation	2,688,788	-	10,811	2,677,977
Park maintenance	5,240,707	-	1,494	5,239,213
Cemetery	148,133	-	-	148,133
Total parks and recreation	8,077,628	-	12,305	8,065,323
Accounting/finance:				
Information Systems	7,756,728	415,405	3,397	8,168,736
Total accounting/finance	7,756,728	415,405	3,397	8,168,736
Community development:				
Planning	31,458	-	-	31,458
Inspection	3,610	-	-	3,610
Property management	10,767,100	-	-	10,767,100
Weed and Seed program	7,504	-	-	7,504
Hazard Mitigation Grant	170,800	-	-	170,800
Total community development	10,980,472	-	-	10,980,472
Public works:				
Engineering	168,813	7,909	1,084	175,638
Street maintenance	140,861	-	-	140,861
Lake Wichita Revitalization	424,175	278,700	-	702,875
SAFB Gate Perimeter Project	-	-	-	-
Infrastructure	180,491,320	4,257,060	732,537	184,015,843
Total public works	181,225,169	4,543,669	733,621	185,035,217
Health:				
Administration	3,263,258	17,848	30,115	3,250,991
General city nursing	87,642	-	-	87,642
Environmental health	60,811	6,880	1,302	66,389
Lab water pollution	42,623	-	-	42,623
Animal reclaim center	4,268,837	25,383	1,861	4,292,359
Total health	7,723,171	50,111	33,278	7,740,004
Traffic and transportation	12,625,585	3,108,796	77,274	15,657,107
Multi-Purpose Events Center	48,239,335	-	-	48,239,335
Wichita Falls Business Park	1,099,507	-	-	1,099,507
Total capital assets	\$ 329,091,117	\$ 8,236,813	\$ 953,013	\$ 336,374,917

CITY OF WICHITA FALLS, TEXAS

REGIONAL AIRPORT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
<u>Capital Assets:</u>				
Land and betterments	\$ 20,384,952	\$ -	\$ -	\$20,384,952
Buildings and improvements	34,086,309	-	-	34,086,309
Machinery and equipment	127,836	-	-	127,836
Furniture and fixtures	12,829	-	-	12,829
Total capital assets	54,611,926	-	-	54,611,926
<u>Accumulated Depreciation:</u>				
Land and betterments	3,595,469	815,398	-	4,410,867
Buildings and improvements	2,720,510	676,665	-	3,397,175
Machinery and equipment	51,351	15,588	-	66,939
Furniture and fixtures	6,415	2,566	-	8,981
Total accumulated depreciation	6,373,745	1,510,217	-	7,883,962
Net capital assets	\$ 48,238,181	\$ (1,510,217)	\$ -	\$46,727,964

CITY OF WICHITA FALLS, TEXAS

KICKAPOO AIRPORT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
<u>Capital Assets:</u>				
Land and betterments	\$ 11,266,980	\$ 2,376,375	\$ -	\$ 13,643,355
Buildings and improvements	3,264,730	-	-	3,264,730
Machinery and equipment	583,215	-	-	583,215
Construction in progress	317,627	-	282,380	35,247
Total capital assets	15,432,552	2,376,375	282,380	17,526,547
<u>Accumulated Depreciation:</u>				
Land and betterments	2,825,175	353,636	-	3,178,811
Buildings and improvements	1,197,264	107,432	-	1,304,696
Machinery and equipment	407,039	30,918	-	437,957
Total accumulated depreciation	4,429,478	491,986	-	4,921,464
Net capital assets	\$ 11,003,074	\$ 1,884,389	\$ 282,380	\$ 12,605,083

CITY OF WICHITA FALLS, TEXAS

TRANSIT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Balance 10/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2019</u>
<u>Capital Assets:</u>				
Land and betterments	\$2,001,247	\$ -	\$ -	\$ 2,001,247
Buildings and improvements	6,049,557	-	-	6,049,557
Machinery and equipment	530,568	-	9,122	521,446
Construction in progress	<u>-</u>	<u>118,387</u>	<u>-</u>	<u>118,387</u>
Total capital assets	<u>8,581,372</u>	<u>118,387</u>	<u>9,122</u>	<u>8,690,637</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	58,019	10,549	-	68,568
Buildings and improvements	727,917	123,084	-	851,001
Machinery and equipment	<u>319,160</u>	<u>29,392</u>	<u>9,122</u>	<u>339,430</u>
Total accumulated depreciation	<u>1,105,096</u>	<u>163,025</u>	<u>9,122</u>	<u>1,258,999</u>
Net capital assets	<u><u>\$7,476,276</u></u>	<u><u>\$ (44,638)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,431,638</u></u>

CITY OF WICHITA FALLS, TEXAS

STORMWATER DRAINAGE FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
<u>Capital Assets:</u>				
Drainage	\$ 25,705,086	\$ 153,898	\$ -	\$25,858,984
Land and betterments	439,213	10,050	-	449,263
Machinery and equipment	94,980	-	-	94,980
Construction in progress	383,205	3,128,655	-	3,511,860
Total capital assets	<u>26,622,484</u>	<u>3,292,603</u>	<u>-</u>	<u>29,915,087</u>
<u>Accumulated Depreciation:</u>				
Drainage	2,153,959	343,761	-	2,497,720
Land betterments	27,435	6,103	-	33,538
Machinery and equipment	85,701	2,732	-	88,433
Total accumulated depreciation	<u>2,267,095</u>	<u>352,596</u>	<u>-</u>	<u>2,619,691</u>
Net capital assets	<u><u>\$ 24,355,389</u></u>	<u><u>\$ 2,940,007</u></u>	<u><u>\$ -</u></u>	<u><u>\$27,295,396</u></u>

CITY OF WICHITA FALLS, TEXAS

SANITATION FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Balance 10/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2019</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 7,966,376	\$ 327,724	\$ -	\$ 8,294,100
Buildings and improvements	3,561,115	-	-	3,561,115
Machinery and equipment	663,733	18,545	1,310	680,968
Construction in progress	<u>-</u>	<u>100,959</u>	<u>-</u>	<u>100,959</u>
Total capital assets	<u>12,191,224</u>	<u>447,228</u>	<u>1,310</u>	<u>12,637,142</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	1,398,526	162,249	-	1,560,775
Buildings and improvements	1,643,002	93,414	-	1,736,416
Machinery and equipment	<u>350,449</u>	<u>44,731</u>	<u>1,310</u>	<u>393,870</u>
Total accumulated depreciation	<u>3,391,977</u>	<u>300,394</u>	<u>1,310</u>	<u>3,691,061</u>
Net capital assets	<u><u>\$ 8,799,247</u></u>	<u><u>\$ 146,834</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,946,081</u></u>

CITY OF WICHITA FALLS, TEXAS

WATER AND SEWER FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
<u>Capital Assets:</u>				
Land and betterments	\$ 24,349,959	\$ -	\$ 19,616	\$ 24,330,343
Buildings, systems and improvements	377,395,234	2,761,609	220,520	379,936,323
Machinery and equipment	5,660,877	317,393	145,169	5,833,101
Furniture and fixtures	1,164	-	-	1,164
Construction in progress	4,169,605	1,686,726	1,010,170	4,846,161
Total capital assets	411,576,839	4,765,728	1,395,475	414,947,092
<u>Accumulated Depreciation:</u>				
Land and betterments	11,527,283	243,592	10,815	11,760,060
Buildings, systems and improvements	127,907,263	9,742,219	185,000	137,464,482
Machinery and equipment	4,579,742	220,473	136,063	4,664,152
Furniture and fixtures	1,164	-	-	1,164
Total accumulated depreciation	144,015,452	10,206,284	331,878	153,889,858
Net capital assets	<u>\$ 267,561,387</u>	<u>\$ (5,440,556)</u>	<u>\$ 1,063,597</u>	<u>\$ 261,057,234</u>

CITY OF WICHITA FALLS, TEXAS

WATERPARK FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
<u>Capital Assets:</u>				
Land and betterments	\$ 389,894	\$ -	\$ -	\$ 389,894
Buildings and improvements	4,601,487	13,280	-	4,614,767
Machinery and equipment	230,711	35,483	-	266,194
Total capital assets	5,222,092	48,763	-	5,270,855
<u>Accumulated Depreciation:</u>				
Buildings and improvements	1,723,915	230,406	-	1,954,321
Machinery and equipment	177,210	25,334	-	202,544
Total accumulated depreciation	1,901,125	255,740	-	2,156,865
Net capital assets	\$ 3,320,967	\$ (206,977)	\$ -	\$ 3,113,990

CITY OF WICHITA FALLS, TEXAS

FLEET MAINTENANCE FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
<u>Capital Assets:</u>				
Land and betterments	\$ 436,269	\$ -	\$ -	\$ 436,269
Buildings and improvements	4,758,160	5,190	-	4,763,350
Machinery and equipment	1,540,383	69,084	-	1,609,467
Furniture and fixtures	2,950	-	-	2,950
Motor vehicles	<u>60,713,903</u>	<u>5,465,885</u>	<u>3,226,236</u>	<u>62,953,552</u>
Total capital assets	<u>67,451,665</u>	<u>5,540,159</u>	<u>3,226,236</u>	<u>69,765,588</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	2,611	-	-	2,611
Buildings and improvements	2,759,314	119,496	-	2,878,810
Machinery and equipment	1,287,051	89,663	-	1,376,714
Furniture and fixtures	2,950	-	-	2,950
Motor vehicles	<u>44,125,758</u>	<u>3,584,613</u>	<u>2,936,969</u>	<u>44,773,402</u>
Total accumulated depreciation	<u>48,177,684</u>	<u>3,793,772</u>	<u>2,936,969</u>	<u>49,034,487</u>
Net capital assets	<u>\$ 19,273,981</u>	<u>\$ 1,746,387</u>	<u>\$ 289,267</u>	<u>\$ 20,731,101</u>

CITY OF WICHITA FALLS, TEXAS

DUPLICATING SERVICES FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
<u>Capital Assets:</u>				
Machinery and equipment	\$ 9,117	\$ -	\$ -	\$ 9,117
<u>Accumulated Depreciation:</u>				
Machinery and equipment	9,117	-	-	9,117
Net capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WICHITA FALLS, TEXAS

INFORMATION TECHNOLOGY FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
<u>Capital Assets:</u>				
Machinery and equipment	\$ 6,442,187	\$ 279,131	\$ 3,397	\$ 6,717,921
Construction in progress	-	136,274	-	136,274
Total capital assets	<u>6,442,187</u>	<u>415,405</u>	<u>3,397</u>	<u>6,854,195</u>
<u>Accumulated Depreciation:</u>				
Machinery and equipment	<u>2,521,342</u>	<u>745,765</u>	<u>2,718</u>	<u>3,264,389</u>
Net capital assets	<u>\$ 3,920,845</u>	<u>\$ (330,360)</u>	<u>\$ 679</u>	<u>\$ 3,589,806</u>

CITY OF WICHITA FALLS, TEXAS

WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Balance 10/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2019</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 1,434,069	\$ -	\$ -	\$ 1,434,069
Buildings and improvements	<u>957,191</u>	<u>-</u>	<u>-</u>	<u>957,191</u>
Total capital assets	<u>2,391,260</u>	<u>-</u>	<u>-</u>	<u>2,391,260</u>
<u>Accumulated Depreciation:</u>				
Buildings and improvements	<u>239,298</u>	<u>19,144</u>	<u>-</u>	<u>258,442</u>
Net capital assets	<u><u>\$ 2,151,962</u></u>	<u><u>\$ (19,144)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,132,818</u></u>

STATISTICAL SECTION (UNAUDITED)

This part of the City of Wichita Falls, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	117
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	123
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	127
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	132
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	134

