

**CITY OF WICHITA FALLS, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

ISSUED BY:  
DEPARTMENT OF FINANCE

# CITY OF WICHITA FALLS, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2009

### TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>		
Letter of Transmittal.....		i-vii
GFOA Certificate of Achievement.....		viii
Organizational Chart.....		ix
List of Principal Officials.....		x
 <u>FINANCIAL SECTION</u>		
Independent Auditor's Report .....		1-2
Management's Discussion and Analysis .....		3-12
 BASIC FINANCIAL STATEMENTS:		
Statement of Net Assets .....	A-1	13
Statement of Activities .....	A-2	14
Balance Sheet - Governmental Funds .....	A-3	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	A-4	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	A-5	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.....	A-6	18
Statement of Fund Net Assets - Proprietary Funds .....	A-7	19-20
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds .....	A-8	21
Statement of Cash Flows - Proprietary Funds.....	A-9	22-23
Statement of Fiduciary Assets and Liabilities .....	A-10	24
Notes to the Financial Statements.....		25-58
 REQUIRED SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - General Fund.....	B-1	59
Notes to the Required Supplementary Information .....		60
Texas Municipal Retirement System - Analysis of Funding Progress - Last Ten Plan Years .....	B-2	61
Wichita Falls Firemen's Relief and Retirement Fund - Analysis of Funding Progress.....	B-3	62
Wichita Falls Retiree Health Care Plan- Analysis of Funding Progress .....	B-4	63

# CITY OF WICHITA FALLS, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2009

### TABLE OF CONTENTS (CONT'D.)

	<u>Exhibit</u>	<u>Page</u>
COMBINING FINANCIAL STATEMENTS:		
Nonmajor Governmental Funds:		
Combining Balance Sheet.....	C-1	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	C-2	65
Budgetary Comparison Schedule – Community Development Block Grant.....	C-3	66
Budgetary Comparison Schedule – Section 8 Housing Fund .....	C-4	67
Budgetary Comparison Schedule – Home Investment Partnership Agreement Fund .....	C-5	68
Budgetary Comparison Schedule – Hotel/Motel Tax Fund .....	C-6	69
Budgetary Comparison Schedule – Golf Fund .....	C-7	70
Budgetary Comparison Schedule – MPEC Fund .....	C-8	71
Budgetary Comparison Schedule – Debt Service Fund .....	C-9	72
Nonmajor Enterprise Funds:		
Combining Statement of Net Assets.....	D-1	73
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	D-2	74
Combining Statement of Cash Flows .....	D-3	75-76
Internal Service Funds:		
Combining Statement of Net Assets.....	E-1	77
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	E-2	78
Combining Statement of Cash Flows .....	E-3	79
Agency Fund:		
Statement of Changes in Assets and Liabilities .....	F-1	80
Component Units:		
Combining Statement of Net Assets.....	G-1	81
Combining Statement of Activities.....	G-2	82
SUPPORTING SCHEDULES:		
Combined Schedule of Bonded Debt and Interest Maturities.....	H-1	83
Combined Schedule of Bonds Payable .....	H-2	84-88
Debt Service Coverage – Revenue Bonds .....	H-3	89
Capital Assets Used in the Operation of Governmental Funds - Schedule By Function and Activity .....	H-4	90
Capital Assets Used in the Operation of Governmental Funds - Schedule of Changes By Function and Activity .....	H-5	91
Municipal Airport Fund – Capital Assets and Accumulated Depreciation.....	H-6	92
Kickapoo Airport Fund – Capital Assets and Accumulated Depreciation .....	H-7	93
Transit Fund – Capital Assets and Accumulated Depreciation .....	H-8	94
Stormwater Drainage Fund - Capital Assets and Accumulated Depreciation .....	H-9	95
Sanitation Fund – Capital Assets and Accumulated Depreciation .....	H-10	96

# CITY OF WICHITA FALLS, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2009

### TABLE OF CONTENTS (CONT'D.)

	<u>Exhibit</u>	<u>Page</u>
Water and Sewer Fund – Capital Assets and Accumulated Depreciation .....	H-11	97
Fleet Maintenance Fund – Capital Assets and Accumulated Depreciation .....	H-12	98
Duplicating Services Fund – Capital Assets and Accumulated Depreciation .....	H-13	99
Employee Benefit Trust Fund – Capital Assets and Accumulated Depreciation .....	H-14	100
Wichita Falls Economic Development Corporation – Capital Assets and Accumulated Depreciation.....	H-15	101

### STATISTICAL SECTION (UNAUDITED)

Net Assets By Component – Last Seven Fiscal Years.....	I-1	102
Changes in Net Assets – Last Seven Fiscal Years .....	I-2	103-104
Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	I-3	105
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	I-4	106
Tax Revenues By Source, Governmental Funds – Last Ten Fiscal Years .....	I-5	107
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years .....	I-6	108
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	I-7	109
Principal Property Taxpayers – Current Year and Nine Years Ago.....	I-8	110
Property Tax Levies and Collections – Last Ten Fiscal Years .....	I-9	111
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	I-10	112
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	I-11	113
Direct and Overlapping Governmental Activities Debt .....	I-12	114
Computation of Legal Debt Margin – Last Ten Fiscal Years .....	I-13	115
Pledged Revenue Coverage – Water and Sewer Revenue Bonds – Last Ten Fiscal Years.....	I-14	116
Demographic Statistics – Last Ten Fiscal Years .....	I-15	117
Principal Employers – Current Year and Ten Years Ago .....	I-16	118
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years.....	I-17	119
Operating Indicators by Function/Program – Last Ten Fiscal Years .....	I-18	120
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....	I-19	121

#### Graphics:

Cash and Investments.....	J-1	122
Total Bonds Payable .....	J-2	123
General Obligation Bonds Payable .....	J-3	124
Revenue Bonds Payable.....	J-4	125
General Fund Equity .....	J-5	126
Comparison of Tax Levy and Collections .....	J-6	127
Revenues by Source – FYE 9/30/09 .....	J-7	128
Expenditures by Function – FYE 9/30/09.....	J-8	129
General Governmental Revenues (General Fund Only) .....	J-9	130
General Governmental Expenditures (General Fund Only) .....	J-10	131



## ***INTRODUCTORY SECTION***



## OFFICE OF THE CITY MANAGER

March 24, 2010

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

I am pleased to submit herewith, the Comprehensive Annual Financial Report (CAFR) of the City of Wichita Falls, Texas for the fiscal year ended September 30, 2009. The purpose of this report is to provide the City Council, City Manager, citizens and other interested parties with detailed information concerning the financial condition of the City of Wichita Falls. In addition, this report provides assurance that the City presents fairly its financial position as verified by independent auditors.

### COMPREHENSIVE ANNUAL FINANCIAL REPORT

The CAFR of the City of Wichita Falls, Texas, for the year ended September 30, 2009, was prepared in accordance with accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The financial statements and related notes have been audited by the independent audit firm of Edgin, Parkman, Fleming & Fleming, PC, whose report is included herein.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed 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.

The CAFR continues to present financial data using the reporting model promulgated by GASB Statement No. 34. This reporting model changed governmental financial reporting by incorporating government-wide financial statements. The Finance Department believes that this presentation provides better information to users of the report, and it requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the independent auditors' report and is designed to complement this transmittal letter and should be read in conjunction with it.

### GENERAL INFORMATION - CITY OF WICHITA FALLS, TEXAS

The City of Wichita Falls is located 15 miles south of the Red River/Oklahoma border at the intersection of Interstate 44 and U.S. Highway 287. The city is approximately 130 miles northwest of Dallas and 125 miles south of Oklahoma City. Wichita Falls is the county seat of Wichita County and the major population center in North Texas, serving a trade area which extends into southern Oklahoma. Wichita Falls has a strong international presence, unique for a city of its size and location. Sheppard Air Force Base maintains the Euro-NATO jet pilot training program; there is considerable international investment in the area's manufacturing base; and Midwestern State University has significant foreign student representation. Principal employers within the area manufacture glass, engine components, flexible packaging, laundry equipment, and pipe. North Texas State Hospital-Wichita Falls Branch, Midwestern State University, James V. Allred Prison and Sheppard Air Force

### CITY OF WICHITA FALLS

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[www.wichitafallstx.gov](http://www.wichitafallstx.gov)

Base are also large employers located within the city. The City operates a Multi-Purpose Events Center, which includes a coliseum, exhibit hall, and an agricultural arena/show barn. The 2008 population for Wichita Falls, as estimated by the City's Community Planning and Development Department, is 105,935, an increase of 1.67% over the 2000 Census estimates, and an increase of 9.78% over the 1990 population.

## **CITY SERVICES AND ORGANIZATION OF THE GOVERNMENT**

The City of Wichita Falls utilizes a Council-Manager form of government and is organized under the Constitution and Laws of the State of Texas. The City Council is comprised of five members elected from separate districts, and a Mayor and one member elected by the citizens at-large. 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 on a continuing basis a full range of basic municipal services including: public safety (police, fire and building inspection); highways, streets and engineering; health and welfare services; parks, recreation and cemeteries; library services; public improvements; planning and zoning; and general administrative services. In addition, the City provides water, sewer, sanitation and transportation services for its citizens.

## **ECONOMIC CONDITION AND ACTIVITY**

Wichita Falls has successfully diversified its economy to include manufacturing, government, medical services, and education in addition to the more typical North Texas industries of agriculture, and oil and gas production. Manufacturing plays a vital role in the area economy. Wichita Falls has over 257 manufacturing outlets with \$254 million in annual payroll, representing approximately 13% of total employment within the city. Large durable goods manufacturing represents a major portion of the area's employment base including metal fabrication, industrial and commercial machines and equipment, and assorted plastic and glass products. The remaining manufacturing jobs are in the processing of non-durable goods such as food, printing materials and garments. Six of the local manufacturers are operated by Fortune 500 companies or their subsidiaries. Three area manufacturing facilities are foreign-owned, representing France, Sweden, and Switzerland. The community has benefited in recent years through several major industrial expansions that have contributed in excess of \$180 million in new manufacturing investments.

Overall, the local economy did not perform extremely well during the 2008-09 fiscal year. In March of 2009, the Avis/Budget Call Center closed its operations, displacing 220 workers. In September 2009, Washex also closed, displacing 50 workers. Also in September 2009, ABB Control announced it would close its operation by the end of March 2010, ultimately affecting 170 employees.

However, there has been some positive economic news as well. Airwell Oil & Gas, an Australian-based oil field servicing company, has established an operation in Wichita Falls, and plans to create 23 jobs over the next few years. This company offers innovative, high tech products for stripper wells using compressed gases and monitoring devices.

Pratt & Whitney is expanding by adding a water jet stripping system and related building improvements worth \$1 million. This new device will allow Pratt to bid on more work and will create 30 new jobs over the next two years. The City's 4A Economic Development Corporation provided a \$400,000 cash incentive for this investment.

Carter Aviation Technologies (CAT) is working with a major defense contractor interested in the company's rotor craft. CAT will develop two prototype rotorcraft for this defense contractor, which will turn them into unmanned, aerial vehicles for military applications. If these prototypes are successful, CAT could receive much larger contracts, necessitating a new production facility. The 4A Economic Development Corporation approved an incentive based loan up to \$4 million dollars to help with this \$12 million investment. That loan is contingent on the creation of 300 new, manufacturing jobs in the community.

Natura World, Incorporated has recently announced that Wichita Falls has been chosen for its new U.S headquarters to manufacture, warehouse, and distribute mattresses. This Montreal, Canada-based company has purchased the former Delphi building, and will invest \$35.95 million into the operation. A total of \$9.3 million in 4A Economic Development funds have been allocated to the project in the form of grants, loans and secured loans for the creation of up to 400 new jobs.

WDSGlobal, a service provider to the wireless telephone industry, announced early in 2010 it will lease the former Avis/Budget facility to create 750 jobs by the end of 2010. A total of \$3.675 million dollars of 4A Economic Development Funds were pledged to entice the company to locate in Wichita Falls. WDSGlobal is a world-wide operation.

Tryer Process Equipment located a manufacturing operation in the former Piping Engineering building in 2008 and pledged to create 16 new jobs with the assistance of \$112,000 of 4A funds. The company continues to grow and in December of 2009, an additional \$112,000 of 4A funds were committed toward the creation of another 16 well-paying jobs.

A group of local businessmen have purchased the former ABB Building and has plans to reestablish a business there under the name of Armor Controls. A total of 70 new jobs are expected to be created. The total project cost is estimated at \$3 million, of which, \$600,000 of 4A Economic Development funds have been pledged towards the project.

In addition to providing cash incentives for the creation of primary jobs, 4A Economic Development Sales Tax Funds continue to be used to improve economic development marketing efforts and workforce development. One piece of the marketing initiative includes the Cities of Wichita Falls, Burkburnett, Iowa Park and Wichita County and is designed to develop a regional advertising campaign and a national networking alliance. Industries targeted in this initiative are Aerospace, Wind Energy, Tele-service, and General Manufacturing. Approximately \$108,000 in sales tax funds were allocated to this effort in each of the last two fiscal years. Additionally, the 4A Economic Development Corporation has pledged \$250,000 in each of the next three years to match private contributions to conduct a community wide marketing campaign. This campaign will develop a coordinated marketing effort between the City of Wichita Falls, Chamber of Commerce and Industry, Midwestern State University and the Downtown Development Corporation to improve the overall image of the community.

4A Economic Development Sales tax funds have also been used to assist with activities of the Military Affairs Committee, a regional organization established a few years ago to work directly with Sheppard Air Force Base (SAFB), Air Education and Training Command, the Chief of Staff for the Air Force, and our Congressional, State and Local elected officials. This Committee was formed to increase the value of SAFB, strengthen community development and build a stronger economy.

Another key indicator of the local economy is the value of residential and commercial construction permits. In 2008-09, residential permits totaled \$45,839,933, which is an increase of \$9,728,202, or 27% from the prior year. Commercial construction permits totaled \$80,645,569, which is also an increase of 27% above the prior fiscal year. It should be noted, however, that many of these commercial construction permits were issued to governmental entities which are not charged a permit fee and are exempt from local property tax. Nevertheless, several commercial construction permits issued were above \$1 million in value which directly impacts local construction contractors. Those permits include:

- Lamar School Addition – a total of 7,150 sq. ft. addition, with an estimated value of \$1,800,000.
- Ben Franklin School Addition – a total of 5,530 sq. ft. addition, with an estimated value \$1,256,000.
- Crocket Elementary School Addition – a total of 5,889 sq. ft. addition, with an estimated value of \$1,232,000.
- Sam Houston School Addition – a total of 6,212 sq. ft. addition, with an estimated value of \$1,300,000.

- Heritage Assembly of God Addition – a total of 11,368 sq. ft. addition, with an estimated value of \$1,200,000.
- County Jail Addition – a total of 4,200 sq. ft. addition, with an estimated value of \$3,000,000.
- Christ Academy School – a total of 57,341 sq. ft. new construction, with an estimated value of \$9,000,000.
- Lake Wellington Convention Center – a total of 9,288 sq. ft. new construction, with an estimated value of \$1,650,000.
- Sonic – a total of 1,632 sq. ft. new construction, with an estimated value of \$1,500,000.
- Kell West Regional Hospital – a total of 3,200 sq. ft. addition, with an estimated value of \$1,944,000.

Another indicator of local economic performance is the retail sales tax. Like elsewhere in the nation, retail sales taxes in Wichita Falls declined fairly significantly from the prior fiscal year. In 2008-09, the City generated \$27,269,208 in retail sales taxes, which was \$1,726,288, or 5.95%, less than in the prior fiscal year. Fortunately, the price of unleaded and diesel fuel declined significantly to help offset the negative impact to the City's 2008-09 budget.

## MAJOR INITIATIVES

**For The Year.** The City Council continues to identify programs to meet citizens' requests for services and to safeguard the environment. Work continues on the City's major water system improvement projects. In 2001, the City embarked on a \$118 million improvement program designed primarily to expand the City's water supply and treatment capabilities and to meet regulatory treatment requirements of the EPA and TCEQ. Specific projects that are complete, or nearing completion, are the addition of Lake Kemp Reservoir, Pump Station and Pipeline; a state-of-the-art 10 mgd Reverse Osmosis Facility; Distribution and Elevated Storage Improvements, Conventional Water Treatment Plant Modifications and Improvements; High Service Pump Station and Storage, and new Water Plant Administration and Maintenance Facilities. Two water system improvement projects that remain to be completed include a 10 mgd Conventional Water Treatment Expansion and a Secondary Reservoir Pumping Station. The contract to construct the Conventional Water Treatment Plant Expansion was awarded in August 2009 in the amount of \$42.7 million. Construction of this project is expected to be finished by the end of 2011. The Secondary Reservoir Pumping Station, that is needed to service this plant expansion, is estimated to cost \$2.5 million.

A major project is nearing completion that will significantly improve communications and reporting efforts in the police and fire departments. In December 2007, contracts in the amount of \$5.6 million were approved for the installation of a city-wide wireless network, software installation and training, and mobile data workstations. This system will interface with the Computer Aided Dispatch and Records Management Systems that have been recently upgraded, allowing for field communications in public safety vehicles. This project has been funded exclusively with cash reserves of the 4B Sales Tax Corporation.

In January 2009, the City issued \$10.8 million in 20 Year Combination Tax and Revenue Bonds for several capital improvement projects. These projects include construction of a new Police Firing Range, extension of the City's Hike and Bike Trail, Park Land Acquisition, and construction of a new Animal Services Center. The annual debt service for the Police and Parks projects is being funded with 4B Sales Tax Funds, and the Animal Services Center is supported with General Debt Service Funds. All of this debt service can be funded without an adverse impact to the 4B Fund or the General Fund due to retirement of other outstanding debt that was previously being funded with these revenue sources.

In May 2009, a contract the amount of \$4.2 million was approved for Phase II and III of the Faith Village Drainage Improvement Project. This project is generally described as the widening of McGrath Creek's open

channel downstream of Kemp Boulevard, installing box culverts along Kemp Boulevard, replacing the existing system of box culverts and open concrete channel in the median, repaving Kemp Boulevard, and widening the existing open channel upstream of Kemp Boulevard to Southwestern Parkway. The project will improve the drainage system in this area and provide better flood protection to the residents and businesses in the area. Funds that remained from prior bond issues for flood control projects and the City's Storm Water Utility Funds are being used to finance this project.

The City has responded to GASB statements 43 and 45 which require the City to report its unfunded liability for post employment benefits other than retirement benefits. The City hired an actuarial firm to determine the City liability associated with retiree health care and to determine the amount of annual contributions that would be required if retiree health care programs remained the same. The results of that study indicated that there was a significant unfunded liability for retiree health care benefits, and much of that liability was due to a relatively "rich" health care retirement benefit for employees receiving Medicare supplemental coverage. In addition, the study determined that over \$2.3 million in additional City contributions would be required on an annual basis to address this liability. As a result, the City's Retiree Health Care Program was amended in January 2009 in an effort to significantly reduce this additional annual contribution requirement. In general, the changes allow retirees already on Medicare to receive \$250 of "level" premium assistance for the City's Medicare supplemental coverage, allow existing retirees that were not already on Medicare to receive \$100 of "level" premium assistance for the City's Medicare supplemental coverage when they become eligible for Medicare, and eliminated all City premium assistance for Medicare supplemental coverage for future retirees. The City also established an irrevocable trust fund to pre-fund its future liability for post employment health care benefits.

**For The Future.** In the past several years, FAA Primary Entitlement Funding has been expended at the Kickapoo Downtown General Aviation Airport for a multitude of capital improvement projects. These funds were targeted at Kickapoo Airport for two reasons: (1) the improvements were high priorities; and (2) the long term land use lease with the United States Department of the Air Force for the Municipal Airport was nearing the end of the initial fifty year lease term. In May of 2009, the City Council approved a new 50 year facility lease with the United States Department of the Air Force, which covers the use of the airfield and the method of paying the military for services provided by Sheppard Air Force Base. This long term lease gives the City the ability to apply future FAA Improvement Funds to needed projects identified for the Municipal Airport. The City has begun using 2009 FAA Entitlement Funds for engineering/design services for the rehabilitation on the runway 17/35 and to develop a Master Plan for the Airport.

In January 2010, the City Council authorized the issuance of \$3,930,000 in 15 Year Combination Tax and Revenue Certificates of Obligation to purchase the Castaway Cove Water Park. This water park was initially opened for business in June 2004 by a Texas Limited Partnership consisting of 27 local investors. Financial records indicate that the initial capital investment in the park was \$6,188,000, not including the value of 49 acres of undeveloped land surrounding the park. Additionally, \$600,000 of capital investment was made for a new water slide attraction two years ago. The water park, although a successful recreational venue for citizens and visitors of the community, was in jeopardy of closing because the operating income of the park was not sufficient to pay the annual debt service costs. After much deliberation, the City purchased the park and adjacent land and will be operating it as a City facility in the Spring of 2010. The debt service on the park will be paid for with 4B Sales Tax Funds. All other operating and capital replacement costs are expected to be supported with proceeds from park admissions and other retail sales at the park. The City Council also approved a one year agreement with a water park management firm to oversee the day-to-day operations.

In recent months, the City Council conducted several work sessions on the City's Five Year Capital Improvement Program in an effort to prioritize capital improvement needs and to discuss potential funding sources for those needs. Through that effort, it was determined that public infrastructure such as streets, drainage, water and sewer line repairs were all in need of additional funding to adequately maintain the City's aging infrastructure. The City already has an engineering study completed on water line improvements and has comprehensive in-house data on needed sewer line improvements. Additionally, the City Council authorized funding to hire outside consulting firms to conduct needs assessments for street improvements and drainage projects. Once these plans are finished, the City will be in a position to address all of these infrastructure projects as funding is available.

The major challenge for the City over the next one or two fiscal years will be to evaluate methods for reducing the operating expenses in the General Fund due to declining revenues. During the 2009-10 fiscal year, the City was forced to make mid year expenditure reductions due to a shortfall in revenues. The City has also implemented a Voluntary Retirement Incentive Program, which is intended to reduce staffing levels. Also, as positions become vacant, every effort is made to restructure the organization to save costs.

## **FINANCIAL INFORMATION**

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 class level by the Finance Department within each division by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. 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, 2009, and related appropriations are carried forward to the new fiscal year through a supplemental budgetary allocation.

The City's informal policy is to maintain approximately 20% of unreserved fund balances in the General Fund for emergencies and other unanticipated needs. These financial statements reflect that this policy has been followed. Additionally, the City 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, 2009, the City's tax supported debt was approximately \$39 million, which is 0.88% of the taxable value of property and \$369 per capita.

## **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 OMB Circular A-133, and the State Single Audit Act. These reports are issued under separate cover.

### **Awards**

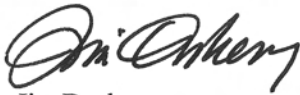
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita Falls for its CAFR for the fiscal year ended September 30, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently

organized comprehensive annual financial report, whose contents conform to program standards. The CAFR 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 our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

**Acknowledgments**

My appreciation is extended to the various elected officials, city manager, department heads and employees responsible for the fair presentation of the CAFR and for contributing to the sound financial position of the City of Wichita Falls. The City of Wichita Falls has been blessed with a group of persons who appreciate and respect principles of fiscal restraint and propriety. In particular, I would like to acknowledge the special efforts of the Department of Finance employees who contributed directly to the development of this report. The continuing support of City Council and City Manager, who remain committed to fiscal integrity and financial leadership, is likewise appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jim Dockery", written in a cursive style.

Jim Dockery  
Assistant City Manager/CFO



# 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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



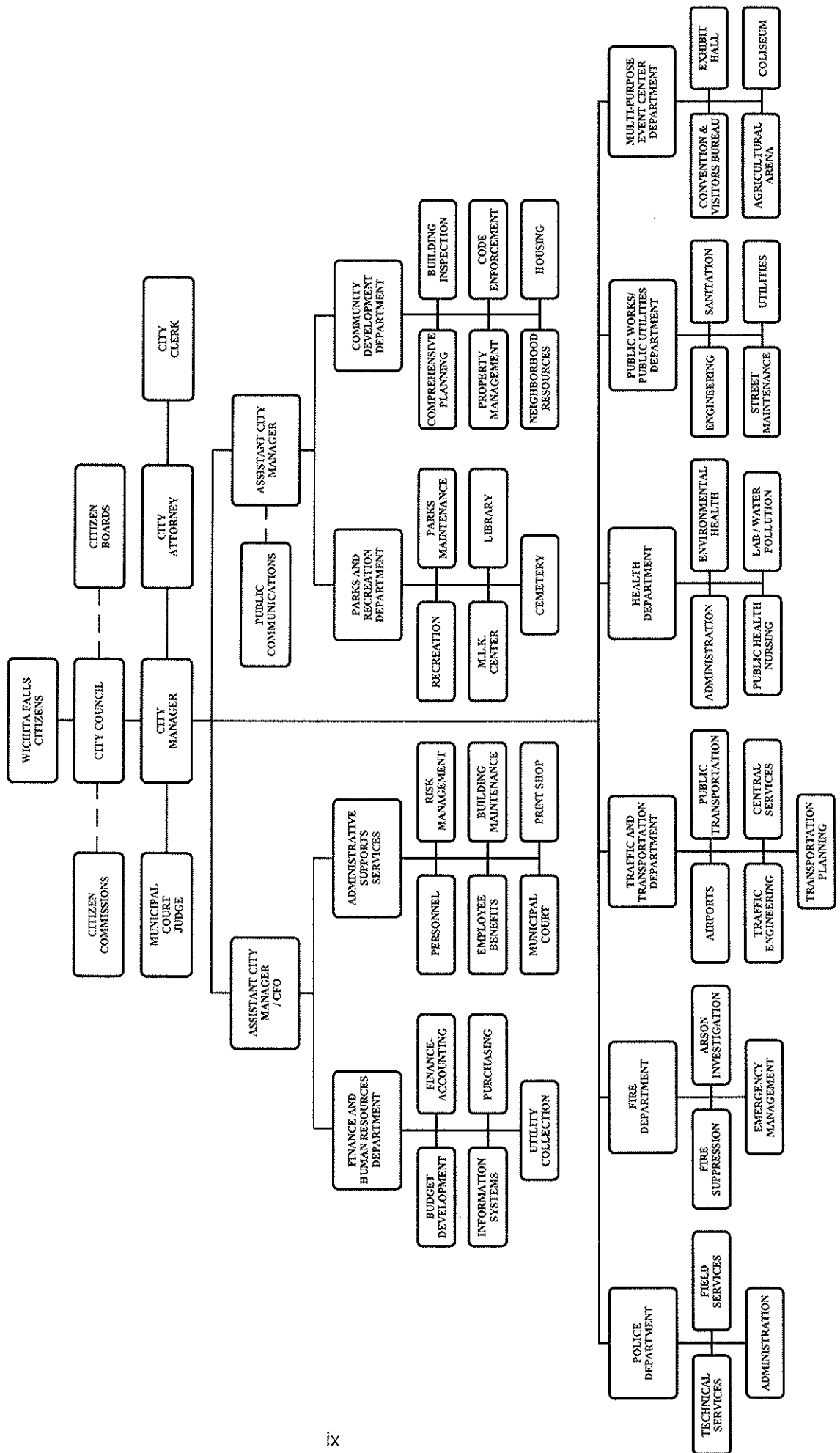
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enser".

Executive Director

# CITY OF WICHITA FALLS ORGANIZATIONAL CHART



# CITY OF WICHITA FALLS, TEXAS

## LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2009

Title	Name
Mayor	Lanham Lyne
Mayor Pro-Tem	Charles Elmore
City Council Member	Glenn Barham
City Council Member	Michael Smith
City Council Member	Rick Hatcher
City Council Member	Dorothy Roberts-Burns
City Council Member	Jim Ginnings
City Manager	Darron Leiker
City Attorney	Miles Risley
Municipal Court Judge	Larry Gillen
City Clerk	Lydia Ozuna
Assistant City Manager	Kevin Hugman
Director of Aviation, Traffic and Transportation	John Burrus
Assistant City Manager / Chief Financial Officer	Jim Dockery
Director of Community Development	David Clark
Director of Public Health	Lou Franklin
Police Chief	Dennis Bachman
Fire Chief	Earl Foster
Director of Parks and Recreation	Jack Murphy
Director of Public Works and Public Utilities	Russell Schreiber
Director of Multi-Purpose Events Center	Bob Sullivan

## ***FINANCIAL SECTION***



# EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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

## Independent Auditor's Report

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**, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Wichita Falls, Texas**, as of September 30, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated March 24, 2010 on our consideration of the **City of Wichita Falls, Texas'** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, the schedules on the Texas Municipal Retirement System, the Wichita Falls Firemen's Relief and Retirement Fund, the Wichita Falls Retiree Health Care Plan, and the budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 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 financial statements and supporting schedules have been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Edgin, Parkman, Fleming & Fleming, PC*  
EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas  
March 24, 2010



## OFFICE OF THE CITY MANAGER

### **City of Wichita Falls, Texas Management's Discussion and Analysis September 30, 2009**

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, 2009. 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 of the City of Wichita Falls exceeded its liabilities at September 30, 2009, by \$334,459,655 (net assets). Of this amount, \$25,592,797 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net assets increased by \$2,989,199. This increase can be attributed primarily to a reduction in long term liabilities (outstanding debt) in the water and sewer fund and grants from the 4B Sales Tax Corporation for debt service payments and capital improvements. However, net assets would have increased more substantially over the prior fiscal year had revenues from sales taxes, interest earnings, and water sales met budgeted expectations.

At September 30, 2009, the City's governmental funds reported combined ending fund balances of \$36,568,374. Of this amount, \$28,814,141, or 78.80%, is available for spending at the government's discretion, (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$13,042,044 or 20.14% of total General Fund expenditures.

The City's total debt increased by \$3,884,466 during the current fiscal year. The primary reason for this increase is because the City issued \$10,820,000 in additional combination tax and revenue bonds during this fiscal year, but continued to retire outstanding General Obligation Bonds, Water and Sewer System Revenue Bonds, and Combination Tax and Revenue Bonds. The City also issued a five year capital lease in March 2009 for the purchase of a fire ladder truck in the amount of \$916,548.

#### **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.

**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

**Government-wide Financial Statements**

The government-wide financial statements, which can be found on pages 13-14 of this report, include the *Statement of Net Assets* (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 Assets* 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 liabilities is reported as net assets. Over time, the increases or decreases in net assets 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 assets 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 Assets* 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, and general administration and finance. The Multi-Purpose Events Center is also reported as a governmental activity. Property taxes, sales taxes, franchise fees, and various grant funds provide the majority of financing for these activities.

*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, municipal airports, transit system, storm water drainage improvements, and fleet maintenance services.

*Component Units* – Four 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 #1, and the Wichita Falls Reinvestment Zone #2.

**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.



**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

*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 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, 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 15-18 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, municipal airports, transit operations, and storm water utility district.
- 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, 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 and the Sanitation Fund since they are considered to be 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.

**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

*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.

**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 25-58 of this report.

**Government-Wide Financial Analysis**

The City's combined net assets were \$334,459,655 as of September 30, 2009, an increase of \$2,989,199, or .90% from the prior year. Using the Tables below, an analysis of the net assets of the City can be made. The largest portion of the City's net assets, \$294,721,219, or 88.12%, 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 assets, \$14,145,639, or 4.23%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets, \$25,592,797, or 7.65%, may be used to meet the government's ongoing obligations to citizens and creditors.

