

City of  
**Wichita Falls, Texas**  
ANNUAL COMPREHENSIVE FINANCIAL  
REPORT  
FOR THE FISCAL YEAR ENDED 09/30/2021



***WWW.WICHITAFALLSTX.GOV***



**CITY OF WICHITA FALLS, TEXAS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

ISSUED BY:  
DEPARTMENT OF FINANCE

# CITY OF WICHITA FALLS, TEXAS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2021

### TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>		
Letter of Transmittal.....	i-ix	
GFOA Certificate of Achievement .....	x	
Organizational Chart .....	xi	
City Council & List of Principal Officials .....	xii-xiii	
<b><u>FINANCIAL SECTION</u></b>		
Independent Auditor's Report .....	1-2	
Management's Discussion and Analysis (Required Supplementary Information) .....	3-12	
<b>BASIC FINANCIAL STATEMENTS:</b>		
Statement of Net Position .....	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 Position.....	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	18-19
Statement of Net Position - Proprietary Funds.....	A-7	20-21
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	A-8	22
Statement of Cash Flows - Proprietary Funds.....	A-9	23-24
Statement of Fiduciary Net Position .....	A-10	25
Statement of Changes in Fiduciary Net Position.....	A-11	26
Notes to the Financial Statements.....	27-67	
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>		
Budgetary Comparison Schedule - General Fund .....	B-1	68
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System .....	B-2	69
Schedule of Contributions – Texas Municipal Retirement System .....	B-3	70
Schedule of Changes in Net Pension Liability and Related Ratios – Wichita Falls Firemen's Relief and Retirement Fund .....	B-4	71
Schedule of Contributions – Wichita Falls Firemen's Relief and Retirement Fund .....	B-5	72
Schedule of Changes in Net OPEB Liability and Related Ratios – City of Wichita Falls Retiree Health Care Plan.....	B-6	73
Schedule of Contributions – City of Wichita Falls Retiree Health Care Plan.....	B-7	74
Notes to the Required Supplementary Information .....	75-76	

# CITY OF WICHITA FALLS, TEXAS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

	<u>Exhibit</u>	<u>Page</u>
<b>COMBINING FINANCIAL STATEMENTS:</b>		
Nonmajor Governmental Funds:		
Combining Balance Sheet .....	C-1	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	C-2	78
Budgetary Comparison Schedule – Community Development Block Grant Fund.....	C-3	79
Budgetary Comparison Schedule – Section 8 Housing Fund .....	C-4	80
Budgetary Comparison Schedule – Home Investment Partnership Agreement Fund .....	C-5	81
Budgetary Comparison Schedule – MPEC/Hotel/Motel Tax Fund .....	C-6	82
Budgetary Comparison Schedule – Golf Fund .....	C-7	83
Budgetary Comparison Schedule – Debt Service Fund.....	C-8	84
Nonmajor Enterprise Funds:		
Combining Statement of Net Position .....	D-1	85
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	D-2	86
Combining Statement of Cash Flows .....	D-3	87-88
Internal Service Funds:		
Combining Statement of Net Position .....	E-1	89
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	E-2	90
Combining Statement of Cash Flows .....	E-3	91
Component Units:		
Combining Statement of Net Position .....	F-1	92
Combining Statement of Activities .....	F-2	93
<b>SUPPORTING SCHEDULES:</b>		
Combined Schedule of Bonded Debt and Interest Maturities.....		
G-1	94	
Combined Schedule of Bonds Payable.....		
G-2	95-99	
Debt Service Coverage – Revenue Bonds .....		
G-3	100	
Capital Assets Used in the Operation of Governmental Funds -		
Schedule By Function and Activity .....	G-4	101
Capital Assets Used in the Operation of Governmental Funds -		
Schedule of Changes By Function and Activity .....	G-5	102
Regional Airport Fund – Capital Assets and Accumulated Depreciation .....		
G-6	103	
Kickapoo Airport Fund – Capital Assets and Accumulated Depreciation.....		
G-7	104	
Transit Fund – Capital Assets and Accumulated Depreciation .....		
G-8	105	
Stormwater Drainage Fund - Capital Assets and Accumulated Depreciation.....		
G-9	106	
Sanitation Fund – Capital Assets and Accumulated Depreciation .....		
G-10	107	

# CITY OF WICHITA FALLS, TEXAS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

	<u>Exhibit</u>	<u>Page</u>
Water and Sewer Fund – Capital Assets and Accumulated Depreciation.....	G-11	108
Waterpark Fund – Capital Assets and Accumulated Depreciation .....	G-12	109
Fleet Maintenance Fund – Capital Assets and Accumulated Depreciation .....	G-13	110
Duplicating Services Fund – Capital Assets and Accumulated Depreciation .....	G-14	111
Information Technology Fund – Capital Assets and Accumulated Depreciation.....	G-15	112
Wichita Falls Economic Development Corporation – Capital Assets and Accumulated Depreciation.....	G-16	113
 <u>STATISTICAL SECTION (UNAUDITED)</u>		
Net Position By Component – Last Ten Fiscal Years .....	H-1	114
Changes in Net Position – Last Ten Fiscal Years.....	H-2	115-116
Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	H-3	117
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	H-4	118
Tax Revenues By Source, Governmental Funds – Last Ten Fiscal Years .....	H-5	119
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	H-6	120
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	H-7	121
Principal Property Taxpayers – Current Year and Nine Years Ago.....	H-8	122
Property Tax Levies and Collections – Last Ten Fiscal Years .....	H-9	123
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	H-10	124
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	H-11	125
Direct and Overlapping Governmental Activities Debt .....	H-12	126
Computation of Legal Debt Margin – Last Ten Fiscal Years .....	H-13	127
Pledged Revenue Coverage – Water and Sewer Revenue Bonds – Last Ten Fiscal Years.....	H-14	128
Demographic Statistics – Last Ten Fiscal Years .....	H-15	129
Principal Employers – Current Year and Ten Years Ago.....	H-16	130
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years.....	H-17	131
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	H-18	132
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	H-19	133
 Graphics:		
Cash and Investments.....	I-1	134
Total Bonds Payable .....	I-2	135
General Obligation Bonds Payable .....	I-3	136
Revenue Bonds Payable.....	I-4	137
General Fund Equity .....	I-5	138
Comparison of Tax Levy and Collections .....	I-6	139
Revenues by Source – FYE 9/30/20 .....	I-7	140
Expenditures by Function – FYE 9/30/20.....	I-8	141
General Governmental Revenues (General Fund Only) .....	I-9	142
General Governmental Expenditures (General Fund Only) .....	I-10	143

## ***INTRODUCTORY SECTION***



## FINANCE DEPARTMENT

March 28, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Wichita Falls, Texas for the fiscal year ended September 30, 2021, together with the opinion of our independent certified public accountants, Edgin, Parkman, Fleming & Fleming, PC, whose report is included. The Finance Department prepared this report to present the financial position of the City. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles and meet the requirements of the State of Texas and the City Charter.

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

Edgin, Parkman, Fleming & Fleming, PC, issued an unmodified opinion on the City's financial statements for the year ended September 30, 2021. The Independent Auditor's Report may be found on pages 1-2 of this document.

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

### CITY OF WICHITA FALLS PROFILE

The City of Wichita Falls is located in the south-central United States in north-central Texas. The City was incorporated in 1889 and now encompasses 70.1 square miles. The 2021 population for Wichita Falls, as estimated by the City, is 104,683, however the 2020 census, not published until after the publication of the City's FY 2020-21 budget, estimates the City's population at 102,316.<sup>1</sup>

Wichita Falls is linked to major southwestern, western, and mid-western cities by Interstate 44, U.S. Highways 82, 281, 277, 287, and Texas State Route 79. The city is approximately 130 miles northwest of the Dallas/Fort Worth Metroplex, 15 miles from the Red River that marks the Texas/Oklahoma border, and 125 miles south of Oklahoma City. The city is located in the cross-timbers area of the gently rolling north-central plains and is

<sup>1</sup> U.S. Census Bureau, Resident Population in Wichita Falls, TX (MSA) [WIFPOP], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WIFPOP>, March 10, 2022.

dissected by the Wichita River. Due to the city's geographic location, Wichita Falls serves as a regional economic hub for North Texas and south-central Oklahoma. Wichita Falls is the county seat of Wichita County and the major population center in North Texas. Neighboring counties include Archer and Clay.



(Downtown Wichita Falls, TX)

## **ECONOMIC CONDITION AND ACTIVITY**

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

The Total Gross Domestic Product of the Wichita Falls, TX MSA totaled \$6,432,554,000 in 2020. This is a decrease of 2.74% from the prior year, primarily due to the impact of the COVID-19 Pandemic. The largest portion of the MSA production includes Health, Social Services, and Manufacturing.<sup>2,3</sup> The total population of the MSA increased from 151,485 in 2019 to 152,485 in 2020.<sup>4,5</sup>

The economy is based on mineral production, retail trade, manufacturing, agribusiness, and government installations. Principal sources of agricultural income include cattle, cotton, and wheat. The City has several institutions of higher learning, a strong international presence through Sheppard Air Force Base, an eager workforce, with a community spirit geared toward family, friends, and a desire to see that this thriving city continues to grow and prosper.

The central business district is 5 miles from Sheppard Air Force Base. Sheppard Air Force Base was established in 1941 and is the most diverse training installation for the Air Force. The base is home to the Air Force's largest

---

<sup>2</sup> U.S. Bureau of Economic Analysis, Total Gross Domestic Product for Wichita Falls, TX (MSA) [NGMP48660], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/NGMP48660>, March 10, 2022.

<sup>3</sup> Trading Economics, [www.tradingeconomics.com](http://www.tradingeconomics.com), accessed 3/3/2022

<sup>4</sup> United States Bureau of Economic Analysis, [www.bea.gov](http://www.bea.gov), accessed 3/3/2022.

The reader is directed to the cited sources. As this information changes, the US Bureau of Economic Analysis updates and revises this data. It is imperative that the reader is aware of this fact and sources this information as it may change.

<sup>5</sup> U.S. Census Bureau, Resident Population in Wichita Falls, TX (MSA) [WIFPOP], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WIFPOP>, March 10, 2022.

technical training wing and Euro-NATO Joint Jet Pilot Training program, which trains combat pilots for 14 NATO partners. Sheppard Air Force Base employs approximately 22,323 individuals.<sup>6</sup>

The City's major University is Midwestern State University (MSU). Established in 1922, MSU is a public university that currently enrolls 5,797 students. MSU offers 49 undergraduate programs and 27 graduate programs. The University has a student to faculty ratio of 16:1.<sup>7</sup>

The City is also home to a branch of Vernon College, a fully accredited community college. Vernon College enrolls approximately 2,773 students. The College serves a 12 county area, which includes Archer, Baylor, Clay, Cottle, Foard, Hardeman, Haskell, King, Knox, Throckmorton, Wichita, and Wilbarger.<sup>8</sup>

The City's largest employers include the North Texas State Hospital-Wichita Falls Branch, Midwestern State University, James V. Allred Prison, Sheppard Air Force Base and United Regional Healthcare System. The City operates a Multi-Purpose Events Center (MPEC), which includes a coliseum, exhibit hall, and an agricultural arena/show barn. In the current year, the City has collaborated with a private investor to complete a hotel and convention center. This collaboration will include a privately owned hotel with a private investment of over \$48 million and a public conference center, supported with 4B Sales Tax funds. Construction on this facility began during the 2020-21 fiscal year.

In 1998, voters in Wichita Falls approved a ½-cent economic development sales tax. The passage of the sales tax for economic development created two separate corporations, the Wichita Falls Economic Development Corporation (WFEDC), previously referred to as a 4A Corporation, and the 4B Sales Tax Corporation. The WFEDC was created to fund industrial development projects, manufacturing, research, and development. These funds may be used to fund military base realignment, job training classes, and public transportation. The 4B Corporation may fund all projects the 4A Corporation may fund, in addition to parks, museums, sports facilities, conference facilities and affordable housing opportunities. Sales tax collected in accordance with the voter-approved ½-cent economic development sales tax totaled \$9,454,708 and is divided evenly between the two separate sales and economic development corporations for a total of \$4,727,354 each. These corporations are discretely presented component units of the City. A further discussion of component units may be found in the Notes to the Basic Financial Statements, beginning on page 28 of this document.

Revenue for operations comes from many sources, the largest of which are property and sales taxes. The City's property tax rate during the 2020-21 fiscal year was \$0.763323 per \$100 of assessed value. This property tax rate generated approximately \$43.0 million in revenues, of this amount \$38.8 million was received into the City's General Fund for general city operation. This represents a collection rate of 100.13% of budget. The City receives 2.0% of the sales tax collected within City limits. During the 2020-21 fiscal year, the City collected \$28.4 million in sales taxes for general operations. The City ended the year with sales tax collections approximately 12.53% higher than the prior year. These collections do not include the sales tax, which is collected, and directed, to the City's discretely presented component units as those funds are voter-approved for a specific and dedicated purpose outside of general city use.

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

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

The City provides a full range of municipal services to the community. These services include public safety, fire protection, public works, health and welfare, parks and recreation, cemeteries, library, public improvement,

---

<sup>6</sup> <https://comptroller.texas.gov/economy/economic-data/military/sheppard.php#en3> , March 10, 2022

<sup>7</sup> Midwestern State University, Quick Facts, <https://msutexas.edu/about/quick-facts/index.php> March 10, 2022

<sup>8</sup> Vernon College, <https://www.collegetuitioncompare.com/edu/229504/vernon-college/enrollment/#:~:text=Vernon%20College%20has%20a%20total%20of%202%2C773%20enrolled,All%2020%2C773%20students%20are%20enrolled%20into%20undergraduate%20programs> , March 10, 2022

engineering, planning and zoning, and general administrative services. As part of public works services, the City provides water, sewer, and sanitation for its citizens. The City also provides a full range of transportation options, including bus service, a regional airport, and a trolley.

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

#### **FINANCIAL INFORMATION & FINANCIAL POLICY**

A further discussion of the City's Financial Policies may be found in the Notes to the Basic Financial Statements included in this document beginning on page 27. The City's financial direction begins with the City's Charter, which is the basis for all financial policies the City implements. The City maintains financial policies for general operations, which include policies for financial management and fund balances, budget compliance, debt issuance and management, accounts payable, water service, and purchasing, among others. Additional information about financial policies may be found in the City's Adopted Operating Budget in the Policy Statement section.

In developing and evaluating the City's accounting system, the City Manager considers the adequacy of internal control as deemed appropriate. 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.

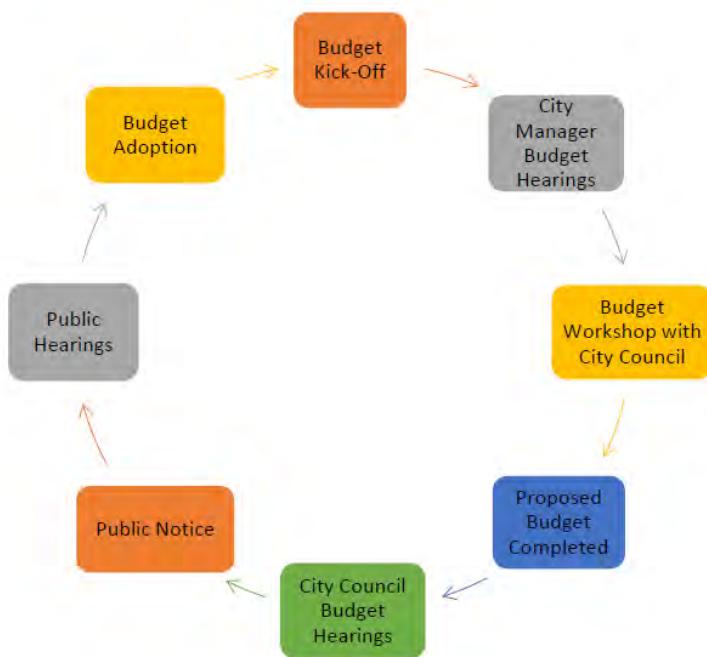
The City believes that its internal control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The Annual Operating Budget is proposed by the City Manager and approved by the City Council following public discussion. Budgetary control is maintained at the department (class)/fund level by the Finance Department through the use of an integrated enterprise resource planning solution. In instances when budgetary transfers are necessary, management control of the operating budget is maintained at the fund and department level. The City Manager must approve transfers within a department of the same fund. Transfers across unlike Departments (outside of class) or funds must be approved by the City Council. A summary look at the City's budget process is presented in the graphic on the following page. The process starts in March and concludes with Budget Adoption in September. The City's fiscal year runs from October 1 to September 30.



Downtown art.

## BUDGET CALENDAR



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, 2021, and related appropriations are carried forward to the new fiscal year through a supplemental budgetary allocation.

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

The City also maintains an informal policy to limit tax-supported debt to no more than 5% of total assessed property value or \$1,500 per capita. As of September 30, 2021, the City's tax-supported debt, totaled \$51.5 million and equated to 0.94% of the assessed property value.

## GENERAL GOVERNMENTAL FUNCTIONS

The City's two largest revenue sources are property tax (ad valorem tax) and sales tax. The City Council is responsible for adopting a tax rate annually. All eligible property within the City is subject to assessment, levy, and collections of a continuing, direct ad valorem tax. The City Council works closely with City staff to analyze and adopt rates that assist the City, the taxpayer and the community at large. The following discussion highlights the property and sales tax information for the next fiscal year.



Recognition for completion of the Wichita Falls Citizen's Academy.

The City may levy taxes only in accordance with the budget. The tax rate consists of two components, the amount of taxes to pay maintenance and operation expenditures and the amount of taxes to pay debt service (interest and sinking). The table below shows the total of each over the past five years.

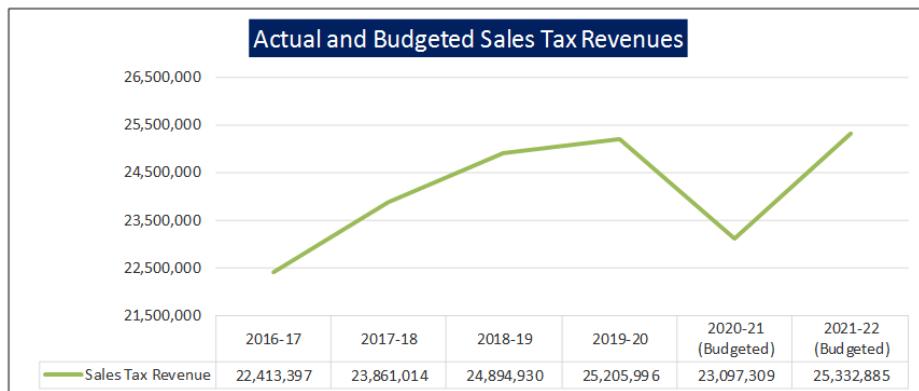
Property Tax Rate	Maintenance & Operations	Interest & Sinking	Total Rate	\$ Change	% Change	Average Annual % Change
2017-18	0.687815	0.018165	0.705980	-	0.00%	
2018-19	0.687102	0.042778	0.729880	0.024	3.39%	
2019-20	0.721571	0.041752	0.763323	0.033	4.58%	
2020-21	0.722736	0.040587	0.763323	-	0.00%	
2021-22	0.726565	0.034363	0.760928	(0.002)	-0.31%	1.51%

The adopted total tax rate is applied to the total Certified Value of the City to generate the total tax levy. Over the past five years, the City has seen an average growth rate of 3.28% in the Certified Property Tax Values. Over the past ten years, the annual average growth is 2.66%. The economy in the area is strong with home prices seeing record highs in the last year. This year the City saw increases in the Certified Valuation not seen in over a decade.

Fiscal Year	Certified Value (In billions)	Average Annual Change, 5 Years
2017-18	4.942	
2018-19	5.075	
2019-20	5.276	
2020-21	5.456	
2021-22	5.807	3.28%

Property Tax is the largest source of revenue in the General Fund. The property tax base for 2021, as certified by the Wichita Appraisal District, increased 6.45% from \$5,455,879,419 in FY 2021 to \$5,807,983,335 in FY 2022.

Sales Tax is an inherently volatile revenue source, and represents 29% of the General Fund revenues. Sales Tax is derived from businesses operating within City limits and is applied to goods and services sold. Sales Tax is affected by changes in the economy, and it is projected that this revenue source will increase 9.68% from the previous year's budgeted collections. Sales Tax receipts have steadily recovered month over month since the onset of the pandemic.



## MAJOR INITIATIVES

### PAST YEAR:

The City conservatively set revenue expectations and adjusted costs to address the Pandemic in the 2019-20 fiscal year. The 2019-20 fiscal year's budget included reductions in all revenue sources. In total, the City's budget included reductions of 4.97% in revenues and expenditures. The City maintained its hiring freeze and asked all Director's to consider cutting their budget to address the Pandemic, while ensuring that there was no decrease in City services.

As the year progressed, the City saw stable revenues; however, the Pandemic is ongoing and could further affect the City in coming years. The City has received federal funds, including an allotment from the American Rescue Plan Act, passed in March of 2021. The City Manager and Council will consider uses for these funds in the next year and will adopt any action when that action is determined.

The City contracted with Management Advisory Group International, Inc. (MAG) to conduct a comprehensive compensation study and assessment of jobs for all current City of Wichita Falls job classifications. The next year adopted budget reflects the recommendations of that report. MAG's findings and recommendations are based on:

- salary survey results;
- current organizational structure;
- discussions with human resources and management, and review of current compensation practices;
- job analysis based on current class/job descriptions; and
- internal equity and external competitiveness considerations.

The goal of the City for this project was to provide the foundation for an appropriate classification and compensation system and pay plan based on current compensation levels for similar public sector employers, municipalities, and local market competitors. In response, MAG developed an adopted pay plan and salary adjustment recommendations for current positions included in the City of Wichita Falls job classifications.

### Strategic Planning:

In March 2021, the City Council and City staff conducted a 2-day strategic planning workshop at the MPEC to ensure the best possible decisions for Wichita Falls are made over the next few years. The Azimuth Group, Inc. was contracted to facilitate and document the results of this collective planning and priority-setting effort. The Strategic Plan is an example of the operation of the "Council-Manager" form of government in that the City Council adopts the Strategic Plan and its policies, and the City Manager is responsible for implementation.

The City Council ratified the plan and its goals on May 18, 2021. The plan describes the three highest priority items (those items with the greatest opportunity for continued improvement) as (1) Accelerate Economic Growth, (2) Provide Quality Infrastructure, and (3) Redevelop Downtown.

### During the 2020-21 fiscal year, the City's efforts toward these goals included the following:

In support of the goal, Provide Adequate Infrastructure, the City issued \$17.3 million in voter-approved General Obligation Bonds in 2018, and work on this project, while slowed due to the Pandemic, continued in the 2020-21 fiscal year. This issue allows for the extension of Maplewood Avenue from Lawrence Road to McNeil Avenue (estimated at \$1.6 million), the widening of Taft Boulevard from FM 369 to FM 2380 (estimated at \$4.7 million), and routine capital street repairs throughout the city limits (estimated at \$11 million).

In support of the goal, "Efficiently Deliver City Services," in the fiscal year 2017-18, the Information Technology Department, Finance Department, and Human Resources Department began implementation of new Finance and Human Resources software applications with technology that integrates with the Utility Billing and Collections and Municipal Court systems. The 2018-19 fiscal year was the first year this software was used for budget creation, and since that time, the City has expanded and further integrated functionality in the system.

In the 2019-20 fiscal year, the City integrated all payroll functions into the new system and increased the usage of the system in the Human Resources Department. Implementation is complete; however, the City continues to implement smaller modules within the software to further streamline internal processes. These include grant management and project accounting, among others. The cost of the new systems was approximately \$840,000 for the Finance and HR applications. These funds were provided for in the Information Technology fund and were saved over time to allow the City to implement this software solution without impact on available general revenues in any one year. During the 2021-22 fiscal year, this software will be upgraded to the newest version available. This will allow the City to further integrate functionality and offer additional services to the community.

In prior years, the City, in conjunction with Rolling Plains Management Corporation, applied for and received nearly \$10 million in a grant award from the Federal Transit Administration (FTA) Section 5339 Buses and Bus Infrastructure Investment Grant Program to design and construct a bus maintenance and repair facility. The current facility was completed in 1984 and is located in the Central Services Complex. Given the expansion of route services over the years and an increase in the number of buses owned by the City, the Public Transportation Division has outgrown its current location. Additionally, Rolling Plains Management Corporation has a need for these services and desires to enter into a joint venture agreement to construct this facility to accommodate both organizations. The location for this facility is 2004 Old Windthorst Road, which previously housed an old fire station used by the City's Radio staff, as well as 7 acres to the south and west of this building. To move the project forward, the old fire station was decommissioned and demolished. The project began construction in early 2020 and continued despite the COVID-19 Pandemic. The completed facility will open during the 2021-22 fiscal year and will include the following:

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

**NEXT YEAR:**

As mentioned, the City completed a strategic study related to employee pay. The City will implement parts of the plan in the 2021-22 fiscal year. The City will implement the below items:

- A flat salary increase of 2% for all employees.
- An increase to the minimum pay, per job, for employees who, with the 2% increase, were still below the minimum pay for the grade of work they were completing.
- Adjustments to steps for police officers and fire fighters whose pay, with the above increases, still did not reach the grade and step for their currently held positions.
- Implementation of the merit based pay increase program at 2.5% for all employees.

In total, the implementation of the plan increased payroll costs by approximately \$4.4 million citywide. Additional salary increases stem from increased employee counts in the Hotel/Motel and Water & Sewer Funds. The City released the hiring freeze on all frozen positions. These costs increased the City's contribution to the Texas Municipal Retirement System, FICA, and contributions to the City's Firefighter Pension. While the rates for the contributions did not change for FICA or the City's Firefighter Pension, the increase in salary conversely creates an increase in cost to the City to fund these programs. The City's contribution to the Texas Municipal Retirement System is a fixed contribution, determined by actuarial analysis performed by the TMRS system and will reduce in the current year from 16.57% of total compensation to 16.42%. The City's

contribution to the Firefighter's Pension System will remain at 13.25%. This amount was increased in the prior year from 13.00% and is above the State required minimum of 12%.

#### **OTHER INFORMATION**

##### **Independent Audit**

The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by Certified Public Accountants. The accounting firm of Edgin, Parkman, Fleming & Fleming, PC was selected by the Mayor and City Council to satisfy this charter requirement. The auditors' report on the basic financial statements and combining fund statements and schedules is included in the financial section of this report. In addition to meeting the requirements set forth in the City Charter, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Uniform Guidance and the State Single Audit Act. These reports are issued under separate cover.

##### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita Falls for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the 26<sup>th</sup> consecutive year that the City of Wichita Falls has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

##### **Acknowledgments**

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

Respectfully submitted,



Jessica Williams, MPA, CPFO  
Chief Financial Officer





Government Finance Officers Association

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

Presented to

**City of Wichita Falls  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

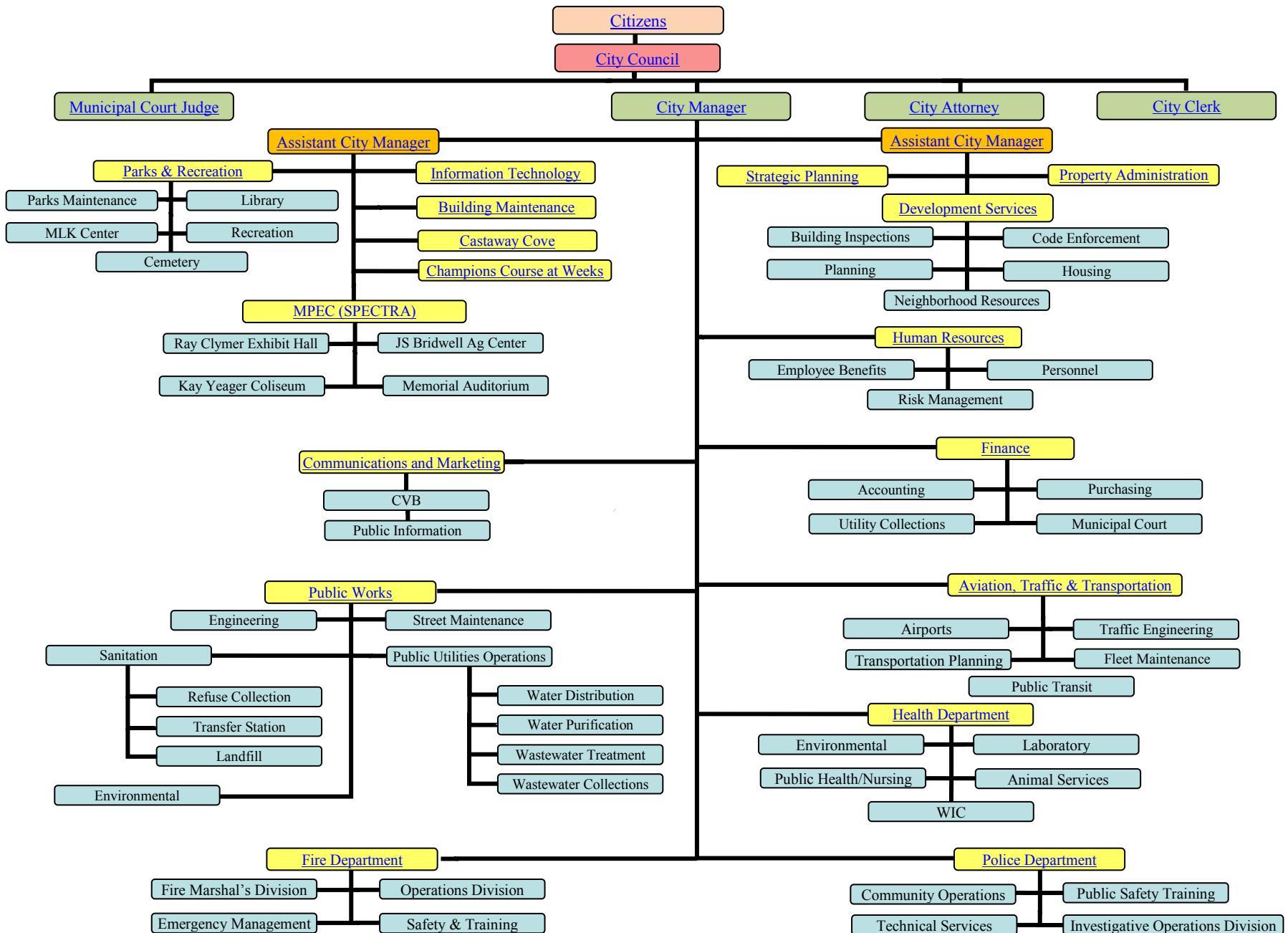
September 30, 2020

*Christopher P. Monell*

Executive Director/CEO



# CITY OF WICHITA FALLS



## **CITY OF WICHITA FALLS, TEXAS**

### **LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2021**

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

## ELECTED OFFICIALS & CITY MANAGER

---



**Stephen Santellana**  
Mayor



**Bobby Whiteley**  
At Large



**Deandra Chenault**  
District 2, Mayor Pro Tem



**Tim Brewer**  
District 4



**Michael Smith**  
District 1



**Jeff Browning**  
District 3



**Steve Jackson**  
District 5



**Darron Leiker**  
City Manager

## ***FINANCIAL SECTION***



# EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 • P.O. Box 750  
WICHITA FALLS, TEXAS 76307-0750  
PH. (940) 766-5550 • FAX (940) 766-5778

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

## **Independent Auditor's Report on Financial Statements**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wichita Falls, Texas (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule – General Fund, the schedules on the Texas Municipal Retirement System, the Wichita Falls Firemen's Relief and Retirement Fund, and the Wichita Falls Retiree Health Care Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated March 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Respectfully submitted,

*Edgin, Parkman, Fleming & Fleming, PC*

Edgin, Parkman, Fleming, PC

March 22, 2022

## CITY OF WICHITA FALLS, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2021

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, 2021. The management of the City offers it here to the readers of its financial statements. Readers should use the information presented in conjunction with additional information furnished in our letter of transmittal, which is in the Introductory Section of this Annual Comprehensive Financial Report.

#### **Financial Highlights**

The assets and deferred outflows of the City of Wichita Falls exceeded its liabilities and deferred inflows on September 30, 2021, by \$433,494,474 (net position). The net position for the City increased by \$35,339,031 over the prior year. This increase is a result of an increase in net position of \$20,760,339 from the current fiscal year business-type activities and an increase in net position of \$14,578,692 from the current fiscal year governmental activities.

The unrestricted net position for Governmental Activities was (\$85,096,370), while the Business-type Activities had an unrestricted net position of \$45,447,623, for an overall unrestricted net position of (\$39,648,747). Governmental Activities increased by \$9,412,848 in unrestricted net position from the prior year, while Business-type Activities unrestricted net position decreased by \$2,131,269 from the prior year.

The increase in unrestricted net position in the Governmental Activities is due to increases in the City's total Assets and Deferred Outflows of \$32,183,915 offset by an increase in total Liabilities and Deferred Inflows of \$17,605,222. Assets increased \$29,835,511 due to increases in cash and cash equivalents, and capital assets net of accumulated depreciation. Cash and cash equivalents have increased during the COVID-19 Pandemic primarily due to additional resources the City received from the American Rescue Plan Act (Act). The Act allocated a total of \$29.5 million dollars to the City through the United States Treasury. Half of these funds, \$14.5 million, were received by the City during the fiscal year; the remaining half will be received in the next fiscal year. Due to delays in the United States Treasury's publishing of a Final Rule, the City did not allocate the majority of these funds in this fiscal year. The City waited until final guidance received in December of 2021 was published to begin discussions about uses of the funds. The City will allocate the funds in the next fiscal year, through action of the City Council. The City also saw increases in sales tax collections of \$5.2 million over budget and a 98.56% property tax collection rate to levy. Capital Assets Net of Depreciation increased \$10,681,306, which was offset by a decrease in Capital Assets Not Being Depreciated of \$7,405,016. Deferred Outflows of Resources increased \$2,348,404 due to increases in Pension and Other Post Employment Benefit (OPEB) related costs.

The City's total assets also benefited from increases in fund balance in the City's General Fund of \$10,094,282, of which \$10,226,213 is unassigned. Increases in fund balance are a combination of increased economic activity and federal aid received. Liabilities in the City's General Fund increased \$684,697 primarily due to increases in accrued payroll at year-end.

Asset increases were also due to the inclusion of the American Rescue Plan Act Fund. This fund, listed as a major Governmental Fund, is funded by contributions from the United States Treasury, to the City to continue the fight against COVID-19 and the resulting economic impacts of the pandemic. As stated previously, this funding source totals approximately \$14.5 in the current year, with funds committed by the City Council to address the emergency replacement of the City's SCADA system.

Business-type Activities unrestricted net position decreased by \$2,131,269. Assets and Deferred Outflows increased \$7,977,654, primarily due to increases in cash and cash equivalents collected in the current year. Cash and cash equivalents increased by \$5,279,201. Of this amount, the largest increase was in the Nonmajor Enterprise funds, which in total increased \$2,589,284 coupled with an increase in the Sanitation fund of \$2,172,915 over the prior year. Internal Balances also increased by \$1,789,608. These increases

## CITY OF WICHITA FALLS, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.)

#### SEPTEMBER 30, 2021

were offset by changes in liabilities. Overall, liabilities decreased by \$12,755,059, primarily due to decreases in long-term liabilities payable after one year.

Assets and Deferred Outflows in the Water and Sewer Fund decreased \$2,174,220. This decrease is primarily due to decreases in Capital Assets, Net of Accumulated Depreciation of \$2,109,192. Liabilities and Deferred Inflows decreased \$12,262,025 due to decreases in long-term liabilities payable after one year.

In the Sanitation Fund, Assets and Deferred Outflows increased \$2,130,312. This increase is, in part, due to an increase in Sanitation Rates of 6% during the year, offset with a decrease in spending during the fiscal year.

In the Regional Airport Fund, Assets and Deferred Outflows decreased \$1,134,785. This decrease is attributed to decreases in Capital Assets, Net of Accumulated Depreciation of \$1,501,576 offset by increases in Government Agencies Receivable. Due to legislation passed, in various bills, the Regional Airport has received additional federal support for operations during the COVID-19 Pandemic.

At September 30, 2021, the City's governmental funds reported combined ending fund balances of \$57,086,327. Of this amount, \$36,401,425, or 63.7%, is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$37,181,391, or 47.01% of total General Fund expenditures of \$79,087,357.

During the 2020-21 fiscal year, the City's total debt decreased by \$14,241,400. This decrease is the result of the City retiring \$2,795,000 in outstanding General Obligation Bonds, \$7,635,000 in Utility System Revenue Bonds, \$2,925,000 in Combination Tax and Revenue Bonds, \$1,637,738 in Capital Leases, \$42,892 in Notes Payable and \$1,840,770 in Bond Premiums. Venue Tax Revenue Bonds were issued at \$2,680,000 with \$45,000 retired.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a comprehensive view of the City's financial activities. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

#### **Government-wide Financial Statements**

The government-wide financial statements, which can be found on pages 13-14 of this report, include the *Statement of Net Position* (Exhibit A-1) and the *Statement of Activities* (Exhibit A-2). These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all current year's revenues and expenses are included regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

*The Statement of Net Position* presents information on all of the City's assets and liabilities, including capital assets and long-term obligations. The difference between the City's assets and deferred outflows and liabilities and deferred inflows is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or

## CITY OF WICHITA FALLS, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2021

deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (e.g., roads, traffic signals, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

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

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

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

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

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

#### Fund Financial Statements

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

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

The focus of the governmental fund's 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

## CITY OF WICHITA FALLS, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2021

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 fund's financial statements.

The City of Wichita Falls maintains 16 individual governmental funds. Information for the General Fund and the American Rescue Plan Act Fund are presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances because they are considered major funds 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 15-19 of this report.

*Proprietary Funds* – When the City charges customers for services it provides, whether to outside customers or to other units within the City, the activities are generally reported in proprietary funds. The City of Wichita Falls maintains two different types of proprietary funds: enterprise funds and internal service funds.