CITY OF WICHITA FALLS, TEXAS

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Governmental activities										
Net investment in capital assets	\$ 135,957,279	\$ 138,876,124	\$ 139,058,565	\$ 138,319,208	\$ 128,168,873	\$ 143,014,752	\$ 148,206,829	\$ 150,776,165	\$ 150,833,699	\$ 152,824,700
Restricted	5,006,079	6,048,238	6,931,511	6,248,074	5,290,076	3,715,125	4,468,638	5,497,793	5,626,033	5,974,408
Unrestricted	9,263,524	7,189,782	7,453,791	6,661,101	5,789,973	(59,103,807)	(64,279,354)	(68,466,161)	(81,755,666)	(85,423,347)
Total governmental activities net position	<u>\$ 150,226,882</u>	<u>\$ 152,114,144</u>	<u>\$ 153,443,867</u>	<u>\$ 151,228,383</u>	<u>\$ 139,248,922</u>	<u>\$ 87,626,070</u>	<u>\$ 88,396,113</u>	<u>\$ 87,807,797</u>	<u>\$ 74,704,066</u>	<u>\$ 73,375,761</u>
Business-type activities										
Net investment in capital assets	\$ 172,590,416	\$ 172,634,321	\$ 185,087,683	\$ 198,540,484	\$ 225,576,460	\$ 238,249,137	\$ 236,074,244	\$ 250,154,417	\$ 254,487,928	\$ 264,868,493
Restricted	12,942,163	11,734,924	11,374,316	11,881,663	11,885,698	11,800,667	11,082,332	11,046,973	11,571,092	11,780,255
Unrestricted	10,734,533	23,006,940	28,157,150	25,390,068	22,571,945	13,941,283	31,265,373	27,573,458	35,237,418	37,715,916
Total business-type activities net position	<u>\$ 196,267,112</u>	<u>\$ 207,376,185</u>	<u>\$ 224,619,149</u>	<u>\$ 235,812,215</u>	<u>\$ 260,034,103</u>	<u>\$ 263,991,087</u>	<u>\$ 278,421,949</u>	<u>\$ 288,774,848</u>	<u>\$ 301,296,438</u>	<u>\$ 314,364,664</u>
Primary government										
Net investment in capital assets	\$ 308,547,695	\$ 311,510,445	\$ 324,146,248	\$ 336,859,692	\$ 353,745,333	\$ 381,263,889	\$ 384,281,073	\$ 400,930,582	\$ 405,321,627	\$ 417,693,193
Restricted	17,948,242	17,783,162	18,305,827	18,129,737	17,175,774	15,515,792	15,550,970	16,544,766	17,197,125	17,754,663
Unrestricted	19,998,057	30,196,722	35,610,941	32,051,169	28,361,918	(45,162,524)	(33,013,981)	(40,892,703)	(46,518,248)	(47,707,431)
Total primary government net position	<u>\$ 346,493,994</u>	<u>\$ 359,490,329</u>	<u>\$ 378,063,016</u>	<u>\$ 387,040,598</u>	<u>\$ 399,283,025</u>	<u>\$ 351,617,157</u>	<u>\$ 366,818,062</u>	<u>\$ 376,582,645</u>	<u>\$ 376,000,504</u>	<u>\$ 387,740,425</u>

CITY OF WICHITA FALLS, TEXAS

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Expenses										
Governmental activities:										
Administrative services	\$ 10,043,369	\$ 10,881,691	\$ 11,934,804	\$ 12,782,404	\$ 13,873,741	\$ 14,837,668	\$ 14,235,870	\$ 15,198,841	\$ 16,029,050	\$ 15,853,414
Police	21,133,526	21,822,371	22,103,892	22,767,560	23,195,421	23,705,432	25,633,843	25,513,220	25,046,425	27,736,316
Fire	13,065,768	13,291,048	13,523,616	14,226,064	14,387,072	16,455,087	17,476,759	21,107,882	24,205,615	21,059,239
Parks and recreation	5,687,527	5,405,955	5,152,616	5,579,717	5,574,156	5,492,124	5,637,654	5,655,633	5,484,893	5,995,353
Accounting/finance	2,428,055	2,534,141	975,863	924,240	923,727	876,069	787,945	760,506	663,516	785,465
Community development	7,243,744	7,084,165	6,777,614	6,729,171	6,497,467	6,400,781	6,681,803	6,902,628	6,579,677	7,253,122
Public works	8,035,626	7,613,089	7,956,752	7,747,847	8,155,640	8,117,413	8,334,993	8,551,971	8,563,442	8,533,518
Health	4,931,859	4,911,165	5,021,625	5,167,794	5,166,135	5,398,191	5,707,386	5,814,947	5,798,759	5,964,161
Traffic and transportation	2,525,097	2,451,154	2,510,936	2,757,545	2,617,801	2,555,837	2,667,418	2,579,284	2,383,760	2,951,269
Multi-Purpose Events Center	4,181,379	4,295,871	3,895,665	4,136,952	4,302,368	4,553,654	4,544,817	4,021,413	3,250,928	3,126,421
Interest and fees on long-term debt	1,781,245	1,765,406	1,711,328	2,122,969	1,992,169	1,910,975	1,631,355	1,443,552	1,556,402	1,780,418
Total governmental activities expenses	81,057,195	82,056,056	81,564,711	84,942,263	86,685,697	90,303,231	93,339,843	97,549,877	99,562,467	101,038,696
Business-type activities:										
Municipal Airport	337,946	435,774	529,827	655,452	855,765	2,532,243	1,881,055	1,827,618	1,907,909	2,014,903
Kickapoo Airport	1,108,515	1,262,976	1,419,681	1,495,562	1,423,952	1,412,211	1,252,359	1,198,823	1,259,413	1,451,976
Transit	1,602,362	1,847,362	1,903,560	1,938,827	2,416,274	2,524,244	2,673,176	2,540,427	2,377,201	2,622,657
Sanitation	9,152,130	8,959,973	8,904,795	9,236,474	9,333,512	9,489,348	9,841,683	10,216,686	10,300,771	11,407,943
Water and Sewer	30,250,390	32,969,719	28,996,520	30,135,738	32,364,514	33,554,406	32,120,018	33,288,819	33,426,850	33,564,147
Stormwater drainage	785,543	533,715	406,570	430,012	560,389	674,839	828,537	816,334	796,597	785,974
Waterpark	1,253,557	1,399,255	1,375,832	1,397,270	1,456,084	1,557,158	1,598,720	1,538,193	1,591,560	1,599,828
Total business-type activities expenses	44,490,443	47,408,774	43,536,785	45,289,335	48,410,490	51,744,449	50,195,548	51,426,900	51,660,301	53,447,428
Total primary government expenses	\$ 125,547,638	\$ 129,464,830	\$ 125,101,496	\$ 130,231,598	\$ 135,096,187	\$ 142,047,680	\$ 143,535,391	\$ 148,976,777	\$ 151,222,768	\$ 154,486,124
Program Revenues										
Governmental activities:										
Charges for services:										
Administrative services	\$ 4,414,667	\$ 4,499,281	\$ 4,390,463	\$ 4,304,737	\$ 4,220,786	\$ 4,030,674	\$ 4,270,749	\$ 4,735,471	\$ 4,501,100	\$ 4,657,529
Police	495,459	527,007	541,201	624,272	339,867	396,228	335,112	420,289	338,223	288,280
Fire	2,042	11,400	14,613	18,459	15,854	6,866	1,749	36,937	39,598	85,627
Parks and recreation	515,008	513,746	525,505	524,519	530,305	447,990	429,207	441,751	393,227	355,005
Accounting/finance	-	65,000	-	-	-	-	-	-	-	-
Community development	1,042,574	1,017,718	942,649	1,131,684	1,094,904	1,006,966	1,101,085	1,209,021	1,233,431	1,419,097
Public works	2,600	2,740	24,420	116,035	94,772	9,510	11,824	14,223	10,869	7,511
Health	908,415	965,741	1,075,277	1,073,172	1,051,444	995,634	1,051,834	1,081,910	1,110,658	1,126,273
Traffic and transportation	201,961	184,138	217,262	126,163	133,133	162,184	72,965	126,334	122,384	121,251
Multi-Purpose Events Center	1,767,398	1,644,569	1,656,358	1,597,702	1,553,729	1,604,828	1,561,783	892,049	10,872	-
Operating grants and contributions	14,606,807	13,268,583	9,868,484	11,157,348	10,837,248	11,019,845	14,803,477	14,934,929	12,437,104	12,908,026
Capital grants and contributions	6,145,852	2,315,245	8,066,065	4,394,038	12,956,740	5,349,242	3,942,929	1,032,502	4,296,164	60,000
Total governmental activities program revenues	30,102,783	25,015,168	27,322,297	25,068,129	32,828,782	25,029,967	27,582,714	24,925,416	24,493,630	21,028,599

CITY OF WICHITA FALLS, TEXAS

CHANGES IN NET POSITION (CONT'D.) LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Business-type activities:										
Charges for services:										
Municipal Airport	624,298	681,639	716,608	769,557	775,829	864,505	1,109,959	1,120,916	1,178,304	1,165,060
Kickapoo Airport	798,034	988,457	1,153,038	1,255,153	1,239,973	1,090,276	970,129	884,354	924,673	944,394
Transit	274,577	367,374	405,852	410,737	476,716	541,389	503,708	432,083	431,419	498,808
Sanitation	11,826,882	11,911,026	12,807,160	12,606,675	13,196,489	12,790,072	13,223,470	13,394,186	13,701,215	14,776,821
Water and Sewer	33,264,688	40,679,751	36,771,008	32,798,786	31,272,972	38,855,845	42,999,399	43,527,980	46,225,281	44,464,193
Stormwater drainage	1,272,430	2,485,346	2,552,650	2,503,255	2,601,158	2,763,120	3,703,803	3,738,019	3,728,335	3,730,485
Waterpark	1,283,919	1,633,155	1,475,842	1,398,164	1,292,639	1,492,787	1,437,615	1,321,622	1,501,475	1,425,913
Operating grants and contributions	2,312,062	1,323,581	2,371,658	3,787,014	1,830,334	1,826,749	2,282,163	1,701,652	3,938,011	4,857,917
Capital grants and contributions	108,471	192,620	181,759	1,339,265	1,017,827	1,558,589	209,110	396,830	876,211	89,890
Total business-type activities program revenues	51,765,361	60,262,949	58,435,575	56,868,606	53,703,937	61,783,332	66,439,356	66,517,642	72,504,924	71,953,481
Total primary government program revenues	<u>\$ 81,868,144</u>	<u>\$ 85,278,117</u>	<u>\$ 85,757,872</u>	<u>\$ 81,936,735</u>	<u>\$ 86,532,719</u>	<u>\$ 86,813,299</u>	<u>\$ 94,022,070</u>	<u>\$ 91,443,058</u>	<u>\$ 96,998,554</u>	<u>\$ 92,982,080</u>
Net (Expense)/Revenue										
Governmental activities	\$ (50,954,412)	\$ (57,040,888)	\$ (54,242,414)	\$ (59,874,134)	\$ (53,856,915)	\$ (65,273,264)	\$ (65,757,129)	\$ (72,624,461)	\$ (75,068,837)	\$ (80,010,097)
Business-type activities	7,274,918	12,854,175	14,898,790	11,579,271	5,293,447	10,038,883	16,243,808	15,090,742	20,844,623	18,506,053
Total primary government net expense	<u>\$ (43,679,494)</u>	<u>\$ (44,186,713)</u>	<u>\$ (39,343,624)</u>	<u>\$ (48,294,863)</u>	<u>\$ (48,563,468)</u>	<u>\$ (55,234,381)</u>	<u>\$ (49,513,321)</u>	<u>\$ (57,533,719)</u>	<u>\$ (54,224,214)</u>	<u>\$ (61,504,044)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	\$ 27,570,092	\$ 28,556,762	\$ 28,625,696	\$ 29,107,168	\$ 29,784,202	\$ 31,072,640	\$ 34,515,164	\$ 35,120,896	\$ 35,842,110	\$ 37,898,136
Sales tax	20,033,820	21,082,993	21,406,823	22,062,365	22,397,536	22,403,406	22,373,768	22,413,397	23,861,013	24,894,930
Franchise fees	5,593,573	5,593,781	5,574,882	5,423,680	5,558,600	5,414,414	5,038,247	5,193,721	5,326,403	5,314,591
Hotel occupancy tax	1,553,674	1,572,105	1,677,100	1,578,764	1,684,329	1,775,372	1,910,468	1,878,061	1,952,011	2,075,905
Beverage tax	246,541	248,350	207,735	230,728	281,598	291,091	286,986	281,687	308,333	328,163
Bingo tax	77,883	70,747	61,696	40,122	36,688	32,764	26,736	9,098	2,626	-
Investment earnings	129,653	49,239	54,579	53,244	33,309	20,732	129,886	303,325	625,368	1,375,504
Miscellaneous	160,949	-	326,861	636,417	879,538	529,526	447,357	1,651,791	496,434	341,079
Transfers	(8,802,705)	1,754,171	(2,363,233)	(1,473,837)	(18,778,342)	(2,072,770)	2,003,892	5,184,169	4,611,766	6,453,485
Total governmental activities	46,563,480	58,928,148	55,572,139	57,658,651	41,877,458	59,467,175	66,732,504	72,036,145	73,026,064	78,681,793
Business-type activities:										
Investment earnings	194,428	50,858	39,865	27,902	11,680	14,884	175,860	415,837	748,434	1,005,000
Miscellaneous	153,223	(41,792)	(58,924)	149,173	138,419	87,079	60,331	22,028	89,332	10,654
Transfers	8,802,705	(1,754,171)	2,363,233	1,473,837	18,778,342	2,072,770	(2,003,892)	(5,184,169)	(4,611,766)	(6,453,485)
Total business-type activities	9,150,356	(1,745,105)	2,344,174	1,650,912	18,928,441	2,174,733	(1,767,701)	(4,746,304)	(3,774,000)	(5,437,831)
Total primary government	<u>\$ 55,713,836</u>	<u>\$ 57,183,043</u>	<u>\$ 57,916,313</u>	<u>\$ 59,309,563</u>	<u>\$ 60,805,899</u>	<u>\$ 61,641,908</u>	<u>\$ 64,964,803</u>	<u>\$ 67,289,841</u>	<u>\$ 69,252,064</u>	<u>\$ 73,243,962</u>
Change in Net Position										
Governmental activities	\$ (4,390,932)	\$ 1,887,260	\$ 1,329,725	\$ (2,215,483)	\$ (11,979,457)	\$ (5,806,089)	\$ 975,375	\$ (588,316)	\$ (2,042,773)	\$ (1,328,304)
Business-type activities	16,425,274	11,109,070	17,242,964	13,230,183	24,221,888	12,213,616	14,476,107	10,344,438	17,070,623	13,068,222
Total primary government	<u>\$ 12,034,342</u>	<u>\$ 12,996,330</u>	<u>\$ 18,572,689</u>	<u>\$ 11,014,700</u>	<u>\$ 12,242,431</u>	<u>\$ 6,407,527</u>	<u>\$ 15,451,482</u>	<u>\$ 9,756,122</u>	<u>\$ 15,027,850</u>	<u>\$ 11,739,918</u>