**Net Assets**  
(in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Current and Other Assets	\$ 46,699	\$ 52,710	\$ 97,170	\$ 106,409	\$ 143,869	\$ 159,119
Capital Assets	<u>164,629</u>	<u>158,358</u>	<u>238,025</u>	<u>220,714</u>	<u>402,654</u>	<u>379,072</u>
Total Assets	<u>211,328</u>	<u>211,068</u>	<u>335,195</u>	<u>327,123</u>	<u>546,523</u>	<u>538,191</u>
Long Term Liabilities	46,621	37,582	146,996	151,642	193,617	189,224
Other Liabilities	<u>10,089</u>	<u>10,795</u>	<u>8,357</u>	<u>6,701</u>	<u>18,446</u>	<u>17,496</u>
Total Liabilities	<u>56,710</u>	<u>48,377</u>	<u>155,353</u>	<u>158,343</u>	<u>212,063</u>	<u>206,720</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	138,550	139,869	156,171	143,023	294,721	282,892
Restricted	1,187	1,632	12,959	12,946	14,146	14,578
Unrestricted	<u>14,881</u>	<u>21,190</u>	<u>10,712</u>	<u>12,811</u>	<u>25,593</u>	<u>34,001</u>
Total Net Assets	<u>\$ 154,618</u>	<u>\$ 162,691</u>	<u>\$ 179,842</u>	<u>\$ 168,780</u>	<u>\$ 334,460</u>	<u>\$ 331,471</u>

**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

**CHANGES IN NET ASSETS**

(in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Revenues:</b>						
Program Revenues:						
Charges For Services	\$ 9,155	\$ 8,718	\$ 48,686	\$ 46,981	\$ 57,841	\$ 55,699
Operating Grants and Contributions	10,891	11,469	1,142	1,389	12,033	12,858
Capital Grants and Contributions	1,631	3,097	456	1,022	2,087	4,119
General Revenues:						
Property Taxes	27,870	26,160	-	-	27,870	26,160
Sales Taxes	20,452	21,354	-	-	20,452	21,354
Other Taxes/Fees	7,436	7,579	-	-	7,436	7,579
Investment Earnings	415	1,728	603	2,949	1,018	4,677
Miscellaneous	135	(155)	147	-	282	(155)
Total Revenue	<u>77,985</u>	<u>79,950</u>	<u>51,034</u>	<u>52,341</u>	<u>129,019</u>	<u>132,291</u>
<b>Expenses:</b>						
Administrative Services	12,026	11,662	-	-	12,026	11,662
Police	21,009	20,528	-	-	21,009	20,528
Fire	13,028	12,493	-	-	13,028	12,493
Parks and Recreation	5,757	5,107	-	-	5,757	5,107
Accounting/Finance	2,473	2,232	-	-	2,473	2,232
Community Development	7,584	6,921	-	-	7,584	6,921
Public Works	8,282	8,315	-	-	8,282	8,315
Health	4,996	4,874	-	-	4,996	4,874
Traffic and Transportation	2,500	2,679	-	-	2,500	2,679
MPEC	4,028	4,336	-	-	4,028	4,336
Interest and Fees on Long-term Debt	1,621	1,405	-	-	1,621	1,405
Golf	-	-	-	-	-	-
Municipal Airport	-	-	289	311	289	311
Kickapoo Airport	-	-	1,354	1,245	1,354	1,245
Transit	-	-	1,616	1,794	1,616	1,794
Sanitation	-	-	8,509	9,199	8,509	9,199
Water and Sewer	-	-	30,166	28,127	30,166	28,127
Stormwater Drainage	-	-	477	407	477	407
Total Expenses	<u>83,304</u>	<u>80,552</u>	<u>42,411</u>	<u>41,083</u>	<u>125,715</u>	<u>121,635</u>
Increase (Decrease) in Net Assets Before Transfers	(5,319)	(602)	8,623	11,258	3,304	10,656
Transfers	(2,439)	525	2,439	(525)	-	-
Increase (Decrease) in Net Assets	(7,758)	(77)	11,062	10,733	3,304	10,656
Net Assets – Beginning of Year	162,691	162,768	168,780	158,047	331,471	320,815
Prior Period Adjustment	(315)	-	-	-	(315)	-
Net Assets – End of Year	<u>\$154,618</u>	<u>\$162,691</u>	<u>\$179,842</u>	<u>\$168,780</u>	<u>\$334,460</u>	<u>\$331,471</u>

**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

*Governmental Activities* – Governmental Activities decreased the City's net assets by \$7,758,247. However, nearly \$4 million of that reduction is due to the reclassification of assets for storm water drainage improvements from capital project funds to the Storm Water Enterprise Fund. The governmental funds also experienced a reduction of approximately \$900,000 in sales taxes and \$1.3 million less revenues from earnings on investments of idle funds principally due to falling interest rates. The General Fund also transferred approximately \$520,000 in cash to the Sanitation Fund to purchase a new grinder for the landfill. This cash transfer is anticipated to be repaid to the General Fund over the next three fiscal years.

*Business-Type Activities* - Net assets for the City's Business-type Activities increased by \$11,062,248, accounting for 370% of the total growth in the City's net assets. The City continues to reduce liabilities in its Water and Sewer Fund as debt service payments are made on outstanding revenue bonds. Business-type Activities also benefited from the reclassification of nearly \$4 million in assets from Governmental Funds to the Storm Water Enterprise Fund.

**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, unreserved 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, 2009, the City's governmental funds reported combined fund balances of \$36,568,374, which is a reduction of \$4,721,730 from the prior year. Much of this reduction was planned as the City spent funds in the Section 8 Housing Program, HOME Program, and other Miscellaneous Special Revenues that had accumulated balances in prior years. The City also planned to draw down General Fund balances for several projects and equipment purchases that were approved in the budget. However, some of this reduction can be attributed to lower interest earnings on the investment of idle funds, lower sales tax collections, and higher than anticipated General Fund subsidy for the Champions Golf Course.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$13,042,044. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20.14% of total General Fund expenditures, while the total fund balance represents 22.46% 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 assets and changes in net assets of the enterprise funds in these financial statements are identical with the net assets and changes in net assets 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 and the Duplicating Services Fund. At the close of September 30, 2009, the net assets for the City's internal service funds were \$21,945,453, an increase of \$3,075,095. Much of this increase is due to fleet purchases such as sanitation collection and disposal equipment, a pothole truck, a command vehicle for emergency management and meter reader vehicles that were made with other funds and donated to the Fleet

**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

Maintenance Fund. Also, the Employee Benefit Trust Fund ended the fiscal year with a net income of \$304,020 due to lower than expected costs for employee health claims. It should be noted that of the net assets for the City's internal service funds, \$18,659,772 is invested in capital assets and \$2,191,856 is reserved for employee life and health benefits. The remainder of net assets of the internal service funds are generally used to replace capital assets. The purpose of the internal service funds is to provide services within the organization on a break-even basis. The net income or loss from these internal service funds has been allocated back to the using departments or funds for the City-wide financial statements.

**General Fund Budgetary Highlights**

The final amended expenditure budget for the General Fund, including transfers out, was increased by \$3,014,007 from the original adopted budget. The primary reasons for this increase in appropriations can be briefly summarized as follows:

- Approximately \$2,264,000 of prior year encumbrances were carried forward to the 2008-09 amended budget, the majority of which was for the Street Overlay Program, the City's General Fund cost associated with a joint construction project with the Wichita Falls Independent School for two gymnasiums, a professional service agreement for Lake Wichita survey work, a backup generator for the Memorial Auditorium, and some traffic signal equipment.
- Approximately \$655,000 was appropriated to purchase a grinder for the City's landfill.
- An additional \$94,500 was budgeted for a legal settlement.

Actual revenues in the General Fund for the 2008-09 fiscal year were \$61,198,281, which was \$1,174,836 below final budgeted figures. Much of this shortfall was due to declining sales tax collections, lower building permit activity, and overly optimistic projections for municipal court fines. In addition, interest earnings were lower than expected in the budget due to falling interest rates.

Actual expenditures in the General Fund for the 2008-09 fiscal year were \$64,742,711 compared to a final budget of \$67,458,552. Much of this variance is due principally to a delay in a significant street overlay program until the ensuing fiscal year. There was also a considerable savings in the expenditure budget for unleaded gasoline and diesel fuel as prices dropped during the year. In addition, salary savings that accrued to the General Fund from vacancies in authorized positions accounted for the majority of the remaining amount.

**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, 2009, amounts to \$402,653,806 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress.

**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

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

- Continued improvements to the water system, principally at Cypress and Jasper Water Treatment Plants.
- Continued installation of a wireless communications network and related equipment for the Public Safety Mobile Data Terminal Project.
- Construction of a new police firing range.
- Improvements at Municipal and Kickapoo Airports.
- Improvements to Gregg/Langford Road.
- Improvements to Colonial Park Drainage.
- Extension of Maplewood Avenue and Quail Creek Drainage Improvements.

**Capital Assets, net of Accumulated Depreciation**  
(in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Land	\$ 9,143	\$ 8,802	\$ 8,466	\$ 8,466	\$ 17,609	\$ 17,268
Land Betterments	20,079	20,012	16,493	15,567	36,572	35,579
Buildings, Systems and Improvements	47,154	45,936	187,632	165,413	234,786	211,349
Infrastructure	71,751	64,836	-	-	71,751	64,836
Machinery and Equip	9,890	10,471	2,070	2,418	11,960	12,889
Furniture and Fixtures	13	14	5	9	18	23
Motor Vehicles	-	-	15,612	13,082	15,612	13,082
Construction in Progress	<u>6,599</u>	<u>8,287</u>	<u>7,747</u>	<u>15,759</u>	<u>14,346</u>	<u>24,046</u>
Totals	<u>\$ 164,629</u>	<u>\$ 158,358</u>	<u>\$238,025</u>	<u>\$220,714</u>	<u>\$ 402,654</u>	<u>\$ 379,072</u>

Additional information on the City's capital assets can be found in Note 7 on pages 39-41 of this report.

*Long Term Debt* – At the end of the current fiscal year, the City of Wichita Falls had a total bonded debt, notes and capital leases outstanding of \$181,269,075. The City issued \$10,820,000 in Combination Tax and Revenue Bonds during the 2008-09 fiscal year to finance the construction of a police firing range, animal services center, park land acquisition, and park trail extensions.

Moody's Investor's Service has assigned a credit rating of A1 for the City's General Obligation Bonds and a rating of A2 for the City's Water and Sewer System Revenue Bonds. As of September 30, 2009, Standard & Poors had assigned a credit rating of AA for the City's General Obligation Bonds and a rating of AA- for its Water and Sewer System Revenue Bonds.

**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

**Outstanding Debt at Year-End**  
(in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
General Obligation Bonds	\$ 5,535	\$ 6,480	\$ -	\$ -	\$ 5,535	\$ 6,480
Combination Tax and Revenue Bonds	33,525	23,867	21,005	24,479	54,530	48,346
Utility System Revenue Bonds	-	-	119,842	121,888	119,842	121,888
Capital Lease Payable	-	-	722	-	722	-
Notes Payable	-	-	640	671	640	671
Total	<u>\$ 39,060</u>	<u>\$ 30,347</u>	<u>\$ 142,209</u>	<u>\$ 147,038</u>	<u>\$ 181,269</u>	<u>\$ 177,385</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, 2009, was \$.59526 per \$100, which means that the City has a tax margin of \$1.65474 per \$100, and could raise up to \$73,319,145 additional tax revenue a year from the present assessed valuation of \$4,430,855,934 before the limit is reached. The current ratio of general bonded debt outstanding to the assessed value of all taxable property is 0.88%.

Additional information about the City's long-term debt can be found in Note 13 on pages 49-54 of this report.

**Economic Factors and Next Year's Budgets and Rates**

Total 2009-10 operating revenues are budgeted at \$141,022,131, which is a reduction of \$3,401,128, or 2.35% from the 2008-09 adopted budget.

Like elsewhere in the nation, consumer spending and business activity has been declining, which directly affects sales tax revenues. In the 2009-10 budget, sales taxes are projected to generate \$20,673,347, a decrease of \$487,525, or 2.30% from the prior year adopted budget. It should be noted that this projection was based upon an estimate of 2008-09 actual receipts and a growth rate of -1.00%.

Another fairly significant source of revenue for the City is the interest earnings on idle funds. Interest rates have fallen significantly over the past year, and are now only yielding approximately 0.50%. As a result, the 2009-10 budget shows a reduction of over \$823,000 from this source.

Residential and commercial building activity has slowed over the last 18 months, resulting in less revenue to the City from building, electrical and plumbing permits. In addition, a significant portion of the building activity that is occurring is the government sector which does not pay for permits. The budget anticipates that development will continue at its present pace. Under this assumption, the City will receive \$151,000 less revenue than the prior budget.

**City of Wichita Falls, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2009**  
**(continued)**

The Property Tax is the largest source of revenue in the City's budget and one that is relied heavily upon to provide general City services. The property tax base, as certified by the Wichita County Appraisal District, was \$4.426 billion, a reduction of \$4.7 million from the prior year. To help recover some of the lost revenue in sales taxes, interest earnings and building permits, the City Council approved an increase to the property tax rate of 1 cent per \$100 in taxable assessed value.

Retail Water and Sewer rates were maintained at the same rate as the prior year. However, wholesale water rates were increased on average by 10 to cover the City's operational costs to service our wholesale customers and to provide a return on the City's investment made to the water plants.

Fortunately, most of the expected loss in revenues should be alleviated by significantly lower costs for unleaded gasoline and diesel fuel. As a result, the budget does not include any major expenditure reductions in personnel or employee benefits. However, the budget did not include step/merit increases or cost of living pay adjustments. Personnel expenses represent an increase of only \$105,831, or 0.16% above the 2008-09 adopted budget.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Wichita Falls' finances 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 ASSETS**  
**SEPTEMBER 30, 2009**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 39,764,082	\$ 7,422,923	\$ 47,187,005	\$ 28,214,778
Receivables (net):				
Taxes and assessments	1,053,429	-	1,053,429	-
Customer and trade	-	5,407,995	5,407,995	-
Government agencies	6,612,549	133,769	6,746,318	1,152,234
Other	1,376,270	132,425	1,508,695	-
Internal balances	(3,574,883)	3,574,883	-	-
Inventory	364,708	1,792,390	2,157,098	-
Prepaid items	821,692	925,210	1,746,902	96,377
Other assets	47,503	-	47,503	-
Deferred charges	-	5,889,842	5,889,842	-
Restricted assets:				
Cash and cash equivalents	233,983	71,890,911	72,124,894	-
Capital assets not being depreciated	15,742,812	16,212,956	31,955,768	1,469,797
Capital assets net of accumulated depreciation	148,886,239	221,811,799	370,698,038	890,188
Total assets	<u>211,328,384</u>	<u>335,195,103</u>	<u>546,523,487</u>	<u>31,823,374</u>
<b>Liabilities</b>				
Accounts payable - trade	3,002,629	3,804,094	6,806,723	6,347
Accrued payroll	2,388,370	648,311	3,036,681	-
Payable to government agencies	375,418	78,252	453,670	-
Estimated health claims payable	426,734	-	426,734	-
Other liabilities	3,853,610	1,147,359	5,000,969	-
Unearned revenue	42,619	-	42,619	-
Customer deposits	-	2,679,389	2,679,389	-
Long-term liabilities:				
Portion due or payable within one year	4,671,420	7,476,206	12,147,626	-
Portion due or payable after one year	41,949,767	139,519,654	181,469,421	-
Total liabilities	<u>56,710,567</u>	<u>155,353,265</u>	<u>212,063,832</u>	<u>6,347</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	138,550,295	156,170,924	294,721,219	2,359,985
Restricted for debt service	1,186,730	12,958,909	14,145,639	-
Unrestricted	14,880,792	10,712,005	25,592,797	29,457,042
Total net assets	<u>\$ 154,617,817</u>	<u>\$ 179,841,838</u>	<u>\$ 334,459,655</u>	<u>\$ 31,817,027</u>

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
Administrative services	\$ 12,026,311	\$ 4,267,891	\$ 667,422	-
Police	21,008,696	470,020	1,931,580	-
Fire	13,028,146	4,369	63,400	-
Parks and recreation	5,757,363	513,682	130,712	-
Accounting/finance	2,473,024	-	-	-
Community development	7,584,142	891,803	5,236,271	-
Public works	8,282,184	165,363	-	-
Health	4,995,764	888,890	1,749,518	-
Traffic and transportation	2,499,869	164,350	-	1,631,109
Multi-Purpose Events Center	4,027,612	1,789,269	-	-
Interest and fees on long-term debt	1,620,854	-	1,112,118	-
Total governmental activities	<u>83,303,965</u>	<u>9,155,637</u>	<u>10,891,021</u>	<u>1,631,109</u>
Business-type activities:				
Municipal Airport	289,195	544,332	-	-
Kickapoo Airport	1,354,624	745,444	-	-
Transit	1,616,322	229,483	1,142,191	267,629
Sanitation	8,509,153	12,025,478	-	-
Water and sewer	30,165,844	33,888,553	-	189,114
Stormwater drainage	477,415	1,252,544	-	-
Total business-type activities	<u>42,412,553</u>	<u>48,685,834</u>	<u>1,142,191</u>	<u>456,743</u>
Total primary government	<u>\$ 125,716,518</u>	<u>\$ 57,841,471</u>	<u>\$ 12,033,212</u>	<u>\$ 2,087,852</u>
<b>Component units:</b>				
Community development	<u>\$ 5,808,624</u>	<u>\$ 106,800</u>	<u>\$ 241,072</u>	<u>\$ -</u>
General revenues and transfers:				
Taxes:				
Property tax				
Sales tax				
Franchise fees				
Hotel occupancy tax				
Beverage tax				
Bingo tax				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets - beginning				
Prior period adjustment				
Net assets - ending				

*See accompanying notes to the basic financial statements.*

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (7,090,998)	\$ -	\$ (7,090,998)	\$ -
(18,607,096)	-	(18,607,096)	-
(12,960,377)	-	(12,960,377)	-
(5,112,969)	-	(5,112,969)	-
(2,473,024)	-	(2,473,024)	-
(1,456,068)	-	(1,456,068)	-
(8,116,821)	-	(8,116,821)	-
(2,357,356)	-	(2,357,356)	-
(704,410)	-	(704,410)	-
(2,238,343)	-	(2,238,343)	-
(508,736)	-	(508,736)	-
(61,626,198)	-	(61,626,198)	-
-	255,137	255,137	-
-	(609,180)	(609,180)	-
-	22,981	22,981	-
-	3,516,325	3,516,325	-
-	3,911,823	3,911,823	-
-	775,129	775,129	-
-	7,872,215	7,872,215	-
(61,626,198)	7,872,215	(53,753,983)	-
-	-	-	(5,460,752)
27,869,849	-	27,869,849	229,939
20,451,906	-	20,451,906	6,817,302
5,570,399	-	5,570,399	-
1,506,423	-	1,506,423	-
249,121	-	249,121	-
109,739	-	109,739	-
415,156	602,872	1,018,028	237,040
134,983	147,536	282,519	10,669
(2,439,625)	2,439,625	-	-
53,867,951	3,190,033	57,057,984	7,294,950
(7,758,247)	11,062,248	3,304,001	1,834,198
162,690,866	168,779,590	331,470,456	29,982,829
(314,802)	-	(314,802)	-
<u>\$ 154,617,817</u>	<u>\$ 179,841,838</u>	<u>\$ 334,459,655</u>	<u>\$ 31,817,027</u>

**CITY OF WICHITA FALLS, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2009**

	General	Nonmajor Governmental	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 15,561,199	\$ 21,647,996	\$ 37,209,195
Receivables (net):			
Taxes and assessments	865,692	187,737	1,053,429
Other City funds	1,745,327	-	1,745,327
Government agencies	3,749,451	2,863,098	6,612,549
Other	1,215,161	137,054	1,352,215
Inventory	274,910	76,007	350,917
Prepaid items	160,764	657,345	818,109
Other assets	-	47,503	47,503
Total assets	<u>\$ 23,572,504</u>	<u>\$ 25,616,740</u>	<u>\$ 49,189,244</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 1,853,830	\$ 1,001,653	\$ 2,855,483
Accrued payroll	2,208,017	172,204	2,380,221
Payable to other City funds	-	1,630,658	1,630,658
Payable to government agencies	282,221	93,197	375,418
Other liabilities	3,280,460	573,152	3,853,612
Deferred revenue	1,327,916	119,159	1,447,075
Claims and judgments payable	78,403	-	78,403
Total liabilities	<u>9,030,847</u>	<u>3,590,023</u>	<u>12,620,870</u>
Fund balances:			
Reserved for encumbrances	1,063,879	4,148,055	5,211,934
Reserved for inventory and prepaid items	435,734	-	435,734
Reserved for debt service	-	1,223,854	1,223,854
Reserved for perpetual care	-	882,711	882,711
Unreserved, designated for subsequent years expenditures reported in:			
General Fund	3,000,000	-	3,000,000
Special Revenue Funds	-	4,807,151	4,807,151
Capital Projects Funds	-	10,963,970	10,963,970
Unreserved, undesignated reported in:			
General Fund	10,042,044	-	10,042,044
Special Revenue Fund	-	976	976
Total fund balances	<u>14,541,657</u>	<u>22,026,717</u>	<u>36,568,374</u>
Total liabilities and fund balances	<u>\$ 23,572,504</u>	<u>\$ 25,616,740</u>	<u>\$ 49,189,244</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 ASSETS**  
**SEPTEMBER 30, 2009**

Total fund balances - governmental funds (Exhibit A-3) \$ 36,568,374

Amounts reported for *governmental activities* in the Statement of Net Assets (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	\$ 269,775,609	
Related accumulated depreciation	<u>105,200,289</u>	164,575,320

Property taxes receivable and municipal court fines are not available to pay for current period expenditures and therefore are deferred in the funds.	1,404,456
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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:

General obligation bonds payable	39,059,726	
Accrued vacation and sick leave	6,948,720	
Claims and judgments payable	122,360	
Accrued interest	<u>411,978</u>	(46,542,784)

Internal service funds are used by management to charge the costs of duplicating services and health insurance claims to the individual funds. The assets and liabilities of these internal service funds are included with the governmental activities.	2,235,293
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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.	<u>(3,622,842)</u>
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Total net assets - governmental activities (Exhibit A-1)	<u><u>\$ 154,617,817</u></u>
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*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, 2009**

	General	Nonmajor Governmental	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 53,371,597	\$ 2,381,385	\$ 55,752,982
Charges for services	2,806,223	883,494	3,689,717
Licenses and permits	1,887,434	-	1,887,434
Fines and forfeitures	1,800,057	170,555	1,970,612
Intergovernmental revenue	54,409	9,232,962	9,287,371
Contributions	230,964	3,003,795	3,234,759
Miscellaneous revenue	1,047,597	2,756,841	3,804,438
Total revenues	<u>61,198,281</u>	<u>18,429,032</u>	<u>79,627,313</u>
<b>Expenditures</b>			
Administrative services	9,647,055	1,668,296	11,315,351
Police	19,693,683	488,467	20,182,150
Fire	12,801,912	31,271	12,833,183
Parks and recreation	5,073,828	383,582	5,457,410
Accounting/finance	2,327,608	-	2,327,608
Community development	1,798,241	5,635,376	7,433,617
Public works	5,200,391	251,781	5,452,172
Health	2,992,015	1,958,198	4,950,213
Traffic and transportation	2,156,060	136,830	2,292,890
Multi-Purpose Events Center	-	3,208,713	3,208,713
Capital outlay	3,051,918	9,037,010	12,088,928
Debt service - principal	-	2,065,000	2,065,000
Debt service - interest and paying agent fees	-	1,364,831	1,364,831
Total expenditures	<u>64,742,711</u>	<u>26,229,355</u>	<u>90,972,066</u>
Excess of revenues over (under) expenditures	<u>(3,544,430)</u>	<u>(7,800,323)</u>	<u>(11,344,753)</u>
<b>Other Financing Sources (Uses)</b>			
Bond proceeds	-	10,840,779	10,840,779
Transfers in	2,254,477	3,275,832	5,530,309
Transfers out	<u>(1,355,660)</u>	<u>(8,077,605)</u>	<u>(9,433,265)</u>
Total other financing sources (uses)	<u>898,817</u>	<u>6,039,006</u>	<u>6,937,823</u>
Net change in fund balance	(2,645,613)	(1,761,317)	(4,406,930)
Fund balances - beginning	17,187,270	24,102,836	41,290,106
Prior period adjustment	-	(314,802)	(314,802)
Fund balances - ending	<u>\$ 14,541,657</u>	<u>\$ 22,026,717</u>	<u>\$ 36,568,374</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, 2009**

Net change in fund balances - total governmental funds (Exhibit A-5) \$ (4,406,930)

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	\$ 12,553,392	
Depreciation expense for the year	<u>5,564,509</u>	6,988,883

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. (711,362)

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 revenues decreased by this amount this year. (127,333)

The issuance of long-term debt provides current financial resources to governmental funds. However, the issuance increases long-term liabilities in the Statement of Net Assets. Long-term debt issued in 2008-2009 was: (10,820,000)

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 Assets. Bond principal payments in 2008-09 were: 2,107,502

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	(150,110)	
Claims and judgments payable	<u>17,836</u>	(132,274)

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 increase in accrued interest is as follows:

Accrued interest at September 30, 2008	113,453	
Accrued interest at September 30, 2009	<u>411,978</u>	(298,525)

Internal service funds are used by management to charge the costs of duplicating services and health insurance claims to the individual funds. The net revenues of these internal service funds are included with the governmental activities. 205,196

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. (563,404)

Change in net assets of governmental activities (Exhibit A-2) \$ (7,758,247)

*See accompanying notes to the basic financial statements.*



# CITY OF WICHITA FALLS, TEXAS

## STATEMENT OF FUND NET ASSETS

### PROPRIETARY FUNDS

SEPTEMBER 30, 2009

	Enterprise Funds				
	Water and Sewer	Sanitation	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 484,456	\$ 2,086,729	\$ 4,462,446	\$ 7,033,631	\$ 2,944,178
Restricted cash and cash equivalents	71,738,443	-	152,468	71,890,911	233,983
Receivables (net):					
Customer and trade	4,018,320	1,265,961	123,714	5,407,995	-
Government agencies	51,419	-	82,350	133,769	-
Other	53,200	-	52,648	105,848	50,634
Inventory	1,001,765	-	44,118	1,045,883	760,298
Prepaid items	601	116	7,271	7,988	920,805
Total current assets	<u>77,348,204</u>	<u>3,352,806</u>	<u>4,925,015</u>	<u>85,626,025</u>	<u>4,909,898</u>
Long-term assets:					
Deferred charges	5,889,842	-	-	5,889,842	-
Capital assets, net of accumulated depreciation	<u>192,707,951</u>	<u>5,979,281</u>	<u>20,731,482</u>	<u>219,418,714</u>	<u>18,659,772</u>
Total long-term assets	<u>198,597,793</u>	<u>5,979,281</u>	<u>20,731,482</u>	<u>225,308,556</u>	<u>18,659,772</u>
Total assets	<u>275,945,997</u>	<u>9,332,087</u>	<u>25,656,497</u>	<u>310,934,581</u>	<u>23,569,670</u>

See accompanying notes to the basic financial statements.

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2009**

	Enterprise Funds				
	Water and Sewer	Sanitation	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Liabilities</b>					
Current liabilities:					
Accounts payable - trade	3,209,578	380,484	74,687	3,664,749	286,491
Accrued payroll	362,138	142,445	53,828	558,411	98,049
Accrued vacation and sick leave	297,300	117,222	34,236	448,758	75,415
Payable to other City funds	102,605	-	-	102,605	12,064
Payable to government agencies	-	64,055	14,197	78,252	-
Estimated health claims payable	-	-	-	-	426,734
Other liabilities	1,100,727	32,306	11,326	1,144,359	3,000
Capital leases - current maturities	-	-	-	-	172,843
Revenue bonds - current maturities	5,725,728	-	-	5,725,728	-
Accrued interest - revenue bonds	1,046,493	-	-	1,046,493	-
Total current liabilities	<u>11,844,569</u>	<u>736,512</u>	<u>188,274</u>	<u>12,769,355</u>	<u>1,074,596</u>
Long-term liabilities:					
Payable to U.S. Government	640,376	-	-	640,376	-
Capital leases, less current maturities	-	-	-	-	549,621
Revenue bonds, less current maturities	135,120,782	-	-	135,120,782	-
Estimated liability for landfill closure and post-closure care costs	-	3,218,379	-	3,218,379	-
Customer deposits	<u>2,679,389</u>	<u>-</u>	<u>-</u>	<u>2,679,389</u>	<u>-</u>
Total long-term liabilities	<u>138,440,547</u>	<u>3,218,379</u>	<u>-</u>	<u>141,658,926</u>	<u>549,621</u>
Total liabilities	<u>150,285,116</u>	<u>3,954,891</u>	<u>188,274</u>	<u>154,428,281</u>	<u>1,624,217</u>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	110,854,120	5,979,281	20,731,482	137,564,883	18,659,772
Restricted for debt service	12,958,909	-	-	12,958,909	-
Unrestricted	<u>1,847,852</u>	<u>(602,085)</u>	<u>4,736,741</u>	<u>5,982,508</u>	<u>3,285,681</u>
Total net assets	<u>\$125,660,881</u>	<u>\$ 5,377,196</u>	<u>\$ 25,468,223</u>	<u>156,506,300</u>	<u>\$ 21,945,453</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				<u>23,335,538</u>	
Net assets of business type activities				<u>\$179,841,838</u>	

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Enterprise Funds				
	Water and Sewer	Sanitation	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 33,780,980	\$ 12,014,863	\$ 1,475,450	\$ 47,271,293	\$ 8,653,867
Rents, concessions and other	107,573	10,613	1,296,353	1,414,539	258,784
Contributions	-	-	-	-	8,766,056
Total operating revenues	<u>33,888,553</u>	<u>12,025,476</u>	<u>2,771,803</u>	<u>48,685,832</u>	<u>17,678,707</u>
Operating expenses:					
Personnel services	8,174,973	3,416,845	1,266,632	12,858,450	1,993,968
Supplies and materials	2,402,376	265,868	621,766	3,290,010	2,934,463
Maintenance and repairs	1,999,917	419,279	438,665	2,857,861	1,522,513
Utilities and other services	5,138,515	3,495,963	367,882	9,002,360	128,922
Insurance and contract support	443,322	45,437	77,988	566,747	7,708,641
Other expenses	1,387,642	524,158	490,474	2,402,274	1,294,467
Depreciation and amortization	<u>5,096,664</u>	<u>128,670</u>	<u>478,509</u>	<u>5,703,843</u>	<u>3,184,781</u>
Total operating expenses	<u>24,643,409</u>	<u>8,296,220</u>	<u>3,741,916</u>	<u>36,681,545</u>	<u>18,767,755</u>
Operating income (loss)	<u>9,245,144</u>	<u>3,729,256</u>	<u>(970,113)</u>	<u>12,004,287</u>	<u>(1,089,048)</u>
Nonoperating revenues (expenses):					
Interest income	556,991	13,654	32,225	602,870	45,146
Gain/(loss) on sale/abandonment of capital assets	(111,479)	(20,415)	(49,376)	(181,270)	147,537
Interest expense and paying agent fees	(6,327,372)	-	-	(6,327,372)	-
Intergovernmental operating grants	-	-	1,142,191	1,142,191	-
Total nonoperating revenues (expenses)	<u>(5,881,860)</u>	<u>(6,761)</u>	<u>1,125,040</u>	<u>(4,763,581)</u>	<u>192,683</u>
Income (loss) before contributions and transfers	<u>3,363,284</u>	<u>3,722,495</u>	<u>154,927</u>	<u>7,240,706</u>	<u>(896,365)</u>
Capital contributions	189,114	-	267,829	456,943	-
Transfers in	169,823	520,554	5,859,827	6,550,204	4,283,460
Transfers out	<u>(1,469,942)</u>	<u>(4,583,264)</u>	<u>(565,503)</u>	<u>(6,618,709)</u>	<u>(312,000)</u>
Change in net assets	<u>2,252,279</u>	<u>(340,215)</u>	<u>5,717,080</u>	<u>7,629,144</u>	<u>3,075,095</u>
Net assets - beginning	<u>123,408,602</u>	<u>5,717,411</u>	<u>19,751,343</u>		<u>18,870,358</u>
Net assets - ending	<u>\$ 125,660,881</u>	<u>\$ 5,377,196</u>	<u>\$ 25,468,423</u>		<u>\$ 21,945,453</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				<u>3,433,304</u>	
Change in net assets of business type activities				<u>\$ 11,062,448</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, 2009**

	Enterprise Funds				
	Water and Sewer	Sanitation	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:					
Received from customers and users	\$ 33,543,707	\$ 11,784,604	\$ 3,004,194	\$ 48,332,505	\$ 18,446,825
Payments to suppliers	(11,618,863)	(5,157,282)	(2,234,238)	(19,010,383)	(15,579,480)
Payments to employees	(5,994,959)	(2,500,959)	(984,779)	(9,480,697)	(1,491,818)
Net cash provided by (used in) operating activities	<u>15,929,885</u>	<u>4,126,363</u>	<u>(214,823)</u>	<u>19,841,425</u>	<u>1,375,527</u>
Cash flows from noncapital financing activities:					
Intergovernmental operating grants	-	-	1,142,191	1,142,191	-
Interfund loan	-	-	(192,684)	(192,684)	12,064
Transfers in from other funds	169,823	520,554	5,859,827	6,550,204	4,283,460
Transfers out to other funds	(1,469,942)	(4,583,264)	(565,503)	(6,618,709)	(312,000)
Net cash provided (used) by noncapital financing activities	<u>(1,300,119)</u>	<u>(4,062,710)</u>	<u>6,243,831</u>	<u>881,002</u>	<u>3,983,524</u>
Cash flows from capital and related financing activities:					
Capital contributions	-	-	267,829	267,829	-
Acquisition and construction of capital assets	(14,019,670)	(840,714)	(5,354,188)	(20,214,572)	(5,890,593)
Proceeds from sale of capital assets	4,863	-	-	4,863	166,680
Principal paid on long-term debt	(5,195,161)	-	-	(5,195,161)	-
Interest and fees paid on long-term debt	(6,367,996)	-	-	(6,367,996)	-
Net cash provided by (used for) capital and related financing activities	<u>(25,577,964)</u>	<u>(840,714)</u>	<u>(5,086,359)</u>	<u>(31,505,037)</u>	<u>(5,723,913)</u>
Cash flows from investing activities:					
Interest on investments	<u>556,991</u>	<u>13,655</u>	<u>32,225</u>	<u>602,871</u>	<u>45,146</u>
Net cash provided by (used for) investing activities	<u>556,991</u>	<u>13,655</u>	<u>32,225</u>	<u>602,871</u>	<u>45,146</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(10,391,207)	(763,406)	974,874	(10,179,739)	(319,716)
Cash and Cash Equivalents - Beginning	<u>82,614,106</u>	<u>2,850,135</u>	<u>3,640,040</u>	<u>89,104,281</u>	<u>3,497,877</u>
Cash and Cash Equivalents - Ending	<u>\$ 72,222,899</u>	<u>\$ 2,086,729</u>	<u>\$ 4,614,914</u>	<u>\$ 78,924,542</u>	<u>\$ 3,178,161</u>
Reconciliation of cash and cash equivalents on the balance sheet to the statement of cash flows:					
Cash and cash equivalents	\$ 484,456	\$ 2,086,729	\$ 4,462,446	\$ 7,033,631	\$ 2,944,178
Restricted assets - cash and cash equivalents	<u>71,738,443</u>	<u>-</u>	<u>152,468</u>	<u>71,890,911</u>	<u>233,983</u>
Total cash and cash equivalents at end of year	<u>\$ 72,222,899</u>	<u>\$ 2,086,729</u>	<u>\$ 4,614,914</u>	<u>\$ 78,924,542</u>	<u>\$ 3,178,161</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, 2009**

	Enterprise Funds				
	Water and Sewer	Sanitation	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 9,245,144	\$ 3,729,256	\$ (970,113)	\$ 12,004,287	\$ (1,089,048)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,096,664	128,670	478,509	5,703,843	3,184,781
Customer deposits received	52,368	-	-	52,368	-
(Increase) decrease in current assets:					
Receivables:					
Customer and trade	(402,916)	(240,872)	3,068	(640,720)	-
Government agencies	-	-	230,898	230,898	-
Other	5,702	-	(1,375)	4,327	45,654
Inventory	33,442	-	18,016	51,458	78,011
Prepaid items	28,652	2,500	(2,268)	28,884	(906,361)
Other assets	-	-	2,000	2,000	-
Increase (decrease) in current liabilities:					
Accounts payable - trade	1,956,548	297,851	16,599	2,270,998	(589,737)
Accrued payroll	46,763	6,026	(295)	52,494	17,346
Accrued vacation and sick leave	15,754	3,639	(3,543)	15,850	13,881
Payable to other City funds	86,568	-	-	86,568	-
Estimated health claims payable	-	-	-	-	(101,464)
Payable to government agencies	-	2,521	13,881	16,402	-
Other liabilities	(234,804)	3,491	-	(231,313)	722,464
Estimated liability for landfill closure	-	193,281	-	193,281	-
Total adjustments	6,684,741	397,107	755,490	7,837,338	2,464,575
Net cash provided by (used in) operating activities	\$ 15,929,885	\$ 4,126,363	\$ (214,623)	\$ 19,841,625	\$ 1,375,527
Noncash capital and financing activities:					
Capital assets received from developers	\$ 189,114	\$ -	\$ -	\$ 189,114	\$ -

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 2009**

	Agency Fund
<b>Assets</b>	
Cash and cash equivalents	\$      308,461
<b>Liabilities</b>	
Other liabilities	\$      308,461

*See accompanying notes to the basic financial statements.*

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2009

### *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. 39, 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, 2009**

### *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 #1.* On March 18, 1986, 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 #1 (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 650 acres and includes the central business district 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, 1986, 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 terminated on December 31, 2008. 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 #1 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 #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.



# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

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

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 Assistant City Manager/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 Senior Accountant 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 assets 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.

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.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

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

#### *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, liabilities, 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 and the Sanitation 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.

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.

# **CITY OF WICHITA FALLS, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009**

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

The City reports the following major governmental fund:

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 water and sewer utility services 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.

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, and employee health and life insurance.

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.

GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Assets.

Private-sector standards of accounting and financial reporting (as issued by the Financial Accounting Standards Board) issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expense 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 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 government 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, 2009

### *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 assets or equity

##### 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 fixed 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.

##### 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 \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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, 2009

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

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

For business-like activities' capital assets, interest is capitalized on construction costs incurred during the year at an average interest rate on borrowed funds (revenue bonds) in accordance with generally accepted accounting principles.

For the fiscal year ended September 30, 2009, the City's business-like activities incurred a total of \$6,333,230 of interest costs. Of this amount, \$5,858 was capitalized on construction projects and \$6,327,372 was charged to expense.

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. Long-Term Obligations

Long-term debt and other obligations for general government purposes are recorded in the government-wide statement of net assets. 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.

#### 5. 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.

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.

# **CITY OF WICHITA FALLS, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009**

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

#### **6. Reserves and Designations**

Portions of fund equity are segregated for future use, and are therefore not available for future appropriation or expenditure. Amounts reserved for revenue bond debt service and retirement represent portions of fund equity which are required to be segregated in accordance with the City's bond ordinances. Amounts reserved for inventory and prepaid items have already been expended and represent a portion of the fund balance that is not available for future expenditures. Amounts reserved for encumbrances are commitments for materials and services on purchase orders and contracts which are unperformed.

Designations of unreserved fund balances in governmental funds indicate City management's tentative plans for use of financial resources in a future period.

#### **7. 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.

#### **8. Vacation and Sick Leave**

All full-time employees accumulate vacation benefits based on length of service up to 15 days per year. The maximum allowable accumulation is 30 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.

#### **9. 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.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

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

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 \$150,000. 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.

The City is also self-insured up to \$250,000 for workers' compensation claims. Such claims are processed by the City's risk management department. The City's estimated liability for workers' compensation claims payable at September 30, 2009 is based on management's estimate of probable losses in the amount of \$200,763. 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. \$78,403 is believed by City management to be currently payable from available resources and is recorded in the General Fund.

The following represents changes in the amount of claims liabilities for the City from October 1, 2007 to September 30, 2009:

	Health Care	Workers' Compensation
Liability balance, October 1, 2007	\$ 476,004	\$ 381,101
Incurred claims/adjustments	7,444,216	856,585
Claim payments	( 7,392,023)	( 914,909)
Liability balance, September 30, 2008	528,197	322,777
Incurred claims/adjustments	7,109,801	1,105,129
Claim payments	( 7,211,264)	( 1,227,143)
Liability balance, September 30, 2009	<u>\$ 426,734</u>	<u>\$ 200,763</u>

### Note 2 - COMPLIANCE AND ACCOUNTABILITY

#### Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions are reported below, along with actions taken to address such violations.

<u>Violation</u>	<u>Action Taken</u>
None	



# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### 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, 2009, the total amount of the City's demand and time deposits per the general ledger was \$1,559,279, and the total amount per the City's September 30, 2009 bank statements was \$2,076,569. 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 State statutes. 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, 2009 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	\$ 58,481,988	\$ 58,481,988	Not rated	1.00
LOGIC	46,838,832	46,838,832	Not rated	1.00
Money market account	<u>11,026,373</u>	<u>11,026,373</u>	Not rated	1.00
Total primary government investments	<u>116,347,193</u>	<u>116,347,193</u>		
Component Units:				
TexPool	<u>29,920,633</u>	<u>29,920,633</u>	Not rated	1.00
Total component unit investments	<u>29,920,633</u>	<u>29,920,633</u>		
Total investments	<u>\$146,267,826</u>	<u>\$146,267,826</u>		

TexPool is a public funds investment pool administered by the Treasurer of the State of Texas pursuant to the Interlocal Cooperation Act passed in 1989 by the 71st Texas Legislature. This Act authorized the City to delegate to TexPool the authority to make investment purchases and to hold legal title as custodian of the investment securities. All TexPool investments are in the possession of the Texas Treasury Safekeeping Trust Company and held in its book-entry safekeeping account at the Federal Reserve Bank of Dallas. The Texas Treasury Safekeeping Trust Company was created in 1986 by the 69th Texas Legislature to enable the Treasurer of the State of Texas to manage, safekeep, and invest public funds of state agencies and political subdivisions more efficiently and economically. The fair value of the City's position in TexPool is the same as the value of the pool shares.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

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

LOGIC was also established pursuant to the Interlocal Cooperation Act passed by the State of Texas and is administered by Southwest Securities Group, Inc. LOGIC's governing body is a five-member board of directors comprised of three government officials and two other persons with expertise in public finance. LOGIC's investments are only those authorized by the Texas Public Funds Investment Act governing pools for local governments. LOGIC presently offers two investment pools, each of which is separately managed and has a different investment objective. Each participating government owns an undivided beneficial interest in the assets of the pool represented by units. Participants may terminate their participation in LOGIC at any time by redeeming their units. The fair value of the City's position in LOGIC is the same as the value of the pool shares.

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.

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.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 4 - RECEIVABLES

Receivables at September 30, 2009 consist of the following:

	General	Nonmajor Governmental Funds	Water and Sewer	Sanitation	Nonmajor Enterprise Funds	Internal Service	Totals Primary Government	Component Units	Totals Reporting Entity
Receivables:									
Taxes and assessments	\$1,519,086	\$ 245,743	\$ -	\$ -	\$ -	\$ -	\$ 1,764,829	\$ -	\$ 1,764,829
Customer and trade	-	-	5,005,767	1,598,491	169,788	-	6,774,046	-	6,774,046
Other City funds	1,745,327	-	-	-	-	-	1,745,327	-	1,745,327
Government agencies	3,749,451	2,863,098	51,419	-	82,350	-	6,746,318	1,152,234	7,898,552
Other	<u>1,215,161</u>	<u>137,054</u>	<u>53,200</u>	<u>-</u>	<u>52,648</u>	<u>50,634</u>	<u>1,508,697</u>	<u>-</u>	<u>1,508,697</u>
Gross receivables	8,229,025	3,245,895	5,110,386	1,598,491	304,786	50,634	18,539,217	1,152,234	19,691,451
Less: Allowance for uncollectible accounts	<u>( 653,394)</u>	<u>( 58,006)</u>	<u>( 987,447)</u>	<u>( 332,530)</u>	<u>( 46,074)</u>	<u>-</u>	<u>( 2,077,451)</u>	<u>-</u>	<u>( 2,077,451)</u>
Net total receivables	<u>\$7,575,631</u>	<u>\$3,187,889</u>	<u>\$4,122,939</u>	<u>\$1,265,961</u>	<u>\$258,712</u>	<u>\$50,634</u>	<u>\$16,461,766</u>	<u>\$1,152,234</u>	<u>\$17,614,000</u>

There are no receivables, other than delinquent property taxes, that the City does not expect to collect within a year. The City expects to collect approximately \$300,000 of the \$1,651,057 total delinquent property taxes. 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, 2009

### *Note 5 - 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, 2009 was \$.59246 per \$100 which means that the City has a tax margin of \$1.65754 per \$100, and could raise up to \$73,443,209 additional tax revenue a year from the present assessed valuation of \$4,430,855,934 before the limit is reached.

### *Note 6 - RESTRICTED ASSETS*

Restricted assets in the Water and Sewer Fund, Municipal 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	\$12,958,909
For Capital Improvements:	
Cash and cash equivalents	<u>58,779,534</u>
Total	<u>\$71,738,443</u>

Municipal Airport restricted assets are comprised of the following:

For Passenger Fare Charges:	
Cash and cash equivalents	<u>\$ 152,468</u>

Internal Service Fund restricted assets are comprised of the following:

For Employee Insurance:	
Cash and cash equivalents	<u>\$ 233,983</u>

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 was as follows:

Governmental activities:	Balance October 1, 2008	Increases	Decreases	Balance September 30, 2009
Capital assets not being depreciated:				
Land	\$ 8,802,295	\$ 340,857	\$ -	\$ 9,143,152
Construction in progress	<u>8,287,642</u>	<u>5,326,413</u>	<u>7,014,395</u>	<u>6,599,660</u>
Total capital assets not being depreciated	<u>17,089,937</u>	<u>5,667,270</u>	<u>7,014,395</u>	<u>15,742,812</u>
Capital assets being depreciated:				
Land betterments	22,836,942	719,132	192,485	23,363,589
Buildings, systems and improvements	59,091,454	2,494,029	307,406	61,278,077
Infrastructure	144,538,907	10,205,859	1,896,249	152,848,517
Machinery and equipment	16,885,831	481,499	914,034	16,453,296
Furniture and fixtures	<u>213,647</u>	<u>-</u>	<u>7,955</u>	<u>205,692</u>
Total capital assets being depreciated	<u>243,566,781</u>	<u>13,900,519</u>	<u>3,318,129</u>	<u>254,149,171</u>
Less accumulated depreciation for:				
Land betterments	2,825,018	488,331	28,740	3,284,609
Buildings, systems and improvements	13,155,752	1,248,163	279,819	14,124,096
Infrastructure	79,703,066	2,851,808	1,458,123	81,096,751
Machinery and equipment	6,414,627	979,948	832,129	6,562,446
Furniture and fixtures	<u>200,016</u>	<u>2,968</u>	<u>7,954</u>	<u>195,030</u>
Total accumulated depreciation	<u>102,298,479</u>	<u>5,571,218</u>	<u>2,606,765</u>	<u>105,262,932</u>
Total capital assets being depreciated, net	<u>141,268,302</u>	<u>8,329,301</u>	<u>711,364</u>	<u>148,886,239</u>
Governmental activities capital assets, net	<u>\$158,358,239</u>	<u>\$13,996,571</u>	<u>\$7,725,759</u>	<u>\$164,629,051</u>

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 7 - CAPITAL ASSETS (CONT'D.)

Business-type activities:	Balance October 1, 2008	Increases	Decreases	Balance September 30, 2009
Capital assets not being depreciated:				
Land	\$ 8,465,722	\$ -	\$ -	\$ 8,465,722
Construction in progress	15,759,168	10,254,054	18,265,988	7,747,234
Total capital assets not being depreciated	<u>24,224,890</u>	<u>10,254,054</u>	<u>18,265,988</u>	<u>16,212,956</u>
Capital assets being depreciated:				
Land betterments	26,860,715	3,280,057	24,950	30,115,822
Buildings, systems and improvements	239,919,810	25,294,394	287,546	264,926,658
Machinery and equipment	6,725,105	431,747	409,487	6,747,365
Furniture and fixtures	44,227	-	-	44,227
Motor vehicles	41,578,080	5,852,569	3,587,831	43,842,818
Total capital assets being depreciated	<u>315,127,937</u>	<u>34,858,767</u>	<u>4,309,814</u>	<u>345,676,890</u>
Less accumulated depreciation for:				
Land betterments	11,294,068	506,782	4,011	11,796,839
Buildings, systems and improvements	74,506,460	4,785,823	171,730	79,120,553
Machinery and equipment	4,306,954	421,040	50,169	4,677,825
Furniture and fixtures	35,571	3,443	-	39,014
Motor vehicles	28,495,911	3,036,994	3,302,044	28,230,860
Total accumulated depreciation	<u>118,638,964</u>	<u>8,754,082</u>	<u>3,527,954</u>	<u>123,865,091</u>
Total capital assets being depreciated, net	<u>196,488,973</u>	<u>26,104,685</u>	<u>781,860</u>	<u>221,811,799</u>
Business-type activities capital assets, net	<u>\$220,713,863</u>	<u>\$36,358,739</u>	<u>\$19,047,848</u>	<u>\$238,024,755</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Administrative services	\$ 514,467
Police	689,010
Fire	140,521
Parks and recreation	224,077
Accounting/finance	148,852
Community development	15,809
Public works	2,658,130
Health	92,836
Traffic and transportation	270,540
Multi-Purpose Events Center	<u>816,976</u>
Total governmental depreciation	<u>\$5,571,218</u>

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 7 - CAPITAL ASSETS (CONT'D.)

Business-type activities:	
Municipal Airport	\$ 67,818
Kickapoo Airport	312,322
Transit	303,083
Sanitation	2,323,112
Water and sewer	5,606,700
Stormwater drainage	<u>80,923</u>
Total business-type depreciation	<u>\$8,693,958</u>

### Note 8 - PENSION PLANS

#### Texas Municipal Retirement System

##### Plan Description

The City provides pension benefits for all of its eligible employees, except firefighters, through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at [www.TMRS.org](http://www.TMRS.org).

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 10 or more years of service or with 25 years of service regardless of age. A member is vested after 10 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

# **CITY OF WICHITA FALLS, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009**

### *Note 8 - PENSION PLANS (CONT'D.)*

#### Contributions

The contribution rate for all employees is 5%, except police officers which is 7%, and the City matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. When the City periodically adopts updated service credits and increases in annuities in effect, the increased unfunded actuarial liability is to be amortized over a new 25-year period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2008 valuation is effective for rates beginning January 2010).

#### 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.

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 2.28% (2.10% prior to August 5, 1998) of the firefighter's highest three year average salary calculated over the seventy-eight consecutive pay periods during the firefighter's period of service covered by the Plan, which produces the highest average, multiplied by 2.167.

Members can receive a service retirement at ages 50 and above with 20 or more years of service. Members are eligible for actuarially reduced early retirement benefits before age 50, 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.



# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 8 - PENSION PLANS (CONT'D.)

#### Contributions

The contribution rate for the firefighters is 11% (increased from 9% effective August 5, 1998) and the City contributes 10.46% (increased from 9% effective September 26, 2001). 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 entry age actuarial cost method, the plan's normal cost is determined as a percentage of payroll. The actuarial assumptions included (a) 8% investment rate of return (net of administrative expenses, (b) projected salary increases due to inflation of 4.75% per year, compounded annually, and (c) projected salary increases due to seniority/merit raises of 4.75% per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008 was 24.8 years.

#### Schedule of Actuarial Liabilities and Funding Progress

	Texas Municipal Retirement System	Firemen's Relief and Retirement	Total
Actuarial Valuation Date	12/31/08	12/31/08 *	
Actuarial Value of Assets	\$ 68,910,226	\$39,358,309	\$108,268,535
Actuarial Accrued Liability (AAL)	122,001,202	41,639,485	163,640,687
Percentage Funded	56.5%	94.5%	63.2%
Unfunded Actuarial Accrued Liability (UAAL)	53,090,976	14,901,992	67,992,968
Annual Covered Payroll	38,272,312	8,915,419	47,187,731
UAAL as a Percentage of Covered Payroll	138.7%	167.1%	144.1%
Net Pension Obligation (NPO) at the Beginning of the Period	-0-	-0-	-0-
Annual Pension Cost:			
Annual Required Contribution (ARC)	\$ 4,997,318	\$ 973,378	\$ 5,970,696
Interest on NPO	-0-	-0-	-0-
Adjustment to the ARC	-0-	-0-	-0-
Annual Pension Cost	<u>\$ 4,997,318</u>	<u>\$ 973,378</u>	<u>\$ 5,970,696</u>

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 8 - PENSION PLANS (CONT'D.)

	Texas Municipal Retirement System	Firemen's Relief and Retirement	Total
Percentage of Annual Pension Costs Contributed	100%	105%	102%
Contributions Made	\$ 4,997,318	\$ 1,018,126	\$ 6,015,444
Increase in NPO	-0-	-0-	-0-
NPO At the End of the Period	-0-	-0-	-0-
Two preceding years:			
2007:			
Annual Pension Cost	\$ 4,599,517	\$ 1,014,374	\$ 5,613,891
Percentage of Annual Pension Costs Contributed	100%	100%	100%
NPO At the End of the Period	-0-	-0-	-0-
2006:			
Annual Pension Cost	\$ 4,268,611	\$ 836,038	\$ 5,104,649
Percentage of Annual Pension Costs Contributed	100%	100%	100%
NPO At the End of the Period	-0-	-0-	-0-

### Actuarial Assumptions

	Texas Municipal Retirement System	Firemen's Relief and Retirement
Actuarial Cost Method	Projected Unit Credit	Entry Age
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	29 Years	24.8 Years
Amortization Period	Closed	Closed
Asset Valuation Method	Amortized Cost	Smooth Market Value
Investment Rate of Return	7.5%	8%
Projected Salary Increases	Varies by Age & Service	4.75%
Includes Inflation at	3.0%	4.75%
Cost-of-Living Adjustments	2.1% (3.0% CPI)	None

Both of the stand-alone financial reports for the Texas Municipal Retirement System and Firemen's Relief and Retirement Fund can be obtained from the City's Director of Finance at 1300 7th Street, Wichita Falls, Texas.

A schedule of funding progress is presented as required supplementary information for both the Texas Municipal Retirement System and the Firemen's Relief and Retirement Fund. These schedules provide multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### 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.

#### Retiree Contributions Pre-Medicare Eligibility prior to 12/31/2008

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

	BC/BS <u>Core Plan</u>	BC/BS <u>Enhanced Plan</u>
Retiree Only (under 65)	\$160	\$260
Retiree Only (over 65)	N/A	N/A
Retiree/Spouse (both < 65)	\$300	\$460
Retiree/Spouse (both > 65)	N/A	N/A
Retiree/Spouse (1 >, 1 < 65)	\$265	\$425
Retiree/Child	\$275	\$435
Retiree/Family	\$340	\$540

Dental premiums are included in the under 65 premiums above.

#### Retiree Contributions Pre-Medicare Eligibility After 1/1/2009

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

	BC/BS <u>Core Plan</u>	BC/BS <u>Enhanced Plan</u>
Retiree Only (under 65)	\$171	\$278
Retiree Only (over 65)	N/A	N/A
Retiree/Spouse (both < 65)	\$321	\$492
Retiree/Spouse (both > 65)	N/A	N/A
Retiree/Spouse (1 >, 1 < 65)	\$496	\$603
Retiree/Child	\$294	\$465
Retiree/Family	\$364	\$578

Dental premiums are included in the under 65 premiums above.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

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

#### Retiree Contributions for Medicare Eligible Retirees

	Pre <u>12/31/2008</u>	Post <u>12/31/2008</u>
Retiree Only	\$69	\$75
Retiree and Spouse Both Medicare Eligible	\$140	\$150
Retiree Only – Retired Prior to 12/31/2008 But Not Medicare Eligible as of 12/31/2008	N/A	\$225
Retiree and Spouse Retired Prior to 12/31/2008 But Neither Medicare Eligible Pre 12/31/2008	N/A	\$550
Retiree Only – Active Prior to 12/31/2008 But Not Yet Medicare Eligible as of 12/31/2008	N/A	\$325
Retiree and Spouse Active Prior to 12/31/2008 But Neither Medicare Eligible Pre 12/31/2008	N/A	\$650

#### Benefits for Spouses of Retired Employees

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

#### Non-Medicare and Medicare-Eligible Provisions

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 already 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. Spouses currently covered in the health plan will also be eligible for the \$250 premium assistance.

For members 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. Spouses can participate in the Medicare subsidy program, but will receive no premium assistance.

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

#### Vision Coverage

There is no vision coverage provided.

#### 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 retiree or spouses on the Medicare supplement.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

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

#### Life Insurance Coverage

Life Insurance of \$7,500 is provided to each retiree. There is no Life coverage for spouses of retirees.

#### Funding Policy and Annual OPEB Cost

The City's annual other post-employment benefits (OPEB) cost is based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City has established a trust to fund the City's OPEB liability and intends on contributing quarterly installments to meet its obligation.

The City has its first OPEB actuarial valuation performed for the fiscal year ending September 30, 2009 as required by GASB. The City's OPEB cost for the current year is as follows:

Annual Required Contribution	\$2,351,119
Interest on OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense) end of year	2,351,119
Net estimated employer contributions	( 2,282,238)
Increase (decrease) in net OPEB obligation	68,881
Net OPEB obligation – beginning of year	-
Net OPEB obligation – end of year	<u>\$ 68,881</u>

#### Schedule of Actuarial Liabilities and Funding Status

Actuarial Valuation Date	12/31/08
Actuarial Value of Assets	\$ -
Actuarial Accrued Liabilities	\$32,143,378
Unfunded Actuarial Accrued Liability (UAAL)	\$32,143,378
Funded Ratio	0.00%
Annual Covered Payroll	N/A
UAAL as a Percentage of Annual Covered Payroll	N/A

#### Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the accrued liability.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

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

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

Investment Rate of Return	7.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of salary
Salary growth	3.0% per annum

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the profitability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### *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 Municipal Airport facilities are located on land at Sheppard Air Force Base. The land is leased from the Department of the Air Force at a cost of \$1.00 per year for a period of fifty years, beginning May 15, 2009 and expiring May 14, 2059. Additional rent is based on landing fees at a rate of \$1.8264 per scheduled landing. Landing fees collected and paid on this lease were \$11,528 for the fiscal year ended September 30, 2009.

### *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, 2009.

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, 2009:

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### *Note 12 - DESCRIPTION OF LEASING ARRANGEMENTS (CONT'D.)*

Year ending September 30:	
2010	\$238,412
2011	214,445
2012	171,025
2013	16,349
2014	<u>1,966</u>
Total minimum payments required	<u>\$642,197</u>

The total minimum payments do not include contingent rentals which may be paid under the airport lease based on the number of scheduled landings.

The following schedule shows the composition of total rental expenses for all operating leases for the year ended September 30, 2009:

Minimum rentals	\$264,978
Contingent rentals	<u>11,528</u>
Total rentals	<u>\$276,506</u>

### *Note 13 - LONG-TERM LIABILITIES*

Long-term liabilities transactions for the year ended September 30, 2009 are summarized as follows:

	Balance at October 1, 2008	Issued	Retired and Transferred (1)	Balance at September 30, 2009	Due Within One Year
<b><u>Governmental Activities:</u></b>					
General obligation bonds	\$ 6,480,000	\$ -	\$ 945,000	\$ 5,535,000	\$ 745,000
Combination tax and revenue bonds	23,867,228	10,820,000	1,162,502	33,524,726	1,536,038
Accrued vacation and sick leave payable	6,797,882	2,000,257	1,849,419	6,948,720	1,900,000
Claims and judgments payable	<u>322,777</u>	<u>1,105,129</u>	<u>1,227,143</u>	<u>200,763</u>	<u>78,403</u>
Total governmental activities	<u>37,467,887</u>	<u>13,925,386</u>	<u>5,184,064</u>	<u>46,209,209</u>	<u>4,259,441</u>
<b><u>Business-type Activities:</u></b>					
Utility system revenue bonds, net of premium (discount)	121,887,612	-	2,045,871	119,841,741	2,144,997
Combination tax and revenue bonds	24,479,232	-	3,474,464	21,004,768	3,580,730
Accrued vacation and sick leave payable	492,634	496,915	467,911	521,638	500,000
Note payable	670,537	-	30,161	640,376	31,142
Capital lease payable	-	916,548	194,084	722,464	172,843
Landfill closure, post-closure costs	<u>3,025,098</u>	<u>193,281</u>	<u>-</u>	<u>3,218,379</u>	<u>-</u>
Total business-type activities	<u>150,555,113</u>	<u>1,606,744</u>	<u>6,212,491</u>	<u>145,949,366</u>	<u>6,429,712</u>
Total long-term liabilities	<u>\$188,023,000</u>	<u>\$15,532,130</u>	<u>\$11,396,555</u>	<u>\$192,158,575</u>	<u>\$10,689,153</u>

(1) Includes bond premium amortization of \$42,502 related to the combination tax and revenue bonds (governmental activities), \$111,871 related to revenue bonds, and \$244,464 related to the combination tax and revenue bonds (business-type activities).

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 13 - LONG-TERM LIABILITIES (CONT'D.)

The portion of long-term liabilities due within one year as reflected on Exhibit A-1 includes \$411,978 and \$1,046,493 of accrued interest in governmental activities and business-type activities, respectively.

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

#### Bonds Payable

Bonds payable at September 30, 2009, including net unamortized premium on the revenue bonds, 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 9/30/09</u>
General Obligation Bonds:					
General Obligation Construction and Refunding Bonds, Series 2001	3.75% - 5.375%	9/01/21	\$175,000 to \$945,000	\$10,205,000	\$ 5,535,000
Total General Obligation Bonds					<u>5,535,000</u>
Combination Tax and Revenue Bonds:					
Combination Tax and Revenue Certificates of Obligation, Series 2003	3.00% - 4.00%	9/01/18	\$335,000 to \$775,000	7,550,000	3,450,000
Combination Tax and Revenue Refunding Bonds, Series 2004 Plus bond premium	2.00% - 5.00%	8/01/12	\$685,000 to \$3,645,000	18,840,000	10,520,000 226,615
Combination Tax and Revenue Refunding Bonds, Series 2005 Plus bond premium	4.90% - 5.00%	8/01/16	\$115,000 to \$2,650,000	14,020,000	9,700,000 558,154
Combination Tax and Revenue Certificates of Obligation, Series 2006A Plus bond premium	3.55% - 5.00%	9/01/26	\$580,000 to \$1,225,000	16,875,000	14,985,000 348,958
Combination Tax and Revenue Certificates of Obligation, Series 2006B Plus bond premium	5.20% - 6.25%	9/01/26	\$130,000 to \$345,000	4,275,000	3,840,000 80,768
Combination Tax and Revenue Certificates of Obligation, Series 2009	2.25% - 4.75%	10/01/28	\$340,000 to \$780,000	10,820,000	<u>10,820,000</u>
Total Combination Tax and Revenue Bonds					<u>54,529,495</u>



# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 13 - LONG-TERM LIABILITIES (CONT'D.)

	Range of Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding at 9/30/09
Revenue Bonds:					
Water and Sewer Revenue Bonds:					
Water & Sewer System Priority Lien Revenue Bonds, Series 1998B	4.05% - 4.65%	8/01/18	\$180,000 to \$400,000	5,500,000	3,035,000
Water & Sewer System Priority Lien Revenue Bonds, Series 2001 Plus bond premium	3.75% - 5.375%	8/01/12	\$1,220,000 to \$11,515,000	118,770,000	4,650,000  967,584
Water & Sewer Subordinate Lien Revenue Bonds, Series 1998	3.14% - 4.59%	8/01/18	\$25,000 to \$3,320,000	8,060,000	7,785,000
Water & Sewer System Priority Lien Refunding Revenue Bonds, Series 2007 Plus bond premium	4.00% - 4.50%	8/01/27	\$225,000 to \$11,070,000	103,495,000	103,040,000  <u>364,157</u>
Total Revenue Bonds					<u>119,841,741</u>
Total All Bonds					<u>\$179,906,236</u>

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, 2009, \$435,599 was available in this fund to service these bonds.

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 2003 Certificates will be serviced by the Debt Service Fund by contributions from the Wichita Falls 4B Economic Development Corporation. The Series 2004 and the Series 2005 Certificates will be serviced by the net revenues of the Water and Sewer Fund.

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.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 13 - LONG-TERM LIABILITIES (CONT'D.)

#### 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, 2009 is classified as follows:

Long-term	\$609,234
Current portion	<u>31,142</u>
Total	<u>\$640,376</u>

#### Capital Lease Payable

The City issued a capital lease on March 30, 2009 for the purchase of a fire ladder truck in the amount of \$916,548 which is the total amount of the City's assets acquired under capital lease. This asset is listed under "Motor Vehicles" in the business-type activities. The lease carries an interest rate of 2.94% and is due in five annual installments of \$194,084, with final payment due on March 30, 2013. The capital lease is recorded in the Fleet Maintenance Internal Service Fund and is included in the business-type activities of the government-wide statements.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 13 - LONG-TERM LIABILITIES (CONT'D.)