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, sanitation collection and disposal services, regional and municipal airports, transit operations, stormwater drainage improvements, and water park operations.
- Internal service funds are an accounting device used to report activities that provide supplies and services to other City programs, such as fleet maintenance, print shop services, information technology, and employee benefit trust. Because these services benefit both governmental and business-type functions, they have been allocated between governmental and business-type activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the business-type activities shown in the government-wide financial statements, only in more detail and include some of the internal service fund-type activities. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Sanitation Fund, and the Regional Airport Fund since they are considered major funds of the City. The non-major proprietary funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of the non-major proprietary funds are provided in the Combining Financial Statement Section of this report.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds. Custodial 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 a custodial fund used to account for property that has been abandoned or unclaimed pending escheatment to the State of Texas.

## CITY OF WICHITA FALLS, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.)

#### SEPTEMBER 30, 2021

##### **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 27-67 of this report.

##### **Government-Wide Financial Analysis**

The City's combined net position was \$433,494,474 as of September 30, 2021, an increase of \$35,339,031 or 8.88% from the prior year. Using the tables below, an analysis of the net position of the City can be made. The largest portion of the City's net position, \$454,046,148, or 104.74%, is reflected in capital assets (land and improvements, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$19,097,073, or 4.41%, represents resources that are subject to external restrictions on how they may be used.

	Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$82,206	\$55,647	\$89,234	\$81,759	\$171,440	\$137,406
Capital Assets	<u>187,134</u>	<u>183,858</u>	<u>393,811</u>	<u>393,142</u>	<u>580,945</u>	<u>577,000</u>
Total Assets	<u>269,340</u>	<u>239,505</u>	<u>483,045</u>	<u>474,901</u>	<u>752,385</u>	<u>714,406</u>
Deferred Outflows of Resources	<u>39,980</u>	<u>37,631</u>	<u>4,484</u>	<u>4,650</u>	<u>44,464</u>	<u>42,281</u>
Long Term Liabilities	184,964	183,106	126,153	138,813	311,117	321,919
Other Liabilities	<u>24,613</u>	<u>11,214</u>	<u>7,810</u>	<u>7,905</u>	<u>32,423</u>	<u>19,119</u>
Total Liabilities	<u>209,577</u>	<u>194,320</u>	<u>133,963</u>	<u>146,718</u>	<u>343,540</u>	<u>341,038</u>
Deferred Inflows of Resources	<u>17,137</u>	<u>14,789</u>	<u>2,677</u>	<u>2,705</u>	<u>19,814</u>	<u>17,494</u>
Net Position:						
Net Investment in Capital Assets	160,442	155,903	293,604	270,540	454,046	426,443
Restricted	<u>7,260</u>	<u>6,633</u>	<u>11,837</u>	<u>12,009</u>	<u>19,097</u>	<u>18,642</u>
Unrestricted	<u>(85,096)</u>	<u>(94,509)</u>	<u>45,448</u>	<u>47,579</u>	<u>(39,648)</u>	<u>(46,930)</u>
Total Net Position	<u><b>\$82,606</b></u>	<u><b>\$68,027</b></u>	<u><b>\$350,889</b></u>	<u><b>\$330,128</b></u>	<u><b>\$433,495</b></u>	<u><b>\$398,155</b></u>

**CITY OF WICHITA FALLS, TEXAS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.)**  
**SEPTEMBER 30, 2021**

**CHANGES IN NET POSITION**  
(in thousands)

	<b>CHANGES IN NET POSITION</b> (in thousands)					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>	<b>2021</b>	<b>Activities</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>						
Program Revenues:						
Charges For Services	\$10,271	\$7,642	\$70,330	\$68,965	\$80,601	\$76,607
Operating Grants and Contributions	17,666	21,240	8,224	5,738	\$25,890	26,978
Capital Grants and Contributions	1,997	-	874	651	\$2,871	651
General Revenues:						
Property Taxes	43,020	41,399	-	-	43,020	41,399
Sales Taxes	28,362	25,206	-	-	28,362	25,206
Other Taxes/Fees	8,422	7,299	-	-	8,422	7,299
Investment Earnings	48	582	24	371	72	953
Miscellaneous	521	525	-	(2)	521	523
Total Revenue	<u>110,307</u>	<u>103,893</u>	<u>79,452</u>	<u>75,723</u>	<u>189,759</u>	<u>179,616</u>
<b>Expenses:</b>						
Administrative Services	16,023	15,623	-	-	16,023	15,623
Police	26,119	34,226	-	-	26,119	34,226
Fire	26,145	26,796	-	-	26,145	26,796
Parks and Recreation	5,135	6,058	-	-	5,135	6,058
Accounting/Finance	760	1,005	-	-	760	1,005
Community Development	6,955	7,587	-	-	6,955	7,587
Public Works	7,895	8,708	-	-	7,895	8,708
Health	6,229	6,630	-	-	6,229	6,630
Traffic and Transportation	2,412	3,256	-	-	2,412	3,256
MPEC	2,849	2,792	-	-	2,849	2,792
Interest and Fees on Long-term Debt	1,696	1,607	-	-	1,696	1,607
Regional Airport	-	-	2,753	2,097	2,753	2,097
Kickapoo Airport	-	-	1,186	1,282	1,186	1,282
Transit	-	-	2,255	2,553	2,255	2,553
Sanitation	-	-	10,138	11,728	10,138	11,728
Water and Sewer	-	-	33,126	34,893	33,126	34,893
Stormwater Drainage	-	-	1,138	865	1,138	865
Waterpark	-	-	1,605	1,495	1,605	1,495
Total Expenses	<u>102,218</u>	<u>114,288</u>	<u>52,201</u>	<u>54,913</u>	<u>154,419</u>	<u>169,201</u>
Increase (Decrease) in Net Position Before Transfers	8,089	(10,395)	27,251	20,810	35,340	10,415
Transfers	6,490	5,046	(6,490)	(5,046)	-	-
Increase (Decrease) in Net Position	14,579	(5,349)	20,761	15,764	35,340	10,415
Net Position – Beginning of Year	68,027	73,376	330,128	314,364	398,155	387,740
Net Position – End of Year	<u>\$82,606</u>	<u>\$68,027</u>	<u>\$350,889</u>	<u>\$330,128</u>	<u>\$433,495</u>	<u>\$398,155</u>

## CITY OF WICHITA FALLS, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2021

*Governmental Activities* – Governmental Activities increased the City's net position by \$14,578,692. The increase in net position in the Governmental Activities is primarily due to an increase in the City's Cash and Cash Equivalents of \$30,505,345. This increase is primarily due to the City's receipt of American Rescue Plan Act funding in FY 2020-21 of \$13,961,173. The City saw strong sales tax and property tax revenues during the year, which contributed to increased tax collections of \$5,292,091. These increases were offset by decreases in the Nonmajor Governmental Funds, Government agencies receivable, by \$4,159,811. This decrease is due to receipt of the City's final payment of the City's allocation of federal funds received from the Texas Department of Emergency Management's Coronavirus Aid, Relief and Economic Security Act.

*Business-Type Activities* – Business-type Activities increased the City's net position by \$20,760,339. This increase is primarily due to an increase in Net Investment in Capital Assets of \$23,063,746 and a decrease in Unrestricted Net Position of \$2,131,269. Total liabilities decreased \$12,755,059 of this; Long Term Liabilities, Portion Due or Payable After One Year decreased \$12,156,292. This decrease is reflective of the City's payment of bonds in the current year.

#### **Financial Analysis of the City's Funds**

*Governmental Funds* – The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of September 30, 2021, the City's governmental funds reported combined fund balances of \$57,086,327, which is an increase of \$11,810,762 from the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$37,181,391, an increase of \$10,226,213 from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 47.01% of total General Fund expenditures, while the total fund balance represents 47.33% of total General Fund expenditures.

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

The City's internal service funds include the Fleet Maintenance Fund, Employee Benefit Trust Fund, Duplicating Services Fund, and the Information Technology Fund. At the close of September 30, 2021, the net position for the City's internal service funds was \$38,848,407, an increase of \$3,106,495. This change is due primarily to an increase in Restricted Cash and a decrease in the amount payable to other City funds.

#### **General Fund Budgetary Highlights**

The final amended expenditure budget for the General Fund, including transfers out, was increased by \$3,417,241 from the original adopted budget in fiscal year 2020-21. This increase was primarily due to the carry-forward of projects from the prior year and an increase for purchase and sale of land, through a 380 Agreement with O'Reilly Hospitality. The increase was completed through a carry-forward amendment approved by the City Council and the City Council approval of the O'Reilly Hospitality Management Group's 380 Agreement. These are funds legally committed to the completion of these projects.

## CITY OF WICHITA FALLS, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.)

#### SEPTEMBER 30, 2021

Actual revenues in the General Fund for the 2020-21 fiscal year were \$85,577,429, which was \$5,736,271 over final budgeted revenues. Actual expenditures in the General Fund for the 2020-21 fiscal year were \$79,087,357, which was \$5,126,320 below final budgeted expenditures. Expenditure decreases reflect ongoing capital projects not completed during the year. This includes work at Memorial Auditorium to stabilize the west wing of the building. This work was delayed due to contractor and supply challenges. The work was bid twice and will occur in the current year. Delays in contractor availability and supply availability decreased the expenditures for the Street Outlay program. Salary savings contributed to savings throughout the City. During the year, the City struggled to fill open positions. To offset this, the City held multiple hiring events, however, hiring lower paid positions remains a challenge.

#### **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, 2021, amounts to \$580,945,824 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress.

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

- Street Rehabilitation and Utility Improvement Projects
- Construction in progress of the new Travel Facility Project
- Completion of the Lake Kickapoo Dam Rehabilitation Project
- Construction in progress of various trail projects
- Completion of the Maplewood Street Extension Project

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$10,753	\$10,753	\$11,072	\$10,837	\$21,825	\$21,590
Land Betterments	15,593	14,713	35,275	36,661	50,868	51,374
Buildings, Systems and Improvements	43,010	44,241	314,493	311,272	357,503	355,513
Infrastructure	106,276	96,513	1,282	1,300	107,558	97,813
Machinery and Equip	7,675	6,405	2,185	2,217	9,860	8,622
Furniture and Fixtures	1	1	-	1	1	2
Motor Vehicles	-	-	19,206	19,697	19,206	19,697
Construction in Progress	3,827	11,232	10,298	11,157	14,125	22,389
Totals	<u>\$187,135</u>	<u>\$183,858</u>	<u>\$393,811</u>	<u>\$393,142</u>	<u>\$580,946</u>	<u>\$577,000</u>

Additional information on the City's capital assets can be found in Note 7 on pages 43-44 of this report.

*Long Term Debt* – At the end of the current fiscal year, the City had total bonded debt, notes, and capital leases outstanding of \$154,122,250. During the 2020-21 fiscal year, the City's total debt decreased by \$14,241,400.

## CITY OF WICHITA FALLS, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.)

#### SEPTEMBER 30, 2021

As of September 30, 2021, Moody's Investor's Service had assigned a credit rating of Aa2 for the City's General Obligation Bonds and a rating of A3 for the City's Water and Sewer System Revenue Bonds. Standard & Poor's had assigned a credit rating of AA for the City's General Obligation Bonds and a rating of A+ for its Water and Sewer System Revenue Bonds. The rating for the Water and Sewer System Revenue Bonds was increased in November of 2019 due to the system's strengthened finances.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$26,275	\$29,070	\$ -	\$ -	\$26,275	\$29,070
Combination Tax and Revenue Bonds	16,665	18,040	36,590	38,140	53,255	56,180
Venue Tax Revenue Bonds	2,635	-	-	-	2,635	-
Utility System Revenue Bonds	-	-	46,670	54,305	46,670	54,305
Premiums on Bonds	1,524	1,800	4,345	5,910	5,869	7,710
Capital Lease Payable	4,010	4,556	15,212	16,304	19,222	20,860
Notes Payable	-	-	196	239	196	239
<b>Total</b>	<b>51,109</b>	<b>53,466</b>	<b>103,013</b>	<b>114,898</b>	<b>154,122</b>	<b>168,364</b>

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, 2021, was \$.763323 per \$100 which means that the City has a tax margin of \$1.486677 per \$100, and could generate up to \$81,111,304 additional tax revenue a year from the present assessed valuation of \$5,455,879,419 before the limit is reached. The current ratio of general bonded debt outstanding to the assessed value of all taxable property is .48%.

Additional information about the City's long-term debt can be found in Note 14 on pages 59-63 of this report.

#### **Economic Factors and Next Year's Budget and Rates**

The total operating budget for the City includes all expenditures, revenues, and transfers anticipated in the coming year. This includes expenditures for items funded outside of the City, like federal grants for large capital projects and funds for programs received from other sources. The budget also includes the adoption of payments for debt services. The total Adopted City Operating Budget for the 2021-22 fiscal year is \$195,449,875, which is an increase of \$11,010,331, or 5.97%, from the 2020-21 Adopted Operating Budget of \$184,439,544.

## **CITY OF WICHITA FALLS, TEXAS**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.)**

#### **SEPTEMBER 30, 2021**

Work in the 2020-21 fiscal year, included the implementation of a comprehensive pay plan study, which increased City-wide payroll approximately \$4.4 million. Additional salary increases in the year stemmed from increased employee counts in the Hotel/Motel and Water & Sewer Funds. The City also released the hiring freeze on all frozen positions. These costs increased the City's contribution to the Texas Municipal Retirement System, FICA, and contributions to the City's Firefighter Pension. While the rates for the contributions did not change for FICA or the City's Firefighter Pension, the increase in salary conversely creates an increase in cost to the City to fund these programs. The City's contribution to the Texas Municipal Retirement System is a fixed contribution, determined by actuarial analysis performed by the TMRS system and reduced in the current year from 16.57% of total compensation to 16.42%. The City's contribution to the Firefighter's Pension System remained at 13.25%. This amount was increased in the prior year from 13.00% and is above the State required minimum of 12%. The City also saw a 2% increase in health insurance costs in the current year to both the employees and the employer. Increasing salary and health care costs affect an employee's total compensation, which is used to calculate their retirement contributions and taxes.

The budget also included the use of one-time funds (surplus) in the General Fund to complete one-time projects and committed funds for future capital equipment and infrastructure needs. The entire Budget may be found on the City's website at [www.wichitafallstx.gov](http://www.wichitafallstx.gov).

Moving forward, into the FY 2022-23 Budget year, the City continues to monitor changing economics. The local economy is projected to remain strong due to the addition of a Hotel and Conference Center downtown and the completion of two new high schools. The City received additional federal funds to combat the COVID-19 Pandemic from the American Rescue Plan. These funds will be committed for use by the City Council in April of 2022.

#### **Requests for Information**

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

## ***BASIC FINANCIAL STATEMENTS***

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 71,596,121	\$ 48,454,351	\$ 120,050,472	\$ 54,743,527
Receivables (net):				
Taxes and assessments	1,196,537	-	1,196,537	-
Customer and trade	-	8,448,143	8,448,143	-
Government agencies	10,648,102	2,227,301	12,875,403	1,708,327
Other	2,109,109	550,561	2,659,670	-
Internal balances	(13,235,893)	13,235,893	-	-
Inventory	139,887	1,856,996	1,996,883	-
Prepaid items	119,713	521,770	641,483	11,968
Other assets	259,412	-	259,412	-
Restricted assets:				
Cash and cash equivalents	9,372,786	13,938,342	23,311,128	-
Capital assets not being depreciated	14,579,702	21,370,750	35,950,452	2,517,331
Capital assets net of accumulated depreciation	172,554,954	372,440,418	544,995,372	-
Total assets	<u>269,340,430</u>	<u>483,044,525</u>	<u>752,384,955</u>	<u>58,981,153</u>
<b>Deferred Outflows of Resources</b>				
Pension-related	37,383,068	1,580,338	38,963,406	-
OPEB-related	2,347,623	878,021	3,225,644	-
Deferred losses on bond refundings	248,913	2,025,844	2,274,757	-
Total deferred outflows of resources	<u>39,979,604</u>	<u>4,484,203</u>	<u>44,463,807</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable - trade	1,517,138	1,740,590	3,257,728	254,563
Accrued payroll	3,222,607	877,324	4,099,931	-
Accrued interest payable	233,951	457,348	691,299	-
Payable to government agencies	559,218	1,370	560,588	-
Estimated health claims payable	1,380,955	-	1,380,955	-
Other liabilities	3,701,551	1,328,879	5,030,430	41,233
Unearned revenue	13,997,760	-	13,997,760	-
Customer deposits	-	3,404,174	3,404,174	-
Long-term liabilities:				
Portion due or payable within one year	7,520,516	11,456,129	18,976,645	590,000
Portion due or payable after one year	54,124,193	98,105,536	152,229,729	28,540,916
Net pension liability (payable after one year)	111,562,189	12,194,645	123,756,834	-
Net OPEB liability (payable after one year)	11,756,959	4,397,149	16,154,108	-
Total liabilities	<u>209,577,037</u>	<u>133,963,144</u>	<u>343,540,181</u>	<u>29,426,712</u>
<b>Deferred Inflows of Resources</b>				
Pension-related	16,355,471	2,384,386	18,739,857	-
OPEB-related	781,840	292,410	1,074,250	-
Total deferred inflows of resources	<u>17,137,311</u>	<u>2,676,796</u>	<u>19,814,107</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	160,441,794	293,604,354	454,046,148	979,912
Restricted for:				
Perpetual care (nonexpendable)	1,470,561	-	1,470,561	-
Debt service (expendable)	1,933,732	11,836,811	13,770,543	-
Federal grant programs (expendable)	3,848,271	-	3,848,271	-
Tourism (expendable)	7,698	-	7,698	-
Unrestricted	(85,096,370)	45,447,623	(39,648,747)	28,574,529
Total net position	<u>\$ 82,605,686</u>	<u>\$ 350,888,788</u>	<u>\$ 433,494,474</u>	<u>\$ 29,554,441</u>

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental activities:								
Administrative services	\$ 16,023,333	\$ 6,858,710	\$ 1,591,936	\$ -	\$ (7,572,687)	\$ -	\$ (7,572,687)	\$ -
Police	26,119,364	263,904	340,614	-	(25,514,846)	-	(25,514,846)	-
Fire	26,145,244	106	86,403	-	(26,058,735)	-	(26,058,735)	-
Parks and recreation	5,134,632	263,101	2,819,979	-	(2,051,552)	-	(2,051,552)	-
Accounting/finance	759,671	-	-	-	(759,671)	-	(759,671)	-
Community development	6,955,276	1,549,609	5,546,855	-	141,188	-	141,188	-
Public works	7,894,812	5,839	856,195	1,737,829	(5,294,949)	-	(5,294,949)	-
Health	6,229,228	1,132,205	2,900,016	-	(2,197,007)	-	(2,197,007)	-
Traffic and transportation	2,412,555	153,560	1,641,436	-	(617,559)	-	(617,559)	-
Multi-Purpose Events Center	2,848,607	44,326	-	259,000	(2,545,281)	-	(2,545,281)	-
Interest and fees on long-term debt	1,695,662	-	1,882,463	-	186,801	-	186,801	-
Total governmental activities	<u>102,218,384</u>	<u>10,271,360</u>	<u>17,665,897</u>	<u>1,996,829</u>	<u>(72,284,298)</u>	<u>-</u>	<u>(72,284,298)</u>	<u>-</u>
Business-type activities:								
Regional Airport	2,753,360	1,511,517	926,286	-	-	(315,557)	(315,557)	-
Kickapoo Airport	1,185,924	757,246	-	-	-	(428,678)	(428,678)	-
Transit	2,254,674	611,213	7,297,269	-	-	5,653,808	5,653,808	-
Sanitation	10,138,273	16,154,115	-	-	-	6,015,842	6,015,842	-
Water and sewer	33,126,472	45,810,693	-	874,423	-	13,558,644	13,558,644	-
Stormwater drainage	1,137,854	3,706,349	-	-	-	2,568,495	2,568,495	-
Waterpark	1,605,187	1,779,308	-	-	-	174,121	174,121	-
Total business-type activities	<u>52,201,744</u>	<u>70,330,441</u>	<u>8,223,555</u>	<u>874,423</u>	<u>-</u>	<u>27,226,675</u>	<u>27,226,675</u>	<u>-</u>
Total primary government	<u>\$ 154,420,128</u>	<u>\$ 80,601,801</u>	<u>\$ 25,889,452</u>	<u>\$ 2,871,252</u>	<u>(72,284,298)</u>	<u>27,226,675</u>	<u>(45,057,623)</u>	<u>-</u>
<b>Component units:</b>								
Community development	\$ 8,893,542	\$ -	\$ -	\$ -	-	-	(8,893,542)	-
General revenues and transfers:								
Taxes:								
Property tax					43,019,695	-	43,019,695	1,154,866
Sales tax					28,362,467	-	28,362,467	9,454,708
Franchise fees					5,451,658	-	5,451,658	-
Hotel occupancy tax					2,660,388	-	2,660,388	-
Beverage tax					309,857	-	309,857	-
Investment earnings					47,531	23,871	71,402	23,520
Miscellaneous					521,187	-	521,187	177,211
Transfers					6,490,207	(6,490,207)	-	-
Total general revenues and transfers					<u>86,862,990</u>	<u>(6,466,336)</u>	<u>80,396,654</u>	<u>10,810,305</u>
Change in net position					14,578,692	20,760,339	35,339,031	1,916,763
Net position - beginning					68,026,994	330,128,449	398,155,443	27,637,678
Net position - ending					<u>\$ 82,605,686</u>	<u>\$ 350,888,788</u>	<u>\$ 433,494,474</u>	<u>\$ 29,554,441</u>

See accompanying notes to the basic financial statements.

**CITY OF WICHITA FALLS, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

	General	ARPA Fund	Nonmajor Governmental	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 33,122,694	\$ 13,961,173	\$ 17,529,612	\$ 64,613,479
Receivables (net):				
Taxes and assessments	861,003	-	335,534	1,196,537
Other City funds	5,403,977	-	-	5,403,977
Government agencies	5,376,968	-	5,271,134	10,648,102
Other	2,059,881	-	40,196	2,100,077
Inventory	139,560	-	-	139,560
Prepaid items	112,105	-	7,608	119,713
Other assets	1,000	-	258,412	259,412
Total assets	<u>\$ 47,077,188</u>	<u>\$ 13,961,173</u>	<u>\$ 23,442,496</u>	<u>\$ 84,480,857</u>
<b>Liabilities</b>				
Accounts payable	\$ 600,956	\$ -	\$ 790,935	\$ 1,391,891
Accrued payroll	2,969,007	-	191,262	3,160,269
Payable to other City funds	-	-	2,424,327	2,424,327
Payable to government agencies	471,157	-	88,061	559,218
Other liabilities	3,471,892	-	208,802	3,680,694
Claims and judgments payable	11,922	-	-	11,922
Unearned revenue	-	13,960,524	37,236	13,997,760
Total liabilities	<u>7,524,934</u>	<u>13,960,524</u>	<u>3,740,623</u>	<u>25,226,081</u>
<b>Deferred inflows of resources</b>				
Unavailable revenues	<u>2,119,198</u>	<u>-</u>	<u>49,251</u>	<u>2,168,449</u>
<b>Fund balances</b>				
Nonspendable:				
Inventory and prepaid items	251,665	-	-	251,665
Permanent Fund principal	-	-	1,470,561	1,470,561
Restricted for:				
Debt service	-	-	1,884,481	1,884,481
Capital projects	-	-	10,006,085	10,006,085
Federal and state grant programs	-	649	3,848,271	3,848,920
Tourism	-	-	842,555	842,555
Committed for:				
Golf course	-	-	144,073	144,073
Local projects	-	-	2,236,562	2,236,562
Unassigned	<u>37,181,391</u>	<u>-</u>	<u>(779,966)</u>	<u>36,401,425</u>
Total fund balances	<u>37,433,056</u>	<u>649</u>	<u>19,652,622</u>	<u>57,086,327</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 47,077,188</u>	<u>\$ 13,961,173</u>	<u>\$ 23,442,496</u>	<u>\$ 84,480,857</u>

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

Total fund balances - governmental funds (Exhibit A-3) \$ 57,086,327

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

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

Gross capital assets	\$ 345,180,997	
Related accumulated depreciation	<u>163,141,721</u>	182,039,276

Property taxes receivable and municipal court fines are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.		2,168,449
--	--	-----------

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

Bonds payable	45,575,000	
Premiums on bonds payable	1,524,354	
Capital lease payable	4,010,237	
Accrued vacation and sick leave	9,541,857	
Claims and judgments payable	926,002	
Accrued interest	<u>233,951</u>	(61,811,401)

In the governmental funds financial statements, refunding losses are expended when incurred, whereas in the government-wide financial statements the losses are capitalized and amortized.		248,913
--	--	---------

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

Net pension liabilities	110,673,816	
Deferred outflows - pension related items	(37,267,942)	
Deferred inflows - pension related items	<u>16,181,771</u>	(89,587,645)

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

Net OPEB liabilities	11,555,032	
Deferred outflows - OPEB related items	(2,307,303)	
Deferred inflows - OPEB related items	<u>768,412</u>	(10,016,141)

Internal service funds are used by management to charge the costs of duplicating services, information technology and health insurance claims to the individual funds. The assets and liabilities of these internal service funds are included with the governmental activities.		16,449,871
--	--	------------

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>(13,971,963)</u>
--	--	---------------------

Total net position - governmental activities (Exhibit A-1)	<u>\$ 82,605,686</u>	
--	----------------------	--

*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, 2021**

	General	ARPA Fund	Nonmajor Governmental	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 75,096,176	\$ -	\$ 4,759,100	\$ 79,855,276
Charges for services	3,066,404	-	635,135	3,701,539
Licenses and permits	1,631,602	-	-	1,631,602
Fines and forfeitures	2,198,715	-	236,754	2,435,469
Intergovernmental revenue	-	585,301	14,062,468	14,647,769
Contributions	179,483	-	2,843,391	3,022,874
Miscellaneous revenue	3,405,049	649	1,014,632	4,420,330
Total revenues	<u>85,577,429</u>	<u>585,950</u>	<u>23,551,480</u>	<u>109,714,859</u>
<b>Expenditures</b>				
Administrative services	15,211,294	-	1,432,859	16,644,153
Police	26,144,281	-	1,236,098	27,380,379
Fire	18,241,191	-	161,724	18,402,915
Parks and recreation	4,996,125	-	85,704	5,081,829
Accounting/finance	853,221	-	-	853,221
Community development	2,221,870	-	5,040,405	7,262,275
Public works	4,735,920	-	60,921	4,796,841
Health	3,304,684	585,301	2,609,811	6,499,796
Traffic and transportation	1,668,533	-	557,849	2,226,382
Multi-Purpose Events Center	-	-	2,064,199	2,064,199
Capital outlay	1,710,238	-	5,707,511	7,417,749
Debt service - principal	-	-	4,215,000	4,215,000
Debt service - interest and paying agent fees	-	-	1,821,451	1,821,451
Debt service - bond issuance costs	-	-	103,139	103,139
Total expenditures	<u>79,087,357</u>	<u>585,301</u>	<u>25,096,671</u>	<u>104,769,329</u>
Excess of revenues over (under) expenditures	<u>6,490,072</u>	<u>649</u>	<u>(1,545,191)</u>	<u>4,945,530</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	-	-	2,685,339	2,685,339
Transfers in	3,769,421	-	2,052,683	5,822,104
Transfers out	(165,213)	-	(1,476,998)	(1,642,211)
Total other financing sources (uses)	<u>3,604,208</u>	<u>-</u>	<u>3,261,024</u>	<u>6,865,232</u>
Net change in fund balance	10,094,280	649	1,715,833	11,810,762
Fund balances - beginning	27,338,776	-	17,936,789	45,275,565
Fund balances - ending	<u>\$ 37,433,056</u>	<u>\$ 649</u>	<u>\$ 19,652,622</u>	<u>\$ 57,086,327</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, 2021**

Net change in fund balances - total governmental funds (Exhibit A-5) \$ 11,810,762

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

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

Capital outlay during the year	\$ 7,434,290	662,419
Depreciation expense for the year	<u>6,771,871</u>	

Donated capital assets are not recorded as revenues in the governmental funds. In the Statement of Activities, the value of the assets are added to capital assets and the contribution is recorded as a capital contribution. 1,996,829

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. (62,080)

Because property tax receivables and municipal court receivables will not be collected for several months after the City's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. Deferred inflows increased by this amount this year. 438,198

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 Position. The City issued bonds during 2020-2021. (2,680,000)

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 Position. Bond and capital lease principal payments in 2020-2021 were: 5,036,102

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	(34,946)	(255,871)
Claims and judgments payable	<u>(220,925)</u>	

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

Accrued interest at September 30, 2020	240,944	6,993
Accrued interest at September 30, 2021	<u>233,951</u>	

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

The City participates in two defined benefit pension plans. Contributions to the plans are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were less than the actuarial expense in the current year. (4,163,224)

The City sponsors an OPEB plan for retiree health care. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were more than the actuarial expense in the current year. 218,100

*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, 2021**

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

2,222,983

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.

(598,791)

Change in net position of governmental activities (Exhibit A-2)

\$ 14,578,692

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2021**

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 26,508,695	\$ 10,334,890	\$ 1,350	\$ 9,829,013	\$ 46,673,948	\$ 8,763,045
Restricted cash and cash equivalents	12,804,784	-	1,133,558	-	13,938,342	9,372,786
Receivables (net):						
Customer and trade	6,406,844	1,645,524	-	395,775	8,448,143	-
Government agencies	71,859	-	305,067	1,850,375	2,227,301	-
Other	272,331	19,445	82,736	141,173	515,685	43,908
Inventory	1,083,524	-	-	46,755	1,130,279	726,717
Prepaid items	460	-	32,730	13,762	46,952	475,142
Total current assets	<u>47,148,497</u>	<u>11,999,859</u>	<u>1,555,441</u>	<u>12,276,853</u>	<u>72,980,650</u>	<u>19,381,598</u>
Long-term assets:						
Capital assets, net of accumulated depreciation	260,497,247	8,843,165	45,099,204	57,892,299	372,331,915	26,574,636
Total long-term assets	<u>260,497,247</u>	<u>8,843,165</u>	<u>45,099,204</u>	<u>57,892,299</u>	<u>372,331,915</u>	<u>26,574,636</u>
Total assets	<u>307,645,744</u>	<u>20,843,024</u>	<u>46,654,645</u>	<u>70,169,152</u>	<u>445,312,565</u>	<u>45,956,234</u>
<b>Deferred Outflows of Resources</b>						
Pension-related	874,447	349,182	23,608	154,373	1,401,610	293,855
OPEB-related	471,267	214,183	2,581	86,447	774,478	143,863
Deferred losses on bond refundings	2,025,844	-	-	-	2,025,844	-
Total deferred outflows of resources	<u>3,371,558</u>	<u>563,365</u>	<u>26,189</u>	<u>240,820</u>	<u>4,201,932</u>	<u>437,718</u>

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2021**

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Liabilities</b>						
Current liabilities:						
Accounts payable - trade	924,654	108,681	11,707	566,937	1,611,979	253,858
Accrued payroll	481,251	189,442	12,378	99,641	782,712	156,950
Accrued vacation and sick leave	437,989	186,830	9,351	75,035	709,205	177,206
Payable to other City funds	-	-	360,309	1,453,120	1,813,429	1,166,221
Payable to government agencies	-	-	289	1,081	1,370	-
Estimated health claims payable	-	-	-	-	-	1,380,955
Other liabilities	315,974	54,223	53,303	905,379	1,328,879	8,932
Payable to U.S. Government - current maturity	45,728	-	-	-	45,728	-
Capital leases - current maturities	698,844	-	-	-	698,844	456,557
Revenue bonds - current maturities	9,580,000	-	-	-	9,580,000	-
Accrued interest - revenue bonds	457,348	-	-	-	457,348	-
<b>Total current liabilities</b>	<b>12,941,788</b>	<b>539,176</b>	<b>447,337</b>	<b>3,101,193</b>	<b>17,029,494</b>	<b>3,600,679</b>
Long-term liabilities:						
Payable to U.S. Government, less current maturities	150,325	-	-	-	150,325	-
Capital leases, less current maturities	13,590,713	-	-	-	13,590,713	465,596
Revenue bonds, less current maturities	78,024,896	-	-	-	78,024,896	-
Estimated liability for landfill closure and post-closure care costs	-	5,729,854	-	-	5,729,854	-
Customer deposits	3,404,174	-	-	-	3,404,174	-
Net pension liability	6,747,652	2,694,458	182,173	1,191,214	10,815,497	2,267,522
Net OPEB liability	2,360,115	1,072,633	12,923	432,931	3,878,602	720,474
<b>Total long-term liabilities</b>	<b>104,277,875</b>	<b>9,496,945</b>	<b>195,096</b>	<b>1,624,145</b>	<b>115,594,061</b>	<b>3,453,592</b>
<b>Total liabilities</b>	<b>117,219,663</b>	<b>10,036,121</b>	<b>642,433</b>	<b>4,725,338</b>	<b>132,623,555</b>	<b>7,054,271</b>
<b>Deferred Inflows of Resources</b>						
Pension-related	1,319,350	526,840	35,620	232,915	2,114,725	443,363
OPEB-related	156,948	71,330	859	28,790	257,927	47,911
<b>Total deferred inflows of resources</b>	<b>1,476,298</b>	<b>598,170</b>	<b>36,479</b>	<b>261,705</b>	<b>2,372,652</b>	<b>491,274</b>
<b>Net Position</b>						
Net investment in capital assets	161,212,583	8,843,165	45,099,204	57,892,299	273,047,251	25,652,483
Restricted for debt service	11,836,811	-	-	-	11,836,811	-
Unrestricted	19,271,947	1,928,933	902,718	7,530,630	29,634,228	13,195,924
<b>Total net position</b>	<b>\$ 192,321,341</b>	<b>\$ 10,772,098</b>	<b>\$ 46,001,922</b>	<b>\$ 65,422,929</b>	<b>314,518,290</b>	<b>\$ 38,848,407</b>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds						
					<u>36,370,498</u>	
Net position of business type activities						
					<u>\$ 350,888,788</u>	

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>						
Charges for services	\$ 45,695,423	\$ 16,151,197	\$ 26,354	\$ 5,240,998	\$ 67,113,972	\$ 14,031,952
Rents, concessions and other	115,270	2,918	1,485,163	1,613,118	3,216,469	1,096,149
Contributions	-	-	-	-	-	15,293,364
<b>Total operating revenues</b>	<b>45,810,693</b>	<b>16,154,115</b>	<b>1,511,517</b>	<b>6,854,116</b>	<b>70,330,441</b>	<b>30,421,465</b>
<b>Operating expenses:</b>						
Personnel services	9,749,458	3,895,980	380,789	2,342,119	16,368,346	3,302,750
Supplies and materials	2,600,899	296,969	337,771	794,614	4,030,253	3,030,667
Maintenance and repairs	1,943,099	112,080	172,665	393,465	2,621,309	2,782,758
Utilities and other services	5,762,663	4,850,387	188,199	1,105,958	11,907,207	383,241
Insurance and contract support	855,724	97,394	42,400	77,155	1,072,673	14,409,956
Other expenses	2,025,210	488,787	244,114	172,835	2,930,946	2,472,528
Depreciation and amortization	8,712,691	309,427	1,531,302	1,376,600	11,930,020	5,078,883
<b>Total operating expenses</b>	<b>31,649,744</b>	<b>10,051,024</b>	<b>2,897,240</b>	<b>6,262,746</b>	<b>50,860,754</b>	<b>31,460,783</b>
<b>Operating income (loss)</b>	<b>14,160,949</b>	<b>6,103,091</b>	<b>(1,385,723)</b>	<b>591,370</b>	<b>19,469,687</b>	<b>(1,039,318)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	10,670	6,765	563	5,873	23,871	1,724,368
Gain/(loss) on sale/abandonment of capital assets	-	-	-	-	-	62,700
Interest expense and paying agent fees	(2,747,739)	-	-	-	(2,747,739)	(27,123)
Intergovernmental operating grants	-	-	926,286	7,297,269	8,223,555	-
<b>Total nonoperating revenues (expenses)</b>	<b>(2,737,069)</b>	<b>6,765</b>	<b>926,849</b>	<b>7,303,142</b>	<b>5,499,687</b>	<b>1,759,945</b>
<b>Income (loss) before contributions and transfers</b>	<b>11,423,880</b>	<b>6,109,856</b>	<b>(458,874)</b>	<b>7,894,512</b>	<b>24,969,374</b>	<b>720,627</b>
Capital contributions	874,423	-	-	-	874,423	-
Transfers in	93,313	-	-	-	93,313	2,697,861
Transfers out	(2,303,811)	(3,811,299)	(102,096)	(441,861)	(6,659,067)	(312,000)
<b>Change in net position</b>	<b>10,087,805</b>	<b>2,298,557</b>	<b>(560,970)</b>	<b>7,452,651</b>	<b>19,278,043</b>	<b>3,106,488</b>
<b>Net position - beginning</b>	<b>182,233,536</b>	<b>8,473,541</b>	<b>46,562,892</b>	<b>57,970,278</b>		<b>35,741,919</b>
<b>Net position - ending</b>	<b>\$ 192,321,341</b>	<b>\$ 10,772,098</b>	<b>\$ 46,001,922</b>	<b>\$ 65,422,929</b>		<b>\$ 38,848,407</b>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					<u>1,482,296</u>	
Change in net position of business type activities					<u>\$ 20,760,339</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, 2021**