CITY OF WICHITA FALLS, TEXAS

**FUND BALANCES, GOVERNMENTAL FUNDS -
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
General Fund										
Reserved	\$ 1,392,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	14,294,519	-	-	-	-	-	-	-	-	-
Nonspendable	-	478,617	352,835	384,574	180,992	210,069	157,494	131,311	309,042	359,446
Assigned	-	579,022	1,010,976	958,924	1,949,792	1,102,026	878,314	1,059,850	964,114	-
Unassigned	-	16,002,361	16,570,675	16,226,597	14,886,199	13,682,061	13,161,690	13,138,307	14,133,369	18,310,378
Total general fund	<u>\$ 15,686,848</u>	<u>\$ 17,060,000</u>	<u>\$ 17,934,486</u>	<u>\$ 17,570,095</u>	<u>\$ 17,016,983</u>	<u>\$ 14,994,156</u>	<u>\$ 14,197,498</u>	<u>\$ 14,329,468</u>	<u>\$ 15,406,525</u>	<u>\$ 18,669,824</u>
All other Governmental Funds										
Reserved	\$ 11,753,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,713,168	-	-	-	-	-	-	-	-	-
Capital projects funds	1,850,806	-	-	-	-	-	-	-	-	-
Nonspendable	-	81,376	89,668	84,940	120,573	95,283	84,013	-	-	1,822
Restricted	-	10,927,373	10,744,065	26,934,100	13,834,375	5,977,567	5,729,434	5,617,402	23,075,586	21,903,321
Committed	-	1,762,248	2,305,013	2,896,812	2,831,488	2,734,119	2,694,718	2,670,133	2,208,977	2,865,289
Unassigned	-	(24,418)	(269,288)	(269,288)	(460,883)	(550,863)	(773,238)	(1,224,316)	(904,338)	(994,338)
Total all other governmental funds	<u>\$ 15,317,723</u>	<u>\$ 12,746,579</u>	<u>\$ 12,869,458</u>	<u>\$ 29,646,564</u>	<u>\$ 16,325,553</u>	<u>\$ 8,256,106</u>	<u>\$ 7,734,927</u>	<u>\$ 7,063,219</u>	<u>\$ 24,380,225</u>	<u>\$ 23,776,094</u>

Note : GASB 54 was implemented in 2010-11, which changed the terminology for fund balances. Prior years were not reclassified.

CITY OF WICHITA FALLS, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS -
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Revenues										
Taxes	\$ 55,006,901	\$ 57,122,006	\$ 57,607,312	\$ 58,613,615	\$ 59,739,545	\$ 61,007,519	\$ 64,201,677	\$ 64,886,137	\$ 67,254,892	\$ 70,389,292
Charges for services	3,715,832	3,886,160	3,710,371	3,422,621	3,331,183	3,362,172	3,370,573	3,340,750	3,339,743	3,426,222
Licenses and permits	1,990,328	2,064,972	2,002,559	2,234,081	2,048,293	1,941,205	1,971,212	1,905,507	1,963,353	2,080,203
Fines and forfeitures	2,214,884	2,209,026	2,409,792	2,435,625	2,402,794	2,262,781	2,561,817	2,795,215	2,757,216	2,833,785
Intergovernmental revenue	14,783,860	11,041,679	14,488,236	11,722,524	18,081,798	12,401,075	13,537,869	10,833,921	9,112,281	8,738,383
Contributions	5,711,904	4,542,149	3,446,313	3,828,862	5,712,190	4,011,809	5,208,537	5,133,510	4,324,823	4,169,643
Miscellaneous revenue	3,597,927	3,216,734	3,261,049	3,463,425	3,642,155	3,118,424	3,120,633	4,239,955	2,499,916	3,274,916
Total revenues	<u>87,021,636</u>	<u>84,082,726</u>	<u>86,925,632</u>	<u>85,720,753</u>	<u>94,957,958</u>	<u>88,104,985</u>	<u>93,972,318</u>	<u>93,134,995</u>	<u>91,252,224</u>	<u>94,912,444</u>
Expenditures										
Administrative services	9,694,632	10,235,720	12,158,781	12,677,867	13,347,029	14,413,640	14,805,672	14,870,206	14,778,947	15,235,739
Police	20,182,168	20,235,012	20,545,965	20,884,744	21,539,820	21,997,801	23,580,992	23,883,109	24,205,161	25,064,950
Fire	12,671,757	12,897,810	13,277,876	13,807,699	14,085,219	14,719,074	16,077,272	16,536,044	16,896,863	16,891,819
Parks and recreation	5,359,692	4,966,060	4,833,743	5,157,417	5,197,591	5,065,222	5,204,296	5,277,544	5,287,117	5,423,148
Accounting/finance	2,279,241	2,367,814	845,076	793,960	831,313	747,341	702,883	719,865	701,643	753,748
Community development	7,315,631	7,124,851	6,829,018	6,760,826	6,559,064	6,440,963	6,678,753	6,931,301	6,685,328	7,119,550
Public works	5,355,585	5,170,624	5,777,249	5,325,013	5,613,107	5,449,860	5,555,929	5,732,327	5,511,044	5,302,692
Health	4,896,841	4,796,934	4,894,351	5,004,381	5,057,946	5,217,970	5,483,135	5,649,913	5,793,866	5,645,601
Traffic and transportation	2,245,038	2,233,311	2,194,962	2,468,051	2,274,249	2,395,837	2,224,511	2,117,966	2,113,558	2,362,089
Multi-Purpose Events Center	3,358,470	3,436,052	3,062,507	3,365,932	3,536,661	3,747,189	3,718,058	3,231,913	2,415,875	2,286,621
Capital outlay *	8,758,421	7,600,491	8,537,049	7,867,468	5,230,269	5,368,119	6,343,551	6,206,493	5,628,992	7,888,964
Debt service - principal	2,240,000	2,115,000	2,270,000	2,515,000	3,000,000	3,350,000	3,745,000	3,525,000	3,610,000	4,000,000
Debt service - interest	1,781,176	1,934,935	1,604,392	1,618,299	2,342,331	1,998,760	1,764,412	1,591,022	1,597,143	1,912,443
Debt service - bond issuance costs	-	-	137,461	310,777	-	-	-	-	-	-
Total expenditures	<u>86,138,652</u>	<u>85,114,614</u>	<u>86,968,430</u>	<u>88,557,434</u>	<u>88,614,599</u>	<u>90,911,776</u>	<u>95,884,464</u>	<u>96,272,703</u>	<u>95,225,537</u>	<u>99,887,364</u>
Excess of revenues over (under) expenditures	<u>882,984</u>	<u>(1,031,888)</u>	<u>(42,798)</u>	<u>(2,836,681)</u>	<u>6,343,359</u>	<u>(2,806,791)</u>	<u>(1,912,146)</u>	<u>(3,137,708)</u>	<u>(3,973,313)</u>	<u>(4,974,920)</u>
Other Financing Sources (Uses)										
Proceeds from bonds	3,930,000	-	7,836,338	23,869,261	-	-	13,482,256	-	24,171,317	-
Capital lease proceeds	-	-	1,452,760	2,666,243	-	47,848	(13,295,568)	-	3,310,009	-
Payment to refunded bonds escrow agent	-	-	(4,484,698)	(3,831,570)	-	-	-	-	(6,546,898)	-
Transfers in	5,676,896	6,239,483	6,411,855	7,181,518	16,643,513	17,594,910	7,574,334	8,965,770	8,722,620	8,033,886
Transfer out	<u>(16,053,685)</u>	<u>(6,405,589)</u>	<u>(10,176,091)</u>	<u>(10,636,058)</u>	<u>(36,860,991)</u>	<u>(23,335,238)</u>	<u>(6,961,378)</u>	<u>(6,367,674)</u>	<u>(4,393,890)</u>	<u>(3,295,594)</u>
Total other financing sources (uses)	<u>(6,446,789)</u>	<u>(166,106)</u>	<u>1,040,164</u>	<u>19,249,394</u>	<u>(20,217,478)</u>	<u>(5,692,480)</u>	<u>799,644</u>	<u>2,598,096</u>	<u>25,263,158</u>	<u>4,738,292</u>
Net change in fund balances	<u>\$ (5,563,805)</u>	<u>\$ (1,197,994)</u>	<u>\$ 997,366</u>	<u>\$ 16,412,713</u>	<u>\$ (13,874,119)</u>	<u>\$ (8,499,271)</u>	<u>\$ (1,112,502)</u>	<u>\$ (539,612)</u>	<u>\$ 21,289,845</u>	<u>\$ (236,628)</u>
Debt service as a percentage of noncapital expenditures	5.20%	5.22%	4.94%	5.12%	6.41%	6.25%	6.15%	5.68%	5.81%	6.43%

* Some miscellaneous costs (labor, etc) from other departments are also included as capital additions.