Aggregate maturities of the long-term debt (principal and interest) for the years subsequent to September 30, 2009 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
2010	\$ 745,000	\$ 273,650	\$ 5,116,768	\$ 2,180,833	\$ 2,144,997	\$ 5,259,841	\$ 31,142	\$ 20,831	\$172,843	\$21,240	\$ 8,210,750	\$ 7,756,395
2011	340,000	241,988	5,326,926	1,946,018	2,223,966	5,170,244	32,155	19,818	177,925	16,159	8,100,972	7,394,227
2012	355,000	227,112	5,496,768	1,782,052	2,312,897	5,076,814	33,201	18,772	183,156	10,928	8,381,022	7,115,678
2013	370,000	210,694	4,076,402	1,586,444	4,076,664	4,970,994	34,261	17,692	188,540	5,543	8,745,887	6,791,367
2014	385,000	193,581	4,141,868	1,438,523	4,208,431	4,809,004	35,397	16,577	-	-	8,770,696	6,457,685
2015-2019	2,255,000	652,981	14,359,610	5,033,984	32,556,804	20,867,747	195,022	64,846	-	-	49,366,436	26,619,558
2020-2024	1,085,000	84,050	9,379,853	2,877,024	46,791,161	12,195,450	228,875	30,994	-	-	57,484,889	15,187,518
2025-2027	-	-	6,631,300	665,748	25,526,821	1,988,100	50,303	1,636	-	-	32,208,424	2,655,464
Totals	\$5,535,000	\$1,884,056	\$54,529,495	\$17,510,626	\$119,841,741	\$60,338,194	\$640,376	\$191,166	\$722,464	\$53,870	\$181,269,076	\$79,977,912

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### *Note 14 - DEFEASED DEBT*

#### Prior Year

In prior years, the City defeased certain outstanding revenue bonds by placing the proceeds of new bonds and additional cash in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust escrow accounts and the defeased bonds are not included in the City's financial statements. At September 30, 2009, \$98,390,000 of the 2001 Water and Sewer System Priority Lien Revenue Bonds are considered defeased.

### *Note 15 - 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 \$3,218,379 as of September 30, 2009, which is based on 15% usage of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$16,354,241 as the remaining estimated capacity is filled. The landfill is expected to be filled to capacity in 2153. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

### *Note 16 - INTERFUND BALANCES*

Balances due to and due from other funds at September 30, 2009 consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$1,630,658	Short-term loan
General Fund	Water and Sewer Fund	102,605	Short-term loan
General Fund	Internal Service Funds	<u>12,064</u>	Short-term loan
	Total	<u>\$1,745,327</u>	

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

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### *Note 16 - INTERFUND BALANCES (CONT'D.)*

Transfers to and from other funds during the year ended September 30, 2009 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Nonmajor Governmental Funds	\$ 379,129	Supplement operating deficits
General Fund	Nonmajor Enterprise Funds	185,041	Supplement operating grants
General Fund	Nonmajor Governmental Funds	70,448	Supplement operating grants
General Fund	Internal Service Fund	200,488	Purchase capital assets
General Fund	Sanitation Fund	520,554	Supplement operating deficits
Nonmajor Governmental Funds	Nonmajor Governmental Funds	364,711	Fund debt service payment
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,388,427	Fund operating deficits
Nonmajor Governmental Funds	Nonmajor Governmental Funds	7,614	Supplement other sources
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	1,772,974	Purchase capital assets
Nonmajor Governmental Funds	Internal Service Funds	431,434	Purchase capital assets
Nonmajor Governmental Funds	General Fund	40,809	Supplement other sources
Nonmajor Governmental Funds	Water and Sewer Fund	169,823	Fund construction projects
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	3,901,812	Fund construction projects
Water and Sewer Fund	General Fund	750,799	Administrative overhead
Water and Sewer Fund	Nonmajor Governmental Funds	500,000	Fund debt service payment
Water and Sewer Fund	Internal Service Funds	219,143	Purchase capital assets
Sanitation Fund	General Fund	1,150,869	Administrative overhead
Sanitation Fund	Internal Service Funds	3,432,395	Purchase capital assets
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	114,480	Supplement operating grant
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	451,023	Fund debt service payment
Internal Service Funds	General Fund	<u>312,000</u>	Administrative overhead
Total		<u>\$16,363,973</u>	

### *Note 17 - COMMITMENTS AND CONTINGENCIES*

#### Litigation

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

#### Accrued Vacation and Sick Leave

The City's liability for accrued vacation and sick leave excluding the amount recorded in the proprietary funds was \$6,948,720 at September 30, 2009. This accrual is recorded as a long-term liability in the Government-wide Statement of Net Assets.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### Note 17 - COMMITMENTS AND CONTINGENCIES (CONT'D.)

#### 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, 2009 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, 2009, the City was committed to various contracts. The amounts for which the various funds are committed to complete these contracts are as follows:

General Fund	\$ 794,429
Nonmajor Governmental Funds	8,017,171
Water and Sewer Fund	41,519,087
Sanitation Fund	371,545
Nonmajor Enterprise Funds	<u>1,448,652</u>
Total contract commitments	<u>\$52,150,884</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.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009

### *Note 18 - CONDENSED FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS*

The City has four component units that are discretely presented in the City's basic financial statements. Condensed financial information for the year ended September 30, 2009 is as follows:

	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #1	Wichita Falls Reinvestment Zone #2	Totals
Condensed statement of net assets:					
Cash, investments and other					
current assets	\$24,074,665	\$5,388,724	\$ -	\$ -	\$29,463,389
Capital assets, net of accumulated					
depreciation	<u>2,359,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,359,985</u>
Total assets	<u>26,434,650</u>	<u>5,388,724</u>	<u>-</u>	<u>-</u>	<u>31,823,374</u>
Accounts payable and other					
current liabilities	<u>6,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,347</u>
Total liabilities	<u>6,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,347</u>
Net assets	<u>\$26,428,303</u>	<u>\$5,388,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$31,817,027</u>
Condensed statement of activities:					
Expenses:					
Community development	<u>\$ 1,727,444</u>	<u>\$3,718,730</u>	<u>\$121,378</u>	<u>\$241,072</u>	<u>\$ 5,808,624</u>
Program revenues:					
Charges for services	106,800	-	-	-	106,800
Operating grants and contributions	<u>-</u>	<u>241,072</u>	<u>-</u>	<u>-</u>	<u>241,072</u>
Total program revenues	<u>106,800</u>	<u>241,072</u>	<u>-</u>	<u>-</u>	<u>347,872</u>
Net program expense	<u>( 1,620,644)</u>	<u>( 3,477,658)</u>	<u>( 121,378)</u>	<u>( 241,072)</u>	<u>( 5,460,752)</u>
General revenues:					
Tax revenues	3,408,651	3,408,651	-	229,939	7,047,241
Non-tax general revenues	<u>186,200</u>	<u>52,710</u>	<u>8,244</u>	<u>555</u>	<u>247,709</u>
Total general revenues and transfers	<u>3,594,851</u>	<u>3,461,361</u>	<u>8,244</u>	<u>230,494</u>	<u>7,294,950</u>
Change in net assets	1,974,207	( 16,297)	( 113,134)	( 10,578)	1,834,198
Beginning net assets	<u>24,454,096</u>	<u>5,405,021</u>	<u>113,134</u>	<u>10,578</u>	<u>29,982,829</u>
Ending net assets	<u>\$26,428,303</u>	<u>\$5,388,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$31,817,027</u>

# **CITY OF WICHITA FALLS, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2009**

### *Note 19 - SUBSEQUENT EVENTS*

#### Purchase of Castaway Cove Water Park

In November 2009, the City approved an offer of \$3,900,000 to purchase the Castaway Cove Water Park and 49 acres of adjacent land. The City officially purchased the park on February 4, 2010 and subsequently entered into a contract with a third party to manage the park.

In January 2010, the City approved the issuance of Combination Tax and Revenue Certificates of Obligation, Taxable Series 2010, in the amount of \$3,930,000. The proceeds will be used to acquire and make improvements to Castaway Cove Water Park and acquire approximately 49 acres of land adjacent to the park for public recreation purposes. The bonds are to be repaid over 15 years and carry an interest rate of 5.60%.

#### Worker's Compensation Program

In November 2009, the City approved a contract for third party administration of the City's Worker's Compensation Program. This agreement begins December 1, 2009 and ends on November 30, 2012.

### *Note 20 - PRIOR PERIOD ADJUSTMENT*

During the year ended September 30, 2009, the City discovered an error in the amount of grant receivable that had been recorded in the prior year related to the Airport Improvement Grant. The correction of this error resulted in a \$314,802 reduction in beginning net assets in Governmental Activities in the government-wide statements and in the beginning fund balance of Other Governmental Funds in the fund-level financial statements.



***REQUIRED SUPPLEMENTARY INFORMATION***

# CITY OF WICHITA FALLS, TEXAS

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 54,202,955	\$ 54,202,955	\$ 53,371,597	\$ (831,358)
Charges for services	2,812,165	2,812,165	2,806,223	(5,942)
Licenses and permits	2,155,305	2,155,305	1,887,434	(267,871)
Fines and forfeitures	2,008,406	2,008,406	1,800,057	(208,349)
Intergovernmental revenue	35,500	35,500	54,409	18,909
Contributions	-	-	230,964	230,964
Miscellaneous revenue	1,158,786	1,158,786	1,047,597	(111,189)
Total revenues	<u>62,373,117</u>	<u>62,373,117</u>	<u>61,198,281</u>	<u>(1,174,836)</u>
Expenditures:				
Current:				
Administrative services	10,165,835	9,979,375	9,647,055	332,320
Police	20,182,566	19,946,962	19,693,683	253,279
Fire	12,623,513	12,819,453	12,801,912	17,541
Parks and recreation	4,876,382	5,406,808	5,073,828	332,980
Accounting/finance	2,190,110	2,370,335	2,327,608	42,727
Community development	1,759,589	1,925,307	1,798,241	127,066
Public works	5,296,663	5,287,130	5,200,391	86,739
Health	3,147,008	3,145,308	2,992,015	153,293
Traffic and transportation	2,238,840	2,199,736	2,156,060	43,676
Capital outlay	2,813,993	4,378,138	3,051,918	1,326,220
Total expenditures	<u>65,294,499</u>	<u>67,458,552</u>	<u>64,742,711</u>	<u>2,715,841</u>
Excess of revenues over (under) expenditures	<u>(2,921,382)</u>	<u>(5,085,435)</u>	<u>(3,544,430)</u>	<u>1,541,005</u>
Other financing sources (uses):				
Transfers in	2,330,159	2,330,159	2,254,477	(75,682)
Transfers out	<u>(305,282)</u>	<u>(1,155,236)</u>	<u>(1,355,660)</u>	<u>(200,424)</u>
Total other financing sources (uses)	<u>2,024,877</u>	<u>1,174,923</u>	<u>898,817</u>	<u>(276,106)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(896,505)</u>	<u>(3,910,512)</u>	<u>(2,645,613)</u>	<u>1,264,899</u>
Fund balance - beginning	<u>17,187,268</u>	<u>17,187,268</u>	<u>17,187,268</u>	<u>-</u>
Fund balance - ending	<u>\$ 16,290,763</u>	<u>\$ 13,276,756</u>	<u>\$ 14,541,655</u>	<u>\$ 1,264,899</u>

# **CITY OF WICHITA FALLS, TEXAS**

## **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2009**

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 \$2,164,053 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.

## CITY OF WICHITA FALLS, TEXAS

### TEXAS MUNICIPAL RETIREMENT SYSTEM - ANALYSIS OF FUNDING PROGRESS - LAST TEN PLAN YEARS (UNAUDITED)\*

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded (1) ÷ (2)	Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (4) ÷ (5)
12/31/99	\$ 58,074,582	\$ 76,394,376	76.0%	\$ 18,319,794	\$ 26,932,278	68.0%
12/31/00	62,462,023	82,680,887	75.5%	20,218,864	27,754,660	72.8%
12/31/01	66,919,614	88,721,318	75.4%	21,801,704	29,061,189	75.0%
12/31/02	69,770,838	93,176,395	74.9%	23,405,557	31,065,101	75.3%
12/31/03	72,469,506	98,017,025	73.9%	25,547,519	31,516,130	81.1%
12/31/04	70,462,244	98,405,860	71.6%	27,943,616	33,522,283	83.4%
12/31/05	71,393,893	101,093,789	70.6%	29,699,896	32,846,479	90.4%
12/31/06	69,201,457	100,991,795	68.5%	31,790,338	33,791,762	94.1%
12/31/07 (1)	70,561,545	120,374,701	58.6%	49,813,156	35,873,970	138.9%
12/31/08	68,910,226	122,001,202	56.5%	53,090,976	38,272,312	138.7%

Analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the City's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the pension plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the City's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the pension plan.

\* This City retirement plan is substantially a defined contribution plan. These voluntary disclosures, similar to the disclosures required for a defined benefit plan, are provided for additional analysis of the plan.

(1) TMRS made changes to both the actuarial funding method and actuarial assumptions for the 2007 valuation.

# CITY OF WICHITA FALLS, TEXAS

## WICHITA FALLS FIREMEN'S RELIEF AND RETIREMENT FUND - ANALYSIS OF FUNDING PROGRESS (UNAUDITED)

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded (1) ÷ (2)	Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (4) ÷ (5)
12/31/98 (a)	\$ 19,916,831	\$ 25,193,592	79.1%	\$ 5,276,761	\$ 4,712,854	112.0%
12/31/99 (a)	-	-	-	-	-	-
12/31/00	26,930,018	31,419,892	85.7%	4,489,874	5,858,962	76.6%
12/31/01 (a)	-	-	-	-	-	-
12/31/02 (b)	27,439,565	37,003,896	74.2%	9,564,331	6,609,807	144.7%
12/31/03 (a)	-	-	-	-	-	-
12/31/04 (b)	32,240,524	42,178,490	76.4%	9,937,966	7,175,196	138.5%
12/31/05 (a)	-	-	-	-	-	-
12/31/06 (b)	35,584,639	47,582,190	74.8%	11,997,551	7,697,370	155.9%
12/31/07 (a)	-	-	-	-	-	-
12/31/08 (b)	39,358,309	54,260,301	72.5%	14,901,992	8,915,419	167.1%

Analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the City's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the pension plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the City's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the pension plan.

- (a) Historical trend information is presented for as many years as such information about the plan is available. No actuarial valuation or update was performed as of these dates. Texas state law does not require an actuarial valuation to be completed annually.
- (b) For the 2002, 2004, 2006 and 2008 valuations, retirement was assumed to occur once a member both attained age 57 and completed 20 years of service. In prior years, retirement was assumed to occur at age 55 and 20 years of service. There were no changes made in actuarial methods.

## CITY OF WICHITA FALLS, TEXAS

### WICHITA FALLS RETIREE HEALTH CARE PLAN - ANALYSIS OF FUNDING PROGRESS (UNAUDITED)

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded (1) ÷ (2)	Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (4) ÷ (5)
12/31/06 (a)	\$ -	\$ 29,656,852	0.0%	\$ 29,656,852	N/A	N/A
12/31/07 (b)	-	-	-	-	-	-
12/31/08	-	32,143,378	0.0%	32,143,378	N/A	N/A

Analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the City's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the City's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

- (a) The first actuarial valuation was performed as of December 31, 2006 as the City began to prepare for the implementation of GASB 45.
- (b) Historical trend information is presented for as many years as such information about the plan is available. No actuarial valuation or update was performed as of these dates. Texas state law does not require an actuarial valuation to be completed annually.

## ***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 legally restricted to be expended for specified 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 Fund accounts for federal funds received to make capital improvements to the Kickapoo Downtown Airport.

### 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.



# CITY OF WICHITA FALLS, TEXAS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2009

	Special Revenue					
	Community Development Block Grant	Section 8 Housing	Home Investment Partnership Agreement	Hotel/ Motel Tax	Airport Improvement Grant	Golf Fund
<u>ASSETS</u>						
Cash and cash equivalents	\$ 50	\$ 2,343,390	\$ 14,622	\$ -	\$ -	\$ 37,664
Receivables:						
Taxes and assessments	-	-	-	113,773	-	-
Government agencies	1,339,990	-	514,335	-	202,172	-
Other	-	10,224	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	5,747
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 1,340,040</u>	<u>\$ 2,353,614</u>	<u>\$ 528,957</u>	<u>\$ 113,773</u>	<u>\$ 202,172</u>	<u>\$ 43,411</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable - trade	\$ 31,835	\$ 329	\$ 27,882	\$ -	\$ 46,765	\$ 148,226
Accrued payroll	9,593	12,496	3,413	-	-	-
Payable to other City funds	246,667	-	-	113,773	85,038	-
Payable to government agencies	-	84,682	-	-	-	-
Other liabilities	-	(164)	44,744	-	14,241	(136,596)
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>288,095</u>	<u>97,343</u>	<u>76,039</u>	<u>113,773</u>	<u>146,044</u>	<u>11,630</u>
Fund balance:						
Reserved for encumbrances	38,891	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-
Reserved for perpetual care	-	-	-	-	-	-
Unreserved:						
Designated for subsequent years expenditures	1,013,054	2,256,271	452,918	-	56,128	31,781
Undesignated	-	-	-	-	-	-
Total fund balance	<u>1,051,945</u>	<u>2,256,271</u>	<u>452,918</u>	<u>-</u>	<u>56,128</u>	<u>31,781</u>
Total liabilities and fund balance	<u>\$ 1,340,040</u>	<u>\$ 2,353,614</u>	<u>\$ 528,957</u>	<u>\$ 113,773</u>	<u>\$ 202,172</u>	<u>\$ 43,411</u>

MPEC Fund	Miscellaneous Special Revenue	Debt Service		Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
		Debt Service	Excess Sales Tax	4B Sales Tax Projects	2006-A Bond Fund	Miscellaneous Capital Projects	Perpetual Care	
\$ 94,374	\$ 1,812,526	\$ -	\$ 788,255	\$ 1,357,674	\$ 4,249,661	\$ 10,067,069	\$ 882,711	\$ 21,647,996
-	-	73,964	-	-	-	-	-	187,737
-	795,574	11,027	-	-	-	-	-	2,863,098
126,011	819	-	-	-	-	-	-	137,054
76,007	-	-	-	-	-	-	-	76,007
16,321	28	635,249	-	-	-	-	-	657,345
44,503	3,000	-	-	-	-	-	-	47,503
<u>\$ 357,216</u>	<u>\$ 2,611,947</u>	<u>\$ 720,240</u>	<u>\$ 788,255</u>	<u>\$ 1,357,674</u>	<u>\$ 4,249,661</u>	<u>\$ 10,067,069</u>	<u>\$ 882,711</u>	<u>\$ 25,616,740</u>
\$ 132,923	\$ 110,926	\$ -	\$ -	\$ 14,563	\$ 401,371	\$ 86,833	\$ -	\$ 1,001,653
72,027	74,675	-	-	-	-	-	-	172,204
-	1,019,368	165,812	-	-	-	-	-	1,630,658
5,761	2,754	-	-	-	-	-	-	93,197
178,590	308,724	36,906	-	-	93,850	32,857	-	573,152
-	37,236	81,923	-	-	-	-	-	119,159
389,301	1,553,683	284,641	-	14,563	495,221	119,690	-	3,590,023
-	28,204	-	-	-	2,850,276	1,230,684	-	4,148,055
-	-	435,599	788,255	-	-	-	-	1,223,854
-	-	-	-	-	-	-	882,711	882,711
(32,085)	1,029,084	-	-	1,343,111	904,164	8,716,695	-	15,771,121
-	976	-	-	-	-	-	-	976
(32,085)	1,058,264	435,599	788,255	1,343,111	3,754,440	9,947,379	882,711	22,026,717
<u>\$ 357,216</u>	<u>\$ 2,611,947</u>	<u>\$ 720,240</u>	<u>\$ 788,255</u>	<u>\$ 1,357,674</u>	<u>\$ 4,249,661</u>	<u>\$ 10,067,069</u>	<u>\$ 882,711</u>	<u>\$ 25,616,740</u>

## **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.

## **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.

### 2006-A Bond Fund

This fund was established to account for projects financed by the Combination Tax and Revenue Certificates of Obligation, Series 2006A. These funds will be used for street and drainage improvements, a police firing range, the construction of a new fire station, four softball fields, and a skate park.

### 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 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue					
	Community Development Block Grant	Section 8 Housing	Home Investment Partnership Agreement	Hotel/ Motel Tax	Airport Improvement Grant	Golf Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 1,467,473	\$ -	\$ -
Charges for services	29,721	-	-	-	-	505,064
Fines and forfeitures	-	-	-	-	-	-
Intergovernmental revenue	1,404,776	2,968,166	498,812	-	1,631,108	-
Contributions	-	-	-	-	-	-
Miscellaneous revenue	-	32,043	26,000	-	-	373,710
Total revenues	<u>1,434,497</u>	<u>3,000,209</u>	<u>524,812</u>	<u>1,467,473</u>	<u>1,631,108</u>	<u>878,774</u>
Expenditures:						
Current:						
Administrative services	150,375	-	-	86,499	-	1,179,661
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Parks and recreation	40,349	-	-	-	-	-
Community development	805,948	3,594,743	911,412	-	-	-
Public works	150,000	-	-	-	-	-
Health	-	-	-	-	-	-
Traffic and transportation	-	-	-	-	12,235	-
Multi-Purpose Events Center	-	-	-	-	-	-
Capital outlay	225,861	-	-	-	-	5,307
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-
Total expenditures	<u>1,372,533</u>	<u>3,594,743</u>	<u>911,412</u>	<u>86,499</u>	<u>12,235</u>	<u>1,184,968</u>
Excess of revenues over (under) expenditures	<u>61,964</u>	<u>(594,534)</u>	<u>(386,600)</u>	<u>1,380,974</u>	<u>1,618,873</u>	<u>(306,194)</u>
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	114,058	306,194
Transfers out	-	-	-	(1,388,427)	(1,772,552)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,388,427)</u>	<u>(1,658,494)</u>	<u>306,194</u>
Net change in fund balance	61,964	(594,534)	(386,600)	(7,453)	(39,621)	-
Fund balance - beginning	989,981	2,850,805	839,518	7,453	410,551	31,781
Prior period adjustment	-	-	-	-	(314,802)	-
Fund balance - ending	\$ 1,051,945	\$ 2,256,271	\$ 452,918	\$ -	\$ 56,128	\$ 31,781

MPEC Fund	Miscellaneous Special Revenue	Debt Service		Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
		Debt Service	Excess Sales Tax	4B Sales Tax Projects	2006-A Bond Fund	Miscellaneous Capital Projects	Perpetual Care	
\$ -	\$ -	\$ 913,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,381,385
182,600	166,109	-	-	-	-	-	-	883,494
-	170,555	-	-	-	-	-	-	170,555
-	2,730,100	-	-	-	-	-	-	9,232,962
-	163,899	1,112,118	-	1,727,778	-	-	-	3,003,795
1,606,668	473,168	6,665	8,559	-	126,853	48,725	54,450	2,756,841
1,789,268	3,703,831	2,032,695	8,559	1,727,778	126,853	48,725	54,450	18,429,032
-	251,761	-	-	-	-	-	-	1,668,296
-	176,990	-	-	165,630	145,847	-	-	488,467
-	27,498	-	-	-	3,773	-	-	31,271
-	207,527	-	-	-	-	26,338	109,368	383,582
-	323,273	-	-	-	-	-	-	5,635,376
-	15,130	-	-	-	14,395	72,256	-	251,781
-	1,804,198	-	-	-	-	154,000	-	1,958,198
-	124,595	-	-	-	-	-	-	136,830
3,208,713	-	-	-	-	-	-	-	3,208,713
11,549	344,025	-	-	1,681,633	4,781,122	1,987,513	-	9,037,010
-	-	2,065,000	-	-	-	-	-	2,065,000
-	-	1,364,831	-	-	-	-	-	1,364,831
3,220,262	3,274,997	3,429,831	-	1,847,263	4,945,137	2,240,107	109,368	26,229,355
(1,430,994)	428,834	(1,397,136)	8,559	(119,485)	(4,818,284)	(2,191,382)	(54,918)	(7,800,323)
-	-	-	-	-	-	10,840,779	-	10,840,779
1,430,994	108,852	1,315,734	-	-	-	-	-	3,275,832
-	(851,884)	-	(364,711)	-	(2,008,174)	(1,691,857)	-	(8,077,605)
1,430,994	(743,032)	1,315,734	(364,711)	-	(2,008,174)	9,148,922	-	6,039,006
-	(314,198)	(81,402)	(356,152)	(119,485)	(6,826,458)	6,957,540	(54,918)	(1,761,317)
(32,085)	1,372,462	517,001	1,144,407	1,462,596	10,580,898	2,989,839	937,629	24,102,836
-	-	-	-	-	-	-	-	(314,802)
\$ (32,085)	\$ 1,058,264	\$ 435,599	\$ 788,255	\$ 1,343,111	\$ 3,754,440	\$ 9,947,379	\$ 882,711	\$ 22,026,717

# CITY OF WICHITA FALLS, TEXAS

## BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT BLOCK GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 29,721	\$ 29,721
Intergovernmental revenue	1,620,776	1,620,776	1,404,776	(216,000)
Total revenues	<u>1,620,776</u>	<u>1,620,776</u>	<u>1,434,497</u>	<u>(186,279)</u>
Expenditures:				
Administrative services	150,000	366,066	150,375	215,691
Parks and recreation	57,821	73,963	40,349	33,614
Community development	1,262,295	1,480,137	805,948	674,189
Public works	150,660	150,000	150,000	-
Capital outlay	-	310,170	225,861	84,309
Total expenditures	<u>1,620,776</u>	<u>2,380,336</u>	<u>1,372,533</u>	<u>1,007,803</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(759,560)</u>	<u>61,964</u>	<u>821,524</u>
Fund balance - beginning	<u>989,981</u>	<u>989,981</u>	<u>989,981</u>	<u>-</u>
Fund balance - ending	<u>\$ 989,981</u>	<u>\$ 230,421</u>	<u>\$ 1,051,945</u>	<u>\$ 821,524</u>

# CITY OF WICHITA FALLS, TEXAS

## BUDGETARY COMPARISON SCHEDULE - SECTION 8 HOUSING FUND FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 3,689,112	\$ 3,689,112	\$ 2,968,166	\$ (720,946)
Miscellaneous revenue	-	-	32,043	32,043
Total revenues	<u>3,689,112</u>	<u>3,689,112</u>	<u>3,000,209</u>	<u>(688,903)</u>
Expenditures:				
Community development	3,687,512	3,687,512	3,594,743	92,769
Capital outlay	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total expenditures	<u>3,689,112</u>	<u>3,689,112</u>	<u>3,594,743</u>	<u>94,369</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(594,534)</u>	<u>(594,534)</u>
Fund balance - beginning	<u>2,850,805</u>	<u>2,850,805</u>	<u>2,850,805</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,850,805</u>	<u>\$ 2,850,805</u>	<u>\$ 2,256,271</u>	<u>\$ (594,534)</u>

# CITY OF WICHITA FALLS, TEXAS

## BUDGETARY COMPARISON SCHEDULE - HOME INVESTMENT PARTNERSHIP AGREEMENT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 498,813	\$ 498,813	\$ 498,812	\$ (1)
Miscellaneous revenue	-	-	26,000	26,000
Total revenues	<u>498,813</u>	<u>498,813</u>	<u>524,812</u>	<u>25,999</u>
Expenditures:				
Community development	<u>498,813</u>	<u>1,279,247</u>	<u>911,412</u>	<u>367,835</u>
Total expenditures	<u>498,813</u>	<u>1,279,247</u>	<u>911,412</u>	<u>367,835</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(780,434)</u>	<u>(386,600)</u>	<u>393,834</u>
Fund balance - beginning	<u>839,518</u>	<u>839,518</u>	<u>839,518</u>	<u>-</u>
Fund balance - ending	<u>\$ 839,518</u>	<u>\$ 59,084</u>	<u>\$ 452,918</u>	<u>\$ 393,834</u>



# CITY OF WICHITA FALLS, TEXAS

## BUDGETARY COMPARISON SCHEDULE - HOTEL/MOTEL TAX FUND FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,467,473	\$ (82,527)
Total revenues	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,467,473</u>	<u>(82,527)</u>
Expenditures:				
Administrative services	<u>86,500</u>	<u>86,500</u>	<u>86,499</u>	<u>1</u>
Total expenditures	<u>86,500</u>	<u>86,500</u>	<u>86,499</u>	<u>1</u>
Excess of revenues over (under) expenditures	<u>1,463,500</u>	<u>1,463,500</u>	<u>1,380,974</u>	<u>(82,526)</u>
Other financing sources (uses):				
Transfers out	<u>(1,463,500)</u>	<u>(1,463,500)</u>	<u>(1,388,427)</u>	<u>75,073</u>
Total other financing sources (uses)	<u>(1,463,500)</u>	<u>(1,463,500)</u>	<u>(1,388,427)</u>	<u>75,073</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(7,453)	(7,453)
Fund balance - beginning	<u>7,453</u>	<u>7,453</u>	<u>7,453</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,453</u>	<u>\$ 7,453</u>	<u>\$ -</u>	<u>\$ (7,453)</u>

# CITY OF WICHITA FALLS, TEXAS

## BUDGETARY COMPARISON SCHEDULE - GOLF FUND FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 891,394	\$ 891,394	\$ 505,064	\$ (386,330)
Miscellaneous revenue	240,179	240,179	373,710	133,531
Total revenues	<u>1,131,573</u>	<u>1,131,573</u>	<u>878,774</u>	<u>(252,799)</u>
Expenditures:				
Administrative services	1,165,376	1,165,376	1,179,661	(14,285)
Capital outlay	-	-	5,307	(5,307)
Total expenditures	<u>1,165,376</u>	<u>1,165,376</u>	<u>1,184,968</u>	<u>(19,592)</u>
Excess of revenues over (under) expenditures	<u>(33,803)</u>	<u>(33,803)</u>	<u>(306,194)</u>	<u>(272,391)</u>
Other financing sources (uses):				
Transfers in	33,803	33,803	306,194	272,391
Total other financing sources (uses)	<u>33,803</u>	<u>33,803</u>	<u>306,194</u>	<u>272,391</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balance - beginning	<u>31,781</u>	<u>31,781</u>	<u>31,781</u>	<u>-</u>
Fund balance - ending	<u>\$ 31,781</u>	<u>\$ 31,781</u>	<u>\$ 31,781</u>	<u>\$ -</u>

# CITY OF WICHITA FALLS, TEXAS

## BUDGETARY COMPARISON SCHEDULE - MPEC FUND FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 233,752	\$ 233,752	\$ 182,600	\$ (51,152)
Miscellaneous revenue	1,808,319	1,808,319	1,606,668	(201,651)
Total revenues	<u>2,042,071</u>	<u>2,042,071</u>	<u>1,789,268</u>	<u>(252,803)</u>
Expenditures:				
MPEC	3,496,461	3,496,461	3,208,713	287,748
Capital outlay	-	-	11,549	(11,549)
Total expenditures	<u>3,496,461</u>	<u>3,496,461</u>	<u>3,220,262</u>	<u>276,199</u>
Excess of revenues over (under) expenditures	<u>(1,454,390)</u>	<u>(1,454,390)</u>	<u>(1,430,994)</u>	<u>23,396</u>
Other financing sources (uses):				
Transfers in	1,454,390	1,454,390	1,430,994	(23,396)
Total other financing sources (uses)	<u>1,454,390</u>	<u>1,454,390</u>	<u>1,430,994</u>	<u>(23,396)</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balance - beginning	<u>(32,085)</u>	<u>(32,085)</u>	<u>(32,085)</u>	<u>-</u>
Fund balance - ending	<u>\$ (32,085)</u>	<u>\$ (32,085)</u>	<u>\$ (32,085)</u>	<u>\$ -</u>

# CITY OF WICHITA FALLS, TEXAS

## BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 902,579	\$ 902,579	\$ 913,912	\$ 11,333
Contributions	1,112,118	1,112,118	1,112,118	-
Miscellaneous revenue	-	-	6,665	6,665
Total revenues	<u>2,014,697</u>	<u>2,014,697</u>	<u>2,032,695</u>	<u>17,998</u>
Expenditures:				
Debt service - principal	2,065,000	2,065,000	2,065,000	-
Debt service - interest and paying agent fees	1,365,431	1,365,431	1,364,831	600
Total expenditures	<u>3,430,431</u>	<u>3,430,431</u>	<u>3,429,831</u>	<u>600</u>
Excess of revenues over (under) expenditures	<u>(1,415,734)</u>	<u>(1,415,734)</u>	<u>(1,397,136)</u>	<u>18,598</u>
Other financing sources (uses):				
Transfers in	1,315,734	1,315,734	1,315,734	-
Total other financing sources (uses)	<u>1,315,734</u>	<u>1,315,734</u>	<u>1,315,734</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(100,000)	(100,000)	(81,402)	18,598
Fund balance - beginning	<u>517,001</u>	<u>517,001</u>	<u>517,001</u>	<u>-</u>
Fund balance - ending	<u>\$ 417,001</u>	<u>\$ 417,001</u>	<u>\$ 435,599</u>	<u>\$ 18,598</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.

### Municipal Airport Fund

The Municipal Airport Fund was established to account for the operating revenues and expenses of the Wichita Falls Municipal Airport. The airport is operated on land leased from the Department of Defense. Commercial and private aviation share airport facilities and runways owned by Sheppard Air Force Base.