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>						
Received from customers and users	\$ 45,417,375	\$ 16,294,832	\$ 1,463,025	\$ 6,794,597	\$ 69,969,829	\$ 4,442,103
Received from interfund charges	-	-	-	-	-	25,697,004
Other operating receipts	-	-	-	-	-	811,046
Payments to suppliers	(13,138,547)	(1,876,225)	(889,412)	(2,120,193)	(18,024,377)	(23,180,259)
Payments for interfund services	(3,669,071)	(5,200,120)	(149,739)	(1,111,406)	(10,130,336)	(665,361)
Payments to employees	(7,116,107)	(2,862,883)	(249,471)	(1,719,548)	(11,948,009)	(2,418,863)
Net cash provided by operating activities	<u>21,493,650</u>	<u>6,355,604</u>	<u>174,403</u>	<u>1,843,450</u>	<u>29,867,107</u>	<u>4,685,670</u>
<b>Cash flows from noncapital financing activities:</b>						
Intergovernmental operating grants	-	-	621,219	6,883,648	7,504,867	(1,100,245)
Interfund loans received (repaid)	-	-	(663,451)	(53,579)	(717,030)	-
Transfers in from other funds	93,313	-	-	-	93,313	2,697,861
Transfers out to other funds	(2,303,811)	(3,811,299)	(102,096)	(441,861)	(6,659,067)	(312,000)
Net cash provided (used) by noncapital financing activities	<u>(2,210,498)</u>	<u>(3,811,299)</u>	<u>(144,328)</u>	<u>6,388,208</u>	<u>222,083</u>	<u>1,285,616</u>
<b>Cash flows from capital and related financing activities:</b>						
Acquisition and construction of capital assets	(5,730,471)	(378,156)	(29,725)	(5,648,245)	(11,786,597)	(5,125,130)
Proceeds from sale of capital assets	-	-	-	-	-	62,700
Principal paid on long-term debt	(9,872,496)	-	-	-	(9,872,496)	(447,692)
Interest and fees paid on long-term debt	(4,028,627)	-	-	-	(4,028,627)	(27,123)
Net cash provided (used) for capital and related financing activities	<u>(19,631,594)</u>	<u>(378,156)</u>	<u>(29,725)</u>	<u>(5,648,245)</u>	<u>(25,687,720)</u>	<u>(5,537,245)</u>
<b>Cash flows from investing activities:</b>						
Interest on investments	10,670	6,765	563	5,873	23,871	1,724,368
Net cash provided by investing activities	<u>10,670</u>	<u>6,765</u>	<u>563</u>	<u>5,873</u>	<u>23,871</u>	<u>1,724,368</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(337,772)</u>	<u>2,172,914</u>	<u>913</u>	<u>2,589,286</u>	<u>4,425,341</u>	<u>2,158,409</u>
Cash and Cash Equivalents - Beginning	<u>39,651,251</u>	<u>8,161,976</u>	<u>1,133,995</u>	<u>7,239,727</u>	<u>56,186,949</u>	<u>15,977,422</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 39,313,479</u></u>	<u><u>\$ 10,334,890</u></u>	<u><u>\$ 1,134,908</u></u>	<u><u>\$ 9,829,013</u></u>	<u><u>\$ 60,612,290</u></u>	<u><u>\$ 18,135,831</u></u>
<b>Reconciliation of cash and cash equivalents on the balance sheet to the statement of cash flows:</b>						
Cash and cash equivalents	\$ 26,508,695	\$ 10,334,890	\$ 1,350	\$ 9,829,013	\$ 46,673,948	\$ 8,763,045
Restricted assets - cash and cash equivalents	12,804,784	-	1,133,558	-	13,938,342	9,372,786
Total cash and cash equivalents at end of year	<u><u>\$ 39,313,479</u></u>	<u><u>\$ 10,334,890</u></u>	<u><u>\$ 1,134,908</u></u>	<u><u>\$ 9,829,013</u></u>	<u><u>\$ 60,612,290</u></u>	<u><u>\$ 18,135,831</u></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, 2021**

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>						
<b>Provided by Operating Activities:</b>						
Operating income (loss)	<u>\$ 14,160,949</u>	<u>\$ 6,103,091</u>	<u>\$ (1,385,723)</u>	<u>\$ 591,370</u>	<u>\$ 19,469,687</u>	<u>\$ (1,039,318)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	8,712,691	309,427	1,531,302	1,376,600	11,930,020	5,078,883
Customer deposits received (refunded)	81,875	-	-	-	81,875	-
(Increase) decrease in assets and deferred outflows:						
Receivables:						
Customer and trade	(385,669)	140,717	-	50,661	(194,291)	-
Other	(89,524)	-	(48,492)	(110,180)	(248,196)	521,032
Inventory	(60,076)	-	-	-	(60,076)	18,330
Prepaid items	3,832	2,223	(905)	36,919	42,069	49,371
Deferred outflows - pension-related	32,515	26,781	(10,716)	(5,585)	42,995	7,018
Deferred outflows - OPEB-related	(129,082)	(58,388)	(698)	(23,376)	(211,544)	(39,137)
Increase (decrease) in liabilities and deferred inflows:						
Accounts payable - trade	(456,913)	27,015	5,251	(100,868)	(525,515)	(448,717)
Accrued payroll	43,640	11,205	(4,698)	21,094	71,241	(6,186)
Accrued vacation and sick leave	(19,529)	10,892	(6,828)	(4,024)	(19,489)	445
Estimated health claims payable	-	-	-	-	-	701,953
Payable to government agencies	-	(79,669)	(140)	582	(79,227)	-
Other liabilities	189,588	16,660	2,238	6,660	215,146	7,656
Estimated liability for landfill closure	-	211,276	-	-	211,276	-
Net pension liability	(632,684)	(364,911)	77,265	(19,530)	(939,860)	(180,817)
Net OPEB liability	64,827	27,598	294	9,866	102,585	17,996
Deferred inflows - pension-related	(55,459)	(43,059)	16,078	7,378	(75,062)	(12,714)
Deferred inflows - OPEB-related	32,669	14,746	175	5,883	53,473	9,875
Total adjustments	<u>\$ 7,332,701</u>	<u>\$ 252,513</u>	<u>\$ 1,560,126</u>	<u>\$ 1,252,080</u>	<u>\$ 10,397,420</u>	<u>\$ 5,724,988</u>
Net cash provided by operating activities	<u>\$ 21,493,650</u>	<u>\$ 6,355,604</u>	<u>\$ 174,403</u>	<u>\$ 1,843,450</u>	<u>\$ 29,867,107</u>	<u>\$ 4,685,670</u>
<b>Noncash capital and financing activities:</b>						
Capital assets received from developers	\$ 874,423	\$ -	\$ -	\$ -	\$ 874,423	\$ -

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**SEPTEMBER 30, 2021**

	Custodial Fund
<b>Assets</b>	
Cash and cash equivalents	<u>\$ 180,812</u>
<b>Liabilities</b>	
Other liabilities	<u>\$ 180,812</u>
<b>Net position</b>	<u>\$ -</u>

*See accompanying notes to the basic financial statements.*

**CITY OF WICHITA FALLS, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Fund
<b>Additions</b>	
Escheatment additions	\$ 22,115
<b>Deductions</b>	
Escheatment deductions	<u>22,115</u>
Change in net position	-
Net position - beginning	-
Net position - ending	<u><u>\$ -</u></u>

*See accompanying notes to the basic financial statements.*

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

### *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 various Governmental Accounting Standards Board (GASB) statements, 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, 2021

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

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

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

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

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

#### Excluded From the Reporting Entity

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

#### B. Basis of Presentation

##### *Government-wide financial statements*

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

#### *Fund financial statements*

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

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

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

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

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

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

The City reports the following major governmental funds:

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

The ARPA Fund is used to account for Coronavirus State and Local Fiscal Recovery Funds received through the American Rescue Plan Act of 2021.

Nonmajor governmental funds are a summarization of all the nonmajor governmental funds.

The City reports the following major proprietary funds:

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

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

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

Other enterprise funds are a summarization of all of the nonmajor proprietary funds.

The City additionally reports the following fund types:

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, sanitation, transit, and airport funds are charges to customers for services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

#### D. Nonexchange Transactions

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

Nonexchange transactions include the following classifications:

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

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

#### E. Assets, liabilities and net position or fund balances

##### 1. Cash, cash equivalents and investments

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

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

##### 2. Inventory and Prepaid Items

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

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

##### 3. Capital Assets

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

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

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

#### 4. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items that qualify for reporting in this category. Property taxes receivable (\$941,461) and municipal court fines receivable (\$788,790) are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received. There are also certain items related to the City's participation in pension plans (See Note 8) and OPEB plan (See Note 9) that are reported in this category.

#### 5. Long-Term Obligations

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

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

##### **6. Fund Balances – Governmental Funds**

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

##### **7. Federal and State Grants**

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

#### 8. Transactions Between Funds

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

#### 9. Vacation and Sick Leave

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

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

#### 10. Risk Management

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

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

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

The City is also self-insured up to \$250,000 for workers' compensation claims. Such claims are processed by a third-party administrator. The City's estimated liability for workers' compensation claims payable at September 30, 2021 is based on management's estimate of probable losses in the amount of \$926,002. The payment dates of such claims cannot be precisely determined, but are expected to be paid on a periodic basis over the next few years. Accordingly, the long-term liability has been recorded in the government-wide financial statements.

The following represents changes in the amount of claims liabilities for the City from October 1, 2019 to September 30, 2021:

	Health Care	Workers' Compensation
Liability balance, October 1, 2019	\$ 491,647	\$ 775,231
Incurred claims/adjustments	13,370,147	869,685
Claim payments	( 13,182,792)	( 939,839)
Liability balance, September 30, 2020	679,002	705,077
Incurred claims/adjustments	13,728,631	1,101,255
Claim payments	( 13,026,678)	( 880,330)
Liability balance, September 30, 2021	<u>\$ 1,380,955</u>	<u>\$ 926,002</u>

#### F. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and the Wichita Falls Firemen's Relief and Retirement Fund (WFFRRF) and additions to/deductions from Fiduciary Net Position have been determined on the same basis as they are reported to TMRS and WFFRRF. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### G. Other Post-Employment Benefits

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

#### Note 2 - COMPLIANCE AND ACCOUNTABILITY

##### Finance-Related Legal and Contractual Provisions

The City had no violations of finance-related legal and contractual provisions for the year ended September 30, 2021.

##### Deficit Fund Balances – Individual Funds

The Airport Improvement Grant Fund, a special revenue fund, had a deficit fund balance of \$779,966 as of September 30, 2021. The City plans for this deficit to be alleviated within a year.

#### Note 3 - DEPOSITS AND INVESTMENTS

##### Deposits

All of the City's demand and time depository accounts are held in local banking institutions under the terms of written depository contracts. At September 30, 2021, the total amount of the City's demand and time deposits per the general ledger was \$4,750,311, and the total amount per the City's September 30, 2021 bank statements was \$5,686,627. At September 30, 2021, the City's deposits were under-secured by the City's depository in the amount of \$1,297,722.

##### Investments

The investment policies of the City and its discretely presented component units are governed by The Public Funds Investment Act (PFIA). 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 City was in compliance with PFIA during the year ended September 30, 2021.

The investments of the City and its discretely presented component units at September 30, 2021 are as follows:

Types of Investments	Fair Value / Carrying Amount	Cost	Average Credit Quality/ Ratings	Weighted Average Months to Maturity
Primary Government:				
TexPool	\$ 84,240,477	\$ 84,240,477	Not rated	1.00
LOGIC	35,487,551	35,487,551	Not rated	1.00
Money market accounts	<u>20,016,261</u>	<u>20,016,261</u>	Not rated	1.00
Total primary government investments	<u>139,744,289</u>	<u>139,744,289</u>		
Component Units:				
TexPool	<u>52,621,640</u>	<u>52,621,640</u>	Not rated	1.00
Total component unit investments	<u>52,621,640</u>	<u>52,621,640</u>		
Total investments	<u>\$192,365,929</u>	<u>\$192,365,929</u>		

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

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

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

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

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

a. Credit Risk

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

##### b. Custodial Credit Risk

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

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

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

##### c. Concentration of Credit Risk

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

##### d. Interest Rate Risk

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

##### e. Foreign Currency Risk

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

#### *Note 4 - PROPERTY TAXES*

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

The City is permitted by its Home Rule Charter to levy taxes up to \$2.25 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services for the year ended September 30, 2021 was \$.763323 per \$100 which means that the City has a tax margin of \$1.486677 per \$100, and could raise up to \$81,111,304 additional tax revenue a year from the present assessed valuation of \$5,455,879,419 before the limit is reached.

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2021

#### *Note 5 - RECEIVABLES*

Receivables at September 30, 2021 consist of the following:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Regional Airport</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service</u>	<u>Totals Primary Government</u>	<u>Component Units</u>	<u>Totals Reporting Entity</u>
<b>Receivables:</b>										
Taxes and assessments	\$ 1,655,015	\$ 374,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,029,678	\$ -	\$ 2,029,678
Customer and trade	-	-	9,716,412	2,799,897	-	624,656	-	13,140,965	-	13,140,965
Other City funds	5,403,977	-	-	-	-	-	-	5,403,977	-	5,403,977
Government agencies	5,376,968	5,271,134	71,859	-	305,067	1,850,375	-	12,875,403	1,708,327	14,583,730
Other	<u>2,059,881</u>	<u>40,196</u>	<u>272,331</u>	<u>19,445</u>	<u>82,736</u>	<u>141,173</u>	<u>43,908</u>	<u>2,659,670</u>	<u>-</u>	<u>2,659,670</u>
<b>Gross receivables</b>	<b>14,495,841</b>	<b>5,685,993</b>	<b>10,060,602</b>	<b>2,819,342</b>	<b>387,803</b>	<b>2,616,204</b>	<b>43,908</b>	<b>36,109,693</b>	<b>1,708,327</b>	<b>37,818,020</b>
Less: Allowance for uncollectible accounts	( <u>794,012</u> )	( <u>39,129</u> )	( <u>3,309,568</u> )	( <u>1,154,373</u> )	( <u>-</u> )	( <u>228,880</u> )	( <u>-</u> )	( <u>5,525,962</u> )	( <u>-</u> )	( <u>5,525,962</u> )
<b>Net total receivables</b>	<b><u>\$13,701,829</u></b>	<b><u>\$5,646,864</u></b>	<b><u>\$6,751,034</u></b>	<b><u>\$1,664,969</u></b>	<b><u>\$387,803</u></b>	<b><u>\$2,387,324</u></b>	<b><u>\$43,908</u></b>	<b><u>\$30,583,731</u></b>	<b><u>\$1,708,327</u></b>	<b><u>\$32,292,058</u></b>

There are no net receivables, other than delinquent property taxes, that the City does not expect to collect within a year. The City expects to collect approximately \$400,000 of the \$1,839,759 total delinquent property taxes within a year. This amount is similar to the amounts collected in previous years.

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

#### *Note 6 - RESTRICTED ASSETS*

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

Water and Sewer restricted assets are comprised of the following:

For Debt Service:	
Cash and cash equivalents	\$12,010,023
For Capital Improvements:	
Cash and cash equivalents	<u>794,761</u>
Total	<u><u>\$12,804,784</u></u>

Regional Airport restricted assets are comprised of the following:

For Passenger Facility Charges:	
Cash and cash equivalents	\$ 316,109
For Customer Facility Charges:	
Cash and cash equivalents	<u>817,449</u>
Total	<u><u>\$1,133,558</u></u>

Internal Service Fund restricted assets are comprised of the following:

For Employee Insurance:	
Cash and cash equivalents	<u><u>\$9,372,786</u></u>

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

### Note 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

Governmental activities:	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
<b>Capital assets not being depreciated:</b>				
Land	\$ 10,752,781	\$ -	\$ -	\$ 10,752,781
Construction in progress	<u>11,231,937</u>	<u>2,441,246</u>	<u>9,846,262</u>	<u>3,826,921</u>
<b>Total capital assets not being depreciated</b>	<b><u>21,984,718</u></b>	<b><u>2,441,246</u></b>	<b><u>9,846,262</u></b>	<b><u>14,579,702</u></b>
<b>Capital assets being depreciated:</b>				
Land betterments	23,425,044	1,350,829	-	24,775,873
Buildings, systems and improvements	75,551,641	473,895	27,328	75,998,208
Infrastructure	198,474,231	13,554,132	2,060,333	209,968,030
Machinery and equipment	27,718,305	2,918,074	1,817,642	28,818,737
Furniture and fixtures	<u>143,082</u>	<u>-</u>	<u>12,233</u>	<u>130,848</u>
<b>Total capital assets being depreciated</b>	<b><u>325,312,303</u></b>	<b><u>18,296,930</u></b>	<b><u>3,917,536</u></b>	<b><u>339,691,696</u></b>
<b>Less accumulated depreciation for:</b>				
Land betterments	8,712,062	471,348	-	9,183,410
Buildings, systems and improvements	31,310,770	1,699,223	21,637	32,988,356
Infrastructure	101,960,561	3,736,332	2,005,238	103,691,655
Machinery and equipment	21,313,579	1,646,174	1,816,348	21,143,405
Furniture and fixtures	<u>141,683</u>	<u>466</u>	<u>12,233</u>	<u>129,916</u>
<b>Total accumulated depreciation</b>	<b><u>163,438,655</u></b>	<b><u>7,553,543</u></b>	<b><u>3,855,456</u></b>	<b><u>167,136,742</u></b>
<b>Total capital assets being depreciated, net</b>	<b><u>161,873,648</u></b>	<b><u>10,743,387</u></b>	<b><u>62,080</u></b>	<b><u>172,554,954</u></b>
<b>Governmental activities capital assets, net</b>	<b><u>\$183,858,366</u></b>	<b><u>\$13,184,633</u></b>	<b><u>\$9,908,342</u></b>	<b><u>\$187,134,656</u></b>

Depreciation expense was charged to functions as follows:

<b>Governmental activities:</b>	
Administrative services	\$ 1,278,297
Police	862,425
Fire	214,236
Parks and recreation	249,803
Accounting/finance	1,326
Community development	6,918
Public works	3,302,194
Health	154,046
Traffic and transportation	459,752
Multi-Purpose Events Center	<u>1,024,546</u>
<b>Total governmental depreciation</b>	<b><u>\$ 7,553,543</u></b>

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

Business-type activities:	Balance			Balance September 30, 2021
	October 1, 2020	Increases	Decreases	
<b>Capital assets not being depreciated:</b>				
Land	\$ 10,837,247	\$ 235,197	\$ -	\$ 11,072,444
Construction in progress	<u>11,156,503</u>	<u>6,854,796</u>	<u>7,712,993</u>	<u>10,298,306</u>
Total capital assets not being depreciated	<u>21,993,750</u>	<u>7,089,993</u>	<u>7,712,993</u>	<u>21,370,750</u>
<b>Capital assets being depreciated:</b>				
Land betterments	59,312,377	241,359	-	59,553,736
Buildings, systems and improvements	473,842,925	13,228,433	614,000	486,457,358
Infrastructure	1,308,101	-	-	1,308,101
Machinery and equipment	10,251,010	435,610	56,473	10,630,147
Furniture and fixtures	16,943	-	-	16,943
Motor vehicles	<u>66,432,273</u>	<u>3,614,398</u>	<u>706,104</u>	<u>69,340,567</u>
Total capital assets being depreciated	<u>611,163,629</u>	<u>17,519,800</u>	<u>1,376,577</u>	<u>627,306,852</u>
<b>Less accumulated depreciation for:</b>				
Land betterments	22,651,037	1,628,133	-	24,279,170
Buildings, systems and improvements	162,571,453	10,007,127	614,000	171,964,580
Infrastructure	8,721	17,441	-	26,162
Machinery and equipment	8,033,936	467,305	56,473	8,444,768
Furniture and fixtures	15,661	1,283	-	16,944
Motor vehicles	<u>46,734,972</u>	<u>4,105,942</u>	<u>706,104</u>	<u>50,134,810</u>
Total accumulated depreciation	<u>240,015,780</u>	<u>16,227,231</u>	<u>1,376,577</u>	<u>254,866,434</u>
Total capital assets being depreciated, net	<u>371,147,849</u>	<u>1,292,569</u>	<u>-</u>	<u>372,440,418</u>
Business-type activities capital assets, net	<u>\$393,141,599</u>	<u>\$8,382,562</u>	<u>\$ 7,712,993</u>	<u>\$393,811,168</u>

Depreciation expense was charged to programs as follows:

Business-type activities:		
Regional Airport		\$ 1,537,477
Kickapoo Airport		543,684
Transit		360,926
Sanitation		3,510,315
Water and sewer		9,461,647
Stormwater drainage		569,693
Waterpark		<u>243,489</u>
Total business-type depreciation		<u>\$16,227,231</u>

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

#### Note 8 - PENSION PLANS

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

The table below summarizes the amounts reported by the City for each plan as of September 30, 2021. Detailed information for each plan follows.

	TMRS	WFFRRF	Total
Net pension liability	\$43,614,774	\$80,142,060	\$123,756,834
Deferred outflows of resources	5,652,159	33,311,247	38,963,406
Deferred inflows of resources	8,527,875	10,211,982	18,739,857
Pension expense	2,938,947	9,305,750	12,244,697

#### Texas Municipal Retirement System

##### Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

##### Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

#### *Employees Covered by Benefit Terms*

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	718
Inactive employees entitled to but not yet receiving benefits	497
Active employees	932

#### Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the participating city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the participating city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City are required to contribute 7% of their annual gross earnings. The contribution rates for the City were 16.32% and 16.57% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$7,684,733, and were equal to the required contributions.

#### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

#### *Actuarial Assumptions*

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2020 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on the fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equities	30%	5.30%
Core Fixed Income	10%	1.25%
Non-Core Fixed Income	20%	4.14%
Real Return	10%	3.85%
Real Estate	10%	4.00%
Absolute Return	10%	3.48%
Private Equity	<u>10%</u>	7.75%
Total	<u>100%</u>	

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

#### *Discount Rate*

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

#### *Changes in Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2019	\$293,657,654	\$245,532,302	\$48,125,352
Changes for the year:			
Service cost	6,472,668	-	6,472,668
Interest on total pension liability	19,539,894	-	19,539,894
Change of benefit terms	-	-	-
Difference between expected and actual experience	( 1,175,031)	-	( 1,175,031)
Change of assumptions	-	-	-
Contributions – employer	-	7,598,124	( 7,598,124)
Contributions – employee	-	3,257,273	( 3,257,273)
Net investment income	-	18,618,015	( 18,618,015)
Benefit payments, including refunds of employee contributions	( 14,828,151)	( 14,828,151)	-
Administrative expense	-	( 120,598)	120,598
Other changes	-	( 4,705)	4,705
Balances as of December 31, 2020	<u>\$303,667,034</u>	<u>\$260,052,260</u>	<u>\$43,614,774</u>

#### *Sensitivity Analysis*

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability	\$83,114,918	\$43,614,774	\$10,944,011

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

For the year ended September 30, 2021, the City recognized pension expense of \$2,938,947 related to its participation in TMRS.

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to TMRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 121,592	\$1,543,163
Net difference in assumptions	-	12,234
Net difference between projected and actual earnings	-	6,972,578
Contributions made subsequent to measurement date	<u>5,530,567</u>	—
<b>Total</b>	<b><u>\$5,652,159</u></b>	<b><u>\$8,527,975</u></b>

\$5,530,567 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Plan Year Ended December 31:</u>	
2021	(\$3,270,404)
2022	( 342,600)
2023	( 4,384,464)
2024	( 408,915)
<b>Total</b>	<b><u>(\$8,406,383)</u></b>

#### Wichita Falls Firemen's Relief and Retirement Fund

##### Plan Description

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

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

##### Benefits Provided

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

The valuations used for this plan are based on a valuation performed as of January 1, 2020.

#### *Employees Covered by Benefit Terms*

At the January 1, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	147
Inactive employees entitled to but not yet receiving benefits	5
Active employees	159

#### Contributions

The contribution rate for the firefighters is 13% and the City contributes 13.25%. Both the firefighters and City make contributions bi-weekly. Contribution requirements are not actuarially determined, however, state law requires that each plan of benefits adopted by the Fund must be approved by a qualified actuary. The actuary certifies that the contribution commitments by the firefighters and the City provide an adequate financing arrangement. Using the individual entry age normal cost method, the plan's normal cost is determined as a percentage of payroll.

The City's contributions to the Plan for the year ended September 30, 2021, were \$1,615,395, and were equal to the required contributions.

#### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of January 1, 2021, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The NPL related to Governmental Activities is generally liquidated by the General Fund through annual contributions.

#### *Actuarial Assumptions*

The Total Pension Liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Salary increases	Service-based
Discount Rate	4.99% per year
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

Mortality rates for employee and healthy annuitant combined rates were taken from the PubS-2010 Mortality Tables. The mortality assumptions for all participants are sex distinct with mortality improvement projected 5 years beyond the valuation date using scale MP-2020 and a base year of 2010.

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

The long-term expected rate of return on pension plan investments was determined using a method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. For 2021 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major class included in the Plan's target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	40.00%	7.50%
International Equity	15.00%	8.50%
Domestic Fixed Income	20.00%	2.50%
Global Fixed Income	5.00%	3.50%
Real Estate	10.00%	4.50%
GTAA	<u>10.00%</u>	3.50%
Total	<u>100.00%</u>	

#### *Discount Rate*

The projection of cash flows used to determine the discount rate assumed that current plan member and sponsor contributions will be made at the current contribution rate. Future member's contributions in excess of their normal cost were also included. Based on these assumptions, the pension plan's Fiduciary Net Position was projected to provide future benefit payments for 26 years. These payments were discounted using a discount rate of 7.75%. Future benefit payments beyond 26 years were discounted using a high quality municipal bond rate of 3.26%. The high quality municipal bond rate was based on the week closest to, but not later than, the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by the S&P Dow Jones. The single equivalent discount rate was 4.99%.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

#### *Changes in Net Pension Liability*

	Total Pension Liability (a)	Fiduciary Net Position (b)	Increase (Decrease) Net Pension Liability (a) - (b)
Balances as of December 31, 2020	\$125,886,607	\$52,877,954	\$73,008,653
Changes for the year:			
Service cost	3,066,397	-	3,066,397
Interest on total pension liability	6,287,518	-	6,287,518
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Change of assumptions	8,631,596	-	8,631,596
Contributions – employer	-	1,551,830	( 1,551,830)
Contributions – employee	-	1,551,830	( 1,551,830)
Net investment income	-	7,864,359	( 7,864,359)
Benefit payments, including refunds of employee contributions	( 5,901,298)	( 5,901,298)	-
Administrative expense	-	( 115,915)	115,915
Balances as of December 31, 2021	<u>\$137,970,820</u>	<u>\$57,828,760</u>	<u>\$80,142,060</u>

#### *Sensitivity Analysis*

The following presents the net pension liability of the City, calculated using the discount rate of 4.47%, as well as what the City's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (3.47%) or 1 percentage point higher (5.47%) than the current rate.

	1% Decrease 3.47%	Current Discount Rate 4.47%	1% Increase 5.47%
Net pension liability	\$99,501,281	\$80,142,060	\$64,244,424

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

For the year ended September 30, 2021, the City recognized pension expense of \$9,305,750 related to the Wichita Falls Firemen's Relief and Retirement Fund.

#### Pension Plan Fiduciary Net Position

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the WFFRRF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,947,055	\$ 1,824,238
Difference due to changes in actuarial assumptions	29,179,502	1,169,208
Net difference between projected and actual earnings	-	7,218,536
Contributions made subsequent to measurement date	<u>1,184,690</u>	<u>-</u>
Total	<u>\$33,311,247</u>	<u>\$10,211,982</u>

\$1,184,690 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2022	\$ 3,743,029
2023	4,528,253
2024	3,771,377
2025	5,135,983
2026	3,756,126
Thereafter	<u>979,807</u>
Total	<u>\$21,914,575</u>

#### Note 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

##### Plan Description

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

#### Retiree Premiums

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

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

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

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

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

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

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

#### Benefits for Spouses of Retired Employees

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

#### Vision Coverage

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

#### Dental Coverage

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

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

### Life Insurance Coverage

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

### Employees Covered by Benefit Terms

At the December 31, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	735
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	1,108

### Actuarial Assumptions

The demographic assumptions are based on the assumptions that were developed for the defined benefit plans in which the City participates (TMRS and the Firemen's Pension Plan). The TMRS assumptions are based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). The firefighter assumptions are based on the January 1, 2020 Valuation for the Wichita Falls Firemen's Relief and Retirement Fund.

#### Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	6.75% as of December 31, 2020
Inflation	2.50%
Salary Increases	3.50% to 11.50% for TMRS and 3.50% to 12.00% for Fire, including inflation
Demographic Assumptions	TMRS: Based on the experience study covering the four-year period ending December 31, 2018 as conducted for TMRS. Based on the January 1, 2020 valuation for the Wichita Falls Firemen's Relief and Retirement Fund.
Mortality	TMRS: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational bases using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements. Fire: For healthy retirees, gender-distinct PubS-2010 (safety employees) mortality tables are used. The rates are projected on a fully generational basis using the projection scale MP-2019 to account for future mortality improvements.
Participation Rates	TMRS: 45% of employees retiring after the age of 49 or with disability at any age were assumed to elect retiree health care benefits through the City. 0% of TMRS employees retiring before the age of 49 were assumed to elect coverage. Fire: 70% of employees retiring at any age were assumed to elect retiree health care benefits through the City.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

Healthcare Cost Trend Rates      Initial rate of 7.00% declining to ultimate rates of 4.25% after 13 years.

#### Discount Rate

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

#### Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances as of December 31, 2019	\$22,362,048	\$6,576,023	\$15,786,025
Changes for the year:			
Service cost	557,600	-	557,600
Interest on total OPEB liability	1,471,238	-	1,471,238
Change of benefit terms	-	-	-
Difference between expected and actual experience	678,603	-	678,603
Change of assumptions	733,999	-	733,999
Contributions – employer	-	2,051,116	( 2,051,116)
Contributions – employee	-	-	-
Net investment income	-	1,022,243	( 1,022,243)
Benefit payments, including refunds of employee contributions	( 1,689,454)	( 1,689,454)	-
Administrative expense	-	-	-
Other changes	-	-	-
Balances as of December 31, 2020	<u>\$24,114,034</u>	<u>\$7,959,928</u>	<u>\$16,154,106</u>

#### Discount Rate Sensitivity Analysis

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

	1%	Current Discount Rate	1%
	Decrease	Rate	Increase
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
	<u><b>\$18,332,335</b></u>	<u><b>\$16,154,106</b></u>	<u><b>\$14,236,841</b></u>

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

1% <u>Decrease</u>	Current Healthcare Cost Trend <u>Rate</u>	1% <u>Increase</u>
<u>\$14,411,775</u>	<u>\$16,154,106</u>	<u>\$18,183,295</u>

For Governmental Activities, the net OPEB liability is generally liquidated by the General Fund.

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$1,682,330 related to the City of Wichita Falls Retiree Health Care Plan.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the City of Wichita Falls Retiree Health Care Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience, liability	\$ 549,029	\$328,472
Difference due to changes in actuarial assumptions	1,132,002	-
Differences between expected and actual experience, assets	-	745,779
Contributions made subsequent to measurement date	<u>1,544,613</u>	<u>-</u>
Total	<u>\$3,225,644</u>	<u>\$1,074,251</u>

\$1,544,613 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the plan year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>	
2022	\$109,582
2023	199,878
2024	45,933
2025	187,410
2026	<u>63,977</u>
Total	<u>\$606,780</u>

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

#### *Note 10 - DEFERRED COMPENSATION PLAN*

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

#### *Note 11 - AIRPORT LEASE*

The Regional Airport facilities are located on land at Sheppard Air Force Base. The land is leased from the Department of the Air Force for a period of fifty years, beginning May 15, 2009 and expiring May 14, 2059. The City's expense for the year ended September 30, 2021 was \$51,909. The lease payment increases by 3% per year with a final lease payment of \$157,805 in 2058.

#### *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, 2021.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of September 30, 2021:

Year ending September 30:	
2022	\$ 125,234
2023	88,760
2024	61,537
2025	59,824
2026	61,281
2027-2031	335,112
2032-2036	388,486
2037-2041	450,362
2042-2046	522,093
2047-2051	605,249
2052-2056	701,650
2057-2058	<u>311,013</u>
 Total minimum payments required	 <u>\$3,710,601</u>

The total rental expenses for all operating leases for the year ended September 30, 2021 was \$140,135. There were no contingent rentals during the year ended September 30, 2021.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

State and federal laws and regulations require that the City place a final cover on its landfill when closed, and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In accordance with the Texas Administrative Code, Title 30, Part 1, Chapter 7, the City annually submits a financial assurance letter to the Texas Commission on Environmental Quality (TCEQ). In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$5,657,057 as of September 30, 2021, which is based on 24% usage of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$18,276,645 as the remaining estimated capacity is filled. The landfill is expected to be filled to capacity in 2153. Additionally, the City has recorded a liability of \$72,797 for closure and postclosure care costs related to the City's transfer station. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

### **Note 14 - LONG-TERM LIABILITIES**

Long-term liabilities transactions for the year ended September 30, 2021 are summarized as follows:

	Balance at October 1, 2020	Issued	Retired and Transferred	Balance at September 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 29,070,000	\$ -	\$ 2,795,000	\$ 26,275,000	\$ 2,390,000
Combination tax and revenue bonds	18,040,000	-	1,375,000	16,665,000	1,425,000
Venue tax revenue bonds	-	2,680,000	45,000	2,635,000	50,000
Premiums on bonds	1,800,015	-	275,661	1,524,354	-
Accrued vacation and sick leave payable	9,570,489	3,147,151	3,108,524	9,609,116	3,000,000
Capital leases payable	4,555,678	-	545,441	4,010,237	579,263
Claims and judgments payable	<u>705,077</u>	<u>846,389</u>	<u>625,464</u>	<u>926,002</u>	<u>76,253</u>
<b>Total governmental activities</b>	<b><u>63,741,259</u></b>	<b><u>6,673,540</u></b>	<b><u>8,770,090</u></b>	<b><u>61,644,709</u></b>	<b><u>7,520,516</u></b>
<b>Business-type Activities:</b>					
Utility system revenue bonds, net of premium (discount)	54,305,000	-	7,635,000	46,670,000	8,010,000
Combination tax and revenue bonds	38,140,000	-	1,550,000	36,590,000	1,570,000
Premiums on bonds	5,910,005	-	1,565,109	4,344,896	-
Accrued vacation and sick leave payable	841,877	783,188	805,913	819,152	675,000
Note payable	238,945	-	42,892	196,053	45,728
Capital leases payable	16,304,007	-	1,092,297	15,211,710	1,155,401
Landfill closure, post-closure costs	<u>5,518,578</u>	<u>211,276</u>	<u>-</u>	<u>5,729,854</u>	<u>-</u>
<b>Total business-type activities</b>	<b><u>121,258,412</u></b>	<b><u>994,464</u></b>	<b><u>12,691,211</u></b>	<b><u>109,561,665</u></b>	<b><u>11,456,129</u></b>
<b>Total long-term liabilities</b>	<b><u>\$184,999,671</u></b>	<b><u>\$7,668,004</u></b>	<b><u>\$21,461,301</u></b>	<b><u>\$171,206,374</u></b>	<b><u>\$18,976,645</u></b>

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

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

#### Bonds Payable

Bonds payable as of September 30, 2021 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 9/30/21</u>
General Obligation Bonds:					
General Obligation Refunding Bonds, Series 2015A	2.00% - 5.00%	9/01/26	\$200,000 to \$1,105,000	\$ 9,650,000	\$ 5,135,000
General Obligation Refunding Bonds, Series 2015B	0.73% - 3.48%	9/01/26	\$110,000 to \$310,000	2,885,000	1,470,000
General Obligation Bonds, Series 2018A	2.00% - 5.00%	9/01/38	\$550,000 to \$1,155,000	16,345,000	14,625,000
General Obligation Refunding Bonds, Series 2018B	2.00% - 4.00%	10/01/28	\$80,000 to \$725,000	6,170,000	<u>5,045,000</u>
Total General Obligation Bonds					<u>26,275,000</u>
Combination Tax and Revenue Bonds:					
Combination Tax and Revenue Certificates of Obligation, Series 2010	5.60%	2/01/25	\$165,000 to \$375,000	3,930,000	1,385,000
Combination Tax and Revenue Certificates of Obligation, Series 2011	2.00% - 4.00%	9/01/31	\$135,000 to \$220,000	3,200,000	1,885,000
Combination Tax and Revenue Certificates of Obligation, Series 2013	2.00% - 3.375%	9/01/33	\$530,000 to \$1,315,000	19,875,000	13,395,000
Combination Tax and Revenue Certificates of Obligation, Series 2013A	2.00% - 4.625%	9/01/33	\$505,000 to \$905,000	13,000,000	8,750,000
Combination Tax and Revenue Certificates of Obligation, Series 2015	0.00% - 2.12%	3/01/45	\$890,000 to \$1,425,000	33,545,000	<u>27,840,000</u>
Total Combination Tax and Revenue Bonds					<u>53,255,000</u>
Revenue Bonds:					
Water & Sewer System Revenue Refunding Bonds, Series 2016	2.00% - 5.00%	8/01/27	\$2,635,000 to \$9,705,000	74,005,000	46,670,000
Venue Tax Revenue Bonds, Series 2020	4.00%	9/01/50	\$45,000 to \$150,000	2,680,000	2,635,000
Total Revenue Bonds					<u>49,305,000</u>
Total All Bonds					<u>\$128,835,000</u>

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2021

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

Aggregate maturities of the long-term debt (principal and interest) for the years subsequent to September 30, 2021 are as follows:

Year Ending <u>September 30,</u>	Combination Tax and												Total	
	General Obligation Bonds		Revenue Bonds		Revenue Bonds		Notes Payable		Capital Leases Payable		Total			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,390,000	\$1,041,300	\$ 2,995,000	\$ 1,394,165	\$ 8,060,000	\$ 2,405,650	\$ 45,728	\$ 6,246	\$ 1,734,574	\$ 600,305	\$ 15,225,302	\$ 5,447,666		
2023	2,480,000	948,517	3,065,000	1,315,342	8,460,000	2,003,150	47,216	4,758	1,834,600	551,933	15,886,816	4,823,700		
2024	2,585,000	856,924	3,145,000	1,231,866	8,890,000	1,580,650	48,752	3,222	1,379,038	500,536	16,047,790	4,173,198		
2025	2,665,000	769,912	3,240,000	1,143,626	9,330,000	1,136,700	54,357	1,636	1,011,161	457,978	16,300,518	3,509,852		
2026	2,770,000	654,488	2,935,000	1,059,677	9,765,000	704,000	-	-	1,088,390	424,329	16,558,390	2,842,494		
2027-2031	6,165,000	2,130,550	15,940,000	4,016,561	2,765,000	569,350	-	-	5,091,628	1,626,444	29,961,628	8,342,905		
2032-2036	4,955,000	1,120,950	10,100,000	1,748,219	400,000	376,200	-	-	7,082,556	583,606	22,537,556	3,828,975		
2037-2041	2,265,000	159,900	6,305,000	911,372	485,000	289,600	-	-	-	-	9,055,000	1,360,872		
2042-2046	-	-	5,530,000	237,101	590,000	184,200	-	-	-	-	6,120,000	421,301		
2047-2050	-	-	-	-	560,000	57,400	-	-	-	-	560,000	57,400		
<b>Totals</b>	<b>\$26,275,000</b>	<b>\$7,682,541</b>	<b>\$53,255,000</b>	<b>\$13,057,929</b>	<b>\$49,305,000</b>	<b>\$9,306,900</b>	<b>\$196,053</b>	<b>\$15,862</b>	<b>\$19,221,947</b>	<b>\$4,745,131</b>	<b>\$148,253,000</b>	<b>\$34,808,363</b>		

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

All of the General Obligation Bonds were issued on the full faith and credit of the City and are secured by ad valorem taxes levied against all taxable property. These bonds are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. At September 30, 2021, this fund had a fund balance of \$1,448,934.