CITY OF WICHITA FALLS, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Property	Sales	Franchise	Hotel Occupancy	Beverage	Bingo	Total
2009-2010	\$ 27,501,412	\$ 20,033,820	\$ 5,593,573	\$ 1,513,484	\$ 246,541	\$ 77,883	\$ 54,966,713
2010-2011	28,554,029	21,082,994	5,593,781	1,572,105	248,350	70,747	57,122,006
2011-2012	28,679,076	21,406,823	5,574,882	1,677,100	207,735	61,696	57,607,312
2012-2013	29,277,956	22,062,365	5,423,680	1,578,764	230,728	40,122	58,613,615
2013-2014	29,780,795	22,397,536	5,558,599	1,684,329	281,598	36,688	59,739,545
2014-2015	31,090,472	22,403,406	5,414,414	1,775,372	291,091	32,764	61,007,519
2015-2016	34,567,763	22,373,768	5,035,947	1,910,477	286,986	26,736	64,201,677
2016-2017	35,110,173	22,413,397	5,193,721	1,878,061	281,687	9,098	64,886,137
2017-2018	35,804,507	23,861,013	5,326,402	1,952,011	308,333	2,626	67,254,892
2018-2019	37,775,703	24,894,930	5,314,591	2,075,905	328,163	-	70,389,292

CITY OF WICHITA FALLS, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
2009-2010	\$ 3,622,501,148	\$ 803,697,677	\$4,426,198,825	\$0.60526	\$ 4,426,198,825	100.00%
2010-2011	3,693,399,778	728,642,824	4,422,042,602	0.62526	4,422,042,602	100.00%
2011-2012	3,714,449,662	716,365,316	4,430,814,978	0.62526	4,430,814,978	100.00%
2012-2013	3,749,608,055	715,113,536	4,464,721,591	0.63526	4,464,721,591	100.00%
2013-2014	3,777,010,620	771,002,233	4,548,012,853	0.63526	4,548,012,853	100.00%
2014-2015	3,859,560,337	765,251,406	4,624,811,743	0.65526	4,624,811,743	100.00%
2015-2016	3,944,783,610	820,827,696	4,765,611,306	0.70598	4,765,611,306	100.00%
2016-2017	4,031,689,962	817,687,012	4,849,376,974	0.70598	4,849,376,974	100.00%
2017-2018	4,123,022,727	818,629,114	4,941,651,841	0.70598	4,941,651,841	100.00%
2018-2019	4,230,948,499	843,630,297	5,074,578,796	0.72988	5,074,578,796	100.00%

CITY OF WICHITA FALLS, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN FISCAL YEARS (UNAUDITED)

Tax Rates Per \$100 Valuation										
Fiscal Year	City of Wichita Falls			Wichita County			Burkburnett ISD (1)			
	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total	
2009-2010	\$ 0.59	\$ 0.02	\$ 0.61	\$ 0.48	\$ -	\$ 0.48	\$ 1.17	\$ 0.14	\$ 1.31	
2010-2011	0.61	0.01	0.62	0.52	-	0.52	1.17	0.14	1.31	
2011-2012	0.61	0.01	0.62	0.53	-	0.53	1.17	0.14	1.31	
2012-2013	0.62	0.01	0.63	0.52	-	0.52	1.17	0.13	1.30	
2013-2014	0.62	0.01	0.63	0.51	-	0.51	1.17	0.12	1.29	
2014-2015	0.64	0.02	0.66	0.51	-	0.51	1.17	0.14	1.31	
2015-2016	0.69	0.02	0.71	0.55	-	0.55	1.17	0.14	1.31	
2016-2017	0.69	0.02	0.71	0.58	0.03	0.61	1.17	0.37	1.54	
2017-2018	0.69	0.02	0.71	0.58	0.08	0.66	1.17	0.37	1.54	
2018-2019	0.69	0.04	0.73	0.59	0.07	0.66	1.17	0.37	1.54	
	City View ISD (2)			Iowa Park CISD (3)			Wichita Falls ISD (4)			Grand
	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total	Total
2009-2010	\$ 1.17	\$ 0.25	\$ 1.42	\$ 1.04	\$ 0.10	\$ 1.14	\$ 1.04	\$ 0.16	\$ 1.20	\$ 6.16
2010-2011	1.17	0.25	1.42	1.04	0.09	1.13	1.04	0.17	1.21	6.21
2011-2012	1.17	0.25	1.42	1.04	0.24	1.28	1.04	0.17	1.21	6.37
2012-2013	1.17	0.25	1.42	1.04	0.24	1.28	1.04	0.17	1.21	6.36
2013-2014	1.17	0.25	1.42	1.04	0.24	1.28	1.04	0.17	1.21	6.34
2014-2015	1.17	0.25	1.42	1.04	0.23	1.27	1.04	0.10	1.14	6.31
2015-2016	1.17	0.25	1.42	1.17	0.16	1.33	1.04	0.19	1.23	6.55
2016-2017	1.17	0.25	1.42	1.17	0.16	1.33	1.04	0.19	1.23	6.84
2017-2018	1.17	0.25	1.42	1.17	0.16	1.33	1.04	0.19	1.23	6.89
2018-2019	1.17	0.25	1.42	1.17	0.16	1.33	1.04	0.18	1.22	6.90

Notes:

- (1) Burkburnett Independent School District - 25% in Wichita Falls city limits
- (2) City View Independent School District - 90% in Wichita Falls city limits
- (3) Iowa Park Consolidated Independent School District - 2% in Wichita Falls city limits
- (4) Wichita Falls Independent School District - 99% in Wichita Falls city limits

CITY OF WICHITA FALLS, TEXAS

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
SEPTEMBER 30, 2019**

Taxpayer	2018-2019			2009-2010		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
GGP - Sikes Senter LLC	\$ 64,600,000	1	1.27%	\$ 52,964,416	1	1.20%
Oncor Electric Delivery Co	42,214,340	2	0.83%	39,368,627	2	0.89%
North American Pipe Corp	27,392,664	3	0.54%	-	N/A	0.00%
Atmos Energy / Mid-Tex Division	24,157,300	4	0.48%	18,854,411	5	0.43%
Wal-Mart Stores East Inc	20,645,100	5	0.41%	11,960,975	8	0.27%
Wal-Mart Stores Texas LP	18,811,499	6	0.37%	25,904,572	3	0.58%
Quail Creek Crossing Ltd	15,987,000	7	0.32%	13,672,000	6	0.31%
Kell West Regional Hospital	15,650,977	8	0.31%	-	N/A	0.00%
Lowe's Home Centers Inc.	12,303,765	9	0.24%	-	N/A	0.00%
BNSF Railroad Co	11,957,145	10	0.24%	12,306,384	7	0.28%
Southwestern Bell	-	N/A	0.00%	25,520,925	4	0.58%
Clinics of North Texas	-	N/A	0.00%	11,352,391	9	0.26%
Wal-Mart Real Estate Business Trust	-	N/A	0.00%	11,429,636	10	0.26%
Totals	<u>\$ 253,719,790</u>		<u>5.00%</u>	<u>\$ 223,334,337</u>		<u>5.06%</u>

Source:

Wichita Appraisal District

CITY OF WICHITA FALLS, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009-2010	\$ 26,752,242	\$ 26,166,043	97.81%	\$ 396,603	\$ 26,562,646	99.29%
2010-2011	27,649,264	27,179,642	98.30%	320,976	27,500,618	99.46%
2011-2012	27,704,114	27,306,706	98.57%	307,286	27,613,992	99.67%
2012-2013	28,362,591	27,906,520	98.39%	283,009	28,189,529	99.39%
2013-2014	28,876,552	28,375,563	98.27%	276,277	28,651,840	99.22%
2014-2015	30,270,748	29,809,308	98.48%	304,614	30,113,922	99.48%
2015-2016	33,644,264	33,124,968	98.46%	357,020	33,481,988	99.52%
2016-2017	34,228,872	33,694,059	98.44%	312,498	34,006,557	99.35%
2017-2018	34,887,074	34,298,367	98.31%	228,692	34,527,059	98.97%
2018-2019	37,037,918	36,347,721	98.14%	-	36,347,721	98.14%

CITY OF WICHITA FALLS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE -
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Governmental Activities				Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Combination Tax and Revenue Bonds	Note Payable	Capital Lease Payable	Utility System Revenue Bonds	Combination Tax and Revenue Bonds	General Obligation Bonds	Note Payable	Capital Leases Payable			
2009-2010	\$ 4,790,000	\$ 35,918,687	\$ -	\$ -	\$ 107,501,744	\$ 27,744,748	\$ -	\$ 609,234	\$ 549,621	\$ 177,114,034	8.03%	\$ 1,694.01
2010-2011	4,450,000	34,104,162	-	-	105,277,778	23,969,757	-	577,079	371,696	168,750,472	6.10%	1,614.02
2011-2012	4,116,110	35,503,123	-	1,452,760	102,566,093	19,798,342	-	543,877	1,704,341	165,684,646	7.11%	1,594.18
2012-2013	5,491,678	51,570,623	-	3,833,640	99,211,869	27,887,899	1,930,000	509,596	1,261,663	191,696,968	7.67%	1,833.51
2013-2014	4,679,866	49,302,503	-	3,510,950	95,723,505	24,284,987	1,930,000	474,200	999,606	180,905,617	7.74%	1,724.59
2014-2015	3,850,706	46,710,294	-	3,230,595	92,086,092	54,125,933	1,930,000	437,652	722,737	203,094,009	8.47%	1,932.13
2015-2016	16,129,132	31,138,675	-	2,857,166	87,938,263	51,322,900	-	399,915	16,957,523	206,743,574	8.63%	1,974.44
2016-2017	14,132,973	29,435,100	-	2,466,589	83,098,973	46,298,092	-	360,951	19,142,615	194,935,293	8.14%	1,861.42
2017-2018	36,285,854	21,261,971	-	5,468,665	78,150,943	41,170,000	-	320,719	18,209,925	200,868,077	7.73%	1,917.65
2018-2019	33,792,967	19,464,301	-	5,068,463	69,257,091	39,665,000	-	280,485	17,287,584	184,815,891	7.58%	1,767.29

(1) Amounts include bond premiums, where applicable.

CITY OF WICHITA FALLS, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING - LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Combination Tax and Revenue Bonds	Total		
2009-2010	\$ 4,790,000	\$ 35,918,687	\$ 40,708,687	0.92%	\$ 389.36
2010-2011	4,450,000	34,104,162	38,554,162	0.87%	368.75
2011-2012	4,116,110	35,503,123	39,619,233	0.89%	381.21
2012-2013	5,491,678	51,570,623	57,062,301	1.28%	545.78
2013-2014	4,679,866	49,302,503	53,982,369	1.19%	514.62
2014-2015	3,850,706	46,710,294	50,561,000	1.09%	481.01
2015-2016	16,129,132	31,138,675	47,267,807	0.99%	451.42
2016-2017	14,132,973	29,435,100	43,568,073	0.90%	416.03
2017-2018	36,285,854	21,261,971	57,547,825	1.16%	549.40
2018-2019	33,792,967	19,464,301	53,257,268	1.05%	509.27

CITY OF WICHITA FALLS, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED) SEPTEMBER 30, 2019

	Gross Governmental Activities Debt (1)	Percentage Applicable to City of Wichita Falls (2)	Amount Applicable to City of Wichita Falls
Direct:			
City of Wichita Falls	\$ 58,325,731	100%	\$ 58,325,731
Overlapping:			
Wichita County	69,291,586	100%	69,291,586
Burkburnett Independent School District	46,355,580	25%	11,588,895
City View Independent School District	16,826,773	90%	15,144,096
Iowa Park Consolidated Independent School District	14,484,069	2%	289,681
Wichita Falls Independent School District	89,557,767	99%	88,662,189
Total overlapping	236,515,775		184,976,447
Total direct and overlapping bonded debt	\$ 294,841,506		\$ 243,302,178

Sources:

- (1) Listed taxing jurisdictions
- (2) City of Wichita Falls Planning Department calculated based on percentage of taxing entity within the City of Wichita Falls city limits.