### 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.

# CITY OF WICHITA FALLS, TEXAS

## COMBINING STATEMENT OF NET ASSETS NONMAJOR ENTERPRISE FUNDS SEPTEMBER 30, 2009

<u>ASSETS</u>	<u>Municipal Airport</u>	<u>Kickapoo Airport</u>
Current assets:		
Cash and cash equivalents	\$ 549,756	\$ 164,967
Restricted cash and cash equivalents	152,468	-
Receivables (net of allowance for uncollectible accounts):		
Customer and trade	-	-
Government agencies	-	-
Other	28,217	24,431
Inventory	-	44,118
Prepaid items	4,809	2,462
Total current assets	<u>735,250</u>	<u>235,978</u>
Capital assets, net of accumulated depreciation	<u>1,498,496</u>	<u>9,305,244</u>
Total assets	<u>2,233,746</u>	<u>9,541,222</u>
 <u>LIABILITIES</u>		
Current liabilities payable from current assets:		
Accounts payable - trade	10,872	22,513
Accrued payroll	3,814	9,317
Accrued vacation and sick leave	8,437	8,921
Payable to government agencies	14,138	59
Other liabilities	-	57
Total current liabilities payable from current assets	<u>37,261</u>	<u>40,867</u>
Net assets:		
Invested in capital assets	1,498,496	9,305,244
Unrestricted	697,989	195,111
Total net assets	<u><u>\$ 2,196,485</u></u>	<u><u>\$ 9,500,355</u></u>

<u>Transit</u>	<u>Stormwater Drainage</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 300,326	\$ 3,447,397	\$ 4,462,446
-	-	152,468
-	123,714	123,714
82,350	-	82,350
-	-	52,648
-	-	44,118
-	-	7,271
<u>382,676</u>	<u>3,571,111</u>	<u>4,925,015</u>
<u>616,498</u>	<u>9,311,244</u>	<u>20,731,482</u>
<u>999,174</u>	<u>12,882,355</u>	<u>25,656,497</u>
10,728	30,574	74,687
39,095	1,602	53,828
16,878	-	34,236
-	-	14,197
-	11,269	11,326
<u>66,701</u>	<u>43,445</u>	<u>188,274</u>
616,498	9,311,244	20,731,482
315,975	3,527,666	4,736,741
<u>\$ 932,473</u>	<u>\$ 12,838,910</u>	<u>\$ 25,468,223</u>

# CITY OF WICHITA FALLS, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Municipal Airport	Kickapoo Airport
	<u>          </u>	<u>          </u>
Operating revenues:		
Charges for services	\$ -	\$ -
Rents, concessions and other	544,332	745,444
Total operating revenues	<u>544,332</u>	<u>745,444</u>
Operating expenses:		
Personnel services	84,596	200,400
Supplies and materials	2,391	393,810
Maintenance and repairs	32,480	8,530
Utilities and other services	78,628	94,270
Insurance and contract support	6,612	4,635
Other expenses	58,492	386,329
Depreciation and amortization	66,382	296,726
Total operating expenses	<u>329,581</u>	<u>1,384,700</u>
Operating income (loss)	<u>214,751</u>	<u>(639,256)</u>
Nonoperating revenues (expenses):		
Interest income	5,381	1,128
Loss on sale of capital assets	-	-
Intergovernmental operating grants	-	-
Total nonoperating revenues (expenses)	<u>5,381</u>	<u>1,128</u>
Income (loss) before contributions and transfers	<u>220,132</u>	<u>(638,128)</u>
Capital contributions	-	-
Transfers in	227,770	1,545,204
Transfers out	(114,480)	-
Net transfers	<u>113,290</u>	<u>1,545,204</u>
Net income (loss)	<u>333,422</u>	<u>907,076</u>
Net assets - beginning	<u>1,863,063</u>	<u>8,593,279</u>
Net assets - ending	<u><u>\$ 2,196,485</u></u>	<u><u>\$ 9,500,355</u></u>



<u>Transit</u>	<u>Stormwater Drainage</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 222,906	\$ 1,252,544	\$ 1,475,450
6,577	-	1,296,353
<u>229,483</u>	<u>1,252,544</u>	<u>2,771,803</u>
866,040	115,596	1,266,632
224,813	752	621,766
297,462	100,193	438,665
63,478	131,506	367,882
66,741	-	77,988
36,964	8,689	490,474
34,478	80,923	478,509
<u>1,589,976</u>	<u>437,659</u>	<u>3,741,916</u>
<u>(1,360,493)</u>	<u>814,885</u>	<u>(970,113)</u>
-	25,716	32,225
(9,320)	(40,056)	(49,376)
1,142,191	-	1,142,191
<u>1,132,871</u>	<u>(14,340)</u>	<u>1,125,040</u>
<u>(227,622)</u>	<u>800,545</u>	<u>154,927</u>
267,629	-	267,629
185,041	3,901,812	5,859,827
-	(451,023)	(565,503)
<u>452,670</u>	<u>3,450,789</u>	<u>5,561,953</u>
<u>225,048</u>	<u>4,251,334</u>	<u>5,716,880</u>
<u>707,425</u>	<u>8,587,576</u>	<u>19,751,343</u>
<u>\$ 932,473</u>	<u>\$ 12,838,910</u>	<u>\$ 25,468,223</u>

# CITY OF WICHITA FALLS, TEXAS

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Municipal Airport	Kickapoo Airport
Cash flows from operating activities:		
Receipts from customers and users	\$ 541,126	\$ 747,275
Payments to suppliers	(182,159)	(926,748)
Payments to employees	(61,928)	(147,410)
Net cash provided (used) by operating activities	<u>297,039</u>	<u>(326,883)</u>
Cash flows from noncapital financing activities:		
Intergovernmental operating grants	-	-
Interfund loan repayment	-	-
Transfers out to other funds	(114,480)	-
Transfers from other funds	227,770	1,545,204
Net cash provided (used) by noncapital financing activities	<u>113,290</u>	<u>1,545,204</u>
Cash flows from capital and related financing activities:		
Capital contributions	-	-
Acquisition and construction of capital assets	(248,161)	(1,195,204)
Net cash provided by (used for) capital and related financing activities	<u>(248,161)</u>	<u>(1,195,204)</u>
Cash flows from investing activities:		
Interest on investments	5,381	1,128
Net cash provided by investing activities	<u>5,381</u>	<u>1,128</u>
Net Increase (Decrease) in Cash and Cash Equivalents	167,549	24,245
Cash and Cash Equivalents - Beginning	<u>534,675</u>	<u>140,722</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 702,224</u></u>	<u><u>\$ 164,967</u></u>

<u>Transit</u>	<u>Stormwater Drainage</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 460,181	\$ 1,255,612	\$ 3,004,194
(885,653)	(239,679)	(2,234,239)
(675,358)	(100,082)	(984,778)
<u>(1,100,830)</u>	<u>915,851</u>	<u>(214,823)</u>
1,142,191	-	1,142,191
(192,684)	-	(192,684)
-	(451,023)	(565,503)
185,041	3,901,812	5,859,827
<u>1,134,548</u>	<u>3,450,789</u>	<u>6,243,831</u>
267,829	-	267,829
<u>(1,221)</u>	<u>(3,909,602)</u>	<u>(5,354,188)</u>
266,608	<u>(3,909,602)</u>	<u>(5,086,359)</u>
-	25,716	32,225
<u>-</u>	<u>25,716</u>	<u>32,225</u>
300,326	482,754	974,874
-	2,964,643	3,640,040
<u>\$ 300,326</u>	<u>\$ 3,447,397</u>	<u>\$ 4,614,914</u>

# CITY OF WICHITA FALLS, TEXAS

## COMBINING STATEMENT OF CASH FLOWS (CONT'D.) NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Municipal Airport</u>	<u>Kickapoo Airport</u>
Cash flows from operating activities:		
Operating income (loss)	<u>\$ 214,751</u>	<u>\$ (639,256)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	66,382	296,726
(Increase) decrease in current assets:		
Receivables:		
Customer and trade	-	-
Government agencies	-	-
Other	(3,206)	1,831
Inventory	-	18,016
Prepaid items	(1,779)	(980)
Other assets	2,000	-
Increase (decrease) in current liabilities:		
Accounts payable - trade	3,002	(5,779)
Accrued payroll	220	914
Accrued vacation and sick leave	1,794	1,639
Payable to government agencies	13,875	6
Total adjustments	<u>82,288</u>	<u>312,373</u>
Net cash provided by (used in) operating activities	<u><u>\$ 297,039</u></u>	<u><u>\$ (326,883)</u></u>

<u>Transit</u>	<u>Stormwater Drainage</u>	<u>Totals</u>
<u>\$ (1,360,493)</u>	<u>\$ 814,885</u>	<u>\$ (970,113)</u>
34,478	80,923	478,509
-	3,068	3,068
230,898	-	230,898
-	-	(1,375)
-	-	18,016
491	-	(2,268)
-	-	2,000
(8,333)	27,709	16,599
2,329	(3,758)	(295)
-	(6,976)	(3,543)
-	-	13,881
<u>259,863</u>	<u>100,966</u>	<u>755,490</u>
<u><u>\$ (1,100,630)</u></u>	<u><u>\$ 915,851</u></u>	<u><u>\$ (214,623)</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.

## CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2009**

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Totals
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 389,291	\$ 36,361	\$ 2,518,526	\$ 2,944,178
Restricted cash and cash equivalents	-	-	233,983	233,983
Receivables:				
Other	26,579	-	24,055	50,634
Inventory	746,507	13,791	-	760,298
Prepaid items	917,222	3,467	116	920,805
Total current assets	<u>2,079,599</u>	<u>53,619</u>	<u>2,776,680</u>	<u>4,909,898</u>
Capital assets, net of accumulated depreciation	<u>18,606,041</u>	<u>53,110</u>	<u>621</u>	<u>18,659,772</u>
Total assets	<u>20,685,640</u>	<u>106,729</u>	<u>2,777,301</u>	<u>23,569,670</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable - trade	139,345	5,700	141,446	286,491
Accrued payroll	89,900	3,569	4,580	98,049
Accrued vacation and sick leave	72,880	2,535	-	75,415
Payable to other city funds	-	-	12,064	12,064
Estimated health claims payable	-	-	426,734	426,734
Other liabilities	3,000	-	-	3,000
Capital leases - current maturities	172,843	-	-	172,843
Total current liabilities	<u>477,968</u>	<u>11,804</u>	<u>584,824</u>	<u>1,074,596</u>
Long-term liabilities:				
Capital leases, less current maturities	<u>549,621</u>	<u>-</u>	<u>-</u>	<u>549,621</u>
Total liabilities	<u>1,027,589</u>	<u>11,804</u>	<u>584,824</u>	<u>1,624,217</u>
<u>NET ASSETS</u>				
Invested in capital assets	18,606,041	53,110	621	18,659,772
Unrestricted	<u>1,052,010</u>	<u>41,815</u>	<u>2,191,856</u>	<u>3,285,681</u>
Total net assets	<u>\$ 19,658,051</u>	<u>\$ 94,925</u>	<u>\$ 2,192,477</u>	<u>\$ 21,945,453</u>

# CITY OF WICHITA FALLS, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Totals
Operating revenues:				
Charges for services	\$ 8,415,161	\$ 214,123	\$ 24,583	\$ 8,653,867
Rents, concessions and other	41,062	-	217,722	258,784
Contributions	-	-	8,766,056	8,766,056
Total operating revenues	<u>8,456,223</u>	<u>214,123</u>	<u>9,008,361</u>	<u>17,678,707</u>
Operating expenses:				
Personnel services	1,799,625	85,425	108,918	1,993,968
Supplies and materials	2,901,786	24,199	8,478	2,934,463
Maintenance and repairs	1,521,910	507	96	1,522,513
Utilities and other services	110,099	667	18,156	128,922
Insurance and contract support	99,426	73	7,609,142	7,708,641
Other expenses	149,048	140,860	1,004,559	1,294,467
Depreciation and amortization	3,178,072	6,571	138	3,184,781
Total operating expenses	<u>9,759,966</u>	<u>258,302</u>	<u>8,749,487</u>	<u>18,767,755</u>
Operating income (loss)	<u>(1,303,743)</u>	<u>(44,179)</u>	<u>258,874</u>	<u>(1,089,048)</u>
Nonoperating revenues (expenses):				
Interest income	-	-	45,146	45,146
Gain on sale of capital assets	147,537	-	-	147,537
Total nonoperating revenues (expenses)	<u>147,537</u>	<u>-</u>	<u>45,146</u>	<u>192,683</u>
Income (loss) before transfers	<u>(1,156,206)</u>	<u>(44,179)</u>	<u>304,020</u>	<u>(896,365)</u>
Transfers:				
Transfers in	4,283,460	-	-	4,283,460
Transfers out	(312,000)	-	-	(312,000)
Total transfers	<u>3,971,460</u>	<u>-</u>	<u>-</u>	<u>3,971,460</u>
Net income (loss)	2,815,254	(44,179)	304,020	3,075,095
Net assets - beginning	<u>16,842,797</u>	<u>139,104</u>	<u>1,888,457</u>	<u>18,870,358</u>
Net assets - ending	<u>\$ 19,658,051</u>	<u>\$ 94,925</u>	<u>\$ 2,192,477</u>	<u>\$ 21,945,453</u>



## CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 9,228,387	\$ 214,123	\$ 9,004,315	\$ 18,446,825
Payments to suppliers	(6,556,672)	(185,987)	(8,836,821)	(15,579,480)
Payments to employees	(1,348,384)	(61,728)	(81,706)	(1,491,818)
Net cash provided (used) by operating activities	1,323,331	(33,592)	85,788	1,375,527
Cash flows from noncapital financing activities:				
Interfund loan	-	-	12,064	12,064
Transfers in from other funds	4,283,460	-	-	4,283,460
Transfers out to other funds	(312,000)	-	-	(312,000)
Net cash provided by noncapital financing activities	3,971,460	-	12,064	3,983,524
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(5,890,593)	-	-	(5,890,593)
Proceeds from sale of capital assets	166,680	-	-	166,680
Net cash used for capital and related financing activities	(5,723,913)	-	-	(5,723,913)
Cash flows from investing activities:				
Interest on investments	-	-	45,146	45,146
Net Increase (Decrease) in Cash and Cash Equivalents	(429,122)	(33,592)	142,998	(319,716)
Cash and Cash Equivalents - Beginning	818,413	69,953	2,609,511	3,497,877
Cash and Cash Equivalents - Ending	\$ 389,291	\$ 36,361	\$ 2,752,509	\$ 3,178,161
Cash flows from operating activities:				
Operating income (loss)	\$ (1,303,743)	\$ (44,179)	\$ 258,874	\$ (1,089,048)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	3,178,072	6,571	138	3,184,781
(Increase) decrease in current assets:				
Receivables:				
Other	49,700	-	(4,046)	45,654
Inventory	81,703	(3,692)	-	78,011
Prepaid items	(913,708)	7,329	18	(906,361)
Increase (decrease) in current liabilities:				
Accounts payable - trade	(521,660)	(608)	(67,469)	(589,737)
Accrued payroll	17,349	260	(263)	17,346
Accrued vacation and sick leave	13,154	727	-	13,881
Estimated health claims payable	-	-	(101,464)	(101,464)
Other liabilities	722,464	-	-	722,464
Total adjustments	2,627,074	10,587	(173,086)	2,464,575
Net cash provided (used) by operating activities	\$ 1,323,331	\$ (33,592)	\$ 85,788	\$ 1,375,527

## **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, 2009

	Balance 10/1/2008	Additions	Deductions	Balance 9/30/2009
<u>ESCHEATMENT FUND</u>				
<b>Assets</b>				
Cash and cash equivalents	<u>\$ 99,907</u>	<u>\$ 221,007</u>	<u>\$ 12,453</u>	<u>\$ 308,461</u>
<b>Liabilities</b>				
Other liabilities	<u>\$ 99,907</u>	<u>\$ 221,007</u>	<u>\$ 12,453</u>	<u>\$ 308,461</u>

## **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 four 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 #1

The Wichita Falls Reinvestment Zone #1 was created in March 1986 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 #1 is to capture increments of growth in real property values in the designated zone area from base values established in January 1986 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 #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.

## CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF NET ASSETS  
 COMPONENT UNITS  
 SEPTEMBER 30, 2009

	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #1	Wichita Falls Reinvestment Zone #2	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 23,498,548	\$ 4,716,230	\$ -	\$ -	\$ 28,214,778
Receivables:					
Government agencies	576,117	576,117	-	-	1,152,234
Prepaid items	-	96,377	-	-	96,377
Capital assets, net of accumulated depreciation	2,359,985	-	-	-	2,359,985
Total assets	26,434,650	5,388,724	-	-	31,823,374
<b>Liabilities</b>					
Accounts payable - trade	6,347	-	-	-	6,347
Total liabilities	6,347	-	-	-	6,347
<b>Net assets</b>					
Investment in capital assets, net of related debt	2,359,985	-	-	-	2,359,985
Unrestricted	24,068,318	5,388,724	-	-	29,457,042
Total net assets	\$ 26,428,303	\$ 5,388,724	\$ -	\$ -	\$ 31,817,027

# CITY OF WICHITA FALLS, TEXAS

## COMBINING STATEMENT OF ACTIVITIES COMPONENT UNITS FOR THE YEAR ENDED SEPTEMBER 30, 2009

		Program Revenue	
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Community development</b>			
Wichita Falls Economic Development Corporation	\$ 1,727,444	\$ 106,800	\$ -
Wichita Falls 4B Sales Tax Corporation	3,718,730	-	241,072
Wichita Falls Reinvestment Zone #1	121,378	-	-
Wichita Falls Reinvestment Zone #2	241,072	-	-
Total component units	<u>\$ 5,808,624</u>	<u>\$ 106,800</u>	<u>\$ 241,072</u>

### General revenues:

#### Taxes:

Property tax

Sales tax

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

Net (Expense) Revenue and  
Changes in Net Assets

Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #1	Wichita Falls Reinvestment Zone #2	Totals
\$ (1,620,644)	\$ -	\$ -	\$ -	\$ (1,620,644)
-	(3,477,658)	-	-	(3,477,658)
-	-	(121,378)	-	(121,378)
-	-	-	(241,072)	(241,072)
<u>(1,620,644)</u>	<u>(3,477,658)</u>	<u>(121,378)</u>	<u>(241,072)</u>	<u>(5,460,752)</u>
-	-	-	229,939	229,939
3,408,651	3,408,651	-	-	6,817,302
183,132	52,710	643	555	237,040
3,068	-	7,601	-	10,669
<u>3,594,851</u>	<u>3,461,361</u>	<u>8,244</u>	<u>230,494</u>	<u>7,294,950</u>
1,974,207	(16,297)	(113,134)	(10,578)	1,834,198
24,454,096	5,405,021	113,134	10,578	29,982,829
<u>\$ 26,428,303</u>	<u>\$ 5,388,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,817,027</u>

## ***SUPPORTING SCHEDULES***



# CITY OF WICHITA FALLS, TEXAS

## COMBINED SCHEDULE OF BONDED DEBT AND INTEREST MATURITIES SEPTEMBER 30, 2009

Fiscal Year Ending September 30,	General Obligation Bonds			Combination Tax and Revenue Bonds			Water and Sewer
	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities (1)	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities (2)
2010	\$ 745,000	\$ 273,650	\$ 1,018,650	\$ 5,116,768	\$ 2,180,833	\$ 7,297,601	\$ 2,119,997
2011	340,000	241,987	581,987	5,326,926	1,946,018	7,272,944	2,198,966
2012	355,000	227,113	582,113	5,496,767	1,782,052	7,278,819	2,287,897
2013	370,000	210,694	580,694	4,076,402	1,586,444	5,662,846	3,751,663
2014	385,000	193,581	578,581	4,141,868	1,438,523	5,580,391	3,898,431
2015	405,000	175,775	580,775	4,315,811	1,284,888	5,600,699	4,059,980
2016	425,000	154,512	579,512	4,513,240	1,122,074	5,635,314	4,226,351
2017	450,000	132,200	582,200	1,908,939	949,480	2,858,419	4,392,536
2018	475,000	108,013	583,013	1,971,894	877,336	2,849,230	4,578,541
2019	500,000	82,481	582,481	1,649,725	800,206	2,449,931	8,224,396
2020	530,000	55,606	585,606	1,717,410	732,894	2,450,304	8,575,823
2021	555,000	28,444	583,444	1,789,945	660,399	2,450,344	8,951,741
2022	-	-	-	1,867,351	584,281	2,451,632	9,337,675
2023	-	-	-	1,959,222	496,362	2,455,584	9,748,174
2024	-	-	-	2,045,925	403,088	2,449,013	10,177,748
2025	-	-	-	2,147,469	304,181	2,451,650	10,621,792
2026	-	-	-	2,248,832	199,442	2,448,274	11,085,785
2027	-	-	-	710,000	88,856	798,856	3,819,245
2028	-	-	-	745,000	54,744	799,744	-
2029	-	-	-	780,000	18,525	798,525	-
	<u>\$ 5,535,000</u>	<u>\$ 1,884,056</u>	<u>\$ 7,419,056</u>	<u>\$ 54,529,494</u>	<u>\$ 17,510,626</u>	<u>\$ 70,441,851</u>	<u>\$ 112,056,741</u>

(1) Includes amortization of bond premium of \$1,214,494.

(2) Includes amortization of bond premium of \$1,331,741.

Priority Lien Revenue Bonds		Water and Sewer Subordinate Lien Revenue Bonds			Totals - All Bonded Debt		
Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest
\$ 4,903,820	\$ 7,023,817	\$ 25,000	\$ 356,021	\$ 381,021	\$ 8,006,765	\$ 7,714,324	\$ 15,721,089
4,815,270	7,014,236	25,000	354,974	379,974	7,890,892	7,358,249	15,249,141
4,722,912	7,010,809	25,000	353,902	378,902	8,164,664	7,085,979	15,250,643
4,618,190	8,369,853	325,000	352,804	677,804	8,523,065	6,768,132	15,291,197
4,470,630	8,369,061	310,000	338,374	648,374	8,735,299	6,441,108	15,176,407
4,308,338	8,368,318	300,000	324,455	624,455	9,080,791	6,093,456	15,174,247
4,138,637	8,364,988	275,000	310,835	585,835	9,439,591	5,726,058	15,165,649
3,961,744	8,354,280	3,180,000	298,350	3,478,350	9,931,475	5,341,774	15,273,249
3,777,550	8,356,091	3,320,000	152,388	3,472,388	10,345,435	4,915,287	15,260,722
3,595,450	11,819,846	-	-	-	10,374,121	4,478,137	14,852,258
3,239,325	11,815,148	-	-	-	10,823,233	4,027,825	14,851,058
2,856,825	11,808,566	-	-	-	11,296,686	3,545,668	14,842,354
2,457,000	11,794,675	-	-	-	11,205,026	3,041,281	14,246,307
2,039,400	11,787,574	-	-	-	11,707,396	2,535,762	14,243,158
1,602,900	11,780,648	-	-	-	12,223,673	2,005,988	14,229,661
1,146,600	11,768,392	-	-	-	12,769,261	1,450,781	14,220,042
669,825	11,755,610	-	-	-	13,334,617	869,267	14,203,884
171,675	3,990,920	-	-	-	4,529,245	260,531	4,789,776
-	-	-	-	-	745,000	54,744	799,744
-	-	-	-	-	780,000	18,525	798,525
<u>\$ 57,496,091</u>	<u>\$ 169,552,832</u>	<u>\$ 7,785,000</u>	<u>\$ 2,842,103</u>	<u>\$ 10,627,103</u>	<u>\$ 179,906,235</u>	<u>\$ 79,732,876</u>	<u>\$ 259,639,111</u>

# CITY OF WICHITA FALLS, TEXAS

## COMBINED SCHEDULE OF BONDS PAYABLE SEPTEMBER 30, 2009

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
General Obligation and Construction Refunding Bonds, Series 2001	3.75, 3.85, 4.00, 4.125 4.25, 4.375, 4.625, 5.00 5.125, 5.25, 5.375 (3/1, 9/1)	03/01/01	09/01/21	175,000 (2002) 415,000 (2003) 435,000 (2004) 445,000 (2005) 465,000 (2006) 880,000 (2007) 910,000 (2008) 945,000 (2009) 745,000 (2010) 340,000 (2011) 355,000 (2012) 370,000 (2013) 385,000 (2014) 405,000 (2015) 425,000 (2016) 450,000 (2017) 475,000 (2018) 500,000 (2019) 530,000 (2020) 555,000 (2021)
Total General Obligation Bonds				
Combination Tax and Revenue Bonds:				
Combination Tax and Revenue Certificates of Obligation, Series 2003	3.00, 3.10, 3.30, 3.40 3.55, 3.65, 3.75, 3.90, 4.00 (3/1, 9/1)	11/15/03	09/01/18	740,000 (2004) 715,000 (2005) 735,000 (2006) 755,000 (2007) 775,000 (2008) 380,000 (2009) 390,000 (2010) 405,000 (2011) 420,000 (2012) 435,000 (2013) 335,000 (2014) 345,000 (2015) 360,000 (2016) 375,000 (2017) 385,000 (2018)

Bonds			
Authorized	Issued	Retired or Refunded	Outstanding
\$ 10,205,000	\$ 10,205,000	\$ 4,670,000	\$ 5,535,000

10,205,000	10,205,000	4,670,000	5,535,000
7,550,000	7,550,000	4,100,000	3,450,000

# CITY OF WICHITA FALLS, TEXAS

## COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.) SEPTEMBER 30, 2009

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
Combination Tax and Revenue	2.00, 2.25, 2.75, 3.50,	09/01/04	08/01/12	685,000 (2005)
Refunding Bonds,	4.00, 5.00			640,000 (2006)
Series 2004	(2/1, 8/1)			650,000 (2007)
				3,115,000 (2008)
				3,230,000 (2009)
				3,375,000 (2010)
				3,500,000 (2011)
				3,645,000 (2012)
Combination Tax and Revenue Refunding Bonds, Series 2004 - Premium				
Combination Tax and Revenue	4.90, 5.00	09/01/05	08/01/16	115,000 (2005)
Refunding Bonds,	(2/1, 8/1)			2,055,000 (2006)
Series 2005				2,150,000 (2007)
				2,210,000 (2013)
				2,350,000 (2014)
				2,490,000 (2015)
				2,650,000 (2016)
Combination Tax and Revenue Refunding Bonds, Series 2005 - Premium				
Combination Tax and Revenue	3.55, 3.60, 3.90, 4.00	11/15/06	09/01/26	705,000 (2007)
Certificates of Obligation,	4.10, 4.20, 4.25, 5.00			580,000 (2008)
Series 2006A	(3/1, 9/1)			605,000 (2009)
				625,000 (2010)
				650,000 (2011)
				680,000 (2012)
				705,000 (2013)
				735,000 (2014)
				760,000 (2015)
				795,000 (2016)
				825,000 (2017)
				855,000 (2018)
				890,000 (2019)
				930,000 (2020)
				965,000 (2021)
				1,010,000 (2022)
				1,060,000 (2023)
				1,110,000 (2024)
				1,165,000 (2025)
				1,225,000 (2026)
Combination Tax and Revenue Certificates of Obligation, Series 2006A - Premium				

Bonds			
Authorized	Issued	Retired or Refunded	Outstanding
18,840,000	18,840,000	8,320,000	10,520,000
-	1,060,889	834,274	226,615
14,020,000	14,020,000	4,320,000	9,700,000
-	1,050,891	492,738	558,153
16,875,000	16,875,000	1,890,000	14,985,000
-	448,769	99,811	348,958

# CITY OF WICHITA FALLS, TEXAS

## COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.) SEPTEMBER 30, 2009

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
Combination Tax and Revenue Certificates of Obligation, Series 2006B	5.20, 5.30, 6.00, 6.25 (3/1, 9/1)	11/15/06	09/01/26	170,000 (2007) 130,000 (2008) 135,000 (2009) 140,000 (2010) 150,000 (2011) 155,000 (2012) 165,000 (2013) 175,000 (2014) 185,000 (2015) 190,000 (2016) 205,000 (2017) 215,000 (2018) 230,000 (2019) 240,000 (2020) 255,000 (2021) 270,000 (2022) 290,000 (2023) 305,000 (2024) 325,000 (2025) 345,000 (2026)
Combination Tax and Revenue Certificates of Obligation, Series 2006B - Premium				
Combination Tax and Revenue Certificates of Obligation, Series 2009	2.25, 2.50, 2.75, 3.00, 3.25, 3.50, 4.00, 4.125, 4.25, 4.50, 4.625, 4.75 (4/1, 10/1)	01/15/09	10/01/28	340,000 (2010) 405,000 (2011) 415,000 (2012) 425,000 (2013) 435,000 (2014) 450,000 (2015) 460,000 (2016) 475,000 (2017) 490,000 (2018) 505,000 (2019) 525,000 (2020) 550,000 (2021) 570,000 (2022) 595,000 (2023) 620,000 (2024) 650,000 (2025) 675,000 (2026) 710,000 (2027) 745,000 (2028) 780,000 (2029)

Total Combination Tax and Revenue Bonds

Bonds			
Authorized	Issued	Retired or Refunded	Outstanding
4,275,000	4,275,000	435,000	3,840,000
-	103,279	22,511	80,768
10,820,000	10,820,000	-	10,820,000
<u>72,380,000</u>	<u>74,491,780</u>	<u>20,392,012</u>	<u>54,529,494</u>



# CITY OF WICHITA FALLS, TEXAS

## COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.) SEPTEMBER 30, 2009

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
Revenue Bonds:				
Priority Lien:				
Water and Sewer System	4.05, 4.10, 4.25, 4.35,	10/01/98	08/01/18	215,000 (1999)
Priority Lien Revenue Bonds,	4.45, 4.55, 4.625, 4.65			180,000 (2000)
Series 1998B	(2/1, 8/1)			190,000 (2001)
				200,000 (2002)
				210,000 (2003)
				220,000 (2004)
				230,000 (2005)
				240,000 (2006)
				250,000 (2007)
				260,000 (2008)
				270,000 (2009)
				280,000 (2010)
				295,000 (2011)
				305,000 (2012)
				320,000 (2013)
				335,000 (2014)
				350,000 (2015)
				365,000 (2016)
				385,000 (2017)
				400,000 (2018)
Water and Sewer System	3.75, 4.00, 4.375, 4.50	09/01/01	08/01/12	1,665,000 (2002)
Priority Lien Revenue	5.00, 5.10, 5.375			1,220,000 (2003)
Bonds, Series 2001	(2/1, 8/1)			1,265,000 (2004)
				1,320,000 (2005)
				1,365,000 (2006)
				1,430,000 (2007)
				1,360,000 (2008)
				1,410,000 (2009)
				1,490,000 (2010)
				1,545,000 (2011)
				1,615,000 (2012)
Water and Sewer System				
Priority Lien Revenue				
Bonds, Series 2001 - Premium				

Bonds			
Authorized	Issued	Retired or Refunded	Outstanding
5,500,000	5,500,000	2,465,000	3,035,000
118,770,000	118,770,000	114,120,000	4,650,000
-	1,634,193	666,609	967,584

# CITY OF WICHITA FALLS, TEXAS

## COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.) SEPTEMBER 30, 2009

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
Water and Sewer System	4.00, 4.25, 4.375, 4.50	02/01/07	08/01/27	225,000 (2008)
Priority Lien Refunding Revenue	(2/1, 8/1)			230,000 (2009)
Bonds, Series 2007				240,000 (2010)
				250,000 (2011)
				260,000 (2012)
				3,325,000 (2013)
				3,460,000 (2014)
				3,610,000 (2015)
				3,765,000 (2016)
				3,915,000 (2017)
				4,090,000 (2018)
				8,140,000 (2019)
				8,500,000 (2020)
				8,885,000 (2021)
				9,280,000 (2022)
				9,700,000 (2023)
				10,140,000 (2024)
				10,595,000 (2025)
				11,070,000 (2026)
				3,815,000 (2027)
Water and Sewer System				
Priority Lien Refunding Revenue				
Bonds, Series 2007 - Premium				
Total Priority Lien Revenue Bonds				
Water and Sewer System	3.14, 3.39, 3.49, 3.59,	05/22/98	08/01/18	25,000 (1999)
Subordinate Lien Revenue	3.64, 3.69, 3.79, 3.89,			25,000 (2000)
Bonds, Series 1998	3.94, 3.99, 4.09, 4.19,			25,000 (2001)
	4.29, 4.39, 4.44, 4.49,			25,000 (2002)
	4.54, 4.59			25,000 (2003)
	(2/1, 8/1)			25,000 (2004)
				25,000 (2005)
				25,000 (2006)
				25,000 (2007)
				25,000 (2008)
				25,000 (2009)
				25,000 (2010)
				25,000 (2011)
				25,000 (2012)
				325,000 (2013)
				310,000 (2014)
				300,000 (2015)
				275,000 (2016)
				3,180,000 (2017)
				3,320,000 (2018)
Total Subordinate Lien Bonds				
Total Revenue Bonds				
Total All Bonds				