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

The Venue Tax Revenue Bonds were issued for the purpose of improving the City's MPEC and Memorial Auditorium facilities and are serviced by an additional hotel/motel tax designated for these purposes.

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

#### Notes Payable

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

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

This contractual arrangement is strictly a cost-sharing agreement and is not considered a joint venture as defined in Section J50 of the Codification of Governmental Accounting and Financial Reporting Standards. The remaining debt payable to the U.S. Government at September 30, 2021 is classified as follows:

Long-term	\$ 150,325
Current portion	<u>45,728</u>
Total	<u>\$ 196,053</u>

#### Capital Leases Payable

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

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

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

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

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

#### Note 15 - INTERFUND BALANCES

Transfers to and from other funds during the year ended September 30, 2021 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Nonmajor Governmental Funds	\$ 116,231	Supplement operating grants
General Fund	Nonmajor Governmental Funds	48,982	Supplement operating deficits
Nonmajor Governmental Funds	Nonmajor Governmental Funds	941,394	Fund debt service payment
Nonmajor Governmental Funds	Water and Sewer Fund	5,435	Purchase capital assets
Nonmajor Governmental Funds	Internal Service Funds	530,169	Purchase capital assets
Water and Sewer Fund	General Fund	1,771,811	Administrative overhead
Water and Sewer Fund	Nonmajor Governmental Funds	500,000	Fund debt service payment
Water and Sewer Fund	Internal Service Funds	32,000	Purchase capital assets
Sanitation Fund	General Fund	1,685,610	Administrative overhead
Sanitation Fund	Water and Sewer Fund	63,530	Transfer capital assets
Sanitation Fund	Internal Service Funds	2,062,159	Purchase capital assets
Regional Airport Fund	Nonmajor Governmental Funds	28,563	Supplement capital grants
Regional Airport Fund	Internal Service Fund	73,533	Purchase capital assets
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	403,261	Fund debt service payment
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	14,252	Supplement capital grants
Nonmajor Enterprise Funds	Water and Sewer Fund	24,348	Transfer capital assets
Internal Service Funds	General Fund	312,000	Administrative overhead
	Total	<u>\$8,613,278</u>	

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

#### *Note 15 - INTERFUND BALANCES (CONT'D.)*

Balances due to and from other funds as of September 30, 2021 were as follows:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$2,424,327	Short-term loan
General Fund	Regional Airport Fund	360,309	Short-term loan
General Fund	Nonmajor Enterprise Funds	1,453,120	Short-term loan
General Fund	Internal Service Funds	1,166,221	Short-term loan
	Total	<u>\$5,403,977</u>	

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

#### *Note 16 - COMMITMENTS AND CONTINGENCIES*

##### Litigation

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

##### Contract Commitment with West Texas Utilities Company

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

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

For water actually consumed, the Company shall pay the City and Wichita County Water Improvement District Number 2 equally, at the base rate of \$0.23 per one thousand gallons, which is adjusted annually. The rate for the year ended September 30, 2021 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.

In December 2021, this contract was assumed by Oklaunion Industrial Park, LLC.

##### Contract Commitments

At September 30, 2021, the City was committed to various contracts. The amounts for which the various funds are committed to complete these contracts are as follows:

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2021

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

General Fund	\$ 1,246,071
Nonmajor Governmental Funds	6,864,625
Water and Sewer Fund	4,369,130
Sanitation Fund	326,060
Nonmajor Enterprise Funds	3,231,724
Nonmajor Enterprise Funds	<u>69,685</u>
 Total contract commitments - City	 <u>\$16,107,295</u>

#### Federal and State Grants - Compliance Audits

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

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

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

#### *Note 17 - TAX ABATEMENT AGREEMENTS*

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

For the fiscal year ended September 30, 2021, the City abated property taxes totaling \$1,836,761 under this program and received payments in lieu of taxes totaling \$1,521,075.

# CITY OF WICHITA FALLS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2021

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

The City has five component units that are discretely presented in the City's basic financial statements. Condensed financial information for the year ended September 30, 2021 is as follows:

	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment			
			Zone #2	Zone #3	Zone #4	Totals
<b>Condensed statement of net position:</b>						
Cash, investments and other current assets	\$25,205,993	\$26,973,524	\$2,902,135	\$803,676	\$578,494	\$56,463,822
Capital assets, net of accumulated depreciation	<u>2,517,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,517,331</u>
<b>Total assets</b>	<b><u>27,723,324</u></b>	<b><u>26,973,524</u></b>	<b><u>2,902,135</u></b>	<b><u>803,676</u></b>	<b><u>578,494</u></b>	<b><u>58,981,153</u></b>
 <b>Accounts payable and other</b>						
current liabilities	295,253	543	-	-	-	295,796
Long-term liabilities	<u>10,130,916</u>	<u>19,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,130,916</u>
<b>Total liabilities</b>	<b><u>10,426,169</u></b>	<b><u>19,000,543</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>29,426,712</u></b>
<b>Net position</b>	<b><u>\$17,297,155</u></b>	<b><u>\$7,972,981</u></b>	<b><u>\$2,902,135</u></b>	<b><u>\$803,676</u></b>	<b><u>\$578,494</u></b>	<b><u>\$29,554,441</u></b>
 <b>Condensed statement of activities:</b>						
<b>Expenses:</b>						
Community development	<u>\$ 4,582,703</u>	<u>\$4,300,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 8,893,542</u>
 <b>Program revenues:</b>						
Operating grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net program expense</b>	<b><u>( 4,582,703)</u></b>	<b><u>( 4,300,839)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>( 10,000)</u></b>	<b><u>( 8,893,542)</u></b>
 <b>General revenues:</b>						
Tax revenues	4,727,354	4,727,354	847,416	93,704	213,746	10,609,574
Non-tax general revenues	<u>193,423</u>	<u>6,451</u>	<u>403</u>	<u>365</u>	<u>89</u>	<u>200,731</u>
<b>Total general revenues</b>	<b><u>4,920,777</u></b>	<b><u>4,733,805</u></b>	<b><u>847,819</u></b>	<b><u>94,069</u></b>	<b><u>213,835</u></b>	<b><u>10,810,305</u></b>
Change in net position	338,074	432,966	847,819	94,069	203,835	1,916,763
<b>Beginning net position</b>	<b><u>16,959,081</u></b>	<b><u>7,540,015</u></b>	<b><u>2,054,316</u></b>	<b><u>709,607</u></b>	<b><u>374,659</u></b>	<b><u>27,637,678</u></b>
<b>Ending net position</b>	<b><u>\$17,297,155</u></b>	<b><u>\$7,972,981</u></b>	<b><u>\$2,902,135</u></b>	<b><u>\$803,676</u></b>	<b><u>\$578,494</u></b>	<b><u>\$29,554,441</u></b>

## **CITY OF WICHITA FALLS, TEXAS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)** **SEPTEMBER 30, 2021**

#### *Note 19 - SUBSEQUENT EVENTS*

##### Refunding Bonds

On October 1, 2021, the City issued \$7,595,000 in bonds titled “General Obligation Refunding Bonds, Taxable Series 2021” and \$1,675,000 in bonds titled “General Obligation Refunding Bonds, Series 2021.”

The General Obligation Refunding Bonds, Taxable Series 2021 were issued to refund the remaining outstanding Combination Tax and Revenue Certificates of Obligation, Taxable Series 2010 and portions of the outstanding Combination Tax and Revenue Certificates of Obligation, Series 2013A. This refunding will reduce the City’s debt service payments by a total of \$749,231, with a present value of savings of \$681,211.

The General Obligation Refunding Bonds, Series 2021 were issued to refund the remaining outstanding Combination Tax and Revenue Certificates of Obligation, Taxable Series 2011. This refunding will reduce the City’s debt service payments by a total of \$222,887, with a present value of savings of \$202,982.

##### Purchase of Fire Apparatus via Capital Lease

In December 2021, the City approved the replacement of front-line fire apparatus. This purchase was financed through the issuance of a capital lease. The total lease payments will be \$11,165,446 and will be repaid over 11 annual payments of \$1,015,041. These annual payments begin on October 1, 2023.

***REQUIRED SUPPLEMENTARY INFORMATION***

## CITY OF WICHITA FALLS, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Taxes	\$ 69,314,693	\$ 69,314,693	\$ 75,096,176	\$ 5,781,483
Charges for services	2,948,586	2,948,586	3,066,404	117,818
Licenses and permits	1,746,983	1,746,983	1,631,602	(115,381)
Fines and forfeitures	2,361,451	2,361,451	2,198,715	(162,736)
Contributions	225,963	225,963	179,483	(46,480)
Miscellaneous revenue	1,373,777	3,243,482	3,405,049	161,567
<b>Total revenues</b>	<b>77,971,453</b>	<b>79,841,158</b>	<b>85,577,429</b>	<b>5,736,271</b>
<b>Expenditures:</b>				
Current:				
Administrative services	13,982,000	16,701,705	15,211,294	1,490,411
Police	26,822,585	26,822,585	26,144,281	678,304
Fire	17,739,639	18,317,176	18,241,191	75,985
Parks and recreation	5,877,501	5,877,501	4,996,125	881,376
Accounting/finance	862,524	862,524	853,221	9,303
Community development	2,348,935	2,348,935	2,221,870	127,065
Public works	5,185,970	5,185,970	4,735,920	450,050
Health	3,514,189	3,515,445	3,304,684	210,761
Traffic and transportation	1,743,575	1,700,975	1,668,533	32,442
Capital outlay	2,719,518	2,880,861	1,710,238	1,170,623
<b>Total expenditures</b>	<b>80,796,436</b>	<b>84,213,677</b>	<b>79,087,357</b>	<b>5,126,320</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(2,824,983)</b>	<b>(4,372,519)</b>	<b>6,490,072</b>	<b>10,862,591</b>
<b>Other financing sources (uses):</b>				
Transfers in	3,769,421	3,769,421	3,769,421	-
Transfers out	(944,438)	(944,438)	(165,213)	779,225
<b>Total other financing sources (uses)</b>	<b>2,824,983</b>	<b>2,824,983</b>	<b>3,604,208</b>	<b>779,225</b>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>-</b>	<b>(1,547,536)</b>	<b>10,094,280</b>	<b>11,641,816</b>
<b>Fund balance - beginning</b>	<b>27,338,776</b>	<b>27,338,776</b>	<b>27,338,776</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 27,338,776</b>	<b>\$ 25,791,240</b>	<b>\$ 37,433,056</b>	<b>\$ 11,641,816</b>

## CITY OF WICHITA FALLS, TEXAS

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

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 6,472,668	\$ 6,447,967	\$ 4,990,566	\$ 4,917,413	\$ 2,466,531	\$ 4,697,339	\$ 4,098,031
Interest on total pension liability	19,539,894	18,913,918	17,400,438	16,873,140	16,126,720	16,093,246	15,665,423
Changes of benefit terms	-	12,613,317	-	-	-	-	-
Difference between expected and actual experience	(1,175,031)	(1,475,630)	540,881	(1,117,057)	3,641,511	203,406	(2,042,671)
Changes of assumptions	-	(26,378)	-	-	-	1,340,184	-
Benefit payments/refunds of contributions	(14,828,151)	(14,368,878)	(13,335,060)	(12,461,447)	(12,342,806)	(12,073,025)	(11,744,340)
Net change in total pension liability	10,009,380	22,104,316	9,596,825	8,212,049	9,891,956	10,261,150	5,976,443
Total pension liability, beginning	293,657,654	271,553,338	261,956,513	253,744,464	243,852,508	233,591,358	227,614,915
Total pension liability, ending (a)	<u>\$ 303,667,034</u>	<u>\$ 293,657,654</u>	<u>\$ 271,553,338</u>	<u>\$ 261,956,513</u>	<u>\$ 253,744,464</u>	<u>\$ 243,852,508</u>	<u>\$ 233,591,358</u>
<b>Fiduciary Net Position</b>							
Contributions - employer	\$ 7,598,124	\$ 5,913,578	\$ 5,783,625	\$ 5,565,648	\$ 5,339,437	\$ 5,639,053	\$ 5,379,333
Contributions - employee	3,257,273	2,590,541	2,558,451	2,470,741	2,494,525	2,497,984	2,303,770
Net investment income	18,618,015	33,663,780	(6,883,878)	28,538,620	13,331,438	296,795	11,109,980
Benefit payments/refunds of contributions	(14,828,151)	(14,368,878)	(13,335,060)	(12,461,447)	(12,342,806)	(12,073,025)	(11,744,340)
Administrative expenses	(120,598)	(190,372)	(133,122)	(147,954)	(150,608)	(180,789)	(116,005)
Other	(4,705)	(5,719)	(6,955)	(7,498)	(8,114)	(8,931)	(9,538)
Net change in fiduciary net position	14,519,958	27,602,930	(12,016,939)	23,958,110	8,663,872	(3,828,913)	6,923,200
Fiduciary net position, beginning	245,532,304	217,929,374	229,946,313	205,988,203	197,324,331	201,153,244	194,230,044
Fiduciary net position, ending (b)	<u>\$ 260,052,262</u>	<u>\$ 245,532,304</u>	<u>\$ 217,929,374</u>	<u>\$ 229,946,313</u>	<u>\$ 205,988,203</u>	<u>\$ 197,324,331</u>	<u>\$ 201,153,244</u>
Net pension liability, ending = (a) - (b)	<u>\$ 43,614,772</u>	<u>\$ 48,125,350</u>	<u>\$ 53,623,964</u>	<u>\$ 32,010,200</u>	<u>\$ 47,756,261</u>	<u>\$ 46,528,177</u>	<u>\$ 32,438,114</u>
Fiduciary net position as a % of total pension liability	<u>85.64%</u>	<u>83.61%</u>	<u>80.25%</u>	<u>87.78%</u>	<u>81.18%</u>	<u>80.92%</u>	<u>86.11%</u>
Covered payroll	<u>\$ 46,532,477</u>	<u>\$ 46,321,599</u>	<u>\$ 45,081,895</u>	<u>\$ 44,380,980</u>	<u>\$ 44,793,885</u>	<u>\$ 45,036,746</u>	<u>\$ 41,538,672</u>
Net pension liability as a % of covered payroll	<u>93.73%</u>	<u>103.89%</u>	<u>118.95%</u>	<u>72.13%</u>	<u>106.61%</u>	<u>103.31%</u>	<u>78.09%</u>

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

## CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
TEXAS MUNICIPAL RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contribution	\$ 7,624,424	\$ 7,185,753	\$ 5,877,907	\$ 5,675,065	\$ 5,521,772	\$ 5,427,145	\$ 5,422,031
Contributions in relation to the actuarially determined contribution	(7,624,424)	(7,185,753)	(5,877,907)	(5,675,065)	(5,521,772)	(5,427,145)	(5,422,031)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 46,206,994	\$ 46,894,603	\$ 45,968,759	\$ 44,522,000	\$ 44,687,123	\$ 44,674,967	\$ 42,951,296
Contributions as a percentage of covered payroll	16.50%	15.32%	12.79%	12.75%	12.36%	12.15%	12.62%

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31 and become effective 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.  Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

There were no benefit changes during the year.

## CITY OF WICHITA FALLS, TEXAS

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

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 3,066,397	\$ 2,916,767	\$ 3,073,858	\$ 2,859,969	\$ 1,560,472	\$ 1,493,672	\$ 1,447,068
Interest on total pension liability	6,287,518	6,110,936	5,899,445	5,728,347	5,827,804	5,298,361	5,537,931
Changes of benefit terms	-	-	(5,007,726)	-	-	7,781	-
Difference between expected and actual experience	-	(399,085)	-	5,304,698	(2,151,748)	(1,542,023)	(320,862)
Changes of assumptions	8,631,596	3,933,059	(1,453,521)	14,862,872	24,107,651	-	(423,984)
Benefit payments/refunds of contributions	(5,901,298)	(5,759,722)	(5,292,918)	(5,250,040)	(4,543,166)	(3,950,906)	(3,616,549)
Net change in total pension liability	<u>12,084,213</u>	<u>6,801,955</u>	<u>(2,780,862)</u>	<u>23,505,846</u>	<u>24,801,013</u>	<u>1,306,885</u>	<u>2,623,604</u>
Total pension liability, beginning	<u>125,886,607</u>	<u>119,084,652</u>	<u>121,865,514</u>	<u>98,359,668</u>	<u>73,558,655</u>	<u>72,251,770</u>	<u>69,628,166</u>
Total pension liability, ending (a)	<u><u>\$ 137,970,820</u></u>	<u><u>\$ 125,886,607</u></u>	<u><u>\$ 119,084,652</u></u>	<u><u>\$ 121,865,514</u></u>	<u><u>\$ 98,359,668</u></u>	<u><u>\$ 73,558,655</u></u>	<u><u>\$ 72,251,770</u></u>
<b>Fiduciary Net Position</b>							
Contributions - employer	\$ 1,551,830	\$ 1,442,485	\$ 1,455,950	\$ 1,411,351	\$ 1,283,410	\$ 1,273,913	\$ 1,232,957
Contributions - employee	1,551,830	1,468,465	1,475,242	1,463,122	1,350,904	1,221,926	1,144,644
Net investment income	7,864,359	9,142,584	(2,225,595)	6,581,299	2,577,572	421,270	3,284,243
Benefit payments/refunds of contributions	(5,901,298)	(5,759,722)	(5,292,918)	(5,250,040)	(4,543,166)	(3,950,906)	(3,616,549)
Administrative expenses	(115,915)	(111,432)	(96,102)	(124,267)	(115,843)	(87,245)	(85,636)
Other	-	-	-	347,490	250	-	-
Net change in fiduciary net position	<u>4,950,806</u>	<u>6,182,380</u>	<u>(4,683,423)</u>	<u>4,428,955</u>	<u>553,127</u>	<u>(1,121,042)</u>	<u>1,959,659</u>
Fiduciary net position, beginning	<u>52,877,954</u>	<u>46,695,574</u>	<u>51,378,997</u>	<u>46,950,042</u>	<u>46,396,915</u>	<u>47,517,957</u>	<u>45,558,298</u>
Fiduciary net position, ending (b)	<u><u>\$ 57,828,760</u></u>	<u><u>\$ 52,877,954</u></u>	<u><u>\$ 46,695,574</u></u>	<u><u>\$ 51,378,997</u></u>	<u><u>\$ 46,950,042</u></u>	<u><u>\$ 46,396,915</u></u>	<u><u>\$ 47,517,957</u></u>
Net pension liability, ending = (a)-(b)	<u><u>\$ 80,142,060</u></u>	<u><u>\$ 73,008,653</u></u>	<u><u>\$ 72,389,078</u></u>	<u><u>\$ 70,486,517</u></u>	<u><u>\$ 51,409,626</u></u>	<u><u>\$ 27,161,740</u></u>	<u><u>\$ 24,733,813</u></u>
Fiduciary net position as a % of total pension liability	<u>41.91%</u>	<u>42.00%</u>	<u>39.21%</u>	<u>42.16%</u>	<u>47.73%</u>	<u>63.07%</u>	<u>65.77%</u>
Covered payroll	<u>\$ 11,937,154</u>	<u>\$ 11,295,885</u>	<u>\$ 11,348,015</u>	<u>\$ 11,254,785</u>	<u>\$ 10,391,569</u>	<u>\$ 10,182,717</u>	<u>\$ 9,520,903</u>
Net pension liability (asset) as a % of covered payroll	<u>671.37%</u>	<u>646.33%</u>	<u>637.90%</u>	<u>626.28%</u>	<u>494.72%</u>	<u>266.74%</u>	<u>259.78%</u>

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

## CITY OF WICHITA FALLS, TEXAS

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

	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contribution	\$ 1,587,003	\$ 1,508,426	\$ 1,455,581	\$ 1,411,351	\$ 1,283,410	\$ 1,273,913	\$ 1,232,957
Contributions in relation to the actuarially determined contribution	<u>(1,587,003)</u>	<u>(1,508,426)</u>	<u>(1,455,581)</u>	<u>(1,411,351)</u>	<u>(1,283,410)</u>	<u>(1,273,913)</u>	<u>(1,232,957)</u>
Contribution deficiency	<u>\$ -</u>						
Covered payroll	\$ 12,039,888	\$ 11,834,931	\$ 11,500,098	\$ 11,214,407	\$ 10,929,570	\$ 11,088,538	\$ 10,179,831
Contributions as a percentage of covered payroll	<u>13.18%</u>	<u>12.75%</u>	<u>12.66%</u>	<u>12.59%</u>	<u>11.74%</u>	<u>11.49%</u>	<u>12.11%</u>

**Valuation Date:** 1/1/2020

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal	Payroll Growth	4.00% per year for amortization of the Unfunded Actuarial Accrued Liability. The assumed payroll growth was approved in conjunction with an actuarial study dated October 2017.
Amortization Method	Level Percentage of Compensation		
Remaining Amortization Period	43.3 years (as of 1/1/2020 valuation)	Marital Status:	100% of actives are assumed to be married at time of benefit commencement. Males are assumed to be two years older than their spouses.
Mortality	PubS-2010 (amount-weighted) tables	Dependent Children:	Each member is assumed to have two children. The first child is assumed to have been born when the member was 25. The second child is assumed to be two years younger. It is also assumed that benefits will be paid until each child reaches the age of 20.
Retirement Age	Based upon tables dependent upon hire date, in conjunction with an actuarial study dated October 2017.	Contribution Rates:	Members - 13.00% City - 13.00%
Retirement Election	Members eligible for the DROP are assumed to elect either straight service retirement benefits or the DROP, whichever is more valuable. Other members are assumed to receive straight service retirement benefits.	Actuarial Asset Method:	Fair Market Value
Termination Rates	Based upon service table, in conjunction with an actuarial experience study dated October 2017.		
Disability Rates	Based upon member age, in conjunction with an actuarial experience study dated October 2017.		
Interest Rate:	7.75% per year, compounded annually, net of expenses. This is supported by the asset allocation of the trust and the long-term expected return by asset class.		
Salary Increases	Based upon service table, in conjunction with an actuarial experience study dated October 2017.		

## CITY OF WICHITA FALLS, TEXAS

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

	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service cost	\$ 557,600	\$ 523,568	\$ 518,007	\$ 505,385
Interest on total pension liability	1,471,238	1,432,914	1,480,271	1,456,410
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	678,603	-	(705,047)	-
Changes of assumptions	733,999	281,546	765,976	-
Benefit payments/refunds of contributions	(1,689,454)	(1,685,098)	(1,679,932)	(1,584,144)
Net change in total OPEB liability	1,751,986	552,930	379,275	377,651
 Total OPEB liability, beginning	 22,362,048	 21,809,118	 21,429,843	 21,052,192
Total OPEB liability, ending (a)	<u><u>\$ 24,114,034</u></u>	<u><u>\$ 22,362,048</u></u>	<u><u>\$ 21,809,118</u></u>	<u><u>\$ 21,429,843</u></u>
 <b>Fiduciary Net Position</b>				
Contributions - employer	\$ 2,051,116	\$ 2,214,088	\$ 2,260,421	\$ 2,029,653
Contributions - employee	-	-	-	-
Net investment income	1,022,243	1,204,836	(374,667)	737,181
Benefit payments/refunds of contributions	(1,689,454)	(1,685,098)	(1,679,932)	(1,584,144)
Administrative expenses	-	-	(1,202)	(4,171)
Other	-	(344,259)	-	-
Net change in fiduciary net position	1,383,905	1,389,567	204,620	1,178,519
Fiduciary net position, beginning	6,576,023	5,186,456	4,981,836	3,803,317
Fiduciary net position, ending (b)	<u><u>\$ 7,959,928</u></u>	<u><u>\$ 6,576,023</u></u>	<u><u>\$ 5,186,456</u></u>	<u><u>\$ 4,981,836</u></u>
 Net OPEB liability / (asset), ending = (a) - (b)	 <u><u>\$ 16,154,106</u></u>	 <u><u>\$ 15,786,025</u></u>	 <u><u>\$ 16,622,662</u></u>	 <u><u>\$ 16,448,007</u></u>
 Fiduciary net position as a % of total OPEB liability	 <u><u>33.01%</u></u>	 <u><u>29.41%</u></u>	 <u><u>23.78%</u></u>	 <u><u>23.25%</u></u>
 Covered payroll	 <u><u>\$ 59,760,545</u></u>	 <u><u>\$ 58,259,148</u></u>	 <u><u>\$ 57,044,011</u></u>	 <u><u>\$ 55,647,372</u></u>
 Net OPEB liability (asset) as a % of covered payroll	 <u><u>27.03%</u></u>	 <u><u>27.10%</u></u>	 <u><u>29.14%</u></u>	 <u><u>29.56%</u></u>

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

## CITY OF WICHITA FALLS, TEXAS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial determined contribution	\$ 2,125,861	\$ 2,198,413	\$ 2,134,381	\$ 2,072,215
Contributions in relation to the actuarially determined contribution	<u>(1,966,977)</u>	<u>(2,153,169)</u>	<u>(2,453,913)</u>	<u>(2,072,215)</u>
Contribution deficiency (excess)	<u>\$ 158,884</u>	<u>\$ 45,244</u>	<u>\$ (319,532)</u>	<u>\$ -</u>
Covered payroll	\$ 54,420,074	\$ 55,361,994	\$ 58,359,009	\$ 55,042,215
Contributions as a percentage of covered payroll	<u>3.61%</u>	<u>3.89%</u>	<u>4.20%</u>	<u>3.76%</u>

**Valuation Date:** December 31, 2020

Mortality

TMRS: For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

Fire: The gender-distinct RP-2000 Combined Healthy Mortality Tables projected to year 2024 using Scale AA.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method Individual Entry Age Normal

Participation Rates TMRS: 45% of employees retiring after the age of 49 or with disability at any age were assumed to elect retiree health care benefits through the City. 0% of TMRS employees retiring before the age of 49 were assumed to elect coverage.

Fire: 70% of employees retiring at any age were assumed to elect retiree health care benefits through the City.

Amortization Method Level Percentage of Pay

Remaining Amortization Period 12 years; closed

Participation Rates TMRS: 45% of employees retiring after the age of 49 or with disability at any age were assumed to elect retiree health care benefits through the City. 0% of TMRS employees retiring before the age of 49 were assumed to elect coverage.

Asset Valuation Market Value

Fire: 70% of employees retiring at any age were assumed to elect retiree health care benefits through the City.

Investment Rate of Return 6.75%, net of investment expenses, including inflation

Inflation 2.50%

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

Salary Increases 3.50% to 10.50% for TMRS and 3.50% to 12.00% for Fire, including inflation

**Other Information:**

Payroll Growth 3.00%

There were no benefit changes during the year.

Demographic Assumptions TMRS: Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the TMRS.

Fire: Based on the January 1, 2018 valuation for the Wichita Falls Firemen's Relief and Retirement Fund.

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2021

#### Budgetary Information

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

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

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

An annual budget, including debt service requirements, is legally adopted for the General Fund 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 \$1,547,536 were approved by the City Council (\$3,417,241 total less \$1,869,705 in supplemental revenue). 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.

#### Wichita Falls Firemen's Relief and Retirement Fund

##### *Changes of benefit terms:*

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

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

## CITY OF WICHITA FALLS, TEXAS

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONT'D.) SEPTEMBER 30, 2021

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

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

#### *Changes of assumptions:*

For purposes of determining the GASB discount rate at the 12/31/2019 measurement date, a depletion date projection as of that date was performed. The results of this projection showed a single discount rate of 4.99%. The discount rate was decreased from 5.13% to 4.99%.

For purposes of determining the GASB discount rate at the 12/31/2018 measurement date, a depletion date projection as of that date was performed. The results of this projection showed a single discount rate of 5.13%. The discount rate was increased from 5.03% to 5.13%.

For purposes of determining the GASB discount rate at the 12/31/2017 measurement date, a depletion date projection as of that date was performed. The results of this projection showed a single discount rate of 5.03%. The discount rate was decreased from 5.81% to 5.03%.

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

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

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

## ***COMBINING FINANCIAL STATEMENTS***

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

#### Community Development Block Grant Fund

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

#### Section 8 Housing Fund

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

#### Home Investment Partnership Agreement Fund

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

#### MPEC/Hotel/Motel Tax Fund

The MPEC/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. These funds are used to support the City's Multi-Purpose Events Center.

#### Hotel/Motel Venue Tax Fund

The Hotel/Motel Venue Tax Fund accounts for revenues derived from an additional occupancy tax which is expended on projects classified as a venue such as an arena, coliseum, stadium, or other facilities.

#### Airport Improvement Grant Fund

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

#### Golf Fund

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

#### Miscellaneous Special Revenue Fund

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

## **Debt Service Funds**

### Debt Service Fund

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

### Excess Sales Tax Fund

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

## **Capital Projects Funds**

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

### 2018-A Bond Projects

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

### Venue Tax Bond Projects

This fund was established to account for projects financed by the Venue Tax Revenue Bonds, Series 2020. These funds are to be used to make renovations to the Multi-Purpose Events Center and Memorial Auditorium.

### 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

EXHIBIT C-1

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

	Special Revenue												Debt Service			Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
	Community Development Block Grant	Section 8 Housing	Home Investment Partnership Agreement	MPEC/ Hotel/ Motel Tax	Hotel/ Motel Venue Tax	Airport Improvement Grant	Golf Fund	Miscellaneous Special Revenue	Debt Service	Excess Sales Tax	2018-A Bond Projects	Venue Tax Bond Projects	Miscellaneous Capital Projects	Perpetual Care						
<b>ASSETS</b>																				
Cash and cash equivalents	\$ 50	\$ 1,813,789	\$ 139,952	\$ 12,905	\$ 769,638	\$ -	\$ -	\$ 1,735,631	\$ 1,443,155	\$ 435,547	\$ 7,114,712	\$ 2,404,919	\$ 188,753	\$ 1,470,561	\$ 17,529,612					
Receivables:																				
Taxes and assessments	-	-	-	228,269	65,219	-	-	-	42,046	-	-	-	-	-	-	-	335,534			
Government agencies	1,298,930	-	1,110,645	-	-	671,329	-	1,397,717	12,984	-	-	-	-	779,529	-	5,271,134				
Other	8,455	-	-	(10,084)	-	-	-	41,825	-	-	-	-	-	-	-	40,196				
Prepaid items	-	-	-	5,879	-	-	-	1,729	-	-	-	-	-	-	-	7,608				
Other assets	-	-	-	10,000	-	-	245,412	3,000	-	-	-	-	-	-	-	258,412				
Total assets	<u>\$ 1,307,435</u>	<u>\$ 1,813,789</u>	<u>\$ 1,250,597</u>	<u>\$ 246,969</u>	<u>\$ 834,857</u>	<u>\$ 671,329</u>	<u>\$ 245,412</u>	<u>\$ 3,179,902</u>	<u>\$ 1,498,185</u>	<u>\$ 435,547</u>	<u>\$ 7,114,712</u>	<u>\$ 2,404,919</u>	<u>\$ 968,282</u>	<u>\$ 1,470,561</u>	<u>\$ 23,442,496</u>					
<b>LIABILITIES AND FUND BALANCE</b>																				
Liabilities																				
Accounts payable - trade	\$ 51,882	\$ 462	\$ -	\$ 47,725	\$ -	\$ 65,968	\$ 224,464	\$ -	\$ -	\$ 206,045	\$ 26,488	\$ 167,901	\$ -	\$ -	\$ 790,935					
Accrued payroll	10,966	19,366	640	25,154	-	-	135,136	-	-	-	-	-	-	-	-	191,262				
Payable to other City funds	320,304	-	-	166,389	-	1,445,681	34,689	459,889	-	-	-	-	-	(2,625)	-	2,424,327				
Payable to government agencies	-	72,460	20,000	(6,701)	-	-	-	2,302	-	-	-	-	-	-	-	88,061				
Other liabilities	2,725	1	24,744	6,704	-	5,614	682	84,313	-	-	25,357	-	58,662	-	-	208,802				
Unearned revenue	-	-	-	-	-	-	37,236	-	-	-	-	-	-	-	-	37,236				
Total liabilities	<u>385,877</u>	<u>92,289</u>	<u>45,384</u>	<u>239,271</u>	<u>-</u>	<u>1,451,295</u>	<u>101,339</u>	<u>943,340</u>	<u>-</u>	<u>-</u>	<u>231,402</u>	<u>26,488</u>	<u>223,938</u>	<u>-</u>	<u>-</u>	<u>3,740,623</u>				
Deferred inflows of resources																				
Unavailable revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,251				
Fund balance:																				
Nonspendable:																				
Permanent fund principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,470,561	1,470,561			
Restricted for:																				
Debt service	-	-	-	-	-	-	-	-	1,448,934	435,547	-	-	-	-	-	1,884,481				
Capital projects	-	-	-	-	-	-	-	-	-	-	6,883,310	2,378,431	744,344	-	-	10,006,085				
Federal and state grant programs	921,558	1,721,500	1,205,213	-	-	-	-	-	-	-	-	-	-	-	-	3,848,271				
Tourism	-	-	-	7,698	834,857	-	-	-	-	-	-	-	-	-	-	842,555				
Committed for:																				
Golf course	-	-	-	-	-	-	144,073	-	-	-	-	-	-	-	-	144,073				
Local projects	-	-	-	-	-	-	-	2,236,562	-	-	-	-	-	-	-	2,236,562				
Unassigned	-	-	-	-	-	(779,966)	-	-	-	-	-	-	-	-	-	(779,966)				
Total fund balance	<u>921,558</u>	<u>1,721,500</u>	<u>1,205,213</u>	<u>7,698</u>	<u>834,857</u>	<u>(779,966)</u>	<u>144,073</u>	<u>2,236,562</u>	<u>1,448,934</u>	<u>435,547</u>	<u>6,883,310</u>	<u>2,378,431</u>	<u>744,344</u>	<u>1,470,561</u>	<u>19,652,622</u>					
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,307,435</u>	<u>\$ 1,813,789</u>	<u>\$ 1,250,597</u>	<u>\$ 246,969</u>	<u>\$ 834,857</u>	<u>\$ 671,329</u>	<u>\$ 245,412</u>	<u>\$ 3,179,902</u>	<u>\$ 1,498,185</u>	<u>\$ 435,547</u>	<u>\$ 7,114,712</u>	<u>\$ 2,404,919</u>	<u>\$ 968,282</u>	<u>\$ 1,470,561</u>	<u>\$ 23,442,496</u>					

## CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue							Debt Service		Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds	
	Community Development Block Grant	Section 8 Housing	Home Investment Partnership Agreement	MPEC/ Hotel/ Motel Tax	Hotel/ Motel Venue Tax	Airport Improvement Grant	Golf Fund	Miscellaneous Special Revenue	Debt Service	Excess Sales Tax	2018-A Bond Projects	Venue Tax Bond Projects	Miscellaneous Capital Projects	Perpetual Care	
Revenues:															
Taxes	\$ -	\$ -	\$ -	\$ 2,029,268	\$ 579,565	\$ -	\$ -	\$ -	\$ 2,150,267	\$ -	\$ -	\$ -	\$ -	\$ 4,759,100	
Charges for services	15,978	-	-	-	-	-	516,577	102,580	-	-	-	-	-	635,135	
Fines and forfeitures	-	-	-	-	-	-	-	236,754	-	-	-	-	-	236,754	
Intergovernmental revenue	1,246,291	3,931,099	440,263	-	-	1,189,711	-	4,768,742	-	-	-	2,486,362	-	14,062,468	
Contributions	-	-	-	-	-	-	-	200,224	1,882,463	-	-	-	760,704	-	2,843,391
Miscellaneous revenue	9,242	4,502	11,900	44,326	-	-	443,280	384,717	1,012	-	8,131	355	203	106,964	1,014,632
Total revenues	1,271,511	3,935,601	452,163	2,073,594	579,565	1,189,711	959,857	5,693,017	4,033,742	-	8,131	355	3,247,269	106,964	23,551,480
Expenditures:															
Current:															
Administrative services	130,883	-	-	51,550	14,043	-	856,367	296,528	-	-	-	83,488	-	-	1,432,859
Police	-	-	-	-	-	-	-	1,236,098	-	-	-	-	-	-	1,236,098
Fire	-	-	-	-	-	-	-	161,724	-	-	-	-	-	-	161,724
Parks and recreation	32,237	-	-	-	-	-	-	50,623	-	-	-	-	-	2,844	85,704
Community development	807,540	3,862,041	89,823	-	-	-	-	281,001	-	-	-	-	-	-	5,040,405
Public works	6,596	-	-	-	-	-	-	50,750	-	-	1,975	-	1,600	-	60,921
Health	-	-	-	-	-	-	-	2,608,211	-	-	-	-	1,600	-	2,609,811
Traffic and transportation	-	-	-	-	-	33,945	-	523,904	-	-	-	-	-	-	557,849
Multi-Purpose Events Center	-	-	-	2,064,199	-	-	-	-	-	-	-	-	-	-	2,064,199
Capital outlay	172,710	-	-	-	-	-	-	56,768	-	-	2,208,267	-	3,269,766	-	5,707,511
Debt service:															
Principal retirement	-	-	-	-	-	-	-	-	4,170,000	-	-	45,000	-	-	4,215,000
Interest and paying agent fees	-	-	-	-	-	-	-	-	1,745,815	-	-	75,636	-	-	1,821,451
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-	103,139	-	-	103,139
Total expenditures	1,149,966	3,862,041	89,823	2,115,749	14,043	33,945	856,367	5,265,607	5,915,815	-	2,210,242	307,263	3,272,966	2,844	25,096,671
Excess of revenues over (under) expenditures	121,545	73,560	362,340	(42,155)	565,522	1,155,766	103,490	427,410	(1,882,073)	-	(2,202,111)	(306,908)	(25,697)	104,120	(1,545,191)
Other financing sources (uses):															
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-	2,685,339	-	-	2,685,339
Transfers in	-	-	-	48,982	-	-	-	159,046	1,844,655	-	-	-	-	-	2,052,683
Transfers out	-	-	-	-	-	(941,394)	-	(535,604)	-	-	-	-	-	-	(1,476,998)
Total other financing sources (uses)	-	-	-	48,982	-	(941,394)	-	(376,558)	1,844,655	-	-	2,685,339	-	-	3,261,024
Net change in fund balance	121,545	73,560	362,340	6,827	565,522	214,372	103,490	50,852	(37,418)	-	(2,202,111)	2,378,431	(25,697)	104,120	1,715,833
Fund balance - beginning	800,013	1,647,940	842,873	871	269,335	(994,338)	40,583	2,185,710	1,486,352	435,547	9,085,421	-	770,041	1,366,441	17,936,789
Fund balance - ending	\$ 921,558	\$ 1,721,500	\$ 1,205,213	\$ 7,698	\$ 834,857	\$ (779,966)	\$ 144,073	\$ 2,236,562	\$ 1,448,934	\$ 435,547	\$ 6,883,310	\$ 2,378,431	\$ 744,344	\$ 1,470,561	\$ 19,652,622

## CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ 15,978	\$ 15,978
Intergovernmental revenue	1,246,504	1,246,504	1,246,291	(213)
Miscellaneous revenue	-	-	9,242	9,242
<b>Total revenues</b>	<b>1,246,504</b>	<b>1,246,504</b>	<b>1,271,511</b>	<b>25,007</b>
<b>Expenditures:</b>				
Administrative services	130,883	130,883	130,883	-
Parks and recreation	40,000	40,000	32,237	7,763
Community development	1,070,078	1,070,078	807,540	262,538
Public works	5,543	5,543	6,596	(1,053)
Capital outlay	-	-	172,710	(172,710)
<b>Total expenditures</b>	<b>1,246,504</b>	<b>1,246,504</b>	<b>1,149,966</b>	<b>96,538</b>
Excess of revenues over (under) expenditures	-	-	121,545	121,545
Fund balance - beginning	800,013	800,013	800,013	-
<b>Fund balance - ending</b>	<b>\$ 800,013</b>	<b>\$ 800,013</b>	<b>\$ 921,558</b>	<b>\$ 121,545</b>

**CITY OF WICHITA FALLS, TEXAS****BUDGETARY COMPARISON SCHEDULE - SECTION 8 HOUSING FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenue	\$ 3,867,314	\$ 3,867,314	\$ 3,931,099	\$ 63,785
Miscellaneous revenue	-	-	4,502	4,502
Total revenues	<u>3,867,314</u>	<u>3,867,314</u>	<u>3,935,601</u>	<u>68,287</u>
Expenditures:				
Community development	3,867,314	3,867,314	3,862,041	5,273
Total expenditures	<u>3,867,314</u>	<u>3,867,314</u>	<u>3,862,041</u>	<u>5,273</u>
Excess of revenues over (under) expenditures	-	-	73,560	73,560
Fund balance - beginning	<u>1,647,940</u>	<u>1,647,940</u>	<u>1,647,940</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,647,940</u>	<u>\$ 1,647,940</u>	<u>\$ 1,721,500</u>	<u>\$ 73,560</u>

## CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - HOME INVESTMENT PARTNERSHIP AGREEMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenue	\$ 291,832	\$ 291,832	\$ 440,263	\$ 148,431
Miscellaneous revenue	-	-	11,900	11,900
Total revenues	<u>291,832</u>	<u>291,832</u>	<u>452,163</u>	<u>160,331</u>
Expenditures:				
Community development	406,101	406,102	89,823	316,279
Total expenditures	<u>406,101</u>	<u>406,102</u>	<u>89,823</u>	<u>316,279</u>
Excess of revenues over (under) expenditures	(114,269)	(114,270)	362,340	476,610
Fund balance - beginning	842,873	842,873	842,873	-
Fund balance - ending	<u>\$ 728,604</u>	<u>\$ 728,603</u>	<u>\$ 1,205,213</u>	<u>\$ 476,610</u>

## CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - MPEC/HOTEL/MOTEL TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,500,000	\$ 1,500,000	\$ 2,029,268	\$ 529,268
Miscellaneous revenue	1,341,266	1,341,266	44,326	(1,296,940)
Total revenues	<u>2,841,266</u>	<u>2,841,266</u>	<u>2,073,594</u>	<u>(767,672)</u>
Expenditures:				
Administrative services	97,000	79,000	51,550	27,450
Multi-Purpose Events Center	3,444,266	3,462,266	2,064,199	1,398,067
Total expenditures	<u>3,541,266</u>	<u>3,541,266</u>	<u>2,115,749</u>	<u>1,425,517</u>
Excess of revenues over (under) expenditures	<u>(700,000)</u>	<u>(700,000)</u>	<u>(42,155)</u>	<u>657,845</u>
Other financing sources (uses):				
Transfers in	<u>700,000</u>	<u>700,000</u>	<u>48,982</u>	<u>(651,018)</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	6,827	6,827
Fund balance - beginning	<u>871</u>	<u>871</u>	<u>871</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 871</u></u>	<u><u>\$ 871</u></u>	<u><u>\$ 7,698</u></u>	<u><u>\$ 6,827</u></u>

## CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - GOLF FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 830,000	\$ 830,000	\$ 516,577	\$ (313,423)
Miscellaneous revenue	-	-	443,280	443,280
Total revenues	<u>830,000</u>	<u>830,000</u>	<u>959,857</u>	<u>129,857</u>
Expenditures:				
Administrative services	910,000	910,000	856,367	53,633
Total expenditures	<u>910,000</u>	<u>910,000</u>	<u>856,367</u>	<u>53,633</u>
Excess of revenues over (under) expenditures	(80,000)	(80,000)	103,490	183,490
Other financing sources (uses):				
Transfers in	80,000	80,000	-	(80,000)
Total other financing sources (uses)	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	103,490	103,490
Fund balance - beginning	<u>40,583</u>	<u>40,583</u>	<u>40,583</u>	<u>-</u>
Fund balance - ending	<u>\$ 40,583</u>	<u>\$ 40,583</u>	<u>\$ 144,073</u>	<u>\$ 103,490</u>

**CITY OF WICHITA FALLS, TEXAS****BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 2,191,697	\$ 2,191,697	\$ 2,150,267	\$ (41,430)
Contributions	1,882,463	1,882,463	1,882,463	-
Miscellaneous revenue	-	-	1,012	1,012
Total revenues	<u>4,074,160</u>	<u>4,074,160</u>	<u>4,033,742</u>	<u>(40,418)</u>
Expenditures:				
Debt service - principal	4,170,000	4,170,000	4,170,000	-
Debt service - interest and paying agent fees	1,748,815	1,748,815	1,745,815	3,000
Total expenditures	<u>5,918,815</u>	<u>5,918,815</u>	<u>5,915,815</u>	<u>3,000</u>
Excess of revenues over (under) expenditures	<u>(1,844,655)</u>	<u>(1,844,655)</u>	<u>(1,882,073)</u>	<u>(37,418)</u>
Other financing sources (uses):				
Transfers in	1,844,655	1,844,655	1,844,655	-
Total other financing sources (uses)	<u>1,844,655</u>	<u>1,844,655</u>	<u>1,844,655</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(37,418)	(37,418)
Fund balance - beginning	<u>1,486,352</u>	<u>1,486,352</u>	<u>1,486,352</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,486,352</u>	<u>\$ 1,486,352</u>	<u>\$ 1,448,934</u>	<u>\$ (37,418)</u>

## **Nonmajor Enterprise Funds**

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

### Kickapoo Airport Fund

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

### Transit Fund

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

### Stormwater Drainage Fund

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

### Waterpark Fund

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

## CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
SEPTEMBER 30, 2021

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ (78,782)	\$ 3,000	\$ 9,043,445	\$ 861,350	\$ 9,829,013
Receivables (net of allowance for uncollectible accounts):					
Customer and trade	-	-	395,775	-	395,775
Government agencies	-	1,850,375	-	-	1,850,375
Other	147,533	(3,753)	-	(2,607)	141,173
Inventory	46,755	-	-	-	46,755
Prepaid items	6	-	-	13,756	13,762
Total current assets	<u>115,512</u>	<u>1,849,622</u>	<u>9,439,220</u>	<u>872,499</u>	<u>12,276,853</u>
Capital assets, net of accumulated depreciation	<u>11,562,094</u>	<u>15,855,244</u>	<u>27,813,332</u>	<u>2,661,629</u>	<u>57,892,299</u>
Total assets	<u>11,677,606</u>	<u>17,704,866</u>	<u>37,252,552</u>	<u>3,534,128</u>	<u>70,169,152</u>
<b>Deferred outflows of resources</b>					
Pension-related	20,179	104,483	22,941	6,770	154,373
OPEB-related	<u>9,032</u>	<u>59,674</u>	<u>11,612</u>	<u>6,129</u>	<u>86,447</u>
Total deferred outflows of resources	<u>29,211</u>	<u>164,157</u>	<u>34,553</u>	<u>12,899</u>	<u>240,820</u>
<b>Liabilities</b>					
Current liabilities payable from current assets:					
Accounts payable - trade	1,342	469,774	95,539	282	566,937
Accrued payroll	10,779	67,542	17,670	3,650	99,641
Accrued vacation and sick leave	7,432	54,765	10,735	2,103	75,035
Payable to other City funds	-	1,453,120	-	-	1,453,120
Payable to government agencies	4	-	-	1,077	1,081
Other liabilities	<u>20,057</u>	<u>875,926</u>	<u>8,428</u>	<u>968</u>	<u>905,379</u>
Total current liabilities payable from current assets	<u>39,614</u>	<u>2,921,127</u>	<u>132,372</u>	<u>8,080</u>	<u>3,101,193</u>
Long-term liabilities:					
Net pension liability	155,711	806,242	177,023	52,238	1,191,214
Net OPEB liability	<u>45,232</u>	<u>298,851</u>	<u>58,155</u>	<u>30,693</u>	<u>432,931</u>
Total long-term liabilities	<u>200,943</u>	<u>1,105,093</u>	<u>235,178</u>	<u>82,931</u>	<u>1,624,145</u>
Total liabilities	<u>240,557</u>	<u>4,026,220</u>	<u>367,550</u>	<u>91,011</u>	<u>4,725,338</u>
<b>Deferred inflows of resources</b>					
Pension-related	30,446	157,642	34,613	10,214	232,915
OPEB-related	<u>3,008</u>	<u>19,874</u>	<u>3,867</u>	<u>2,041</u>	<u>28,790</u>
Total deferred inflows of resources	<u>33,454</u>	<u>177,516</u>	<u>38,480</u>	<u>12,255</u>	<u>261,705</u>
<b>Net position</b>					
Net investment in capital assets	11,562,094	15,855,244	27,813,332	2,661,629	57,892,299
Unrestricted	<u>(129,288)</u>	<u>(2,189,957)</u>	<u>9,067,743</u>	<u>782,132</u>	<u>7,530,630</u>
Total net position	<u>\$ 11,432,806</u>	<u>\$ 13,665,287</u>	<u>\$ 36,881,075</u>	<u>\$ 3,443,761</u>	<u>\$ 65,422,929</u>

## CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ -	\$ 312,133	\$ 3,706,349	\$ 1,222,516	\$ 5,240,998
Rents, concessions and other	<u>757,246</u>	<u>299,080</u>	<u>-</u>	<u>556,792</u>	<u>1,613,118</u>
Total operating revenues	<u>757,246</u>	<u>611,213</u>	<u>3,706,349</u>	<u>1,779,308</u>	<u>6,854,116</u>
Operating expenses:					
Personnel services	241,298	1,291,479	320,233	489,109	2,342,119
Supplies and materials	196,464	333,464	552	264,134	794,614
Maintenance and repairs	27,724	219,182	95,117	51,442	393,465
Utilities and other services	161,115	175,257	266,774	502,812	1,105,958
Insurance and contract support	20,439	18,333	100	38,283	77,155
Other expenses	53,197	83,183	17,951	18,504	172,835
Depreciation and amortization	521,429	201,074	410,608	243,489	1,376,600
Total operating expenses	<u>1,221,666</u>	<u>2,321,972</u>	<u>1,111,335</u>	<u>1,607,773</u>	<u>6,262,746</u>
Operating income (loss)	<u>(464,420)</u>	<u>(1,710,759)</u>	<u>2,595,014</u>	<u>171,535</u>	<u>591,370</u>
Nonoperating revenues (expenses):					
Interest income	16	-	5,638	219	5,873
Intergovernmental operating grants	-	<u>7,297,269</u>	<u>-</u>	<u>-</u>	<u>7,297,269</u>
Total nonoperating revenues (expenses)	<u>16</u>	<u>7,297,269</u>	<u>5,638</u>	<u>219</u>	<u>7,303,142</u>
Income (loss) before transfers	<u>(464,404)</u>	<u>5,586,510</u>	<u>2,600,652</u>	<u>171,754</u>	<u>7,894,512</u>
Transfers out	<u>(14,252)</u>	<u>-</u>	<u>(427,609)</u>	<u>-</u>	<u>(441,861)</u>
Change in net position	<u>(478,656)</u>	<u>5,586,510</u>	<u>2,173,043</u>	<u>171,754</u>	<u>7,452,651</u>
Net position - beginning	<u>11,911,462</u>	<u>8,078,777</u>	<u>34,708,032</u>	<u>3,272,007</u>	<u>57,970,278</u>
Net position - ending	<u>\$ 11,432,806</u>	<u>\$ 13,665,287</u>	<u>\$ 36,881,075</u>	<u>\$ 3,443,761</u>	<u>\$ 65,422,929</u>

**CITY OF WICHITA FALLS, TEXAS**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Kickapoo Airport</u>	<u>Transit</u>	<u>Stormwater Drainage</u>	<u>Waterpark</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 643,873	\$ 611,873	\$ 3,757,010	\$ 1,781,841	\$ 6,794,597
Payments to suppliers	(421,419)	(630,712)	(145,528)	(922,534)	(2,120,193)
Payments for interfund services	(109,359)	(731,758)	(250,206)	(20,083)	(1,111,406)
Payments to employees	(185,437)	(923,913)	(178,724)	(431,474)	(1,719,548)
Net cash provided (used) by operating activities	<u>(72,342)</u>	<u>(1,674,510)</u>	<u>3,182,552</u>	<u>407,750</u>	<u>1,843,450</u>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental operating grants	-	6,883,648	-	-	6,883,648
Interfund loan received (repaid)	-	(53,579)	-	-	(53,579)
Transfers out to other funds	(14,252)	-	(427,609)	-	(441,861)
Net cash provided (used) by noncapital financing activities	<u>(14,252)</u>	<u>6,830,069</u>	<u>(427,609)</u>	<u>-</u>	<u>6,388,208</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	-	(5,155,559)	(481,951)	(10,735)	(5,648,245)
Proceeds from sale of capital assets	-	-	-	-	-
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>(5,155,559)</u>	<u>(481,951)</u>	<u>(10,735)</u>	<u>(5,648,245)</u>
<b>Cash flows from investing activities:</b>					
Interest on investments	16	-	5,638	219	5,873
Net cash provided by investing activities	<u>16</u>	<u>-</u>	<u>5,638</u>	<u>219</u>	<u>5,873</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(86,578)	-	2,278,630	397,234	2,589,286
Cash and Cash Equivalents - Beginning	<u>7,796</u>	<u>3,000</u>	<u>6,764,815</u>	<u>464,116</u>	<u>7,239,727</u>
Cash and Cash Equivalents - Ending	<u>\$ (78,782)</u>	<u>\$ 3,000</u>	<u>\$ 9,043,445</u>	<u>\$ 861,350</u>	<u>\$ 9,829,013</u>

**CITY OF WICHITA FALLS, TEXAS**

**COMBINING STATEMENT OF CASH FLOWS (CONT'D.)**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Kickapoo Airport</u>	<u>Transit</u>	<u>Stormwater Drainage</u>	<u>Waterpark</u>	<u>Totals</u>
<b>Cash flows from operating activities:</b>					
Operating income (loss)	<u>\$ (464,420)</u>	<u>\$ (1,710,759)</u>	<u>\$ 2,595,014</u>	<u>\$ 171,535</u>	<u>\$ 591,370</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	521,429	201,074	410,608	243,489	1,376,600
(Increase) decrease in assets and deferred outflows of resources:					
Receivables:					
Customer and trade	-	-	50,661	-	50,661
Other	(113,373)	660	-	2,533	(110,180)
Inventory	-	-	-	-	-
Prepaid items	153	43,248	-	(6,482)	36,919
Deferred outflows - pension-related	370	1,056	(7,181)	170	(5,585)
Deferred outflows - OPEB-related	(2,207)	(16,371)	(3,140)	(1,658)	(23,376)
Increase (decrease) in liabilities and deferred inflows of resources:					
Accounts payable - trade	358	(162,563)	61,109	228	(100,868)
Accrued payroll	(685)	11,582	9,886	311	21,094
Accrued vacation and sick leave	(1,673)	2,104	(4,846)	391	(4,024)
Payable to government agencies	(72)	-	-	654	582
Other liabilities	(1)	(2,164)	8,822	3	6,660
Net pension liability	(11,501)	(52,574)	48,780	(4,235)	(19,530)
Net OPEB liability	(547)	8,388	1,325	700	9,866
Deferred inflows - pension-related	(702)	(2,338)	10,724	(306)	7,378
Deferred inflows - OPEB-related	529	4,147	790	417	5,883
Total adjustments	<u>392,078</u>	<u>36,249</u>	<u>587,538</u>	<u>236,215</u>	<u>1,252,080</u>
Net cash provided by (used in) operating activities	<u>\$ (72,342)</u>	<u>\$ (1,674,510)</u>	<u>\$ 3,182,552</u>	<u>\$ 407,750</u>	<u>\$ 1,843,450</u>
<b>Noncash capital and financing activities:</b>					
Capital assets transferred (to) from other funds	\$ -	\$ -	\$ -	\$ -	\$ -

## **Internal Service Funds**

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

### Fleet Maintenance Fund

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

### Duplicating Services Fund

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

### Employee Benefit Trust Fund

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

### Information Technology Fund

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

## CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2021

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 1,780,403	\$ 88,436	\$ 2,775,880	\$ 4,118,326	\$ 8,763,045
Restricted cash and cash equivalents	-	-	9,372,786	-	9,372,786
Receivables:					
Other	34,876	-	9,032	-	43,908
Inventory	726,717	-	-	-	726,717
Prepaid items	474,815	327	-	-	475,142
Total current assets	<u>3,016,811</u>	<u>88,763</u>	<u>12,157,698</u>	<u>4,118,326</u>	<u>19,381,598</u>
Capital assets, net of accumulated depreciation	21,479,256	-	-	5,095,380	26,574,636
Total assets	<u>24,496,067</u>	<u>88,763</u>	<u>12,157,698</u>	<u>9,213,706</u>	<u>45,956,234</u>
<b>Deferred outflows of resources</b>					
Pension-related	178,728	1,871	10,033	103,223	293,855
OPEB-related	<u>103,543</u>	<u>1,290</u>	<u>-</u>	<u>39,030</u>	<u>143,863</u>
Total deferred outflows of resources	<u>282,271</u>	<u>3,161</u>	<u>10,033</u>	<u>142,253</u>	<u>437,718</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable - trade	128,611	4,304	104,655	16,288	253,858
Accrued payroll	94,612	1,047	4,811	56,480	156,950
Accrued vacation and sick leave	109,947	-	-	67,259	177,206
Payable to other City funds	-	-	1,166,221	-	1,166,221
Estimated health claims payable	-	-	1,380,955	-	1,380,955
Other liabilities	-	-	8,932	-	8,932
Capital leases - current maturities	456,557	-	-	-	456,557
Total current liabilities	<u>789,727</u>	<u>5,351</u>	<u>2,665,574</u>	<u>140,027</u>	<u>3,600,679</u>
Long-term liabilities:					
Capital leases, less current maturities	465,596	-	-	-	465,596
Net pension liability	1,379,148	14,437	77,420	796,517	2,267,522
Net OPEB liability	<u>518,547</u>	<u>6,462</u>	<u>-</u>	<u>195,465</u>	<u>720,474</u>
Total long-term liabilities	<u>2,363,291</u>	<u>20,899</u>	<u>77,420</u>	<u>991,982</u>	<u>3,453,592</u>
Total liabilities	<u>3,153,018</u>	<u>26,250</u>	<u>2,742,994</u>	<u>1,132,009</u>	<u>7,054,271</u>
<b>Deferred inflows of resources</b>					
Pension-related	269,661	2,823	15,138	155,741	443,363
OPEB-related	<u>34,483</u>	<u>430</u>	<u>-</u>	<u>12,998</u>	<u>47,911</u>
Total deferred inflows of resources	<u>304,144</u>	<u>3,253</u>	<u>15,138</u>	<u>168,739</u>	<u>491,274</u>
<b>Net position</b>					
Net investment in capital assets	20,557,103	-	-	5,095,380	25,652,483
Unrestricted	764,073	62,421	9,409,599	2,959,831	13,195,924
Total net position	<u>\$ 21,321,176</u>	<u>\$ 62,421</u>	<u>\$ 9,409,599</u>	<u>\$ 8,055,211</u>	<u>\$ 38,848,407</u>

## CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
<b>Operating revenues:</b>					
Charges for services	\$ 10,100,290	\$ 118,081	\$ -	\$ 3,813,581	\$ 14,031,952
Rents, concessions and other	12,000	-	1,084,149	-	1,096,149
Contributions	-	-	15,293,364	-	15,293,364
<b>Total operating revenues</b>	<b>10,112,290</b>	<b>118,081</b>	<b>16,377,513</b>	<b>3,813,581</b>	<b>30,421,465</b>
<b>Operating expenses:</b>					
Personnel services	2,031,569	22,257	99,935	1,148,989	3,302,750
Supplies and materials	2,896,027	843	-	133,797	3,030,667
Maintenance and repairs	2,038,992	-	-	743,766	2,782,758
Utilities and other services	76,482	800	71,192	234,767	383,241
Insurance and contract support	67,032	-	14,342,909	15	14,409,956
Other expenses	191,309	70,040	2,202,294	8,885	2,472,528
Depreciation and amortization	4,297,211	-	-	781,672	5,078,883
<b>Total operating expenses</b>	<b>11,598,622</b>	<b>93,940</b>	<b>16,716,330</b>	<b>3,051,891</b>	<b>31,460,783</b>
<b>Operating income (loss)</b>	<b>(1,486,332)</b>	<b>24,141</b>	<b>(338,817)</b>	<b>761,690</b>	<b>(1,039,318)</b>
<b>Nonoperating revenues (expenses):</b>					
Interest income	-	-	1,724,368	-	1,724,368
Gain (loss) on sale of capital assets	62,700	-	-	-	62,700
Interest expense	(27,123)	-	-	-	(27,123)
<b>Total nonoperating revenues (expenses)</b>	<b>35,577</b>	<b>-</b>	<b>1,724,368</b>	<b>-</b>	<b>1,759,945</b>
<b>Income (loss) before transfers</b>	<b>(1,450,755)</b>	<b>24,141</b>	<b>1,385,551</b>	<b>761,690</b>	<b>720,627</b>
Transfers in	2,167,692	-	-	530,169	2,697,861
Transfers out	(312,000)	-	-	-	(312,000)
<b>Change in net position</b>	<b>404,937</b>	<b>24,141</b>	<b>1,385,551</b>	<b>1,291,859</b>	<b>3,106,488</b>
<b>Net position - beginning</b>	<b>20,916,239</b>	<b>38,280</b>	<b>8,024,048</b>	<b>6,763,352</b>	<b>35,741,919</b>
<b>Net position - ending</b>	<b>\$ 21,321,176</b>	<b>\$ 62,421</b>	<b>\$ 9,409,599</b>	<b>\$ 8,055,211</b>	<b>\$ 38,848,407</b>

## CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
<b>Cash flows from operating activities:</b>					
Received from customers and users	\$ 310,805	\$ -	\$ 4,131,298	\$ -	\$ 4,442,103
Received from interfund charges	9,783,335	118,081	11,982,007	3,813,581	25,697,004
Other operating receipts	-	-	811,046	-	811,046
Payments to suppliers	(5,765,976)	(72,640)	(15,830,772)	(1,510,871)	(23,180,259)
Payments for interfund services	(527,932)	(7,142)	-	(130,287)	(665,361)
Payments to employees	(1,498,245)	(15,302)	(82,691)	(822,625)	(2,418,863)
Net cash provided by operating activities	<u>2,301,987</u>	<u>22,997</u>	<u>1,010,888</u>	<u>1,349,798</u>	<u>4,685,670</u>
<b>Cash flows from noncapital financing activities:</b>					
Interfund loans received (repaid)	-	-	(1,100,245)	-	(1,100,245)
Transfers in from other funds	2,167,692	-	-	530,169	2,697,861
Transfers out to other funds	(312,000)	-	-	-	(312,000)
Net cash provided (used) by noncapital financing activities	<u>1,855,692</u>	<u>-</u>	<u>(1,100,245)</u>	<u>530,169</u>	<u>1,285,616</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(3,664,335)	-	-	(1,460,795)	(5,125,130)
Proceeds from sale of capital assets	62,700	-	-	-	62,700
Principal paid on long-term debt	(447,692)	-	-	-	(447,692)
Interest and fees paid on long-term debt	(27,123)	-	-	-	(27,123)
Net cash used for capital and related financing activities	<u>(4,076,450)</u>	<u>-</u>	<u>-</u>	<u>(1,460,795)</u>	<u>(5,537,245)</u>
<b>Cash flows from investing activities:</b>					
Interest on investments	-	-	1,724,368	-	1,724,368
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>1,724,368</u>	<u>-</u>	<u>1,724,368</u>
Net Increase in Cash and Cash Equivalents	81,229	22,997	1,635,011	419,172	2,158,409
Cash and Cash Equivalents - Beginning	<u>1,699,174</u>	<u>65,439</u>	<u>10,513,655</u>	<u>3,699,154</u>	<u>15,977,422</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,780,403</u>	<u>\$ 88,436</u>	<u>\$ 12,148,666</u>	<u>\$ 4,118,326</u>	<u>\$ 18,135,831</u>
<b>Cash flows from operating activities:</b>					
Operating income (loss)	<u>\$ (1,486,332)</u>	<u>\$ 24,141</u>	<u>\$ (338,817)</u>	<u>\$ 761,690</u>	<u>\$ (1,039,318)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>					
Depreciation and amortization	4,297,211	-	-	781,672	5,078,883
(Increase) decrease in assets and deferred outflows:					
Receivables:					
Other	(18,062)	-	539,094	-	521,032
Inventory	18,330	-	-	-	18,330
Prepaid items	678	273	48,377	43	49,371
Deferred outflows - pension-related	7,856	69	(180)	(727)	7,018
Deferred outflows - OPEB-related	(28,234)	(349)	-	(10,554)	(39,137)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable - trade	(343,309)	(4)	55,393	(160,797)	(448,717)
Accrued payroll	(11,015)	99	(116)	4,846	(6,186)
Accrued vacation and sick leave	(3,236)	-	-	3,681	445
Estimated health claims payable	-	-	701,953	-	701,953
Other liabilities	(88)	-	7,744	-	7,656
Net pension liability	(139,166)	(1,350)	(2,762)	(37,539)	(180,817)
Net OPEB liability	13,394	148	-	4,454	17,996
Deferred inflows - pension-related	(13,171)	(118)	202	373	(12,714)
Deferred inflows - OPEB-related	7,131	88	-	2,656	9,875
Total adjustments	<u>3,788,319</u>	<u>(1,144)</u>	<u>1,349,705</u>	<u>588,108</u>	<u>5,724,988</u>
Net cash provided (used) by operating activities	<u>\$ 2,301,987</u>	<u>\$ 22,997</u>	<u>\$ 1,010,888</u>	<u>\$ 1,349,798</u>	<u>\$ 4,685,670</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 five discretely presented component units are as follows:

### Wichita Falls Economic Development Corporation

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

### Wichita Falls 4B Sales Tax Corporation

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

### Wichita Falls Reinvestment Zone #2

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

### Wichita Falls Reinvestment Zone #3

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

### Wichita Falls Reinvestment Zone #4

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

## CITY OF WICHITA FALLS, TEXAS

### COMBINING STATEMENT OF NET POSITION COMPONENT UNITS SEPTEMBER 30, 2021

	Wichita Falls	Wichita Falls	Wichita Falls	Wichita Falls	Wichita Falls	
	Economic Development Corporation	4B Sales Tax Corporation	Reinvestment Zone #2	Reinvestment Zone #3	Reinvestment Zone #4	Totals
<b>Assets</b>						
Cash and cash equivalents	\$ 24,328,149	\$ 26,129,179	\$ 2,902,135	\$ 805,570	\$ 578,494	\$ 54,743,527
Receivables:						
Government agencies	865,876	844,345	-	(1,894)	-	1,708,327
Prepaid items	11,968	-	-	-	-	11,968
Capital assets, net of accumulated depreciation	<u>2,517,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,517,331</u>
Total assets	<u>27,723,324</u>	<u>26,973,524</u>	<u>2,902,135</u>	<u>803,676</u>	<u>578,494</u>	<u>58,981,153</u>
<b>Liabilities</b>						
Accounts payable - trade	254,020	543	-	-	-	254,563
Other liabilities	41,233	-	-	-	-	41,233
Long-term liabilities:						
Portion due or payable within one year	85,000	505,000	-	-	-	590,000
Portion due or payable after one year	<u>10,045,916</u>	<u>18,495,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,540,916</u>
Total liabilities	<u>10,426,169</u>	<u>19,000,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,426,712</u>
<b>Net position</b>						
Net investment in capital assets	979,912	-	-	-	-	979,912
Unrestricted	<u>16,317,243</u>	<u>7,972,981</u>	<u>2,902,135</u>	<u>803,676</u>	<u>578,494</u>	<u>28,574,529</u>
Total net position	<u><u>\$ 17,297,155</u></u>	<u><u>\$ 7,972,981</u></u>	<u><u>\$ 2,902,135</u></u>	<u><u>\$ 803,676</u></u>	<u><u>\$ 578,494</u></u>	<u><u>\$ 29,554,441</u></u>

## CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Revenue				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #2	Wichita Falls Reinvestment Zone #3	Wichita Falls Reinvestment Zone #4	Totals
<b>Community development</b>									
Wichita Falls Economic Development Corporation	\$ 4,582,703	\$ -	\$ -	\$ (4,582,703)	\$ -	\$ -	\$ -	\$ -	\$ (4,582,703)
Wichita Falls 4B Sales Tax Corporation	4,300,839	-	-	-	(4,300,839)	-	-	-	(4,300,839)
Wichita Falls Reinvestment Zone #2	-	-	-	-	-	-	-	-	-
Wichita Falls Reinvestment Zone #3	-	-	-	-	-	-	-	-	-
Wichita Falls Reinvestment Zone #4	10,000	-	-	-	-	-	-	(10,000)	(10,000)
<b>Total component units</b>	<b>\$ 8,893,542</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(4,582,703)</b>	<b>(4,300,839)</b>	<b>-</b>	<b>-</b>	<b>(10,000)</b>	<b>(8,893,542)</b>
General revenues:									
Taxes:									
Property tax	-	-	-	-	847,416	93,704	213,746	1,154,866	
Sales tax	4,727,354	4,727,354	-	-	-	-	-	9,454,708	
Investment earnings	16,212	6,451	403	365	89	23,520			
Miscellaneous	177,211	-	-	-	-	-	-	177,211	
<b>Total general revenues</b>	<b>4,920,777</b>	<b>4,733,805</b>	<b>847,819</b>	<b>94,069</b>	<b>213,835</b>	<b>10,810,305</b>			
Change in net position	338,074	432,966	847,819	94,069	203,835	1,916,763			
Net position - beginning	16,959,081	7,540,015	2,054,316	709,607	374,659	27,637,678			
<b>Net position - ending</b>	<b>\$ 17,297,155</b>	<b>\$ 7,972,981</b>	<b>\$ 2,902,135</b>	<b>\$ 803,676</b>	<b>\$ 578,494</b>	<b>\$ 29,554,441</b>			

## ***SUPPORTING SCHEDULES***

## CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDED DEBT AND INTEREST MATURITIES  
SEPTEMBER 30, 2021

Fiscal Year Ending September 30,	General Obligation Bonds			Combination Tax and Revenue Bonds			Revenue Bonds			Totals - All Bonded Debt		
	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest
2022	\$ 2,390,000	\$ 1,041,300	\$ 3,431,300	\$ 2,995,000	\$ 1,394,165	\$ 4,389,165	\$ 8,060,000	\$ 2,405,650	\$ 10,465,650	\$ 13,445,000	\$ 4,841,115	\$ 18,286,115
2023	2,480,000	948,517	3,428,517	3,065,000	1,315,342	4,380,342	8,460,000	2,003,150	10,463,150	14,005,000	4,267,009	18,272,009
2024	2,585,000	856,923	3,441,923	3,145,000	1,231,866	4,376,866	8,890,000	1,580,650	10,470,650	14,620,000	3,669,439	18,289,439
2025	2,665,000	769,912	3,434,912	3,240,000	1,143,627	4,383,627	9,330,000	1,136,700	10,466,700	15,235,000	3,050,239	18,285,239
2026	2,770,000	654,488	3,424,488	2,935,000	1,059,677	3,994,677	9,765,000	704,000	10,469,000	15,470,000	2,418,165	17,888,165
2027	1,425,000	533,450	1,958,450	3,010,000	982,339	3,992,339	2,495,000	216,350	2,711,350	6,930,000	1,732,139	8,662,139
2028	1,480,000	475,950	1,955,950	3,090,000	898,512	3,988,512	65,000	92,200	157,200	4,635,000	1,466,662	6,101,662
2029	1,535,000	416,250	1,951,250	3,185,000	809,554	3,994,554	65,000	89,600	154,600	4,785,000	1,315,404	6,100,404
2030	845,000	369,350	1,214,350	3,280,000	713,121	3,993,121	70,000	87,000	157,000	4,195,000	1,169,471	5,364,471
2031	880,000	335,550	1,215,550	3,375,000	613,035	3,988,035	70,000	84,200	154,200	4,325,000	1,032,785	5,357,785
2032	915,000	300,350	1,215,350	3,250,000	507,881	3,757,881	75,000	81,400	156,400	4,240,000	889,631	5,129,631
2033	950,000	263,750	1,213,750	3,350,000	406,666	3,756,666	75,000	78,400	153,400	4,375,000	748,816	5,123,816
2034	990,000	225,750	1,215,750	1,145,000	299,781	1,444,781	80,000	75,400	155,400	2,215,000	600,931	2,815,931
2035	1,030,000	186,150	1,216,150	1,170,000	278,191	1,448,191	85,000	72,200	157,200	2,285,000	536,541	2,821,541
2036	1,070,000	144,950	1,214,950	1,185,000	255,699	1,440,699	85,000	68,800	153,800	2,340,000	469,449	2,809,449
2037	1,110,000	102,150	1,212,150	1,215,000	232,357	1,447,357	90,000	65,400	155,400	2,415,000	399,907	2,814,907
2038	1,155,000	57,750	1,212,750	1,235,000	208,162	1,443,162	95,000	61,800	156,800	2,485,000	327,712	2,812,712
2039	-	-	-	1,260,000	183,148	1,443,148	95,000	58,000	153,000	1,355,000	241,148	1,596,148
2040	-	-	-	1,285,000	157,250	1,442,250	100,000	54,200	154,200	1,385,000	211,450	1,596,450
2041	-	-	-	1,310,000	130,455	1,440,455	105,000	50,200	155,200	1,415,000	180,655	1,595,655
2042	-	-	-	1,340,000	102,761	1,442,761	110,000	46,000	156,000	1,450,000	148,761	1,598,761
2043	-	-	-	1,370,000	74,237	1,444,237	115,000	41,600	156,600	1,485,000	115,837	1,600,837
2044	-	-	-	1,395,000	44,997	1,439,997	120,000	37,000	157,000	1,515,000	81,997	1,596,997
2045	-	-	-	1,425,000	15,105	1,440,105	120,000	32,200	152,200	1,545,000	47,305	1,592,305
2046	-	-	-	-	-	-	125,000	27,400	152,400	125,000	27,400	152,400
2047	-	-	-	-	-	-	130,000	22,400	152,400	130,000	22,400	152,400
2048	-	-	-	-	-	-	135,000	17,200	152,200	135,000	17,200	152,200
2049	-	-	-	-	-	-	145,000	11,800	156,800	145,000	11,800	156,800
2050	-	-	-	-	-	-	150,000	6,000	156,000	150,000	6,000	156,000
	<u>\$ 26,275,000</u>	<u>\$ 7,682,540</u>	<u>\$ 33,957,540</u>	<u>\$ 53,255,000</u>	<u>\$ 13,057,928</u>	<u>\$ 66,312,928</u>	<u>\$ 49,305,000</u>	<u>\$ 9,306,900</u>	<u>\$ 58,611,900</u>	<u>\$ 128,835,000</u>	<u>\$ 30,047,368</u>	<u>\$ 158,882,368</u>

**CITY OF WICHITA FALLS, TEXAS**

**COMBINED SCHEDULE OF BONDS PAYABLE**  
**SEPTEMBER 30, 2021**

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
<b>General Obligation Bonds:</b>								
General Obligation Refunding Bonds, Series 2015A	2.00, 2.25, 2.625, 2.75, 3.00, 4.00, 5.00 (3/1, 9/1)	11/15/15	09/01/26	200,000 (2016) 810,000 (2017) 830,000 (2018) 870,000 (2019) 890,000 (2020) 915,000 (2021) 955,000 (2022) 990,000 (2023) 1,030,000 (2024) 1,055,000 (2025) 1,105,000 (2026)	\$ 9,650,000	\$ 9,650,000	\$ 4,515,000	\$ 5,135,000
General Obligation Refunding Bonds, Series 2015B	0.73, 1.19, 1.62, 1.99, 2.29, 2.62, 2.83, 2.91, 3.11, 3.27, 3.48 (3/1, 9/1)	11/15/15	09/01/26	110,000 (2016) 255,000 (2017) 255,000 (2018) 260,000 (2019) 265,000 (2020) 270,000 (2021) 275,000 (2022) 285,000 (2023) 295,000 (2024) 305,000 (2025) 310,000 (2026)	2,885,000	2,885,000	1,415,000	1,470,000
General Obligation Bonds, Series 2018A	2.00, 3.00, 4.00, 5.00 (4/1, 10/1)	08/01/18	09/01/38	550,000 (2019) 575,000 (2020) 595,000 (2021) 615,000 (2022) 640,000 (2023) 670,000 (2024) 695,000 (2025) 720,000 (2026) 750,000 (2027) 780,000 (2028) 810,000 (2029) 845,000 (2030) 880,000 (2031) 915,000 (2032) 950,000 (2033) 990,000 (2034) 1,030,000 (2035) 1,070,000 (2036) 1,110,000 (2037) 1,155,000 (2038)	16,345,000	16,345,000	1,720,000	14,625,000