CITY OF WICHITA FALLS, TEXAS

COMPUTATION OF LEGAL DEBT MARGIN -
LAST TEN FISCAL YEARS (UNAUDITED)

Total assessed property value per 2018 tax roll	\$ 5,074,578,796
Maximum tax rate *	\$ 2.25/\$100
Current tax rate for 2018 tax year	<u>.72988/\$100</u>
Maximum tax rate in excess of 2018 tax rate	<u>1.52012/\$100</u>
Total legal debt margin	<u><u>\$ 77,139,687</u></u>

	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Assessed value	\$ 4,426,198,825	\$ 4,422,042,602	\$ 4,430,814,978	\$ 4,464,721,591	\$ 4,548,012,853	\$ 4,624,811,743	\$ 4,765,611,306	\$ 4,849,376,974	\$ 4,941,651,841	\$ 5,074,578,796
Maximum tax rate	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100
Current tax rate	.60526/\$100	.62526/\$100	.62526/\$100	.63526/\$100	.63526/\$100	.65526/\$100	.70598/\$100	.70598/\$100	.70598/\$100	.72988/\$100
Maximum tax rate in excess of current rate	<u>1.64474/\$100</u>	<u>1.62474/\$100</u>	<u>1.62474/\$100</u>	<u>1.61474/\$100</u>	<u>1.61474/\$100</u>	<u>1.59474/\$100</u>	<u>1.54402/\$100</u>	<u>1.54402/\$100</u>	<u>1.54402/\$100</u>	<u>1.52012/\$100</u>
Total legal debt margin	<u><u>\$ 72,799,463</u></u>	<u><u>\$ 71,846,695</u></u>	<u><u>\$ 71,989,223</u></u>	<u><u>\$ 72,093,645</u></u>	<u><u>\$ 73,438,583</u></u>	<u><u>\$ 73,753,723</u></u>	<u><u>\$ 73,581,992</u></u>	<u><u>\$ 74,875,350</u></u>	<u><u>\$ 76,300,093</u></u>	<u><u>\$ 77,139,687</u></u>

There is no debt limit established by law. The limit is, therefore, governed by the City's ability to levy and collect taxes to service the outstanding indebtedness. The City's maximum legal tax rate established under its Charter is \$2.25 per \$100 assessed valuation. The 2017 tax rate was \$.70598 per \$100 assessed valuation.

* Maximum tax levy established by City Charter

CITY OF WICHITA FALLS, TEXAS

PLEDGED REVENUE COVERAGE - WATER AND SEWER REVENUE BONDS -
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement			Coverage
				Principal (3)	Interest	Total	
2009-2010	\$ 33,264,688	\$ 19,924,687	\$ 13,340,001	\$5,615,000	\$ 5,879,680	\$11,494,680	1.16
2010-2011	40,084,478	22,422,525	17,661,953	5,805,000	5,646,250	11,451,250	1.54
2011-2012	36,405,921	19,501,942	16,903,979	6,130,000	5,364,300	11,494,300	1.47
2012-2013	32,200,867	19,160,351	13,040,516	3,325,000	4,518,925	7,843,925	1.66
2013-2014	30,839,265	20,981,384	9,857,881	3,460,000	4,385,925	7,845,925	1.26
2014-2015	38,456,107	20,477,673	17,978,434	3,610,000	4,238,875	7,848,875	2.29
2015-2016	42,499,482	20,415,375	22,084,107	4,625,000	3,356,255	7,981,255	2.77
2016-2017	43,054,453	21,643,920	21,410,533	2,635,000	3,777,314	6,412,314	3.34
2017-2018	46,159,318	20,861,265	25,298,053	2,885,000	3,535,250	6,420,250	3.94
2018-2019	44,671,282	21,755,354	22,915,928	6,915,000	3,391,000	10,306,000	2.22

Notes:

- (1) Includes all operating revenues with the exception of water sales to West Texas Utilities (see Exhibit H-3).
- (2) Includes all operating expenses of the Water and Sewer Fund with the exception of depreciation and amortization (see Exhibit H-3).
- (3) Excludes bond premium amortization.

CITY OF WICHITA FALLS, TEXAS

DEMOGRAPHIC STATISTICS - LAST TEN FISCAL YEARS (UNAUDITED)

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>Education Level</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2009-2010	104,553	\$ 2,205,022,770	\$ 21,090	32.3	13.3	16,217	7.3%
2010-2011	104,553	2,766,263,274	26,458	32.8	13.2	15,539	6.6%
2011-2012	103,931	2,330,756,606	22,426	32.4	13.2	14,569	6.9%
2012-2013	104,552	2,499,106,456	23,903	32.5	13.1	14,639	6.2%
2013-2014	104,898	2,336,602,950	22,275	32.5	13.2	15,181	4.9%
2014-2015	105,114	2,397,229,884	22,806	32.5	13.2	15,155	4.4%
2015-2016	104,710	2,394,298,860	22,866	32.5	13.2	15,181	4.8%
2016-2017	104,724	2,395,980,396	22,879	32.5	13.2	15,124	3.4%
2017-2018	104,747	2,597,725,600	24,800	32.8	13.2	15,150	3.1%
2018-2019	104,576	2,439,548,928	23,328	32.9	13.2	15,158	3.0%

Sources:

(1) World Population Review

(2) U.S. Census Bureau

(3) Texas Education Agency

(4) Bureau of Labor Statistics

CITY OF WICHITA FALLS, TEXAS

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO (UNAUDITED) SEPTEMBER 30, 2019

Employer	2018-2019			2009-2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sheppard Air Force Base	9,067	1	12.68%	12,272	1	17.16%
Wichita Falls ISD	2,150	2	3.01%	2,059	2	2.88%
United Regional Health Care System	1,728	3	2.42%	1,778	4	2.49%
Midwestern State University	1,182	4	1.65%	1,284	6	1.80%
City of Wichita Falls	1,166	5	1.63%	1,477	5	2.07%
Wal-Mart - 3 locations	1,140	6	1.59%	-	N/A	-
Arconic (formerly Howmet Corp. WF)	980	7	1.37%	704	9	0.98%
North Texas State Hospital	976	8	1.37%	1,974	3	2.76%
James V. Allred Prison Unit	844	9	1.18%	971	7	1.36%
Cryovac Division - Sealed Air Corp	825	10	1.15%	-	N/A	-
Work Services Corporation	-	N/A	-	730	8	1.02%
AT&T Wireless	-	N/A	-	538	10	0.75%
Totals	<u>20,058</u>		<u>28.05%</u>	<u>23,787</u>		<u>33.27%</u>

Sources:

2009-2010 data is from Texas Workforce Commission. 2018-2019 data is from Wichita Falls Chamber of Commerce.

CITY OF WICHITA FALLS, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Administrative services	102.0	97.0	94.6	94.3	94.1	95.1	94.1	86.0	85.7	85.9
Police	295.0	296.5	298.5	299.5	300.0	299.0	299.0	295.8	295.5	295.5
Fire	164.0	162.0	162.0	162.5	162.5	162.5	162.5	162.5	162.5	164.0
Parks and recreation	84.8	88.7	89.7	92.9	92.1	92.6	92.6	89.5	88.8	90.7
Accounting/finance	26.0	25.0	27.0	27.0	27.0	26.4	26.2	26.0	25.7	25.7
Community development	40.1	40.0	40.0	42.0	42.0	41.0	41.0	40.0	40.0	40.0
Public works	80.8	79.2	78.5	78.5	78.5	78.5	78.5	72.5	72.5	72.5
Health	68.4	71.5	72.0	81.9	78.7	77.5	78.7	78.8	76.3	75.4
Traffic and transportation	51.7	52.6	53.6	53.6	56.1	56.1	57.0	52.0	52.0	52.0
Multi-Purpose Events Center	23.0	22.8	22.8	22.8	22.8	22.8	22.8	22.8	4.6	4.0
Water and sewer	180.1	179.6	180.2	182.1	189.1	187.7	188.6	186.1	183.9	183.9
Sanitation	82.5	82.5	82.5	81.5	83.5	83.5	85.5	86.5	86.5	86.5
Regional Airport	1.6	1.6	1.6	1.6	1.6	3.0	1.6	1.6	1.6	1.6
Kickapoo Airport	5.4	5.4	5.6	6.4	3.4	3.4	4.4	4.4	4.4	4.4
Transit	21.6	21.6	22.2	24.7	26.2	26.7	26.7	25.2	25.2	24.2
Stormwater Drainage	1.3	1.3	1.3	1.8	1.8	1.8	1.8	4.8	4.8	4.8

Source: City of Wichita Falls Human Resources Department

CITY OF WICHITA FALLS, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-17	2017-2018	2018-2019
General government										
Building permits issued	6,802	8,130	7,303	9,979	8,542	7,399	7,413	7,874	6,590	5,866
Building inspections conducted	11,038	13,321	11,834	12,823	13,472	12,852	11,302	10,803	10,760	12,250
Police										
Physical arrests	6,235	5,845	6,182	5,978	6,042	5,036	5,214	5,845	4,869	4,963
Parking violations	109	125	529	65	43	90	110	175	27	113
Traffic violations	25,558	23,780	21,660	21,651	22,538	18,792	19,424	23,514	23,979	23,831
Fire										
Emergency responses	8,693	9,139	9,027	8,979	8,708	9,392	9,432	8,442	11,229	12,337
Fires extinguished	654	703	583	591	452	432	477	449	601	490
Inspections	3,281	3,114	3,221	3,198	3,316	2,931	4,133	3,175	3,248	3,295
Refuse collection										
Refuse collected (tons)	156,630	141,251	116,961	124,250	121,502	76,145	136,646	136,911	131,442	155,767
Recyclables collected	16,923	16,780	18,743	18,884	14,643	1,384	16,134	18,232	23,079	24,311
Library										
Volumes in collection	185,009	193,064	177,229	173,996	174,993	194,715	176,160	820,301	854,142	976,145
Total volumes borrowed	368,685	344,107	327,336	276,065	293,860	293,364	282,808	294,798	333,381	366,800
Water										
New connections	48	64	119	134	(344)	74	(2,523)	3,144	160	182
Water main breaks	724	1,250	1,028	954	944	863	696	519	766	546
Average daily consumption (thousands of gallons)	19,851	25,798	20,269	15,564	13,207	12,051	14,974	14,180	15,131	13,895
Wastewater										
Average daily sewage treatment (thousands of gallons)	12,435	10,080	10,551	9,217	6,452	8,440	7,900	9,877	8,974	8,927
Transit										
Total route miles	536,181	552,238	586,893	572,744	575,004	591,417	586,565	591,538	577,261	606,501
Passengers	340,181	374,277	485,101	460,484	462,853	486,104	493,164	464,838	436,054	445,029

This information provided by applicable City of Wichita Falls department.

CITY OF WICHITA FALLS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

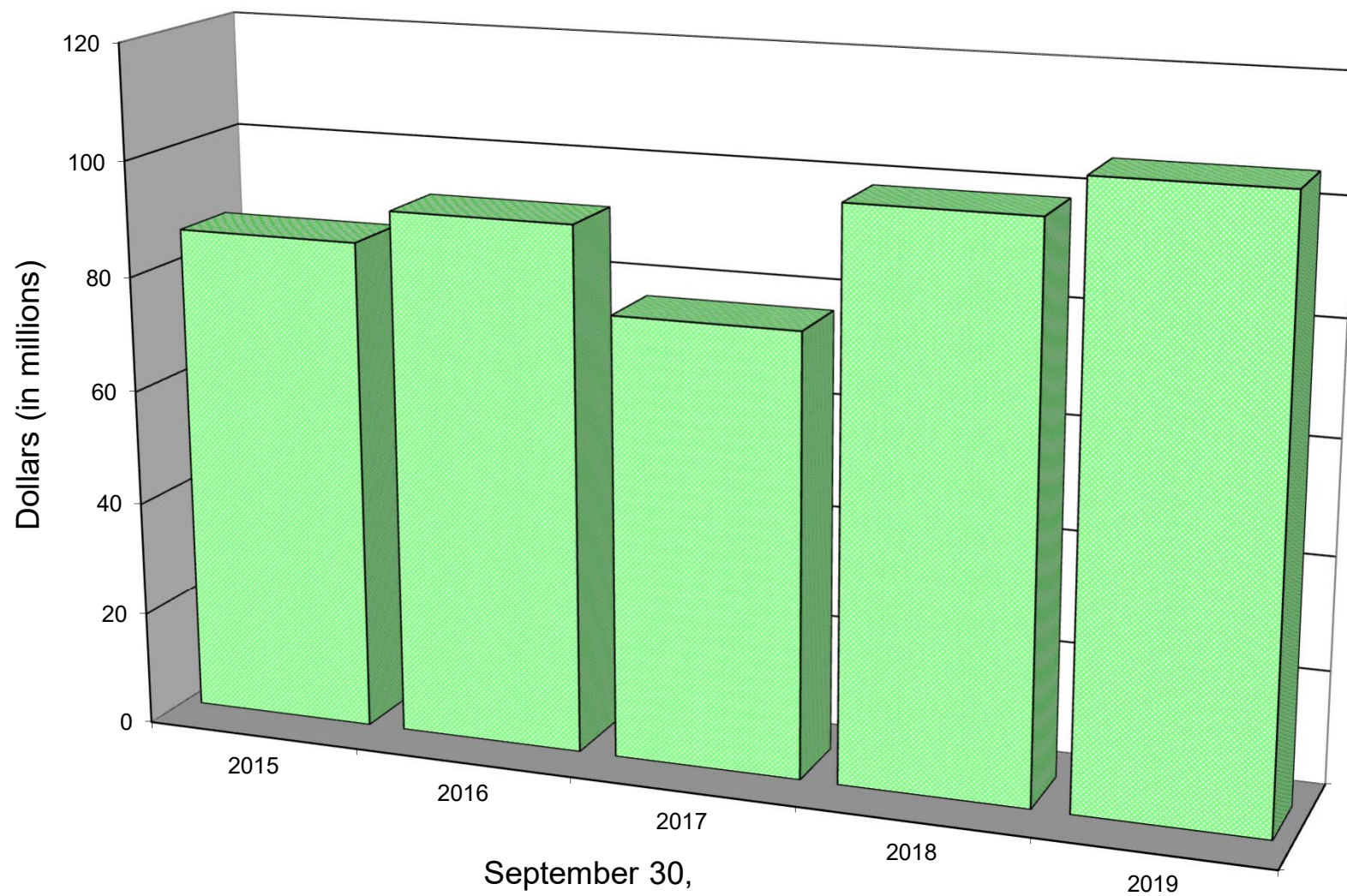
	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	115	114	114	113	113	113	113	113	113	113
Fire stations	8	8	8	8	8	8	8	8	8	8
Refuse collection										
Collection trucks	36	36	36	36	36	36	36	36	36	36
Other public works										
Streets (miles)	514	514	515	515	515	515	530	531	534	534
Streetlights	7,958	8,084	7,931	7,942	7,972	7,996	8,015	8,451	8,465	8,432
Traffic signals	104	104	104	104	104	104	104	104	102	102
Parks and recreation										
Acreage	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Playgrounds	39	39	39	39	39	39	39	39	39	39
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	572	572	577	578	579	580	806	782	808	808
Fire hydrants	2,545	2,547	2,579	2,588	2,588	2,593	2,842	2,822	2,836	2,829
Storage capacity (thousands of gallons)	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Wastewater										
Sanitary sewers (miles)	543	543	545	546	547	548	599	592	594	594
Storm sewers (miles)	97	97	97	98	98	98	98	98	99	99
Treatment capacity (thousands of gallons)	21,410	24,410	24,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410
Transit										
Buses	14	14	14	14	14	13	13	13	13	13