Bonds			
Authorized	Issued	Retired or Refunded	Outstanding
103,495,000	103,495,000	455,000	103,040,000
-	437,938	73,781	364,157
227,765,000	229,837,131	117,780,390	112,056,741
8,060,000	8,060,000	275,000	7,785,000
8,060,000	8,060,000	275,000	7,785,000
235,825,000	237,897,131	118,055,390	119,841,741
\$ 318,410,000	\$ 322,593,911	\$ 143,117,402	\$ 179,906,235

# CITY OF WICHITA FALLS, TEXAS

## DEBT SERVICE COVERAGE - REVENUE BONDS SEPTEMBER 30, 2009

### Water and Sewer Revenue Bonds:

Change in net assets (Exhibit A-8)		\$ 2,252,279
Add:		
Depreciation and amortization	\$ 5,096,664	
Interest expense and paying agent fees	6,327,372	
Transfers out	<u>1,469,942</u>	12,893,978
Subtract:		
West Texas Utilities water revenues	415,447	
Gain (loss) on sale/abandonment of capital assets	(111,479)	
Capital contributions from developers	189,114	
Transfers in	<u>169,823</u>	<u>(662,905)</u>
Net earnings for determining debt service coverage		<u><u>\$ 14,483,352</u></u>

	<u>Priority Lien Bonds</u>	<u>Subordinate Lien Bonds</u>	
Net earnings for determining debt service coverage			\$ 14,483,352
Principal and interest requirements to maturity	\$ 169,552,832	\$ 10,627,103	
Number of years remaining to pay bonds	<u>18</u>	<u>9</u>	
Average annual principal and interest requirement	9,419,602	1,180,789	
Minimum bond covenant debt service coverage	<u>1.25</u>	<u>1.10</u>	
Minimum debt service coverage requirement	<u>\$ 11,774,502</u>	<u>\$ 1,298,868</u>	<u>13,073,370</u>
Excess over debt service coverage requirements			<u><u>\$ 1,409,982</u></u>

# CITY OF WICHITA FALLS, TEXAS

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY SEPTEMBER 30, 2009

	Land and Betterments	Buildings and Improvements	Machinery and Equipment
Administrative services:			
Mayor and City Council	\$ -	\$ -	\$ -
City Manager	-	265,898	6,259
Personnel/Risk Management	-	-	7,584
Martin Luther King Center	-	786,763	7,641
Library	477,942	4,523,930	474,468
General Public Information	-	-	311,564
Building Maintenance	-	1,076,622	39,208
Nondepartmental	-	276,814	161,888
Municipal Court	230,000	316,527	192,921
Legal	-	-	1,869
City Clerk	-	-	1,411
Homeland security	-	-	579,132
Training Center	-	-	306,928
Golf course	3,808,376	531,686	45,150
Total administrative services	<u>4,516,318</u>	<u>7,778,240</u>	<u>2,136,023</u>
Police	<u>1,131,749</u>	<u>6,071,408</u>	<u>10,769,313</u>
Fire	<u>201,218</u>	<u>7,450,763</u>	<u>238,350</u>
Parks and recreation:			
Recreation	665,775	1,660,593	184,693
Park maintenance	12,042,362	908,781	28,705
Cemetery	131,619	-	9,423
Total parks and recreation	<u>12,839,756</u>	<u>2,569,374</u>	<u>222,821</u>
Accounting/finance:			
Accounting/finance	-	-	1,192
Information Systems	-	-	1,979,634
Total accounting/finance	<u>-</u>	<u>-</u>	<u>1,980,826</u>
Community development:			
Planning	-	-	45,795
Inspection	-	-	7,447
Property management	2,760,062	420,891	28,290
Weed and Seed program	-	-	7,504
Total community development	<u>2,760,062</u>	<u>420,891</u>	<u>89,036</u>
Public works:			
Engineering	125,806	29,665	124,900
Street maintenance	10,147	98,073	23,823
Infrastructure	-	-	-
Total public works	<u>135,953</u>	<u>127,738</u>	<u>148,723</u>
Health:			
Administration	34,820	2,871,076	309,649
General City nursing	76,411	1,123	33,701
Environmental health	-	8,956	11,042
Lab water pollution	-	-	17,861
Animal reclaim center	150,737	-	-
Total health	<u>261,968</u>	<u>2,881,155</u>	<u>372,253</u>
Traffic and transportation	<u>-</u>	<u>31,045</u>	<u>162,069</u>
Multi-Purpose Events Center	<u>9,560,210</u>	<u>33,947,463</u>	<u>333,882</u>
Wichita Falls Business Park	<u>1,099,507</u>	<u>-</u>	<u>-</u>
Total capital assets used in the operation of governmental funds	<u>\$ 32,506,741</u>	<u>\$ 61,278,077</u>	<u>\$ 16,453,296</u>

Furniture and Fixtures	Motor Vehicles and Equipment	Infrastructure	Construction in Progress	Totals
\$ 5,218	\$ -	\$ -	\$ -	\$ 5,218
15,050	-	-	-	287,207
4,660	-	-	-	12,244
11,416	-	-	-	805,820
90,579	-	-	-	5,566,919
3,184	-	-	-	314,748
-	-	-	-	1,115,830
-	-	-	-	438,702
1,435	-	-	-	740,883
-	-	-	-	1,869
-	-	-	-	1,411
-	-	-	-	579,132
-	-	-	-	306,928
-	-	-	-	4,385,212
<u>131,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,562,123</u>
<u>8,760</u>	<u>-</u>	<u>-</u>	<u>5,672,878</u>	<u>23,654,108</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,890,331</u>
11,727	-	-	-	2,522,788
-	-	-	485,348	13,465,196
-	-	-	-	141,042
<u>11,727</u>	<u>-</u>	<u>-</u>	<u>485,348</u>	<u>16,129,026</u>
-	-	-	-	1,192
-	-	-	-	1,979,634
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,980,826</u>
-	-	-	-	45,795
-	-	-	-	7,447
-	-	-	-	3,209,243
-	-	-	-	7,504
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,269,989</u>
-	-	-	-	280,371
1,393	-	-	-	133,436
-	-	144,761,072	365,809	145,126,881
<u>1,393</u>	<u>-</u>	<u>144,761,072</u>	<u>365,809</u>	<u>145,540,688</u>
21,835	-	-	-	3,237,380
2,147	-	-	-	113,382
-	-	-	-	19,998
-	-	-	-	17,861
-	-	-	75,625	226,362
<u>23,982</u>	<u>-</u>	<u>-</u>	<u>75,625</u>	<u>3,614,983</u>
<u>-</u>	<u>-</u>	<u>8,087,444</u>	<u>-</u>	<u>8,280,558</u>
<u>28,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,869,843</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,507</u>
<u>\$ 205,692</u>	<u>\$ -</u>	<u>\$ 152,848,516</u>	<u>\$ 6,599,660</u>	<u>\$ 269,891,982</u>

## 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, 2009**

	Beginning Balance 10/1/2008	Additions	Deletions	Ending Balance 9/30/2009
Administrative services:				
Mayor and City Council	\$ 10,391	\$ -	\$ 5,173	\$ 5,218
City Manager	1,463,157	-	1,175,950	287,207
Personnel/Risk Management	10,549	1,695	-	12,244
Martin Luther King Center	579,959	225,861	-	805,820
Library	5,679,543	22,242	134,866	5,566,919
General Public Information	274,305	44,537	4,094	314,748
Building Maintenance	1,113,513	2,317	-	1,115,830
Nondepartmental	612,354	36,417	210,069	438,702
Municipal Court	744,415	-	3,532	740,883
Legal	3,219	-	1,350	1,869
City Clerk	1,411	-	-	1,411
Homeland security	561,472	17,660	-	579,132
Training center	229,914	77,014	-	306,928
Golf course	4,463,206	5,307	83,301	4,385,212
Total administrative services	15,747,408	433,050	1,618,335	14,562,123
Police	19,997,004	4,049,767	392,663	23,654,108
Fire	7,345,955	544,376	-	7,890,331
Parks and recreation:				
Recreation	2,564,246	65,224	106,682	2,522,788
Park maintenance	12,856,128	624,133	15,065	13,465,196
Cemetery	37,323	103,719	-	141,042
Total parks and recreation	15,457,697	793,076	121,747	16,129,026
Accounting/finance:				
Accounting/finance	5,275	-	4,083	1,192
Information Systems	2,035,033	125,526	180,925	1,979,634
Total accounting/finance	2,040,308	125,526	185,008	1,980,826
Community development:				
Planning	45,795	-	-	45,795
Inspection	7,447	-	-	7,447
Code enforcement	66,550	-	66,550	-
Property management	1,613,096	1,729,179	133,032	3,209,243
Lake lot administration	1,018	-	1,018	-
Weed and Seed program	7,504	-	-	7,504
Total community development	1,741,410	1,729,179	200,600	3,269,989
Public works:				
Engineering	277,226	8,700	5,555	280,371
Street maintenance	143,846	14,960	25,370	133,436
Infrastructure	141,471,563	9,872,226	6,216,908	145,126,881
Total public works	141,892,635	9,895,886	6,247,833	145,540,688
Health:				
Administration	3,250,949	1,636	15,205	3,237,380
General city nursing	126,499	-	13,117	113,382
Environmental health	19,998	-	-	19,998
Lab water pollution	19,015	-	1,154	17,861
Animal reclaim center	-	226,362	-	226,362
Total health	3,416,461	227,998	29,476	3,614,983
Traffic and transportation	8,037,892	338,915	96,249	8,280,558
Multi-Purpose Events Center	43,878,121	11,549	19,827	43,869,843
Wichita Falls Business Park	1,099,507	-	-	1,099,507
Total capital assets	\$ 260,654,398	\$ 18,149,322	\$ 8,911,738	\$ 269,891,982



# CITY OF WICHITA FALLS, TEXAS

## MUNICIPAL AIRPORT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Balance 10/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2009</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 2,239,667	\$ -	\$ -	\$ 2,239,667
Buildings and improvements	1,548,001	-	-	1,548,001
Machinery and equipment	32,403	-	-	32,403
Furniture and fixtures	36,705	-	-	36,705
Construction in progress	<u>-</u>	<u>248,160</u>	<u>-</u>	<u>248,160</u>
Total capital assets	<u>3,856,776</u>	<u>248,160</u>	<u>-</u>	<u>4,104,936</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	1,474,192	31,321	-	1,505,513
Buildings and improvements	1,017,682	29,316	-	1,046,998
Machinery and equipment	20,105	2,332	-	22,437
Furniture and fixtures	<u>28,080</u>	<u>3,413</u>	<u>-</u>	<u>31,493</u>
Total accumulated depreciation	<u>2,540,059</u>	<u>66,382</u>	<u>-</u>	<u>2,606,441</u>
Net capital assets	<u><u>\$ 1,316,717</u></u>	<u><u>\$ 181,778</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,498,495</u></u>

# CITY OF WICHITA FALLS, TEXAS

## KICKAPOO AIRPORT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
<u>Capital Assets:</u>				
Land and betterments	\$ 5,408,967	\$ 1,091,170	\$ -	\$ 6,500,137
Buildings and improvements	2,592,116	666,900	-	3,259,016
Machinery and equipment	960,925	-	350,000	610,925
Construction in progress	<u>220,058</u>	<u>7,192</u>	<u>220,058</u>	<u>7,192</u>
Total capital assets	<u>9,182,066</u>	<u>1,765,262</u>	<u>570,058</u>	<u>10,377,270</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	533,720	168,440	-	702,160
Buildings and improvements	134,594	96,197	-	230,791
Machinery and equipment	<u>106,986</u>	<u>32,089</u>	<u>-</u>	<u>139,075</u>
Total accumulated depreciation	<u>775,300</u>	<u>296,726</u>	<u>-</u>	<u>1,072,026</u>
Net capital assets	<u><u>\$ 8,406,766</u></u>	<u><u>\$ 1,468,536</u></u>	<u><u>\$ 570,058</u></u>	<u><u>\$ 9,305,244</u></u>

# CITY OF WICHITA FALLS, TEXAS

## TRANSIT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Balance 10/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2009</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 61,925	\$ -	\$ -	\$ 61,925
Buildings and improvements	680,718	-	-	680,718
Machinery and equipment	<u>262,181</u>	<u>1,220</u>	<u>27,018</u>	<u>236,383</u>
Total capital assets	<u>1,004,824</u>	<u>1,220</u>	<u>27,018</u>	<u>979,026</u>
<u>Accumulated Depreciation:</u>				
Buildings and improvements	195,130	10,456	-	205,586
Machinery and equipment	<u>150,619</u>	<u>24,022</u>	<u>17,698</u>	<u>156,943</u>
Total accumulated depreciation	<u>345,749</u>	<u>34,478</u>	<u>17,698</u>	<u>362,529</u>
Net capital assets	<u><u>\$ 659,075</u></u>	<u><u>\$ (33,258)</u></u>	<u><u>\$ 9,320</u></u>	<u><u>\$ 616,497</u></u>

# CITY OF WICHITA FALLS, TEXAS

## STORMWATER DRAINAGE FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
<u>Capital Assets:</u>				
Drainage	\$ 2,818,157	\$ 5,410,669	\$ -	\$ 8,228,826
Land betterments	2,300	-	-	2,300
Machinery and equipment	69,860	3,516	-	73,376
Construction in progress	<u>2,794,972</u>	<u>3,906,084</u>	<u>5,450,724</u>	<u>1,250,332</u>
Total capital assets	<u>5,685,289</u>	<u>9,320,269</u>	<u>5,450,724</u>	<u>9,554,834</u>
<u>Accumulated Depreciation:</u>				
Drainage	40,351	7,161	-	47,512
Land betterments	58	115	-	173
Machinery and equipment	<u>122,259</u>	<u>73,647</u>	<u>-</u>	<u>195,906</u>
Total accumulated depreciation	<u>162,668</u>	<u>80,923</u>	<u>-</u>	<u>243,591</u>
Net capital assets	<u><u>\$ 5,522,621</u></u>	<u><u>\$ 9,239,346</u></u>	<u><u>\$ 5,450,724</u></u>	<u><u>\$ 9,311,243</u></u>

# CITY OF WICHITA FALLS, TEXAS

## SANITATION FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Balance 10/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2009</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 2,831,320	\$ 2,188,886	\$ 24,425	\$ 4,995,781
Buildings and improvements	2,309,353	-	2,060	2,307,293
Machinery and equipment	310,108	-	23,047	287,061
Construction in progress	<u>1,383,406</u>	<u>35,234</u>	<u>1,383,406</u>	<u>35,234</u>
Total capital assets	<u>6,834,187</u>	<u>2,224,120</u>	<u>1,432,938</u>	<u>7,625,369</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	193,882	63,013	4,011	252,884
Buildings and improvements	1,232,161	47,549	2,060	1,277,650
Machinery and equipment	<u>120,492</u>	<u>18,109</u>	<u>23,046</u>	<u>115,555</u>
Total accumulated depreciation	<u>1,546,535</u>	<u>128,671</u>	<u>29,117</u>	<u>1,646,089</u>
Net capital assets	<u><u>\$ 5,287,652</u></u>	<u><u>\$ 2,095,449</u></u>	<u><u>\$1,403,821</u></u>	<u><u>\$ 5,979,280</u></u>

# CITY OF WICHITA FALLS, TEXAS

## WATER AND SEWER FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
<u>Capital Assets:</u>				
Land and betterments	\$ 24,345,990	\$ -	\$ 525	\$ 24,345,465
Buildings, systems and improvements	225,850,913	19,208,395	285,486	244,773,822
Machinery and equipment	4,510,459	79,953	9,425	4,580,987
Furniture and fixtures	1,164	-	-	1,164
Motor vehicles	1,235	-	-	1,235
Construction in progress	11,354,024	6,057,382	11,211,797	6,199,609
Total capital assets	<u>266,063,785</u>	<u>25,345,730</u>	<u>11,507,233</u>	<u>279,902,282</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	9,091,824	243,632	-	9,335,456
Buildings, systems and improvements	70,069,967	4,509,231	169,670	74,409,528
Machinery and equipment	3,291,255	165,117	9,425	3,446,947
Furniture and fixtures	1,134	30	-	1,164
Motor vehicles	1,235	-	-	1,235
Total accumulated depreciation	<u>82,455,415</u>	<u>4,918,010</u>	<u>179,095</u>	<u>87,194,330</u>
Net capital assets	<u><u>\$ 183,608,370</u></u>	<u><u>\$ 20,427,720</u></u>	<u><u>\$ 11,328,138</u></u>	<u><u>\$ 192,707,952</u></u>

# CITY OF WICHITA FALLS, TEXAS

## FLEET MAINTENANCE FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
<u>Capital Assets:</u>				
Land and betterments	\$ 436,269	\$ -	\$ -	\$ 436,269
Buildings and improvements	4,120,552	8,428	-	4,128,980
Machinery and equipment	579,169	347,057	-	926,226
Furniture and fixtures	6,358	-	-	6,358
Motor vehicles	41,576,845	5,852,568	3,587,831	43,841,582
Construction in progress	6,706	-	-	6,706
Total capital assets	<u>46,725,899</u>	<u>6,208,053</u>	<u>3,587,831</u>	<u>49,346,121</u>
<u>Accumulated Depreciation:</u>				
Land and betterments - other	392	261	-	653
Buildings and improvements	1,816,575	85,911	-	1,902,486
Machinery and equipment	495,238	105,724	-	600,962
Furniture and fixtures	6,357	-	-	6,357
Motor vehicles and equipment	28,494,674	3,036,992	3,302,044	28,229,622
Total accumulated depreciation	<u>30,813,236</u>	<u>3,228,888</u>	<u>3,302,044</u>	<u>30,740,080</u>
Net capital assets	<u>\$ 15,912,663</u>	<u>\$ 2,979,165</u>	<u>\$ 285,787</u>	<u>\$ 18,606,041</u>

# CITY OF WICHITA FALLS, TEXAS

## **DUPLICATING SERVICES FUND** **CAPITAL ASSETS AND ACCUMULATED DEPRECIATION** **FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
<u>Capital Assets:</u>				
Machinery and equipment	\$ 116,690	\$ -	\$ 1,695	\$ 114,995
<u>Accumulated Depreciation:</u>				
Machinery and equipment	57,009	6,571	1,695	61,885
Net capital assets	<u>\$ 59,681</u>	<u>\$ (6,571)</u>	<u>\$ -</u>	<u>\$ 53,110</u>



# CITY OF WICHITA FALLS, TEXAS

## EMPLOYEE BENEFIT TRUST FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
<u>Capital Assets:</u>				
Machinery and equipment	\$ 1,379	\$ -	\$ -	\$ 1,379
<u>Accumulated Depreciation:</u>				
Machinery and equipment	621	138	-	759
Net capital assets	<u>\$ 758</u>	<u>\$ (138)</u>	<u>\$ -</u>	<u>\$ 620</u>

# CITY OF WICHITA FALLS, TEXAS

## WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
<u>Capital Assets:</u>				
Land and betterments	\$ 1,469,797	\$ -	\$ -	\$ 1,469,797
Buildings and improvements	957,191	-	-	957,191
Total capital assets	2,426,988	-	-	2,426,988
<u>Accumulated Depreciation:</u>				
Buildings and improvements	47,859	19,144	-	67,003
Net capital assets	\$ 2,379,129	\$ (19,144)	\$ -	\$ 2,359,985

***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.

<b>Contents</b>	<b>Page</b>
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>	102
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	108
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>	112
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>	117
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>	119

# CITY OF WICHITA FALLS, TEXAS

## NET ASSETS BY COMPONENT LAST SEVEN FISCAL YEARS (UNAUDITED)

	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 64,632,911	\$ 90,045,882	\$ 127,366,654
Restricted	597,966	626,256	1,200,845
Unrestricted	<u>16,561,287</u>	<u>25,286,103</u>	<u>20,500,308</u>
Total governmental activities net assets	<u><u>\$ 81,792,164</u></u>	<u><u>\$ 115,958,241</u></u>	<u><u>\$ 149,067,807</u></u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 89,683,262	\$ 99,419,642	\$ 112,568,870
Restricted	15,483,121	15,436,872	15,679,474
Unrestricted	<u>14,109,004</u>	<u>10,631,269</u>	<u>7,698,134</u>
Total business-type activities net assets	<u><u>\$ 119,275,387</u></u>	<u><u>\$ 125,487,783</u></u>	<u><u>\$ 135,946,478</u></u>
Primary government			
Invested in capital assets, net of related debt	\$ 154,316,173	\$ 189,465,524	\$ 239,935,524
Restricted	16,081,087	16,063,128	16,880,319
Unrestricted	<u>30,670,291</u>	<u>35,917,372</u>	<u>28,198,442</u>
Total primary government net assets	<u><u>\$ 201,067,551</u></u>	<u><u>\$ 241,446,024</u></u>	<u><u>\$ 285,014,285</u></u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>
\$ 132,958,014	\$ 133,737,880	\$ 139,868,969	\$ 138,550,295
1,373,786	1,541,859	1,631,963	1,186,730
20,689,055	27,487,733	21,189,932	14,880,792
<u>\$ 155,020,855</u>	<u>\$ 162,767,472</u>	<u>\$ 162,690,864</u>	<u>\$ 154,617,817</u>
\$ 120,263,391	\$ 132,852,246	\$ 143,023,239	\$ 156,170,924
16,234,804	12,681,053	12,945,497	12,958,909
11,962,104	12,513,454	12,810,854	10,712,005
<u>\$ 148,460,299</u>	<u>\$ 158,046,753</u>	<u>\$ 168,779,590</u>	<u>\$ 179,841,838</u>
\$ 253,221,405	\$ 266,590,126	\$ 282,892,208	\$ 294,721,219
17,608,590	14,222,912	14,577,460	14,145,639
32,651,159	40,001,187	34,000,786	25,592,797
<u>\$ 303,481,154</u>	<u>\$ 320,814,225</u>	<u>\$ 331,470,454</u>	<u>\$ 334,459,655</u>

# CITY OF WICHITA FALLS, TEXAS

## CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS (UNAUDITED)

	Fiscal Year						
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
<b>Expenses</b>							
Governmental activities:							
Administrative services	\$ 9,816,232	\$ 9,524,291	\$ 9,174,786	\$ 10,648,044	\$ 10,363,134	\$ 11,662,086	\$ 12,026,311
Police	16,082,473	16,283,542	17,107,502	17,733,480	18,587,210	20,527,967	21,008,696
Fire	9,742,147	10,058,363	10,337,851	10,825,964	11,295,623	12,492,842	13,028,146
Parks and recreation	4,112,071	4,164,247	4,220,079	4,210,463	4,478,311	5,107,579	5,757,363
Accounting/finance	1,721,239	1,851,988	1,841,475	1,843,810	1,893,389	2,231,952	2,473,024
Community development	7,536,269	7,897,167	7,181,397	6,293,156	6,573,917	6,921,352	7,584,142
Public works	5,627,020	6,404,132	6,742,355	7,706,209	8,616,348	8,314,596	8,282,184
Health	4,632,486	4,523,907	4,435,702	4,409,374	4,736,162	4,873,643	4,995,764
Traffic and transportation	2,138,240	1,983,322	2,181,799	2,527,270	2,590,309	2,679,026	2,499,869
Multi-Purpose Events Center	622,406	1,589,670	2,015,329	2,166,331	4,291,434	4,335,968	4,027,612
Interest and fees on long-term debt	905,959	921,705	843,358	721,762	1,308,748	1,405,383	1,620,854
Total governmental activities expenses	62,936,542	65,202,334	66,081,633	69,085,863	74,734,585	80,552,394	83,303,965
Business-type activities:							
Golf	747,356	760,705	779,151	901,454	-	-	-
Municipal Airport	220,970	250,807	243,414	281,117	276,368	310,980	289,195
Kickapoo Airport	295,987	338,957	377,299	574,929	966,961	1,245,021	1,354,624
Transit	1,101,145	1,028,491	1,240,131	1,280,540	1,373,283	1,793,369	1,616,322
Sanitation	7,087,574	7,418,146	7,715,572	8,059,991	8,638,374	9,199,341	8,509,153
Water and Sewer	25,076,194	24,721,561	25,604,413	26,380,183	26,764,879	28,126,920	30,165,844
Stormwater drainage	10,633	112,082	125,989	328,833	355,697	407,035	477,415
Total business-type activities expenses	34,539,859	34,630,749	36,085,969	37,807,047	38,375,562	41,082,666	42,412,553
Total primary government expenses	\$ 97,476,401	\$ 99,833,083	\$ 102,167,602	\$ 106,892,910	\$ 113,110,147	\$ 121,635,060	\$ 125,716,518
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:	\$ 3,259,315	\$ 3,631,020	\$ 3,640,715	\$ 3,691,411	\$ 3,327,519	\$ 3,211,546	\$ 4,267,891
Administrative services	401,168	372,510	361,201	402,583	700,216	600,020	470,020
Police	2,062	3,233	1,458	5,195	5,434	2,612	4,369
Fire	513,109	479,204	455,861	473,121	443,827	517,707	513,682
Parks and recreation	771,418	1,265,897	1,078,293	1,195,203	1,138,671	1,124,534	891,803
Community development	-	-	-	48,871	7,286	100,000	165,363
Public works	590,441	668,491	711,399	807,002	803,115	864,874	888,890
Health	202,392	214,266	195,585	292,234	212,911	154,941	164,350
Traffic and transportation	-	-	-	-	2,215,411	2,141,584	1,789,269
Multi-Purpose Events Center	9,469,723	11,968,460	14,734,689	11,109,618	12,298,595	11,468,654	10,891,021
Operating grants and contributions	2,608,168	6,970,138	1,176,107	2,667,389	3,218,003	3,097,319	1,631,109
Capital grants and contributions	17,817,796	25,573,219	22,355,308	20,692,627	24,370,988	23,283,791	21,677,767
Total governmental activities program revenues							

## CITY OF WICHITA FALLS, TEXAS

CHANGES IN NET ASSETS (CONT'D.)  
LAST SEVEN FISCAL YEARS (UNAUDITED)

	Fiscal Year						
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Business-type activities:							
Charges for services:							
Golf	687,153	677,498	622,434	828,055	-	-	-
Municipal Airport	359,006	416,573	446,388	448,384	441,471	430,561	544,332
Kickapoo Airport	348,512	385,871	270,194	347,761	789,522	1,025,300	745,444
Transit	160,749	194,388	162,018	214,771	206,109	224,856	229,483
Sanitation	8,783,064	8,920,801	9,133,955	9,517,673	9,917,386	10,939,617	12,025,478
Water and Sewer	28,488,384	27,857,286	30,208,286	33,436,585	30,031,969	33,042,845	33,888,553
Stormwater drainage	1,035,683	1,036,450	1,042,278	1,209,196	1,267,533	1,318,340	1,252,544
Operating grants and contributions	817,451	937,025	926,088	1,251,770	1,026,685	1,389,202	1,142,191
Capital grants and contributions	879,222	376,437	862,398	455,217	580,729	1,021,644	456,743
Total business-type activities program revenues	41,559,224	40,802,329	43,674,039	47,709,412	44,261,404	49,392,365	50,284,768
Total primary government program revenues	\$ 59,377,020	\$ 66,375,548	\$ 66,029,347	\$ 68,402,039	\$ 68,632,392	\$ 72,676,156	\$ 71,962,535
Net (Expense)/Revenue							
Governmental activities	\$ (45,118,746)	\$ (39,629,115)	\$ (43,726,325)	\$ (48,393,236)	\$ (50,363,597)	\$ (57,268,603)	\$ (61,626,198)
Business-type activities	7,019,365	6,171,580	7,588,070	9,902,365	5,885,842	8,309,699	7,872,215
Total primary government net expense	\$ (38,099,381)	\$ (33,457,535)	\$ (36,138,255)	\$ (38,490,871)	\$ (44,477,755)	\$ (48,958,904)	\$ (53,753,983)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property tax	\$ 20,890,964	\$ 21,404,857	\$ 22,578,788	\$ 23,522,746	\$ 24,975,158	\$ 26,160,116	\$ 27,869,849
Sales tax	16,598,733	17,192,703	17,845,505	19,272,204	20,068,529	21,353,896	20,451,906
Franchise fees	5,286,038	5,218,860	5,191,741	5,740,202	5,780,311	5,598,406	5,570,399
Hotel occupancy tax	1,221,620	1,278,102	1,262,518	1,333,747	1,417,397	1,560,353	1,506,423
Beverage tax	196,663	202,841	204,727	234,075	236,367	251,386	249,121
Bingo tax	230,280	209,825	164,128	178,666	166,223	168,864	109,739
Investment earnings	404,146	379,150	754,935	1,409,188	2,684,388	1,727,671	415,156
Gain (loss) on sale of capital assets	3,045	(24,061)	-	-	-	(397,404)	-
Miscellaneous	309,168	482,908	166,648	172,500	712,358	242,811	134,983
Transfers	5,748,106	2,241,628	473,644	2,482,958	1,972,819	525,898	(2,439,625)
Total governmental activities	50,888,763	48,586,813	48,642,634	54,346,286	58,013,550	57,191,997	53,867,951
Business-type activities:							
Investment earnings	2,238,809	1,764,311	3,417,875	5,094,418	5,575,703	2,949,036	602,872
Miscellaneous	1,167,155	518,133	(73,611)	-	199,174	-	147,536
Transfers	(3,698,431)	(2,241,628)	(473,644)	(2,482,958)	(1,972,819)	(525,898)	2,439,625
Total business-type activities	(292,467)	40,816	2,870,620	2,611,460	3,802,058	2,423,138	3,190,033
Total primary government	\$ 50,596,296	\$ 48,627,629	\$ 51,513,254	\$ 56,957,746	\$ 61,815,608	\$ 59,615,135	\$ 57,057,984
Change in Net Assets							
Governmental activities	\$ 5,770,017	\$ 8,957,698	\$ 4,916,309	\$ 5,953,050	\$ 7,649,953	\$ (76,606)	\$ (7,758,247)
Business-type activities	6,726,898	6,212,396	10,458,690	12,513,825	9,687,900	10,732,837	11,062,248
Total primary government	\$ 12,496,915	\$ 15,170,094	\$ 15,374,999	\$ 18,466,875	\$ 17,337,853	\$ 10,656,231	\$ 3,304,001

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.