**CITY OF WICHITA FALLS, TEXAS**

**COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)**

**SEPTEMBER 30, 2021**

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
General Obligation Refunding Bonds, Series 2018B	2.00, 3.00, 4.00 (4/1, 10/1)	08/01/18	10/01/28	80,000 (2019) 515,000 (2020) 530,000 (2021) 545,000 (2022) 565,000 (2023) 590,000 (2024) 610,000 (2025) 635,000 (2026) 675,000 (2027) 700,000 (2028) 725,000 (2029)	6,170,000	6,170,000	1,125,000	5,045,000
Total General Obligation Bonds					35,050,000	35,050,000	8,775,000	26,275,000
Combination Tax and Revenue Bonds:								
Combination Tax and Revenue Certificates of Obligation, Series 2010	5.60 (2/1, 8/1)	01/01/10	02/01/25	165,000 (2011) 185,000 (2012) 195,000 (2013) 205,000 (2014) 215,000 (2015) 230,000 (2016) 240,000 (2017) 255,000 (2018) 270,000 (2019) 285,000 (2020) 300,000 (2021) 320,000 (2022) 335,000 (2023) 355,000 (2024) 375,000 (2025)	3,930,000	3,930,000	2,545,000	1,385,000

**CITY OF WICHITA FALLS, TEXAS**

**COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)**

**SEPTEMBER 30, 2021**

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
Combination Tax and Revenue Certificates of Obligation, Series 2011	2.00, 3.00, 4.00 (3/1, 9/1)	10/15/11	09/01/31	135,000 (2013) 135,000 (2014) 140,000 (2015) 145,000 (2016) 145,000 (2017) 150,000 (2018) 150,000 (2019) 155,000 (2020) 160,000 (2021) 165,000 (2022) 165,000 (2023) 170,000 (2024) 180,000 (2025) 185,000 (2026) 190,000 (2027) 195,000 (2028) 205,000 (2029) 210,000 (2030) 220,000 (2031)	3,200,000	3,200,000	1,315,000	1,885,000
Combination Tax and Revenue Certificates of Obligation, Series 2013	2.00, 3.00, 3.25, 3.375 (3/1, 9/1)	03/01/13	09/01/33	530,000 (2014) 795,000 (2015) 815,000 (2016) 830,000 (2017) 845,000 (2018) 860,000 (2019) 890,000 (2020) 915,000 (2021) 940,000 (2022) 970,000 (2023) 1,000,000 (2024) 1,030,000 (2025) 1,060,000 (2026) 1,090,000 (2027) 1,125,000 (2028) 1,160,000 (2029) 1,195,000 (2030) 1,235,000 (2031) 1,275,000 (2032) 1,315,000 (2033)	19,875,000	19,875,000	6,480,000	13,395,000

**CITY OF WICHITA FALLS, TEXAS**

**COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)**

**SEPTEMBER 30, 2021**

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
Combination Tax and Revenue Certificates of Obligation, Series 2013A	2.00, 3.00, 3.125, 3.25, 3.625, 3.75, 4.00, 4.25, 4.375, 4.50, 4.625 (3/1, 9/1)	08/15/13	09/01/33	505,000 (2014) 500,000 (2015) 510,000 (2016) 520,000 (2017) 530,000 (2018) 545,000 (2019) 560,000 (2020) 580,000 (2021) 595,000 (2022) 615,000 (2023) 630,000 (2024) 650,000 (2025) 675,000 (2026) 700,000 (2027) 730,000 (2028) 760,000 (2029) 795,000 (2030) 830,000 (2031) 865,000 (2032) 905,000 (2033)	13,000,000	13,000,000	4,250,000	8,750,000
Combination Tax and Revenue Certificates of Obligation, Series 2015	0.00, 0.09, 0.40, 0.68, 0.89, 1.05, 1.16, 1.29, 1.40, 1.47, 1.53, 1.59 1.64, 1.69, 1.74, 1.79 1.84, 1.89, 1.93, 1.96 1.99, 2.02, 2.05, 2.08 2.10, 2.11, 2.12 (3/1, 9/1)	01/02/15	03/01/45	890,000 (2016) 960,000 (2017) 960,000 (2018) 960,000 (2019) 965,000 (2020) 970,000 (2021) 975,000 (2022) 980,000 (2023) 990,000 (2024) 1,005,000 (2025) 1,015,000 (2026) 1,030,000 (2027) 1,040,000 (2028) 1,060,000 (2029) 1,080,000 (2030) 1,090,000 (2031) 1,110,000 (2032) 1,130,000 (2033) 1,145,000 (2034) 1,170,000 (2035) 1,185,000 (2036) 1,215,000 (2037) 1,235,000 (2038) 1,260,000 (2039) 1,285,000 (2040) 1,310,000 (2041) 1,340,000 (2042) 1,370,000 (2043) 1,395,000 (2044) 1,425,000 (2045)	33,545,000	33,545,000	5,705,000	27,840,000
Total Combination Tax and Revenue Bonds					73,550,000	73,550,000	20,295,000	53,255,000

**CITY OF WICHITA FALLS, TEXAS**

**COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)**  
**SEPTEMBER 30, 2021**

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
<b>Revenue Bonds:</b>								
Water and Sewer System	2.00, 4.00, 5.00	06/01/16	08/01/27	2,635,000 (2017) 2,885,000 (2018) 6,915,000 (2019) 7,265,000 (2020) 7,635,000 (2021) 8,010,000 (2022) 8,410,000 (2023) 8,835,000 (2024) 9,275,000 (2025) 9,705,000 (2026) 2,435,000 (2027)	74,005,000	74,005,000	27,335,000	46,670,000
Revenue Refunding Bonds, Series 2016	(2/1, 8/1)							
Venue Tax Revenue Bonds, Series 2020	4.00 (3/1, 9/1)	12/01/20	09/01/50	45,000 (2021) 50,000 (2022) 50,000 (2023) 55,000 (2024) 55,000 (2025) 60,000 (2026) 60,000 (2027) 65,000 (2028) 65,000 (2029) 70,000 (2030) 70,000 (2031) 75,000 (2032) 75,000 (2033) 80,000 (2034) 85,000 (2035) 85,000 (2036) 90,000 (2037) 95,000 (2038) 95,000 (2039) 100,000 (2040) 105,000 (2041) 110,000 (2042) 115,000 (2043) 120,000 (2044) 120,000 (2045) 125,000 (2046) 130,000 (2047) 135,000 (2048) 145,000 (2049) 150,000 (2050)	2,680,000	2,680,000	45,000	2,635,000
Total Revenue Bonds					76,685,000	76,685,000	27,380,000	49,305,000
Total All Bonds					\$ 185,285,000	\$ 185,285,000	\$ 56,450,000	\$ 128,835,000

**CITY OF WICHITA FALLS, TEXAS****DEBT SERVICE COVERAGE - REVENUE BONDS**  
**SEPTEMBER 30, 2021**

## Water and Sewer Revenue Bonds:

Change in net position (Exhibit A-8)		\$ 10,087,805
<b>Add:</b>		
Depreciation and amortization	\$ 8,712,691	
Interest expense and paying agent fees	2,747,739	
Transfers out	<u>2,303,811</u>	13,764,241
<b>Subtract:</b>		
West Texas Utilities water revenues	500,000	
Gain (loss) on sale/abandonment of capital assets	-	
Capital contributions from developers	874,423	
Transfers in	<u>93,313</u>	<u>(1,467,736)</u>
Net earnings for determining debt service coverage		<u>\$ 22,384,310</u>

	Priority Lien Bonds	Subordinate Lien Bonds
Net earnings for determining debt service coverage		\$ 22,384,310
Principal and interest requirements to maturity	\$ 58,611,900	\$ -
Number of years remaining to pay bonds	<u>6</u>	<u>N/A</u>
Average annual principal and interest requirement	9,768,650	N/A
Minimum bond covenant debt service coverage	<u>1.25</u>	<u>1.10</u>
Minimum debt service coverage requirement	<u>\$ 12,210,813</u>	<u>\$ -</u> <u>12,210,813</u>
Excess over debt service coverage requirements		<u>\$ 10,173,498</u>

## CITY OF WICHITA FALLS, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
SEPTEMBER 30, 2021

	Land and Betterments	Buildings and Improvements	Machinery and Equipment	Furniture and Fixtures	Infrastructure	Construction in Progress	Totals
Administrative services:							
Mayor and City Council	\$ -	\$ -	\$ -	\$ 5,218	\$ -	\$ -	\$ 5,218
City Manager	-	265,898	2,020	13,644	-	-	281,562
Personnel/Risk Management	-	-	2,963	4,660	-	-	7,623
Martin Luther King Center	-	749,447	-	-	-	-	749,447
Library	477,942	4,495,425	572,630	73,266	-	-	5,619,263
General Public Information	-	510,676	195,977	3,184	-	-	709,837
Building Maintenance	-	2,770,246	136,877	-	-	-	2,907,123
Nondepartmental	46,347	380,754	85,497	-	-	-	512,598
Municipal Court	230,000	310,819	44,266	-	-	-	585,085
Legal	-	-	1,518	-	-	-	1,518
Homeland security	-	-	584,968	-	-	-	584,968
Training Center	-	-	2,271	-	-	-	2,271
Golf course	3,808,375	786,801	93,430	-	-	-	4,688,606
Total administrative services	<u>4,562,664</u>	<u>10,270,066</u>	<u>1,722,417</u>	<u>99,972</u>	<u>-</u>	<u>-</u>	<u>16,655,119</u>
Police	<u>1,131,749</u>	<u>10,231,507</u>	<u>14,890,404</u>	<u>8,759</u>	<u>-</u>	<u>205,700</u>	<u>26,468,119</u>
Fire	<u>190,565</u>	<u>7,051,522</u>	<u>864,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,106,135</u>
Parks and recreation:							
Recreation	754,606	1,660,599	201,645	-	-	-	2,616,850
Park maintenance	4,593,467	541,598	60,444	-	-	-	5,195,509
Cemetery	141,685	-	6,448	-	-	-	148,133
Lake Wichita Revitalization	1,261,180	-	-	-	-	-	1,261,180
Lynwood Community Center	-	214,895	-	-	-	-	214,895
Total parks and recreation	<u>6,750,938</u>	<u>2,417,092</u>	<u>268,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,436,567</u>
Accounting/finance:							
Information Systems	-	-	9,771,377	-	-	-	9,771,377
Total accounting/finance	<u>-</u>	<u>-</u>	<u>9,771,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,771,377</u>
Community development:							
Planning	-	-	20,438	-	-	-	20,438
Inspection	-	-	1,360	-	-	-	1,360
Property management	10,334,824	420,892	9,274	-	-	-	10,764,990
Hazard Mitigation grant	170,800	-	-	-	-	-	170,800
Total community development	<u>10,505,624</u>	<u>420,892</u>	<u>31,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,957,588</u>
Public works:							
Engineering	-	61,948	183,229	-	-	-	245,177
Street maintenance	99,796	100,108	30,606	-	-	-	230,510
Lake Wichita Revitalization	-	-	-	-	-	-	807,175
Infrastructure	1,365,633	-	-	-	194,256,693	2,814,046	198,436,372
Total public works	<u>1,465,429</u>	<u>162,056</u>	<u>213,835</u>	<u>-</u>	<u>194,256,693</u>	<u>3,621,221</u>	<u>199,719,234</u>
Health:							
Administration	34,820	2,892,755	290,511	-	-	-	3,218,086
General City nursing	76,411	1,123	10,108	-	-	-	87,642
Environmental health	-	-	69,596	-	-	-	69,596
Lab water pollution	-	-	45,235	-	-	-	45,235
Animal reclaim center	150,737	4,114,850	26,772	-	-	-	4,292,359
Total health	<u>261,968</u>	<u>7,008,728</u>	<u>442,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,712,918</u>
Traffic and transportation	-	31,045	109,683	-	15,711,337	-	15,852,065
Multi-Purpose Events Center	<u>9,560,210</u>	<u>38,405,300</u>	<u>505,142</u>	<u>22,117</u>	<u>-</u>	<u>-</u>	<u>48,492,769</u>
Wichita Falls Business Park	<u>1,099,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,507</u>
Total capital assets used in the operation of governmental funds	<u>\$ 35,528,654</u>	<u>\$ 75,998,208</u>	<u>\$ 28,818,737</u>	<u>\$ 130,848</u>	<u>\$ 209,968,030</u>	<u>\$ 3,826,921</u>	<u>\$ 354,271,398</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, 2021**

	Beginning Balance 10/1/2020	Additions	Deletions	Ending Balance 9/30/2021
Administrative services:				
Mayor and City Council	\$ 5,218	\$ -	\$ -	\$ 5,218
City Manager	281,562	-	-	281,562
Personnel/Risk Management	7,623	-	-	7,623
Martin Luther King Center	749,447	-	-	749,447
Library	5,648,873	-	29,610	5,619,263
General Public Information	784,812	4,428	79,403	709,837
Building Maintenance	2,907,123	-	-	2,907,123
Nondepartmental	512,598	-	-	512,598
Municipal Court	607,833	-	22,748	585,085
Legal	1,518	-	-	1,518
Homeland security	604,824	-	19,856	584,968
Training center	2,271	-	-	2,271
Golf course	4,717,515	-	28,909	4,688,606
Total administrative services	<u>16,831,217</u>	<u>4,428</u>	<u>180,526</u>	<u>16,655,119</u>
Police	<u>26,554,259</u>	<u>53,405</u>	<u>139,545</u>	<u>26,468,119</u>
Fire	<u>8,106,135</u>	<u>-</u>	<u>-</u>	<u>8,106,135</u>
Parks and recreation:				
Recreation	2,677,977	-	61,127	2,616,850
Park maintenance	5,243,713	-	48,204	5,195,509
Cemetery	148,133	-	-	148,133
Lake Wichita Revitalization	1,261,180	-	-	1,261,180
Lynwood Community Center	42,185	172,710	-	214,895
Total parks and recreation	<u>9,373,188</u>	<u>172,710</u>	<u>109,331</u>	<u>9,436,567</u>
Accounting/finance:				
Information Systems	9,670,004	2,851,933	2,750,560	9,771,377
Total accounting/finance	<u>9,670,004</u>	<u>2,851,933</u>	<u>2,750,560</u>	<u>9,771,377</u>
Community development:				
Planning	31,458	-	11,020	20,438
Inspection	3,610	-	2,250	1,360
Property management	10,767,100	-	2,110	10,764,990
Weed and Seed program	7,504	-	7,504	-
Hazard Mitigation Grant	170,800	-	-	170,800
Total community development	<u>10,980,472</u>	<u>-</u>	<u>22,884</u>	<u>10,957,588</u>
Public works:				
Engineering	189,728	57,577	2,129	245,176
Street maintenance	140,861	89,648	-	230,509
Lake Wichita Revitalization	784,475	22,700	-	807,175
Infrastructure	191,881,644	8,542,771	1,988,041	198,436,374
Total public works	<u>192,996,708</u>	<u>8,712,696</u>	<u>1,990,170</u>	<u>199,719,234</u>
Health:				
Administration	3,256,591	-	38,505	3,218,086
General city nursing	87,642	-	-	87,642
Environmental health	66,389	5,811	2,604	69,596
Lab water pollution	49,108	-	3,873	45,235
Animal reclaim center	4,292,359	-	-	4,292,359
Total health	<u>7,752,089</u>	<u>5,811</u>	<u>44,982</u>	<u>7,712,918</u>
Traffic and transportation	<u>15,694,107</u>	<u>278,148</u>	<u>120,189</u>	<u>15,852,066</u>
Multi-Purpose Events Center	<u>48,239,335</u>	<u>259,000</u>	<u>5,567</u>	<u>48,492,768</u>
Wichita Falls Business Park	<u>1,099,507</u>	<u>-</u>	<u>-</u>	<u>1,099,507</u>
Total capital assets	<u>\$ 347,297,021</u>	<u>\$ 12,338,131</u>	<u>\$ 5,363,754</u>	<u>\$ 354,271,398</u>

**CITY OF WICHITA FALLS, TEXAS**

**REGIONAL AIRPORT FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance</u> <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Land and betterments	\$ 20,384,952	\$ 4,904	\$ -	\$ 20,389,856
Buildings and improvements	34,086,309	17,861	- -	34,104,170
Machinery and equipment	213,664	6,960	(1,095)	221,719
Furniture and fixtures	12,829	- -	- -	12,829
Infrastructure	<u>1,308,101</u>	<u>- -</u>	<u>- -</u>	<u>1,308,101</u>
<b>Total capital assets</b>	<b><u>56,005,855</u></b>	<b><u>29,725</u></b>	<b><u>(1,095)</u></b>	<b><u>56,036,675</u></b>
<b><u>Accumulated Depreciation:</u></b>				
Land and betterments	5,226,265	815,643	- -	6,041,908
Buildings and improvements	4,073,840	677,112	- -	4,750,952
Machinery and equipment	84,702	19,822	(1,095)	105,619
Furniture and fixtures	11,547	1,283	- -	12,830
Infrastructure	<u>8,721</u>	<u>17,441</u>	<u>- -</u>	<u>26,162</u>
<b>Total accumulated depreciation</b>	<b><u>9,405,075</u></b>	<b><u>1,531,301</u></b>	<b><u>(1,095)</u></b>	<b><u>10,937,471</u></b>
<b>Net capital assets</b>	<b><u>\$ 46,600,780</u></b>	<b><u>\$ (1,501,576)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 45,099,204</u></b>

## CITY OF WICHITA FALLS, TEXAS

**KICKAPOO AIRPORT FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance</u> <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Land and betterments	\$ 13,643,355	\$ -	\$ -	\$ 13,643,355
Buildings and improvements	3,264,730	-	-	3,264,730
Machinery and equipment	583,215	-	-	583,215
Construction in progress	<u>35,247</u>	<u>-</u>	<u>-</u>	<u>35,247</u>
Total capital assets	<u>17,526,547</u>	<u>-</u>	<u>-</u>	<u>17,526,547</u>
<b><u>Accumulated Depreciation:</u></b>				
Land and betterments	3,562,020	383,078	-	3,945,098
Buildings and improvements	1,412,128	107,433	-	1,519,561
Machinery and equipment	<u>468,876</u>	<u>30,918</u>	<u>-</u>	<u>499,794</u>
Total accumulated depreciation	<u>5,443,024</u>	<u>521,429</u>	<u>-</u>	<u>5,964,453</u>
Net capital assets	<u>\$ 12,083,523</u>	<u>\$ (521,429)</u>	<u>\$ -</u>	<u>\$ 11,562,094</u>

**CITY OF WICHITA FALLS, TEXAS**

**TRANSIT FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance</u> <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Land and betterments	\$ 2,001,247	\$ -	\$ -	\$ 2,001,247
Buildings and improvements	6,221,927	-	-	6,221,927
Machinery and equipment	521,446	-	-	521,446
Construction in progress	<u>3,045,634</u>	<u>5,728,399</u>	<u>-</u>	<u>8,774,033</u>
<b>Total capital assets</b>	<b><u>11,790,254</u></b>	<b><u>5,728,399</u></b>	<b><u>-</u></b>	<b><u>17,518,653</u></b>
<b><u>Accumulated Depreciation:</u></b>				
Land and betterments	79,119	10,549	-	89,668
Buildings and improvements	998,648	149,371	-	1,148,019
Machinery and equipment	<u>384,567</u>	<u>41,155</u>	<u>-</u>	<u>425,722</u>
<b>Total accumulated depreciation</b>	<b><u>1,462,334</u></b>	<b><u>201,075</u></b>	<b><u>-</u></b>	<b><u>1,663,409</u></b>
<b>Net capital assets</b>	<b><u>\$ 10,327,920</u></b>	<b><u>\$ 5,527,324</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 15,855,244</u></b>

## CITY OF WICHITA FALLS, TEXAS

**STORMWATER DRAINAGE FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Balance 10/1/2020	Additions	Deletions	Balance 9/30/2021
<b><u>Capital Assets:</u></b>				
Drainage	\$ 29,933,400	\$ 230,754	\$ -	\$ 30,164,154
Land and betterments	451,332	235,197	-	686,529
Machinery and equipment	94,980	16,000	50,585	60,395
Construction in progress	<u>262,275</u>	-	-	<u>262,275</u>
Total capital assets	<u>30,741,987</u>	<u>481,951</u>	<u>50,585</u>	<u>31,173,353</u>
<b><u>Accumulated Depreciation:</u></b>				
Drainage	2,869,669	400,650	-	3,270,319
Land betterments	39,892	6,354	-	46,246
Machinery and equipment	<u>90,437</u>	<u>3,604</u>	<u>50,585</u>	<u>43,456</u>
Total accumulated depreciation	<u>2,999,998</u>	<u>410,608</u>	<u>50,585</u>	<u>3,360,021</u>
Net capital assets	<u>\$ 27,741,989</u>	<u>\$ 71,343</u>	<u>\$ -</u>	<u>\$ 27,813,332</u>

**CITY OF WICHITA FALLS, TEXAS**

**SANITATION FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance</u> <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Land and betterments	\$ 8,512,233	\$ 236,455	\$ -	\$ 8,748,688
Buildings and improvements	3,571,328	-	-	3,571,328
Machinery and equipment	687,898	-	-	687,898
Construction in progress	-	<u>141,701</u>	-	<u>141,701</u>
<b>Total capital assets</b>	<b><u>12,771,459</u></b>	<b><u>378,156</u></b>	<b><u>-</u></b>	<b><u>13,149,615</u></b>
<b><u>Accumulated Depreciation:</u></b>				
Land and betterments	1,726,663	168,917	-	1,895,580
Buildings and improvements	1,830,341	94,435	-	1,924,776
Machinery and equipment	<u>440,020</u>	<u>46,074</u>	-	<u>486,094</u>
<b>Total accumulated depreciation</b>	<b><u>3,997,024</u></b>	<b><u>309,426</u></b>	<b><u>-</u></b>	<b><u>4,306,450</u></b>
<b>Net capital assets</b>	<b><u>\$ 8,774,435</u></b>	<b><u>\$ 68,730</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,843,165</u></b>

## CITY OF WICHITA FALLS, TEXAS

**WATER AND SEWER FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Balance 10/1/2020	Additions	Deletions	Balance 9/30/2021
<b><u>Capital Assets:</u></b>				
Land and betterments	\$ 24,330,343	\$ -	\$ -	\$ 24,330,343
Buildings, systems and improvements	387,363,763	12,936,009	614,000	399,685,772
Machinery and equipment	6,204,399	395,787	4,533	6,595,653
Furniture and fixtures	1,164	-	-	1,164
Construction in progress	<u>7,813,347</u>	<u>984,696</u>	<u>7,712,993</u>	<u>1,085,050</u>
<b>Total capital assets</b>	<b><u>425,713,016</u></b>	<b><u>14,316,492</u></b>	<b><u>8,331,526</u></b>	<b><u>431,697,982</u></b>
<b><u>Accumulated Depreciation:</u></b>				
Land and betterments	12,014,467	243,592	-	12,258,059
Buildings, systems and improvements	146,202,514	8,225,163	614,000	153,813,677
Machinery and equipment	4,888,432	243,936	4,533	5,127,835
Furniture and fixtures	<u>1,164</u>	<u>-</u>	<u>-</u>	<u>1,164</u>
<b>Total accumulated depreciation</b>	<b><u>163,106,577</u></b>	<b><u>8,712,691</u></b>	<b><u>618,533</u></b>	<b><u>171,200,735</u></b>
<b>Net capital assets</b>	<b><u>\$ 262,606,439</u></b>	<b><u>\$ 5,603,801</u></b>	<b><u>\$ 7,712,993</u></b>	<b><u>\$ 260,497,247</u></b>

**CITY OF WICHITA FALLS, TEXAS**

**WATERPARK FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance 10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Land and betterments	\$ 389,894	\$ -	\$ -	\$ 389,894
Buildings and improvements	4,622,343	- -	- -	4,622,343
Machinery and equipment	280,750	10,735	2,450	289,035
<b>Total capital assets</b>	<b>5,292,987</b>	<b>10,735</b>	<b>2,450</b>	<b>5,301,272</b>
<b><u>Accumulated Depreciation:</u></b>				
Buildings and improvements	2,185,351	231,322	- -	2,416,673
Machinery and equipment	213,253	12,167	2,450	222,970
<b>Total accumulated depreciation</b>	<b>2,398,604</b>	<b>243,489</b>	<b>2,450</b>	<b>2,639,643</b>
<b>Net capital assets</b>	<b>\$ 2,894,383</b>	<b>\$ (232,754)</b>	<b>\$ -</b>	<b>\$ 2,661,629</b>

## CITY OF WICHITA FALLS, TEXAS

**FLEET MAINTENANCE FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance</u> <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Land and betterments	\$ 436,269	\$ -	\$ -	\$ 436,269
Buildings and improvements	4,779,125	43,809	-	4,822,934
Machinery and equipment	1,664,658	6,128	-	1,670,786
Furniture and fixtures	2,950	-	-	2,950
Motor vehicles	<u>66,432,273</u>	<u>3,614,398</u>	<u>706,104</u>	<u>69,340,567</u>
Total capital assets	<u>73,315,275</u>	<u>3,664,335</u>	<u>706,104</u>	<u>76,273,506</u>
<b><u>Accumulated Depreciation:</u></b>				
Land and betterments	2,611	-	-	2,611
Buildings and improvements	2,998,960	121,639	-	3,120,599
Machinery and equipment	1,463,649	69,629	-	1,533,278
Furniture and fixtures	2,950	-	-	2,950
Motor vehicles	<u>46,734,974</u>	<u>4,105,942</u>	<u>706,104</u>	<u>50,134,812</u>
Total accumulated depreciation	<u>51,203,144</u>	<u>4,297,210</u>	<u>706,104</u>	<u>54,794,250</u>
Net capital assets	<u><u>\$ 22,112,131</u></u>	<u><u>\$ (632,875)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,479,256</u></u>

**CITY OF WICHITA FALLS, TEXAS**

**DUPLICATING SERVICES FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance</u> <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Machinery and equipment	\$ 9,117	\$ -	\$ -	\$ 9,117
<b><u>Accumulated Depreciation:</u></b>				
Machinery and equipment	<u>9,117</u>	<u>-</u>	<u>-</u>	<u>9,117</u>
Net capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## CITY OF WICHITA FALLS, TEXAS

**INFORMATION TECHNOLOGY FUND**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance</u> <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Machinery and equipment	\$ 6,964,325	\$ 2,851,933	\$ 734,975	\$ 9,081,283
Construction in progress	<u>1,391,138</u>	-	<u>1,391,138</u>	-
Total capital assets	<u>8,355,463</u>	<u>2,851,933</u>	<u>2,126,113</u>	<u>9,081,283</u>
<b><u>Accumulated Depreciation:</u></b>				
Machinery and equipment	<u>3,939,206</u>	<u>781,672</u>	<u>734,975</u>	<u>3,985,903</u>
Net capital assets	<u><u>\$ 4,416,257</u></u>	<u><u>\$ 2,070,261</u></u>	<u><u>\$ 1,391,138</u></u>	<u><u>\$ 5,095,380</u></u>

**CITY OF WICHITA FALLS, TEXAS**

**WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION**  
**CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Balance 10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2021</u>
<b><u>Capital Assets:</u></b>				
Land and betterments	\$ 1,434,069	\$ -	\$ 256,913	\$ 1,177,156
Buildings and improvements	957,191	-	957,191	-
Construction in progress	-	1,340,175	-	1,340,175
<b>Total capital assets</b>	<b><u>2,391,260</u></b>	<b><u>1,340,175</u></b>	<b><u>1,214,104</u></b>	<b><u>2,517,331</u></b>
<b><u>Accumulated Depreciation:</u></b>				
Buildings and improvements	277,585	9,572	287,157	-
<b>Net capital assets</b>	<b><u>\$ 2,113,675</u></b>	<b><u>\$ 1,330,603</u></b>	<b><u>\$ 926,947</u></b>	<b><u>\$ 2,517,331</u></b>

***STATISTICAL SECTION (UNAUDITED)***

This part of the City of Wichita Falls, Texas' annual comprehensive 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>	114
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	119
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>	124
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>	129
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>	131

## CITY OF WICHITA FALLS, TEXAS

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 139,058,565	\$ 138,319,208	\$ 128,168,873	\$ 143,014,752	\$ 148,206,829	\$ 150,776,165	\$ 150,833,699	\$ 152,824,700	\$ 155,903,407	\$ 160,441,794
Restricted	6,931,511	6,248,074	5,290,076	3,715,125	4,468,638	5,497,793	5,626,033	5,974,408	6,632,804	7,260,262
Unrestricted	7,453,791	6,661,101	5,789,973	(59,103,807)	(64,279,354)	(68,466,161)	(81,755,666)	(85,423,347)	(94,509,218)	(85,096,370)
<b>Total governmental activities net position</b>	<b>\$ 153,443,867</b>	<b>\$ 151,228,383</b>	<b>\$ 139,248,922</b>	<b>\$ 87,626,070</b>	<b>\$ 88,396,113</b>	<b>\$ 87,807,797</b>	<b>\$ 74,704,066</b>	<b>\$ 73,375,761</b>	<b>\$ 68,026,993</b>	<b>\$ 82,605,686</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 185,087,683	\$ 198,540,484	\$ 225,576,460	\$ 238,249,137	\$ 236,074,244	\$ 250,154,417	\$ 254,487,928	\$ 264,868,493	\$ 270,540,608	\$ 293,604,354
Restricted	11,374,316	11,881,663	11,885,698	11,800,667	11,082,332	11,046,973	11,571,092	11,780,255	12,008,946	11,836,811
Unrestricted	28,157,150	25,390,068	22,571,945	13,941,283	31,265,373	27,573,458	35,237,418	37,715,916	47,578,892	45,447,623
<b>Total business-type activities net position</b>	<b>\$ 224,619,149</b>	<b>\$ 235,812,215</b>	<b>\$ 260,034,103</b>	<b>\$ 263,991,087</b>	<b>\$ 278,421,949</b>	<b>\$ 288,774,848</b>	<b>\$ 301,296,438</b>	<b>\$ 314,364,664</b>	<b>\$ 330,128,446</b>	<b>\$ 350,888,788</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 324,146,248	\$ 336,859,692	\$ 353,745,333	\$ 381,263,889	\$ 384,281,073	\$ 400,930,582	\$ 405,321,627	\$ 417,693,193	\$ 426,444,015	\$ 454,046,148
Restricted	18,305,827	18,129,737	17,175,774	15,515,792	15,550,970	16,544,766	17,197,125	17,754,663	18,641,750	19,097,073
Unrestricted	35,610,941	32,051,169	28,361,918	(45,162,524)	(33,013,981)	(40,892,703)	(46,518,248)	(47,707,431)	(46,930,326)	(39,648,747)
<b>Total primary government net position</b>	<b>\$ 378,063,016</b>	<b>\$ 387,040,598</b>	<b>\$ 399,283,025</b>	<b>\$ 351,617,157</b>	<b>\$ 366,818,062</b>	<b>\$ 376,582,645</b>	<b>\$ 376,000,504</b>	<b>\$ 387,740,425</b>	<b>\$ 398,155,439</b>	<b>\$ 433,494,474</b>

**CITY OF WICHITA FALLS, TEXAS**

**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Expenses</b>										
Governmental activities:										
Administrative services	\$ 11,934,804	\$ 12,782,404	\$ 13,873,741	\$ 14,837,668	\$ 14,235,870	\$ 15,198,841	\$ 16,029,050	\$ 15,853,414	\$ 15,623,435	\$ 16,023,333
Police	22,103,892	22,767,560	23,195,421	23,705,432	25,633,843	25,513,220	25,046,425	27,736,316	34,225,996	26,119,364
Fire	13,523,616	14,226,064	14,387,072	16,455,087	17,476,759	21,107,882	24,205,615	21,059,239	26,796,338	26,145,244
Parks and recreation	5,152,616	5,579,717	5,574,156	5,492,124	5,637,654	5,655,633	5,484,893	5,995,353	6,057,586	5,134,632
Accounting/finance	975,863	924,240	923,727	876,069	787,945	760,506	663,516	785,465	1,004,472	759,671
Community development	6,777,614	6,729,171	6,497,467	6,400,781	6,681,803	6,902,628	6,579,677	7,253,122	7,586,750	6,955,276
Public works	7,956,752	7,747,847	8,155,640	8,117,413	8,334,993	8,551,971	8,563,442	8,533,518	8,708,349	7,894,812
Health	5,021,625	5,167,794	5,166,135	5,398,191	5,707,386	5,814,947	5,798,759	5,964,161	6,630,232	6,229,228
Traffic and transportation	2,510,936	2,757,545	2,617,801	2,555,837	2,667,418	2,579,284	2,383,760	2,951,269	3,255,742	2,412,555
Multi-Purpose Events Center	3,895,665	4,136,952	4,302,368	4,553,654	4,544,817	4,021,413	3,250,928	3,126,421	2,791,731	2,848,607
Interest and fees on long-term debt	1,711,328	2,122,969	1,992,169	1,910,975	1,631,355	1,443,552	1,556,402	1,780,418	1,607,429	1,695,662
Total governmental activities expenses	<u>81,564,711</u>	<u>84,942,263</u>	<u>86,685,697</u>	<u>90,303,231</u>	<u>93,339,843</u>	<u>97,549,877</u>	<u>99,562,467</u>	<u>101,038,696</u>	<u>114,288,060</u>	<u>102,218,384</u>
Business-type activities:										
Municipal Airport	529,827	655,452	855,765	2,532,243	1,881,055	1,827,618	1,907,909	2,014,903	2,097,484	2,753,360
Kickapoo Airport	1,419,681	1,495,562	1,423,952	1,412,211	1,252,359	1,198,823	1,259,413	1,451,976	1,282,322	1,185,924
Transit	1,903,560	1,938,827	2,416,274	2,524,244	2,673,176	2,540,427	2,377,201	2,622,657	2,552,634	2,254,674
Sanitation	8,904,795	9,236,474	9,333,512	9,489,348	9,841,683	10,216,686	10,300,771	11,407,943	11,727,774	10,138,273
Water and Sewer	28,996,520	30,135,738	32,364,514	33,554,406	32,120,018	33,288,819	33,426,850	33,564,147	34,893,459	33,126,472
Stormwater drainage	406,570	430,012	560,389	674,839	828,537	816,334	796,597	785,974	864,517	1,137,854
Waterpark	1,375,832	1,397,270	1,456,084	1,557,158	1,598,720	1,538,193	1,591,560	1,599,828	1,494,829	1,605,187
Total business-type activities expenses	<u>43,536,785</u>	<u>45,289,335</u>	<u>48,410,490</u>	<u>51,744,449</u>	<u>50,195,548</u>	<u>51,426,900</u>	<u>51,660,301</u>	<u>53,447,428</u>	<u>54,913,019</u>	<u>52,201,744</u>
Total primary government expenses	<u><u>\$ 125,101,496</u></u>	<u><u>\$ 130,231,598</u></u>	<u><u>\$ 135,096,187</u></u>	<u><u>\$ 142,047,680</u></u>	<u><u>\$ 143,535,391</u></u>	<u><u>\$ 148,976,777</u></u>	<u><u>\$ 151,222,768</u></u>	<u><u>\$ 154,486,124</u></u>	<u><u>\$ 169,201,079</u></u>	<u><u>\$ 154,420,128</u></u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Administrative services	\$ 4,390,463	\$ 4,304,737	\$ 4,220,786	\$ 4,030,674	\$ 4,270,749	\$ 4,735,471	\$ 4,501,100	\$ 4,657,529	\$ 4,325,538	\$ 6,858,710
Police	541,201	624,272	339,867	396,228	335,112	420,289	338,223	288,280	311,390	263,904
Fire	14,613	18,459	15,854	6,866	1,749	36,937	39,598	85,627	43,306	106
Parks and recreation	525,505	524,519	530,305	447,990	429,207	441,751	393,227	355,005	293,275	263,101
Accounting/finance	-	-	-	-	-	-	-	-	-	-
Community development	942,649	1,131,684	1,094,904	1,006,966	1,101,085	1,209,021	1,233,431	1,419,097	1,426,440	1,549,609
Public works	24,420	116,035	94,772	9,510	11,824	14,223	10,869	7,511	17,999	5,839
Health	1,075,277	1,073,172	1,051,444	995,634	1,051,834	1,081,910	1,110,658	1,126,273	1,107,601	1,132,205
Traffic and transportation	217,262	126,163	133,133	162,184	72,965	126,334	122,384	121,251	113,048	153,560
Multi-Purpose Events Center	1,656,358	1,597,702	1,553,729	1,604,828	1,561,783	892,049	10,872	-	3,482	44,326
Operating grants and contributions	9,868,484	11,157,348	10,837,248	11,019,845	14,803,477	14,934,929	12,437,104	12,908,026	21,239,893	17,665,897
Capital grants and contributions	8,066,065	4,394,038	12,956,740	5,349,242	3,942,929	1,032,502	4,296,164	60,000	-	1,996,829
Total governmental activities program revenue	<u>27,322,297</u>	<u>25,068,129</u>	<u>32,828,782</u>	<u>25,029,967</u>	<u>27,582,714</u>	<u>24,925,416</u>	<u>24,493,630</u>	<u>21,028,599</u>	<u>28,881,972</u>	<u>29,934,086</u>