This information maintained by the City of Wichita Falls Finance Department, with assistance from various departments.

GRAPHICS

CITY OF WICHITA FALLS, TEXAS

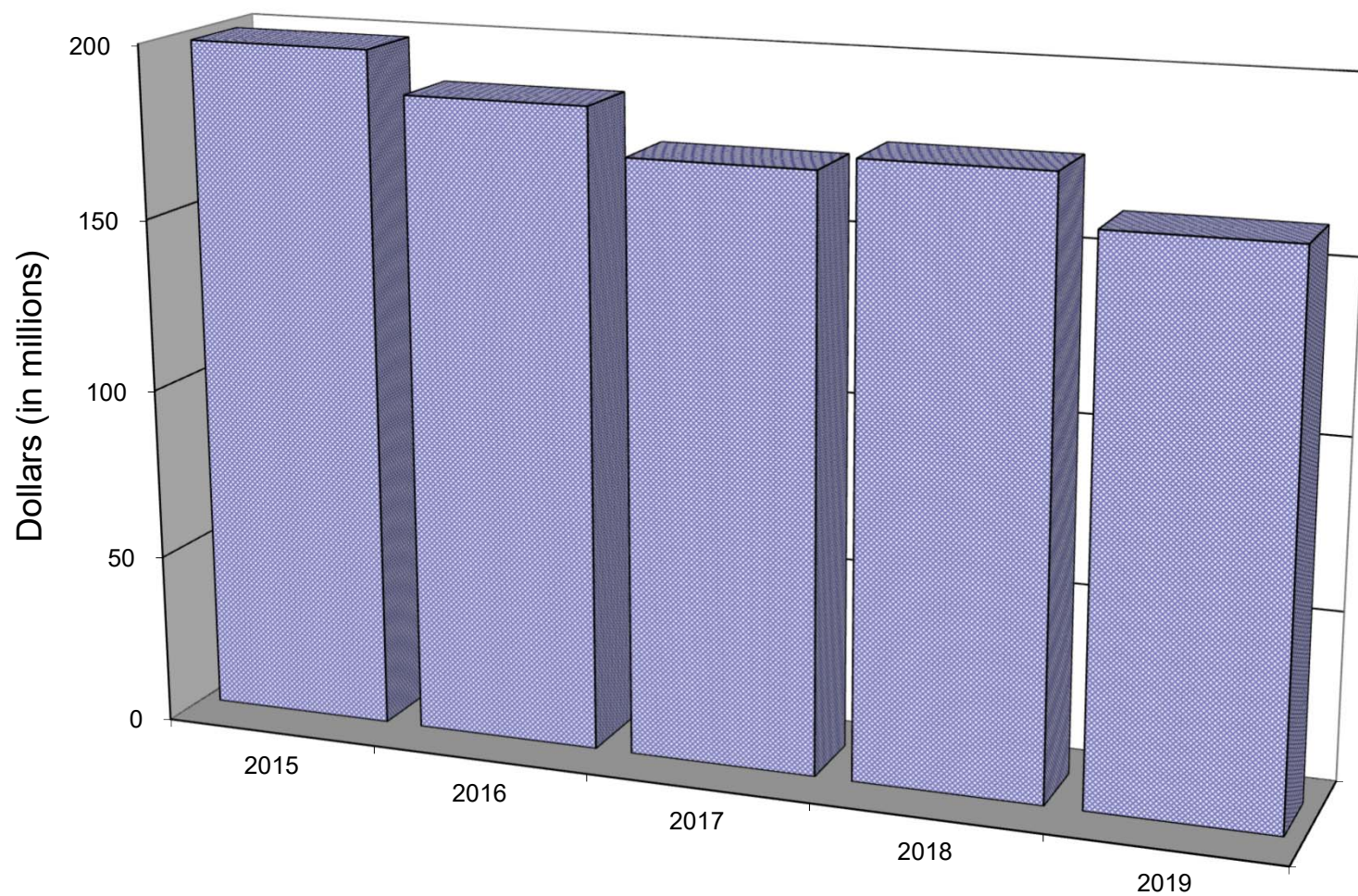
CASH AND INVESTMENTS



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

TOTAL BONDS PAYABLE

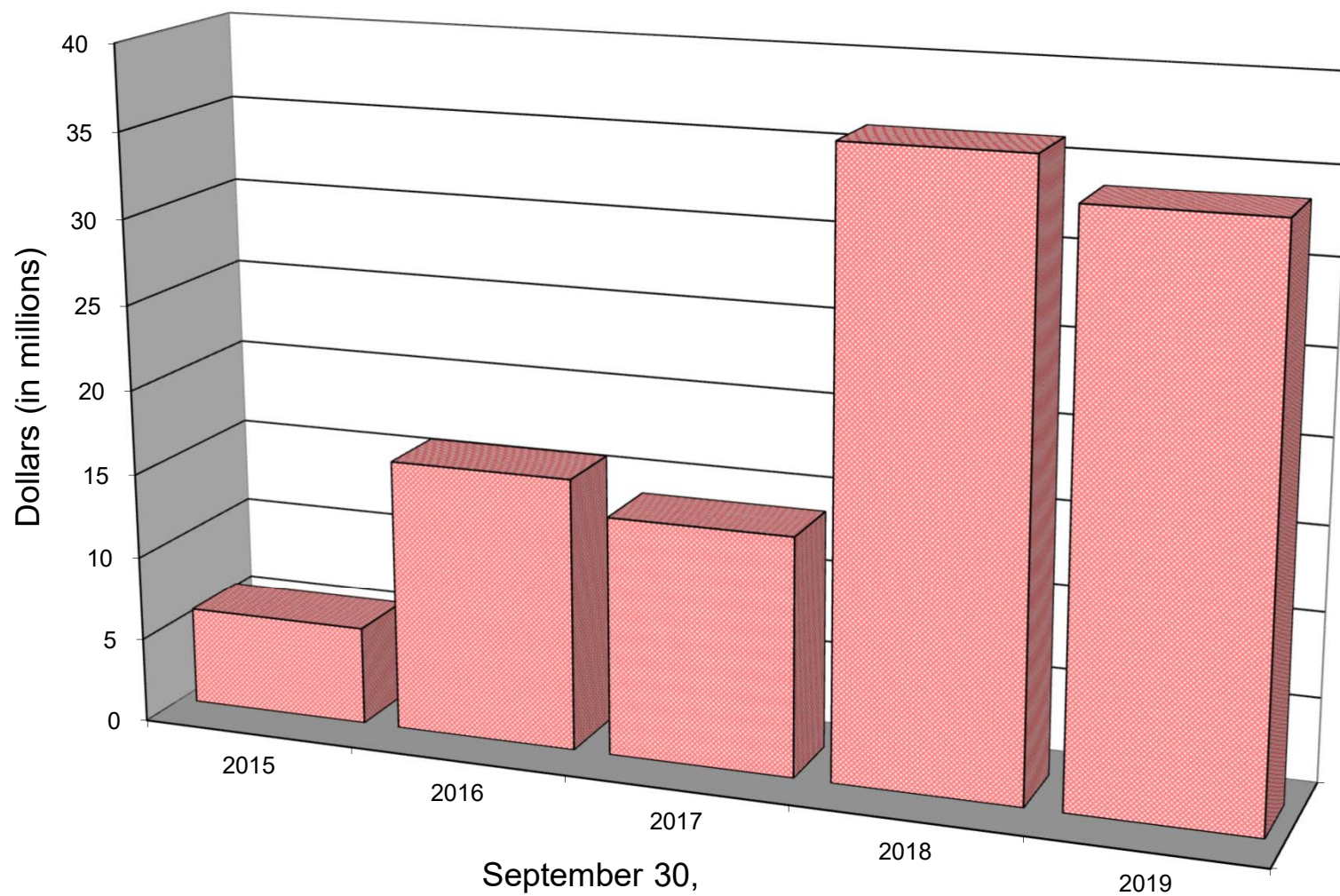


September 30,

(UNAUDITED)