# CITY OF WICHITA FALLS, TEXAS

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

	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>
General Fund				
Reserved	\$ 468,513	\$ 1,328,430	\$ 685,011	\$ 1,914,615
Unreserved	<u>9,787,838</u>	<u>8,750,034</u>	<u>8,367,731</u>	<u>8,368,357</u>
Total general fund	<u>\$ 10,256,351</u>	<u>\$ 10,078,464</u>	<u>\$ 9,052,742</u>	<u>\$ 10,282,972</u>
All other Governmental Funds				
Reserved	\$ 2,174,801	\$ 1,853,775	\$ 1,937,961	\$ 3,240,727
Unreserved, reported in:				
Special revenue funds	4,601,572	4,485,021	5,769,119	4,163,834
Capital projects funds	<u>5,557,493</u>	<u>19,496,303</u>	<u>7,064,161</u>	<u>3,205,633</u>
Total all other governmental funds	<u>\$ 12,333,866</u>	<u>\$ 25,835,099</u>	<u>\$ 14,771,241</u>	<u>\$ 10,610,194</u>

Fiscal Year					
2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
\$ 1,516,079	\$ 2,439,595	\$ 2,393,129	\$ 3,161,776	\$ 2,686,432	\$ 1,499,613
9,507,595	10,608,472	11,503,795	15,569,840	14,500,836	13,042,044
<u>\$ 11,023,674</u>	<u>\$ 13,048,067</u>	<u>\$ 13,896,924</u>	<u>\$ 18,731,616</u>	<u>\$ 17,187,268</u>	<u>\$ 14,541,657</u>
\$ 11,092,483	\$ 5,102,543	\$ 3,179,513	\$ 2,371,514	\$ 2,888,944	\$ 6,254,620
4,673,755	4,299,100	4,746,615	7,089,584	6,180,559	4,808,127
3,394,688	3,738,484	4,857,539	23,458,510	15,033,333	10,963,970
<u>\$ 19,160,926</u>	<u>\$ 13,140,127</u>	<u>\$ 12,783,667</u>	<u>\$ 32,919,608</u>	<u>\$ 24,102,836</u>	<u>\$ 22,026,717</u>

# CITY OF WICHITA FALLS, TEXAS

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

	1999-2000	2000-2001	2001-2002	2002-2003
<b>Revenues</b>				
Taxes	\$ 40,069,102	\$ 40,422,984	\$ 41,798,664	\$ 44,425,106
Charges for services	1,763,969	1,825,170	2,153,223	2,338,678
Licenses and permits	660,715	1,892,099	1,918,690	2,001,117
Fines and forfeitures	1,551,929	1,404,205	1,797,795	1,773,449
Intergovernmental revenue	9,442,324	8,207,044	9,000,057	9,469,723
Contributions	88,612	3,451,239	837,213	2,698,930
Miscellaneous revenue	2,700,040	2,906,992	1,833,247	1,539,063
Total revenues	<u>56,276,691</u>	<u>60,109,733</u>	<u>59,338,889</u>	<u>64,246,066</u>
<b>Expenditures</b>				
Administrative services	8,020,057	8,592,476	8,491,188	9,169,430
Police	13,944,759	14,062,836	14,716,145	15,586,666
Fire	8,389,594	8,447,773	9,084,534	9,456,869
Parks and recreation	4,025,279	3,626,134	3,821,791	3,920,357
Accounting/finance	1,331,432	1,489,661	1,702,554	1,604,484
Community development	5,518,983	5,635,484	5,970,759	7,569,296
Public works	6,048,016	4,760,212	6,204,297	5,311,740
Health	3,687,213	3,872,347	4,146,598	4,513,769
Traffic and transportation	1,768,336	1,778,879	2,261,335	1,923,176
Multi-Purpose Events Center	-	-	-	57,848
Capital outlay	3,809,884	4,852,858	13,910,949	10,333,520
Debt service - principal	1,612,677	1,690,000	1,805,000	2,120,000
Debt service - interest	866,006	875,128	1,181,524	924,557
Total expenditures	<u>59,022,236</u>	<u>59,683,788</u>	<u>73,296,674</u>	<u>72,491,712</u>
Excess of revenues over (under) expenditures	<u>(2,745,545)</u>	<u>425,945</u>	<u>(13,957,785)</u>	<u>(8,245,646)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,688,753	14,439,112	3,450,446	6,805,264
Transfer out	(3,031,155)	(9,310,328)	(1,436,580)	(2,437,133)
Proceeds from general obligation bonds	-	10,218,670	-	2,450,000
Payment to refunded bonds escrow agent	-	(3,025,400)	-	(2,450,000)
Total other financing sources (uses)	<u>(342,402)</u>	<u>12,322,054</u>	<u>2,013,866</u>	<u>4,368,131</u>
Net change in fund balances	<u>\$ (3,087,947)</u>	<u>\$ 12,747,999</u>	<u>\$ (11,943,919)</u>	<u>\$ (3,877,515)</u>
Debt service as a percentage of noncapital expenditures	4.49%	4.68%	5.03%	4.90%

Fiscal Year					
2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
\$ 45,512,949	\$ 47,236,518	\$ 50,228,509	\$ 52,637,318	\$ 55,155,574	\$ 55,752,982
2,452,353	2,480,148	2,597,044	3,202,699	3,270,930	3,689,717
2,292,695	2,218,119	2,206,023	2,215,813	2,116,140	1,887,434
2,189,001	2,161,782	2,481,816	2,127,062	1,964,391	1,970,612
11,444,840	13,003,816	9,682,237	11,136,433	8,428,310	9,287,371
7,493,758	2,906,980	4,094,770	4,366,961	6,137,663	3,234,759
2,007,303	1,985,383	2,816,865	6,664,315	5,369,689	3,804,438
<u>73,392,899</u>	<u>71,992,746</u>	<u>74,107,264</u>	<u>82,350,601</u>	<u>82,442,697</u>	<u>79,627,313</u>
9,330,631	8,701,521	10,103,642	9,965,494	10,873,576	11,315,351
15,996,964	16,731,373	17,228,066	18,068,168	19,524,824	20,182,150
9,851,203	10,196,605	10,739,651	11,238,422	12,206,774	12,833,183
4,016,394	4,106,476	4,110,013	4,373,460	4,841,597	5,457,410
1,757,006	1,754,186	1,765,350	1,811,690	2,087,572	2,327,608
8,137,672	7,282,012	6,355,136	6,652,162	6,925,581	7,433,617
4,488,704	4,653,539	5,128,384	6,038,790	5,606,784	5,452,172
4,452,507	4,391,270	4,407,758	4,728,414	4,775,418	4,950,213
1,768,336	1,937,424	2,309,854	2,355,249	2,459,070	2,292,890
783,244	1,205,153	1,355,846	3,498,189	3,506,091	3,208,713
8,235,652	10,171,128	7,244,115	7,093,636	15,219,394	12,088,928
2,970,000	3,050,000	3,190,000	2,510,000	2,395,000	2,065,000
900,526	852,624	731,921	1,271,106	1,456,540	1,364,831
<u>72,688,839</u>	<u>75,033,311</u>	<u>74,669,736</u>	<u>79,604,780</u>	<u>91,878,221</u>	<u>90,972,066</u>
704,060	(3,040,565)	(562,472)	2,745,821	(9,435,524)	(11,344,753)
7,142,007	6,922,585	3,282,459	5,922,091	7,268,938	5,530,309
(6,393,643)	(7,878,421)	(2,227,586)	(5,401,565)	(8,194,534)	(9,433,265)
7,549,000	-	-	21,702,048	-	10,840,779
-	-	-	-	-	-
<u>8,297,364</u>	<u>(955,836)</u>	<u>1,054,873</u>	<u>22,222,574</u>	<u>(925,596)</u>	<u>6,937,823</u>
<u>\$ 9,001,424</u>	<u>\$ (3,996,401)</u>	<u>\$ 492,401</u>	<u>\$ 24,968,395</u>	<u>\$ (10,361,120)</u>	<u>\$ (4,406,930)</u>
6.01%	6.02%	5.82%	5.21%	5.02%	4.35%

# 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
1999-2000	\$ 17,327,503	\$ 15,832,239	\$ 5,519,843	\$ 1,048,419	\$ 163,916	\$ 173,603	\$ 40,065,523
2000-2001	18,049,023	16,323,752	4,612,917	1,088,850	176,680	171,763	40,422,985
2001-2002	19,055,248	16,222,571	4,933,338	1,201,114	188,517	197,875	41,798,663
2002-2003	20,891,772	16,598,733	5,286,038	1,221,620	196,663	230,280	44,425,106
2003-2004	21,410,615	17,192,706	5,218,860	1,278,102	202,841	209,825	45,512,949
2004-2005	22,567,902	17,845,502	5,191,741	1,262,518	204,727	164,128	47,236,518
2005-2006	23,469,615	19,272,204	5,740,202	1,333,747	234,075	178,666	50,228,509
2006-2007	24,968,481	20,068,529	5,780,311	1,417,397	236,367	166,233	52,637,318
2007-2008	26,217,499	21,353,896	5,598,406	1,565,523	251,386	168,864	55,155,574
2008-2009	27,865,394	20,451,906	5,570,399	1,506,423	249,121	109,739	55,752,982

# 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
1999-2000	\$ 2,448,370,999	\$ 605,524,662	\$3,053,895,661	\$0.55194	\$ 3,053,895,661	100.00%
2000-2001	2,550,564,079	622,493,821	3,173,057,900	0.55194	3,173,057,900	100.00%
2001-2002	2,671,429,859	667,334,298	3,338,764,157	0.55194	3,338,764,157	100.00%
2002-2003	2,775,175,780	652,625,915	3,427,801,695	0.55194	3,427,801,695	100.00%
2003-2004	2,901,708,013	629,284,576	3,530,992,589	0.59246	3,530,992,589	100.00%
2004-2005	3,047,463,928	632,056,253	3,679,520,181	0.59246	3,679,520,181	100.00%
2005-2006	2,992,717,987	726,512,178	3,719,230,165	0.59246	3,719,230,165	100.00%
2006-2007	3,208,236,037	744,353,082	3,952,589,119	0.59246	3,952,589,119	100.00%
2007-2008	3,389,094,572	802,449,151	4,191,543,723	0.59246	4,191,543,723	100.00%
2008-2009	3,553,825,553	877,030,381	4,430,855,934	0.59526	4,430,855,934	100.00%

## CITY OF WICHITA FALLS, TEXAS

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

<u>Fiscal Year</u>	<u>City of Wichita Falls</u>	<u>Wichita County</u>	<u>Burkburnett I.S.D. (1)</u>	<u>City View I.S.D. (2)</u>	<u>Iowa Park C.I.S.D. (3)</u>	<u>Wichita Falls I.S.D. (4)</u>	<u>Totals</u>
<u>Tax Rates Per \$100 Valuation</u>							
1999-2000	\$ 0.55	\$ 0.38	\$ 1.49	\$ 1.60	\$ 1.24	\$ 1.50	\$ 6.76
2000-2001	0.55	0.40	1.59	1.69	1.40	1.54	7.17
2001-2002	0.55	0.40	1.61	1.69	1.40	1.54	7.19
2002-2003	0.59	0.42	1.63	1.69	1.61	1.56	7.50
2003-2004	0.59	0.45	1.64	1.69	1.58	1.56	7.51
2004-2005	0.59	0.46	1.64	1.73	1.58	1.56	7.56
2005-2006	0.59	0.46	1.63	1.75	1.58	1.56	7.57
2006-2007	0.59	0.45	1.50	1.60	1.45	1.39	6.98
2007-2008	0.59	0.45	1.28	1.27	1.12	1.19	5.90
2008-2009	0.60	0.43	1.31	1.26	1.12	1.20	5.92

## 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, 2009**

Taxpayer	2008-2009			1999-2000		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Sikes Senter LP	\$ 52,964,416	1	1.20%	\$ -	N/A	0.00%
Oncor Electric Delivery Co	39,368,627	2	0.89%	35,721,018	3	1.17%
Wal-Mart Stores Texas LP	25,904,572	3	0.58%	14,576,037	5	0.48%
Southwestern Bell	25,520,925	4	0.58%	40,869,418	2	1.34%
Wal-Mart Stores East Inc	18,854,411	5	0.43%	-	N/A	0.00%
Quail Creek Crossing Ltd	13,672,000	6	0.31%	-	N/A	0.00%
Lowe's Home Center	12,306,384	7	0.28%	13,160,329	6	0.43%
North American Pipe Corp	11,960,975	8	0.27%	-	N/A	0.00%
Clinics of North Texas LLP	11,352,391	9	0.26%	11,143,134	10	0.36%
Wal-Mart Real Estate Business Trust	11,429,636	10	0.26%	-	N/A	0.00%
JMB Group Trust III	-	N/A	0.00%	42,081,693	1	1.38%
Vista Cablevision	-	N/A	0.00%	16,066,740	4	0.53%
Sam's Club	-	N/A	0.00%	11,662,057	7	0.38%
Deauville Partnership	-	N/A	0.00%	11,542,311	8	0.38%
Panhandle Manufacturing	-	N/A	0.00%	11,507,276	9	0.38%
Totals	<u>\$ 223,334,337</u>		<u>5.04%</u>	<u>\$ 208,330,013</u>		<u>6.83%</u>



# 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
1999-2000	\$ 16,115,557	\$ 15,690,461	97.36%	\$ 368,413	\$ 16,058,874	99.65%
2000-2001	16,791,261	16,365,706	97.47%	357,839	16,723,545	99.60%
2001-2002	17,635,425	17,210,516	97.59%	362,469	17,572,985	99.65%
2002-2003	19,439,511	18,962,880	97.55%	397,927	19,360,807	99.60%
2003-2004	20,039,039	19,646,529	98.04%	296,605	19,943,134	99.52%
2004-2005	20,919,473	20,494,272	97.97%	275,889	20,770,161	99.29%
2005-2006	22,034,951	21,612,888	98.08%	250,170	21,863,058	99.22%
2006-2007	23,421,270	23,043,185	98.39%	199,925	23,243,110	99.24%
2007-2008	24,833,219	24,408,683	98.29%	151,713	24,560,396	98.90%
2008-2009	26,375,113	25,905,854	98.22%	-	25,905,854	98.22%

## CITY OF WICHITA FALLS, TEXAS

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

Fiscal Year	Governmental Activities			Utility System Revenue Bonds
	General Obligation Bonds	Combination Tax and Revenue Bonds	Note Payable	
1999-2000	\$ 13,705,000	\$ -	\$ -	\$ 58,695,000
2000-2001	19,215,000	-	-	176,649,193
2001-2002	17,410,000	-	-	172,349,440
2002-2003	15,290,000	-	54,561	168,368,339
2003-2004	13,060,000	6,810,000	234,186	144,747,898
2004-2005	10,725,000	6,095,000	178,149	126,538,189
2005-2006	8,270,000	5,360,000	120,443	124,824,242
2006-2007	7,390,000	25,396,016	61,093	123,869,328
2007-2008	6,480,000	23,867,228	-	121,887,613
2008-2009	5,535,000	33,524,726	-	119,841,741

Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
Combination Tax and Revenue Bonds	Note Payable	Capital Lease Payable			
\$ -	\$ 880,018	\$ -	\$ 73,280,018	1.95%	\$ 683.72
-	856,671	-	196,720,864	5.25%	1,887.97
-	832,565	-	190,592,005	4.95%	1,823.08
-	807,674	-	184,520,574	4.70%	1,762.17
19,900,889	781,974	-	185,534,947	4.56%	1,769.98
33,975,588	755,438	-	178,267,364	4.16%	1,667.98
30,961,933	728,039	-	170,264,657	3.81%	1,581.87
27,864,844	699,748	-	185,281,029	4.01%	1,721.38
24,479,232	670,537	-	177,384,610	3.71%	1,644.78
21,004,768	670,537	722,464	181,299,236	7.34%	1,711.42

## 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		
1999-2000	\$ 13,705,000	\$ -	\$ 13,705,000	0.45%	\$ 127.87
2000-2001	19,215,000	-	19,215,000	0.61%	184.41
2001-2002	17,410,000	-	17,410,000	0.52%	166.53
2002-2003	15,290,000	-	15,290,000	0.45%	146.02
2003-2004	13,060,000	6,810,000	19,870,000	0.56%	189.56
2004-2005	10,725,000	6,095,000	16,820,000	0.46%	157.38
2005-2006	8,270,000	5,360,000	13,630,000	0.37%	126.63
2006-2007	7,390,000	25,396,016	32,786,016	0.83%	304.60
2007-2008	6,480,000	23,867,228	30,347,228	0.72%	281.39
2008-2009	5,535,000	33,524,726	39,059,726	0.88%	368.71

# CITY OF WICHITA FALLS, TEXAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED) SEPTEMBER 30, 2009

	Gross General Bonded Debt (1)	Percentage Applicable to City of Wichita Falls (2)	Amount Applicable to City of Wichita Falls
Direct:			
City of Wichita Falls	<u>\$ 39,059,726</u>	100%	<u>\$ 39,059,726</u>
Overlapping:			
Wichita County	2,630,000	100%	2,630,000
Burkburnett Independent School District	12,183,131	25%	3,045,783
City View Independent School District	9,032,286	90%	8,129,057
Iowa Park Consolidated Independent School District	4,067,022	2%	81,340
Wichita Falls Independent School District	<u>75,008,318</u>	99%	<u>74,258,235</u>
Total overlapping	<u>102,920,757</u>		<u>88,144,415</u>
Total direct and overlapping bonded debt	<u><u>\$ 141,980,483</u></u>		<u><u>\$ 127,204,141</u></u>

## Sources:

- (1) Listed taxing jurisdictions
- (2) City of Wichita Falls Planning Department

# CITY OF WICHITA FALLS, TEXAS

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

Total assessed property value per 2008 tax roll	\$ 4,430,855,934
Maximum tax rate *	\$ 2.25/\$100
Current tax rate for 2007 tax year	<u>.59526/\$100</u>
Maximum tax rate in excess of 2007 tax rate	<u>1.65474/\$100</u>
Total legal debt margin	<u>\$ 73,319,145</u>

	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>
Assessed value	\$ 3,053,895,661	\$ 3,173,057,900	\$ 3,338,764,157	\$ 3,427,801,695
Maximum tax rate	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100
Current tax rate	.55194/\$100	.55194/\$100	.55194/\$100	.59246/\$100
Maximum tax rate in excess of current rate	<u>1.69806/\$100</u>	<u>1.69806/\$100</u>	<u>1.69806/\$100</u>	<u>1.65754/\$100</u>
Total legal debt margin	<u>\$ 51,856,981</u>	<u>\$ 53,880,427</u>	<u>\$ 56,694,219</u>	<u>\$ 56,817,184</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 2007 tax rate is \$.59246 per \$100 assessed valuation.

\* Maximum tax levy established by City Charter

Fiscal Year					
2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
\$ 3,530,992,589	\$ 3,679,520,181	\$ 3,719,230,165	\$ 3,952,589,119	\$ 4,191,543,723	\$ 4,430,855,934
\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100
.59246/\$100	.59246/\$100	.59246/\$100	.59246/\$100	.59246/\$100	.59246/\$100
1.65754/\$100	1.65754/\$100	1.65754/\$100	1.65754/\$100	1.65754/\$100	1.65754/\$100
<u>\$ 58,527,615</u>	<u>\$ 60,989,519</u>	<u>\$ 61,647,728</u>	<u>\$ 65,515,746</u>	<u>\$ 69,476,514</u>	<u>\$ 73,319,145</u>

## CITY OF WICHITA FALLS, TEXAS

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

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available For Debt Service</u>
1999-2000	\$ 21,974,510	\$ 13,688,360	\$ 8,286,150
2000-2001	26,832,875	14,507,635	12,325,240
2001-2002	29,768,543	13,569,831	16,198,712
2002-2003	30,052,619	14,105,694	15,946,925
2003-2004	29,021,062	14,100,412	14,920,650
2004-2005	29,680,713	15,693,788	13,986,925
2005-2006	32,976,347	16,986,210	15,990,137
2006-2007	29,598,709	17,273,862	12,324,847
2007-2008	33,514,257	17,896,263	15,617,994
2008-2009	33,662,220	19,546,745	14,115,475

Notes:

- (1) Includes operating revenues exclusive of water sales to West Texas Utilities and capital contributions from developers of the Water and Sewer Fund (see Exhibit H-3).
- (2) Includes operating expenses of the Water and Sewer Fund exclusive of depreciation and amortization (see Exhibit H-3).
- (3) Excludes bond premium amortization.



Debt Service Requirement			<u>Coverage</u>
<u>Principal (3)</u>	<u>Interest</u>	<u>Total</u>	
\$2,345,000	\$ 2,776,148	\$ 5,121,148	1.62
2,555,000	2,567,085	5,122,085	2.41
4,220,000	8,087,504	12,307,504	1.32
3,895,000	8,412,955	12,307,955	1.30
4,070,000	8,403,349	12,473,349	1.20
4,385,000	8,078,748	12,463,748	1.12
4,505,000	7,600,831	12,105,831	1.32
4,985,000	6,608,627	11,593,627	1.06
5,165,000	6,424,544	11,589,544	1.35
5,410,000	6,185,216	11,595,216	1.22

## 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</u>	<u>Education Level (3)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1999-2000	107,178	\$ 3,754,338,162	\$ 35,029	35.4	13.1	14,084	4.4%
2000-2001	104,197	3,747,004,498	35,961	35.4	13.1	13,896	3.9%
2001-2002	104,544	3,849,710,474	36,824	35.4	13.1	14,059	6.3%
2002-2003	104,712	3,929,158,919	37,523	35.4	13.1	13,765	5.5%
2003-2004	104,823	4,067,057,042	38,799	35.4	13.1	13,857	3.6%
2004-2005	106,876	4,287,700,173	40,118	35.4	13.1	13,755	4.8%
2005-2006	107,635	4,464,967,184	41,482	35.4	13.1	13,743	4.2%
2006-2007	107,635	4,616,776,069	42,893	34.9	13.1	14,707	4.1%
2007-2008	107,847	4,783,148,919	44,351	34.9	13.3	14,533	5.5%
2008-2009	105,935	2,470,050,408	23,317	33.2	13.5	15,473	8.2%

Sources:

- (1) City of Wichita Falls Planning Department for all years, except 2000-01 from U.S. Bureau of Census
- (2) C.A.C.I. Marketing Services
- (3) Wichita Falls I.S.D. - Educational level is grade equivalent of graduating senior
- (4) Texas Workforce Commission

# CITY OF WICHITA FALLS, TEXAS

## PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO (UNAUDITED) SEPTEMBER 30, 2009

Employer	2008-2009			1998-1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sheppard Air Force Base	12,201	1	17.06%	13,088	1	N/A
Wichita Falls ISD	2,007	2	2.81%	1,700	3	N/A
North Texas State Hospital	1,947	3	2.72%	1,055	6	N/A
United Regional Health Care System	1,800	4	2.52%	2,100	2	N/A
City of Wichita Falls	1,350	5	1.89%	1,394	4	N/A
Midwestern State University	1,223	6	1.71%	-	N/A	-
James B. Allred Prison Unit	975	7	1.36%	837	8	N/A
Howmet Corporation	860	8	1.20%	1,078	5	N/A
Cryovac Division - Sealed Air Corp.	781	9	1.09%	738	9	N/A
AT&T Wireless	669	10	0.94%	-	N/A	-
Stanley Works, Mechanics Division	-	N/A	-	550	10	N/A
Totals	<u>23,813</u>		<u>33.30%</u>	<u>22,540</u>		<u>0.00%</u>

### Sources:

1998-1999 data is from Texas Workforce Commission. 2008-2009 data is from Wichita Falls BCI

### Note:

The City was unable to locate data for the principal employers for 1999-2000. Therefore, 1998-1999 data is included.

# CITY OF WICHITA FALLS, TEXAS

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

	1999-2000	2000-2001	2001-2002	2002-2003
Administrative services	85.3	84.3	87.5	91.6
Police	265.5	264.5	268.5	278.5
Fire	155.0	156.0	156.0	156.0
Parks and recreation	70.9	71.1	75.0	74.7
Accounting/finance	19.5	21.5	22.6	22.6
Community development	35.8	35.9	36.4	39.4
Public works	80.0	79.0	79.3	79.6
Health	84.5	82.8	81.8	80.0
Traffic and transportation	50.0	51.1	51.4	51.4
Multi-Purpose Events Center	-	-	-	-
Water and sewer	160.6	162.6	166.9	166.9
Sanitation	88.9	82.9	81.0	81.0
Golf	18.6	20.4	20.3	20.3
Municipal Airport	1.0	1.0	1.0	1.0
Kickapoo Airport	-	5.3	6.5	6.5
Transit	18.6	19.6	18.0	17.0
Stormwater Drainage	-	-	-	-

2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
92.3	95.5	99.9	103.0	105.1	104.6
285.5	286.5	286.5	294.0	293.0	294.0
156.0	156.0	156.0	162.0	164.0	164.0
75.8	75.8	75.8	75.8	82.9	82.9
22.4	22.4	22.4	24.5	25.5	26.0
38.7	38.7	38.7	40.7	40.5	41.0
80.0	80.2	80.2	80.2	80.2	80.8
84.1	76.9	77.1	74.9	72.5	69.0
51.3	51.5	51.5	52.6	52.6	50.6
-	-	-	22.4	22.8	23.0
169.2	172.0	177.5	179.5	179.5	179.9
81.0	81.0	81.0	81.0	82.0	82.5
19.8	19.7	19.2	19.4	-	-
1.0	1.0	1.0	1.6	1.6	1.6
4.8	5.0	5.0	4.4	4.4	4.4
19.3	19.3	19.3	19.2	19.6	22.1
0.3	1.3	1.3	1.3	1.3	1.3

# CITY OF WICHITA FALLS, TEXAS

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

	1999-2000	2000-2001	2001-2002	2002-2003
General government				
Building permits issued	8,769	10,541	9,177	10,270
Building inspections conducted	-	-	10,076	12,276
Police				
Physical arrests	5,851	5,406	7,992	7,927
Parking violations	1,049	1,009	1,024	558
Traffic violations	20,805	17,553	18,978	19,946
Fire				
Emergency responses	6,912	7,484	7,542	7,040
Fires extinguished	832	864	663	775
Inspections	850	850	850	850
Refuse collection				
Refuse collected (tons)	71,971	75,229	73,435	74,426
Recyclables collected	-	-	-	-
Library				
Volumes in collection	129,890	137,502	150,686	157,641
Total volumes borrowed	-	-	-	292,359
Water				
New connections	-	245	292	327
Water main breaks	869	996	795	737
Average daily consumption (thousands of gallons)	24,591	24,280	21,700	21,900
Wastewater				
Average daily sewage treatment (thousands of gallons)	11,348	13,224	12,560	12,348
Transit				
Total route miles	426,081	422,673	424,115	407,121
Passengers	200,237	223,502	196,217	245,908

### Notes:

Data was not available for all items for all years. The City will provide more data as it becomes available.

Fiscal Year					
2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
10,159	8,904	7,553	7,813	7,420	6,769
12,600	13,092	12,591	12,048	11,425	9,565
7,847	8,284	8,571	7,279	6,752	7,186
1,284	1,615	327	383	197	-
23,385	21,075	24,126	17,904	16,236	23,253
7,535	7,677	8,234	8,634	8,684	8,687
668	757	792	554	1,340	718
850	850	850	900	2,647	3,250
82,973	79,555	78,165	182,855	168,681	161,243
1,926	2,328	2,018	19,034	21,624	22,010
210,976	225,941	172,391	179,728	184,231	185,009
304,644	295,088	293,884	302,565	352,408	368,685
335	312	325	310	212	146
691	573	881	741	898	872
20,400	22,100	23,680	19,936	22,511	19,200
11,026	12,404	11,097	13,930	11,410	7,670
-	450,938	435,446	476,758	488,842	530,771
-	247,303	229,601	294,670	324,666	327,463

# CITY OF WICHITA FALLS, TEXAS

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

	1999-2000	2000-2001	2001-2002	2002-2003
Police				
Stations	1	1	1	1
Patrol units	-	-	-	-
Fire stations	9	8	8	8
Refuse collection				
Collection trucks	-	-	-	-
Other public works				
Streets (miles)	565	542	542	542
Streetlights	7,166	7,377	7,457	7,600
Traffic signals	-	-	-	109
Parks and recreation				
Acreage	1,100	1,100	1,200	1,200
Playgrounds	38	39	41	43
Golf courses	1	1	1	1
Water				
Water mains (miles)	712	712	635	720
Fire hydrants	-	-	-	-
Storage capacity (thousands of gallons)	-	-	-	-
Wastewater				
Sanitary sewers (miles)	506	506	516	506
Storm sewers (miles)	41	41	41	41
Treatment capacity (thousands of gallons)	-	-	-	-
Transit				
Buses	12	12	12	12

### Notes:

Data was not available for all items for all years. The City will provide more data as it becomes available.

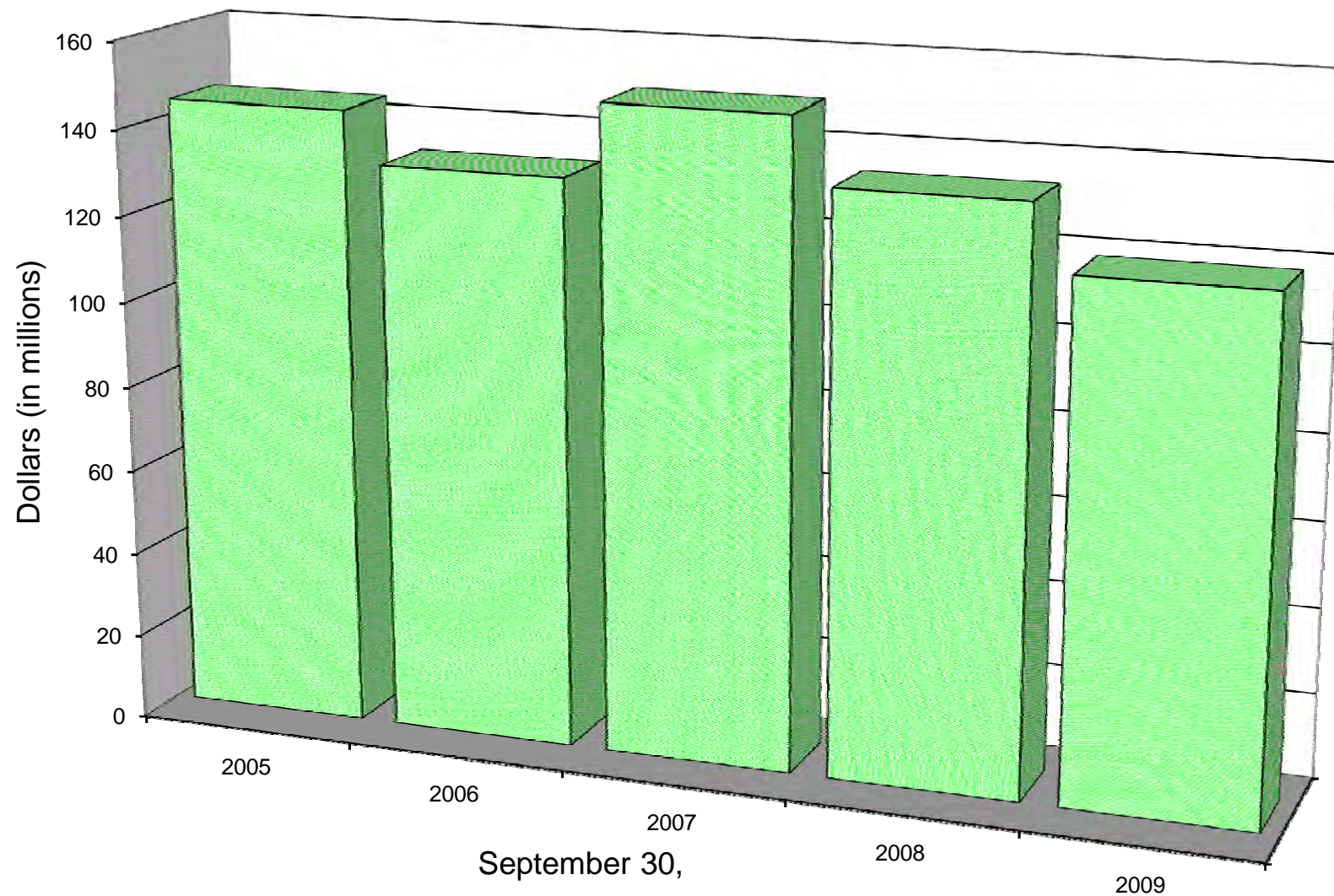


Fiscal Year					
2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
1	1	1	1	1	1
-	-	114	114	103	105
8	8	8	8	8	8
-	-	34	34	36	36
542	585	585	587	515	529
7,738	7,825	7,926	7,922	7,976	8,203
111	111	102	98	102	104
1,100	1,200	1,200	1,200	1,200	1,200
45	47	47	47	47	40
1	1	1	1	1	1
714	566	830	846	720	720
-	-	6,000	6,019	2,264	2,264
-	-	14,000	21,500	21,000	22,500
508	529	529	531	538	550
41	96	96	96	117	117
-	-	56,600	21,410	21,410	22,800
12	12	12	12	12	12