**CITY OF WICHITA FALLS, TEXAS**

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

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Business-type activities:</b>										
Charges for services:										
Municipal Airport	716,608	769,557	775,829	864,505	1,109,959	1,120,916	1,178,304	1,165,060	868,429	1,511,517
Kickapoo Airport	1,153,038	1,255,153	1,239,973	1,090,276	970,129	884,354	924,673	944,394	765,536	757,246
Transit	405,852	410,737	476,716	541,389	503,708	432,083	431,419	498,808	405,969	611,213
Sanitation	12,807,160	12,606,675	13,196,489	12,790,072	13,223,470	13,394,186	13,701,215	14,776,821	15,192,130	16,154,115
Water and Sewer	36,771,008	32,798,786	31,272,972	38,855,845	42,999,399	43,527,980	46,225,281	44,464,193	46,673,593	45,810,693
Stormwater drainage	2,552,650	2,503,255	2,601,158	2,763,120	3,703,803	3,738,019	3,728,335	3,730,485	3,787,383	3,706,349
Waterpark	1,475,842	1,398,164	1,292,639	1,492,787	1,437,615	1,321,622	1,501,475	1,425,913	1,271,508	1,779,308
Operating grants and contributions	2,371,658	3,787,014	1,830,334	1,826,749	2,282,163	1,701,652	3,938,011	4,857,917	5,738,059	8,223,555
Capital grants and contributions	181,759	1,339,265	1,017,827	1,558,589	209,110	396,830	876,211	89,890	727,961	874,423
Total business-type activities program revenue:	<u>58,435,575</u>	<u>56,868,606</u>	<u>53,703,937</u>	<u>61,783,332</u>	<u>66,439,356</u>	<u>66,517,642</u>	<u>72,504,924</u>	<u>71,953,481</u>	<u>75,430,568</u>	<u>79,428,419</u>
Total primary government program revenues	<u>\$ 85,757,872</u>	<u>\$ 81,936,735</u>	<u>\$ 86,532,719</u>	<u>\$ 86,813,299</u>	<u>\$ 94,022,070</u>	<u>\$ 91,443,058</u>	<u>\$ 96,998,554</u>	<u>\$ 92,982,080</u>	<u>\$ 104,312,540</u>	<u>\$ 109,362,505</u>
Net (Expense)/Revenue										
Governmental activities	<u>\$ (54,242,414)</u>	<u>\$ (59,874,134)</u>	<u>\$ (53,856,915)</u>	<u>\$ (65,273,264)</u>	<u>\$ (65,757,129)</u>	<u>\$ (72,624,461)</u>	<u>\$ (75,068,837)</u>	<u>\$ (80,010,097)</u>	<u>\$ (85,406,088)</u>	<u>\$ (72,284,298)</u>
Business-type activities	<u>14,898,790</u>	<u>11,579,271</u>	<u>5,293,447</u>	<u>10,038,883</u>	<u>16,243,808</u>	<u>15,090,742</u>	<u>20,844,623</u>	<u>18,506,053</u>	<u>20,517,549</u>	<u>27,226,675</u>
Total primary government net expense	<u><u>\$ (39,343,624)</u></u>	<u><u>\$ (48,294,863)</u></u>	<u><u>\$ (48,563,468)</u></u>	<u><u>\$ (55,234,381)</u></u>	<u><u>\$ (49,513,321)</u></u>	<u><u>\$ (57,533,719)</u></u>	<u><u>\$ (54,224,214)</u></u>	<u><u>\$ (61,504,044)</u></u>	<u><u>\$ (64,888,539)</u></u>	<u><u>\$ (45,057,623)</u></u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	\$ 28,625,696	\$ 29,107,168	\$ 29,784,202	\$ 31,072,640	\$ 34,515,164	\$ 35,120,896	\$ 35,842,110	\$ 37,898,136	\$ 41,399,096	\$ 43,019,695
Sales tax	21,406,823	22,062,365	22,397,536	22,403,406	22,373,768	22,413,397	23,861,013	24,894,930	25,205,996	28,362,467
Franchise fees	5,574,882	5,423,680	5,558,600	5,414,414	5,038,247	5,193,721	5,326,403	5,314,591	5,164,750	5,451,658
Hotel occupancy tax	1,677,100	1,578,764	1,684,329	1,775,372	1,910,468	1,878,061	1,952,011	2,075,905	1,878,957	2,660,388
Beverage tax	207,735	230,728	281,598	291,091	286,986	281,687	308,333	328,163	255,816	309,857
Bingo tax	61,696	40,122	36,688	32,764	26,736	9,098	2,626	-	-	-
Investment earnings	54,579	53,244	33,309	20,732	129,886	303,325	625,368	1,375,504	581,802	47,531
Miscellaneous	326,861	636,417	879,538	529,526	447,357	1,651,791	496,434	341,079	525,007	521,187
Transfers	(2,363,233)	(1,473,837)	(18,778,342)	(2,072,770)	2,003,892	5,184,169	4,611,766	6,453,485	5,045,896	6,490,207
Total governmental activities	<u>55,572,139</u>	<u>57,658,651</u>	<u>41,877,458</u>	<u>59,467,175</u>	<u>66,732,504</u>	<u>72,036,145</u>	<u>73,026,064</u>	<u>78,681,793</u>	<u>80,057,320</u>	<u>86,862,990</u>
Business-type activities:										
Investment earnings	39,865	27,902	11,680	14,884	175,860	415,837	748,434	1,005,000	371,124	23,871
Miscellaneous	(58,924)	149,173	138,419	87,079	60,331	22,028	89,332	10,654	(1,858)	-
Transfers	2,363,233	1,473,837	18,778,342	2,072,770	(2,003,892)	(5,184,169)	(4,611,766)	(6,453,485)	(5,045,896)	(6,490,207)
Total business-type activities	<u>2,344,174</u>	<u>1,650,912</u>	<u>18,928,441</u>	<u>2,174,733</u>	<u>(1,767,701)</u>	<u>(4,746,304)</u>	<u>(3,774,000)</u>	<u>(5,437,831)</u>	<u>(4,676,630)</u>	<u>(6,466,336)</u>
Total primary government	<u><u>\$ 57,916,313</u></u>	<u><u>\$ 59,309,563</u></u>	<u><u>\$ 60,805,899</u></u>	<u><u>\$ 61,641,908</u></u>	<u><u>\$ 64,964,803</u></u>	<u><u>\$ 67,289,841</u></u>	<u><u>\$ 69,252,064</u></u>	<u><u>\$ 73,243,962</u></u>	<u><u>\$ 75,380,690</u></u>	<u><u>\$ 80,396,654</u></u>
Change in Net Position										
Governmental activities	\$ 1,329,725	\$ (2,215,483)	\$ (11,979,457)	\$ (5,806,089)	\$ 975,375	\$ (588,316)	\$ (2,042,773)	\$ (1,328,304)	\$ (5,348,768)	\$ 14,578,692
Business-type activities	17,242,964	13,230,183	24,221,888	12,213,616	14,476,107	10,344,438	17,070,623	13,068,222	15,840,919	20,760,339
Total primary government	<u>\$ 18,572,689</u>	<u>\$ 11,014,700</u>	<u>\$ 12,242,431</u>	<u>\$ 6,407,527</u>	<u>\$ 15,451,482</u>	<u>\$ 9,756,122</u>	<u>\$ 15,027,850</u>	<u>\$ 11,739,918</u>	<u>\$ 10,492,151</u>	<u>\$ 35,339,031</u>

**CITY OF WICHITA FALLS, TEXAS****FUND BALANCES, GOVERNMENTAL FUNDS -  
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>General Fund</b>										
Nonspendable	\$ 352,835	\$ 384,574	\$ 180,992	\$ 210,069	\$ 157,494	\$ 131,311	\$ 309,042	\$ 359,446	\$ 383,596	\$ 251,665
Assigned	1,010,976	958,924	1,949,792	1,102,026	878,314	1,059,850	964,114	-	-	-
Unassigned	16,570,675	16,226,597	14,886,199	13,682,061	13,161,690	13,138,307	14,133,369	18,310,378	26,955,178	37,181,391
<b>Total general fund</b>	<b>\$ 17,934,486</b>	<b>\$ 17,570,095</b>	<b>\$ 17,016,983</b>	<b>\$ 14,994,156</b>	<b>\$ 14,197,498</b>	<b>\$ 14,329,468</b>	<b>\$ 15,406,525</b>	<b>\$ 18,669,824</b>	<b>\$ 27,338,774</b>	<b>\$ 37,433,056</b>
<b>All other Governmental Funds</b>										
Nonspendable	\$ 89,668	\$ 84,940	\$ 120,573	\$ 95,283	\$ 84,013	\$ -	\$ -	\$ 1,822	\$ -	\$ 1,470,561
Restricted	10,744,065	26,934,100	13,834,375	5,977,567	5,729,434	5,617,402	23,075,586	21,903,321	16,435,498	16,582,041
Committed	2,305,013	2,896,812	2,831,488	2,734,119	2,694,718	2,670,133	2,208,977	2,865,289	2,495,627	2,380,635
Unassigned	(269,288)	(269,288)	(460,883)	(550,863)	(773,238)	(1,224,316)	(904,338)	(994,338)	(994,338)	(779,966)
<b>Total all other governmental funds</b>	<b>\$ 12,869,458</b>	<b>\$ 29,646,564</b>	<b>\$ 16,325,553</b>	<b>\$ 8,256,106</b>	<b>\$ 7,734,927</b>	<b>\$ 7,063,219</b>	<b>\$ 24,380,225</b>	<b>\$ 23,776,094</b>	<b>\$ 17,936,787</b>	<b>\$ 19,653,271</b>

## CITY OF WICHITA FALLS, TEXAS

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

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Revenues</b>										
Taxes	\$ 57,607,312	\$ 58,613,615	\$ 59,739,545	\$ 61,007,519	\$ 64,201,677	\$ 64,886,137	\$ 67,254,892	\$ 70,389,292	\$ 73,868,498	\$ 79,855,276
Charges for services	3,710,371	3,422,621	3,331,183	3,362,172	3,370,573	3,340,750	3,339,743	3,426,222	3,399,064	3,701,539
Licenses and permits	2,002,559	2,234,081	2,048,293	1,941,205	1,971,212	1,905,507	1,963,353	2,080,203	1,737,778	1,631,602
Fines and forfeitures	2,409,792	2,435,625	2,402,794	2,262,781	2,561,817	2,795,215	2,757,216	2,833,785	1,798,401	2,435,469
Intergovernmental revenue	14,488,236	11,722,524	18,081,798	12,401,075	13,537,869	10,833,921	9,112,281	8,738,383	17,514,038	14,647,769
Contributions	3,446,313	3,828,862	5,712,190	4,011,809	5,208,537	5,133,510	4,324,823	4,169,643	3,725,855	3,022,874
Miscellaneous revenue	3,261,049	3,463,425	3,642,155	3,118,424	3,120,633	4,239,955	2,499,916	3,274,916	3,093,988	4,420,330
<b>Total revenues</b>	<b>86,925,632</b>	<b>85,720,753</b>	<b>94,957,958</b>	<b>88,104,985</b>	<b>93,972,318</b>	<b>93,134,995</b>	<b>91,252,224</b>	<b>94,912,444</b>	<b>105,137,622</b>	<b>109,714,859</b>
<b>Expenditures</b>										
Administrative services	12,158,781	12,677,867	13,347,029	14,413,640	14,805,672	14,870,206	14,778,947	15,235,739	14,394,187	16,644,153
Police	20,545,965	20,884,744	21,539,820	21,997,801	23,580,992	23,883,109	24,205,161	25,064,950	27,416,198	27,380,379
Fire	13,277,876	13,807,699	14,085,219	14,719,074	16,077,272	16,536,044	16,896,863	16,891,819	17,740,642	18,402,915
Parks and recreation	4,833,743	5,157,417	5,197,591	5,065,222	5,204,296	5,277,544	5,287,117	5,423,148	5,314,741	5,081,829
Accounting/finance	845,076	793,960	831,313	747,341	702,883	719,865	701,643	753,748	845,894	853,221
Community development	6,829,018	6,760,826	6,559,064	6,440,963	6,678,753	6,931,301	6,685,328	7,119,550	7,081,495	7,262,275
Public works	5,777,249	5,325,013	5,613,107	5,449,860	5,555,929	5,732,327	5,511,044	5,302,692	5,411,047	4,796,841
Health	4,894,351	5,004,381	5,057,946	5,217,970	5,483,135	5,649,913	5,793,866	5,645,601	5,685,128	6,499,796
Traffic and transportation	2,194,962	2,468,051	2,274,249	2,395,837	2,224,511	2,117,966	2,113,558	2,362,089	2,573,962	2,226,382
Multi-Purpose Events Center	3,062,507	3,365,932	3,536,661	3,747,189	3,718,058	3,231,913	2,415,875	2,286,621	1,940,870	2,064,199
Capital outlay *	8,537,049	7,867,468	5,230,269	5,368,119	6,343,551	6,206,493	5,628,992	7,888,964	11,290,435	7,417,749
Debt service - principal	2,270,000	2,515,000	3,000,000	3,350,000	3,745,000	3,525,000	3,610,000	4,000,000	4,045,000	4,215,000
Debt service - interest	1,604,392	1,618,299	2,342,331	1,998,760	1,764,412	1,591,022	1,597,143	1,912,443	1,877,363	1,821,451
Debt service - bond issuance costs	137,461	310,777	-	-	-	-	-	-	-	103,139
<b>Total expenditures</b>	<b>86,968,430</b>	<b>88,557,434</b>	<b>88,614,599</b>	<b>90,911,776</b>	<b>95,884,464</b>	<b>96,272,703</b>	<b>95,225,537</b>	<b>99,887,364</b>	<b>105,616,962</b>	<b>104,769,329</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(42,798)</b>	<b>(2,836,681)</b>	<b>6,343,359</b>	<b>(2,806,791)</b>	<b>(1,912,146)</b>	<b>(3,137,708)</b>	<b>(3,973,313)</b>	<b>(4,974,920)</b>	<b>(479,340)</b>	<b>4,945,530</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from bonds	7,836,338	23,869,261	-	-	13,482,256	-	24,171,317	-	-	2,685,339
Capital lease proceeds	1,452,760	2,666,243	-	47,848	(13,295,568)	-	3,310,009	-	-	-
Payment to refunded bonds escrow agent	(4,484,698)	(3,831,570)	-	-	-	(6,546,898)	-	-	-	-
Transfers in	6,411,855	7,181,518	16,643,513	17,594,910	7,574,334	8,965,770	8,722,620	8,033,886	8,404,493	5,822,104
Transfer out	(10,176,091)	(10,636,058)	(36,860,991)	(23,335,238)	(6,961,378)	(6,367,674)	(4,393,890)	(3,295,594)	(5,095,512)	(1,642,211)
<b>Total other financing sources (uses)</b>	<b>1,040,164</b>	<b>19,249,394</b>	<b>(20,217,478)</b>	<b>(5,692,480)</b>	<b>799,644</b>	<b>2,598,096</b>	<b>25,263,158</b>	<b>4,738,292</b>	<b>3,308,981</b>	<b>6,865,232</b>
<b>Net change in fund balances</b>	<b>\$ 997,366</b>	<b>\$ 16,412,713</b>	<b>\$ (13,874,119)</b>	<b>\$ (8,499,271)</b>	<b>\$ (1,112,502)</b>	<b>\$ (539,612)</b>	<b>\$ 21,289,845</b>	<b>\$ (236,628)</b>	<b>\$ 2,829,641</b>	<b>\$ 11,810,762</b>
Debt service as a percentage of noncapital expenditures	4.94%	5.12%	6.41%	6.25%	6.15%	5.68%	5.81%	6.43%	6.28%	6.20%

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

**CITY OF WICHITA FALLS, TEXAS****TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS -  
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Property	Sales	Franchise	Hotel Occupancy	Beverage	Bingo	Total
2011-2012	\$ 28,679,076	\$ 21,406,823	\$ 5,574,882	\$ 1,677,100	\$ 207,735	\$ 61,696	\$ 57,607,312
2012-2013	29,277,956	22,062,365	5,423,680	1,578,764	230,728	40,122	58,613,615
2013-2014	29,780,795	22,397,536	5,558,599	1,684,329	281,598	36,688	59,739,545
2014-2015	31,090,472	22,403,406	5,414,414	1,775,372	291,091	32,764	61,007,519
2015-2016	34,567,763	22,373,768	5,035,947	1,910,477	286,986	26,736	64,201,677
2016-2017	35,110,173	22,413,397	5,193,721	1,878,061	281,687	9,098	64,886,137
2017-2018	35,804,507	23,861,013	5,326,402	1,952,011	308,333	2,626	67,254,892
2018-2019	37,775,703	24,894,930	5,314,591	2,075,905	328,163	-	70,389,292
2019-2020	41,362,767	25,205,996	5,164,962	1,878,957	255,816	1,211	73,869,709
2020-2021	43,069,773	28,362,467	5,451,658	2,660,388	309,857	1,132	79,855,275

**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
2011-2012	\$ 3,714,449,662	\$ 716,365,316	\$ 4,430,814,978	\$0.62526	\$ 4,430,814,978	100.00%
2012-2013	3,749,608,055	715,113,536	4,464,721,591	0.63526	4,464,721,591	100.00%
2013-2014	3,777,010,620	771,002,233	4,548,012,853	0.63526	4,548,012,853	100.00%
2014-2015	3,859,560,337	765,251,406	4,624,811,743	0.65526	4,624,811,743	100.00%
2015-2016	3,944,783,610	820,827,696	4,765,611,306	0.70598	4,765,611,306	100.00%
2016-2017	4,031,689,962	817,687,012	4,849,376,974	0.70598	4,849,376,974	100.00%
2017-2018	4,123,022,727	818,629,114	4,941,651,841	0.70598	4,941,651,841	100.00%
2018-2019	4,230,948,499	843,630,297	5,074,578,796	0.72988	5,074,578,796	100.00%
2019-2020	4,387,106,524	889,487,609	5,276,594,133	0.76332	5,276,594,133	100.00%
2020-2021	4,582,918,683	872,960,736	5,455,879,419	0.76332	5,455,879,419	100.00%

**CITY OF WICHITA FALLS, TEXAS****DIRECT AND OVERLAPPING PROPERTY TAX RATES -  
LAST TEN FISCAL YEARS (UNAUDITED)**Tax Rates Per \$100 Valuation

Fiscal Year	City of Wichita Falls			Wichita County			Burkburnett ISD (1)		
	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total
2011-2012	\$ 0.61	\$ 0.01	\$ 0.62	\$ 0.53	\$ -	\$ 0.53	\$ 1.17	\$ 0.14	\$ 1.31
2012-2013	0.62	0.01	0.63	0.52	-	0.52	1.17	0.13	1.30
2013-2014	0.62	0.01	0.63	0.51	-	0.51	1.17	0.12	1.29
2014-2015	0.64	0.02	0.66	0.51	-	0.51	1.17	0.14	1.31
2015-2016	0.69	0.02	0.71	0.55	-	0.55	1.17	0.14	1.31
2016-2017	0.69	0.02	0.71	0.58	0.03	0.61	1.17	0.37	1.54
2017-2018	0.69	0.02	0.71	0.58	0.08	0.66	1.17	0.37	1.54
2018-2019	0.69	0.04	0.73	0.59	0.07	0.66	1.17	0.37	1.54
2019-2020	0.72	0.04	0.76	0.60	0.07	0.67	1.07	0.37	1.44
2020-2021	0.72	0.04	0.76	0.57	0.07	0.64	1.05	0.38	1.43

	City View ISD (2)			Iowa Park CISD (3)			Wichita Falls ISD (4)			Grand Total
	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total	
2011-2012	\$ 1.17	\$ 0.25	\$ 1.42	\$ 1.04	\$ 0.24	\$ 1.28	\$ 1.04	\$ 0.17	\$ 1.21	\$ 6.37
2012-2013	1.17	0.25	1.42	1.04	0.24	1.28	1.04	0.17	1.21	6.36
2013-2014	1.17	0.25	1.42	1.04	0.24	1.28	1.04	0.17	1.21	6.34
2014-2015	1.17	0.25	1.42	1.04	0.23	1.27	1.04	0.10	1.14	6.31
2015-2016	1.17	0.25	1.42	1.17	0.16	1.33	1.04	0.19	1.23	6.55
2016-2017	1.17	0.25	1.42	1.17	0.16	1.33	1.04	0.19	1.23	6.84
2017-2018	1.17	0.25	1.42	1.17	0.16	1.33	1.04	0.19	1.23	6.89
2018-2019	1.17	0.25	1.42	1.17	0.16	1.33	1.04	0.18	1.22	6.90
2019-2020	1.07	0.32	1.39	1.07	0.36	1.43	0.97	0.18	1.15	6.84
2020-2021	1.05	0.32	1.37	1.05	0.38	1.43	0.97	0.18	1.15	6.78

## 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, 2021**

Taxpayer	2020-2021			2011-2012		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Oncor Electric Delivery Co	\$ 65,216,900	1	1.20%	\$ 36,786,078	2	0.83%
GGP - Sikes Senter LLC	51,500,000	2	0.94%	49,506,348	1	1.12%
Atmos Energy / Mid-Tex Division	27,710,280	3	0.51%	11,721,246	10	0.26%
Valero Marketing & Supply Co	23,215,606	4	0.43%	-	N/A	0.00%
Kell West Regional Hospital LLC	17,259,418	5	0.32%	12,847,161	8	0.29%
Quail Creek Crossing Ltd	16,585,000	6	0.30%	15,358,000	6	0.35%
Arbor Creek Apartments LLC	15,873,900	7	0.29%	-	N/A	0.00%
Wal-Mart Stores Texas LP	14,992,104	8	0.27%	24,597,829	3	0.56%
Burlington Northern & Santa Fe Railroad	14,610,152	9	0.27%	-	N/A	0.00%
Wal-Mart Stores East Inc	13,089,213	10	0.24%	17,932,134	5	0.40%
Southwestern Bell	-	N/A	0.00%	19,089,579	4	0.43%
North American Pipe Corp	-	N/A	0.00%	12,987,822	7	0.29%
Lowe's Home Centers Inc.	-	N/A	0.00%	12,087,569	9	0.27%
<b>Totals</b>	<b><u>\$ 260,052,573</u></b>		<b><u>4.77%</u></b>	<b><u>\$ 212,913,766</u></b>		<b><u>4.80%</u></b>

Source:

Wichita Appraisal District

**CITY OF WICHITA FALLS, TEXAS****PROPERTY TAX LEVIES AND COLLECTIONS -  
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011-2012	\$ 27,704,114	\$ 27,306,706	98.57%	\$ 312,734	\$ 27,619,440	99.69%
2012-2013	28,362,591	27,906,520	98.39%	293,024	28,199,544	99.43%
2013-2014	28,876,552	28,375,563	98.27%	292,114	28,667,677	99.28%
2014-2015	30,270,748	29,809,308	98.48%	326,955	30,136,263	99.56%
2015-2016	33,644,264	33,124,968	98.46%	403,324	33,528,292	99.66%
2016-2017	34,228,872	33,694,059	98.44%	369,868	34,063,927	99.52%
2017-2018	34,887,074	34,298,367	98.31%	359,338	34,657,705	99.34%
2018-2019	37,037,918	36,347,721	98.14%	367,037	36,714,758	99.13%
2019-2020	40,280,490	39,531,671	98.14%	307,952	39,839,623	98.91%
2020-2021	41,645,982	41,044,294	98.56%	-	41,044,294	98.56%

## CITY OF WICHITA FALLS, TEXAS

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

Fiscal Year	Governmental Activities				Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Combination Tax and Revenue Bonds	Revenue Bonds	Capital Lease Payable	Utility System Revenue Bonds	Combination Tax and Revenue Bonds	General Obligation Bonds	Note Payable	Capital Leases Payable			
2011-2012	\$ 4,116,110	\$ 35,503,123	\$ -	\$ 1,452,760	\$ 102,566,093	\$ 19,798,342	\$ -	\$ 543,877	\$ 1,704,341	\$ 165,684,646	7.11%	\$ 1,594.18
2012-2013	5,491,678	51,570,623	-	3,833,640	99,211,869	27,887,899	1,930,000	509,596	1,261,663	191,696,968	7.67%	1,833.51
2013-2014	4,679,866	49,302,503	-	3,510,950	95,723,505	24,284,987	1,930,000	474,200	999,606	180,905,617	7.74%	1,724.59
2014-2015	3,850,706	46,710,294	-	3,230,595	92,086,092	54,125,933	1,930,000	437,652	722,737	203,094,009	8.47%	1,932.13
2015-2016	16,129,132	31,138,675	-	2,857,166	87,938,263	51,322,900	-	399,915	16,957,523	206,743,574	8.63%	1,974.44
2016-2017	14,132,973	29,435,100	-	2,466,589	83,098,973	46,298,092	-	360,951	19,142,615	194,935,293	8.14%	1,861.42
2017-2018	36,285,854	21,261,971	-	5,468,665	78,150,943	41,170,000	-	320,719	18,209,925	200,868,077	7.73%	1,917.65
2018-2019	33,792,967	19,464,301	-	5,068,463	69,257,091	39,665,000	-	280,485	17,287,584	184,815,891	7.58%	1,767.29
2019-2020	30,787,806	18,122,209	-	4,555,678	60,215,005	38,140,000	-	238,945	16,304,007	168,363,650	6.58%	1,610.09
2020-2021	27,728,646	16,735,708	2,635,000	4,010,236	51,014,896	36,590,000	-	196,053	15,211,710	154,122,249	6.05%	1,472.28

(1) Amounts include bond premiums, where applicable.

**CITY OF WICHITA FALLS, TEXAS****RATIOS OF GENERAL BONDED DEBT OUTSTANDING -  
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Governmental Activities				Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Combination Tax and Revenue Bonds	Venue Tax Revenue Bonds				
2011-2012	\$ 4,116,110	\$ 35,503,123	\$ -		\$ 39,619,233	0.89%	\$ 381.21
2012-2013	5,491,678	51,570,623		-	57,062,301	1.28%	545.78
2013-2014	4,679,866	49,302,503		-	53,982,369	1.19%	514.62
2014-2015	3,850,706	46,710,294		-	50,561,000	1.09%	481.01
2015-2016	16,129,132	31,138,675		-	47,267,807	0.99%	451.42
2016-2017	14,132,973	29,435,100		-	43,568,073	0.90%	416.03
2017-2018	36,285,854	21,261,971		-	57,547,825	1.16%	549.40
2018-2019	33,792,967	19,464,301		-	53,257,268	1.05%	509.27
2019-2020	30,787,806	18,122,209		-	48,910,015	0.93%	467.73
2020-2021	27,728,646	16,735,708		2,635,000	47,099,354	0.86%	449.92

**CITY OF WICHITA FALLS, TEXAS****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)  
SEPTEMBER 30, 2021**

	<u>Gross Governmental Activities Debt (1)</u>	<u>Percentage Applicable to City of Wichita Falls (2)</u>	<u>Amount Applicable to City of Wichita Falls</u>
<b>Direct:</b>			
City of Wichita Falls	<u>\$ 56,100,693</u>	100%	<u>\$ 56,100,693</u>
<b>Overlapping:</b>			
Wichita County	67,124,043	100%	67,124,043
Burkburnett Independent School District	40,641,394	25%	10,160,349
City View Independent School District	15,964,914	90%	14,368,423
Iowa Park Consolidated Independent School District	36,064,891	2%	721,298
Wichita Falls Independent School District	<u>353,887,719</u>	99%	<u>350,348,842</u>
Total overlapping	<u>513,682,961</u>		<u>442,722,954</u>
Total direct and overlapping bonded debt	<u>\$ 569,783,654</u>		<u>\$ 498,823,647</u>

**Sources:**

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

## CITY OF WICHITA FALLS, TEXAS

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

Total assessed property value per 2020 tax roll	\$ 5,455,879,419
Maximum tax rate *	\$ 2.25/\$100
Current tax rate for 2020 tax year	<u>.763323/\$100</u>
Maximum tax rate in excess of 2020 tax rate	<u>1.486677/\$100</u>
Total legal debt margin	<u>\$ 81,111,304</u>

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Assessed value	\$ 4,430,814,978	\$ 4,464,721,591	\$ 4,548,012,853	\$ 4,624,811,743	\$ 4,765,611,306	\$ 4,849,376,974	\$ 4,941,651,841	\$ 5,074,578,796	\$ 5,276,594,133	\$ 5,455,879,419
Maximum tax rate	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100
Current tax rate	.62526/\$100	.63526/\$100	.63526/\$100	.65526/\$100	.70598/\$100	.70598/\$100	.70598/\$100	.72988/\$100	.763323/\$100	.763323/\$100
Maximum tax rate in excess of current rate	<u>1.62474/\$100</u>	<u>1.61474/\$100</u>	<u>1.61474/\$100</u>	<u>1.59474/\$100</u>	<u>1.54402/\$100</u>	<u>1.54402/\$100</u>	<u>1.54402/\$100</u>	<u>1.52012/\$100</u>	<u>1.486677/\$100</u>	<u>1.486677/\$100</u>
Total legal debt margin	<u>\$ 71,989,223</u>	<u>\$ 72,093,645</u>	<u>\$ 73,438,583</u>	<u>\$ 73,753,723</u>	<u>\$ 73,581,992</u>	<u>\$ 74,875,350</u>	<u>\$ 76,300,093</u>	<u>\$ 77,139,687</u>	<u>\$ 78,445,911</u>	<u>\$ 81,111,304</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 2020 tax rate was \$.763323 per \$100 assessed valuation.

\* Maximum tax levy established by City Charter

## CITY OF WICHITA FALLS, TEXAS

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

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement			Coverage
				Principal (3)	Interest	Total	
2011-2012	\$ 36,405,921	\$ 19,501,942	\$ 16,903,979	\$ 6,130,000	\$ 5,364,300	\$ 11,494,300	1.47
2012-2013	32,200,867	19,160,351	13,040,516	3,325,000	4,518,925	7,843,925	1.66
2013-2014	30,839,265	20,981,384	9,857,881	3,460,000	4,385,925	7,845,925	1.26
2014-2015	38,456,107	20,477,673	17,978,434	3,610,000	4,238,875	7,848,875	2.29
2015-2016	42,499,482	20,415,375	22,084,107	4,625,000	3,356,255	7,981,255	2.77
2016-2017	43,054,453	21,643,920	21,410,533	2,635,000	3,777,314	6,412,314	3.34
2017-2018	46,159,318	20,861,265	25,298,053	2,885,000	3,535,250	6,420,250	3.94
2018-2019	44,671,282	21,755,354	22,915,928	6,915,000	3,391,000	10,306,000	2.22
2019-2020	46,388,403	23,627,160	22,761,243	7,635,000	2,682,000	10,317,000	2.21
2020-2021	45,310,693	22,937,053	22,373,640	8,010,000	2,300,250	10,310,250	2.17

## Notes:

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

**CITY OF WICHITA FALLS, TEXAS****DEMOGRAPHIC STATISTICS -  
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Estimated Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (1)	Education Level	School Enrollment (3)	Unemployment Rate (4)
2011-2012	103,931	\$ 2,330,756,606	\$ 22,426	32.4	13.2	14,569	6.9%
2012-2013	104,552	2,499,106,456	23,903	32.5	13.1	14,639	6.2%
2013-2014	104,898	2,336,602,950	22,275	32.5	13.2	15,181	4.9%
2014-2015	105,114	2,397,229,884	22,806	32.5	13.2	15,155	4.4%
2015-2016	104,710	2,394,298,860	22,866	32.5	13.2	15,181	4.8%
2016-2017	104,724	2,395,980,396	22,879	32.5	13.2	15,124	3.4%
2017-2018	104,747	2,597,725,600	24,800	32.8	13.2	15,150	3.1%
2018-2019	104,576	2,439,548,928	23,328	32.9	13.2	15,158	3.0%
2019-2020	104,568	2,558,445,480	24,467	32.9	13.2	15,133	7.0%
2020-2021	104,683	2,546,937,390	24,330	33.1	13.2	14,144	6.5%

## Sources:

- (1) World Population Review and U.S. Census Bureau
- (2) U.S. Census Bureau
- (3) Texas Education Agency
- (4) Bureau of Labor Statistics

**CITY OF WICHITA FALLS, TEXAS**

**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**  
**SEPTEMBER 30, 2021**

Employer	2020-2021			2011-2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sheppard Air Force Base	8,987	1	12.57%	12,272	1	17.16%
United Regional Health Care System	2,305	2	3.22%	1,778	4	2.49%
Wichita Falls ISD	1,854	3	2.59%	2,059	2	2.88%
Midwestern State University	1,354	4	1.89%	1,284	6	1.80%
City of Wichita Falls	1,223	5	1.71%	1,477	5	2.07%
Wal-Mart - 3 locations	1,069	6	1.50%	-	N/A	-
North Texas State Hospital	970	7	1.36%	1,974	3	2.76%
James V. Allred Prison Unit	939	8	1.31%	704	10	0.98%
United Supermarkets - 3 locations	823	9	1.15%	971	7	1.36%
Work Services Corporation	791	10	1.11%	730	9	1.02%
Arconic (formerly Howmet Corp. WF)	-	N/A	0.00%	732	8	1.02%
<b>Totals</b>	<b><u>20,315</u></b>		<b><u>28.41%</u></b>	<b><u>23,981</u></b>		<b><u>33.54%</u></b>

## Sources:

2020-2021 data is from Wichita Falls Chamber of Commerce.

2011-2012 data is from Texas Workforce Commission.

**CITY OF WICHITA FALLS, TEXAS****FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS (UNAUDITED)**

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Administrative services	94.6	94.3	94.1	95.1	94.1	86.0	85.7	85.9	86.2	88.4
Police	298.5	299.5	300.0	299.0	299.0	295.8	295.5	295.5	295.5	295.5
Fire	162.0	162.5	162.5	162.5	162.5	162.5	162.5	164.0	164.0	164.0
Parks and recreation	89.7	92.9	92.1	92.6	92.6	89.5	88.8	90.7	90.7	90.9
Accounting/finance	27.0	27.0	27.0	26.4	26.2	26.0	25.7	25.7	25.6	26.3
Community development	40.0	42.0	42.0	41.0	41.0	40.0	40.0	40.0	40.0	41.0
Public works	78.5	78.5	78.5	78.5	78.5	72.5	72.5	72.5	71.5	70.0
Health	72.0	81.9	78.7	77.5	78.7	78.8	76.3	75.4	75.4	70.3
Traffic and transportation	53.6	53.6	56.1	56.1	57.0	52.0	52.0	52.0	50.1	52.0
Multi-Purpose Events Center	22.8	22.8	22.8	22.8	22.8	22.8	4.6	4.0	4.0	3.5
Water and sewer	180.2	182.1	189.1	187.7	188.6	186.1	183.9	183.9	183.9	184.0
Sanitation	82.5	81.5	83.5	83.5	85.5	86.5	86.5	86.5	86.5	86.5
Regional Airport	1.6	1.6	1.6	3.0	1.6	1.6	1.6	1.6	3.1	3.1
Kickapoo Airport	5.6	6.4	3.4	3.4	4.4	4.4	4.4	4.4	4.4	4.4
Transit	22.2	24.7	26.2	26.7	26.7	25.2	25.2	24.2	24.2	24.2
Stormwater Drainage	1.3	1.8	1.8	1.8	1.8	4.8	4.8	4.8	4.8	5.3

Source: City of Wichita Falls Human Resources Department

## CITY OF WICHITA FALLS, TEXAS

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

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-17	2017-2018	2018-2019	2019-2020	2020-2021
General government										
Building permits issued	7,303	9,979	8,542	7,399	7,413	7,874	6,590	5,866	5,323	5,492
Building inspections conducted	11,834	12,823	13,472	12,852	11,302	10,803	10,760	12,250	13,744	11,821
Police										
Physical arrests	6,182	5,978	6,042	5,036	5,214	5,845	4,869	4,963	3,779	2,768
Parking violations	529	65	43	90	110	175	27	113	32	24
Traffic violations	21,660	21,651	22,538	18,792	19,424	23,514	23,979	23,831	15,390	18,749
Fire										
Emergency responses	9,027	8,979	8,708	9,392	9,432	8,442	11,229	12,337	12,037	13,518
Fires extinguished	583	591	452	432	477	449	601	490	576	591
Inspections	3,221	3,198	3,316	2,931	4,133	3,175	3,248	3,295	937	1,853
Refuse collection										
Refuse collected (tons)	116,961	124,250	121,502	76,145	136,646	136,911	131,442	155,767	155,752	164,911
Recyclables collected	18,743	18,884	14,643	1,384	16,134	18,232	23,079	24,311	21,730	23,473
Library										
Volumes in collection	177,229	173,996	174,993	194,715	176,160	820,301	854,142	976,145	1,002,768	1,190,927
Total volumes borrowed	327,336	276,065	293,860	293,364	282,808	294,798	333,381	366,800	234,496	340,991
Water										
New connections	119	134	(344)	74	(2,523)	3,144	160	182	371	224
Water main breaks	1,028	954	944	863	696	519	766	546	618	401
Average daily consumption (thousands of gallons)	20,269	15,564	13,207	12,051	14,974	14,180	15,131	13,895	14,110	13,722
Wastewater										
Average daily sewage treatment (thousands of gallons)	10,551	9,217	6,452	8,440	7,900	9,877	8,974	8,927	10,339	10,339
Transit										
Total route miles	552,238	586,893	572,744	575,004	591,417	586,565	591,538	606,501	550,901	549,512
Passengers	374,277	485,101	460,484	462,853	486,104	493,164	464,838	445,029	244,265	234,872

This information provided by applicable City of Wichita Falls department.