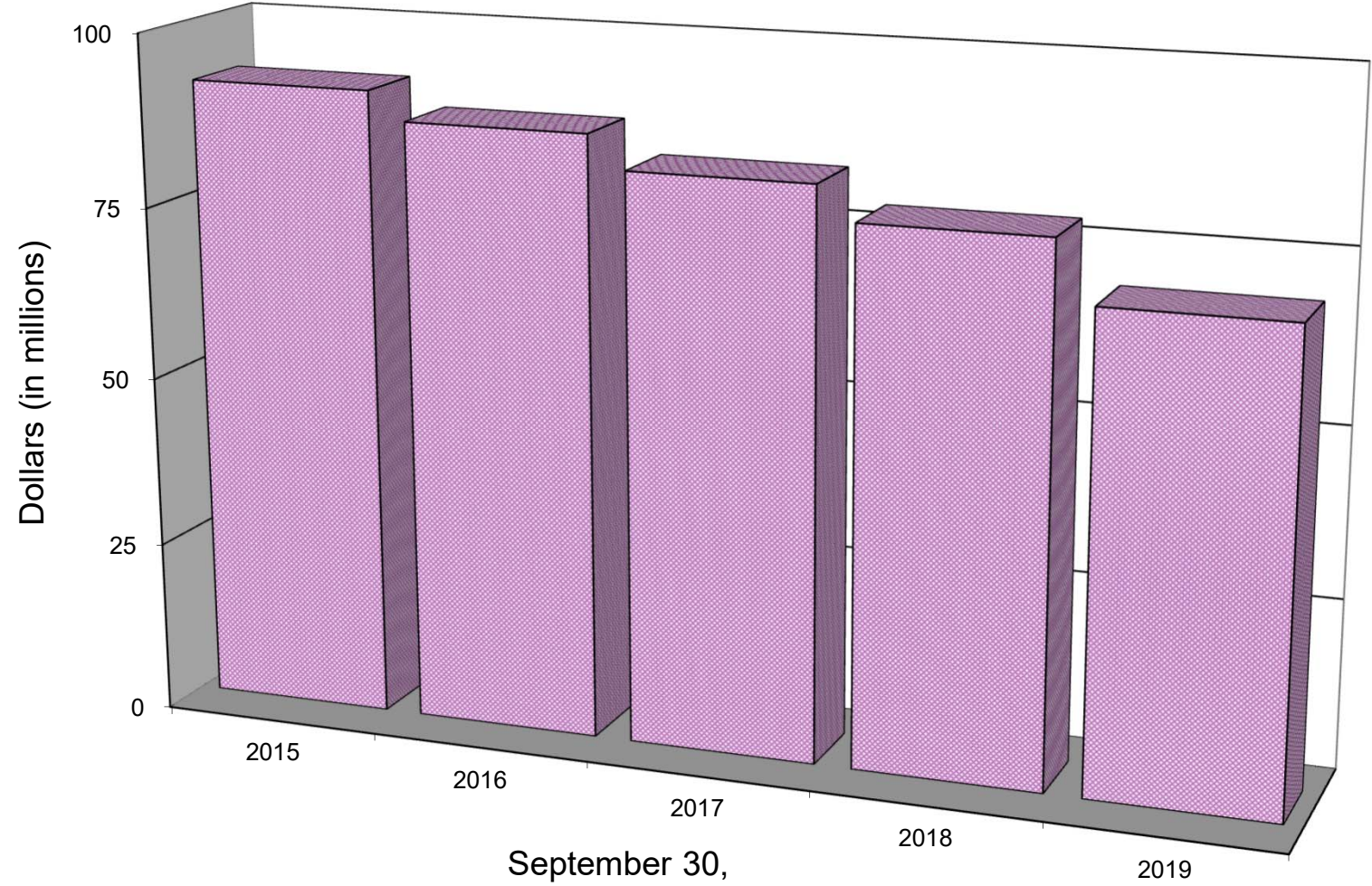
CITY OF WICHITA FALLS, TEXAS

GENERAL OBLIGATION BONDS PAYABLE

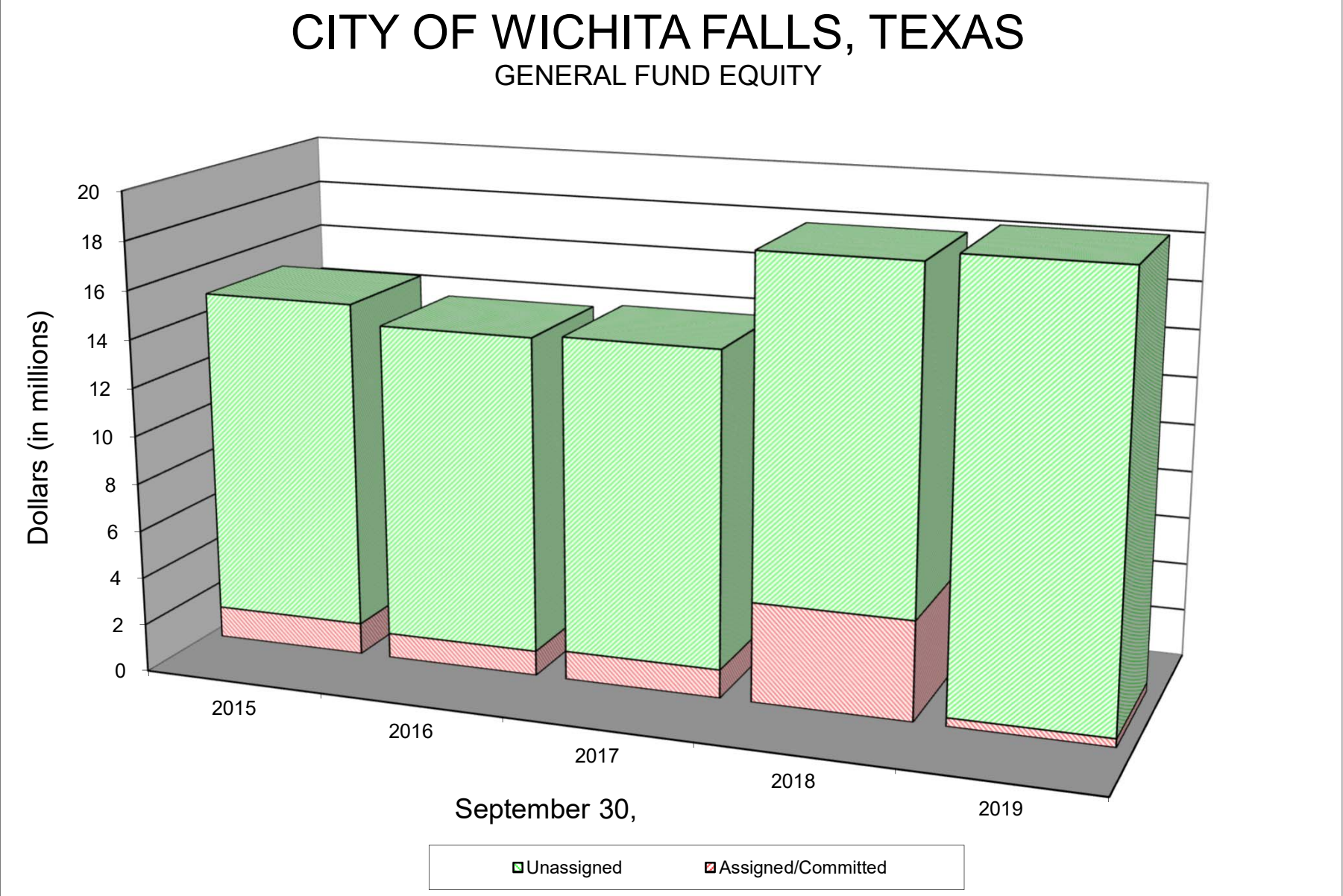


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CITY OF WICHITA FALLS, TEXAS
REVENUE BONDS PAYABLE



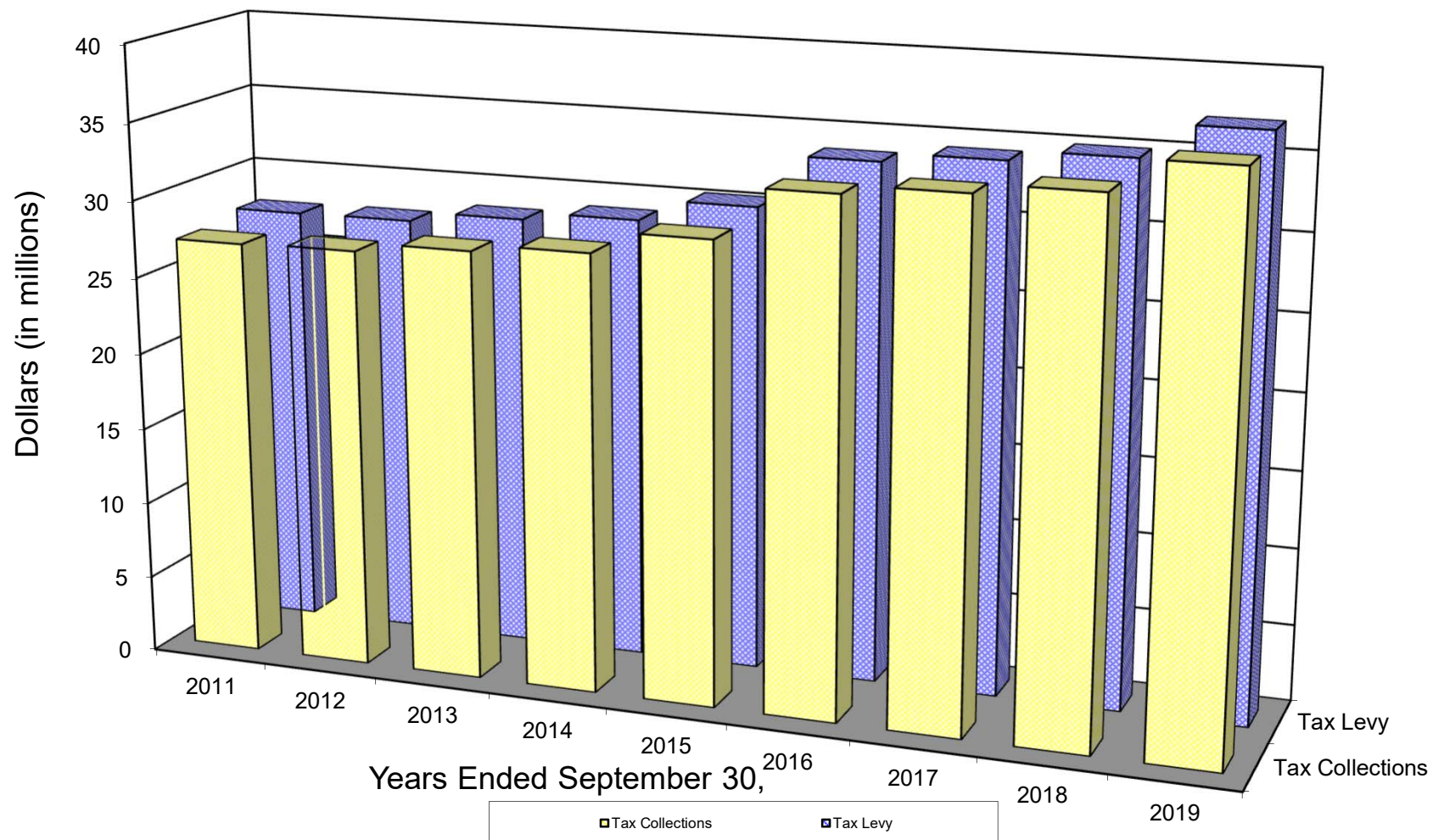
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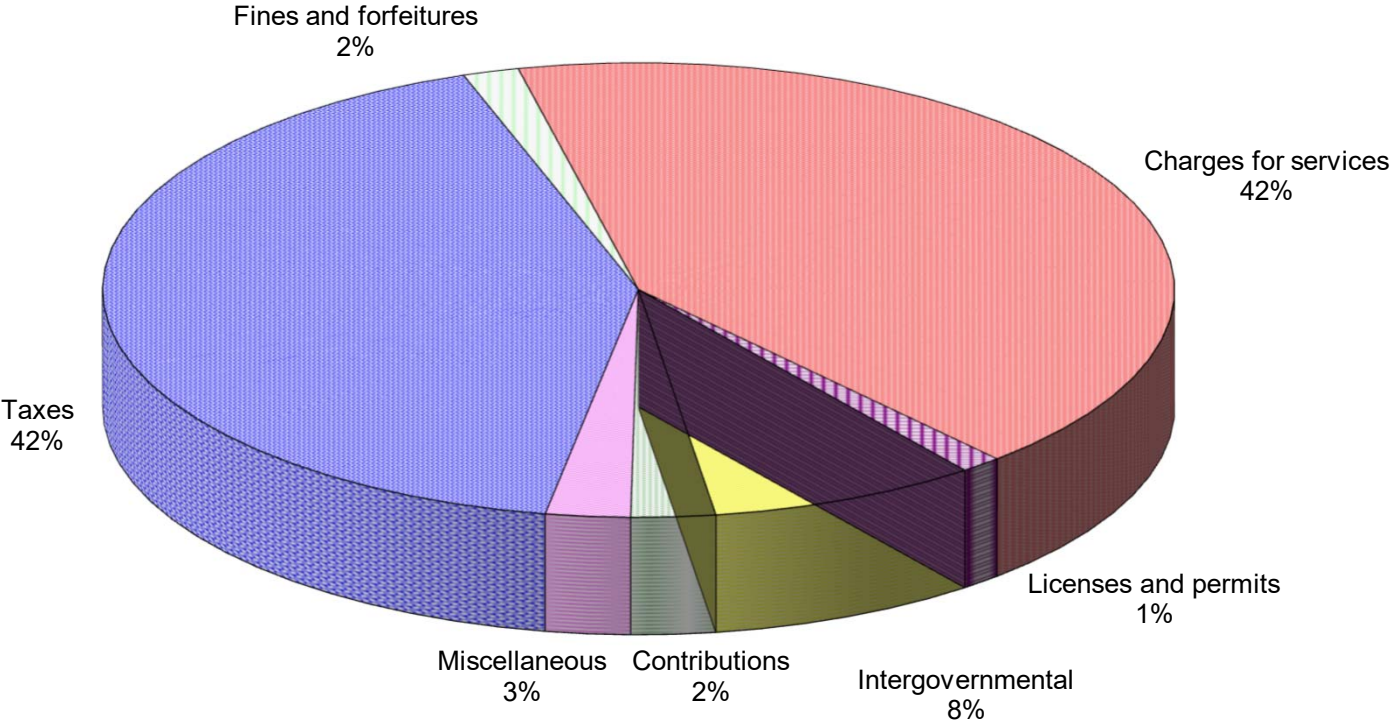
CITY OF WICHITA FALLS, TEXAS