## ***GRAPHICS***

# CITY OF WICHITA FALLS, TEXAS

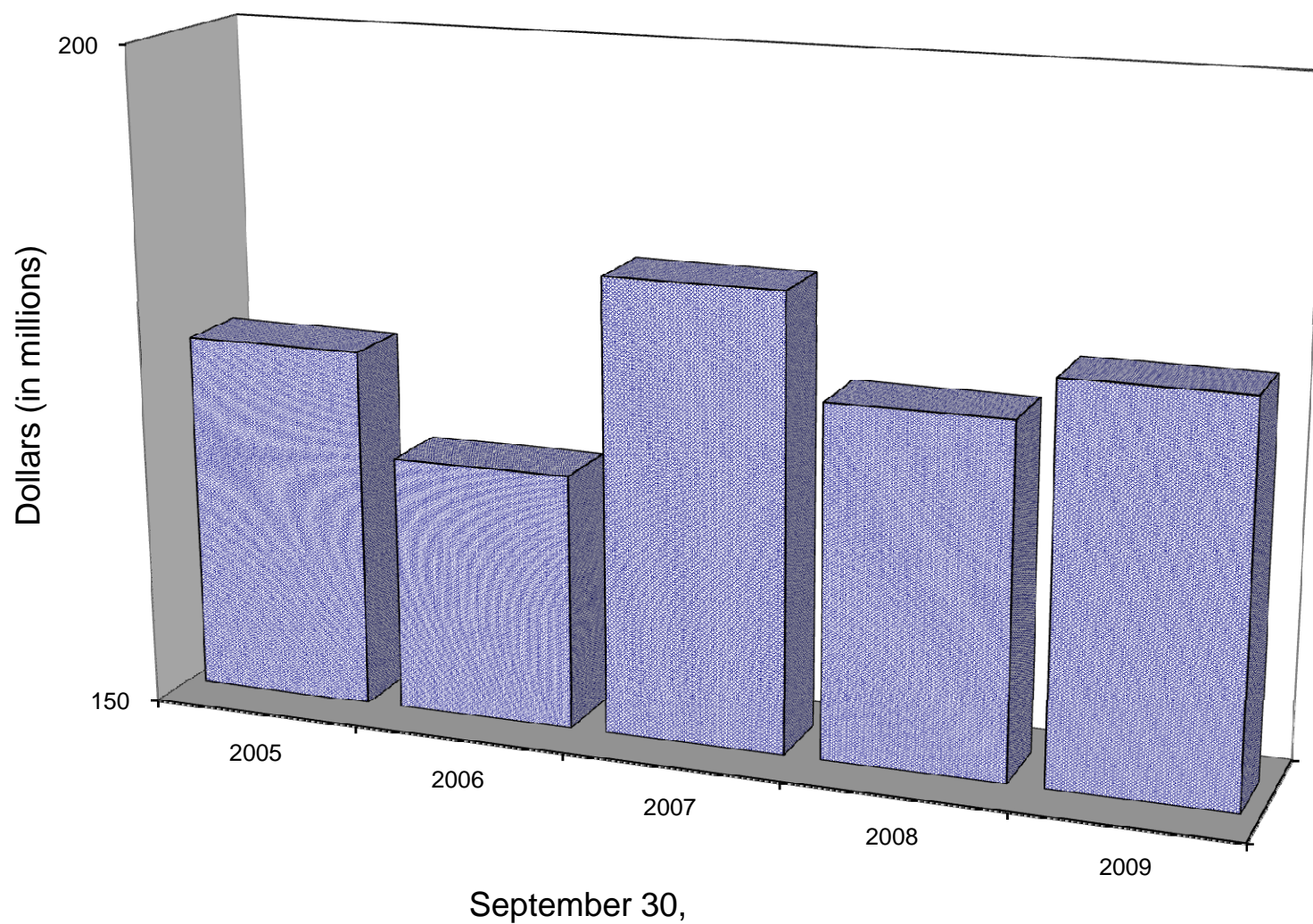
## CASH AND INVESTMENTS



(UNAUDITED)

# CITY OF WICHITA FALLS, TEXAS

## TOTAL BONDS PAYABLE

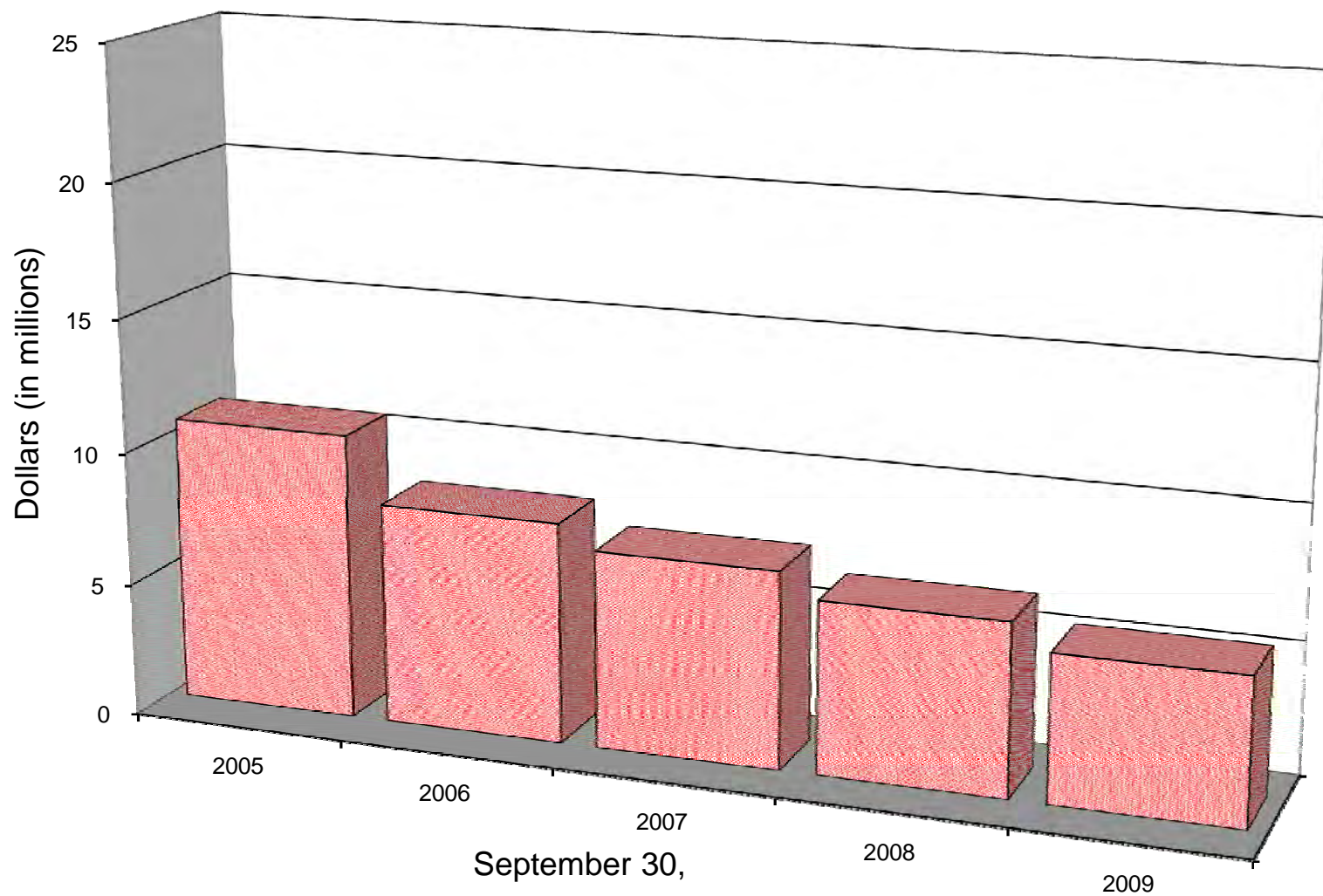


(UNAUDITED)



# CITY OF WICHITA FALLS, TEXAS

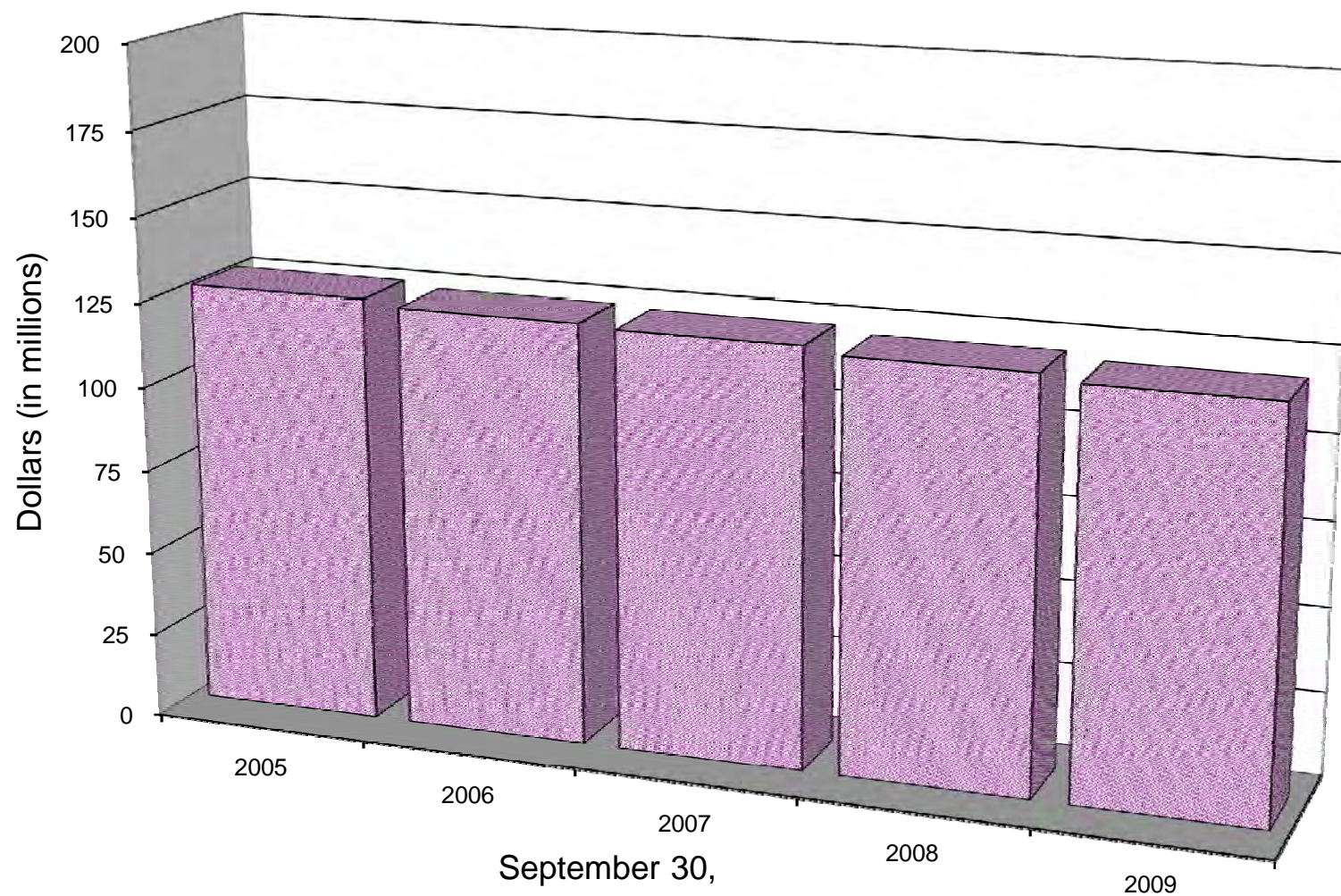
## GENERAL OBLIGATION BONDS PAYABLE



(UNAUDITED)

# CITY OF WICHITA FALLS, TEXAS

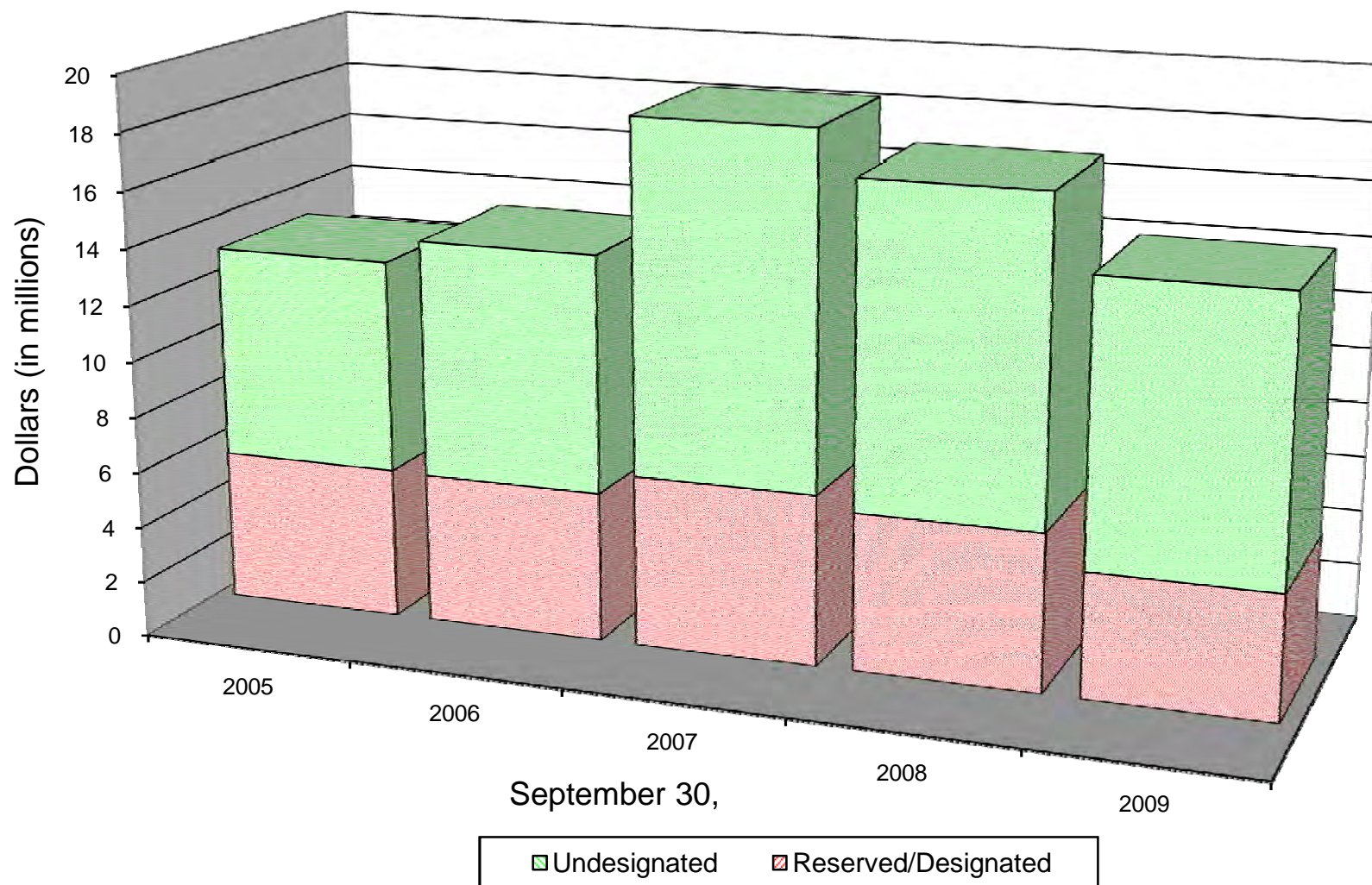
## REVENUE BONDS PAYABLE



(UNAUDITED)

# CITY OF WICHITA FALLS, TEXAS

## GENERAL FUND EQUITY

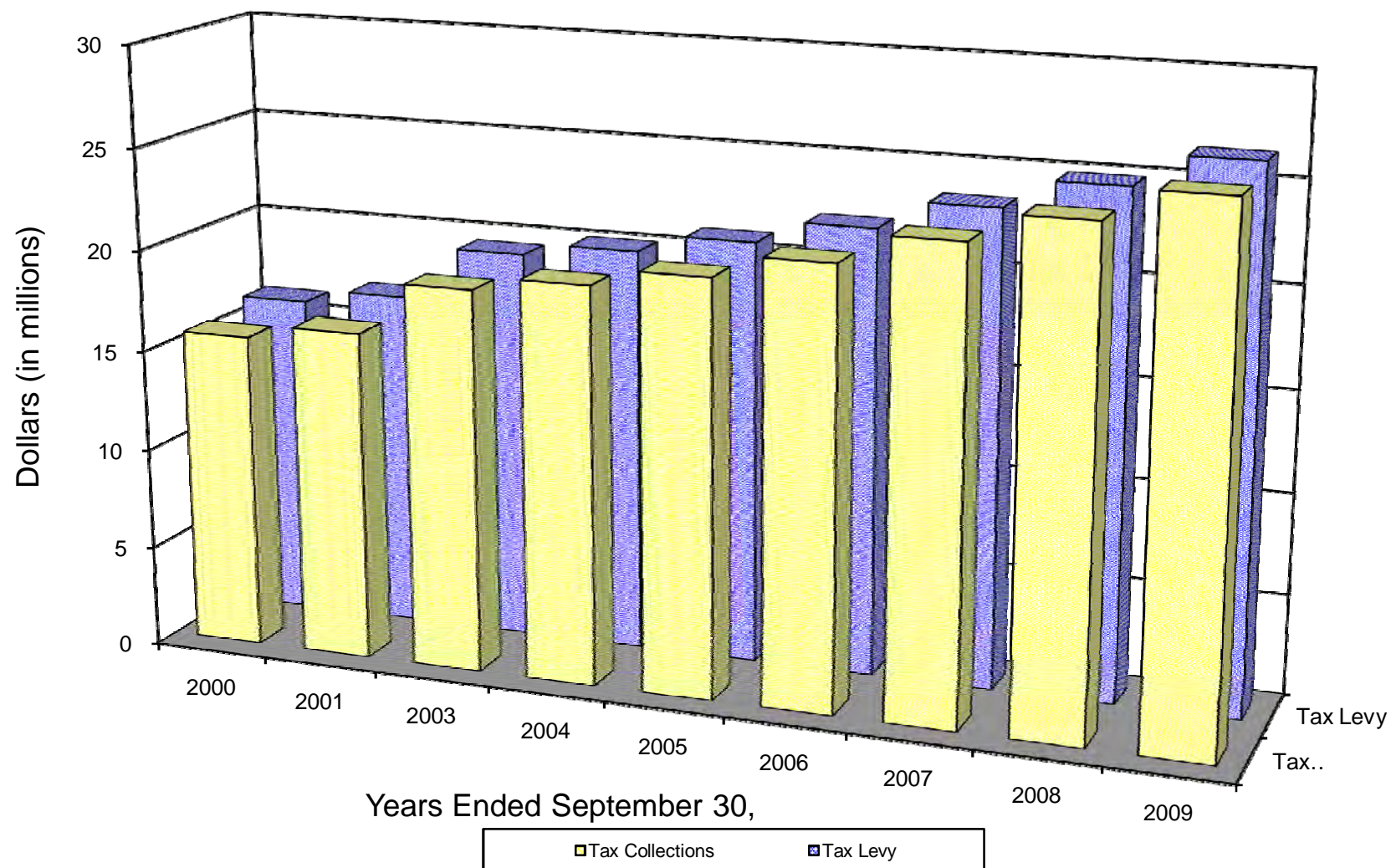


(UNAUDITED)



# CITY OF WICHITA FALLS, TEXAS

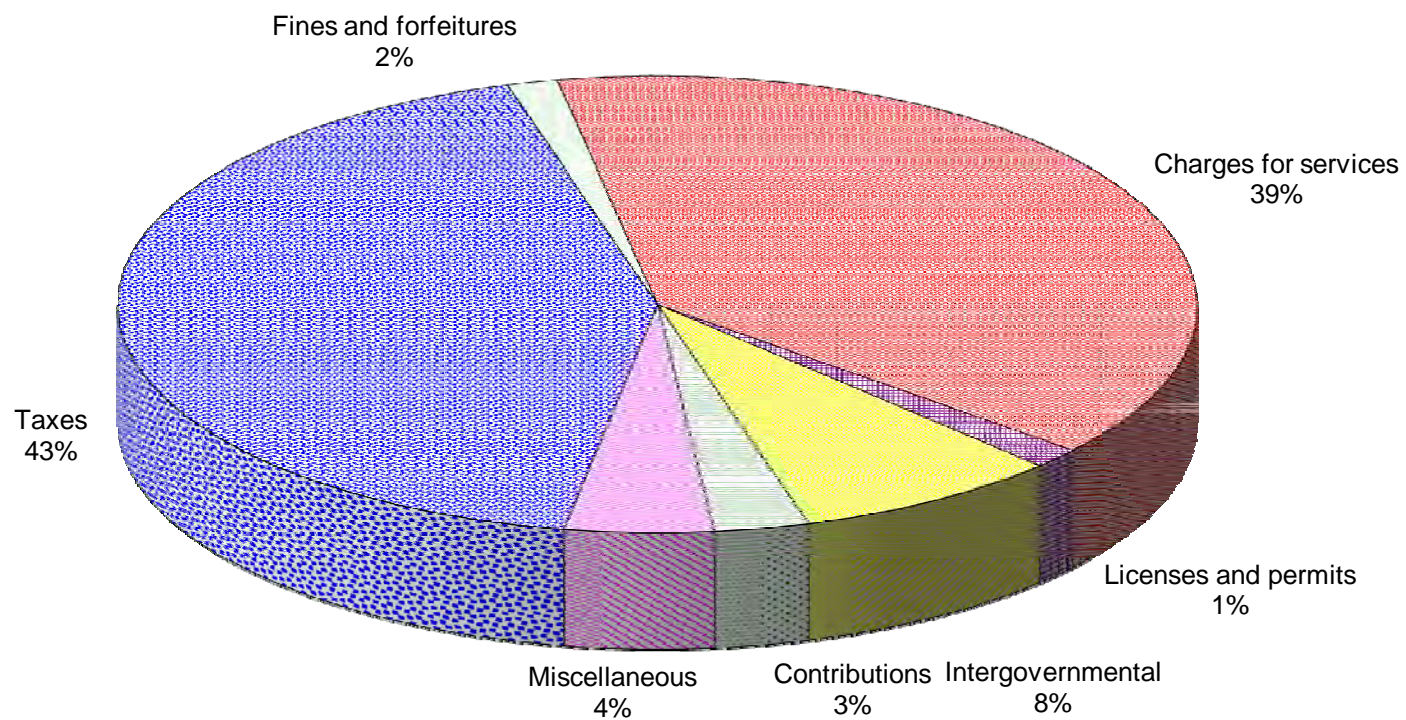
## COMPARISON OF TAX LEVY AND COLLECTIONS



(UNAUDITED)

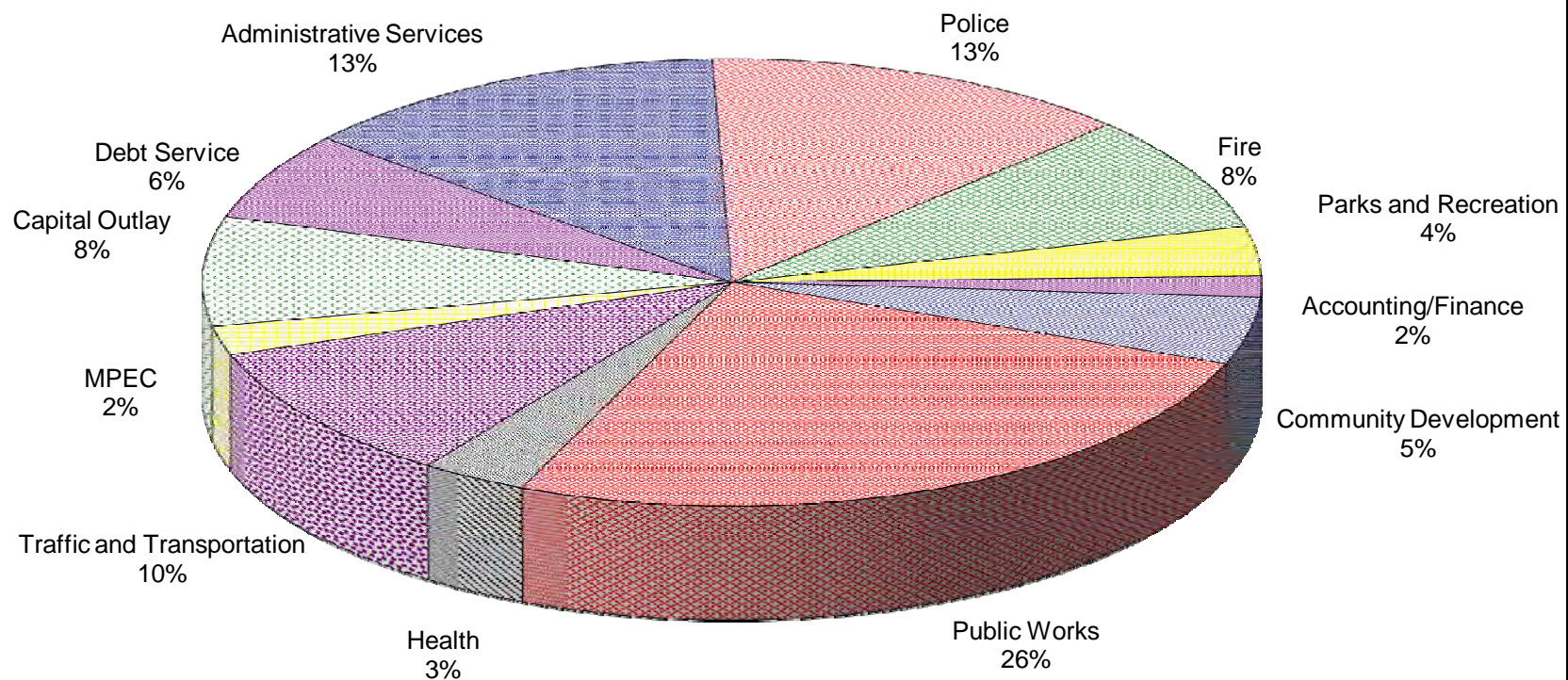


**CITY OF WICHITA FALLS, TEXAS  
REVENUES BY SOURCE - FYE 9/30/09**



(UNAUDITED)

**CITY OF WICHITA FALLS, TEXAS  
EXPENDITURES BY FUNCTION - FYE 9/30/09**

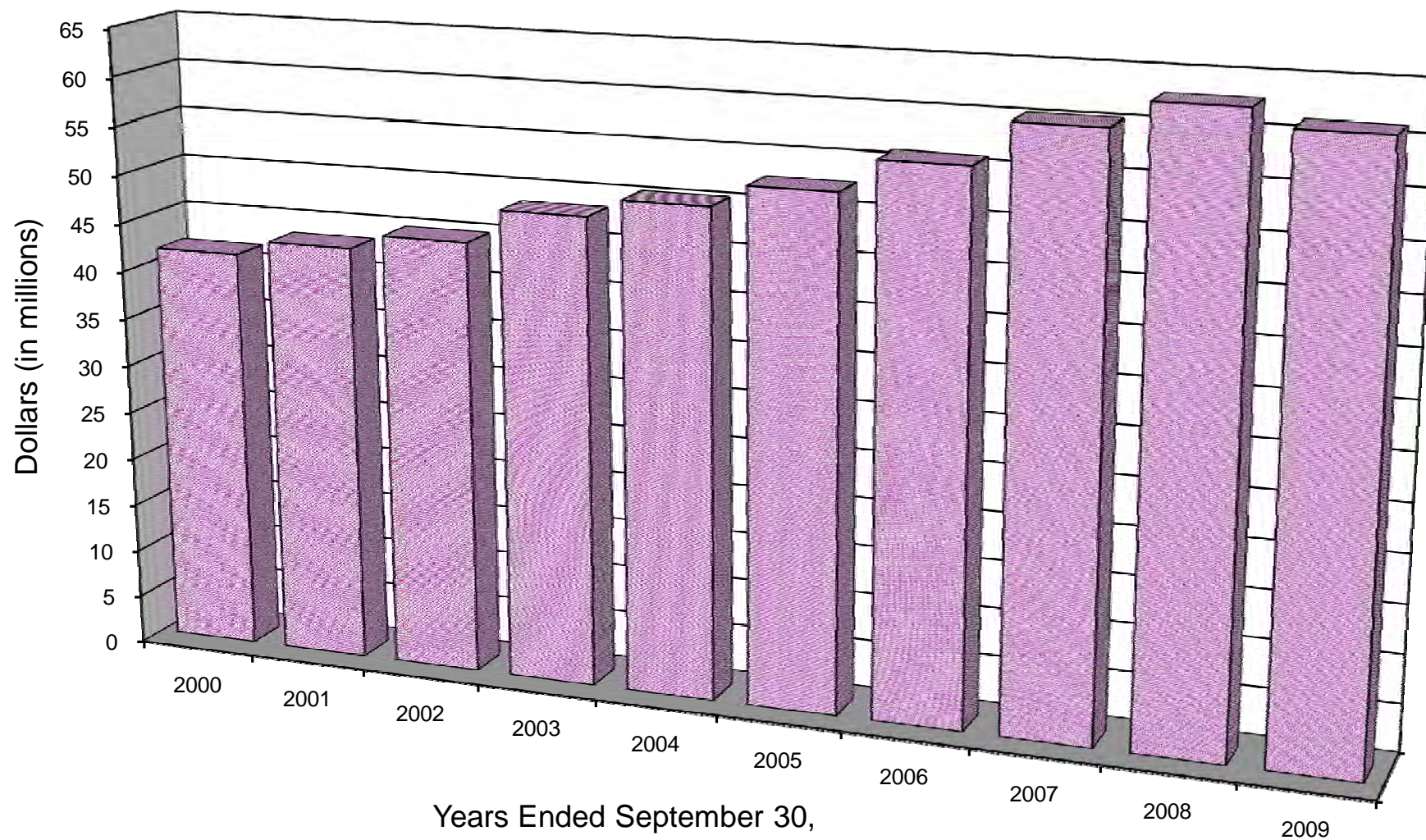


(UNAUDITED)



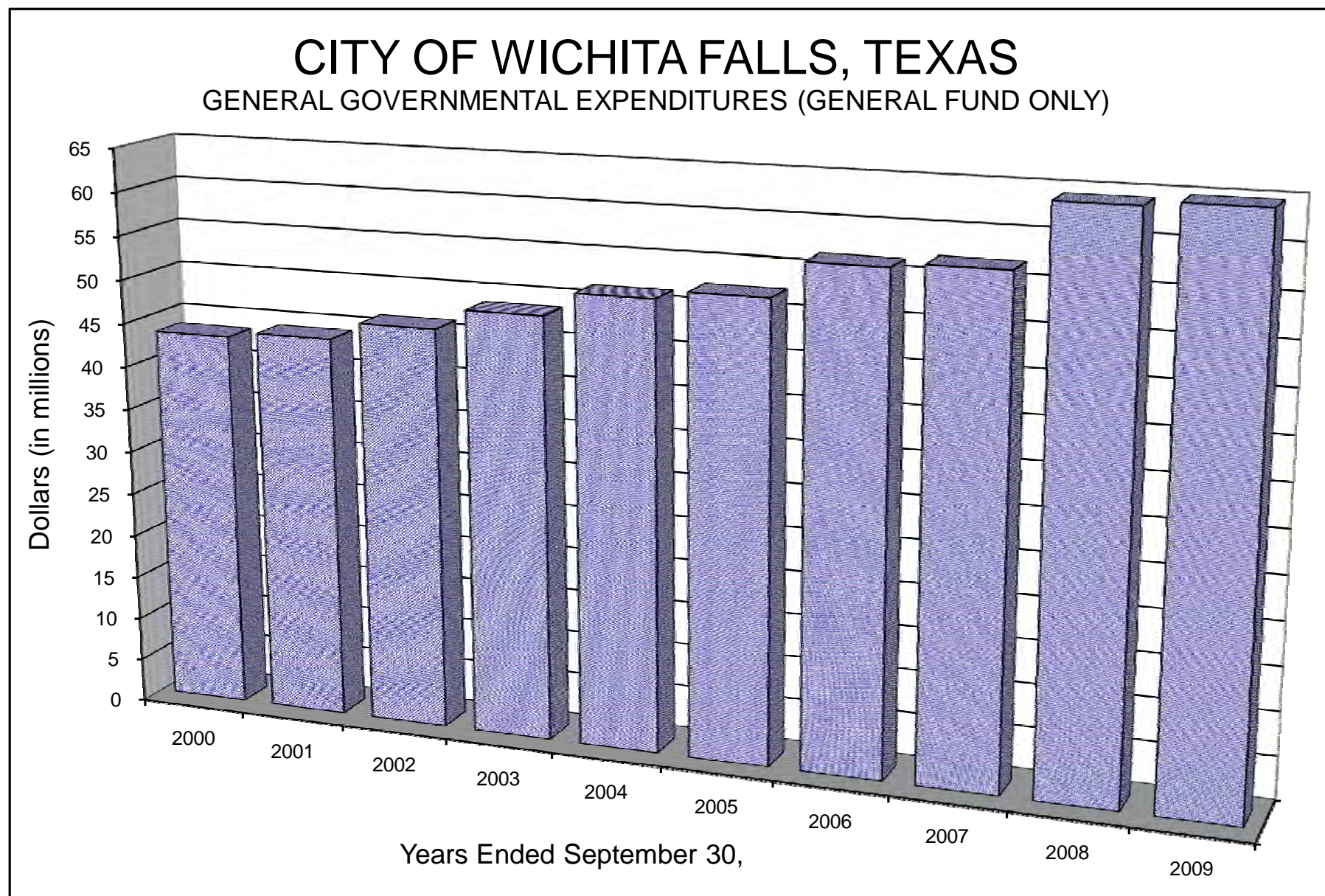
# CITY OF WICHITA FALLS, TEXAS

## GENERAL GOVERNMENTAL REVENUES (GENERAL FUND ONLY)



(UNAUDITED)





(UNAUDITED)