## CITY OF WICHITA FALLS, TEXAS

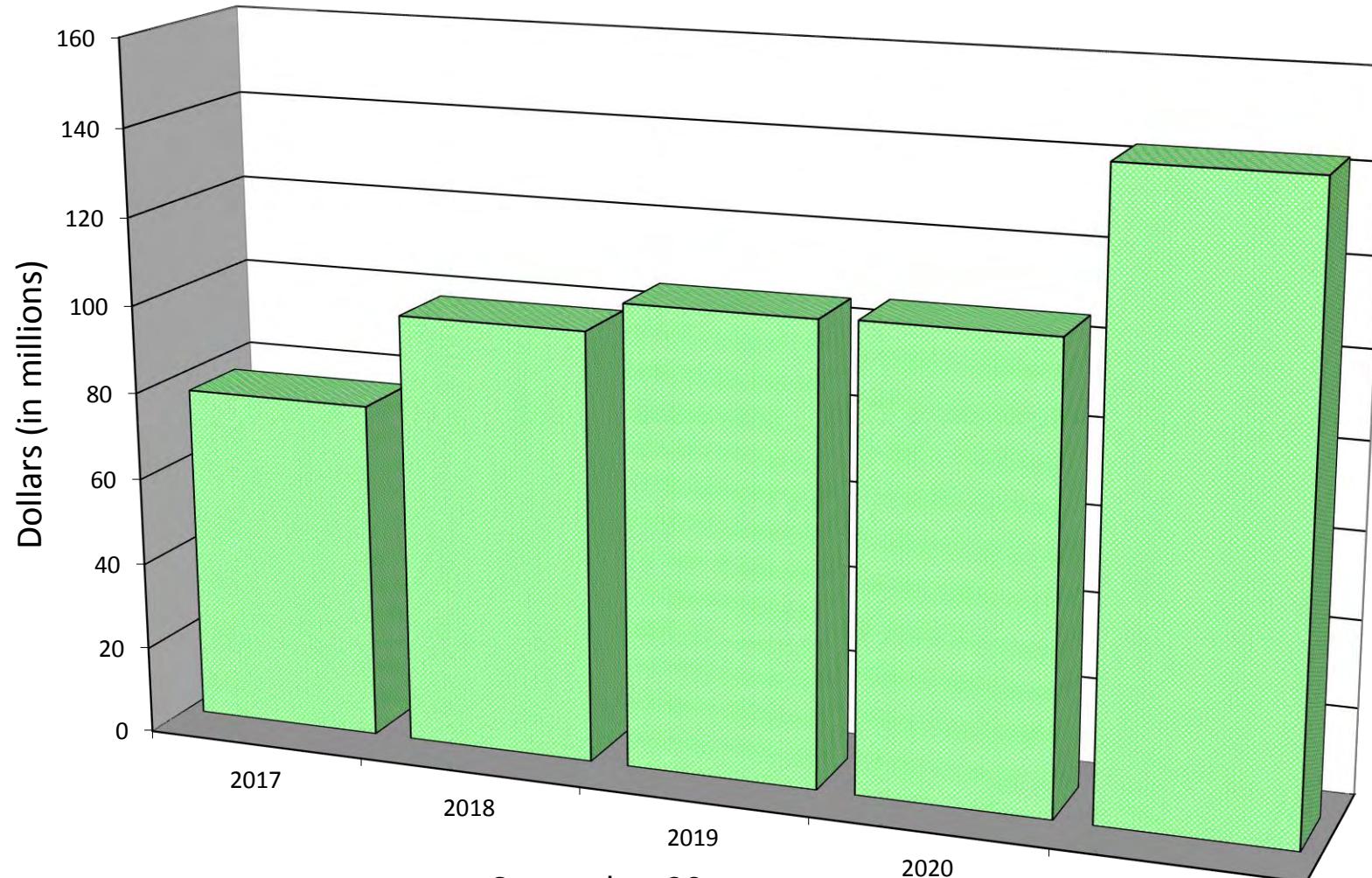
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	114	113	113	113	113	113	113	113	107	117
Fire stations	8	8	8	8	8	8	8	8	8	8
Refuse collection										
Collection trucks	36	36	36	36	36	36	36	36	36	36
Other public works										
Streets (miles)	515	515	515	515	530	531	534	534	534	570
Streetlights	7,931	7,942	7,972	7,996	8,015	8,451	8,465	8,432	8,453	8,463
Traffic signals	104	104	104	104	104	104	102	102	104	104
Parks and recreation										
Acreage	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Playgrounds	39	39	39	39	39	39	39	39	39	39
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	577	578	579	580	806	782	808	808	785	781
Fire hydrants	2,579	2,588	2,588	2,593	2,842	2,822	2,836	2,829	2,883	2,917
Storage capacity (thousands of gallons)	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Wastewater										
Sanitary sewers (miles)	545	546	547	548	599	592	594	594	583	583
Storm sewers (miles)	97	98	98	98	98	98	99	99	100	172
Treatment capacity (thousands of gallons)	24,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410
Transit										
Buses	14	14	14	14	13	13	13	13	18	18

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

## ***GRAPHICS***

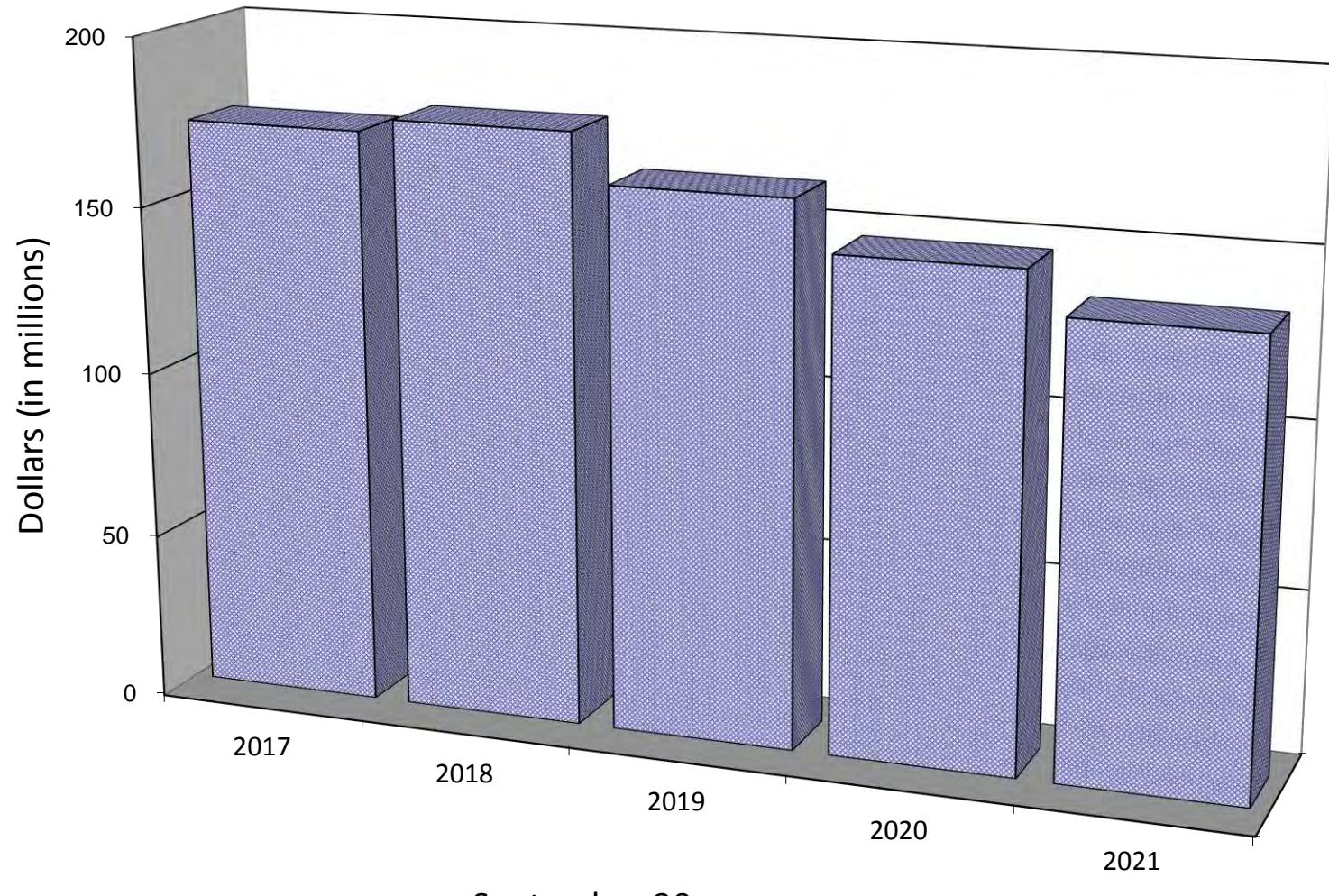
CITY OF WICHITA FALLS, TEXAS  
CASH AND INVESTMENTS



(UNAUDITED)

# CITY OF WICHITA FALLS, TEXAS

## TOTAL BONDS PAYABLE

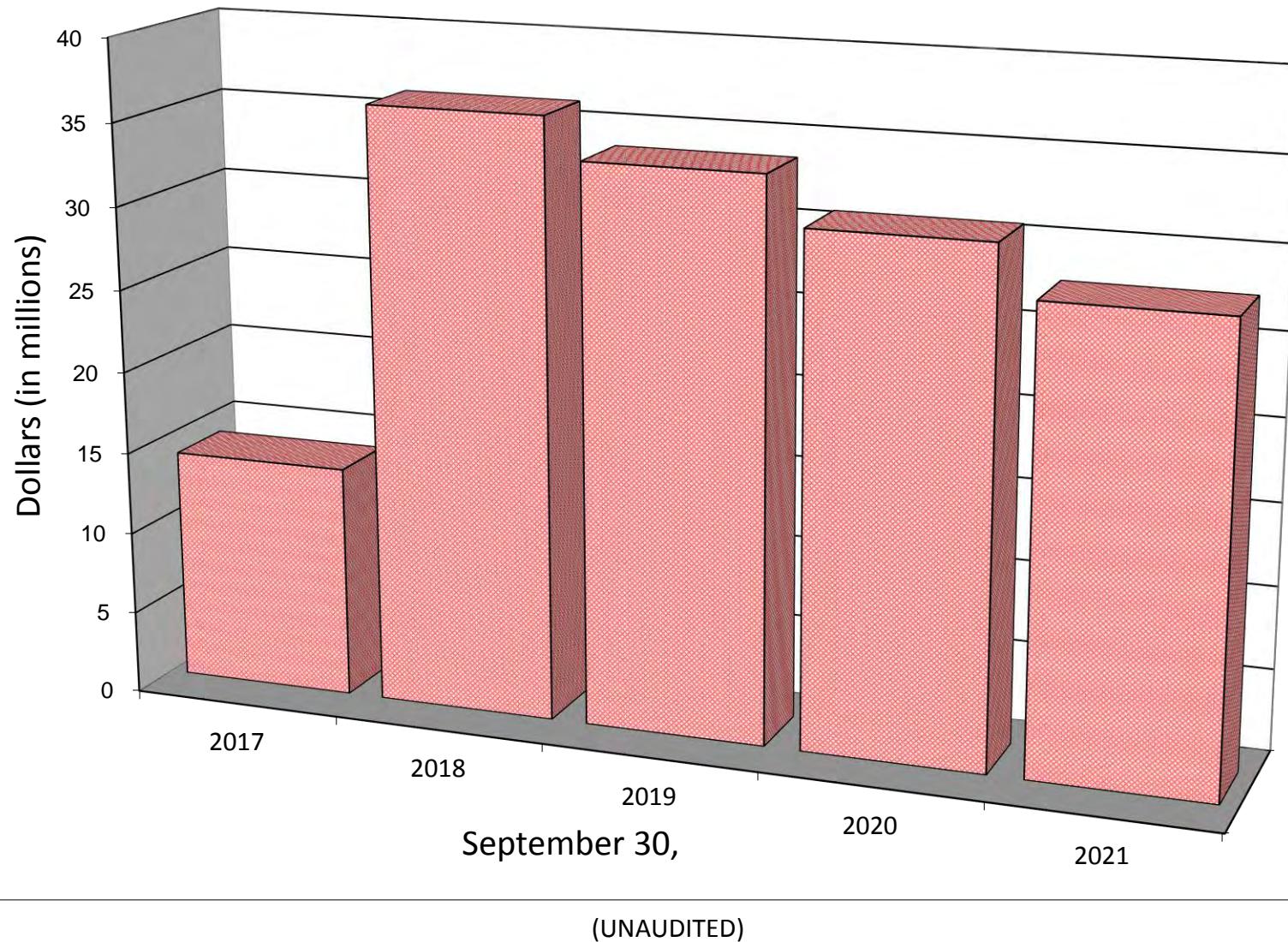


September 30,

(UNAUDITED)

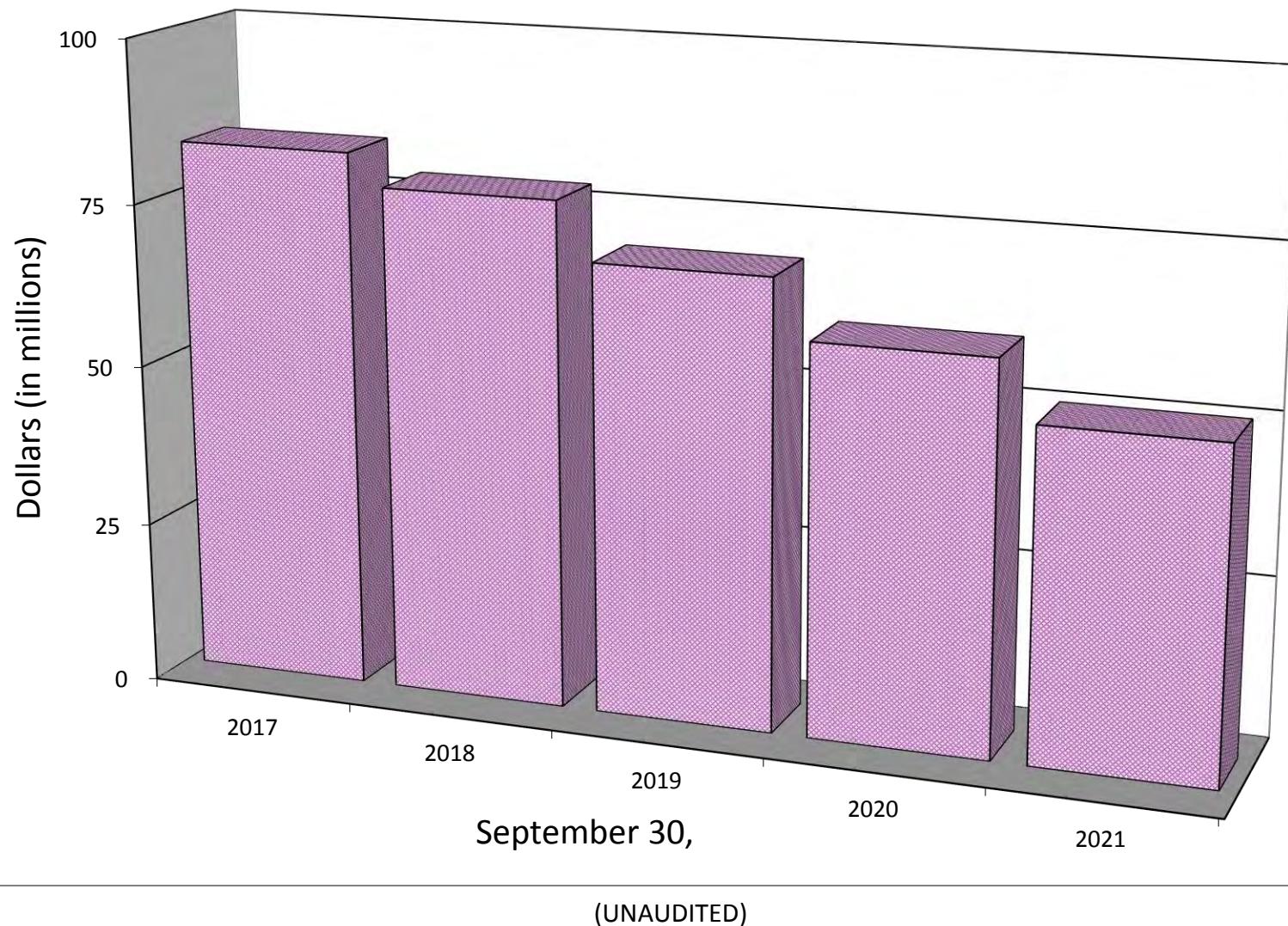
# CITY OF WICHITA FALLS, TEXAS

## GENERAL OBLIGATION BONDS PAYABLE



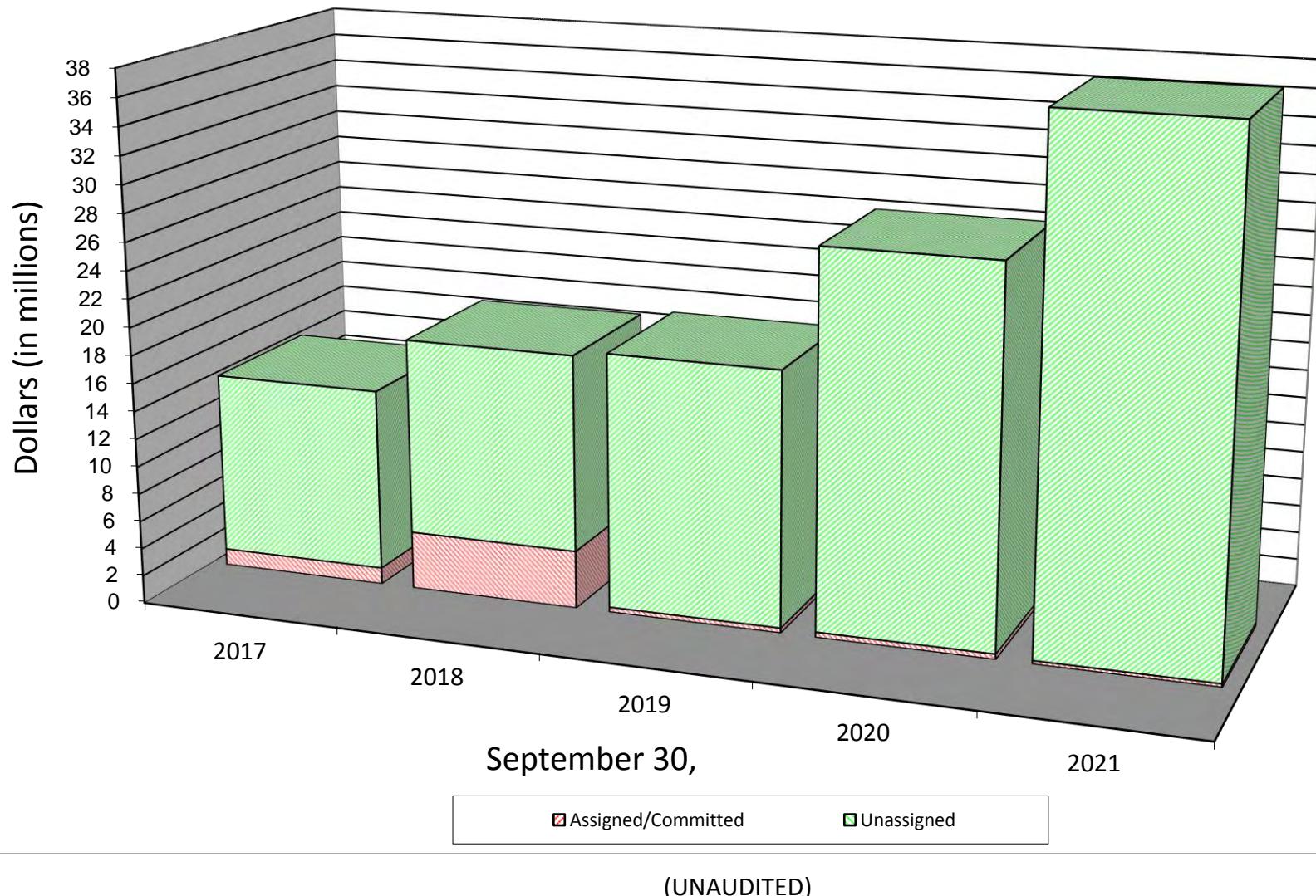
## CITY OF WICHITA FALLS, TEXAS

## REVENUE BONDS PAYABLE



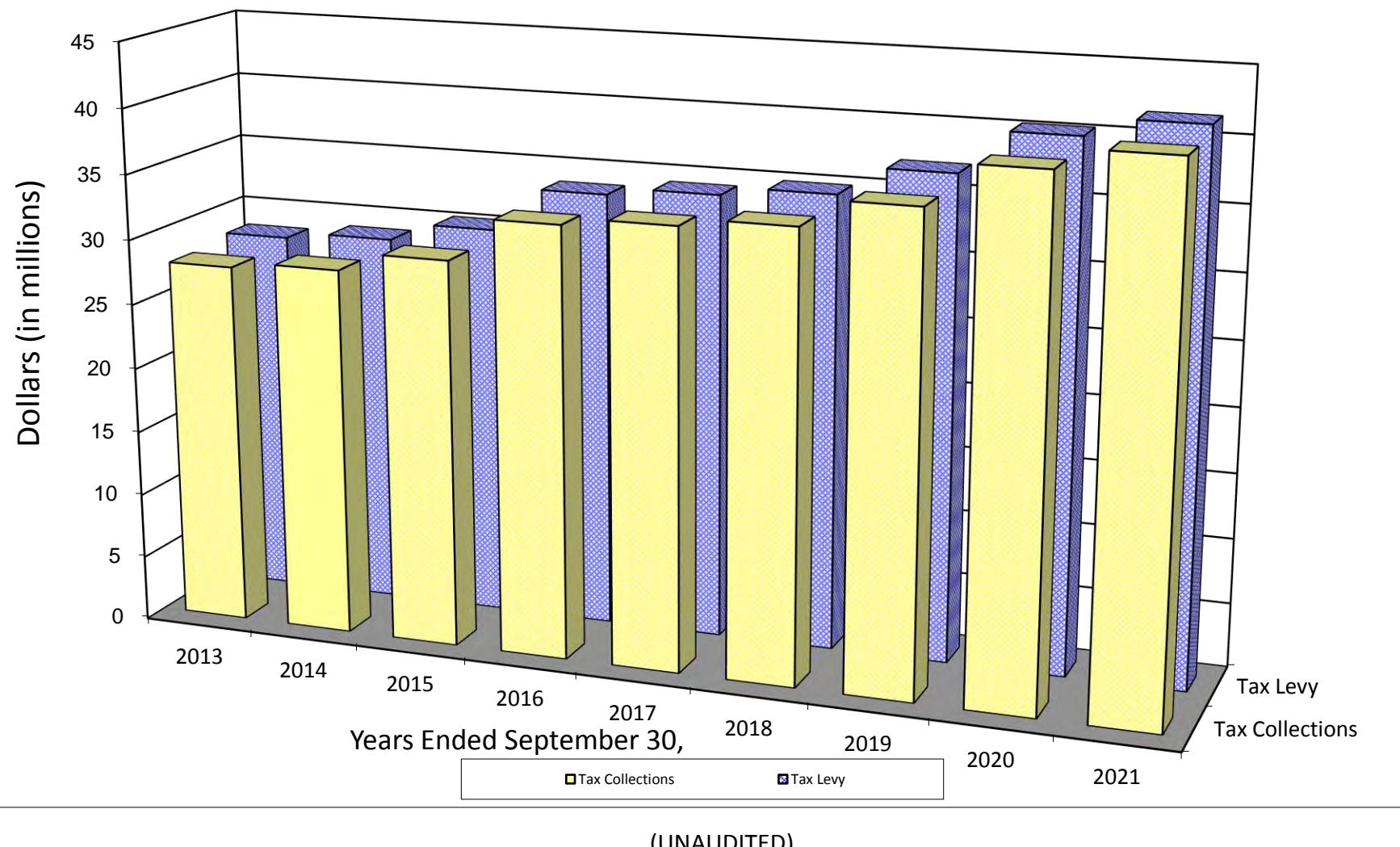
## CITY OF WICHITA FALLS, TEXAS

### GENERAL FUND EQUITY

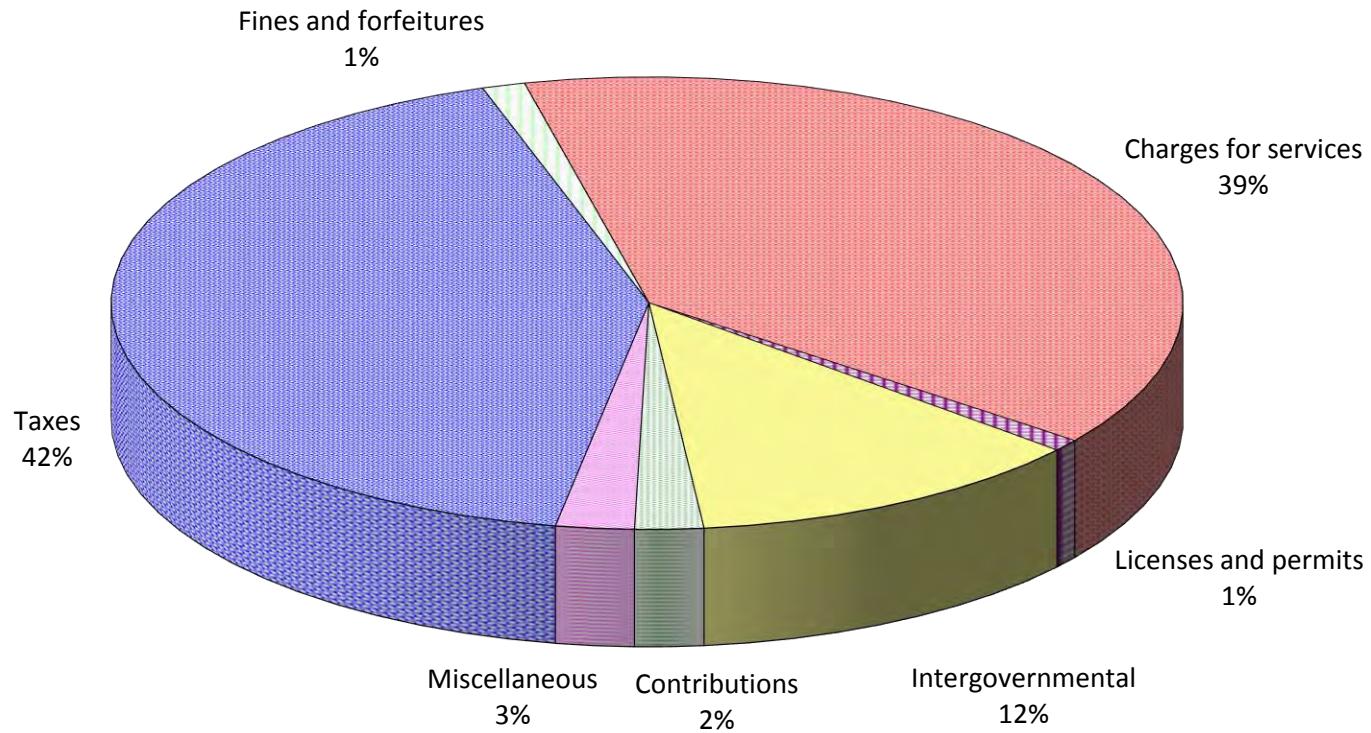


## CITY OF WICHITA FALLS, TEXAS

## COMPARISON OF TAX LEVY AND COLLECTIONS

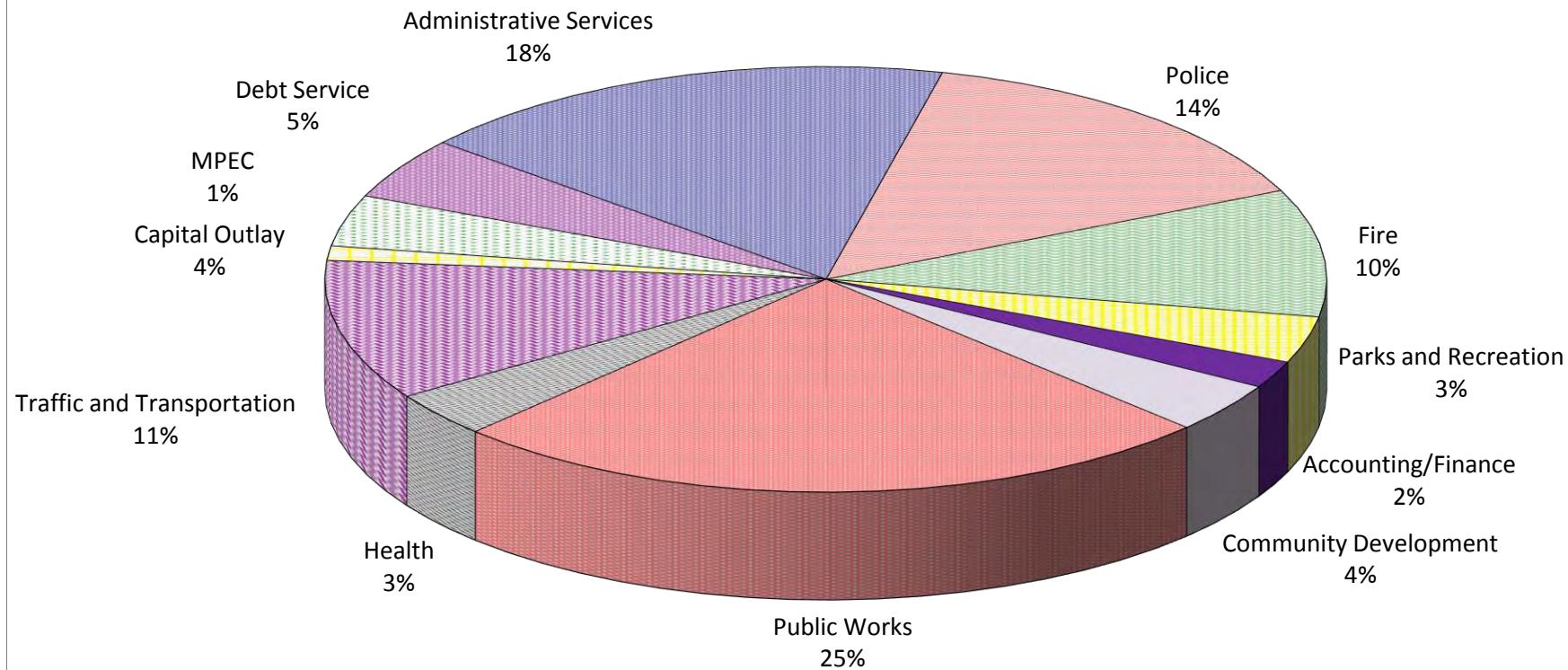


**CITY OF WICHITA FALLS, TEXAS  
REVENUES BY SOURCE - FYE 9/30/21**



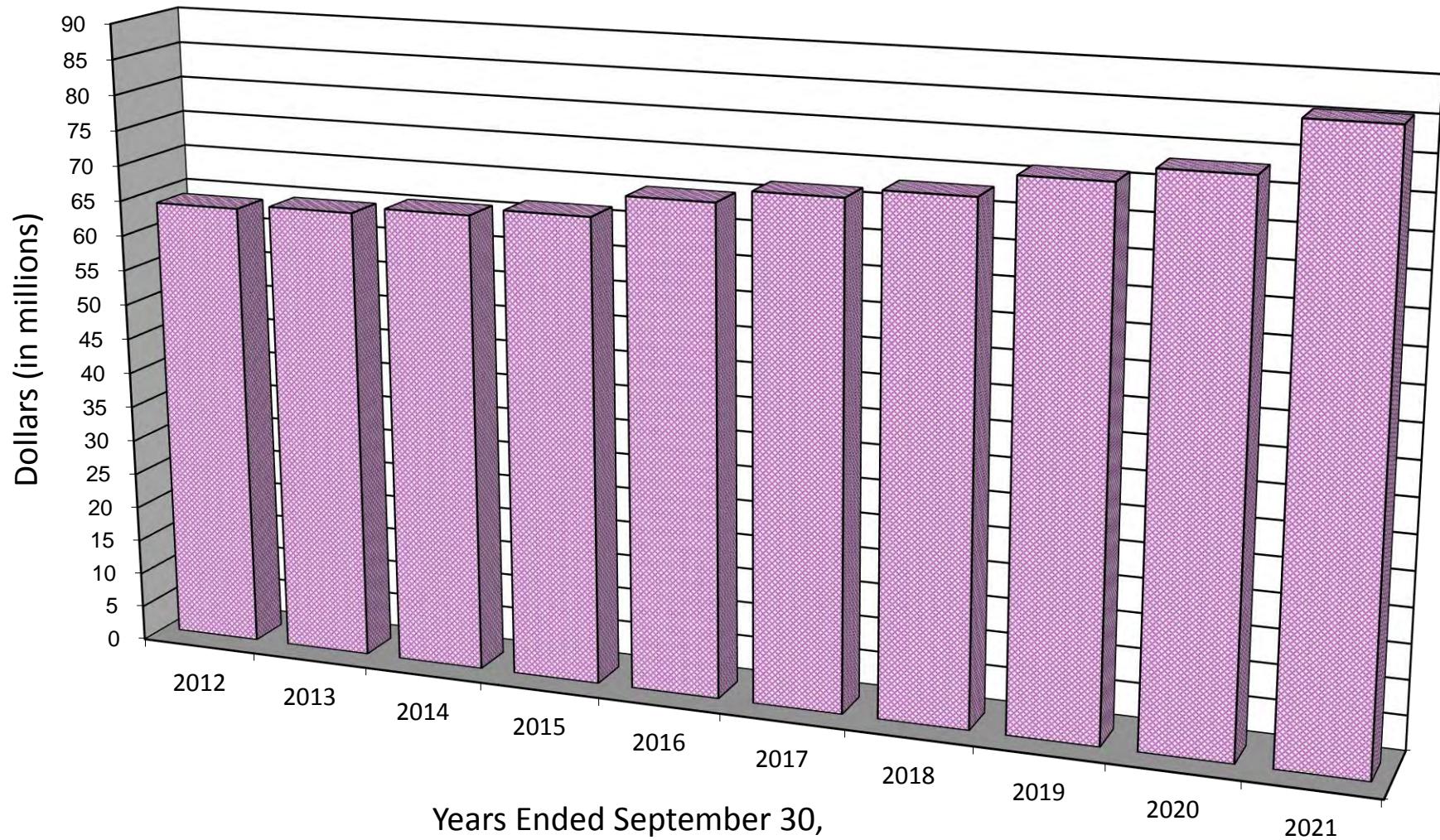
(UNAUDITED)

**CITY OF WICHITA FALLS, TEXAS  
EXPENDITURES BY FUNCTION - FYE 9/30/21**



(UNAUDITED)

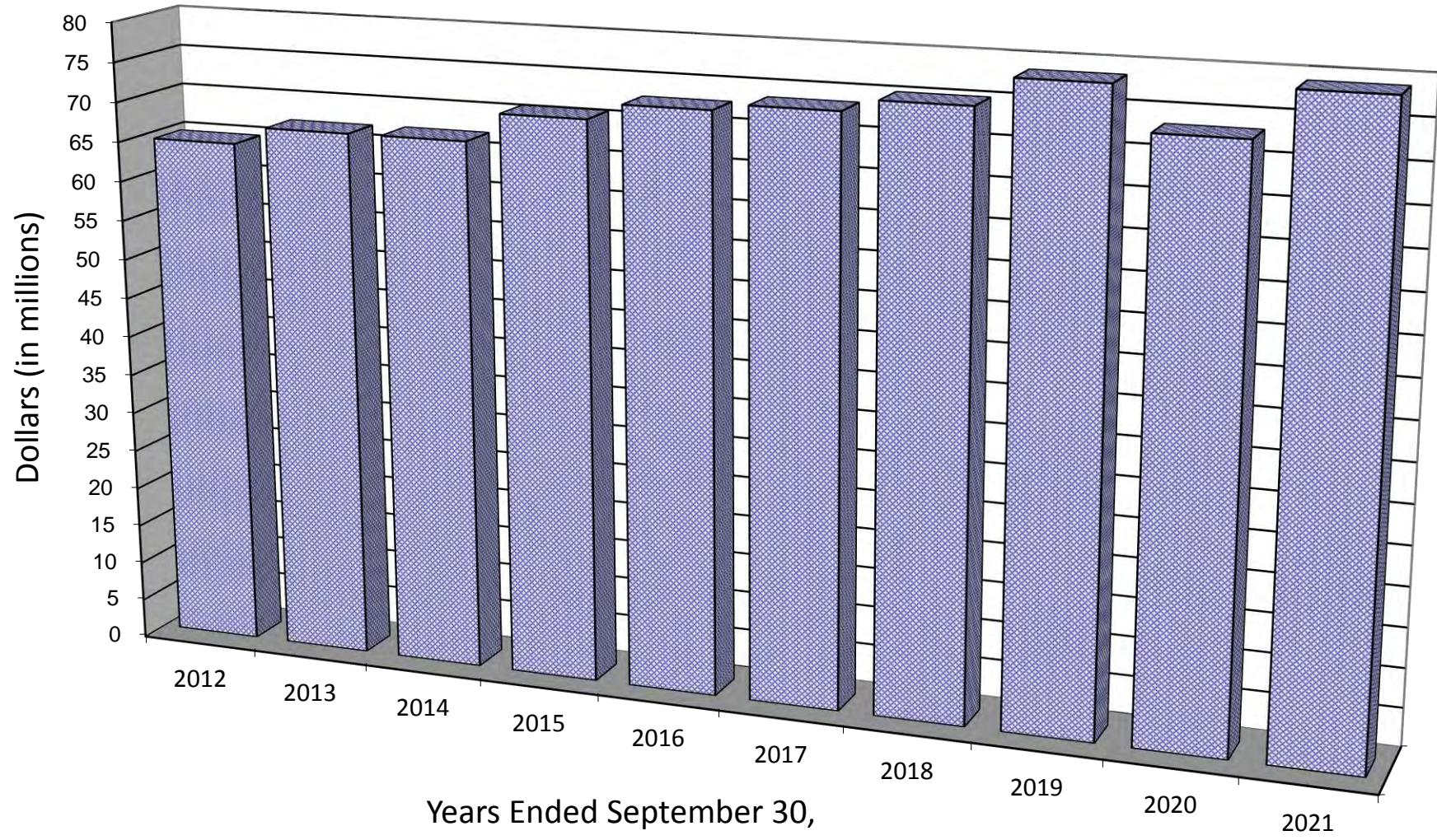
**CITY OF WICHITA FALLS, TEXAS**  
GENERAL GOVERNMENTAL REVENUES (GENERAL FUND ONLY)



(UNAUDITED)

## CITY OF WICHITA FALLS, TEXAS

### GENERAL GOVERNMENTAL EXPENDITURES (GENERAL FUND ONLY)



(UNAUDITED)