COMPARISON OF TAX LEVY AND COLLECTIONS



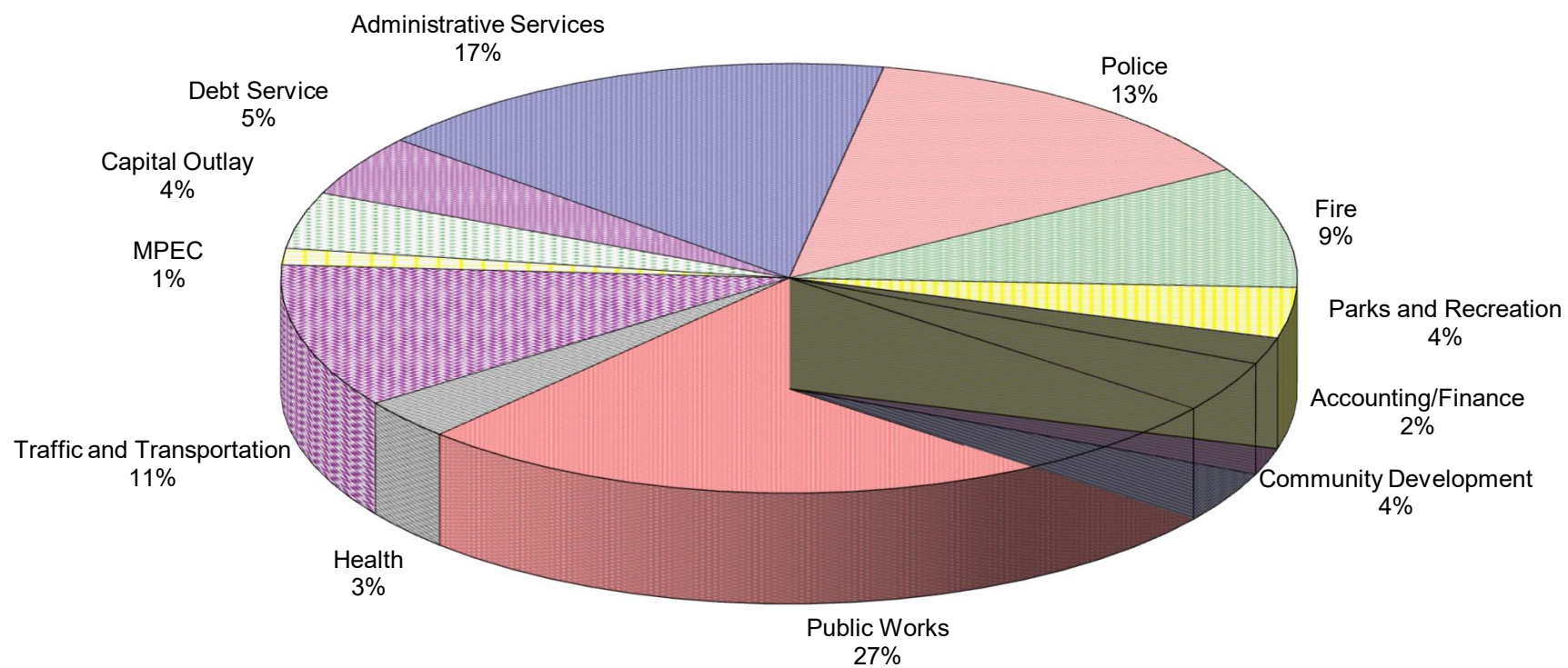
(UNAUDITED)

**CITY OF WICHITA FALLS, TEXAS
REVENUES BY SOURCE - FYE 9/30/19**



(UNAUDITED)

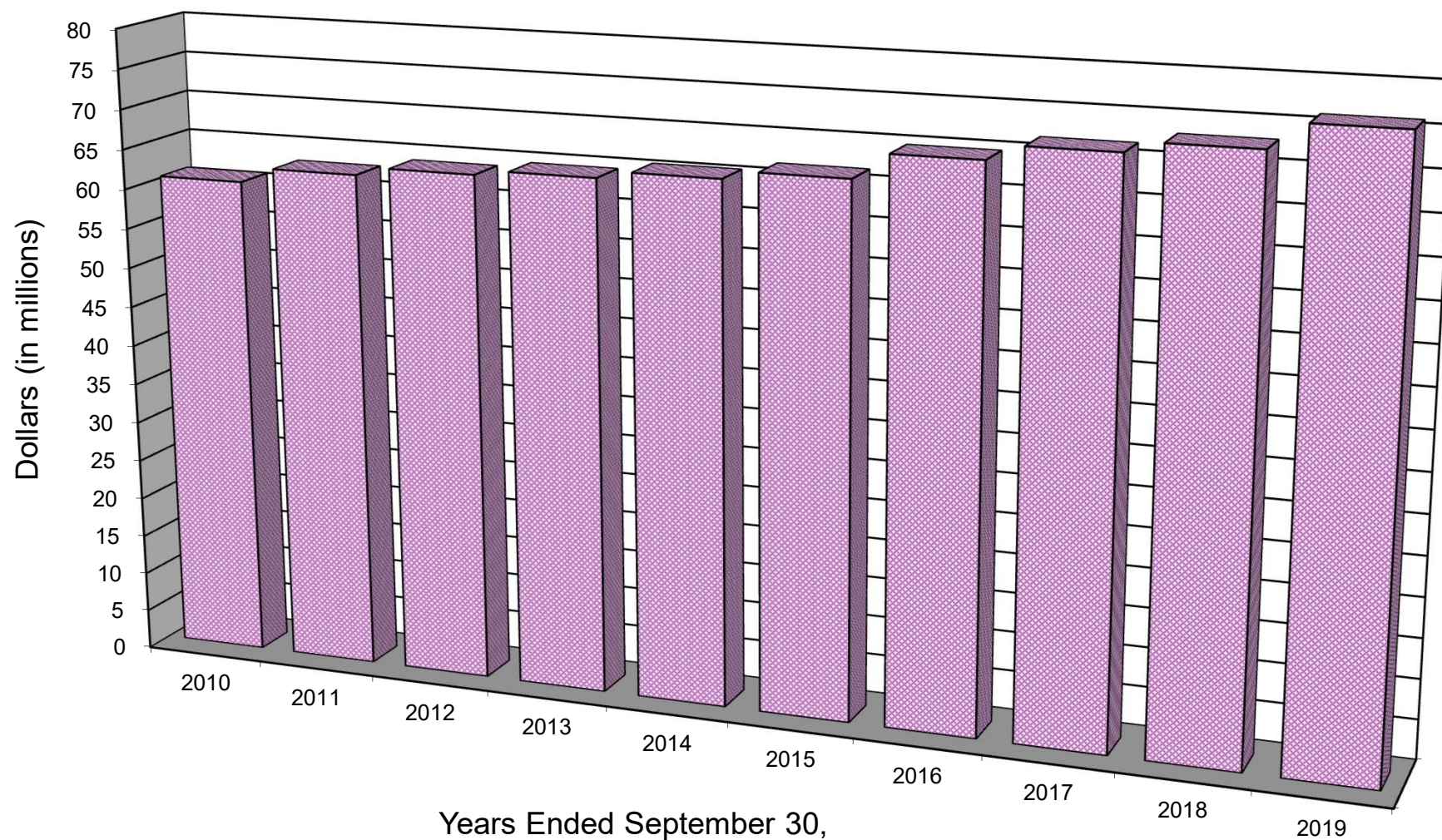
**CITY OF WICHITA FALLS, TEXAS
EXPENDITURES BY FUNCTION - FYE 9/30/19**



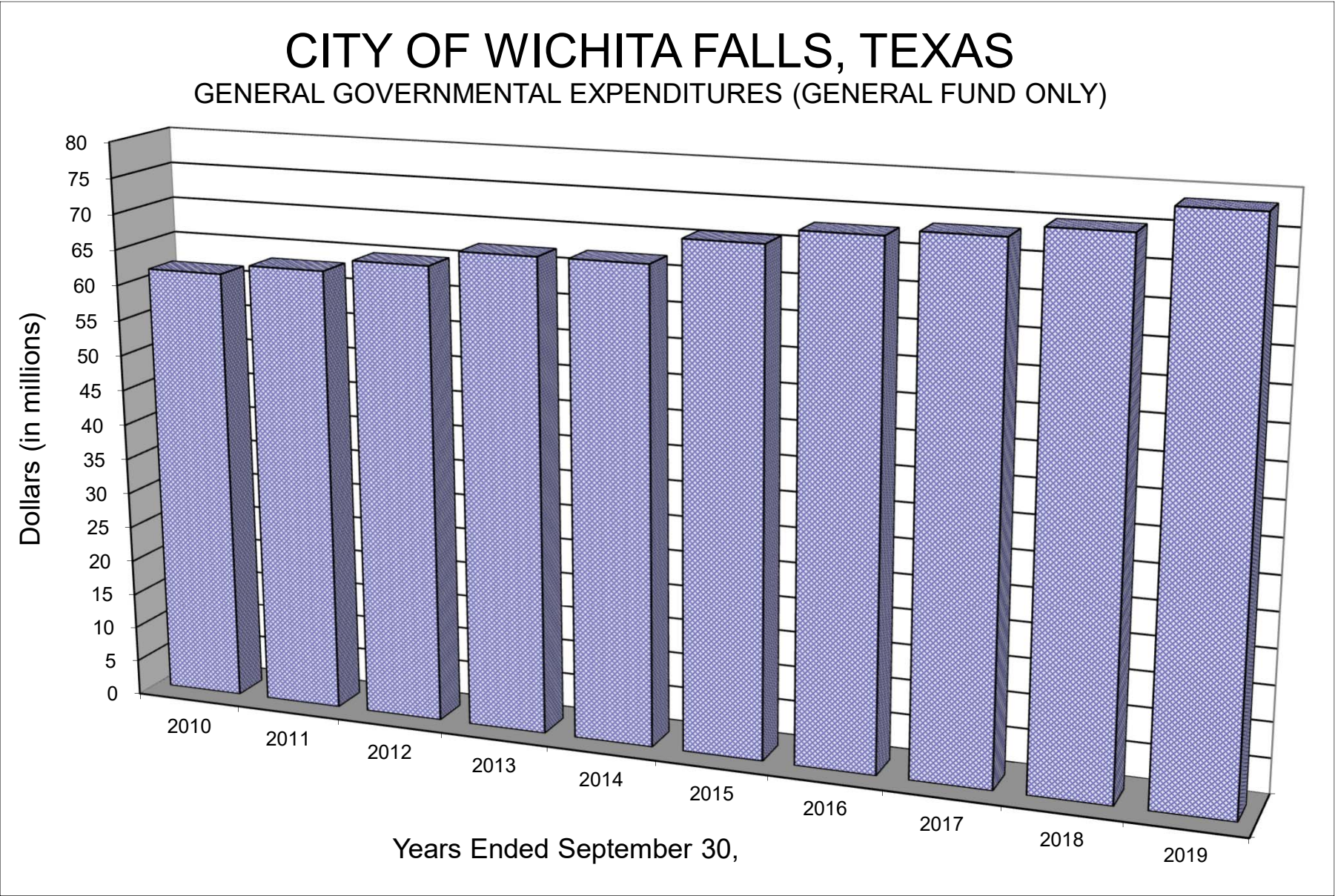
(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

GENERAL GOVERNMENTAL REVENUES (GENERAL FUND ONLY)



(UNAUDITED)



(UNAUDITED)